GENESIS RESOURCES LIMITED
ACN 114 787 469

ANNUAL REPORT
30 JUNE 2011

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CORPORATE DIRECTORY

GENESIS RESOURCES LIMITED
ABN 22 114 787 469

DIRECTORS

Mr. Eddie Lung Yiu Pang	(Chairman)
Dr. Allan John Parker	(Non-Executive Director)
Dr. Ahmet Kerim Sener	(Non-Executive Director)
Mr. Deric Kok Bin Wee	(Non-Executive Director)

COMPANY SECRETARY

Ms. Sophie Karzis

CHIEF FINANCIAL OFFICER

Ms. Patricia Wong

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WEBSITE ADDRESS

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CORPORATE GOVERNANCE STATEMENT

This statement sets out the corporate governance practices that were in operation throughout the financial year for Genesis. The Company's Directors and management are committed to conducting the Company's business in an ethical manner and in accordance with the highest standards of corporate governance.

The Company has adopted and substantially complies with the ASX Corporate Governance Principles and Recommendations Second Edition with 2010 Amendments to the extent appropriate to the size and nature of the Company's operations.

A summary of how the Company complies with the revised ASX Corporate Governance Principles and Recommendations is included below. The various charters and policies are all available on the Company's web site: www.genesisresourcesltd.com.au

ASX Principle		Status	Reference / Comment
1.	**Principle 1 – Lay solid foundations for management and oversight**		
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	Complying	The Board has adopted a Board charter which discloses the specific responsibilities of the Board and establishes the Board's relationship with management. The primary role of the Board is the protection and enhancement of long term shareholder value. Its responsibilities include the overall strategic direction of the Company, establishing goals for management and monitoring the achievement of these goals. The functions and responsibilities of the Board and management are consistent with ASX Principle 1. A copy of the Board Charter is posted on the Company's website. Each director is given a letter upon his or her appointment which outlines the director's duties. The Company has in place systems designed to fairly review and actively encourage enhanced Board and management effectiveness. The Board takes responsibility for evaluating the Board's performance and the Company's key executives annually.
1.2	Companies should disclose the process for evaluating the performance of senior executives.	Complying	The Board will monitor the performance of senior management, including measuring actual performance against planned performance.
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1	Complying	The Company will explain any departures from Principle 1 in its future annual reports, including whether a performance evaluation for senior executives has taken place in the reporting period and whether it was in accordance with the process disclosed.
2.	**Principle 2 – Structure the Board to add value**		
2.1	A majority of the board members should be independent.	Complying	The Board comprises four directors and three are Non-Executive and independent. The Directors considered by the Board to constitute independent Directors are the Non-Executive Directors Dr. Kerim Sener, Dr. John Parker and Mr. Deric Wee. The test to determine independence which is used by the Company is whether a Director is independent of management and any business or other relationship with the Company that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgement.

ASX Principle		Status	Reference / Comment
2.2	The chair should be an independent director.	Non-Complying	The Chairman, Mr. Eddie Pang has been Chairman of the Company since March 2009 and was independent at the date of his appointment. Following the departure of the CEO, Mr. Pang has performed certain executive functions to assist the company continue to meet its objectives. The Board considers this to be an interim measure and is appropriate in the circumstances. The Chairman leads the Board and is responsible for the efficient organisation and conduct of the Board's functions.
2.3	The roles of the chair and the chief executive officer should not be exercised by the same individual.	Non-Complying	The position of Chief Executive Officer is presently vacant whilst the Company looks for a suitable person to fill the role. In the interim period until a Chief Executive Officer is appointed. Mr. Eddie Pang will execute certain duties usually performed by the CEO. The Directors are confident that they possess between themselves sufficient credibility, experience and expertise to manage the Company. In particular, the Company benefits from the relevant experience of Directors Dr. John Parker, the Managing Director of ASX-listed Lincoln Minerals Limited which has a market capitalisation of $13 million, and Dr. Kerim Sener, the Managing Director of AIM-listed Ariana Resources PLC which has a market capitalisation of £10 million. The Board will ensure that the Chairman and Chief Executive Officer (when appointed) are held by separate persons.
2.4	The board should establish a nomination committee.	Non-Complying	The Board has not established a formal nomination committee, having regard to the size of the Company and the Board. The Board acknowledges that when the size and nature of the Company warrants the necessity of a formal nomination committee, such a committee will operate under a nomination committee charter which will be approved by the Board. Presently, the Board, as a whole, serves as a nomination committee to the Company. Where necessary, the Board seeks advice of external advisers in connection with the suitability of applicants for Board membership.
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Complying	The Board will conduct an annual performance review of itself that compares the performance of the Board with the requirements of the Board Charter, critically reviews the mix of the Board and suggests and amendments to the Board Charter as are deemed necessary or appropriate.
2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2.	Complying	The following information is set out in the Company's annual report: ▪ The skills and experience of Directors. ▪ The Directors considered by the Board to constitute independent Directors and the Company's materiality thresholds. ▪ A statement regarding Directors' ability to take independent professional advice at the expense of the Company. ▪ The term of office held by each Director in office at the date of the report.

3. Principle 3 – Promote ethical and responsible decision-making

3.1	Companies should establish a code of conduct and disclose the code as to: The practices necessary to maintain confidence in the company's integrity. The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders. The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Complying	The Company has formulated a corporate code of conduct which provides a framework for decisions and actions in relation to ethical conduct in employment. The corporate code of conduct may be viewed on the Company's website.
3.2	Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy.	Complying	The Company has adopted a share trading policy which can be viewed on its website.
3.3	Companies should provide the information indicated in the Guide to reporting on Principle 3.	Complying	The Company will explain any departures from Principle 3 in its future annual reports.
	NEW RECOMMENDATIONS 3.2-3.4 ON DIVERSITY		The Board notes the recent changes to the ASX Corporate Governance Principles and Recommendations, which seek to incorporate three new recommendations in relation to diversity, and in particular gender diversity. Whilst the Company notes that disclosure in relation to the recently introduced changes will only be required to be made in and from its 2012 Annual Report, the Board has taken the opportunity to consider the changes at an early stage in its commitment to maintaining good corporate governance standards.
New 3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	Anticipated Non-Compliance	The Board has contemplated the necessity of implementing a diversity policy. Noting the relatively small size of the Company and the fact that the Company does not currently have any employees, the Board has resolved to depart from the new recommendations by not implementing a gender diversity policy. The departure from recommendation 3.2 will subsequently be explained in the Company's annual report for the financial year ending 30 June 2012, by indicating that the recommendation is inappropriate to the Company's particular circumstances.
New 3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	Anticipated Non-Compliance	The Board's departure from recommendation 3.3 will be explained in the Company's annual report for the financial year ending 30 June 2012, by indicating that the recommendation is inappropriate to the Company's particular circumstances.
New 3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Anticipated Compliance	The Company intends to disclose in each future annual report the proportion of women employees in the whole organisation (if applicable), women in senior executive positions and women on the board.

4. Principle 4 – Safeguard integrity in financial reporting

	Companies should have a structure to independently verify and safeguard the integrity of their financial reporting.	Complying	The Directors are committed to the preparation of financial statements that present a balanced and clear assessment of the Company's financial position and prospects. The Board reviews the Company's half yearly and annual financial statements. The Board requires the Chief Financial Officer to state to the Board that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards.
4.1	The board should establish an audit committee.	Non-Complying	The Board has not established a formal audit committee, having regard to the size of the Company and the Board. The Board acknowledges that when the size and nature of the Company warrants the necessity of an audit committee, such a committee will operate under the audit and risk committee charter which has been approved by the Board. The audit and risk committee charter may be viewed on the Company's website. Presently, the Board, as a whole, serves as an audit committee to the Company and accordingly operates under the audit and risk committee charter, and will continue to do so until a formal audit committee has been established.
4.2	The audit committee should be structured so that it: • Consists only of non-executive directors. • Consists of a majority of independent directors. • Is chaired by an independent chair, who is not chair of the board. • Has at least three members.	Complying	The Board has established an audit and risk committee charter which complies with recommendation 4.2.
4.3	The audit committee should have a formal charter.	Complying	An audit and risk committee charter has been established and approved by the Board. When the size and nature of the Company warrants the necessity of an audit committee, such a committee will operate under the audit and risk committee charter.
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.	Complying	The Company will continue to explain any departures from Principle 4 in its future annual reports.

5. Principle 5 – Make timely and balanced disclosure

5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	Complying	The Company has a documented continuous disclosure policy which has established procedures designed to ensure compliance with Australian Securities Exchange Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance. The Company Secretary is responsible for all communications with the Australian Securities Exchange. The continuous disclosure policy may be viewed on the Company's website.
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5.	Complying	The Company will explain any departures from Principle 5 in its future annual reports.

6. Principle 6 – Respect the rights of shareholders

6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	Complying	The Board has established a shareholder communications strategy policy, which aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. The shareholder communications policy may be viewed on the Company's website. In particular, the Board informs shareholders of all major developments affecting the Company's state of affairs as follows: 1. The annual report is distributed to all shareholders, including relevant information about the operations of the Company during the year and changes in the state of affairs. 2. The half-yearly report to the Australian Securities Exchange contains summarised financial information and a review of the operations of the Company during the period. 3. All major announcements are lodged with the Australian Securities Exchange, and posted on the Company's website. 4. Proposed major changes in Company which may impact on share ownership rights are submitted to a vote of shareholders. 5. The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the consolidated entity's strategy and goals. 6. The Company's auditor attends the Annual General Meeting.
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6.	Complying	The Company will explain any departures from Principle 6 in its future annual reports.

7. Principle 7 – Recognise and manage risk

7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Complying	The Board has established a risk management policy, under which the Board has the responsibility of determining the Company's "risk profile" and is charged with overseeing and approving risk management strategy and policies, internal compliance and internal control. The risk management policy may be viewed on the Company's website.
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	Complying	The Board has completed a risk assessment review of the Company's major business units, organisational structure and accounting controls and processes. The Board has considered the results of the risk assessment and is confident that the Company's instituted risk management and internal control systems are sufficiently adequate to effectively mitigate and control the material business risks faced by the Company.

7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	Complying	The Chief Financial Officer is required to state to the Board in writing that the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control and that the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects. The position of Chief Executive Officer is presently vacant until such time that the Board identifies a suitable candidate to fill the role. The Board will seek the relevant assurances from the Chief Executive Officer (when appointed) at the relevant time.
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7.	Complying	The Company will explain any departures from Principle 7 in its future annual reports.

8. Principle 8 – Remunerate fairly and responsibly

8.1	The board should establish a remuneration committee.	Non-Complying	The Board has not established a formal remuneration committee, having regard to the size of the Company and the Board. The Board acknowledges that when the size and nature of the Company warrants the necessity of a formal remuneration committee, such a committee will operate under the remuneration committee charter which has been approved by the Board. The remuneration committee charter may be viewed on the Company's website. Presently, the Board as a whole, excluding any relevant affected director, serves as a nomination committee to the Company and accordingly operates under the remuneration committee charter.
8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	Complying	The Board has established a remuneration committee charter which complies with recommendation 8.2.
8.3	Companies should provide the information indicated in the Guide to reporting on Principle 8.	Complying	Details of the Directors and key management personnel remuneration are set out in the Remuneration Report of the Annual Report. The Company will explain any departures from Principle 8 in its future annual reports.

DIRECTORS' REPORT

The Directors of Genesis Resources Limited submit herewith the annual financial report of the company for the financial year ended 30 June 2011. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors and Senior Management

DIRECTORS

The Directors in office at any time during or since the end of the year to the date of this report are:

EDDIE LUNG YIU PANG	AHMET KERIM SENER	DERIC KOK BIN WEE	ALLAN JOHN PARKER	PEDRO KASTELLORIZOS
Chairman of the Board of Directors since 6 March 2009	Non-Executive Director since 27 March 2006	Non-Executive Director since 11 December 2009	Non-Executive Director since 7 August 2010	Managing Director from 27 March 2006 to 18 August 2010

EDDIE LUNG YIU PANG

Chairman of the Board of Directors

Mr. Pang was appointed to the Board in March 2009. He operates a trading business based in Shanghai which has a focus on supplying the Chinese market with products such as Australian wool and wine, Chilean iron ore, cathode copper and timber; marketing of Chinese building materials to Vietnam and the United Arab Emirates; and supplying Chinese chemicals to pharmaceutical facilities in Canada and the United Arab Emirates.

In addition, Mr. Pang is involved in a joint venture in relation to a food flavouring manufacturing facility in Wisconsin, USA. The joint venture has an established distribution network of food flavours and additives in China, and supplies products to major dairy processors and beverage producers.

Mr. Pang has a number of private business interests in Australia, including vineyards and timber plantation investments. Mr. Pang has an extensive network of business associates in several large corporations in China and the Middle East.

Mr. Pang does not presently hold, and has not in the last 3 years held directorships in other listed companies.

Mr. Pang currently has a relevant interest in 2,140,000 fully paid ordinary shares in Genesis Resources Limited.

AHMET KERIM SENER

Non-Executive Director

Dr. Sener joined the Board on in March 2006, and brings to the Company more than 14 years of exploration experience acquired from work undertaken for Independence Gold Mining Pvt. Ltd. (a subsidiary of LSE- listed Lonmin PLC) in Zimbabwe, as well as ASX-listed Northern Gold, based in the Northern Territory. Whilst undertaking his PhD, Dr. Sener completed a number of consulting projects for clients in Western Australia, including the exploration for manganese mineralisation with Consolidated Minerals Limited.

Dr. Sener is currently the Managing Director of Ariana Resources PLC, an AIM-listed exploration company focused on precious metals and is a Non-Executive Director of TSX-listed Mediterranean Resources Ltd. He is a Fellow of the Geological Society of London and a Member of the Institute of Materials, Minerals and Mining.

Dr. Sener presently has a relevant interest in 4,250,000 fully paid ordinary shares in Genesis Resources Limited.

DERIC KOK BIN WEE

Non-Executive Director

Prior to joining the Board in December 2009, Mr. Wee had been involved in the financial services industry since 1989 as a stockbroker and investment banker. Mr. Wee worked within well-established financial services companies which are part of financial and banking conglomerates in Malaysia.

Mr. Wee acquired extensive experience and competence in key areas including sales, marketing, share and stock trading, and co-ordinated a number of corporate strategies such as initial public offerings, mergers and acquisitions, restructurings, placements and advisory services relating to securities listed on Bursa Malaysia and the ASX.

Mr. Wee currently has a relevant interest in 1,240,000 fully paid ordinary shares in Genesis Resources Limited.

ALLAN JOHN PARKER

Non-Executive Director

Dr. Parker is a geologist and geophysicist by profession, and holds a strong combination of commercial, strategic, legal and senior executive management capabilities, in addition to an extensive knowledge base in relation to uranium, base metal, gold and iron ore mineral deposits and mineralisation systems.

Dr. Parker is a former Chief Geologist with the SA Geological Survey and brings with him to the Company a wealth of expertise and operational experience specific to the Company. Dr. Parker was appointed to the Board of the Company in August 2010.

Dr. Parker is currently Managing Director of Lincoln Minerals Limited, an ASX-listed exploration company focused on iron ore, uranium, base metals and graphite in South Australia.

Dr. Parker does not presently have a relevant interest in any shares in Genesis Resources Limited.

PEDRO KASTELLORIZOS

Former Managing Director

Mr. Kastellorizos was Managing Director of the Company from March 2006 until his resignation in August 2010. Mr. Kastellorizos brought to the Company over 11 years of exploration experience obtained from specialisation in the Northern Territory.

Mr. Kastellorizos was Exploration Director for ASX-listed Batavia Mining, an ASX-listed Company. Prior to joining Batavia Mining, Mr. Kastellorizos was Exploration Manager at Thor Mining PLC, an AIM-listed company focused on molybdenum, tungsten and uranium exploration in the Northern Territory.

Mr. Kastellorizos held 8,950,000 fully paid ordinary shares in Genesis Resources Limited at the time of his resignation.

SENIOR MANAGEMENT

SOPHIE KARZIS

Company Secretary

Ms. Karzis was appointed as Company Secretary on 1 December 2010. She is a practising lawyer who holds roles at a number of public and private companies.

PATRICIA WONG

Chief Financial Officer

Ms Patricia is a Certified Practising Accountant of CPA Australia Limited and a Fellow of the Institute of Public Accountants, Australia. Ms. Patricia is also an associate member of the Chartered Institute of Management Accountants (UK) and Institute of Chartered Secretaries and Administrators (UK).

JOHN HOWARD

Exploration Manager, Australia

Mr. Howard is a geologist with extensive experience throughout Australia including, in particular, Northern Territory and Queensland. He has worked for the NT Geological Survey, CRA Exploration, Dominion Mining, Flinders Diamonds and several other exploration companies including Mega Hindmarsh with whom he is currently the Adelaide Exploration Manager/Director responsible for uranium exploration projects.

Mr. Howard has been managing the Company's Australian exploration projects since December 2010 and has a team of geologists who undertake field exploration programs for the Company.

Directors' Meetings

The following table sets out the number of Directors' meetings held during the financial year and the number of meetings attended by each Director while they were a Director or committee member.

Directors' Meetings		
Directors	No of meetings eligible to attend	Attended
E. Pang	9	9
A. Parker	7	7
K. Sener	9	9
D. Wee	9	8
P. Kastellorizos	2	2

The Board has not established formal audit, nomination or remuneration committees, having regard to the size of the Company and the Board. The Board acknowledges that when the size and nature of the Company warrants the necessity of such formal committees, they will operate under various committee charters which have been approved by the Board.

Presently, the Board as a whole, excluding any relevant affected director, serves as an audit, nomination and remuneration committee to the Company and accordingly operates under the relevant committee charters.

Directors' Shareholdings

The following table sets out each Director's relevant interest in shares and options in shares of the Company as at the date of this report.

Directors	Fully Paid Ordinary Shares	Options
E. Pang	2,140,000	0
A. Parker	0	0
K. Sener	4,250,000	0
D. Wee	1,240,000	0

Remuneration of Directors and Key Management Personnel

Information about the remuneration of directors and key management personnel is set out in the Remuneration Report of this Directors' Report on pages 21 to 23.

Share Options Granted to Directors and Senior Management

No shares have been issued during or since the end of the financial year as a result of exercise of an option.

Nature of Operations and Principal Activities

The principal activities of the entity during the period were exploration for and evaluation of gold, manganese and base metals. There was no significant change in the nature of the Company's activities during the period.

Review & Results of Operations

During the course of 2010-2011, Genesis Resources Limited undertook various sucessful exploration programs in relation to its Australian and Macedonian Projects. In particular, the Board is pleased to announce the following exploration highlights in relation to the 2011 financial year:

- At *Plavica,* located in the former Yugoslav Republic of Macedonia ("FYROM"), an initial Joint Ore Reserves Committee ("JORC") compliant resource estimate was established comprising 1.65M oz Au with additional silver and copper components. This resource was based entirely on historical data collected during an earlier phase of exploration during the 1970s and 1980s. In addition, the Company completed a review of historical drill core and undertook a sampling programme for metallurgical testwork. The results of this testwork have shown that the oxide component of the mineralisation is direct leachable while the sulphide portion can be recovered by flotation. In order to better constrain the current resource and geological model a 2,830m drilling programme was completed post period. This drilling was partly focused on the existing resource area and also tested another zone of potential mineralisation that does not currently form part of the resource model.

- At *Mount Millar* within the *Gladstone Project*, preliminary scoping economic estimates of possible returns on mining manganese concluded that an open cut mine may be profitable. These estimates were based on the likely remaining manganese mineralisation calculated from historical records. A diamond drilling program is planned to confirm the tonnage of manganese available. The commencement of the drilling program is dependent on the negotiation of a Compensation Agreement with the Landholder, which is progressing.

- The *McArthur River Project* contains outcropping massive manganese which contrasts in specific gravity with the surrounding dolomitic host rocks. Consequently, a gravity survey was completed to identify buried, structurally controlled, mineralisation in the vicinity of Masterton. Gravity anomalies indicated in this new data now require interpretation.

- At the *Alice Springs Project* (Figure 1), significant grades of copper, gold, silver, bismuth and lead (5.8% Cu, 4.6% Bi, 27 g/t Ag, 0.7g/t Au and 4320ppm Pb) occur in a long shear zone associated with the Cadney Fault. This zone, which consists of quartz-carbonate veins in sheared gneiss, has a strike-length of over 10 km in an east-southeast direction across most of the licence and represents good potential for discovery. Further work is planned.

- At the *Arltunga Project* (Figure 1), significant gold from widespread historical workings was confirmed, which indicated that gold-pregnant solutions were generated locally, possibly related to an igneous intrusion which is evident on magnetic images. Although the gold anomalism was generally associated with very thin quartz veins, which are of restricted interest in themselves, an excellent gold value of 29.2g/t (S.N.G00133) was discovered in chlorite schist which cross-cuts the lines of lode. The possibility of larger scale, shear-hosted gold deposits will be investigated.

  Some electrical, gradient-array-induced-polarisation anomalies investigated were found to be associated with pyrite in association with quartz veins. Since a previous investigation found that massive pyrite at Wheal Fortune Mine (Figure 1) contained 134 g/t Au, some electrical anomalies will be further investigated.

- At the old *Pioneer Gold Mine*, pyrrhotite occurs in association with quartz vein material from the Main Shaft area. This mildly magnetic mineral is being assayed for gold and may be used as a pathfinder by deploying a ground magnetic survey.

During the year, applications for drilling approvals were submitted to the Northern Territory Department Mines and Energy and the Land Councils to target the copper, gold, manganese and iron mineralisation over the various projects.

Australian and Macedonian Projects

Genesis overall exploration strategy was to add significant value to its portfolio of tenement held in Australia and its European Projects by cost effective exploration techniques.

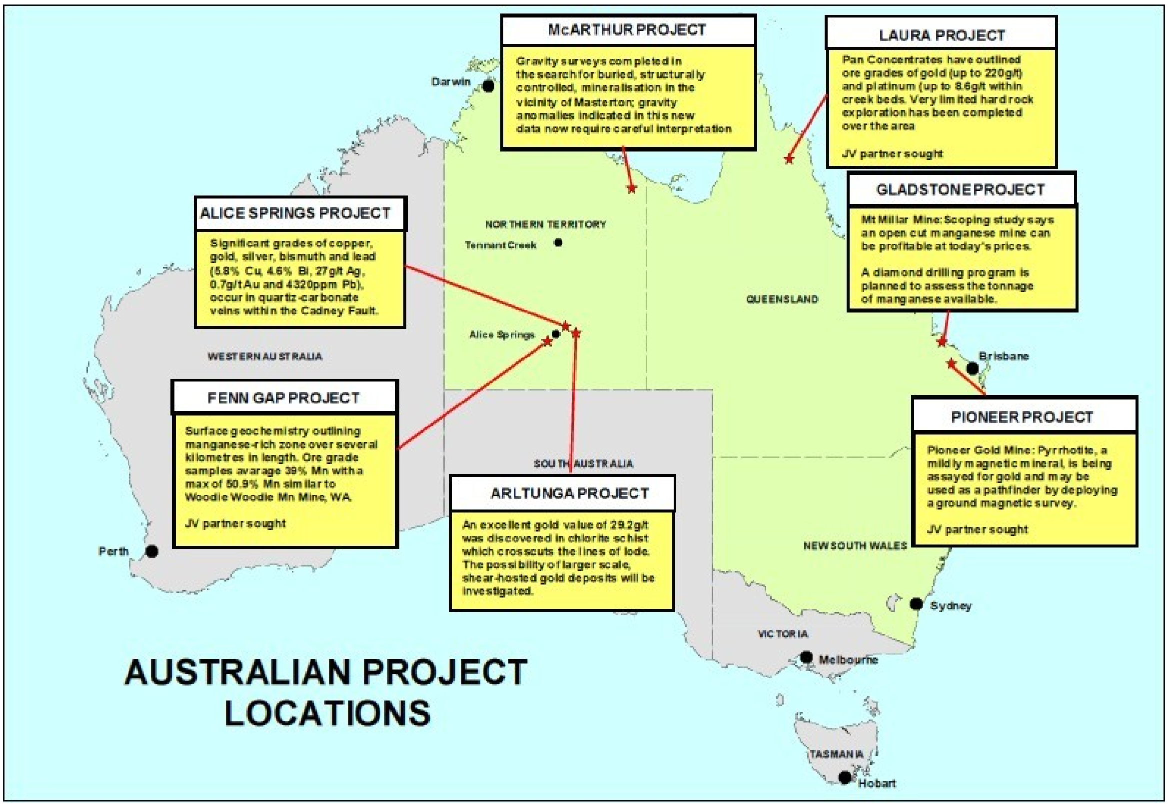

Figure 1: Location Map showing the various Australian Project Locations

PLAVICA PROJECT

Gold, Silver, Copper (GES 62%)

The Company's main exploration focus during the year was at Plavica within the FYROM, of which Genesis has a 62% joint venture interest. Plavica has a JORC Inferred Resource of greater than 57Mt containing 1.65M oz Au, 28.2M oz Ag and 32.6M lbs Cu based on data obtained by the Yugoslav Government in the 1970s and 1980s.

During the year, Genesis undertook geological logging of certain historic drill core and bulk sampled selected sections for metallurgical testwork to better constrain the geological model and potential for beneficiation. Based on initial metallurgical testwork, it has been demonstrated that gold and copper can be successfully recovered for both the oxide and sulphide material types using standard and accepted processing techniques:

- Recovery of gold from direct leaching of oxide material over 14 days reached 95.4% and 97.9% on -12.5mm and -3.35mm fractions respectively; and
- Sulphide material can be upgraded by froth flotation followed by leaching of flotation tailings, providing overall recovery of 83.5% gold and 97.1% copper.

These initial results strongly suggest that the most effective processing route with which to treat the oxide mineralisation will be by direct leaching. Furthermore, the fact that the gold recovery levels achieved at the coarser particle sizes are actually higher than that achieved at the fine size, albeit after a longer leach time, suggests that this mineralisation could be successfully treated using a coarse ore leach methodology such as conventional heap leaching.

Applications were to the Macedonian Ministry of Economics to provide environmental approvals for a planned drilling programme which commenced in April 2011. This drilling programme of 13 holes was completed post period in late July 2011 for approximately 2,830m. Four holes tested an area within the current resource model, while 8 holes were designed to test an area of mineralisation that had not previously been drill tested adequately. The final hole was drilled for exploratory purposes and tested an area of old workings to the west of the current resource. The Company is currently awaiting receipt of drilling data, following which the resource model will be reassessed and future exploration plans determined.

MCARTHUR RIVER PROJECT

Manganese, Lead, Zinc (GES 100%)

The McArthur River project is located approximately 850 km south east of Darwin in the Northern Territory. The project comprises one granted exploration licence (EL 24814) that covers a total area of 505.6 km^2 that is easily accessible from the Carpentaria Highway.

Although a previously reported Genesis VTEM survey appeared to detect the known high grade manganese mineralisation over the two Masterton prospects, reassessment of this EM data suggested that the manganese mineralisation had a depth extent of less than 15m. This interpretation was ratified when elusive drill-hole information from a previous explorer was finally located and assessed, indicating that only very shallow mineralisation occurred at these prospects. However, the quality of the outcropping mineralisation was confirmed by channel samples across the mineralisation. More substantial, buried deposits are considered possible.

Most other VTEM targets, which were previously thought to be highly prospective for manganese mineralisation, were down-graded in the reassessment as they are now thought to be shallow.

The Masterton outcropping massive manganese contrasts in specific gravity with the surrounding dolomitic host rocks, implying that a gravity survey is appropriate in the search for buried, structurally controlled, mineralisation in the vicinity. A gravity survey was, therefore, completed and the gravity anomalies indicated in this new data now require careful interpretation.

The Company intends to seek a Joint Venture partner for the McArthur River Project.

FENN GAP PROJECT

Iron Ore, Manganese, (GES 100%)

The Fenn Gap project is located approximately 25 km south west of Alice Springs in the Northern Territory. The project is close to major infrastructure such as the Stuart Highway and the Alice Springs to Adelaide Railway. The project comprises one granted exploration licence (EL 24839) that was reduced to a total area of 98 km^2.

Whilst the Company's drilling programme undertaken last year investigated the iron ore potential, potential remains for manganese ore.

Apart from rehabilitation work on the Genesis RC drill holes, no work has been carried out on this licence.

The Company intends to seek a Joint Venture partner for the Fenn Gap Project.

ARTUNGA PROJECT

Gold (GES 100%)

The Arltunga gold project is located some 110 km north east of Alice Springs and encompasses the historic Arltunga gold field. The project comprises one exploration licence (EL 25238) which covers a total area of 95.2 km^2 and is prospective mainly for gold mineralisation.

Recent Genesis field work confirmed high-grade gold from widespread historical workings, which indicated that gold-pregnant solutions were generated locally, probably in igneous intrusive rocks evident on magnetic images. Although generally associated with very thin quartz veins, which are of restricted interest in themselves, an excellent gold value of 29.2g/t (sample number G00133) was discovered in chlorite schist which cross-cuts the lines of lode. The possibility of larger scale, shear-hosted gold deposits will be investigated.

Some electrical, gradient-array-induced-polarisation anomalies investigated were found to be associated with pyrite in association with quartz veins. Since a previous investigation found that massive pyrite at Wheal Fortune Mine contained 134 g/t Au, some electrical anomalies will be further investigated.

ALICE SPRINGS PROJECT

Iron Ore, Copper, Gold (GES 100%)

The Alice Springs Project consists of one granted Exploration Licence (EL24817) and is located approximately 155 km by road from Alice Springs via the Stuart Highway.

Chip samples taken by Genesis geologists revealed that significant grades of copper, gold, silver, bismuth and lead occur in a long shear zone associated with the Cadney Fault. This zone, which consists of quartz-carbonate veins in sheared gneiss, has a strike-length of over 10 km in an east-southeast direction across most of the licence and represents good potential for a multi-commodity discovery.

Two prospects on this shear zone revealed strong anomalism in Cu, Bi, Ag and Au in recent sampling:

- Sample G00181 (Corner Post Hill) 5.8% Cu, 4.6% Bi, 27 g/t Ag and 0.7g/t Au, which confirmed historical sampling where high Pb (4320ppm) and iron (28%) were also found.
- Sample G00170 assayed 3390ppm Cu (0.3%), which supports historical results of 13% Cu and 0.5g/t Au, was taken over a target electrical anomaly 5.5 km to the east.

Prospects on cross-cutting northeast-striking faults were additionally found to be carrying significant mineralisation, including magnetite iron stringers, with sample G00176 containing 1340ppm Cu and sample G00184 returning 7360ppm Cu (0.7%) and 1.7g/t Au, the latter confirming historical anomalism of 15% Cu and 2.6g/t Au in the area.

Follow-up work will focus on rock-chip and soil sampling on the shear zones, especially at points of intersection, prior to drilling. The best iron grades received were samples G00172 from Triple Iron Hill and G00176 from “Diana’s Block 8”, which returned 59.3% and 57% Fe respectively. Sample G00159 taken from Magnetite Hill returned only a moderate result of 23.9% Fe.

The licence was reduced in area to 496 km^2.

GLADSTONE PROJECT

Manganese (GES 100%)

The Gladstone project is located approximately 15km west of Gladstone shipping port in Queensland. The project comprises one exploration permit (EPM 15771) which covers a total area of approximately 63 km^2 that is prospective for manganese. An application for a Mining Lease (MLA80166) over the historical Mount Millar Manganese Mine has been made.

An Environmental Authority (number MIN201115110) has been granted for the Company’s Mining Lease Application at the Mount Millar Mine. This now enables a Mining Lease to be granted subject to establishment of appropriate compensation agreements with landowners and compliance with Standard Environmental Conditions.

Mount Millar Manganese Mine operated intermittently from 1895 to 1960 producing about 22,000 tonnes of ore, at a grade in range 48-75% MnO_2. Recent mapping revealed that the brecciated and massive manganese ore was located in deformed, vertically-dipping pelitic and cherty sediments; with some volcanoclastic units; quartz and carbonate veining is associated with the ore. The tabular manganese mineralisation may be coincident with the orientation of the sediments and was mined over a strike length of 90 m and thickness of between one and ten meters.

In 1915, the Geological Survey of Queensland undertook a review of the historical mining activities over the Mount Millar Manganese Mine. Through estimation of the ore reserves in the various parts of the mine it was concluded that over 35,000 tonnes of high grade manganese was still available for mining and extraction.

In 2009, Genesis contracted a study to complete a 3D model of the existing data over Mount Millar. Based on the 3D Model combined with the 1915 estimates, the total amount of ore remaining is estimated to represent an Exploration Target of 35,000t to over 206,000t at an average grade of 35-50% Mn with the mineralisation still open at depth.

A preliminary economic estimate of possible returns on mining manganese at Mount Millar, by Golder Associates, was based on the implied manganese mineralisation remaining as calculated from historical records. They concluded that an open cut mine can be profitable. Should a larger, deeper tonnage be defined by drilling, then an option to mine underground will also be considered.
A diamond drilling program consisting of five drill-holes is planned to define the tonnage of manganese available. A second phase of drilling will follow, if results of the first phase are favourable. The commencement of the drilling program is dependent on the successful negotiation of Compensation Agreements with the Landholders.

PIONNEER PROJECT

Gold (GES 100%)

The Pioneer project is located approximately 95 km east of Bundaberg in Queensland. The project comprises one granted exploration permit (EPM 15619) which covers a total area of 12.5 km^2.

Pyrrhotite was recently discovered in association with quartz vein material from the Main Shaft area. This mildly magnetic mineral is being assayed for gold and may be used as a pathfinder to gold through the use of a ground magnetic survey.

The Company intends to seek a Joint Venture partner for the Pioneer Project.

LAURA RIVER PROJECT

Gold, Platinum, Palladium (GES 100%)

The Laura River project is centred on the township of Laura, 210 km north-west of Cairns in north Queensland. The project comprises one granted exploration permit (EPM 15242) which covers a total area of 330.7 km^2.

The Company intends to seek a Joint Venture partner for the Pioneer Project.

Schedule of Tenements as of 30 June 2011

PROJECT	TENEMENT NUMBER	COMMODITY	COMPANY'S INTEREST	CURRENT AREA (KM^2)	CURRENT HOLDER	COUNTRY STATE
Alice Springs	EL24817	Copper-Iron-Gold	100%	495.7	Genesis Resources Ltd	NT
Arltunga	EL25238	Gold-PGE	100%	95.34	Genesis Resources Ltd	NT
Fenn Gap	EL24839	Iron-Manganese	100%	52.43	Genesis Resources Ltd	NT
Laura River	EMP15242	Gold-PGE	100%	330.7	Genesis Resources Ltd	QLD,
Pioneer	EPM15619	Gold	100%	12.47	Genesis Resources Ltd	QLD
McArthur River	EL24814	Manganese-Base Metals	100%	505.6	Genesis Resources Ltd	NT
Gladstone	EPM15771	Manganese	100%	63.93	Genesis Resources Ltd	QLD
Mt Millar	MLA80166	Manganese	100%	32.24 Ha	Genesis Resources Ltd	QLD
Plavica & Crn Vrv	19-6077/1	Gold-Silver-Copper	62%	26.35	Sileks AD Kratovo	FYROM
Plavica & Crn Vrv	19-6648/1	Gold-Silver-Copper	62%	17.41	Sileks AD Kratovo	FYROM
Plavica & Crn Vrv	19-6082/1	Gold-Silver-Copper	62%	26.4	Sileks AD Kratovo	FYROM
Plavica & Crn Vrv	19-6070/1	Gold-Silver-Copper	62%	27.61	Sileks AD Kratovo	FYROM
Plavica & Crn Vrv	19-6083/1	Gold-Silver-Copper	62%	28.07	Sileks AD Kratovo	FYROM
Plavica & Crn Vrv	19-6078/1	Gold-Silver-Copper	62%	29.11	Sileks AD Kratovo	FYROM
Plavica & Crn Vrv	19-6081/1	Gold-Silver-Copper	62%	29.99	Sileks AD Kratovo	FYROM

Please note all Projects are granted for the purpose of exploration.

Financial Results

The loss after tax of the Company for the financial year attributable to the members of Genesis Resources Limited was $562,052. The loss was mainly due to professional, consultancy and administrative fees incurred during the year.

State of Affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report or the accompanying financial report.

Events Subsequent to Balance Date

In the opinion of the Directors no item, transaction or event of a material and unusual nature have arisen in the interval between the end of the financial year and the date of this report that are likely to significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Likely Developments

Likely development in the operation of the company that were not finalised at the date of this report include the Mt Miller Mine - the planned drilling program should indicate whether this manganese deposit has the potential to develop into a mine.

If the results of the first Phase are encouraging, a second Phase will be necessary to continue to prove a resource comparable to that which, in a very preliminary study by the mining consultants, was thought likely to be economic at current prices. Fund-raising will be necessary to achieve this goal and to allow for further drilling to 'measure' a reserve at the JORC standard. These developments could be achieved over the next 12 months, if the financial resources are available.

In addition, the Company will continue its exploration and developmental activities, whilst assessing new joint venture and commercial opportunities that the Directors are of the opinion will enhance shareholder value, including the acquisition of interests in additional projects that may arise. Due to the unpredictable and tentative nature of such opportunities, developments may occur at short notice.

Environmental Regulation and Performance

The Company's operations are subject to significant environmental regulations under the Commonwealth or State legislation. However, the Directors believe that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

Dividends

No dividends have been declared by the Directors for this financial year.

Indemnification and Insurance of Officers and Auditors

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary and all executive officers of the Company and of any related body corporate against a liability incurred as a Director, Secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as an officer or auditor.

The insurance premiums relate to:

- Cost and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and

- Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company.

Auditor Independence and Non-Audit Services

The auditor's independence declaration is included on page 24 of this Annual Report.

Non-Audit Services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 8 to the financial statements.

The Directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 8 to the financial statements do not compromise the external auditor's independence for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor, and

- The nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110. Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Proceedings on Behalf of the Company

No person has applied for leave of a Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Remuneration Committee

The Board has not established a formal remuneration committee, having regard to the size of the Company and the Board. The Board acknowledges that when the size and nature of the Company warrants the necessity of a formal remuneration committee, such a committee will operate under the remuneration committee charter which has been approved by the Board. The remuneration committee charter may be viewed on the Company's website.

Presently, the Board as a whole, excluding any relevant affected director, serves as a nomination committee to the Company and accordingly operates under the remuneration committee charter.

REMUNERATION REPORT (AUDITED)

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of Genesis Resources Limited's directors and its key management personnel for the financial year ended 30 June 2011. The prescribed details for each person covered by this report are detailed below under the following headings:

- director and key management personnel details
- remuneration policy
- relationship between the remuneration policy and company performance
- remuneration of directors and senior management
- key terms of employment contracts.

Director Details

The following persons acted as directors of the company during or since the end of the financial year:

Chairman of the Board of Directors	Mr. Eddie Lung Yiu Pang was appointed Chairman of the Board of Directors on 6 March 2009 and has held that role since that date.
Non-Executive Directors	Dr. Allan John Parker was appointed Non-Executive Director on 7 August 2010 and has held that role since that date.
	Dr. Ahmet Kerim Sener was appointed Non-Executive Director on 27 March 2006 and has held that role since that date.
	Mr. Deric Wee was appointed Non-Executive Director on 11 December 2009 and has held that role since that date.
Executive Director	Mr. Pedro Kastellorizos was appointed Managing Director on 27 March 2006 and held that role until his resignation on 18 August 2010.

Key Management Personnel Details

The term 'key management personnel' is used in this remuneration report to refer to the following persons:

Officer and Financial Controller	Ms. Maria Kastellorizos (appointed 27 March 2006 and resigned 12 August 2010)

Remuneration Policy

The Company's remuneration policy is based on the following principles:

- Provide competitive rewards to attract high quality executives;
- Providing where applicable an equity incentive for senior executives that will provide an incentive to executives to align their interests with those of the Company and its shareholders; and
- Ensure that rewards are referenced to relevant employment market conditions.

Remuneration packages contain the following key elements:

- Primary benefits – salary/fees;
- Benefits, including the provision of motor vehicles and superannuation; and
- Incentive schemes.

In accordance with best practice corporate governance, the structure of Non-Executive Directors and key management personnel remuneration is separate and distinct.

The Board seeks to set remuneration at a level which provides the Company with the ability to attract and retain directors of relevant experience and skill, whilst incurring costs which are acceptable to shareholders.

Remuneration of Non-Executive Directors

The Company's Constitution provides that Non-Executive Directors may collectively be paid from an aggregate maximum sum out of the funds of Genesis Resources Limited as remuneration for their services as Directors to be fixed by way of an ordinary resolution of shareholders. In addition, the Company's Constitution and the Australian Securities Exchange Listing Rules specify that the aggregate remuneration amount can only be increased by the passing of an ordinary resolution of shareholders. No aggregate maximum remuneration amount has been set as at the date of this Annual Report. With regard to the fees paid to non-executive directors of comparable companies, the Board intends to propose a resolution at the Company's 2011 AGM to set such aggregate remuneration amount at $300,000.

Each Non-Executive Director receives a fee for being a Director of the Company and does not participate in performance based remuneration. Non-Executive Directors are encouraged to hold shares in the Company (purchased by the Director on-market). It is considered good governance for Directors to have a stake in the Company.

Retirement Benefits

Consistent with the ASX Corporate Governance Rules which states that non-executive directors should not be provided with retirement benefits other than statutory superannuation, the Company does not provide retirement benefits to its Non-Executive Directors.

Relationship between the Remuneration Policy and Company Performance

The tables below set out summary information about the entity's earnings and movements in shareholder wealth for the six years to June 2011:

Financial Year Ending 30 June	2011	2010	2009	2008	2007
Revenue ($)	219,436	771,521	754,718	3,849	89,848
NPAT ($)	(562,052)	(112,530)	(129,924)	(141,275)	49,305
Share price at end of year	0.11	0.18	N/A	N/A	N/A
Basic EPS (cents per share)	(1.06)	0.24	0.53	N/A	N/A

Certain executive directors receive a performance bonus for a combination of achievement of net profit after tax and achievement of personal KPIs as approved by the board

Remuneration of Directors and Key Management Personnel

The following table discloses the remuneration of the current and former Directors and key management personnel of the Company:

	Short Term Benefits	Post Employment		Total
2011 Directors	Salary & Fees ($)	Superannuation ($)	Termination Benefit ($)	($)
Current Non- Executive Directors				
E. Pang (Chairman)	30,000	2,700		32,700
J. Parker	30,000	-	-	30,000
K. Sener	30,000	-	-	30,000
D. Wee	20,000	-	-	20,000
Former Directors and Executives				
P. Kastellorizos	-	-	90,000	90,000
M Kastellorizos	14,185	-	-	14,185
Total	94,185	2,700	90,000	216,885

	Short Term Benefits	Post Employment		Total
2010 Directors	Salary & Fees ($)	Superannuation ($)	Termination Benefit ($)	($)
Current Non- Executive Directors				
E.Pang	20,000	1,800		21,800
J.Parker	-	-		-
K.Sener	20,000	1,800		21,800
D. Wee	16,694	-		16,694
Former Directors and Executives				
P Kastellorizos	211,715	-		211,715
M Kastellorizos	33,464	3,600		37,064
P G Hepburn-Brown (resigned 2009)	2,500	-		2,500
Total	304,373	7,200		311,573

Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act* 2001 (Cth).

This Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Directors made pursuant to section 298(2) of the *Corporations Act 2001*.

On behalf of the Directors,

Eddie Lung Yiu Pang
Chairman

27 September 2011

Auditor's Independence Declaration

As lead auditor for the audit of Genesis Resources Limited for the year ended 30 June 2011, I declare that, to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Genesis Resources Limited during the period.

Chris Dodd
Partner
PricewaterhouseCoopers

Melbourne
27 September 2011

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STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2011

	Note	2011 $	2010 $
Other Income	4	141,390	676,280
Professional fees	5	(391,217)	(420,349)
Administrative and other expenses	6	(174,309)	(275,109)
Employee benefits expenses	7	(187,090)	(100,383)
Results from operating activities		(611,226)	(119,561)
Interest income		78,046	95,241
Net foreign exchange loss		(9,810)	(10,067)
Net finance income		68,236	85,174
Loss before tax		(542,990)	(34,387)
Income tax expense	9	(19,062)	(78,143)
Loss for the year		(562,052)	(112,530)
Other comprehensive income			
Net change in fair value of available for sale financial assets	17	67,727	449,703
Available-for-sale financial assets, transfer to profit and loss	17	(91,887)	-
Income tax on other comprehensive income	17	(20,318)	(114,164)
Other comprehensive income for the year, net of tax		(44,478)	335,539
Total comprehensive income for the year		(606,530)	223,009
Earnings per share			
Basic Loss per share (cents per share)	23	(1.06)	0.24
Diluted Loss per share (cents per share)	23	(1.06)	0.24

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2011

	Note	2011 $	2010 $
Assets			
Current assets			
Cash at bank	10	958,043	2,345,145
Other receivables	11	42,754	111,738
Other financial assets	12	473,210	749,504
Total current assets		1,474,007	3,206,387
Non-current assets			
Other financial assets	12	67,190	77,000
Exploration and evaluation assets	13	2,729,564	1,843,209
Total non-current assets		2,796,754	1,920,209
Total assets		4,270,761	5,126,596
Current liabilities			
Trade and other payables	15	97,909	341,633
Borrowings		-	5,581
Total current liabilities		97,909	347,214
Total liabilities		97,909	347,214
Net assets		4,172,852	4,779,382
Equity			
Issued capital	16	4,826,885	4,826,885
Reserves	17	291,061	335,539
Accumulated losses	18	(945,094)	(383,042)
Total equity		4,172,852	4,779,382

The above statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2011

	Note	Share capital $	Accumulated losses $	Reserves $	Total equity $
Balance at 1 July 2009		1,024,289	(270,512)	-	753,777
Loss for the year	18	-	(112,530)	-	(112,530)
Other comprehensive income/(loss) for the year					
Net change in fair value of available-for-sale financial assets, net of tax	17	-	-	335,539	335,539
Total comprehensive income/(loss) for the year		-	(112,530)	335,539	223,009
Transactions with owners in their capacity as owners					
Contributions by and distributions to owners					
Issue of ordinary shares		3,995,000	-	-	3,995,000
Share-based payment transactions		416,667	-	-	416,667
Transaction costs of share issues		(609,071)	-	-	(609,071)
Total transactions with owners		3,802,596	-	-	3,802,596
Balance at 30 June 2010		4,826,885	(383,042)	335,539	4,779,382
Loss for the year	18	-	(562,052)	-	(562,052)
Other comprehensive loss for the year					
Net change in fair value of available-for-sale financial assets, net of tax	17	-	-	47,409	47,409
Available-for-sale financial assets, transfer to profit and loss	17	-	-	(91,887)	(91,887)
Total comprehensive income/(loss) for the year		-	(562,052)	(44,478)	(606,530)
Transaction with owners in their capacity as owners		-	-	-	-
Balance at 30 June 2011		4,826,885	(945,094)	291,061	4,172,852

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2011

	Note	2011 $	2010 $
Cash flows from operating activities			
Payments to suppliers and employees		(973,822)	(971,717)
Interest received		78,046	95,241
Interest paid		(761)	(328)
Net cash used in operating activities	10	(896,537)	(876,804)
Cash flows from investing activities			
Proceeds from sale of investments		353,650	843,286
Payments for exploration and evaluation expenditures		(838,634)	(1,361,198)
Net cash used in investing activities		(484,984)	(517,912)
Cash flows from financing activities			
Proceeds from issue of shares		-	3,995,000
Payment for share issue costs		-	(384,741)
Repayment of loan from related parties		(5,581)	(5,648)
Payments for bank guarantee		-	(77,000)
Net cash provided by financing activities		(5,581)	3,527,611
Net decrease in cash and cash equivalents		(1,387,102)	2,132,895
Cash and cash equivalents at 1 July		2,345,145	212,250
Cash and cash equivalents at 30 June	10	958,043	2,345,145

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the entity of Genesis Resources Limited ("Genesis" or "the Company") domiciled in Australia. The address of the Company's registered office is Level 3, 1 Collins Street, Melbourne, VIC 3000. The Company primarily is involved in gold, manganese and base metal exploration and development activities.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

Statement of compliance

The financial statements of Genesis Resources Limited also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Certain comparative amounts have been reclassified to conform with the current year's presentation.

Adoption of new and amended accounting standards

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning on 1 July 2010.

- AASB 2009 5 *Further Amendments to Australian Accounting Standards* arising from the Annual Improvements Project
- AASB 2009 8 *Amendments to Australian Accounting Standards – Group Cash settled Share based Payment Transactions*
- AASB 2009 10 *Amendments to Australian Accounting Standards – Classification of Rights Issues*
- AASB Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments* and
- AASB 2009 13 *Amendments to Australian Accounting Standards arising from Interpretation 19*, and
- AASB 2010 3 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project*.

The adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods based on current operations.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets.

Critical accounting estimates

The directors evaluate estimates and judgments incorporated into the financial statement based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

The areas involving a higher level of judgement or complexity, or areas where assumptions and estimates are made significant to the financial statements are set out in Note 3.

(b) Going concern

At 30 June 2011 the Company has net current assets of $1,376,098 and reported a net loss of $562,052 and net cash outflow from operating activities of $896,537. Mining and exploration licences held by the Company have annual expenditure obligations of $614,619 (Note 26) to maintain their “good standing” status. Failure to meet individual tenement obligations requires explanation to the relevant government authority and may result in a loss of tenements.

The ability of the Company to continue as a going concern is dependent on obtaining additional funding to finance planned ongoing exploration activities and meet the expenditure obligations.

As a result of these matters, there is material uncertainty as to whether the Company will continue as a going concern and therefore, whether it will realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report.

Plans to obtain further financing are in place including the sale of surplus assets, a potential capital raising, and strict cost management. The directors believe that the Company will be successful in obtaining the required funding to meet the expenditure obligations and, accordingly, have prepared the financial report on a going concern basis.

At this time, the directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 30 June 2011. Accordingly, no adjustments have been made to the financial report that might be necessary should the group not continue as a going concern.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chairman of the Board.

(d) Functional and Presentation Currency

Foreign currency translation

Items included in the financial statements of each of the Company are measured using the currency of the primary economic environment in which it operates (‘the functional currency'). The financial statements are presented in Australian dollars, which is Genesis' functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement, within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income

(e) Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(f) Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributed to temporary differences and unused tax losses and under and over provision in prior periods, where applicable.

The income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the end of the reporting period.

Deferred tax assets and liabilities are recognised using the liability method for temporary differences arising between the tax bases of the assets and liabilities and their carrying amount in the financial statements at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

(g) Impairment of tangible and intangible assets

At the end of each reporting period the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(h) Exploration and evaluation assets

Exploration and evaluation costs, including the costs of acquiring licenses, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Company has obtained the legal rights to explore an area are recognised in profit or loss.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

(i) the expenditures are expected to be recouped through successful development or sale of the area of interest; or

(ii) activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or other of economically recoverable reserves and active and significant operations in, or relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the resulting impairment loss is measured and disclosed in accordance with the impairment loss policy noted in accounting policy (g).

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation assets to mining property and development assets within property, plant and equipment.

(i) Employee Benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

(ii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(j) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measure at amortised cost using the effective interest method.

(k) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provision are determined by discounting the expected future cash flows at pre-tax rate that reflects current market assessments of the time vale of money and the risks specific to the liability

(i) Site restoration

Provisions are made for estimated costs relating to the remediation of soil, groundwater and untreated waste as soon as the need is identified.

(l) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office (“ATO”). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the balance sheet are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables and payables in the balance sheet.

Cash flows are presented in the cash flow statement on a gross basis except for the GST component of investing and financing activities which are disclosed as operating cash flows.

(n) Investments and other financial assets

Classification

The Company classifies its financials assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period.

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long-term.

Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date - the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

Impairment

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

Assets classified as available-for-sale

If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

(o) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Earnings per share ("EPS")

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares

- by the weighted average number of ordinary shares outstanding during the financial year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financial costs associated with dilutive potential ordinary shares, and

- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(q) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. The Company's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 *Financial Instruments,* AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* (effective from 1 January 2013)

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and is likely to affect the group's accounting for its financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. When adopted, the standard will affect in particular the Company's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading.

There will be no impact on the Company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The derecognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed. The Company has not yet decided when to adopt AASB 9.

(ii) Revised AASB 124 *Related Party Disclosures* and AASB 2009-12 *Amendments to Australian Accounting Standards* (effective from 1 January 2011)

In December 2009 the AASB issued a revised AASB 124 *Related Party Disclosures*. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The Company will apply the amended standard from 1 July 2011. When the amendments are applied, the Company will need to disclose any transactions between its subsidiaries and its associates. However, there will be no impact on any of the amounts recognised in the financial statements.

(iii) AASB 2009-14 *Amendments to Australian Interpretation - Prepayments of a Minimum Funding Requirement* (effective from 1 January 2011)

In December 2009, the AASB made an amendment to Interpretation 14 *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*. The amendment removes an unintended consequence of the interpretation related to voluntary prepayments when there is a minimum funding requirement in regard to the entity's defined benefit scheme. It permits entities to recognise an asset for a prepayment of contributions made to cover minimum funding requirements. The Company does not make any such prepayments. The amendment is therefore not expected to have any impact on the Company's financial statements. The Company intends to apply the amendment from 1 July 2011.

(iv) AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* (effective from 1 July 2013)

On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. Genesis Resources Limited is listed on the ASX and is not eligible to adopt the new Australian Accounting Standards - Reduced Disclosure Requirements. The two standards will therefore have no impact on the financial statements of the entity.

(v) AASB 2010-6 *Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets* (effective for annual reporting periods beginning on or after 1 July 2011)

Amendments made to AASB 7 *Financial Instruments: Disclosures* in November 2010 introduce additional disclosures in respect of risk exposures arising from transferred financial assets. The amendments will affect particularly entities that sell, factor, securitise, lend or otherwise transfer financial assets to other parties. They are not expected to have any significant impact on the Company's disclosures. The Company intends to apply the amendment from 1 July 2011.

(vi) AASB 2010-8 *Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets* (effective from 1 January 2012)

In December 2010, the AASB amended AASB 112 *Income Taxes* to provide a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model. AASB 112 requires the measurement of deferred tax assets or liabilities to reflect the tax consequences that would follow from the way management expects to recover or settle the carrying amount of the relevant assets or liabilities, that is through use or through sale. The amendment introduces a rebuttable presumption that investment property which is measured at fair value is recovered entirely by sale. The Company will apply the amendment from 1 July 2012. It is currently evaluating the impact of the amendment.

NOTE 2: FINANCIAL RISK MANAGEMENT

(a) Overview

The Company has exposure to the following risks from their use of financial instruments:

- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Company does not use any form of derivatives as it is not at a level of exposure that required the use of derivatives to hedge its exposure. Exposure limits are reviewed on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instrumentals, for speculative purposes.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board monitors and manages the financial risks relating to the operations of the Company through regular review of the risks.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows. The entity does not have any external borrowings.

The Company has total trade and other payables of $97,909 (2010: $341,633) all due in less than 6 months.

(c) Market risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

The company is exposed to currency risk on exploration expenditures in relation to overseas projects that are denominated in a currency other than the respective functional currencies of the Company, the Australian dollar ("AUD"). The currency in which these transactions primarily are denominated is Euros ("EUR"). The Company does not hedge foreign currency exposures.

The Company's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

Expressed in AUD	2011 EUR	2010 EUR
Trade payables	23,322	-

Based on the financial instruments held at 30 June 2011, had the Australian dollar weakened/ strengthened by 10% against the EUR with all other variables held constant, the Company's post-tax profit for the year would have been $1,633 lower/ $1,633 higher (2010: $nil lower/ $nil higher) mainly as a result of foreign exchange gains/ losses on translation of EUR denominated financial instruments as detailed in the above table. The Company's exposure to other foreign exchange movements is not material.

(ii) Interest rate risk

The Company is exposed to interest rate risk on its cash and cash equivalents, which is the risk that a financial instrument's value will fluctuate with the market interest rates on interest-bearing financial instruments. The Company does not use derivatives to mitigate these exposures

The Company adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents in short term deposits at interest rates maturing over 30 – 180 day rolling periods.

As at the end of the reporting period, if interest rate had increased/(decreased) by 100 basis points with all other variables held constant, post-tax loss for the year (as a result of the change in interest expense for floating borrowing rates) would have increased/(decreased) as follows:

	2011			
	+100 basis points		-100 basis points	
	Profit	Equity	Profit	Equity
Cash and cash equivalents	6,706	6,706	(6,706)	(6,706)

	2010			
	+100 basis points		-100 basis points	
	Profit	Equity	Profit	Equity
Cash and cash equivalents	16,416	16,416	(16,416)	(16,416)

(iii) Price risk

Equity prices risk arises from available-for-sale equity securities held in Western Desert Resources Limited ("WDR") and Thor Mining PLC ("Thor"). Management monitors its investment portfolio based on market indices. Material investments are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors.

The equity investments held by the Company are publically traded on the Australian Stock Exchange ("ASX").

The table below summarised the impact of an increase/(decrease) of the ASX 300: Metals and Mining Index ("XMM") on the Company's post-tax profit for the year and on equity. The analysis is based on the assumption that the equity indexes had increased by 10%/(decreased) by 10% (2010: increased by 20%/(decreased) by 20%) with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index.

	Impact on post-tax profit		Impact on other components of equity	
	2011	2010	2011	2010
XMM – Increase 20%	-	-	66,250	104,931
XMM – Decrease 20%	-	-	(66,250)	(104,931)

Other component of equity would increase/(decrease) as a result of gains/(losses) on equity securities classified as available-for-sale. As the fair value of the available-for-sale financial assets would still be above cost, no impairment loss would be recognised in profit or loss as a result of the decrease in the index.

(d) Fair value measurement

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 7 Financial Instruments: Disclosures requires disclosure of fair value measurement by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)

(ii) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2),

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the Company's assets and liabilities measured and recognised at fair value at 30 June 2011 and 30 June 2010:

At 30 June 2011	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale financial assets				
Equity securities	473,210	-	-	473,210
Total assets	473,210	-	-	473,210
Total liabilities	-	-	-	-

At 30 June 2010	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale financial assets				
Equity securities	749,504	-	-	749,504
Total assets	749,504	-	-	749,504
Total liabilities	-	-	-	-

The fair value of financial instruments traded in active markets (such as publically traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

The carrying amounts of trade payables are assumed to approximate their fair values due to their short-term nature.

NOTE 3: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Recoverability of deferred exploration and evaluation expenditure

The Company assesses the recoverability of the carrying value of deferred exploration and evaluation expenditure at each reporting date, or at closer intervals should the need arise. The assessment includes a review of the Company's exploration and development plans for each area of interest, the success or otherwise of activities undertaken in those areas in recent times, the likely success of future planned exploration activities and/or any potential plans for divestment of those areas. The carrying value of the deferred exploration and evaluation expenditure is then adjusted, if necessary.

NOTE 4: OTHER INCOME

	2011 $	2010 $
Gain on sale of available-for-sale investments	131,267	676,280
Other income	10,123	-
	141,390	676,280

NOTE 5: PROFESSIONAL FEES

	2011 $	2010 $
Accounting and other professional fees	(287,330)	(347,868)
Corporate secretarial fees	(103,887)	(72,481)
	(391,217)	(420,349)

NOTE 6: ADMINISTRATIVE AND OTHER EXPENSES

	2011 $	2010 $
Travel expenses	(44,504)	(15,392)
Insurance expense	(32,832)	(36,359)
Other expenses	(30,123)	(93,131
Rent expense	(17,625)	(11,712)
ASX listing fees	(17,440)	(60,413)
Office administrative expense	(14,864)	-
Management fee	(10,421)	(5,000)
Advertising expense	(6,500)	(53,102)
Administrative and other expenses	(174,309)	(275,109)

NOTE 7: EMPLOYEE BENEFIT EXPENSES

	2011 $	2010 $
Wages and salaries	(94,390)	(70,640)
Employment termination payment	(90,000)	-
Payroll tax	-	(22,018)
Superannuation contributions	(2,700)	(7,725)
	(187,090)	(100,383)

NOTE 8: AUDITORS REMUNERATION

	2011 $	2010 $
Audit fees		
PricewaterhouseCoopers	(40,000)	-
Grant Thornton	-	(27,000)
Total audit fees	(40,000)	(27,000)
Non-audit fees		
PricewaterhouseCoopers	(20,000)	-
Total non-audit fees	(20,000)	-

The auditor of Genesis Resources Limited for the year ended 30 June 2011 is PricewaterhouseCoopers (2010: Grant Thornton).

NOTE 9: INCOME TAXES

Income tax expense

	2011 $	2010 $
Current tax	19,062	-
Deferred tax	-	78,143
Adjustments for current tax of prior periods	-	-
	19,062	78,143

Numerical reconciliation between tax expense and pre-tax accounting profit

	2011 $	2010 $
Loss before tax	(542,990)	(34,387)
Income tax using the Company's domestic tax rate of 30% (2010: 30%)	(162,897)	(10,316)
Difference in gain on sale of share investment	7,247	25,385
Change in unrecognised deductible temporary differences	-	111,159
Non-deductible expenses	-	-
Reversal of deductible temporary differences recognised in equity	(48,085)	(48,085)
Current year losses for which no deferred tax asset was recognised	222,797	-
Total income tax expense	19,062	78,143

Amounts recognised in equity

Amounts transferred to profit and loss	(39,380)	-
Available-for-sale financial assets	20,318	114,194
Other expenditures recognised in equity	-	(192,337)
Total income tax recognised directly in equity	(19,062)	(78,143)

NOTE 10: CASH & CASH EQUIVALENTS

	2011 $	2010 $
Cash at bank:		
Westpac bank- Business cheque account	28,736	27,022
Westpac bank- Share issue account	929,307	2,318,123
Cash and cash equivalents in the statement of cash flows	958,043	2,345,145

Reconciliation of cash flows from operating activities:

	2011 $	2010 $
Cash flows from operating activities		
Loss for the period	(562,052)	(112,530)
Adjustments for:		
Net finance costs	-	(9,739)
(Profit)/ loss on sale of shares	(131,267)	(676,280)
Income tax expense	19,062	78,143
Other items	-	(136)
	(674,257)	(701,064)
Change in trade and other receivables	68,984	(42,084)
Change in trade and other payables	(291,264)	(133,656)
Net cash (used in) operating activities	(896,537)	(876,804)

NOTE 11: OTHER RECEIVABLES

	2011 $	2010 $
Current		
Prepayments	29,026	29,173
Other receivables	13,728	82,565
	42,754	111,738

NOTE 12: OTHER FINANCIAL ASSETS

	2011 $	2010 $
Current		
Shares in WDR Ltd. (1,545,269 shares)	463,583	749,504
Shares in Thor Mining Plc (370,568 shares)	9,627	-
	473,210	749,504
Non-current		
Bank Guarantee (i)	67,190	77,000
	67,190	77,000

(i) On 29 April 2010, the Company deposited 3,202,000 MKD into Central Cooperative Bank AD Skopje, on request from the Macedonia Government as a guarantee over the Company's planned expenditure on the Plavica tenements.

NOTE 13: EXPLORATION AND EVALUATION ASSETS

	2011 $	2010 $
Opening balance	1,843,209	157,832
Capitalised expenditures during the year	886,355	1,685,377
Closing balance	2,729,564	1,843,209

The recoverability of carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploration or sale of the respective area of interest. This is assessed annually at the balance sheet date.

NOTE 14: DEFERRED TAX ASSETS AND LIABILTIIES

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	2011 $	2010 $
Tax losses	357,538	215,063
	357,538	215,063

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits therefrom.

Recognised deferred tax assets and liabilities

	DTA		DTL		Total	
	2011 $	2010 $	2011 $	2010 $	2011 $	2010 $
Exploration and evaluation assets		-	(818,869)	(550,027)	(818,869)	(550,027)
Loans and borrowings	144,253	-	-	(1,229)	144,253	(1,229)
Equity accounted assets		192,338	-	-	-	192,338
Provisions	6,000	3,000	-	-	6,000	3,000
Other items	45,646	63,712	(8,708)	-	36,938	63,712
Available-for-sale financial assets	-	-	(95,132)	(114,194)	(95,132)	(114,194)
Tax loss carry-forward	726,810	406,400	-	-	726,810	406,400
Tax (assets)/liabilities	922,709	665,450	(922,709)	(665,450)	-	-
Net tax (assets)/ liabilities	922,709	665,450	(922,709)	(665,450)	-	-

NOTE 15: TRADE AND OTHER PAYABLES

	2011 $	2010 $
Trade and other payables	97,909	341,633
	97,909	341,633

NOTE 16: ISSUED CAPITAL

	2011		2010	
	Number	$	Number	$
Fully paid ordinary shares				
Balance at beginning of the financial year	53,080,752	4,826,885	30,580,752	1,024,289
Issue of shares	-			
Ordinary shares issued at 20 cents per share on IPO (i)	-	-	20,000,000	3,995,000
Equity settled transactions – Services from 1 July 2009 to 31 Dec 2009 (ii)	-	-	2,500,000	416,667
Share transaction costs	-	-	-	(609,071)
Balance at end of the financial year	53,080,752	4,826,885	53,080,752	4,826,885

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

There were no shares issued during the current year.

Shares issued during the previous year included the following:

(i) In June 2009 the general meeting of shareholders resolved to issue 20,000,000 ordinary shares at an exercise price of 20 cents per share. All issued shares are fully paid.

(ii) In September 2008 the Company entered into an agreement with Tigermoth Investments Limited whereby Tigermoth was to act as corporate advisor to Genesis for the raising a minimum subscription of $2.0 million. The agreement was successfully executed and 2.5 million shares were issued.

NOTE 17: RESERVES

	2011	2010
	$	$
Balance 1 July	335,539	-
Revaluation (gross)	67,727	449,703
Deferred tax	(20,318)	(114,164)
Transfer to profit or loss (net of tax)	(91,887)	-
Balance 30 June	291,061	335,539

Changes in the fair value and exchange differences arising on translation of investments, such as equities, classified as available-for-sale financial assets, are recognised in other comprehensive income, as described in Note 1 (n) and accumulated in a separate reserve within equity. Amounts are reclassified to profit and loss when the associated assets are sold or impaired.

NOTE 18: ACCUMULATED LOSSES

	2011	2010
	$	$
Balance 1 July	(383,042)	(270,512)
Net loss for the year	(562,052)	(112,530)
Balance 30 June	(945,094)	(383,042)

NOTE 19: KEY MANAGEMENT PERSONNEL DISCLOSURES

Key management personnel consists of the directors of the Company, as disclosure in the Director's Report on pages 10 to 23.

a) Key management personnel compensation

	2011 $	2010 $
Short term employment benefits	94,185	304,373
Termination payment	90,000	-
Post employment benefits	2,700	7,200
	186,885	311,573

Detailed remuneration disclosures are provided in the Remuneration Report on pages 21 to 23.

b) Equity instrument disclosures relating to key management personnel

Share holdings

The number of shares in the company held during the financial year by each director of Genesis and other key management personnel of the Company, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

Fully paid ordinary shares 2011	Balance at 1 July 2010	Shares Acquired	Shares Disposed/ Other	Options Exercised	Net Change	Balance at 30 June 2011
Directors of Genesis Resources Limited						
E. Pang	2,140,000	-	-	-	-	2,140,000
A. Parker	-	-	-	-	-	-
K. Sener	4,250,000	-	-	-	-	4,250,000
D. Wee	240,000	1,000,000	-	-	1,000,000	1,240,000
P. Kastellorizos (i)	9,250,000	-	9,250,000	-	(9,250,000)	-
Total	15,880,000	1,000,000	9,250,000	-	8,250,000	7,630,000

(i) During the period P. Kastellorizos sold 300,000 shares. The remaining movement is due to his resignation from the Company.

Fully paid ordinary shares 2010	Balance at 1 July 2009	Shares Acquired	Shares Disposed/ Other	Options Exercised	Net Change	Balance at 30 June 2010
Directors of Genesis Resources Limited						
E. Pang	1,000,000	1,140,000	-	-	1,140,000	2,140,000
A. Parker	-	-	-	-	-	-
K. Sener	4,250,000	-	-	-	-	4,250,000
D. Wee	-	240,000	-	-	-	240,000
P. Kastellorizos	9,250,000	-	-	-	-	9,250,000
Total	14,500,000	1,380,000	-	-	1,140,000	15,880,000

c) Loans to and from key management personnel

Details of loans made to the directors of Genesis and other key management personnel of the Company, including their personally related parties, are set out below.

	Balance at 1 July $	Balance at 30 June $	Interest Charged $	Highest balance during the period $
2011				
Loan from P. Kastellorizos	5,581	-	-	5,581
2010				
Loan from P. Kastellorizos	5,649	5,581	310	5,649

During the year, the Company repaid the unsecured loan to P. Kastellorizos. There is no interest payable as at 30 June 2011.

d) Other transactions with key management personnel

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities

A number of these entities transacted with the Company in the reporting period. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entity on an arm's-length basis.

The aggregate value of transactions and outstanding balances related to key management personnel and entities over which they have control or significant influence were as follows:

	Note	Transaction	Transactions value year ended 30 June 2011 $	2010 $
Key management person				
Mr. Pedro Kastellorizos	(i)	Consultancy fees	-	211,715
Mr. Pedro Kastellorizos	(ii)	Office rental (50%)	-	5,856
Mrs. Maria Kastellorizos	(ii)	Office rental (50%)	-	5,856
Mr. Allan John Parker	(iii)	Geological Service	11,000	-
Mr. Ahmet Kerim Sener	(iii)	Geological Service	64,673	-

(i) The Company engaged Kastellco Geological Consultancy, an entity controlled by Mr. Pedro Kastellorizos, to provide consultancy services in relation to various projects. Amounts were billed based on normal market rates for such services and were due and payable under normal payment terms.

(ii) The Company leased office premises from Pedro and Maria Kastellorizos. Lease terms were based on the market rates and amounts are payable on a fortnightly basis.

(iii) Provision of geological consulting and tenement management services as well as general company management services at normal commercial rates.

NOTE 20: DIVIDENDS

No dividends were declared during the relevant period.

NOTE 21: RELATED PARTY TRANSACTIONS

Related parties of the Company consist of the Key Management Personnel disclosed in Note 19. There are no other related party transactions.

NOTE 22: SEGMENT REPORTING

The Company has reportable segments, as described below, which are the Company's business units. The two business units are managed separately because they are regulated under different authorities. For each of the business units, the Company's Managing Director reviews internal reports on at least a quarterly basis. The following summary describes the operations in each of the Company's reportable segments:

- Australia – Includes copper, iron, gold, manganese and other base metal exploration projects in the Northern Territory and Queensland.
- Macedonia – Includes a base metal and gold exploration project.

The accounting policies of the reportable segments are the same as described in note 1.

Information regarding the results of each reportable segment is included below. As both segments are in the early stages of exploration, there is no associated segment profit, as expenditure is capitalised.

Comparative segment information has been represented in conformity with the requirements of AASB 8 Operating Segments.

Information about reportable segments:

	Australia		Macedonia		Head Office		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
	$	$	$	$	$	$	$	$
Other income	-	-	-	-	141,390	676,280	141,390	676,280
Operating expenses	-		-	-	(752,616)	(795,841)	(752,616)	(795,781)
Reportable segment profit before income tax	-	-	-	-	(542,990)	(34,387)	(562,052)	(34,387)
Other material non-cash items :								
Exploration and evaluation assets	2,237,045	1,652,428	492,519	190,781	-	-	2,729,564	1,843,209

Reconciliation of reportable segment revenue, profit or loss, assets and liabilities and other material items:

	2011	2010
	$	$
Revenues		
Total revenue for reportable segments	141,390	676,280
Other revenue	-	-
Total revenue	141,390	676,280
Profit/ (loss)		
Total profit/ (loss) for reportable segments	(562,052)	(112,530)
Other profit/ (loss)	-	-
Total profit/ (loss) before income tax	(562,052)	(112,530)
Assets		
Total assets for reportable segments	2,729,564	1,843,209
Other assets	1,541,197	3,283,387
Total assets	4,270,761	5,126,596
Liabilities		
Total liabilities for reportable segments	97,909	347,214
Other liabilities	-	-
Total liabilities	97,909	347,214

NOTE 23: EARNINGS PER SHARE

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share at 30 June 2011 was based on the loss attributable to ordinary shareholders of $562,052 (2010: $112,530) and a weighted average number of ordinary shares outstanding of 53,080,752 (2010: 46,608,149), calculated as follows:

Profit attributable to ordinary shareholders

	2011 $	2010 $
Loss for the year	(562,052)	(112,530)
Loss attributable to ordinary shareholders	(562,052)	(112,530)
Weighted average number of ordinary shares		
Issued ordinary shares at 1 July (excluding Class A Performance Shares)	53,080,752	30,580,752
Effect of shares issues October 2009	-	16,027,397
Weighted average number of ordinary shares at 30 June	53,080,752	46,608,149

NOTE 24: SHARE-BASED PAYMENTS

Description of the share-based payments arrangements

At 30 June 2011 the Company has the following share-based payment arrangements:

Share option programme (equity-settled)

On 20 December 2007, the Directors resolved to issue 500,000 options exercisable at 20 cents each on or before three years form the date of listing of the Company on the Australian Stock Exchange ("ASX").

Performance options (equity-settled)

On 24 May 2010, the Company entered into an agreement with Melbourne Funds Management Limited ("Melbourne Funds"). The Company agreed to engage Melbourne Funds as corporate advisor and grant Melbourne Funds the first right of refusal to manage and advise on any equity capital raising proposed to be undertaken by the Company during the period in which Melbourne Funds remains mandated by the Company under this agreement, a term of six months.

If the Company's share price, as quoted on the ASX, maintained an average price of 50 cents or more per share for a three month period during the term of the agreement, the Company would, as soon as reasonably practicable, issue 2,500,000 options to Melbourne Funds exercisable at 30 cents each on or before one year from the date of issue. During the term of the agreement, the Company's share price did not maintain an average of 50 cents or more per share for a three month period; accordingly, no options were issued to Melbourne Funds.

In September 2008, the Company entered into an agreement with Tigermoth Investments Limited ("Tigermoth") whereby Tigermoth was to act as corporate advisor to Genesis for the raising a minimum subscription of $2.0 million with 2,500,000 shares to be issued to Tigermoth upon completion. The agreement was successfully executed during the financial year ended 30 June 2010 and 2,500,000 shares were issued. An equity settled share-based payment of $416,667 was recognised during the year end 30 June 2010 representing a portion of the payment to Tigermoth. Refer to note 16.

NOTE 25: SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or even of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

NOTE 26: COMMITMENTS

In order to maintain current rights of tenure to exploration permits, the Company is required to perform minimum exploration wrok to meet minimum expenditure requirements. These obligations may vary over time, depending on the Company's exploration and priorities.

These obligations are not provided for in the financial report and are payable as follows:

	2011	2010
	$	$
Contracted but not provided for and payable:		
Within one year	403,849	272,793
One year or later and no later than five years	210,770	313,584
Later than five years	-	-
	614,619	586,377

NOTE 27: CONTINGENCIES

The directors are not aware of any contingent liabilities to which the Company may be exposed to as at 30 June 2011 (2010: nil) and into the foreseeable future, which have not been noted with these financial statements.

NOTE 28: COMPANY DETAILS

The registered office of the Company is:

Genesis Resources Limited
Level 3, 1 Collins Street
Melbourne, Victoria 3000

DIRECTORS' DECLARATION

In the Directors' opinion:

(a) the financial statements and notes set out on pages 25 to 48 are in accordance with the *Corporations Act* 2001, including:

(i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

(ii) giving a true and fair view of the entity's financial position as at 30 June 2011 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Financial Officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Directors.

Eddie Lung Yiu Pang
Chairman

27 September 2011

Independent auditor's report to the members of Genesis Resources Limited

Report on the financial report

We have audited the accompanying financial report of Genesis Resources Limited (the company), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year/period ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

PricewaterhouseCoopers, ABN 52 780 433 757
Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Auditor's opinion

In our opinion:

(a) the financial report of Genesis Resources Limited is in accordance with the *Corporations Act 2001*, including:
   (i) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) the company's financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 1 in the financial report, which comments on the company's continuation as a going concern depending on its success in obtaining additional funding to finance ongoing exploration activities. These conditions, along with other matters set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the remuneration report included in pages 21 to 23 of the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of Genesis Resources Limited for the year ended 30 June 2011, complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Chris Dodd
Partner

Melbourne
27 September 2011

ADDITIONAL SECURITIES EXCHANGE INFORMATION

Number of Holdings of Equity Securities as at September 2011

The fully paid issued capital of the Company consisted of 53,080,752 ordinary fully paid shares held by 410 shareholders. Each share entitles the holder to one vote.

There are 2,500,000 unlisted options over ordinary shares, expiring on 24 November 2011 and exercisable at $0.30 each. The options do not carry a right to vote.

Distribution of Holders of Equity Securities as at September 2011

Range	Total holders	Units	% Issued capital
1 – 1,000	3	8	0.00
0.001,001 – 5,000	9	34,325	0.06
5,001 – 10,000	158	1,558,800	2.94
10,001 – 50,000	177	6,437,505	12.13
1,000,001 – 9,999,999,999	63	45,050,114	84.87
Rounding			0.00
Total	410	53,080,752	100.00

Unmarketable Parcels as at September 2011

Unmarketable Parcels	Minimum parcel size	Holders	Units
Minimum $ 500.00 parcel at $ 0.10 per unit	5,000	9	19,333

Substantial Shareholders as at September 2011

Rank	Shareholder	No.	%
1.	Bluekebble Pty Ltd	6,250,000	11.77
2.	Ms Siew Bee Tan	4,000,000	7.54
3.	Mr Pedro Kastellorizos	2,700,000	5.09

Twenty Largest Holders of Quoted Equity Securities as at September 2011

Rank	Shareholder	Units	% of issued capital
1.	Bluekebble Pty Ltd	6,250,000	11.77
2.	Ms Siew Bee Tan	4,000,000	7.54
3.	Mr Pedro Kastellorizos	2,700,000	5.09
4.	Aslan Capital Ltd	2,500,000	4.71
5.	Tigermoth Investments Ltd	2,500,000	4.71
6.	Inner Ivory Investments Inc	2,250,000	4.24
7.	Chin Huan Ng	2,000,000	3.77
8.	Mr Ahmet Kerim Sener	1,250,000	2.35
9.	Mr Kok Bin Wee	1,240,000	2.34
10.	Sakura Capital Limited	1,227,952	2.31
11.	Ms Alice Wong	1,125,000	2.12
12.	Eldoret Resources Pty Ltd	1,045,750	1.97
13.	Mr Damian Delaney	1,000,000	1.88
14.	Mr Edwin Hancock + Mrs Sylvia Hancock	1,000,000	1.88
15.	Mr Trevor Tschirpig	1,000,000	1.88
16.	Ms Siew Hoon Koay	865,000	1.63
17.	Wynnwood Pty Ltd <The Pang Family S/F A/C>	865,000	1.63
18.	Mr Pok Seng Kong	822,500	1.55
19.	Mr Terence Brown	750,000	1.41
20.	Oasis Profit (HK) Pty Ltd	575,000	1.08
Top 20 Holders Of Ordinary Fully Paid Shares as at 31 August 2011		34,966,202	65.87
Remaining Holders Balance		18,114,550	34.13

Other Information

The name of the Company Secretary is Ms Sophie Karzis. The address of the principal registered office in Australia, and the principal administrative office is Level 3, 1 Collins Street, Melbourne, Victoria 3000, Australia, telephone is +61 (0) 3 9665 0403.

The Company is listed on the Australian Securities Exchange. The home exchange is Melbourne. Registers of securities are held by Computershare Investor Services Pty Ltd, Yarra Falls, 452 Johnson Street, Abbotsford, 3067, Victoria, 3067, local call is 1300 850 505, international call is + 613 9415 4000.