PARTIAL RELINQUISHMENT REPORT

FOR THE REPORTING PERIOD ENDING
5 May 2014

EL24839

FENN GAP

Amadeus Basin/ Warumpi Province Mineral Field

ALICE SPRINGS  SF5314  1:250 000
Alice Springs  5650  1:100 000

COMMODITIES: Iron Ore, Manganese

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Date: July 2014
Genesis report number: 89

DISTRIBUTION

1. Northern Territory Government, Department Mines and Energy
2. Genesis Resources Limited
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Information in this report that relates to exploration activity and results was compiled under the guidance of Jon Poulsen who is a Member of the Australasian Institute of Geoscientists. Mr Poulsen has sufficient experience relevant to the styles of mineralization and to the activities which are being reported to qualify as a Competent Person as defined by the JORC code, 2004. Mr Poulsen consents to the release of the information compiled in this report in the form and context in which it appears.
1. SUMMARY

This partial relinquishment report presents the relinquishment of 13 sub–blocks (currently 27 sub-blocks are held covering 52.43km²) after the sixth year of the lease. The Exploration Licence for the Fenn Gap Project (EL 24839) was taken for the purpose of iron ore and manganese exploration. The known iron and manganese mineralisation occurs in the eastern part of the licence area and rock-chip sampling outlined a strata-bound dolomite-hosted iron - manganese-rich zone over several kilometres in length. Historical rock-chip sampling returned manganese grades up to 50.9% Mn (average 39% Mn).

2. INTRODUCTION

The Fenn Gap project is located approximately 25 kilometres south west of Alice Springs in the Northern Territory. The project is 25 kilometres from major infrastructure such as the Stuart Highway and Darwin to Adelaide Railway. The exploration licence (EL24839) tenement details are summarised in Table 1 and the location is shown in Figure 1.

Table 1: Fenn Gap Project - Tenement Summary

<table>
<thead>
<tr>
<th>Project</th>
<th>Tenement No</th>
<th>Status</th>
<th>Blocks</th>
<th>Area</th>
<th>Current Holder</th>
<th>Granted</th>
<th>Renewal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fenn Gap</td>
<td>EL24839</td>
<td>Granted</td>
<td>27</td>
<td>52.43km²</td>
<td>Genesis Resources</td>
<td>06/05/2008</td>
<td>05/05/2014</td>
</tr>
</tbody>
</table>

Figure 1: Fenn Gap EL24839 Location
3. Exploration activity summary

A field visit was completed in December, 2008 and 37 rock chip samples were collected in the significant zones of alteration. Moderate to high grade iron assay results were obtained throughout the 9.9 kilometres strike length with moderate to high grade manganese was outlined in the Table Prospect area (Kastellorizios, 2009).

During March 2009, Genesis completed a ground gravity survey over 7 kilometres around the main outcropping mineralisation that represented large ore zones required for iron ore mining. The gravity survey was completed by Daishat Surveyors and consisted of 200m spaced lines orientated north-south with data collected every 50m along line, totalling 622 stations (Appendix 1 in Kastellorizios, 2009).

The survey was successful in defining broad scale gravity anomalies which could be correlated in most instances to mapped outcrop and goethite/manganese mineralisation. The residual filtering and modelling highlighted local areas of gravity anomalism which indicated areas of higher density.

Genesis completed a 13 hole RC drill program over the granted Exploration Licence between 14th and 29th June 2010, testing the outcropping iron-manganese and gravity models. The drill holes intersected predominantly limestone and dolomite with several holes containing iron mineralization consisting of hematite, goethite and limonite associated with chert (up to 63 m of hematite/limonite and goethite in FGRC06; smaller intersections in FGRC1, 2, 3, 4, 7, 8 and 10). However, no manganese minerals were discovered (Kastellorizios, 2011).

All thirteen drilled holes were rehabilitated using a Bobcat Loader and tipper truck in December 2010. An environmental rehabilitation report was prepared and forwarded to the Department of Mines on February 2011.

John Howard (Exploration Manager) visited the area and inspected the drill-hole sites on 24th of March 2011, followed by Baheta Enday (Senior Geologist) on 15th and 16th of November 2011. The inspection results are summarised as follows:

- All tracks and drilling pads are stable.
- All new tracks and drill pads are covered by natural regeneration.
- No drill-holes failed after being tapped.
- All waste has been removed.
- No flora and fauna were damaged - no vulnerable or endangered species were identified.
- No evidence of weeds was found on the site.
- No further work was required on return to the site.

During May 2014 James Patterson (Exploration Manager) and Jon Poulsen (Consultant Geologist) made a brief 2 day field visit to the Fenn Gap tenement in order to inspect several prospect areas. Existing data is currently being reviewed to define field work programs for the 2014 – 2015 Reporting year.
4. Relinquished Area

The area of relinquishment consists of 13 sub-blocks (25.28km sq) as listed below and also shown in Figure 2 on the following page. This represents a reduction in retained tenement size from the current 52.43km² to 26.93km².

One Minute Graticular Blocks to be relinquished:

1. SF533261A
2. SF533261B
3. SF533261C
4. SF533261D
5. SF533259T
6. SF533259U
7. SF533260Q
8. SF533260R
9. SF533260S
10. SF533260T
11. SF533260U
12. SF533261Q
13. SF533261R

5. Conclusion

Genesis Resources Ltd is relinquishing 13 sub-blocks as presented in this report. No work was carried out on the areas relinquished. The relinquished areas (Figure 2) were assessed as not having the characteristics necessary to focus any on-going exploration activity.

The retained area covers the main zone of significant iron and manganese mineralisation at Fenn Gap that extends over approximately 4.8km of strike length. Mineralisation has been identified as goethite alteration with secondary manganese that occurs in northeast striking beds of altered carbonates and chert breccia in the Bitter Springs Formation.
Five main zones of iron – manganese alteration have been outlined within the ‘main zone’ trend. From west to east, the significant alteration zones in the main zone are ‘Knob Hill’, ‘Black Ridge’, ‘Table’, ‘Blob’ and ‘Round Hill’. Several of these prospects were drill tested with 13 reverse circulation holes during 2010. These holes intersected some zones of moderate grade Fe, including 10m @ 26.2% Fe from 9m in Hole FGRC002 and 2m @ 30.7% from 77m in hole FGRC004. No significant Mn results were returned. It is not clear however if these holes have adequately tested the gravity anomalies. It appears that several holes may not have reached sufficient depth to test across the gravity anomalies. Geophysical and drilling data is currently being reviewed to determine if more drilling is required. Figure 3 shows the retained area with gravity survey and drill collars.

Field mapping and rock chip sampling of the area of strong gravity anomalism along the northern edge of the survey area is planned to determine if the strong gravity response in this area is due to the dense Heavitree quartzite or additional zones of Fe – Mn mineralisation.

6. References


Figure 2
Fenn Gap EL24839
Partial Relinquishment
23 June 2014

Genesis Resources Pty Ltd

Projection: Longitude / Latitude (Australia GDA94)

Fenn Gap EL24839

Partial Relinquishment
23 June 2014

00.75 kilometres

Author: JPO
Office: Drawing:
Date: 27/6/2014
Scale: 1:75000

One Minute Graticular Block

EL24839 Area to be Retained (14 Blocks - 26.93km sq)

EL24839 Area to be Relinquished (13 Blocks - 25.28km sq)

One Minute Graticular Block
Figure 3
Fennel Gap EL24839
Retained Area
Gravity Survey & Drill Collars

EL24839 Area to be Retained
EL24839 Area to be Relinquished
One Minute Graticular Blocks
2010 RC Drill Collars