

**GENESIS RESOURCES LIMITED**  
**ACN 114 787 469**



**ANNUAL REPORT**  
**30 JUNE 2017**

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# CORPORATE DIRECTORY

**GENESIS RESOURCES LIMITED**  
ACN 114 787 469

DIRECTORS	Mr Eddie Lung Yiu Pang Mr Kim Heng Lim Mr Yau Young Lim Mr Chin Niap Mah Mr James Patterson Mr Deric Kok Bin Wee	Managing Director & Executive Chairman Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director
COMPANY SECRETARY	Ms Sophie Karzis	
CHIEF FINANCIAL OFFICER	Ms Patricia Wong	
REGISTERED OFFICE	Level 1, 61 Spring Street Melbourne, Victoria 3000	T + 61 (0) 3 9286 7500 F + 61 (0) 3 9662 1472
SHARE REGISTER	Computershare Yarra Falls, 452 Johnston Street Abbotsford, Victoria 3067	Local call 1300 850 505 International call + 61 (0) 3 9415 4000
AUDITOR	RSM Australia Partners Level 21 55 Collins Street Melbourne, Victoria 3000	T + 61 (0) 3 9286 8000 F + 61 (0) 3 9286 8199
WEBSITE ADDRESS	www.genesisresourcesltd.com.au	
Genesis Resources Limited is a public company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX: GES).		

# Letter from the Chairman

Dear Shareholders

On behalf of the Board I am pleased to present Genesis Resources Limited's Annual Report for the year ended 30 June 2017. It has been a significant year of progress for the Company, particularly in relation to the Plavica Project in Macedonia, which again has formed Genesis' main exploration focus during the year.

Following the granting of the 30-year Exploitation Licence at Plavica in May 2015 to Silgen Resources International Ltd, Kratovo, an incorporated joint venture entity owned by Genesis and its Macedonian-based joint venture partner RIK Sileks AD Kratovo in 62% and 38% proportions respectively (**Silgen**), drilling on the Licence area was focussed on extending and better understanding the previously known mineralisation at both the Plavica and Maricanski Rid prospects.

The Company released a JORC 2012 compliant resource statement over Plavica in late 2016, which included maiden resource results for Maricanski Rid. The total gold resource was **65.8 MT at 0.70 g/t Au containing 1.46 Million Ounces of Gold**. The resource also contained 107 kT of contained copper and 11.1 Million Ounces of Silver. The full report is available on Genesis' website ([genesيسresourcesltd.com.au](http://genesيسresourcesltd.com.au)).

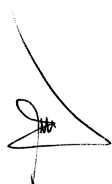
Following an extensive drilling program, I am pleased to advise that drilling is now complete at Plavica and all assays have been returned.

Subsequent to this drilling, Genesis has continued to work on a JORC compliant Pre-Feasibility study (**PFS**) (as required to obtain funding for mine development). This PFS is due for completion in October 2017. Work on the PFS so far has included metallurgical studies, geotechnical and hydrogeological work, environmental and social studies and infrastructure planning.

These objectives are consistent with Genesis' obligations under its joint venture agreement with Sileks, and once achieved, will enable Genesis and its joint venture partner to assess viability to develop a mine site at Plavica.

I take this opportunity to express my appreciation for the contributions made by my fellow Directors and management team during the year. I am confident that the Board and management are well positioned to drive the Company's resource assets to the next level, in particular at the Plavica Project, and to increase the value of the assets of Genesis for the benefit of all shareholders and investors.

On behalf of Genesis' Board and management, I extend my gratitude to shareholders for their continued support for Genesis, and look forward to providing updates to shareholders in the year ahead.



Mr Eddie Pang  
**Executive Chairman**  
27 September 2017

# DIRECTORS' REPORT

The Directors of Genesis Resources Limited are pleased to present the annual report of the Company for the financial year ended 30 June 2017. In accordance with the Corporations Act 2001, the Directors report as follows:

## DIRECTORS

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

### Current Directors

<b>EDDIE LUNG YIU PANG</b>	Managing Director, 28 September 2015 – present Executive Chairman, 26 November 2015 – present Non-Executive Chairman, 28 September 2015 – 25 November 2015 Executive Chairman, 1 December 2013 – 27 September 2015 Non-Executive Chairman, 6 March 2009 – 30 November 2013
<b>KIM HENG LIM</b>	Non-Executive Director, 31 May 2016 – present
<b>YAU YOUNG LIM</b>	Non-Executive Director, 21 November 2016 – present
<b>CHIN NIAP MAH</b>	Non-Executive Director, 31 May 2016 – present
<b>JAMES PATTERSON</b>	Non-Executive Director, 24 October 2016 – present
<b>DERIC KOK BIN WEE</b>	Non-Executive Director, 11 December 2009 – 26 November 2012, and 16 January 2013 – present

### Former Directors

<b>ALYN TAI</b>	Non-Executive Director, 26 November 2015 – 10 October 2016
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## EDDIE PANG, Managing Director & Executive Chairman

Eddie 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 Lebanon, Iraq 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. He has an extensive network of business associates in several large corporations in China and the Middle East.

Mr Pang is presently a director of ASX listed company Lincoln Minerals Ltd (ASX: LML) and he was appointed to this role on 1 December 2013.

Mr Pang currently has a relevant interest in 3,210,000 fully paid ordinary shares in the Company.

## **KIM HENG LIM, Non-Executive Director**

Mr Lim has an MBA from Southern California University and is the founder and managing director of Senheng Electric (KL) Sdn Bhd (Senheng Electric), a large retail outlet chain in Malaysia, which was established in 1989 and has more than 130 stores retailing electronics. Mr Lim has won several awards, including Franchise of the Year, Entrepreneur of the Year, and Best Employer of Choice.

Mr Lim has not held any directorships of other ASX listed companies in the last three years. Mr Lim currently has a relevant interest in 260,160,157 fully paid ordinary shares in the Company.

## **YAU YOUNG LIM, Non-Executive Director**

Mr Lim obtained his Bachelor of International Business degree from Macquarie University (Sydney, Australia) in 2009, and a Master of Business in Marketing from the University of Technology in Sydney in 2011. He also obtained an executive degree in Business Analytics & Big Data from Harvard Business School in 2016.

Mr Lim is the Head of Customer Loyalty & Big Data for Senheng Electric (KL) Sdn Bhd, Malaysia's largest consumer electrical retail store, where he is mainly responsible for customer loyalty programmes, data integration and analytics. Prior to this position, Mr Lim was the Head of Merchandising for Senheng Electric (KL) Sdn Bhd, where he was mainly responsible for the sourcing and management of products, including market forecasting, margins and stock flow, and sales. Prior to this position, Mr Lim was the Head of Marketing for Senheng Electric (KL) Sdn Bhd and was mainly responsible for corporate marketing and branding of the company.

Mr Lim also sits on the board of Purple League (M) Sdn Bhd, a Malaysian private limited company. Purple League (M) Sdn Bhd is the organiser of Malaysia's first professional badminton league, with the world's top players and participation of more than 15 countries, and which is broadcasted in more than 10 countries. The league is sanctioned by the Badminton Association of Malaysia and the Badminton World Federation. The league is supported by the Youth and Sports Ministry of Malaysia.

Mr Lim currently has a relevant interest in 43,303,636 fully paid ordinary shares in the Company.

## **CHIN NIAP MAH, Non-Executive Director**

Mr Mah obtained the Chartered Certified Accountant qualification from the Association of Chartered Certified Accountants (ACCA) in 2004 and is currently a Fellow member of ACCA and the Malaysian Institute of Accountants. Mr Mah possesses more than 25 years of finance and accounting experience, having held positions in various companies from a diverse range of industries. He also holds an MBA from Golden State University. Mr Mah has served as the Chief Financial Officer of Senheng Electric since September 2008.

Mr Mah has not held any directorships of other ASX listed companies in the last three years. Mr Mah currently has a relevant interest in 16,764,706 fully paid ordinary shares in the Company.

## **JAMES PATTERSON, Non-Executive Director**

Mr Patterson, who also serves as the Company's Exploration Manager, is a geologist with over 20 years' exploration experience, primarily in gold and copper-gold systems. He has worked with several successful Exploration Companies such as Delta Gold, Newmont, Oxiana and MMG. He has worked in Australia, Asia, The Pacific Islands and Eastern Europe. His last role was as Country Exploration Manager with Rio Tinto in Laos. He is a Member of the Australian Institute of Geoscientists (AIG).

Mr Patterson has not held any directorships of other ASX listed companies in the last three years. Mr Patterson does not have a relevant interest in any shares in the Company.

## **DERIC 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 has not held any directorships of other ASX listed companies in the last three years. Mr Wee currently has a relevant interest in 1,860,000 fully paid ordinary shares in the Company.



## Senior Management

### SOPHIE KARZIS, Company Secretary

Sophie Karzis is a practising lawyer with over 15 years' experience as a corporate and commercial lawyer, company secretary and general counsel for a number of private and public companies. Ms Karzis is the principal of Corporate Counsel, a corporate law practice with a focus on equity capital markets, mergers and acquisitions, corporate governance for ASX-listed entities, as well as the more general aspects of corporate and commercial law. Ms Karzis is currently the company secretary of a number of ASX-listed and unlisted entities, and is a member of the Law Institute of Victoria and Governance Institute of Australia.

### PATRICIA WONG, Chief Financial Officer

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

## Operating and Financial Review

### 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 year.

### Exploration Activities - Overview

During the financial year, the Company undertook various exploration programs in relation to its Macedonian Project. In particular, the Board is pleased to announce the following exploration highlights in relation to the 2017 financial year:

#### Plavica Project (Macedonia)

- Following the granting of the 30-year Exploitation Licence at Plavica, drilling has continued to extend the known mineralization and complete Resource Estimations at both Plavica and Maricanski Rid. The Company released a JORC 2012 compliant resource statement over Plavica late in 2016 which included maiden resource results for Maricanski Rid. The total gold resource was **65.8 MT at 0.70 g/t Au containing 1.46 Million Ounces of Gold**. A total of 52 core holes were drilled for 9,107.9m and 69 RC holes were drilled for 7,981m. These holes were to upgrade the resource to the indicated category and extend the resource at both Maricanski Rid and Plavica to the East. A number of broad continuous oxide gold zones were intercepted. Highlights include:
  - PNRC122: 50m @ 3.77 g/t Au from 21m
  - MRRC015: 53m @ 1.49 g/t Au from 43m
- Genesis aims to complete a JORC compliant 'Indicated' Resource based on this drilling. Genesis then expects to complete a feasibility study before October 2017, and has agreed to commit up to US\$7.5m for such activities.

#### Australian Projects

- No field work was undertaken in relation to the Company's Australian projects due to the Board's focus on the Plavica Project in Macedonia. A number of drill programs have been planned on numerous Australian tenements.

## Exploration Activities - Macedonia

### PLAVICA PROJECT (62% interest)

#### Gold, Silver, Copper

The Plavica Project is administered through a joint venture Company, Silgen Resources International Ltd, Kratovo, (**Silgen Resources** or **JV Company**) which is 62% owned by Genesis and 38% owned by the nominee of Genesis' Macedonian-based joint venture partner RIK Sileks AD Kratovo (**Sileks**). Following the parties' incorporation of the JV Company in 2015, Sileks transferred the ownership of all assets it held in respect of the Plavica tenement (including the concession licence, all exploration results, associated data and the Government-mandated final feasibility study reports) to the JV Company. In May 2015, the Macedonian Government granted a 30-year Exploitation Licence to Silgen Resources.

Figure 1 shows the location of Plavica Gold-Copper-Silver Project in the Republic of Macedonia.

Genesis currently has a direct 62% ownership of the JV Company (subject to the encumbrance described below) which in turn owns all assets in respect of the Plavica tenement, including the Exploitation Licence. Genesis remains responsible under the terms of its joint venture agreement with Sileks for undertaking infill and extensional drilling and completing a feasibility study in respect of the Exploitation Licence area (as required to obtain funding for mine development), and the costs of those activities. Genesis is on track to fulfil these obligations.

The Company released a JORC 2012 compliant resource statement over Plavica in late 2016, which included maiden resource results for Maricanski Rid. The total gold resource was **65.8 MT at 0.70 g/t Au containing 1.46 Million Ounces of Gold**. The resource also contained 107 kT of contained copper and 11.1 Million Ounces of Silver. The full report is available on Genesis' website ([genesisresourcesltd.com.au](http://genesisresourcesltd.com.au)).

Subsequent to this resource, Genesis continued to work on a JORC compliant Pre-Feasibility study (PFS). This PFS is due for completion in October 2017. Work on the PFS has included metallurgical studies, geotechnical and hydrogeological work, environmental and social studies and infrastructure planning. The main component, however was further drilling to increase the confidence of the majority of the resource from 'inferred' to 'indicated' categories. In addition, both the Maricanski Rid and Plavica ore bodies were still open to the east. Drilling has been successful in delineating more mineralisation in these areas and these will be included in the up-graded resource due in the October quarter.

Highlights from the Plavica Deposit include:

- **PNRC122: 50m @ 3.77 g/t Au from 21m**
- **PNDD090: 69m @ 1.33 g/t Au from 68m**
- **PNDD099: 63m @ 1.57 g/t Au, 1.07 % Cu and 27.3 g/t Ag from 129m**

Drilling highlights from the Maricanski Rid Deposit include:

- **MRRC015: 53m @ 1.49 g/t Au from 43m**
- **MRDD054: 53m @ 1.25 g/t Au from 10m**
- **MRDD035: 80m @ 1.00 g/t Au from 43m**

In addition, a number of encouraging intercepts were returned in primary, un-oxidized material beneath the current oxide deposits:

- **PNDD099: 63m @ 1.57 g/t Au, 1.07 % Cu and 27.3 g/t Ag from 129m.**
- **MRRC044: 24m @ 1.06 g/t Au, 0.74 % Cu and 7.4 g/t Ag from 46m.**

Collar locations are shown in Tables 1, 2, 3 and 4 and Figure 2. Significant gold assays are shown in Tables 5 and 6 whilst significant copper assays are shown in Table 7. Figure 3 shows a section through the central part of Plavica whilst Figures 4 and 5 show sections through the eastern part of Maricanski Rid.

Although results over the Western part of Plavica were disappointing, the follow up drilling over the Eastern part of Plavica has increased the size of the prospect in that direction. The drilling at Maricanski Rid has been successful in delineating a sizeable body of shallow oxide gold mineralization with a high grade portion in the centre of this.

Drilling is now complete at Plavica and all assays returned. Genesis aims to complete a JORC compliant 'Indicated' Resource based on this drilling. Genesis then expects to complete a feasibility study before October 2017, and has agreed to commit up to US\$7.5m for such activities.





Figure 1: Location of Plavica Gold-Copper-Silver Project, Republic of Macedonia

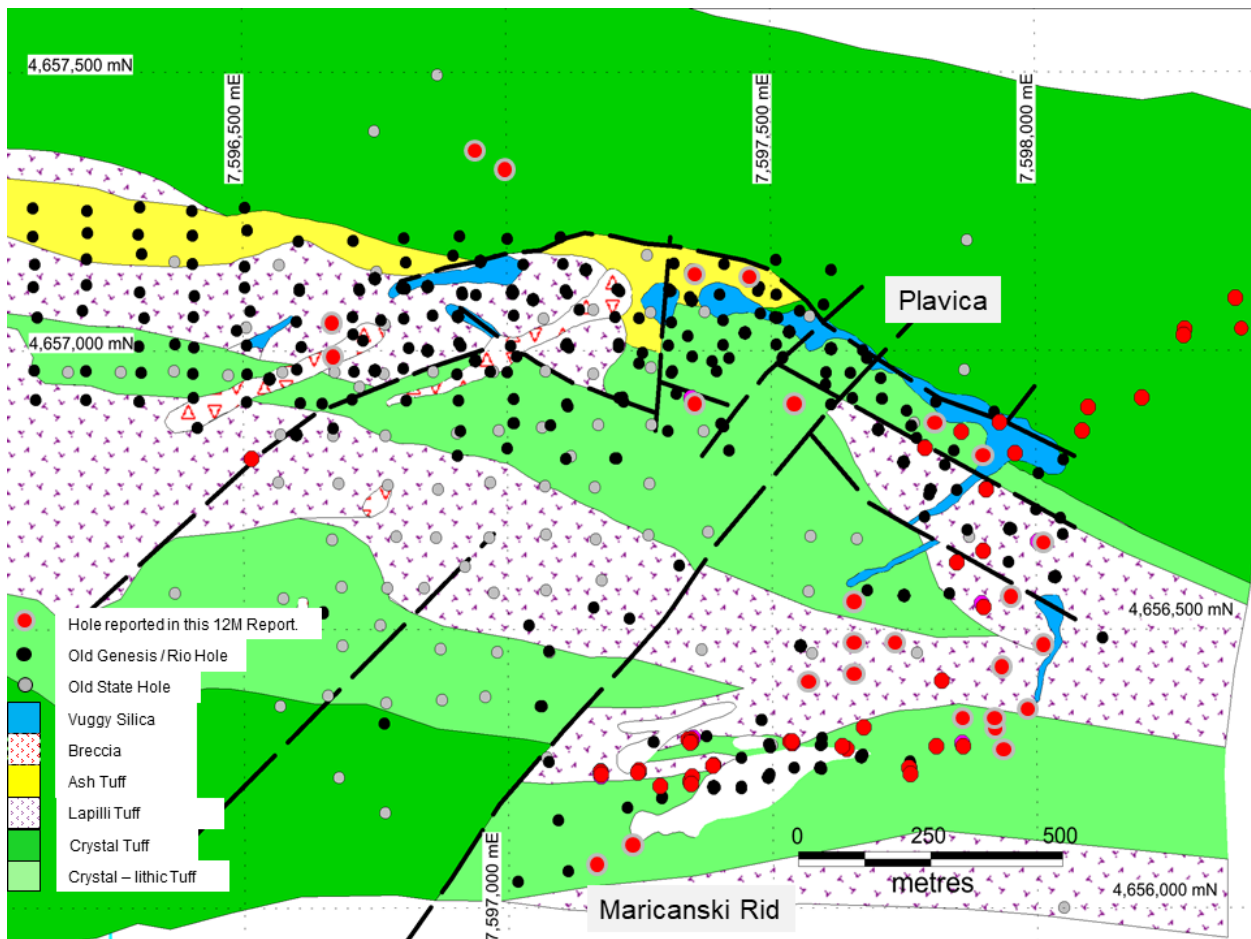


Figure 2: Location of Drill Collars, July 2016-June 2017, Plavica Gold-Copper-Silver Project. Co-ordinates in Gauss Kruger Projection

Hole ID	Prospect	Type	Final Depth	Dip	Azi Mag	East_GK	North_GK	RL_GK	Comment
PNDD085	Plavica	DD	158.30	-45	323	7597961.1	4656815.3	1280.5	Results Received
PNDD086	Plavica	DD	451.30	-60	4	7597850.0	4656619.4	1221.4	Results Received
PNDD087	Plavica	DD	294.45	-54	4	7597790.4	4656825.6	1243.0	Results Received
PNDD088	Plavica	DD	523.40	-60	359	7596515.1	4656806.5	1068.0	Results Received
PNDD089	Plavica	DD	227.75	-65	4	7597896.1	4656546.2	1223.3	Results Received
PNDD090	Plavica	DD	191.45	-50	4	7598003.0	4656657.3	1255.3	Results Received
PNDD091	Plavica	DD	264.70	-45	4	7597543.0	4656905.4	1187.2	Results Received
PNDD092	Plavica	DD	314.10	-45	4	7597348.2	4656914.7	1145.0	Results Received
PNDD093	Plavica	DD	233.30	-60	4	7597950.1	4656563.3	1234.5	Results Received
PNDD094	Plavica	DD	304.95	-60	4	7597897.7	4656483.8	1218.9	Results Received
PNDD095	Plavica	DD	212.40	-61	4	7597948.9	4656519.5	1230.0	Results Received
PNDD096	Plavica	DD	218.75	-55	7	7597987.1	4656565.7	1241.8	Results Received
PNDD097	Plavica	DD	188.60	-50	4	7597982.5	4656603.6	1244.7	Results Received
PNDD098	Plavica	DD	250.70	-45	4	7598049.1	4656754.0	1273.2	Results Received
PNDD099	Plavica	DD	244.45	-50	4	7597790.1	4656593.8	1207.2	Results Received
PNDD100	Plavica	DD	101.80	-50	94	7597989.3	4656552.3	1241.2	Results Received
PNDD101	Plavica	DD	122.25	-55	7	7597599.4	4656516.3	1157.3	Results Received
PNDD102	Plavica	DD	118.50	-60	184	7597599.8	4656515.0	1157.6	Results Received
PLAV_N1	Plavica	DD - Geotech	107.40	-80	184	7597487.2	4657162.2	1189.2	Results Received
PLAV_N2	Plavica	DD - Geotech	100.80	-60	4	7597486.8	4657163.7	1188.6	Results Received
PLAV_S	Plavica	DD - Geotech	130.60	-60	4	7597454.5	4657023.7	1199.1	Results Received

**Table 1: Drill Collar Details for Core Holes drilled at the Plavica Deposit within the period Jul 2016- Jun 2017, Plavica Gold-Copper-Silver Project.**

Hole ID	Prospect	Type	Final Depth	Dip	Azi Mag	East_GK	North_GK	RL_GK	Comment
MRDD034	Maricanski Rid	DD	155.2	-65	184	7597860.0	4656290.0	1200.0	Results Received
MRDD035	Maricanski Rid	DD	141.4	-45	184	7597810.0	4656290.0	1199.6	Results Received
MRDD036	Maricanski Rid	DD	143	-60	190	7597820.0	4656408.0	1207.0	Results Received
MRDD037	Maricanski Rid	DD	128.8	-45	184	7597640.0	4656285.0	1206.0	Results Received
MRDD038	Maricanski Rid	DD	194.9	-65	184	7597640.0	4656285.0	1206.0	Results Received
MRDD039	Maricanski Rid	DD	130.9	-45	4	7597640.0	4656285.0	1206.0	Results Received
MRDD040	Maricanski Rid	DD	170.0	-45	4	7597287.0	4656218.7	1170.1	Results Received
MRDD041	Maricanski Rid	DD	62.3	-45	4	7597340.1	4656302.2	1170.2	Results Received
MRDD041A	Maricanski Rid	DD	94.0	-45	4	7597345.3	4656302.4	1170.4	Results Received
MRDD042	Maricanski Rid	DD	101.0	-45	5	7597344.0	4656229.4	1186.5	Results Received
MRDD043	Maricanski Rid	DD	150.9	-45	184	7597343.3	4656227.4	1186.5	Results Received
MRDD044	Maricanski Rid	DD	157.3	-50	184	7597387.5	4656256.1	1193.0	Results Received
MRDD045	Maricanski Rid	DD	134.0	-45	4	7597535.0	4656297.7	1205.1	Results Received
MRDD046	Maricanski Rid	DD	133.9	-45	184	7597535.6	4656295.6	1205.0	Results Received
MRDD047	Maricanski Rid	DD	124.0	-45	184	7597758.1	4656250.3	1190.6	Results Received
MRDD048	Maricanski Rid	DD	161.2	-55	4	7597757.4	4656251.2	1190.6	Results Received
MRDD049	Maricanski Rid	DD	169.10	-45	4	7597173.5	4656245.6	1130.4	Results Received
MRDD050	Maricanski Rid	DD	135.70	-65	4	7597173.7	4656244.2	1130.4	Results Received
MRDD051	Maricanski Rid	DD	92.40	-60	4	7597246.3	4656245.7	1155.6	Results Received
MRDD051A	Maricanski Rid	DD	154.10	-60	4	7597246.7	4656246.7	1155.6	Results Received
MRDD052	Maricanski Rid	DD	106.40	-65	184	7597537.3	4656295.9	1205.1	Results Received
MRDD053	Maricanski Rid	DD	165.1	-55	4	7597863.4	4656351.2	1207.9	Results Received
MRDD054	Maricanski Rid	DD	171.45	-45	184	7597906.7	4656292.9	1204.9	Results Received
MRDD055	Maricanski Rid	DD	152.85	-55	4	7597907.4	4656294.5	1205.3	Results Received
MRDD056	Maricanski Rid	DD	157.35	-50	4	7597986.2	4656393.2	1226.6	Results Received
MRDD057	Maricanski Rid	DD	217.85	-45	184	7597985.7	4656385.3	1225.8	Results Received
MRDD058	Maricanski Rid	DD	91.4	-50	94	7597957.7	4656303.6	1211.6	Results Received
MRDD059	Maricanski Rid	DD	206.6	-45	184	7597245.3	4656137.9	1141.9	Results Received
MAR_N	Maricanski Rid	DD - Geotech	74.3	-70	184	7597276.2	4656366.9	1132.2	Results Received
MAR_S	Maricanski Rid	DD - Geotech	148.1	-45	10	7597245.3	4656141.1	1142.5	Results Received
MAR_W	Maricanski Rid	DD - Geotech	122.5	-70	184	7597129.9	4656240.1	1120.9	Results Received

**Table 2: Drill Collar Details for Core Holes drilled at the Maricanski Rid Deposit within the period Jul 2016- Jun 2017, Plavica Gold-Copper-Silver Project.**

Hole ID	Prospect	Type	Final Depth	Dip	Azi Mag	East_GK	North_GK	RL_GK	Comment
PNRC109	Plavica	RC	204	-50	4	7597900.0	4656540.0	1222.0	Results Received
PNRC110	Plavica	RC	204	-61	4	7597900.0	4656640.0	1234.0	Results Received
PNRC111	Plavica	RC	150	-50	4	7597905.7	4656751.4	1255.9	Results Received
PNRC112	Plavica	RC	140	-70	4	7597905.5	4656750.2	1256.0	Results Received
PNRC113	Plavica	RC	130	-50	4	7598379.2	4657094.5	1281.1	Results Received
PNRC114	Plavica	RC	120	-50	4	7598282.6	4657038.6	1279.1	Results Received
PNRC115	Plavica	RC	120	-50	184	7598281.2	4657027.5	1279.5	Results Received
PNRC116	Plavica	RC	150	-50	4	7598201.0	4656915.8	1289.4	Results Received
PNRC117	Plavica	RC	60	-50	4	7598088.4	4656855.8	1294.5	Results Received
PNRC118	Plavica	RC	150	-50	4	7598099.1	4656898.3	1294.0	Results Received
PNRC119	Plavica	RC	130	-50	4	7597932.1	4656871.1	1291.7	Results Received
PNRC120	Plavica	RC	150	-50	4	7597858.9	4656854.4	1264.1	Results Received
PNRC121	Plavica	RC	100	-50	4	7597808.0	4656873.1	1252.9	Results Received
PNRC122	Plavica	RC	80	-60	4	7597458.5	4657128.4	1199.0	Results Received
PNRC123	Plavica	RC	132	-50	4	7597351.1	4657141.0	1188.0	Results Received
PNRC124	Plavica	RC	120	-55	40	7596994.0	4657330.5	1154.7	Results Received
PNRC125	Plavica	RC	120	-55	40	7596941.0	4657354.6	1145.3	Results Received
PNRC126	Plavica	RC	102	-50	4	7595241.2	4656932.9	1022.7	Results Received
PNRC127	Plavica	RC	121	-55	4	7598024.1	4656499.9	1240.5	Results Received
PNRC128	Plavica	RC	132	-60	4	7597680.6	4656554.1	1175.8	Results Received
PNRC129	Plavica	RC	120	-55	4	7597731.7	4656599.9	1195.1	Results Received
PNRC130	Plavica	RC	120	-50	4	7597731.2	4656649.6	1201.7	Results Received
PNRC131	Plavica	RC	24	-60	4	7597746.8	4656518.1	1189.5	Results Received
PNRC131A	Plavica	RC	120	-60	4	7597747.5	4656523.6	1189.5	Results Received
PNRC132	Plavica	RC	78	-60	184	7597747.5	4656512.0	1189.8	Results Received
PNRC133	Plavica	RC	102	-60	184	7597679.9	4656548.1	1175.4	Results Received
PNRC134	Plavica	RC	132	-55	4	7597893.8	4656860.6	1276.8	Results Received
PNRC135	Plavica	RC	165	-55	4	7597895.4	4656809.3	1265.8	Results Received
PNRC136	Plavica	RC	120	-55	94	7598027.8	4656499.2	1240.1	Results Received
PNRC137	Plavica	RC	84	-55	4	7596661.7	4657006.3	1143.2	Results Received
PNRC138	Plavica	RC	120	-55	4	7596645.8	4656956.6	1122.1	Results Received

**Table 3: Drill Collar Details for RC Holes drilled at the Plavica Deposit within the period Jul 2016- Jun 2017, Plavica Gold-Copper-Silver Project.**

Hole ID	Prospect	Type	Final Depth	Dip	Azi Mag	East_GK	North_GK	RL_GK	Comment
MRRC014	Maricanski Rid	RC	140	-65	4	7597810.0	4656290.0	1199.6	Results Received
MRRC015	Maricanski Rid	RC	108	-65	184	7597810.0	4656290.0	1199.6	Results Received
MRRC016	Maricanski Rid	RC	144	-90	360	7597810.0	4656290.0	1199.6	Results Received
MRRC017	Maricanski Rid	RC	102	-90	360	7597760.0	4656240.0	1188.1	Results Received
MRRC018	Maricanski Rid	RC	102	-60	204	7597244.3	4656243.0	1155.5	Results Received
MRRC019	Maricanski Rid	RC	126	-90	330	7597345.0	4656298.0	1170.3	Results Received
MRRC020	Maricanski Rid	RC	127	-60	184	7597343.7	4656296.9	1170.2	Results Received
MRRC021	Maricanski Rid	RC	120	-90	346	7597347.5	4656236.0	1186.2	Results Received
MRRC022	Maricanski Rid	RC	98	-65	184	7597344.9	4656222.3	1186.4	Results Received
MRRC023	Maricanski Rid	RC	120	-70	4	7597386.8	4656255.8	1193.0	Results Received
MRRC024	Maricanski Rid	RC	6	-65	4	7597533.1	4656298.9	1204.9	Results Received
MRRC024A	Maricanski Rid	RC	100	-65	4	7597536.1	4656298.9	1204.9	Results Received
MRRC025	Maricanski Rid	RC	132	-90	343	7597631.9	4656289.6	1203.7	Results Received
MRRC026	Maricanski Rid	RC	120	-90	356	7597672.0	4656324.0	1206.0	Results Received
MRRC027	Maricanski Rid	RC	90	-90	24	7597174.9	4656239.9	1130.3	Results Received
MRRC028	Maricanski Rid	RC	72	-50	184	7597174.8	4656237.1	1130.3	Results Received
MRRC029	Maricanski Rid	RC	120	-90	75	7597858.2	4656295.4	1201.6	Results Received
MRRC030	Maricanski Rid	RC	132	-65	4	7597349.2	4656305.3	1170.7	Results Received
MRRC031	Maricanski Rid	RC	108	-60	4	7597706.4	4656310.9	1202.1	Results Received
MRRC032	Maricanski Rid	RC	144	-55	184	7597957.4	4656302.6	1211.3	Results Received
MRRC033	Maricanski Rid	RC	144	-55	4	7597958.7	4656311.8	1213.4	Results Received
MRRC034	Maricanski Rid	RC	144	-90	360	7597906.4	4656299.3	1206.2	Results Received
MRRC035	Maricanski Rid	RC	138	-90	360	7597862.5	4656346.5	1207.4	Results Received
MRRC036	Maricanski Rid	RC	120	-57	4	7597711.7	4656265.2	1196.8	Results Received
MRRC037	Maricanski Rid	RC	132	-55	184	7597710.5	4656257.8	1195.2	Results Received
MRRC038	Maricanski Rid	RC	120	-90	360	7597711.1	4656261.4	1196.1	Results Received
MRRC039	Maricanski Rid	RC	110	-60	184	7597224.7	4656348.0	1122.3	Results Received
MRRC040	Maricanski Rid	RC	102	-70	4	7597225.8	4656353.5	1121.0	Results Received
MRRC041	Maricanski Rid	RC	102	-60	184	7597163.3	4656320.4	1112.5	Results Received
MRRC042	Maricanski Rid	RC	102	-60	4	7597162.6	4656325.4	1111.2	Results Received
MRRC043	Maricanski Rid	RC	42	-60	4	7597126.5	4656321.0	1101.3	Results Received
MRRC043A	Maricanski Rid	RC	102	-60	4	7597126.5	4656320.0	1101.6	Results Received
MRRC044	Maricanski Rid	RC	72	-60	184	7597125.4	4656313.3	1102.9	Results Received
MRRC045	Maricanski Rid	RC	102	-65	4	7597130.3	4656220.9	1123.1	Results Received
MRRC046	Maricanski Rid	RC	84	-65	4	7597130.5	4656242.8	1120.6	Results Received
MRRC047	Maricanski Rid	RC	144	-55	184	7597014.5	4656045.2	1061.7	Results Received
MRRC048	Maricanski Rid	RC	120	-55	4	7597920.8	4656353.8	1213.6	Results Received
MRRC049	Maricanski Rid	RC	90	-55	184	7597919.2	4656346.8	1212.7	Results Received

**Table 4: Drill Collar Details for RC Holes drilled at the Maricanski Rid Deposit within the period Jul 2016- Jun 2017, Plavica Gold-Copper-Silver Project.**

Hole_ID	From	To	Interval	Au g/t	Ag g/t	Cu %
PNDD085	0	22	22	0.67	23.47	0.02
PNDD085	27	46	19	0.77	33.26	0.01
PNDD086	99	164	65	0.71	9.74	0.03
PNDD089	120	160	40	1.62	22.0	0.04
PNDD090	68	137	69	1.33	8.0	0.15
PNDD092	167	176	9	1.26	3.4	0.58
PNDD092	182	202	20	0.68	1.5	0.33
PNDD093	3	25	22	1.23	4.9	0.02
PNDD093	115	157	42	0.61	2.0	0.05
PNDD095	114	135	21	1.60	15.22	0.03
PNDD095	143	174	31	1.06	10.39	0.05
PNDD099	129	192	63	1.57	27.30	1.07
PNRC109	112	148	36	1.49	8.19	0.02
PNRC109	174	204	30	0.97	1.50	0.01
PNRC110	122	144	22	0.52	2.23	0.02
PNRC119	57	72	15	0.96	9.73	0.02
PNRC120	18	37	19	0.83	45.11	0.03
PNRC120	72	82	10	1.19	29.10	0.04
PNRC120	94	117	23	1.22	18.91	0.13
PNRC121	1	44	43	1.1	19.1	0.05
PNRC122	21	71	50	3.77	4.1	0.03
PNRC127	6	33	27	2.19	4.89	0.02
PNRC127	87	121	34	3.03	6.47	0.03
PNRC131A	95	106	11	1.43	1.45	0.01
PNRC132	59	78	19	1.88	1.16	0.01
PNRC134	66	69	3	5.42	10.67	0.04
PNRC134	111	128	17	1.27	32.35	0.02
PNRC136	14	30	16	1.83	9.94	0.04

**Table 5:** Select Significant Drilling Gold Results received, 2016 - 2017, Plavica Deposit Area. Compositing done with a 0.4 g/t Au cut-off, minimum 3m interval, maximum 3m internal waste. Core samples are all orientated standard HQ size core split in two using a core saw. Half the core was sampled at 1m intervals and the other half retained for reference purposes. All core was logged and photographed prior to sampling. Samples were sent to SGS Laboratories in Ankara, Turkey. Samples were assayed for gold by 30g Fire Assay and other elements by ICP. Standards, Blanks and Duplicates were also submitted for Laboratory Quality Assurance / Quality Control (QAQC). Intercept widths are not necessarily true widths. For complete results refer to the Genesis' Quarterly Reports on its website.



Hole_ID	From	To	Interval	Au g/t	Ag g/t	Cu %
MRDD034	10	58	48	0.66	4.00	0.02
MRDD034	69	105	36	1.02	5.33	0.01
MRDD035	43	123	80	1.00	3.48	0.04
MRDD038	130	154	24	1.03	1.92	0.01
MRDD043	112	138	26	0.95	4.98	0.14
MRDD047	48	73	25	1.02	4.72	0.01
MRDD048	46	74	28	0.81	2.21	0.01
MRDD049	1	30	29	1.24	4.77	0.02
MRDD050	0	34	34	1.13	4.24	0.03
MRDD051	7	34	27	0.78	1.59	0.02
MRDD051A	5	36	31	0.86	2.45	0.02
MRDD052	18	27	9	2.36	3.0	0.01
MRDD054	10	63	53	1.25	45.55	0.04
MRDD054	73	99	26	0.84	8.81	0.01
MRDD055	3	30	27	0.84	14.56	0.05
MRDD056	0	42	42	0.69	9.76	0.02
MRDD057	18	62	44	1.20	9.95	0.02
MRDD057	66	110	44	0.65	13.43	0.26
MRDD058	1	28	27	1.32	8.70	0.02
MRRC014	123	140	17	2.17	40.18	0.03
MRRC015	43	108	65	1.31	7.45	0.02
MRRC017	74	98	24	1.29	1.25	0.02
MRRC018	27	79	52	1.11	1.35	0.02
MRRC027	2	24	22	1.04	3.68	0.04
MRRC029	69	105	36	0.65	6.5	0.05
MRRC032	5	33	28	0.99	13.00	0.01
MRRC032	70	99	29	0.97	26.97	0.31
MRRC033	1	41	40	1.29	12.35	0.02
MRRC035	78	105	27	1.70	19.41	0.02
MRRC038	72	117	45	1.36	4.04	0.01
MRRC041	0	52	52	0.81	4.00	0.03
MRRC042	2	45	43	0.53	1.21	0.02
MRRC043	0	41	41	1.38	5.37	0.03
MRRC043A	0	39	39	1.18	4.80	0.03
MRRC044	46	70	24	1.06	7.42	0.74
MRRC049	38	58	20	1.18	29.35	0.03

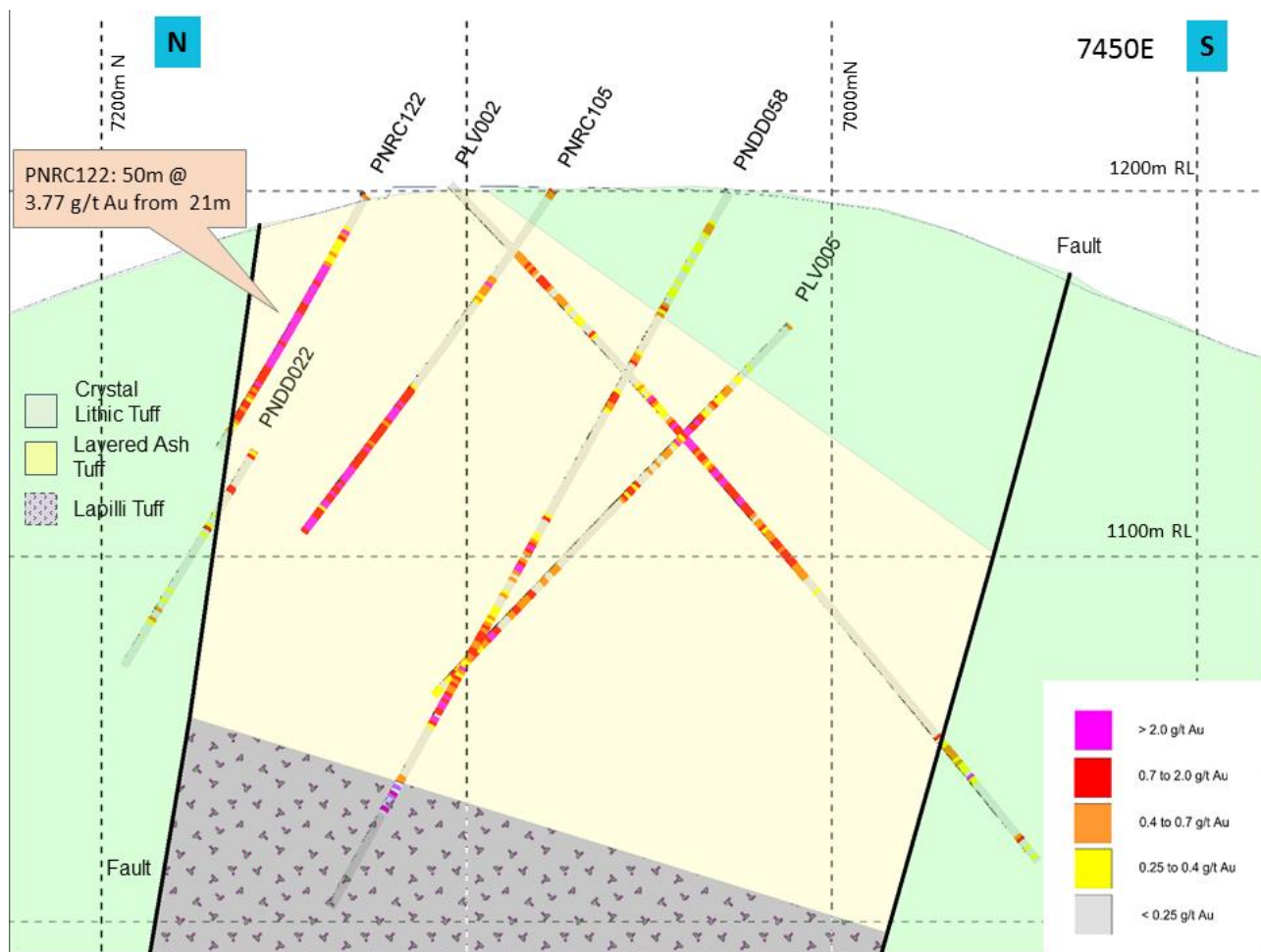
**Table 6:** Select Significant Drilling Gold Results received, 2016 - 2017, Maricanski Rid Deposit Area. Compositing done with a 0.4 g/t Au cut-off, minimum 3m interval, maximum 3m interval waste. Core samples are all orientated standard HQ size core split in two using a core saw. Half the core was sampled at 1m intervals and the other half retained for reference purposes. All core was logged and photographed prior to sampling. Samples were sent to SGS Laboratories in Ankara, Turkey. Samples were assayed for gold by 30g Fire Assay and other elements by ICP. Standards, Blanks and Duplicates were also submitted for Laboratory Quality Assurance / Quality Control (QAQC). Intercept widths are not necessarily true widths. For complete results refer to the Genesis Quarterly Reports on its website.



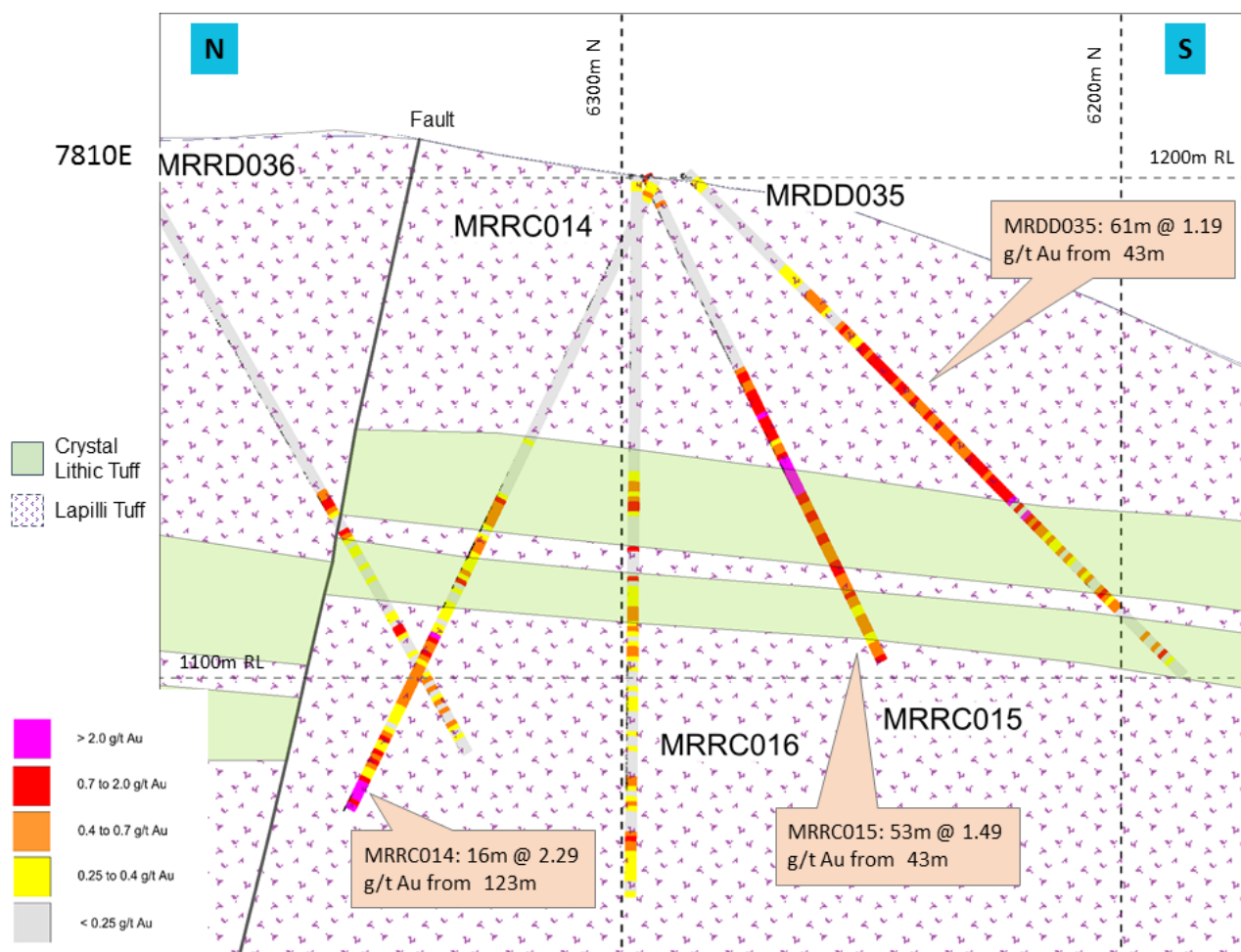
Hole_ID	From	To	Interval	Cu %	Au g/t	Ag g/t
PNDD082	80	84	4	0.52	2.13	4.33
PNDD082	96	99	3	0.47	0.64	5.80
PNDD082	103	106	3	1.21	0.87	12.60
PNDD082	143	146	3	0.57	0.19	20.08
PNDD082	150	159	9	0.85	0.14	10.19
PNDD082	255	259	4	0.31	0.08	0.38
PNDD082	260	281	21	0.48	0.09	0.36
PNDD082	286	294	8	0.93	0.13	0.42
PNDD083	45	48	3	0.31	0.64	12.10
PNDD084	55	58	3	0.35	0.52	5.47
PNDD084	70	73	3	0.64	0.66	9.48
PNDD084	90	95	5	0.69	0.09	3.27
PNDD084	109	112	3	0.40	0.36	5.03
PNDD084	144	147	3	0.85	0.13	162.67
PNDD086	178	187	9	0.66	0.41	23.20
PNDD086	357	360	3	0.69	0.47	10.67
PNDD086	394	401	7	0.37	0.32	0.92
PNDD087	142	150	8	0.82	0.55	17.55
PNDD087	184	189	5	0.47	0.40	8.30
PNDD087	223	235	12	0.62	0.28	2.23
PNDD087	239	256	17	1.72	0.43	17.56
PNDD088	318	321	3	0.37	0.48	7.49
PNRC110	181	184	3	0.34	0.28	80.33
PNRC111	70	85	15	0.65	0.03	2.67
PNRC111	116	124	8	0.48	0.02	1.50
PNRC111	128	142	14	0.77	0.27	49.07
PNRC112	54	63	9	2.48	0.07	52.78
PNRC115	98	102	4	0.44	0.03	1.00
PNRC116	147	150	3	0.53	0.16	4.00
PNRC118	136	139	3	0.54	0.60	39.34
PNRC120	113	120	7	0.60	1.12	8.00
PNRC120	132	136	4	1.29	0.66	21.00
MRDD034	119	122	3	0.44	0.30	1.33
MRDD034	152	155.25	3.25	0.41	0.14	1.00
MRDD038	177	194.9	17.9	2.93	0.21	1.00
MRDD043	132	139	7	0.62	0.80	2.14

**Table 7:** Significant Drilling Copper Results received, 2016 - 2017, Plavica and Maricanski Rid Prospect Areas. Compositing done with a 0.3 % Cu cut-off, minimum 3m interval, maximum 3m internal waste. Core samples are all orientated standard HQ size core split in two using a core saw.

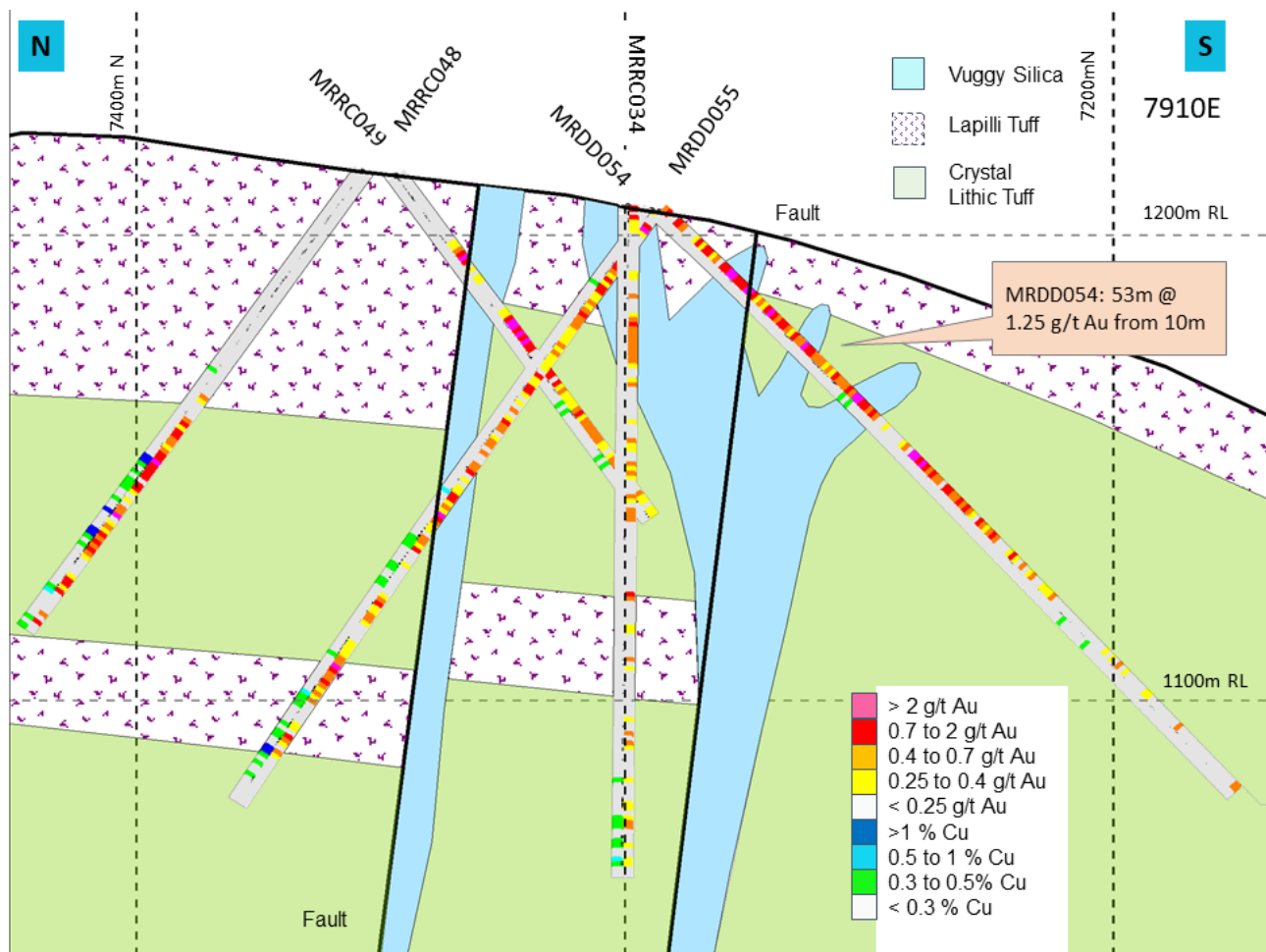
Half the core was sampled at 1m intervals and the other half retained for reference purposes. All core was logged and photographed prior to sampling. Samples were sent to SGS Laboratories in Ankara, Turkey. Samples were assayed for gold by 30g Fire Assay and other elements by ICP. Standards, Blanks and Duplicates were also submitted for Laboratory Quality Assurance / Quality Control (QAQC). Intercept widths are not necessarily true widths.



**Figure 3:** Plavica Section 7597450E Gauss Kruger, looking East.

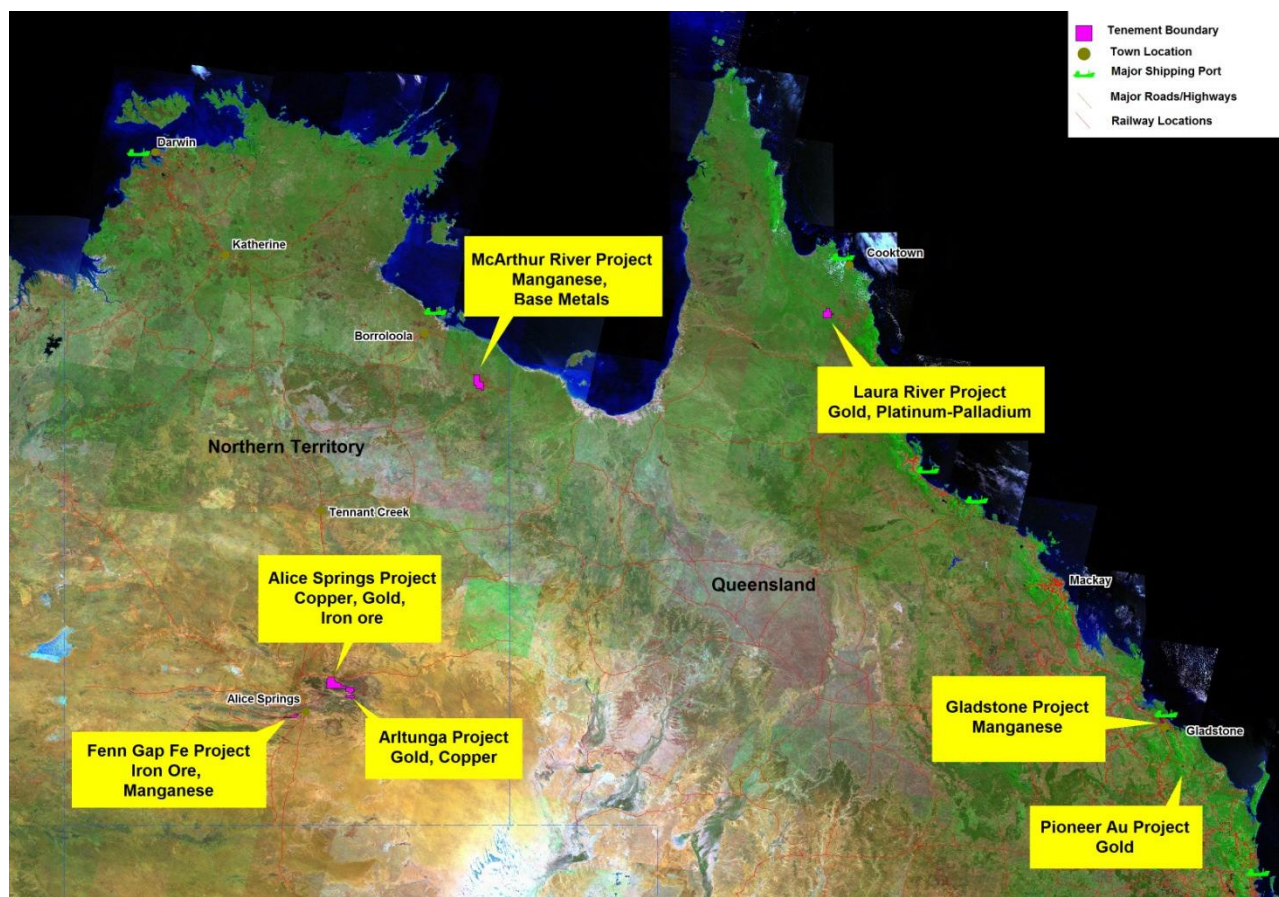


**Figure 4:** Maricanski Rid Section 7597810E Gauss Kruger, looking East.



**Figure 5:** Maricanski Rid Section 7597910E Gauss Kruger, looking East. This section lies 100m East of the current resource model.

## Exploration Activities - Australia



**Figure 6:** Location of Australian Projects.

### ARLTUNGA PROJECT: Copper, Gold, (GES 100%)

The Arltunga Gold Project consists of Exploration Licence EL25238 covering 95.2 square kilometres, and is located approximately 110 kilometres northeast of Alice Springs (Figure 6) in the vicinity of the Arltunga Goldfield. Thirty three historical gold mines and prospects are known in the licence area.

A Licence Renewal Application was lodged on 26 October 2016 and approved on 21 March 2017 for a further two year period. The new expiry date is 7 November 2018. All 31 sub blocks were retained.

An updated Mining Management Plan (MMP) was lodged on 27 March 2017.

The 10<sup>th</sup> Annual Technical Report was lodged on 10 November 2016 and accepted as satisfactory by the DME on 11 November 2016.

The Central Land Council Sacred Site Clearance Certificate was extended on 12 July 2016. The new expiry date is 19 September 2017.

No field work was carried out during the year. A full review of all available data is currently underway, with the aim of defining targets for Reverse Circulation drilling planned for the next financial year.

### ALICE SPRINGS PROJECT: Copper, Gold, Iron (GES 100%)

The Alice Springs Project consists of Exploration Licence EL24817 covering 372.59 square kilometres, and is located approximately 110-155 kilometres northeast from Alice Springs in the Northern Territory (Figure 6).

An application for the extension of The Central Land Council Sacred Site Clearance Certificate was approved on 6 February 2017. The new expiry date is 6 February 2018.



A Licence Renewal Application was lodged on 5 April 2016. It was approved on 13 May 2016 for a further term of 2 years and will expire on 17 April 2018. All 118 sub-blocks were retained.

The 11<sup>th</sup> Annual Technical Report was lodged on 21 April 2017 and accepted as satisfactory by the DME on 26 April 2017.

No field work was carried out during the year. A full review of all available data is underway to define targets for RC drill testing in the following reporting period.

### **GLADSTONE-MOUNT MILLER PROJECT: Manganese (GES 100%)**

The Gladstone-Mount Miller Project consists of Exploration Licence (EPM15771) covering 42.62sq km and is located approximately 15 kilometres by road from the port of Gladstone on the east coast of central Queensland (Figure 6).

The largest mine on the tenements controlled by Genesis was at Mount Miller. The mine opened in 1895 and operated intermittently until 1916 and then from 1958 to 1960. A total of 21,785 tonnes of ore was mined with a grade which ranged from 71% to 75% MnO<sub>2</sub>.

A Licence Renewal Application was lodged on 17 February 2017 and approved on 17 March 2017. The new expiry date is 19 June 2019. All 7 sub blocks were retained.

The 10<sup>th</sup> Annual Technical Report was lodged on 23 June 2017.

A Partial Surrender of an Environmental Authority was lodged on the 27 June 2016 and approved on the 5 July 2016.

A review of all available data is underway to confirm if more drilling is necessary at the Mt Miller mine and if other prospect areas on the tenement require drill testing.

The Company previously held a Mining Lease 80166 (ML) Application covering 32.24 Ha of the Gladstone-Mount Miller Manganese Project, located approximately 15 km by road from the port of Gladstone on the east coast of central Queensland. During the financial year in May 2017, the Company submitted an application to the Queensland Government's Department of Natural Resources and Mines to withdraw its ML application. The withdrawal application was accepted by the Department on 17 May 2017. The Company's decision not to progress the ML from application to grant stage was consistent with current strategy of focusing on a program of works for the exploration permit, rather than the ML application itself.

Genesis' withdrawal of the ML application has allowed the area to fall back within the underlying exploration permit held by Genesis, and for exploration activities to continue. The withdrawal has not affected any entitlements that Genesis currently has through the underlying exploration permit, and the permit continues to provide the Company with security of tenure for any future mining lease applications.

The Company intends to continue its exploration programs at this tenement, whilst re-assessing the viability of submitting another mining lease application at a later stage.

### **PIONEER PROJECT: Gold (GES 100%)**

The Pioneer Project consists of one granted Exploration Permit Mineral (EPM15619) covering 6.23 square kilometres approximately 70 kilometres by road from Bundaberg via the Bruce Highway in Queensland (Figure 6).

The project lies within the Gaeta Goldfield and has undergone previous exploration for gold, uranium and base metals, with numerous historical gold workings located throughout the area. Historical mining was primarily focused on the Pioneer Reef which was the largest producer, but mining activities also included several other reefs including Gympie, Lord Nelson, West Yorkshire and Happy Jack.

A Licence Renewal Application was lodged on 28 April 2016 requesting another two year period. The renewal application was approved on 30 June 2016. The new expiry date is 2 August 2018. The 2 sub blocks were retained.

The 9<sup>th</sup> Annual Technical Report was lodged on 8 August 2016.

No field work was carried out during the year. A review of all available data is underway to compile all geological mapping and define targets for drill testing.



### **McARTHUR RIVER PROJECT: Manganese (GES 100%)**

The McArthur River project consists of Exploration Licence EL24814 covering 380.88 square kilometres and is located approximately 850 kilometres south east of Darwin in the Northern Territory and 450 kilometres north-west of Mount Isa in Queensland (Figure 6).

The project area contains the Masterton No2 manganese occurrence.

The Mining Management Plan Update lodged on 16 November 2016 was approved on 23 June 2017.

A Licence Renewal Application was lodged on 5 April 2016. It was approved on 13 May 2016 for a further term of 2 years and will expire on 17 April 2018. All 116 sub-blocks were retained.

The 11<sup>th</sup> Annual Technical Report was lodged on 24 April 2017 and accepted as satisfactory by the DME on 27 April 2017.

No field work was carried out during the year. A full review of all data available is underway to guide further exploration on the tenement.

### **LAURA RIVER Au-Pt PROJECT: (EMP15242) (GES:100%)**

The Laura River project consists of Exploration Licence EPM15242 covering 82.67 sq. km and is centered on the Cape York Peninsular township of Laura, 210km north-west of Cairns and 88km west of Cooktown in North Queensland (Figure 6). The area is prospective for gold. Several historical alluvial workings are found in the vicinity of the Laura River and tributaries.

The 9<sup>th</sup> Annual Technical Report was lodged on 2 September 2016.

A Licence Renewal Application was lodged on 19 May 2016 requesting another 2 year term. The renewal application was approved on 26 August 2016. The new expiry date is 23 August 2018.

No field work was carried out during the year.

### **FENN GAP Mn-Fe PROJECT: (EMP24839) (GES:100%)**

The Fenn Gap project consists of one Exploration Licence EL24839 which covers a total area of 26.93 square kilometres, and is located approximately 25 kilometres south west of Alice Springs in the Northern Territory (Figure 6). The project is 25 kilometres from major infrastructure such as the Stuart Highway and Alice to Adelaide Railway.

A Licence Renewal Application requesting another two-year period was lodged on 26 April 2016. The application was approved on the 25 July 2016, and the new expiry date is 5 May 2018.

A Mining Management Plan Update was lodged on 2 December 2016 and was approved on 31 January 2017.

The 9<sup>th</sup> Annual Technical Report was lodged on 8 May 2017 and accepted as satisfactory by the DME on 24 May 2017.

No field work was carried out during the year. A full review of existing data has been completed. A further, more detailed review of drilling data is underway to determine if drilling has adequately tested the known manganese mineralisation.

## TENEMENTS AS AT 30 JUNE 2017

PROJECT	TENEMENT NUMBER	COMMODITY	COMPANY'S BENEFICIAL INTEREST	CURRENT AREA (KM <sup>2</sup> )	CURRENT HOLDER	COUNTRY/ STATE
<b>Alice Springs</b>	EL24817	Copper-Iron-Gold	100%	372.59	Genesis	NT
<b>Arltunga</b>	EL25238	Gold-PGE	100%	95.2	Genesis	NT
<b>Fenn Gap</b>	EL24839	Iron-Manganese	100%	26.93	Genesis	NT
<b>Laura River</b>	EMP15242	Gold-PGE	100%	82.67	Genesis	QLD
<b>Pioneer</b>	EPM15619	Gold	100%	6.23	Genesis	QLD
<b>McArthur River</b>	EL24814	Manganese-Base Metals	100%	380.88	Genesis	NT
<b>Gladstone</b>	EPM15771	Manganese	100%	42.62	Genesis	QLD
<b>Plavica &amp; Crn Vrv</b>	19-6648/1	Gold-Silver-Copper	62%	16.85	Silgen Ltd Kratovo	Macedonia

All tenements noted above are Exploration Licences except Plavica in Macedonia which is an Exploitation Licence.

## 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.

Directors' Meetings		
Directors	No of meetings eligible to attend	Attended
E. Pang	7	7
K. Lim	7	5
Y. Lim	3	1
C. Mah	7	7
J. Patterson	5	3
D. Wee	7	7
A. Tai	3	3

The Board has not established formal audit, nomination or remuneration committees, having regard to the size of the Company. 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' Security Holdings

The following table sets out the relevant interests in shares and options over unissued shares in the Company which were held by each Director over the year. This information is current at the date of this report or, in the case of former directors, as at the date of resignation.

Directors	Fully Paid Ordinary Shares	Options
E. Pang	3,210,000	0
K. Lim	260,160,157	0
Y. Lim	43,303,636	0
C. Mah	16,764,706	0
J. Patterson	0	0
D. Wee	1,860,000	0
<b>Former Director/s</b>		
A. Tai	0	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.

## Share based payments to Directors and Senior Management

No share based payments were granted to Directors and/ or senior management during the financial year.

## Securities on issue

As at the end of the financial year on 30 June 2017, the only securities on issue in Genesis were 638,999,119 fully paid ordinary shares. No options were on issue during the year. There are no other classes of equity securities on issue.

## Financial Results

The loss after tax of the Company for the financial year attributable to the members of Genesis Resources Limited was \$2,377,152. The loss was mainly due to professional, consultancy and administrative fees incurred during the year.

Losses per share has decreased from (\$0.72) cents to (\$0.48) cents as at 30 June 2017. The decrease is attributable to the increase in the number of shares issued during the year.

The total assets of the entity have increased by \$3,332,401 during the financial year from \$17,416,897 as at 30 June 2016 to \$20,749,298 at 30 June 2017, mainly as a result of capitalised exploration expenditure on the Plavica Project.

## State of Affairs

### Director resignations and appointments during the year

Ms Alyn Tai resigned as Director on 10 October 2016. Messrs James Patterson and Yau Young Lim were appointed as Directors on 24 October 2016 and 21 November 2016 respectively.

### JORC 2012 Compliant Mineral Resource for 2.07 Million Ounce Gold Equivalent at Plavica Project, Macedonia

In December 2016, the Company announced a JORC 2012 compliant Mineral Resource for the Plavica Project in Macedonia, which included maiden resource results for Maricanski Rid. The total Indicated and Inferred Mineral Resources as at November 2016 were estimated at 65.8 million tonnes (MT) at 0.70 grams per tonne of gold (g/t Au) containing 1.46 million ounces of gold. Contained within this total resource was 31.7 MT @ 0.77 g/t Au for 781,000 Au ounces of oxide and transitional (Pox) material from both the Plavica and Maricanski Rid deposits.

The resource estimate followed a series of reverse circulation and diamond drilling campaigns completed to define mineralisation along both the main Plavica ridge and Maricanski Rid. Mineralisation was continuous for over 1km at Plavica and 700m at Maricanski Rid and had been drilled to depths of over 300m.

In December 2016, the Company also announced that resource estimations were completed for silver (11.1 million ounces) and copper (107 kT contained copper) within the primary unoxidized material resulting in a gold equivalent grade of 1.2 g/t Au within this primary material.

The full report is available on Genesis' website ([genesisresourcesltd.com.au](http://genesisresourcesltd.com.au)).

Subsequent to the announcement of this resource, Genesis continued to work on a JORC compliant Pre-Feasibility study (PFS). This PFS is due for completion in October 2017. Work on the PFS has included metallurgical studies, geotechnical and hydrogeological work, environmental and social studies and infrastructure planning. The main component, however was further drilling to increase the confidence of the majority of the resource from 'inferred' to 'indicated' categories. In addition, both the Maricanski Rid and Plavica ore bodies were still open to the east. Drilling has been successful in delineating more mineralisation in these areas and these will be included in the up-graded resource due in the October quarter.

### Withdrawal of Mining Lease Application at Gladstone-Mount Miller Manganese Project

In May 2017, the Company announced that Queensland Government's Department of Natural Resources and Mines (Department) had granted Genesis' request to withdraw its Mining Lease 80166 (ML) application.

The ML application covered an area of 32.24 Ha of the Gladstone-Mount Miller Manganese Project, located approximately 15 km by road from the port of Gladstone on the east coast of central Queensland. Genesis remains the holder of Exploration Licence (EPM15771) covering an area of 42.62sq km of the Gladstone-Mount Miller Manganese Project.

The Company's decision not to progress the ML from application to grant stage was consistent with its strategy of focussing on a program of works for the exploration permit, rather than the ML application itself.

Genesis' withdrawal of the ML application has allowed the area to fall back within the underlying exploration permit held by Genesis, and for exploration activities to continue. The withdrawal has not affected any entitlements that Genesis currently has through the underlying exploration permit, and the permit continues to provide the Company with security of tenure for any future mining lease applications.

The Company intends to continue its exploration programs at this tenement, whilst re-assessing the viability of submitting another mining lease application at a later stage.

### **Changes in share capital**

The following changes in Genesis' share capital occurred during the year ended 30 June 2017, as part of the Company's capital raising initiatives:

- On 12 August 2016, the Company announced a pro-rata non-renounceable rights issue, which was partially underwritten by S Active Holding Sdn Bhd, an entity associated with Director Mr Kim Heng Lim. The rights issue closed on 16 September 2016 and the 10,774,579 shares subscribed for by eligible shareholders under the rights issue were issued on 23 September 2016, raising a total of \$323,237.37. On 3 October 2016, 66,666,667 underwritten shares were issued to the underwriter, raising \$2,000,000. On 26 October 2016, 2,400,000 shares were issued as part of the placement of the shortfall under the rights issue.
- On 1 February 2017, the Company announced another pro-rata non-renounceable rights issue, which was fully underwritten by S Active Holding Sdn Bhd, an entity associated with Genesis Director Mr Kim Heng Lim. The rights issue closed on 24 February 2017 and the 2,896,927 shares subscribed for by eligible shareholders under the rights issue were issued on 3 March 2017, raising a total of \$49,248. On 14 March 2017, 171,375,560 underwritten shares were issued to the underwriter, raising a further \$2,913,384 and bringing the total amount raised under the rights issue to \$2,962,632.

### **No changes in state of affairs of the Company**

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.

## **Key Business Strategies for FY2018**

In the 2018 financial year, the Company intends to continue its strategy of exploring its tenements in Macedonia and Australia, assessing the resource potential of any significant mineralisation and undertaking feasibility studies to evaluate the development potential of key projects, with a continued focus on its Plavica Project in Macedonia.

### **Strategies for Plavica Project**

In the 2018 financial year, the Company aims to complete a JORC compliant 'Indicated' Resource based on drilling completed at Plavica. Genesis then expects to complete a feasibility study in respect of the Exploitation Licence area (as required to obtain funding for mine development) before October 2017, and has agreed to commit up to US\$7.5m for such activities.

These objectives are consistent with Genesis' obligations under its joint venture agreement with Sileks, and once achieved, will enable Genesis and its joint venture partner to assess viability to develop a mine site at Plavica.

### **Strategies for Australian Projects**

With respect to its Australian projects, the Company intends to refine targets for drilling over a number of tenement areas and drill these during the 2017-18 field seasons.

## **Key Business Risks**

A number of specific risk factors that may impact the business strategies, future performance and financial position of Genesis and its controlled entities are described below. It is not possible to identify every risk that could affect Genesis' business, and whilst Genesis implements risk mitigation measures to the extent possible, actions taken by Genesis to mitigate the risks described below cannot provide absolute assurance that a risk will not materialise.

- (a) **Capital/going concern** – The Company will require further financing, in particular to advance the Plavica Project, further explore the Company's Australian projects, obtain a feasibility study for the Plavica tenement and repay loans. In particular, the Company will need to obtain further funding to meet its obligations under its joint venture agreement with Sileks to complete a feasibility study in respect of the Plavica exploitation licence area (as required to obtain funding for mine development). Genesis has committed up to US\$7.5m over 2.5 years for such activities. In order to secure the performance of Genesis' obligations to complete and pay for these activities, Genesis has granted a security interest over its shares in the JV Company in favour of Sileks. This security interest will only be discharged when Genesis completes and pays for the proposed infill and extensional drilling and feasibility study. If the Company is unable to obtain additional financing as needed and is consequently unable to complete the feasibility study for the Plavica tenement, the Company's joint venture partner Sileks may exercise its right to obtain a transfer of Genesis' shares in the JV Company to Sileks. In the event that this occurs, Genesis will lose its interest in the Plavica tenement and the exploitation licence over it. Whilst the current climate for capital raising is challenging, the Company has previously been successful in raising both equity and debt capital to fund its activities. The Directors continue to be confident in the Company's ability to raise funds as and when the need arises. However, the existence of these material uncertainties do give rise to significant doubt as to whether the Company can continue as a going concern (see Note 1(b) to the financial statements).
- (b) **Title risks and Native Title** – The Company's key project, Plavica Project, is located in Macedonia. Interests in tenements in Macedonia are governed by legislation and are evidenced by the granting of concession licences. Genesis also has an interest in several Australian exploration tenements. These are primarily governed by State-based legislation and are evidenced by the granting of exploration licences. Each exploration licence is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Genesis may lose title to its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments. It is also possible that, in relation to tenements which Genesis has an interest in or will in the future acquire such an interest, there may be areas over which legitimate native title rights exist. If native title rights do exist, the ability of Genesis to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations, may be adversely affected. The Directors will closely monitor the potential effect of native title claims involving tenements in which Genesis has or may have an interest.
- (c) **Sovereign risk** – Genesis' exploration activities are carried out in Australia and Macedonia. As a result, Genesis is subject to political, social, economic and other uncertainties including, but not limited to, changes in policies or the personnel administering them, foreign exchange restrictions, changes of law affecting foreign ownership, currency fluctuations, royalties and tax increases in that country. Other potential issues contributing to uncertainty such as repatriation of income, exploration licensing, environmental protection and government control over mineral properties should also be considered. Potential risk to Genesis' activities may occur if there are changes to the political, legal and fiscal systems which might affect the ownership and operation of Genesis' interests in Macedonia. This may also include changes in exchange control systems, expropriation of mining rights, changes in government and in legislative and regulatory regimes.
- (d) **Joint Ventures** – The Plavica Project is being developed through a joint venture relationship. In addition, Genesis may wish to develop its other projects or its future projects through joint venture arrangements. Any joint ventures entered into by, or interests in joint ventures assigned to, Genesis could be affected by the failure or default of any of the joint venture participants (including Genesis).
- (e) **Resource and Reserve estimates** – There is a risk that the mineral resources and ore reserves of Genesis, which are estimated and published on a regular basis by Genesis in accordance with ASX Listing Rules and the JORC Code, are incorrect. If those estimates are materially in excess of the recoverable mineral content of the tenements, the production and financial performance of Genesis would be adversely affected.
- (f) **Discovery risk** – Any discovery by Genesis may not be commercially viable or recoverable: that is no resources within the meaning of the JORC Code may be able to be established and it may be that consequently no reserves can be established.
- (g) **Operating risk** – The nature of exploration, mining and mineral processing involves hazards which could result in Genesis incurring uninsured losses and liabilities to third parties, for example arising from pollution, environmental damage or other damage, injury or death. These could include rock falls, flooding, unfavourable ground conditions or seismic activity, ore grades being lower than expected and the physical or metallurgical characteristics of the ore being less amenable to mining or treatment than expected.

## Events Subsequent to Balance Date

On 10 July 2017, the Company secured a \$500,000 (USD) loan which was drawn down in July 2017. The repayment date is 6 months from the draw down date, or such other date as agreed between the parties from the drawn down date. The interest rate is 10% per annum.



On 6 September 2017, the Company secured a \$300,000 (USD) loan which was drawn down in September 2017. The repayment date is 30 October 2017, or such other date as agreed between the parties from the drawn down date. The interest rate is 8% per annum.

## Environmental Regulation and Performance

The Company's operations are subject to significant environmental regulations under 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

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 34 of this Annual Report.

## Non-Audit Services

There were no non-audit services provided during the financial year by the auditor.

## 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 its operations. 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.

## Competent Person

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by James Patterson, a Competent Person who is a Member of the Australian Institute of Geoscientists.

James Patterson is a full-time employee and a Director of Genesis. James Patterson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. James Patterson consents to the inclusion in the report of the matters based on his information in the form and context of which it appears.

# 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 2017. 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 Directors in office at any time during or since the end of the year to the date of this report are:

### Current Directors

<b>EDDIE LUNG YIU PANG</b>	Managing Director, 28 September 2015 – present Executive Chairman, 26 November 2015 – present Non-Executive Chairman, 28 September 2015 – 25 November 2015 Executive Chairman, 1 December 2013 – 27 September 2015 Non-Executive Chairman, 6 March 2009 – 30 November 2013
<b>KIM HENG LIM</b>	Non-Executive Director, 31 May 2016 – present
<b>YAU YOUNG LIM</b>	Non-Executive Director, 21 November 2016 – present
<b>CHIN NIAP MAH</b>	Non-Executive Director, 31 May 2016 – present
<b>JAMES PATTERSON</b>	Non-Executive Director, 24 October 2016 – present
<b>DERIC KOK BIN WEE</b>	Non-Executive Director, 11 December 2009 – 26 November 2012, and 16 January 2013 – present

### Former Directors

<b>ALYN TAI</b>	Non-Executive Director, 26 November 2015 – 10 October 2016
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## Remuneration Policy

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

- Providing 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's approach to executive remuneration has always been to balance fair remuneration for skills and expertise with a risk and reward framework that supports long-term growth of Genesis. 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, particularly with regard to Genesis' financial position.

The Directors consider Genesis' remuneration practices during FY2017 to be conservative and appropriate, particularly given the broad range of responsibilities undertaken by all directors (in addition to their standard scope of duties) in the absence of a large management team.

## 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. This maximum sum is currently fixed at \$300,000. The Company's Constitution and the Australian Securities Exchange Listing Rules specify that the aggregate remuneration amount can only be increased by resolution of shareholders.

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.

At the 11 November 2017 AGM, 99.02% of the voter received supported the adoption of the remuneration for the year ended 30 June 2016.

## Retirement Benefits

Consistent with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations which state 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 Performances

The tables below set out summary information about the entity's earnings and movements in shareholder wealth for the five years to June 2017:

Financial Year Ending 30 June	2017	2016	2015	2014	2013
Other income (\$)	36,740	4,044	1,002	2,726	276
NPAT (\$)	(2,377,152)	(2,343,013)	(2,999,967)	(2,617,270)	(1,795,065)
Share price at end of year	0.025	0.04	0.06	0.08	0.09
Basic EPS (cents per share)	(0.48)	(0.72)	(1.44)	(1.65)	(1.49)

## 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
2017 Directors	Salary & Fees (\$)	Superannuation (\$)	Termination Benefit (\$)	(\$)
<b>Executive Directors during FY17</b>				
E. Pang (Executive Chairman)	180,000	17,100	-	197,100
K. Lim	1	-	-	1
Y. Lim	1	-	-	1
N. Mah	1	-	-	1
J. Patterson	300,000	-	-	300,000
D. Wee	40,000	-	-	40,000
A. Tai	11,074	-	-	11,074
<b>Total</b>	<b>531,077</b>	<b>17,100</b>	<b>-</b>	<b>548,177</b>

	Short Term Benefits	Post Employment		Total
2016 Directors	Salary & Fees (\$)	Superannuation (\$)	Termination Benefit (\$)	(\$)
<b>Executive Directors during FY16</b>				
E. Pang (Executive Chairman)	180,000	17,100	-	197,100
<b>Non-Executive Directors during FY16</b>				
D. Wee	40,000	-	-	40,000
A. Tai	23,888	-	-	23,888
K Lim	1	-	-	1
N Mah	1	-	-	1
<b>Former Directors and Executives</b>				
Z. Dai	10,999	-	-	10,999
K. Yu	16,111	-	-	16,111
J. Zee	16,111	-	-	16,111
<b>Total</b>	<b>287,111</b>	<b>17,100</b>	<b>-</b>	<b>304,211</b>

**a) Equity instrument disclosures relating to key management personnel**

*Share holdings*

The relevant interests in Genesis shares of each Director and key management personnel during the 2017 financial year are set out below. There were no shares granted to KMP during the reporting period as compensation.

Fully paid ordinary shares 2017	Balance at 1 July 2016	Shares Acquired/Other	Shares Disposed/ Other	Options Exercised	Net Change	Balance at 30 June 2017
<b>Directors of Genesis Resources Limited</b>						
E. Pang	3,210,000	-	-	-	-	3,210,000
D. Wee	1,860,000	-	-	-	-	1,860,000
J. Patterson	-	-	-	-	-	-
K. Lim	22,117,930	238,042,227	-	-	238,042,227	260,160,157
C. Mah	16,764,706	-	-	-	-	16,764,706
Y. Lim	41,937,818	1,365,818	-	-	1,365,818	43,303,636
A. Tai*	-	-	-	-	-	-
<b>Total</b>	<b>85,890,454</b>	<b>239,408,045</b>	<b>-</b>	<b>-</b>	<b>239,408,045</b>	<b>325,298,499</b>

\*Director resigned during the period.

Fully paid ordinary shares 2016	Balance at 1 July 2015	Shares Acquired/Other	Shares Disposed/ Other	Options Exercised	Net Change	Balance at 30 June 2016
<b>Directors of Genesis Resources Limited</b>						
E. Pang	3,210,000	-	-	-	-	3,210,000
D. Wee	1,860,000	-	-	-	-	1,860,000
Z. Dai*	-	-	-	-	-	-
K. Yu*	36,000,000	-	-	-	-	36,000,000
J. Zee*	-	-	-	-	-	-
A. Tai	-	-	-	-	-	-
K. Lim**	22,117,930	-	-	-	-	22,117,930
C. Mah**	16,764,706	-	-	-	-	16,764,706
<b>Total</b>	<b>79,952,636</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79,952,636</b>

\*Director resigned during the period.

\*\* Was not a Director at 1 July 2015

### Options

There were no options on issue in the Company during the financial year.

### b) Loans to and from key management personnel

No loans were made by Genesis to the Directors or key management personnel, or their personally related parties during the year. During the year, S Active Holding Sdn Bhd, an entity associated with the Director Mr Lim, advanced a loan to the Company. Further disclosure on the loan is provided in Note 27.

### c) Other transactions with key management personnel

A number of key management personnel, 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 transactions and outstanding balances related to key management personnel and entities over which they have control or significant influence in respect of the year ended 30 June 2017 are set out in Note 25.

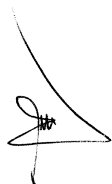
## Auditor

RSM Australia Partners was appointed as the Company's auditor on 28 February 2014 and continues in office in accordance with section 327 of the *Corporations Act 2001* (Cth).

## Directors' Resolution

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 Pang**  
Executive Chairman  
27 September 2017



# CORPORATE GOVERNANCE STATEMENT

The Company's Directors and management are committed to conducting the business of Genesis Resources Limited and its controlled entities (the **Group**) in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and has substantially complied with the *ASX Corporate Governance Principles and Recommendations (Third Edition)* (**Recommendations**) to the extent appropriate to the size and nature of the Group's operations.

The Company has prepared a statement which sets out the corporate governance practices that were in operation throughout the financial year for the Company, identifies any Recommendations that have not been followed, and provides reasons for not following such Recommendations (**Corporate Governance Statement**).

In accordance with ASX Listing Rules 4.10.3 and 4.7.4, the Corporate Governance Statement will be available for review on Genesis Resources Limited's website ([www.genesisresourcesltd.com.au](http://www.genesisresourcesltd.com.au)) (the **Website**), and will be lodged together with an Appendix 4G with ASX at the same time that this Annual Report is lodged with ASX.

The Appendix 4G will identify each Recommendation that needs to be reported against by Genesis Resources Limited, and will provide shareholders with information as to where relevant governance disclosures can be found.

The Company's corporate governance policies and charters and policies are all available on the Website.

**RSM Australia Partners**

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Genesis Resources Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to read 'J S Croall'.**RSM AUSTRALIA PARTNERS**A handwritten signature in blue ink, appearing to read 'J S Croall'.

**J S CROALL**  
Partner

Melbourne, Victoria  
Dated: 27 September 2017

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2017

		2017	2016
	Note	\$	\$
Other Income	5	36,740	4,044
Professional fees	6	(281,373)	(218,796)
Administrative and other expenses	7	(548,892)	(567,355)
Employee benefit expenses	8	(1,247,725)	(1,197,059)
Finance cost	9	(289,211)	(371,665)
Foreign exchange (loss) / gain	10	(47,472)	6,966
<b>Results from operating activities</b>		<b>(2,377,933)</b>	<b>(2,343,865)</b>
Interest income		781	852
<b>Net finance income</b>		<b>781</b>	<b>852</b>
<b>Loss before tax</b>		<b>(2,377,152)</b>	<b>(2,343,013)</b>
Income tax expense	12	-	-
<b>Loss for the year</b>		<b>(2,377,152)</b>	<b>(2,343,013)</b>
Attributable to non-controlling interests		(567)	(323)
Attributable to owners of the Genesis Group		<b>(2,376,585)</b>	<b>(2,342,690)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Foreign exchange loss	22	(36,587)	(76,886)
<b>Other comprehensive loss for the year, net of tax</b>		<b>(36,587)</b>	<b>(76,886)</b>
<b>Total comprehensive loss for the year</b>		<b>(2,413,739)</b>	<b>(2,419,899)</b>
Attributable to non-controlling interests	24	(567)	(323)
Attributable to owners of the Genesis Group		<b>(2,413,172)</b>	<b>(2,419,576)</b>
<b>Earnings per share</b>			
Basic Loss per share (cents per share)	29	<b>(0.48)</b>	(0.72)
Diluted Loss per share (cents per share)	29	<b>(0.48)</b>	(0.72)

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Note	2017 \$	2016 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	13	279,927	504,034
Prepayments and other receivables	14	219,910	35,832
Other financial assets	15	222	370
<b>Total current assets</b>		<b>500,059</b>	<b>540,236</b>
<b>Non-current assets</b>			
Other financial assets	15	98,693	98,695
Property, plant and equipment	16	28,473	47,808
Exploration and evaluation assets	17	20,122,073	16,730,158
<b>Total non-current assets</b>		<b>20,249,239</b>	<b>16,876,661</b>
<b>Total assets</b>		<b>20,749,298</b>	<b>17,416,897</b>
<b>Current liabilities</b>			
Trade and other payables	19	1,522,816	1,241,264
Borrowings	20	2,500,000	2,269,003
<b>Total current liabilities</b>		<b>4,022,816</b>	<b>3,510,267</b>
<b>Total liabilities</b>		<b>4,022,816</b>	<b>3,510,267</b>
<b>Net assets</b>		<b>16,726,482</b>	<b>13,906,630</b>
<b>Equity</b>			
Share capital	21	30,983,016	25,749,425
Reserves	22	(246,495)	(209,908)
Accumulated losses	23	(14,011,985)	(11,635,400)
Total equity attributable to members of Genesis Group		<b>16,724,536</b>	<b>13,904,117</b>
Non-controlling interests	24	1,946	2,513
<b>Total equity</b>		<b>16,726,482</b>	<b>13,906,630</b>

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2017

	Note	Attributable to owners of Genesis Group				Total equity
		Share capital	Accumulated losses	Reserves	Non-controlling interests	
		\$	\$	\$	\$	\$
<b>Balance at 1 July 2015</b>		<b>21,528,698</b>	<b>(9,292,710)</b>	<b>(133,022)</b>	<b>-</b>	<b>12,102,966</b>
Loss for the year	23,24	-	(2,342,690)	-	(323)	(2,343,013)
<i>Other comprehensive loss for the year</i>						
Foreign currency translation reserve	22	-	-	(76,886)	-	(76,886)
Total comprehensive loss for the year		-	(2,342,690)	(76,886)	(323)	(2,419,899)
<b>Transaction with owners in their capacity as owners</b>						
Issue of ordinary shares	21	4,220,727	-	-	2,836	4,223,563
Total transactions with owners		4,220,727	-	-	2,836	4,223,563
<b>Balance at 30 June 2016</b>		<b>25,749,425</b>	<b>(11,635,400)</b>	<b>(209,908)</b>	<b>2,513</b>	<b>13,906,630</b>
Loss for the year	23,24	-	(2,376,585)	-	(567)	(2,377,152)
<i>Other comprehensive loss for the year</i>						
Foreign currency translation reserve	22	-	-	(36,587)	-	(36,587)
Total comprehensive loss for the year		-	(2,376,585)	(36,587)	(567)	(2,413,739)
<b>Transaction with owners in their capacity as owners</b>						
Issue of ordinary shares	21	5,233,591	-	-	-	5,233,591
Total transactions with owners		5,233,591	-	-	-	5,233,591
<b>Balance at 30 June 2017</b>		<b>30,983,016</b>	<b>(14,011,985)</b>	<b>(246,495)</b>	<b>1,946</b>	<b>16,726,482</b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2017

	Note	2017 \$	2016 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		609	4,039
Payments to suppliers and employees		(2,179,325)	(2,346,481)
Interest received		794	857
Interest paid		(5,090)	-
<b>Net cash used in operating activities</b>	13	<b>(2,183,012)</b>	<b>(2,341,585)</b>
<b>Cash flows from investing activities</b>			
Payments for exploration and evaluation expenditures		(3,464,875)	(2,208,201)
Payments for fixed assets		(10,481)	(11,864)
Proceeds from sale of property, plant and equipment		-	-
Payment for bank guarantee		-	-
<b>Net cash used in investing activities</b>		<b>(3,475,356)</b>	<b>(2,220,065)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		5,285,870	1,085,582
Proceeds from borrowing		500,000	2,336,600
Repayment of loan		(269,003)	(442,035)
Contributions from non-controlling interests		-	2,836
<b>Net cash provided by financing activities</b>		<b>5,516,867</b>	<b>2,982,983</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(141,501)</b>	<b>(1,578,667)</b>
Cash and cash equivalents at 1 July		504,034	2,034,950
Net foreign exchange difference		(82,606)	47,751
<b>Cash and cash equivalents at 30 June</b>	13	<b>279,927</b>	<b>504,034</b>

The above consolidated 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 Genesis Resources Limited ("Genesis" or "the Company") domiciled in Australia. The address of the Company's registered office is Level 1, 61 Spring Street, Melbourne, VIC 3000. The Company is primarily involved in gold, manganese and base metal exploration and development activities. The Company is a for-profit entity for the purpose of preparing the financial statements.

The financial statements were authorised for issue by the directors on [insert date] 2017.

### (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 consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

#### *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 which are significant to the financial statements are set out in Note 3.

## **(b) Going concern**

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of \$2,377,152 and the consolidated entity had net cash outflows from operating activities of \$2,183,012 and from investing activities of \$3,475,356 for year ended 30 June 2017. As at that date the consolidated entity had net current liabilities of \$3,522,757.

These factors indicate a material uncertainty which may cast significant doubt over the ability of the consolidated entity to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern, after consideration of the following factors:

- The consolidated entity's ability to delay or fast track spending on exploration and evaluation activities dependent upon cash flow holdings and financial options at any given time; subject to meeting the minimum expenditure requirements described in Note 31.
- The continued support of the company's major financier, Axle Capital Sdn. Bhd ("Axle"). The consolidated entity has a loan facility agreement with Axle in place, under which total funds of \$7.0 million remain available for draw down.
- The directors will seek further capital through equity funding if necessary, which, based on previous history, they believe is likely to be successful.

The directors believe that the consolidated entity will be successful in obtaining the required funding to meet the expenditure obligations

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does 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 during the year, who was responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Chairman during the year.

## **(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 statement of financial position date, within finance costs. All other foreign exchange gains and losses are presented in the statement of financial position date 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) Plant and equipment**

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the reporting period in which they are incurred.

Depreciation on plant & equipment assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

<b>Class of Fixed Assets</b>	<b>Depreciable Life</b>
Office equipment	3 – 5 years
Plant and equipment	3 – 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1(g)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit and loss.

#### **(i) 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 1 (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.

## **(j) 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.

## **(k) 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 measured at amortised cost using the effective interest method

## **(l) 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 value 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.

## **(m) 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 statement of financial position.

## **(n) 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 statement of financial position 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 statement of financial position.

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

## **(o) Investments and other financial assets**

### *Classification*

The Company classifies its financial 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.



**(p) 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.

**(q) 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.

**(r) New accounting standards and interpretations**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2017. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9 Financial Instruments – this standard is applicable to annual reporting periods beginning on or after 1 January 2018. The consolidated entity does not expect the impact of this new standard to have a material impact on the accounts.

AASB 15 Revenue from Contracts with Customers - this standard is applicable to annual reporting periods beginning on or after 1 January 2018. As the consolidated entity does not generate any revenue from customers, at this point in time, the consolidated entity does not expect the impact this new standard to have a material impact on the accounts.

AASB 16 Leases - this standard is applicable to annual reporting periods beginning on or after 1 January 2019. The consolidated entity does not expect the impact of this new standard to have a material impact on the accounts.

## **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 and borrowings of \$4,022,816 (2016: \$3,510,267) all due in less than 6 to 12 months.

**(c) Market 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	2017 USD	2017 MKD	2017 EUR	2017 GBP	2016 USD	2016 MKD	2016 MYR
Trade and other payables	716,632	-	3,668	15,152	558,667	-	-
Other receivables- Bank Guarantee	-	67,190	-	-	-	11,339	-
Borrowings	-	-	-	-	-	-	269,003

Based on the financial instruments held at 30 June 2017, had the Australian dollar weakened/strengthened by +/-5% there would have been a decrease / increase of \$33,410 (30 June 2016: decrease / increase of \$41,950) on the consolidated entity's profit before tax for the year ended 30 June 2017.

**(i) 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 the interest rate had increased/(decreased) by +/-2%, there would be a decrease / increase of \$5,599 (30 June 2016: decrease / increase of \$10,081) on the consolidated entity's profit before tax for the year ended 30 June 2017.

**(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 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.

As at 30 June 2017 no material assets or liabilities measured at fair value were held by the Company.

### 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.

In considering the carrying value of the Plavica Project of \$15,160,863 (2016: \$11,812,047), management has assumed that sufficient funds will be raised, and a feasibility study completed before October 2017. A 30-year Exploitation Licence and Concession Agreement were granted to Silgen Resources International Ltd, an incorporated joint venture entity owned by Genesis and its Macedonian-based joint venture partner RIK Sileks AD Kratovo. Silgen is 62% owned by Genesis.

### NOTE 4: PARENT ENTITY INFORMATION

	2017	2016
	\$	\$
Current assets	7,159,796	6,138,003
Non-current assets	17,459,843	14,223,307
<b>Total assets</b>	<b>24,619,639</b>	<b>20,361,310</b>
Current liabilities	3,845,276	3,355,329
<b>Total liabilities</b>	<b>3,845,276</b>	<b>3,355,329</b>
Contributed equity	30,983,016	25,749,426
Reserves	-	-
Accumulated losses	(10,208,654)	(8,743,445)
<b>Total equity</b>	<b>20,774,362</b>	<b>17,005,981</b>
Loss for the year	(1,465,209)	(1,398,878)
Other comprehensive income for the year	-	-
<b>Total comprehensive loss for the year</b>	<b>(1,465,209)</b>	<b>(1,398,878)</b>

#### NOTE 5: OTHER INCOME

	2017	2016
	\$	\$
Other income	36,740	4,044
	<u>36,740</u>	<u>4,044</u>

#### NOTE 6: PROFESSIONAL FEES

	2017	2016
	\$	\$
Legal, accounting and other professional fees	(233,223)	(183,814)
Corporate secretarial fees	(48,150)	(34,982)
	<u>(281,373)</u>	<u>(218,796)</u>

#### NOTE 7: ADMINISTRATIVE AND OTHER EXPENSES

	2017	2016
	\$	\$
Travel expenses	(186,721)	(145,894)
Insurance expense	(35,378)	(77,646)
Other expenses	(36,194)	(106,566)
Rent expense	(55,630)	(54,596)
ASX listing fees	(88,927)	(64,535)
Office administrative expense	(47,054)	(52,327)
Licensing expenses	(12,859)	(65,791)
Capitalised expenditure written off	(86,129)	-
	<u>(548,892)</u>	<u>(567,355)</u>

#### NOTE 8: EMPLOYEE BENEFIT EXPENSES

	2017	2016
	\$	\$
Director fees	(531,077)	(287,111)
Wages and salaries	(621,659)	(816,636)
Other employment expenses	(63,829)	(64,495)
Superannuation contributions	(31,160)	(28,817)
	<u>(1,247,725)</u>	<u>(1,197,059)</u>

#### NOTE 9: FINANCE COSTS

	2017	2016
	\$	\$
Interest charges paid/payable to non-financial institutions	(289,211)	(371,665)
Finance costs expensed	<u>(289,211)</u>	<u>(371,665)</u>

## NOTE 10: FOREIGN EXCHANGE GAIN/(LOSS)

	2017 \$	2016 \$
Foreign exchange loss - USD currency	(56,445)	15,018
Foreign exchange loss – Other fx currency	8,973	(8,052)
	<u>(47,472)</u>	<u>6,966</u>

## NOTE 11: AUDITOR'S REMUNERATION

	2017 \$	2016 \$
<b>Audit fees</b>		
RSM Australia Partners	(41,000)	(44,959)
	<u>(41,000)</u>	<u>(44,959)</u>

The auditor of Genesis Resources Limited for the year ended 30 June 2017 is RSM Australia Partners (2016: RSM Australia Partners).

## NOTE 12: INCOME TAX EXPENSE

### Income tax expense

	2017 \$	2016 \$
Deferred tax	(41,382)	914,180
Deferred tax not brought to account	41,382	(914,180)
	<u>-</u>	<u>-</u>

### Numerical reconciliation between tax expense and pre-tax accounting profit

	2017 \$	2016 \$
Loss before tax	(2,377,152)	(2,343,013)
Income tax credit using the Company's domestic tax rate of 30% (2016: 30%)	(713,146)	(702,904)
Non-deductible expenses	367,555	283,450
Current year losses for which no deferred tax asset was recognised	345,590	419,454
<b>Total income tax expense</b>	<u>-</u>	<u>-</u>

## NOTE 13: CASH & CASH EQUIVALENTS

	2017 \$	2016 \$
Cash at bank	279,927	504,034
Cash and cash equivalents in the statement of cash flows	<u>279,927</u>	<u>504,034</u>

**Reconciliation of cash flows from operating activities:**

	2017 \$	2016 \$
<b>Cash flows from operating activities</b>		
Loss for the year	(2,377,152)	(2,343,013)
Adjustments for:		
No cash or non-operating exceptional item	10,256	(149,671)
Depreciation and amortisation	29,816	59,207
Exploration and evaluation assets written off	86,129	-
	(2,250,951)	(2,433,477)
Change in prepayments and other receivables	(197,282)	25,573
Change in trade and other payables	265,221	66,319
<b>Net cash used in operating activities</b>	(2,183,012)	(2,341,585)

**NOTE 14: PREPAYMENTS AND OTHER RECEIVABLES**

	2017 \$	2016 \$
<b>Current</b>		
Prepayments	21,077	14,054
Other receivables	198,833	21,778
	219,910	35,832

**NOTE 15: OTHER FINANCIAL ASSETS**

	2017 \$	2016 \$
<b>Current</b>		
Shares in Thor Mining Plc (370,266 shares)	222	370
	222	370
<b>Non-current</b>		
Bank Guarantee (i)	98,693	98,695
	98,693	98,695

- (i) On March 2015, Company deposited \$19,949 with the Department of Mines and Energy as security for Alice Spring project. On 29 March 2012, the Company deposited \$11,072 with the Department of Mines and Energy as security for Arltunga project. On 29 April 2010, the Company deposited 3,202,000 MKD into Central Cooperative Bank AD Skopje, on request from the Macedonian Government as a guarantee over the Company's planned expenditure on the Plavica tenements.



## NOTE 16: NON CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment \$	Office equipment \$	Total \$
<i>At 30 June 2016</i>			
Cost	131,023	121,707	252,730
Accumulated depreciation/amortisation	(107,224)	(97,698)	(204,922)
Net book amount	23,799	24,009	47,808
<i>Year ended 30 June 2017</i>			
Opening net book value	23,799	24,009	47,808
Additions	5,668	4,813	10,481
Disposals	-	-	-
Depreciation/amortisation expense	(19,262)	(10,554)	(29,816)
Closing net book amount	10,205	18,268	28,473
<i>At 30 June 2017</i>			
Cost	136,691	126,520	263,211
Accumulated depreciation/amortisation	(126,486)	(105,252)	(234,738)
Net book amount	10,205	18,268	28,473

## NOTE 17: EXPLORATION AND EVALUATION ASSETS

	2017 \$	2016 \$
Opening balance	16,730,158	13,795,210
Capitalised expenditures during the year	3,478,044	2,934,948
Less: Amount written off during the year (i)	(86,129)	-
<b>Closing balance</b>	<b>20,122,073</b>	<b>16,730,158</b>

- (i) Genesis Resources Limited (ASX:GES) (Genesis or the Company) advises that the Queensland Government's Department of Natural Resources and Mines (Department) has granted Genesis' request to withdraw its Mining Lease 80166 (ML) application. It was accepted on 17 May 2017.

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 half yearly at the statement of financial position date.

## NOTE 18: DEFERRED TAX ASSETS AND LIABILITIES

### Unrecognised deferred tax assets

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

	2017 \$	2016 \$
Tax losses	8,385,744	7,584,957
Temporary differences (net)	(5,074,031)	(4,314,959)
	<b>3,311,713</b>	<b>3,269,998</b>

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.

## NOTE 19: TRADE AND OTHER PAYABLES

	2017 \$	2016 \$
Trade and other payables	1,522,816	1,241,264
	<b>1,522,816</b>	<b>1,241,264</b>

## NOTE 20: BORROWINGS

	2017 \$	2016 \$
Loan from third party	2,500,000	2,269,003
Total unsecured current borrowings	<b>2,500,000</b>	<b>2,269,003</b>

- (i) On 5 December 2016, the Company secured a \$500,000 loan which was drawn down in December 2016. The repayment date for the principal amount is after the Company has received cleared funds from the capital raising exercise currently being undertaken. The interest rate is 10% per annum.
- (ii) On 9 May 2016, the Company secured a \$1,000,000 loan which was drawn down in May 2016. The repayment date is 5 business days after the Company has received cleared funds from the capital raising exercise currently being undertaken. The interest rate is 10% per annum.
- (iii) On 19 October 2015, the Company secured a \$1,000,000 loan which was drawn down in October 2015. The repayment date is 12 months from the drawn down date. The interest rate is 16% per annum.
- (iv) On 19 September 2013, the Company secured a \$3 million loan facility which provides the Company with immediate access to funds upon draw down as and when required. On 28 April 2014, Genesis entered into a deed of variation with its lender to vary the terms of the parties' existing loan facility agreement. Pursuant to the varied agreement, the lender increased the limit under the existing loan facility provided to Genesis from \$3 million to \$7 million. Total funds of \$7million remain available for drawdown by Genesis under the Loan facility.

## NOTE 21: SHARE CAPITAL

	2017		2016	
	Number	\$	Number	\$
<b>Fully paid ordinary shares</b>				
Balance at beginning of the financial year	384,885,386	25,749,425	300,743,205	21,528,698
Shares issued during the year	254,113,733	5,357,870	84,142,181	4,220,727
Rights issued	-	-	-	-
Share transaction costs	-	(124,279)	-	-
Balance at end of the financial year	<b>638,999,119</b>	<b>30,983,016</b>	<b>384,885,386</b>	<b>25,749,425</b>

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

The following changes in Genesis' share capital occurred during the year ended 30 June 2017:

- On 12 August 2016, the Company announced a pro-rata non-renounceable rights issue, which was partially underwritten by S Active Holding Sdn Bhd, an entity associated with Director Mr Kim Heng Lim. The rights issue closed on 16 September 2016 and the 10,774,579 shares subscribed for by eligible shareholders under the rights issue were issued on 23 September 2016, raising a total of \$323,237.37. On 3 October 2016, 66,666,667 underwritten shares were issued to the underwriter, raising \$2,000,000. On 26 October 2016, 2,400,000 shares were issued as part of the placement of the shortfall under the rights issue.
- On 1 February 2017, the Company announced another pro-rata non-renounceable rights issue, which was fully underwritten by S Active Holding Sdn Bhd, an entity associated with Genesis Director Mr Kim Heng Lim. The rights issue closed on 24 February 2017 and the 2,896,927 shares subscribed for by eligible shareholders under the rights issue were issued on 3 March 2017, raising a total of \$49,248. On 14 March 2017, 171,375,560 underwritten shares were issued to the underwriter, raising a further \$2,913,384 and bringing the total amount raised under the rights issue to \$2,962,632.

## NOTE 22: RESERVES- FOREIGN CURRENCY

	2017 \$	2016 \$
Balance 1 July	209,908	133,022
Foreign exchange translation	36,587	76,886
Balance 30 June	<u>246,495</u>	<u>209,908</u>

The reserve is used to recognize exchange differences arising from the translation of the financial statements of foreign operation to Australian dollars.

## NOTE 23: ACCUMULATED LOSSES

	2017 \$	2016 \$
Balance 1 July	(11,635,400)	(9,292,710)
Net loss for the year attributable to owners of Genesis Group	(2,376,585)	(2,342,690)
Balance 30 June	<u>(14,011,985)</u>	<u>11,635,400</u>

## NOTE 24: EQUITY – NON CONTROLLING INTEREST

	2017 \$	2016 \$
Issued Capital	2,836	2,836
Reserves	-	-
Accumulated Losses	(890)	(323)
TOTAL	<u>1,946</u>	<u>2,513</u>

The non-controlling interest has a 38% (2016: 38%) equity holding in Silgen Resources International Ltd.

## NOTE 25: KEY MANAGEMENT PERSONNEL DISCLOSURES

Key management personnel consists of the directors of the Company, as disclosed in the Director's Report on pages 5 to 32.

### d) Key management personnel compensation

	2017 \$	2016 \$
Short term employment benefits	531,077	287,111
Post-employment benefits	17,100	17,100
	<u>548,177</u>	<u>304,211</u>

Detailed remuneration disclosures are provided in the Remuneration Report on pages 29 to 32.

## NOTE 26: DIVIDENDS

No dividends were declared during the relevant period.

## NOTE 27: RELATED PARTY TRANSACTIONS

### Transactions with key management personnel and director-related parties

Related parties of the consolidated entity consist of the Key Management Personnel disclosed in Note 25.

Further, from 31 May 2016, Mr. KH Lim, a non-executive director, holds a director position in another entity that results in him having control or significant influence over the financial or operating policies of this entity. This entity transacted with Genesis during the year. The terms and conditions of the transactions with this entity was no more favourable than those available, or which might reasonably be expected to be available.

	<b>Consolidated</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Loans to/from related parties*	<b>2,500,000</b>	<b>2,000,000</b>
	<b>2,500,000</b>	<b>2,000,000</b>

\*The terms and conditions of the loans as at 30 June 2017 are as follows:

- (i) \$1,000,000 at 16% interest per annum, payable 12 months from the draw down date, or such later as agreed between the parties
- (ii) \$1,000,000 at 10% interest per annum, payable 5 business days after the date that Genesis Resources Ltd has received cleared funds from a capital raising exercise.
- (iii) \$500,000 at 10% per annum, the principal amount is repayable after the Company has received cleared funds from the capital raising exercise.

Interest charged for the year ended 30 June 2017 was \$156,648 (2016: \$140,132).

## NOTE 28: SEGMENT REPORTING

The Company has reportable segments, as described below, which are the Company's business units. The two business units, are Australia and Macedonia, are managed separately because they are regulated under different authorities. For each of the business units, the Company's CEO (or equivalent) 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.
- Head office – Includes the central administration of Australia and Macedonia.

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.

	<b>Australia</b>		<b>Macedonia</b>		<b>Head Office</b>		<b>Total</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Other income	-	-	622	4,044	36,117	-	36,739	4,044
Operating expenses	-	-	(912,567)	(948,185)	(1,502,107)	(1,399,724)	(2,414,673)	(2,347,909)
Results from operating activities	-	-	(911,944)	(944,141)	(1,465,989)	(1,399,724)	(2,377,933)	(2,343,865)
Exploration and evaluation assets	2,208,782	2,238,995	17,913,291	14,491,163	-	-	20,122,073	16,730,158
Total segment assets	2,208,782	2,238,995	18,088,707	14,533,201	451,810	644,701	20,749,298	17,416,897
Total segment liabilities	716,610	727,632	177,537	154,937	3,128,669	2,627,698	4,022,816	3,510,267

## NOTE 29: EARNINGS PER SHARE

### Basic and diluted earnings per share

The calculation of basic and diluted earnings per share at 30 June 2017 was based on the loss attributable to ordinary shareholders of \$2,377,152 (2016: \$2,343,013) and a weighted average number of ordinary shares outstanding of 495,742,857 (2016: 324,354,177), calculated as follows:

	2017 \$	2016 \$
Loss for the year	(2,377,152)	(2,343,013)
<b>Loss attributable to ordinary shareholders</b>	<b>(2,377,152)</b>	<b>(2,343,013)</b>
<b>Weighted average number of ordinary shares at 30 June</b>	<b>495,742,857</b>	<b>324,354,177</b>
Basic Loss per share (cents per share)	(0.48)	(0.72)
Diluted Loss per share (cents per share)	(0.48)	(0.72)

### NOTE 30: SUBSEQUENT EVENTS

On 10 July 2017, the Company secured a \$500,000 (USD) loan which was drawn down in July 2017. The repayment date is 6 months from the draw down date, or such other date as agreed between the parties from the drawn down date. The interest rate is 10% per annum.

On 6 September 2017, the Company secured a \$300,000 (USD) loan which was drawn down in September 2017. The repayment date is 30 October 2017, or such other date as agreed between the parties from the drawn down date. The interest rate is 8% per annum.

### NOTE 31: COMMITMENTS

#### a) Exploration permits - Expenditure requirements

In order to maintain current rights of tenure to exploration permits, the Company is required to perform minimum exploration work 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:

	2017 \$	2016 \$
Contracted but not provided for and payable:		
Within one year	708,797	692,664
One year or later and no later than five years	40,000	105,000
Later than five years	-	-
<b>Total</b>	<b>748,797</b>	<b>797,664</b>

The Company previously held a Mining Lease 80166 (ML) Application covering 32.24 Ha of the Gladstone-Mount Miller Manganese Project. During the financial year in May 2017, the Company submitted an application to the Queensland Government's Department of Natural Resources and Mines to withdraw its ML application. The withdrawal application was accepted by the Department on 17 May 2017.

The renewal application for Laura River has been approved by the mining registrar from Queensland. The Alice Springs, McArthur River and Fenn Gap renewal applications have all been approved by the mining registrar from the Northern Territory.

#### b) Commitments - Plavica Project

The Company will need to obtain further funding to meet its obligations under its joint venture agreement with Sileks to undertake infill and extensional drilling and complete a feasibility study in respect of the exploitation licence area (as required to obtain funding for mine development).

A 30-year Exploitation Licence and Concession Agreement was granted to Silgen Resources International Ltd, an incorporated joint venture entity owned by Genesis and its Macedonian-based joint venture partner RIK Sileks AD Kratovo. Silgen is 62% owned by Genesis.

Drilling is complete at Plavica. Genesis aims to complete a JORC compliant 'Indicated' Resource based on this drilling. Genesis then expects to complete a feasibility study before October 2017, and has agreed to commit up to US\$7.5m for such activities.

## NOTE 32: CONTROLLED ENTITIES

The parent entity is Genesis Resources Limited. The consolidated financial statements include the financial statements of Genesis Resources Limited and the subsidiaries listed in the following table:

Name	Country of Incorporation	Ownership interest	
		2017 %	2016 %
GENESIS RESOURCES INTERNATIONAL DOOEL SKOPJE	Macedonia	100	100
SILGEN RESOURCES INTERNATIONAL LTD, KRATOVO	Macedonia	62	62

## NOTE 33: CONTINGENCIES

The directors are not aware of any contingent liabilities to which the Company may be exposed to as at 30 June 2017 (2016: Nil) and into the foreseeable future, which have not been noted with these financial statements.

## NOTE 34: COMPANY DETAILS

The registered office of the Company is:

Genesis Resources Limited  
Level 1, 61 Spring Street  
Melbourne, Victoria 3000

# DIRECTORS' DECLARATION

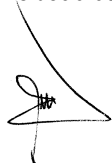
In the directors' opinion:

- (a) the financial statements and notes set out on pages 35 to 56 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 group's financial position as at 30 June 2017 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 Managing Director and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

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



**Mr Eddie Pang**  
Executive Chairman  
27 September 2017



**INDEPENDENT AUDITOR'S REPORT**  
**To the Members of Genesis Resources Limited****Opinion**

We have audited the financial report of Genesis Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

**Material Uncertainty Related to Going Concern**

Without modifying our opinion, we draw our attention to Note 1(b) in the financial report, which indicates that the consolidated entity incurred losses of \$2,377,152, and had net cash outflows from operating activities of \$2,183,012 and investing activities of \$3,475,356 for the year ended 30 June 2017. As at that date the consolidated entity had net current liabilities of \$3,522,757. These conditions, along with other matters as set forth in Note 1(b), indicate the existence of a material uncertainty which may cast significant doubt on the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
<b>Carrying Value of Capitalised Exploration Expenditure</b> Refer to Note 17 in the financial Statements	
<p>The Group has capitalised exploration and evaluation expenditure, with a carrying value of \$20,122,073 as at 30 June 2017.</p> <p>Under AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the Group is required to test the exploration and evaluation asset for impairment when facts and circumstances suggest that the carrying amount may exceed the recoverable amount. We determined this to be a key audit matter due to the significant management judgment involved in assessing the carrying value of the asset.</p>	<p>Our audit procedures in relation to the carrying value of exploration and evaluation expenditure included:</p> <ul style="list-style-type: none"> <li>• obtaining evidence that the Group has valid rights to explore in the specific areas of interest;</li> <li>• testing that exploration and evaluation costs capitalised is in accordance with the measurement criteria of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> and that the costs was allocated to the correct area of interest</li> <li>• enquiring with management and reviewing the basis on which they have determined that the exploration and evaluation of mineral resources has not yet reached the stage where it can be concluded that no commercially viable quantities of mineral resources exists;</li> <li>• enquiring with management and reviewing budgets and plans to determine that the Group will incur substantive expenditure on further exploration for and evaluation of mineral resources in the specific areas of interest; and</li> <li>• Reviewing minutes of director meetings to ensure that the Group has not resolved to discontinue activities in the specific area of interest.</li> </ul>

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Directors 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar2.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf). This description forms part of our auditor's report.

### **Report on the Remuneration Report**

#### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included within directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Genesis Resources Limited., for the year ended 30 June 2017, complies with section 300A of the Corporations Act 2001.

#### *Responsibilities*

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.



**RSM AUSTRALIA PARTNERS**



**J S CROALL**

Partner

Melbourne VIC

Dated: 27 September 2017

# ADDITIONAL SECURITIES EXCHANGE INFORMATION

In accordance with ASX Listing Rule 4.10, the Company provides the following information to shareholders not elsewhere disclosed in this Annual Report. The information provided is current as at 5 September 2017 (**Reporting Date**).

## Number of Holdings of Equity Securities as at Reporting Date

The fully paid issued capital of the Company consisted of 638,999,119 ordinary fully paid shares held by 286 shareholders. Each share entitles the holder to one vote.

There are no unquoted equity securities on issue in the Company.

## Distribution of Holders of Equity Securities as at Reporting Date

Range	Total holders	Units	% Issued capital
1 – 1,000	9	850	0.00
1,001 – 5,000	2	6,400	0.00
5,001 – 10,000	45	431,274	0.07
10,001 – 100,000	144	5,248,001	0.82
100,001 – 9,999,999,999	86	663,312,594	99.11
<b>Rounding</b>			<b>0.00</b>
<b>Total</b>	<b>286</b>	<b>638,999,119</b>	<b>100.00</b>

## Unmarketable Parcels as at Reporting Date

Unmarketable Parcels	Minimum parcel size	Holders	Units
Minimum \$500.00 parcel at \$0.03 per unit	16,667	91	950,891

## Substantial Shareholders as at Reporting Date

Rank	Shareholder	No.	%
1.	S Active Holding Sdn Bhd	260,160,157	40.71
2.	Citicorp Nominees Pty Limited	84,579,523	13.24
3.	Huahui Holdings Group Pty Ltd	36,000,000	5.63
4.	Spektra Jeotek Sanayi Ve	34,174,444	5.35
5.	Wintercrest Advisors LLC	33,002,561	5.16

## Twenty Largest Holders of Quoted Equity Securities as at Reporting Date

Rank	Shareholder	Units	% of issued capital
1.	S Active Holding Sdn Bhd	260,160,157	40.71
2.	Citicorp Nominees Pty Limited	84,579,523	13.24
3.	Huahui Holdings Group Pty Ltd	36,000,000	5.63
4.	Spektra Jeotek Sanayi Ve	34,174,444	5.35
5.	Wintercrest Advisors LLC	33,002,561	5.16
6.	Mr Chun Men Leo Yu	27,139,541	4.25
7.	Mr Kar Ghee Ong	24,864,384	3.89
8.	Mr Ming Teck Yau	20,002,640	3.13
9.	Chin Niap Mah	16,764,706	2.62
10.	RHB Securities Singapore Pte Ltd <Clients A/C>	13,059,356	2.04
11.	Wow Digital Development Ltd	6,261,222	0.98
12.	Pershing Australia Nominees Pty Ltd <Q Account>	6,085,333	0.95
13.	Polarity B Pty Ltd	5,794,681	0.91
14.	Che Hoe Wong	5,000,000	0.78
15.	HSBC Custody Nominees (Australia) Limited	4,292,812	0.67
16.	Mr Hock Guan Ng	4,164,383	0.65
17.	Ms Siew Bee Tan	4,000,000	0.63
18.	Ms Siew Bee Tan	4,000,000	0.63
19.	Vermar Pty Ltd <Cap A/C>	3,055,556	0.48
20.	Berne No 132 Nominees Pty Ltd <600835 A/C>	3,042,667	0.48
<b>Top 20 Holders of Ordinary Fully Paid Shares as at Reporting Date</b>		<b>595,443,966</b>	<b>93.18</b>
<b>Remaining Holders Balance</b>		<b>43,555,153</b>	<b>6.82</b>

## Voting Rights

At a general meeting of Genesis, every holder of ordinary shares present in person or by proxy, attorney or representative has one vote on a show of hands and on a poll, one vote for each ordinary share held. On a poll, every member (or his or her proxy, attorney or representative) is entitled to vote for each fully paid share held and in respect of each partly paid share, is entitled to a fraction of a vote equivalent to the proportion which the amount paid up (not credited) on that partly paid share bears to the total amounts paid and payable (excluding amounts credited) on that share. Amounts paid in advance of a call are ignored when calculating the proportion.

## Voluntary Escrow

There are no securities on issue in the Company that are subject to voluntary escrow

## On-Market Buyback

The Company is not currently conducting an on-market buy-back.

## Item 7 Issues of Securities

There are no issues of securities approved for the purposes of item 7 of section 611 of the Corporations Act which have not yet been completed.

## On-Market Purchase of Securities under Employee Incentive Scheme

No securities were purchased on-market during the reporting period under or for the purposes of an employee incentive scheme; or to satisfy the entitlements of the holder of options or other rights to acquire securities granted under an employee incentive scheme.

## Company Secretary

The Company's secretary is Ms Sophie Karzis.

## Registered Office

The address and telephone number of the Company's registered office are:

Level 1, 61 Spring Street  
Melbourne, VIC 3000

Telephone: +61 (0)3 9286 7500

## Share Registry

The address and telephone number of the Company's share registry, Computershare Registry Services, are:

Street Address:  
Yarra Falls, 452 Johnston Street  
Abbotsford Victoria 3067

Postal Address:  
GPO Box 242  
Melbourne Victoria 3001

Telephone: 1300 137 328