

29th August 2024

FY24 Financial Results

Strong results demonstrate substantial cashflow generating capacity as growth strategy accelerates

EBITDA of A\$113m from production of 134,451oz; Production on track to reach 325,000ozpa in five years or less with AISC set to fall sharply; Genesis in enviable position with cash and bullion of A\$173m, no debt

HIGHLIGHTS for Genesis' first 12 months as a Leonora gold producer

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- ▶ Purchase of St Barbara's Leonora assets brought to book 30th June 2023
- ▶ **EBITDA¹ A\$112.9m**
- ▶ **Underlying NPAT² A\$27.8m**; NPAT A\$82.8m (statutory NPAT significantly higher than underlying NPAT mainly due to the recognition of previously unrecognised tax losses, resulting in a one-off tax benefit in FY24)
- ▶ **Gold sales revenue A\$428.3m**
- ▶ **Gold production 134,451oz**, achieving FY24 guidance of 130 - 140,000oz
- ▶ **AISC A\$2,356/oz**, achieving FY24 guidance of A\$2,300 - 2,400/oz
- ▶ **Cash and bullion³ of A\$173.0m** at 30th June 2024 (A\$181.5m at 30th June 2023) **after investing A\$101.2m on growth capital and exploration** during the 12 month period; **No bank debt**
- ▶ **Established 10-year group production outlook⁴ totalling 3Moz** (high confidence level with 91% in Reserves); **Outstanding growth in the 5 years to FY29 with production rising to 325koz pa⁵ and AISC falling to A\$1,600/oz**
- ▶ **Preparations underway to accelerate organic growth strategy:**
 - Aimed at achieving the 325koz pa target and significantly lower AISC before FY29
 - Supported by the strong, conservative balance sheet
 - Will see some costs brought forward, however total forecast capital growth expenditure is unchanged from the Five-year Plan
- ▶ **FY25 guidance to be updated in September** (currently 162 - 188,000oz at AISC of A\$2,250 - 2,450/oz⁴)

Genesis Minerals Limited (ASX: GMD) is pleased to report strong financial and operating results for the year to 30th June 2024, a pivotal period in which the Company emerged as a new ASX gold producer after the purchase of St Barbara's Leonora assets.

EBITDA of A\$112.9 million and Underlying Net Profit After Tax (Underlying NPAT) of A\$27.8 million were within previously flagged ranges of A\$105-115 million and A\$25-30 million respectively⁶.

The NPAT was generated on total revenue of A\$438.6 million (including A\$9.8 million of toll milling revenue). Gold sales were 135,349 ounces, and with no hedging commitments in FY24 the average realised gold price was A\$3,164 per ounce.

With A\$173.0 million cash and bullion at 30th June 2024 and no bank debt, Genesis is fully-funded to invest in new projects and infrastructure to accelerate production growth and hit the 325,000oz pa target ahead of schedule, along with substantial all-in cost reduction to A\$1,600 per ounce.

Footnotes are presented on page 4.

Managing Director Raleigh Finlayson said:

“These strong results demonstrate the size of the prize we stand to reap through our growth strategy.

“We have established a high-quality asset base with the acquisition of the Leonora assets while maintaining a conservative balance sheet with no bank debt and cash and bullion of A\$173m.

“At the same time, our growth outlook is exceptional, both in terms of production and cashflow. We generated strong operating cashflow in the past year, as shown by our EBITDA of A\$113m and underlying NPAT of A\$28m. But with production set to grow to 325,000ozpa within five years or less, and AISC forecast to fall significantly as a result, the impact on our cashflow will be substantial.

“This combination of rising production, falling costs and rising cashflow is underpinned by a 10-year mine plan of which more than 90 per cent of the ounces are already in reserves. Importantly, we also have growing operational flexibility and diversification which, along with no bank debt, further de-risks our exceptional growth outlook”.

Overview

Genesis Minerals Limited (ASX: GMD) key financial and operating results for its first 12 month of ownership of the Leonora gold assets are presented in Table 1 below.

Table 1. Key results for the financial year ended 30th June 2024

	FY24	FY23	% Variance
Key financials (A\$m)			
Total revenue	438.6	77.0	470%
EBITDA ¹	112.9	(94.4)	220%
Profit before income tax	38.3	(117.2)	133%
NPAT	82.8	(117.2)	171%
Underlying NPAT ²	27.8	(115.7)	124%
Operating cash flow	136.2	(37.6)	462%
Cash and bullion at end ³	173	181.5	-5%
Production			
Gold produced (koz)	134	22	501%
AISC (A\$/oz)	2356	N/A	
Average realised gold price (A\$/oz)	3164	2588	22%

Underlying NPAT

Calculation of underlying NPAT is presented below.

Table 2. Reconciliation of underlying NPAT to statutory NPAT

	FY24
Reconciliation	
Underlying NPAT	27.8
Adjust for:	
- Loss on disposal of assets	(1.7)
- Asset write downs	(1.7)
- Stamp duty adjustment	1.9
- One-off tax benefit	44.6
- Tax effect on adjustments	11.9
Statutory NPAT	82.8

Statutory profit after tax is significantly higher than the underlying profit after tax due mainly to the recognition of previously unrecognised tax losses, resulting in a one-off tax benefit recognised in FY24.

Treatment of exploration expenditure

Genesis takes a conservative view towards the treatment of exploration expenditure, currently electing to expense 100% of exploration costs incurred.

Treatment of costs associated with third party ore

During FY24, the following third-party ore was processed at Leonora:

- 54,427t under one legacy short-term Ore Purchase Agreement (OPA)
- 112,742t under two legacy short-term Toll Treatment Agreements (TTA)

The costs associated with the purchase of third-party ore was A\$15.6 million which is included in the Mine Operating Costs in the statutory accounts.

Third-party ounces of 4,594oz from the OPA were included in recovered gold but excluded from A\$/oz calculations.

All legacy third-party processing obligations were completed in FY24.

FY25 AISC

From FY25, Genesis will calculate AISC/oz using gold sales as the denominator (FY24 gold recovered).

Growth capital and exploration

Growth related project development and exploration expenditure totalled A\$101 million.

Table 3. Growth capital and exploration invested for the 12 months ended 30th June 2024

	A\$m
Mine development - Admiral	28.2
Mine development - Ulysses	9.8
Surface infrastructure	9.6
Underground infrastructure	7.8
Hub open pit start-up	5.7
Leonora Lodge	8.0
Laverton mill	1.8
Tower Hill planning	2.6
Other miscellaneous	13.0
Exploration	14.7
TOTAL	101.2

Corporate debt facility

As previously flagged, Genesis is well advanced in establishing a prudent corporate debt facility with several premium banking partners to provide balance sheet flexibility.

Hedging update

Late in FY24, Genesis entered into the following hedge arrangements:

- Forward sales: 4,500 oz per quarter from October 2024 to September 2025 at an average of A\$3,666/oz
- Zero cost collars: 4,500 oz per quarter from October 2025 to September 2026 with a put strike price of A\$3,500/oz and a call strike price of A\$4,235/oz

The total hedging of 36,000 ounces represents ~9% of FY25 / 26 production in the Five-year Plan and ~1% of Reserves. **No hedges were delivered into during FY24.**

Appointment of Company Secretary

Joanne Steer has been appointed Company Secretary effective 29th August 2024 and will be the person responsible for communication with ASX in relation to listing rule matters for the purposes of ASX Listing Rule 12.6.

Jo has been Head of Legal for Genesis since February 2024 and has over 15 years' experience providing advice on corporate and commercial matters to clients in the mining industry. Jo has a Bachelor of Laws (First Class Honours) from the University of Western Australia and is a Graduate of the Australian Institute of Company Directors.

Jo replaces Geoff James as Company Secretary. Geoff has been with Genesis since 2015 and the Board and management thank Geoff for his significant contribution to the evolution of Genesis from junior explorer into a growing gold producer.

Corporate Structure

Ordinary shares on issue:	1,122m
Unquoted securities:	48m
Market capitalisation:	A\$2.5b (share price A\$2.19)
Cash and bullion (30 th June):	A\$173m
Substantial shareholders:	AustralianSuper Pty Ltd 17.6%
	State Street Corporation 7.9%
	Van Eck Associates Corporation 7.8%
	Paradice Investment Management 6.3%
	Vanguard Group 5.0%

This announcement is approved for release by Raleigh Finlayson, Managing Director of Genesis.

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Footnotes

1. EBITDA is a measure of earnings before interest, taxes, depreciation and amortisation. EBITDA is non-IFRS financial information and is not subject to audit. This measure is included to assist investors to better understand the performance of the business;
2. Underlying net profit after tax (underlying NPAT) is a non-IFRS measure and a reconciliation between statutory NPAT and underlying NPAT has been included in Table 2 above.
3. Cash and bullion is before payment of approximately A\$41m transaction costs in relation to the acquisition of St Barbara's Leonora assets, the acquisition of 100% of Dacian, and the acquisition of the Bruno-Lewis and Kyte projects (payment anticipated in 2024);
4. ASX announcement 21st March 2024 "Five-year Strategic Plan";
5. Refer to the PRODUCTION OUTLOOK (pages 11-18) in the ASX announcement 21st March 2024 "Growth strategy underpinned by robust Reserves" for the material assumptions relating to the production target; Genesis confirms that all the material assumptions underpinning the production target in that announcement continue to apply and have not materially changed. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised;
6. Refer to FY24 highlights in ASX announcement 5th August 2024 "Corporate Presentation - Accelerate, Diggers and Dealers".

Forward Looking Statements

Some statements in this announcement regarding estimates or future events are forward-looking statements. They include indications of, and guidance on, future matters. Forward-looking statements include, but are not limited to, statements preceded by words such as "planned", "expected", "projected", "estimated", "may", "scheduled", "intends", "anticipates", "believes", "potential", "could", "nominal", "conceptual" and similar expressions. Forward-looking statements, opinions and estimates included in this Announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward-looking statements may be affected by a range of variables and risks that could cause actual results to differ from estimated results and may cause Genesis' actual performance and financial results in future periods to materially differ from any projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include but are not limited to liabilities inherent in mine development and production, geological, mining and processing technical problems, the inability to obtain any additional mine licenses, permits and other regulatory approvals required in connection with mining and third party processing operations, competition for among other things, capital, acquisition of reserves, undeveloped lands and skilled personnel, incorrect assessments of the value of acquisitions, changes in commodity prices and exchange rate, currency and interest fluctuations, various events which could disrupt operations and/or the transportation of mineral products, including labour stoppages and severe weather conditions, the demand for and availability of transportation services, the ability to secure adequate financing and management's ability to anticipate and manage the foregoing factors and risks. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking information. There can be no assurance that forward-looking statements will prove to be correct.

Competent Person Statements

The information in this announcement that relates to:

- ▶ Mineral Resource and Ore Reserve estimates for Genesis are extracted from Genesis' ASX announcement 21st March 2024 "Growth strategy underpinned by robust Reserves" available at www.genesisminerals.com.au and www.asx.com.
- ▶ Exploration Results is based on information compiled by Mr. Andrew de Joux who is a full-time employee of Genesis Minerals Limited, a shareholder of Genesis Minerals Limited and is a member of The Australian Institute of Geoscientists. Mr de Joux has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr de Joux consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

In each case above, Genesis confirms that it is not aware of any new information or data that materially affects the information included in the market announcements and Genesis confirms that all material assumptions and technical parameters underpinning the Mineral Resource and Ore Reserve estimates in the market announcements continue to apply and have not materially changed. Genesis confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified.

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