



# The Stateside Report



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



Vince “Stateside” Marciano  
MBA, CPA



Wmail: [statesidereport@gmail.com](mailto:statesidereport@gmail.com)  
Website: <http://www.comanusrising.com>

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## Genesis Metals Corp.

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### An Experienced Team Looking to Deliver Another Win for Investors



- GIS in Canada, GGISF in the US
- 46 million shares outstanding
- Share price - \$.15 CAD
- Market cap: \$7 million
- Cash in the treasury approx \$1.0 million
- No debt
- Experienced team that founded Underworld Resources – White Gold Discovery in the Yukon sold to Kinross

## Summary

In the Canadian junior exploration sector it's all about the 7 P's:

People

Project

Place

Potential

Price

Promotion

Placements

The more you can tick off when doing your due diligence on a company the better. In the case of Genesis Metals, you can tick off all 7 which makes them one of the unique investing opportunities just as the gold bull market resumes in 2017. Most presentations don't begin with a recap of the management team but in the case of the Genesis Metals team it's the key factor in driving shareholder returns as they have shown in the past they can take a project from grass roots to a buy-out by a major gold producer.



## The People

Most investors in the junior exploration sector remember the White Gold discovery that jump started the Yukon Rush in 2009/2010. The team from Underworld Resources was responsible for this 1.6 million ounce gold discovery that was quickly taken over by Kinross and now most of that same team are the executives at Genesis Metals. Below is a summary of each of them:



**BRIAN GROVES**  
CEO and Director

Brian Groves has over 30 years of experience in Australia and Canadian mining and exploration. He has been involved in exploration for coal, gold, diamonds and base metals with AMAX Minerals, Noranda and Placer Dome. Since 2003, Mr. Groves served as chief executive officer of two TSX Venture Exchange-listed exploration companies and now is a director of two TSX Venture Exchange-listed companies. He has valuable experience in corporate strategy, capital markets, and project development and permitting.

**JEFF SUNDAR**  
**Executive VP & Director**

**Jeff Sundar has over sixteen years of experience in the capital markets and mineral exploration sector. Mr. Sundar is responsible for the company's corporate development, marketing, and financing. He was a Director and VP of Underworld Resources which discovered the 1.6 million oz White Gold deposit in west-central Yukon, and was subsequently acquired by Kinross Gold for \$138 million in June 2010.**

**ROBERT MCLEOD, MSC, P. GEO**  
**Chairman and Director**

**Mr. McLeod is the President and CEO of IDM Mining Ltd., advancing the Red Mountain gold deposit in British Columbia. Previously, he was founder and VP Exploration of Underworld Resources. Kinross Gold Corporation acquired Underworld for \$140M after an initial resource estimate of over 1.4Moz gold at the White gold Deposit in the Yukon. He is a highly technical, creative and innovative exploration geologist. He has over twenty years' experience in mining and mineral exploration, working for a variety of major and junior mining companies. Mr. McLeod's exploration strategy is a multi-tiered approach, including: conceptual geologic ideas with prospecting, early-stage project advancement focusing on discovery, and advancing mid-stage projects towards feasibility. As an exploration geologist and project manager at Miramar's Hope Bay project, Mr. McLeod was part of the team that discovered the Naartok deposit, as well as expanding and delineating the Boston and Doris deposits. He was previously Vice-President of Exploration for Atna Resources and is currently a director of Independence Gold Corp and Gold Standard Ventures. He is graduate of Geology from the University of British Columbia, with an M.Sc. in Mineral Exploration from Queens University. He is a member of AMEBC as a Professional Geologist, and is an active member and volunteer in multiple industry and geological societies. Mr. McLeod is a member of Doug Casey's 'NEXTEN' list of young mineral explorers and executives.**

**ADRIAN FLEMING, P. GEO**  
**Executive Director**

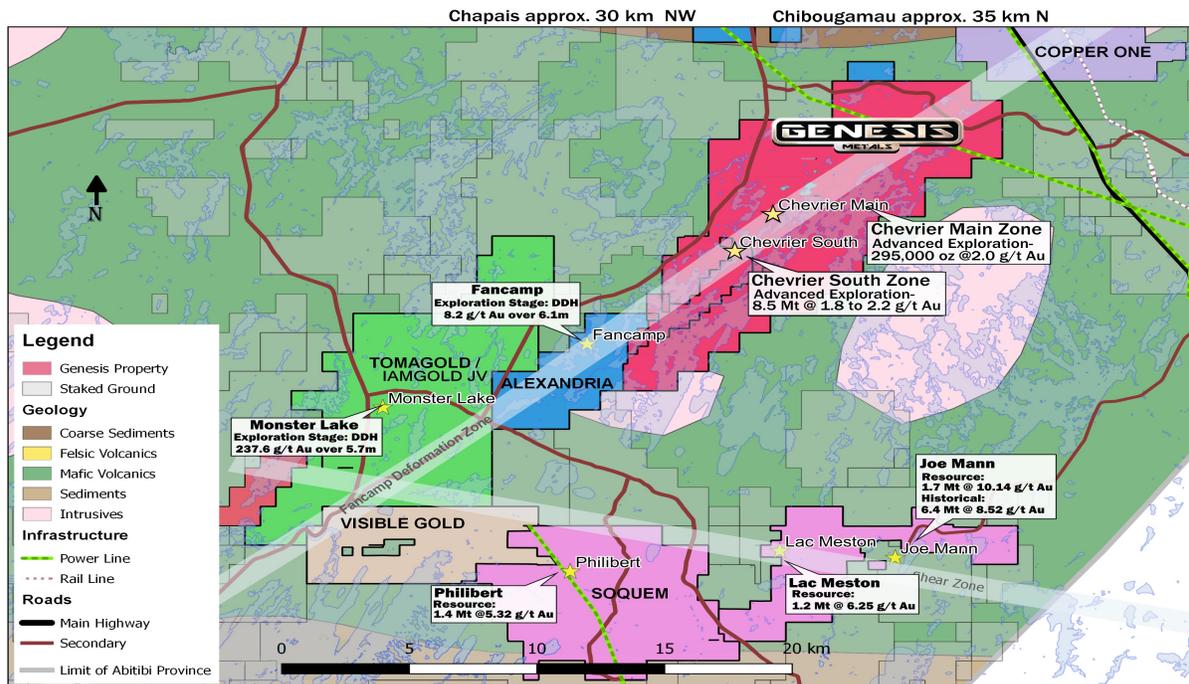
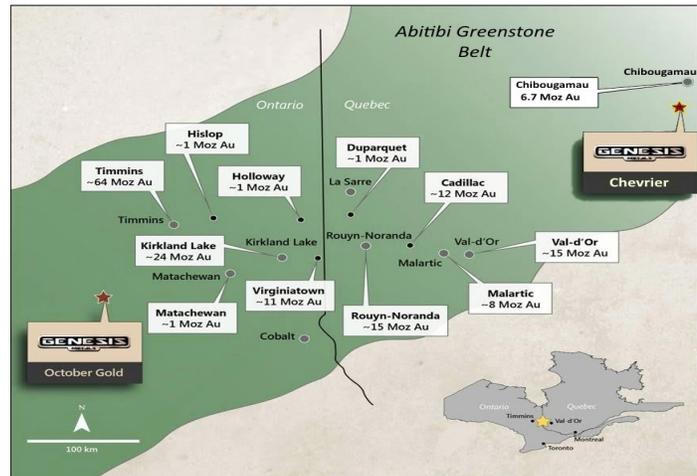
**Adrian is an Australian geologist with over 30 years of global diversified experience in the mining industry. Mr. Fleming was the President of Underworld Resources Inc. which made a significant gold discovery on the White Gold Property in the Yukon. Mr. Fleming has held a number of senior positions, including Exploration Manager for Placer Dome in Sydney and Vice President of Exploration for Golden Star. His successes include involvement with teams that discovered, advanced, and developed gold mines, including Porgera in Papua New Guinea, Big Bell in Australia, & Gross Rosebel in Suriname.**

**JOHN FLOREK, P.Geo, MSc**  
**Director**

**John is a geologist with over 20 years experience in exploration and development. Prior to joining Entourage Metals Ltd. He was Sr. Geologist with Barrick Gold at Hemlo Mines. He was intimately involved with extending the mine life at Hemlo Mines, and was part of the team that received the 2008 Developer of the Year Award, awarded by the Northwestern Ontario Prospectors Association.**

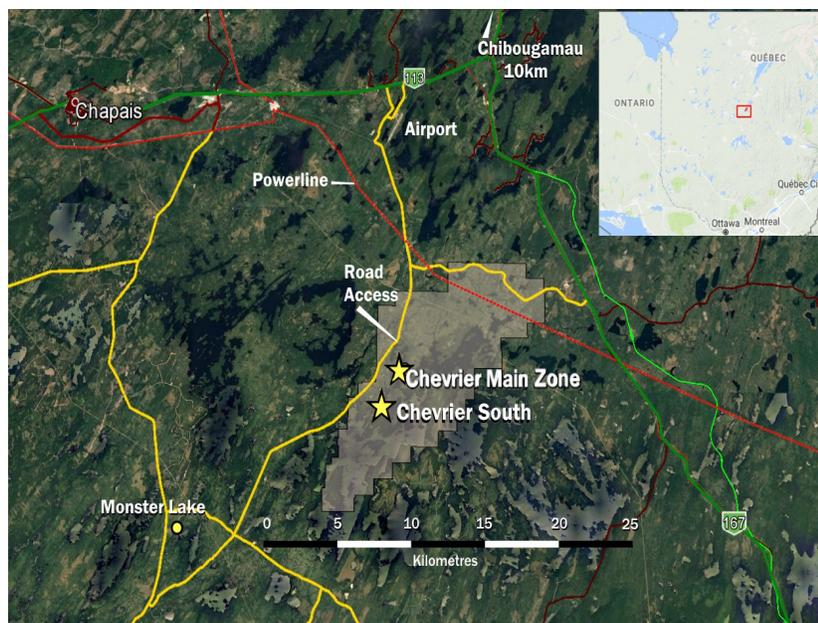
## The Project

The lead project that will be the focus for 2017 is the company's 100% owned Chevrier project located in mining friendly Quebec, Canada near the mining town of Chibougamau. Nearly 7 million ounces of gold has been produced in the Chibougamau mining district over the years and more gold is destined to be found in the years ahead. The project covers 15 km of the famed Fancamp Deformation zone which is being explored actively by many companies including Iamgold.



The Chevrier project already has a compliant 43-101 resource of 295,000 gold ounces in the Main Zone and an additional historic (non 43-101) approximately 600,000 ounces of gold (between 8.5 and 9 million tonnes grading 1.8 to 2.2 g/t gold.) in the South Zone for a total of almost 900,000 gold ounces. Previous drilling by a prior operator who had drilled 17 holes lead to the determination of the non-43-101 South Zone estimate. Mineralization appears continuous over a total strike length of 2.7 km and has been found at depths from surface down to 400 meters. Seventy percent of the holes drilled on the property were less than 400 meters deep, and yet 12 of 16 deep holes intersected significant gold. One such hole intersected 25 g/t over 1.5 meters approximately 350 meters from surface. In the South Zone, one hole assayed 196 meters over .55 g/t gold.

## The Place



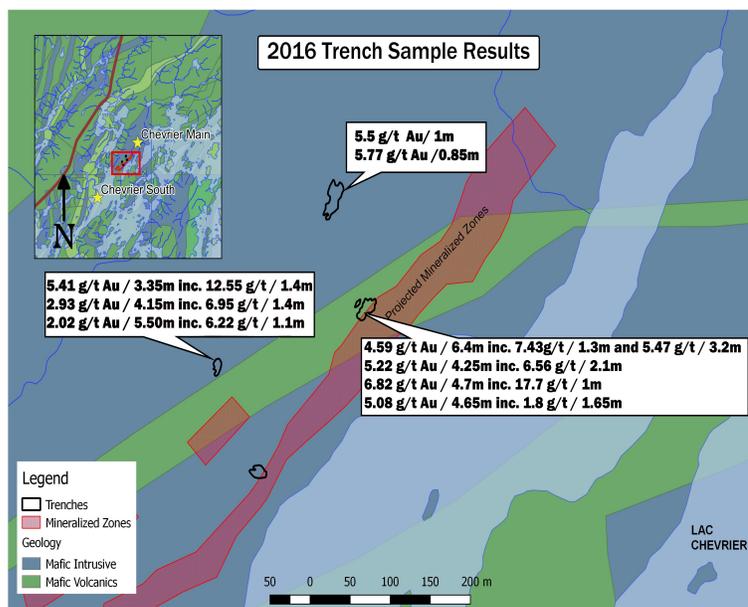
Infrastructure is a key determinant when looking at the potential to develop a gold project. In the case of Genesis Metals, access to the property is excellent with paved highway 113 located within 15 km of the property and with direct access via a well-maintained forestry road. A power-line also runs directly through the property. Exploration can take place year round as a result.

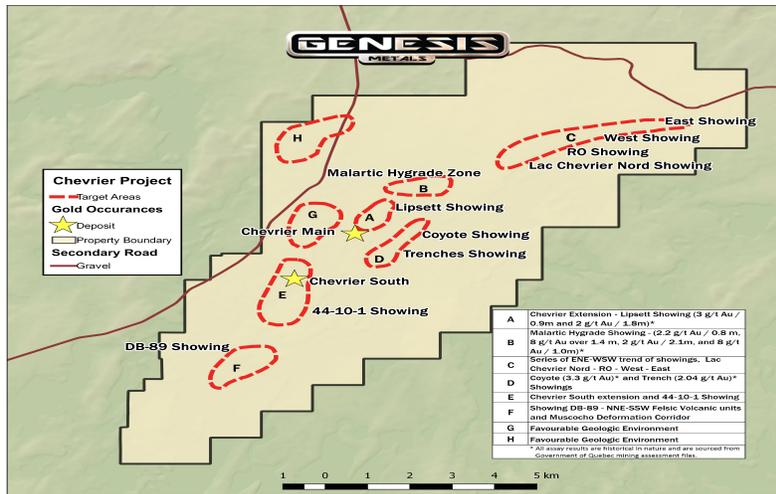
Quebec annually ranks as one of the best jurisdictions in the world for resource mining and exploration.

## The Potential

Potential is what investors look for to drive the price of an exploration stock higher. With Genesis Metals, management is in the early stages of expanding the size and scope of the Chevrier project. Several phases of exploration work have been performed late in 2016 and will continue in 2017:

- Trenching outside of the Main Zone delivered exceptional results in 2016 with grades significantly higher than the 2 g/t, 295,000 ounce 43-101 gold resource.





- Evaluation of priority targets arising from the compilation of data, now nearing completion, has identified several new targets in 2016.
- Geophysical surveys in early 2017 will better help define potential drill targets within priority areas

- Core resampling of prior drill results in 2016 provided the company with the confidence that the drilling performed as part of the 43-101 Main Zone resource by other operators can be relied upon. Holes re-assayed included 23 meters of 2.77 g/t gold and 9 meters of 3.65 g/t gold.
- A new drill program will be initiated in the second quarter of 2017 that will focus on:
  - Expanding the resource of the Main Zone
  - Drilling one or more of the 6 new targets identified by trenching and other geophysical work
  - The South Zone (approximately 20 holes needed to upgrade this zone to 43-101 compliant)
- Leading up to the second quarter drill program the Genesis management team will spend the first quarter of 2017:
  - Doing 3D modeling of the Main and South Zones
  - Geophysics
  - Planning the drill program

## The Price

Even though the share price of Genesis Metals (GIS.V) has increased from the December 2016 lows, the current share price still remains 40 % lower than the highs from September 2016 offering investors an enticing entry point.



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## **The Promotion**

Many junior exploration companies believe in the “build it and they will come” philosophy and downplay the significance of targeted marketing and promotion. However, as most investors understand a junior exploration company needs financing in order to carry out their programs and companies who properly market and promote their company are able to finance private placements at higher prices thereby limiting the dilution to existing shareholders. Genesis Metals conducts an active marketing program in order to tell their story to a worldwide audience. In addition to the Stateside Report and the internal IR team, other marketing efforts include:

<http://energyandgold.com/2016/10/04/genesis-metals-committed-to-advancing-the-chevrier-gold-deposit-in-quebec/>

James West interviewed Brian Groves on the Midas Letter:

<https://www.midasletter.com/2017/01/genesis-metals-corp-ceo-brian-groves-podcast-interview/>

Jeb Handwreger interviewed Brian Groves on Youtube: <https://www.youtube.com/watch?v=tpU2uYZJWC0&t=8s>

Bob Moriarty write-up: <http://www.321gold.com/editorials/moriarty/moriarty091916.html>

The management team will be at PDAC in March 2017 at Booth Number 3045

<http://www.pdac.ca/docs/default-source/convention---common-docs/investors-exchange-exhibitors-as-at-february-9-2017.pdf?sfvrsn=4>. Additional exploration targets are currently being modeled (including an interesting zone in the northeast corner of the Chevrier project) and will be available for review at the Genesis booth.

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## **The Placements**

There are presently 46 million shares outstanding after the recently announced \$660,000 private placement (\$.15/share with a ½ warrant at \$.25/share for 24 months). Placements have generally gone to wealthy individuals and firms who appreciate the management skills of Genesis. Management presently owns approximately 15% of the outstanding shares. Prior to the most recent private placement that closed on February 14, 2017, Genesis Metals had closed a \$535,000 private placement at \$.20/share with a ½ warrant at \$.30/share for 24 months in June 2016.

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**For further information, contact:**

**Shawn KhunKhun**  
**VP Corporate Development**  
**Toll Free: 1-800-321-8564**  
**Tel: 604-602-1440**

**Alex Horsley**  
**Corporate Communications**  
[ah@genesismetalscorp.com](mailto:ah@genesismetalscorp.com)  
**Mobile: (604)-618-3058**

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