



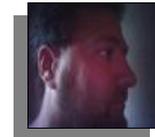
# The Stateside Report



*“A Unique Report Service for the Intelligent Resource Investor”*



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## Genesis Metals Corp.

July 3, 2017

### Smart Money Piling Into a Smart Management Team



- GIS in Canada, GGISF in the US
- 73 million shares outstanding
- Share price - \$.18 CAD
- Market cap: \$13 million
- Cash in the treasury over \$4.0 million
- No debt
- Experienced team that founded Underworld Resources
- Eric Sprott and Osisko Mining new, large equity holders

## Summary

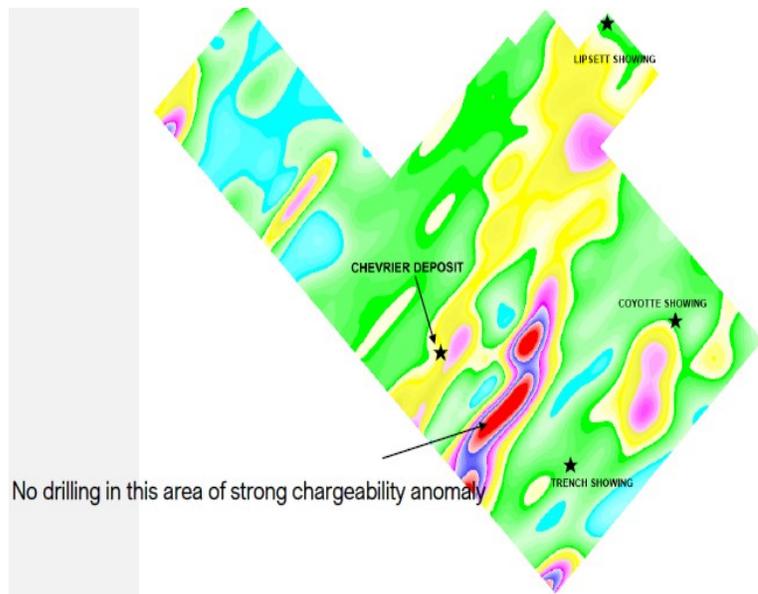
The team at Genesis Metals has been busy behind the scenes over the past 3-4 months in preparation for this Summer's Chevrier drill program in Quebec which is just about to kick-off. Several exciting new exploration targets have been identified that will be drill tested in July along with resource definition drilling at the company's Main Zone (300,000 ounces of gold at 2 g/t). I previously highlighted the strong management team at Genesis in my initial report ( <http://comanusrising.com/wp-content/uploads/2017/02/Genesis-Metals-An-Experienced-Team-Delivering-Another-Winner-for-Investors.pdf> ) which is the primary reason I chose to participate in the Genesis private placement back in February and have them sponsor my weekly Stateside Report podcast. To support the company's upcoming 2017 drill program both Eric Sprott and Osisko Mining took notice of the strong management team and the potential of the Chevrier project in Quebec and bought large stakes in the recent \$4 million private placement (Sprott 7.2% and Osisko 6.4%) that closed in June. It should be an exciting 2<sup>nd</sup> half of 2017 and investors would be wise take advantage of the softness in the Canadian junior exploration sector to position themselves now in anticipation of a constant flow of news in the coming months. Smart money piling into a smart management team. A winning combination!

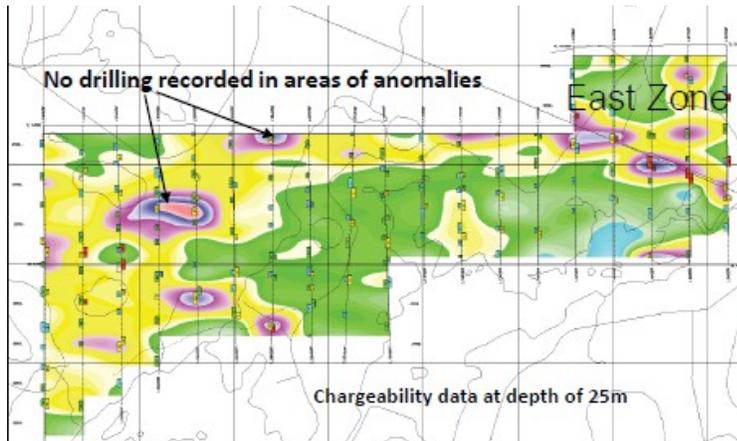


## Chevrier Project - New Exploration Targets

About 2/3rd's of the Genesis 10,000 meter two-phase drill program in 2017 will focus on exploration drilling where approximately 10 new exploration targets have been identified for drill testing by the experienced Genesis management team.

One key area is a target southeast of the 300,000 ounce Chevier Main Zone where a strong chargeability anomaly has been identified where no prior drilling has occurred.

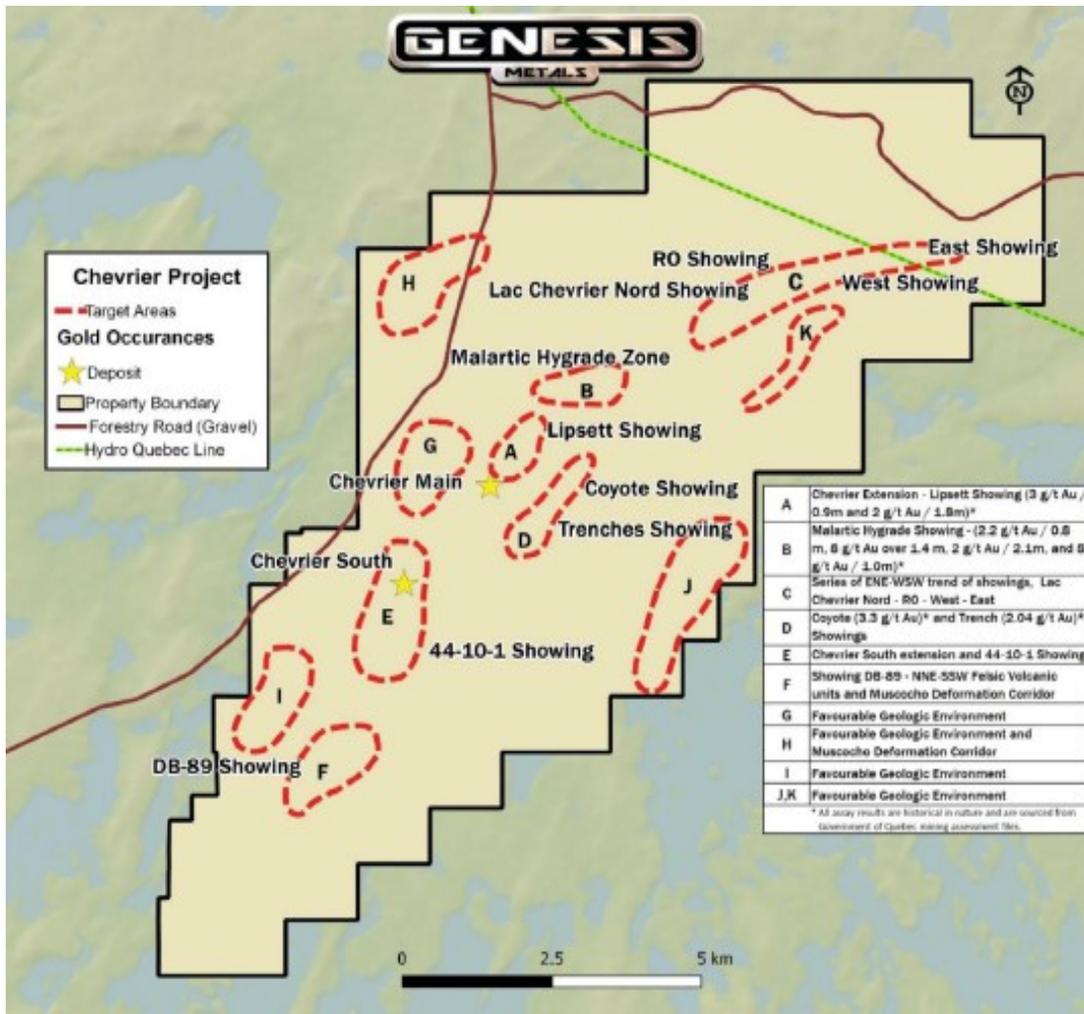




Another key target area is in the north-east corner of the Chevrier project (the “East Zone”) where management believes there is a good possibility for a discovery. Again, there has been no prior drilling in the areas of the identified anomalies.

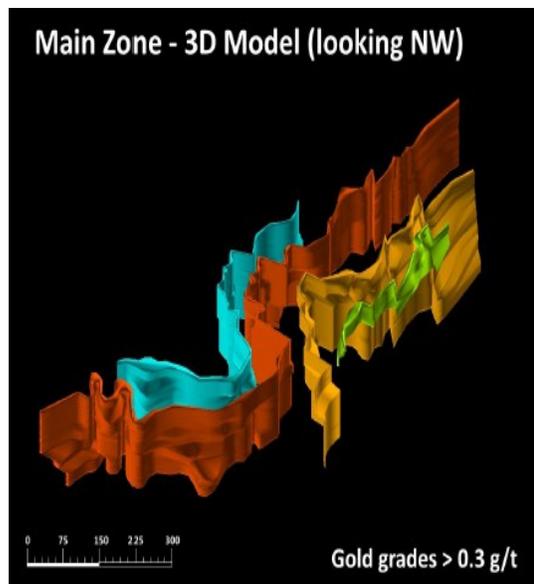
Most of the exploration drill holes will be in the range of 200-250 meters below the surface.

Below is a map of all of the currently identified exploration targets that Genesis management has identified:



## Resource Definition Drilling

In addition to the exploration drilling to discover new areas of gold mineralization, approximately 1/3 of the two-phase, 10,000 meter drill program will focus on expanding the 300,000 gold ounce Main Zone (~ 2 g/t). Note – this does not include 40 holes from Inmet drilled in the 1990's. Recent re-analysis of all drill holes in the Main Zone has determined that the mineralization is more consistent and holds together better than first thought as illustrated in the diagram at the right. The Main Zone is open to the north and at depth.



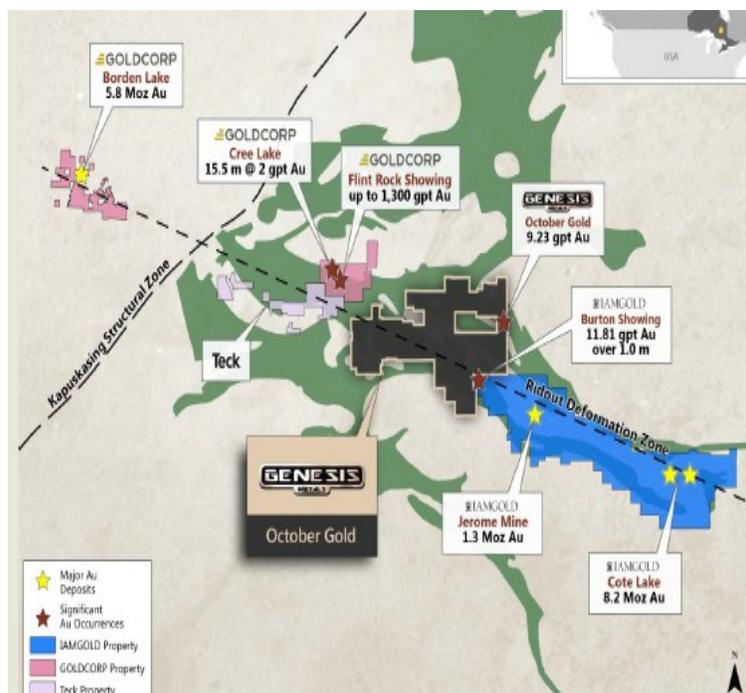
Recent trenching in areas surrounding the Main Zone has been successful in identifying additional areas of gold mineralization with grades of 2 g/t – 7 g/t gold, significantly higher than the current 2 g/t resource grade. Management is excited to be drilling these new exposures.

## Other Activities

The 2017 drilling will focus on new exploration targets and resource definition drilling in the Main Zone. In early 2018, drilling will shift to the South Zone where previous drilling uncovered mineralization over significant widths including 196 meters of .55 g/t gold. The current 43-101 estimates a potential for another 500,000-600,000 gold ounces at the South Zone (1.8-2.2 g/t) with only an additional 20 drill holes. This work, combined with the 300,000 ounces in the Main Zone, has the potential to produce nearly 1 million ounces of gold on the property. An updated 43-101 resource is targeted for completion in the second quarter of 2018.

## October Gold Property

Although not targeted for any exploration dollars this year, the company's October Gold property is well situated between Goldcorp's 5.8 million oz Borden Lake project and Iamgold's 8.2 million ounce Cote project. Iamgold (70%) recently announced a joint venture with Sumitomo (30%) to co-develop the Cote project.



## Financings

After completing a small \$660,000 financing in February of this year, Genesis management garnered the support of Eric Sprott and Osisko Mining to take part in a much larger financing totaling just over \$4 million that closed in early June. In addition to Sprott (7.2% issued, 10.4% partially diluted) and Osisko Mining (6.4% issued, 9.6% partially diluted), the Delbrook Resource Opportunities Fund added to their existing holdings in Genesis and now hold 10.8% of the issued shares and 13.1% on a partially diluted basis. Also, SIBEX and SDBJ, two government funds that support the funding of exploration in Quebec, took down over \$400,000 which is a strong vote of confidence for the team and project. The company is now fully financed with strong long-term oriented support to carry out their 2017-2018 exploration plans .

## Share Price

The Genesis share price has come off its lows of May of this year but remains 35% below the share price levels of August 2016. Any exploration success this Summer would obviously have a positive impact on the share price going forward.



Vince Marciano

July 3, 2017

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