

# Finlayson to become MD, major shareholder in Genesis

FORMER Saracen Mineral Holdings boss Raleigh Finlayson will cornerstone a A\$20.8 million funding package for Genesis Minerals and eventually take over as the company's new managing director.



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Genesis will raise \$16 million in a placement, of which Finlayson will contribute \$7 million and ASX 100 gold producer Northern Star Resources will contribute \$3 million.

A one-for-30 entitlement offer will raise a further \$4.8 million.

New shares will be issued at 6c each, a 17.8% discount to yesterday's closing price, with every two shares to come with a free unlisted option, exercisable at 10c within two years.

Genesis' existing 19.8% shareholder Alkane Resources has agreed to terminate a 2019 agreement to provide the company with financial and technical support, though Alkane will subscribe for any shortfall under the entitlement offer.

The board of Genesis will also be restructured with Finlayson to take over as MD in March 2022, following the completion of an Advanced Management Program at Harvard.

He will act as a part-time consultant to Genesis until then and will be issued 245 million unlisted options.

Current Genesis MD Michael Fowler will remain in his role until Finlayson takes over, and will then retire from the board.

Finlayson was at Saracen for 14 years until its merger with Northern Star Resources in February, when he became MD of Northern Star.

He reverted to an executive director role in July and stepped down from the board today ahead of his US studies, with plans to re-join Northern Star as a non-executive director in early April 2022.

Joining Finlayson on the restructured Genesis board is decorated former Fortescue Metals Group CEO Nev Power and corporate lawyer Michael Bowen, who will subscribe for \$1 million and \$600,000 of the placement shares, respectively.

Finlayson previously described Power as someone he really admired.

"That's why I started following him - just watching how he was going about it and since he's not been at FMG, we've sort of struck up sort of a quasi-mentoring-ship, talking about how he approaches things," he told *MNN* in 2019.

The Genesis move represents Power's first directorship of an ASX-listed miner since leaving FMG in 2018.

Alkane MD Nic Earner and former Saracen chief operating officer Craig Bradshaw will retire from the board, while Tommy McKeith and Gerry Kaczmarek will remain as directors.

McKeith will continue as chairman and will subscribe for \$225,000 of shares in the placement.

"Raleigh is a highly successful gold miner with an exceptional track record of creating value for shareholders, growing Saracen from a junior explorer and developer into a \$6 billion company at the time of its merger with Northern Star," McKeith said.

"With Raleigh working alongside Neville, whose vast experience and significant achievements are widely acknowledged across the Australian business spectrum, and Michael, who is one of Perth's most highly regarded corporate lawyers, Genesis shareholders will have an enviable team in the boardroom.

"The combination of their experience and the funding package will position Genesis to maximise the opportunities at the Ulysses project as well as consider value-enhancing strategic acquisitions."

Ulysses, near Leonora in Western Australia, has a resource of 1.6 million ounces of gold at 1.8 grams per tonne.

A feasibility study on a standalone open pit and underground operation is nearing completion.

Genesis had cash of \$11 million at the end of June and the proceeds of the capital raising will be used for aggressive exploration, with a focus on the Ulysses, Puzzle and Admiral deposits, as well as ongoing studies.

The funds will also be used to "pursue other strategic opportunities as they emerge".

Shareholders will be asked to approve the raising and board changes at Genesis' annual general meeting on November 19.

Argonaut Capital and Canaccord Genuity were Genesis' financial advisors, while Gilbert + Tobin provided legal advice.

Finlayson was advised by Sternship Advisers and Thomson Geer.

Genesis shares shot up in morning trade, reaching as high as 21c, and last traded 136% higher at 17.2c.



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