GENESIS RESOURCES LIMITED
ACN 114 787 469

ANNUAL REPORT
30 JUNE 2018

CONTENTS

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 7 333 Collins Street Melbourne Victoria 3000	T + 61 (0) 3 8622 3354
SHARE REGISTER	Computershare Yarra Falls, 452 Johnston Street Abbotsford, Victoria 3067	T (local call) 1300 850 505 T (international call) + 61 (0) 3 9415 4000
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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).

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 2018. 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

EDDIE LUNG YIU PANG	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
KIM HENG LIM	Non-Executive Director, 31 May 2016 – present
YAU YOUNG LIM	Non-Executive Director, 21 November 2016 – present
CHIN NIAP MAH	Non-Executive Director, 31 May 2016 – present
JAMES PATTERSON	Non-Executive Director, 24 October 2016 – present
DERIC KOK BIN WEE	Non-Executive Director, 11 December 2009 – 26 November 2012, and 16 January 2013 – present

Former Directors

None

EDDIE PANG, Managing Director & Executive Chairman

Eddie Pang was appointed to the Board in March 2009. 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 281,924,863 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 currently the Head of Training and Development for Senheng Electric (KL) Sdn Bhd, Malaysia's largest consumer electrical retail store, where he is mainly responsible at improving the job performance of employees through systematic and high-impact methods. Concurrently, Mr Lim is the Head of Recruitment for Senheng Electric (KL) where he is mainly responsible for the identification, shortlisting, and recruitment of employees to enhance the business performance and meet the company objectives. Prior to these positions, he has headed various areas of the company for over 7 years such as Customer Loyalty & Big Data, Merchandising, and Marketing for Senheng Electric (KL) Sdn Bhd.

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 also serves as the Executive Assistant to the Chief Operating Officer of Petsmore Sdn Bhd, a Malaysian private limited company. Petsmore Sdn Bhd is Malaysia's largest pets' retail store which carries a large variety of domestic pet goods including consumables and household. Petsmore Sdn Bhd also provides grooming services and pet boarding services throughout their outlets.

Mr Lim currently has a relevant interest in 106,491,446 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 does not have a relevant interest in any shares in the Company.

JAMES PATTERSON, Non-Executive Director

Mr Patterson, who served as the Company's Exploration Manager until 30 April 2018, 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 General Manager 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 2018 financial year:

Plavica Project (Macedonia)

- At Plavica the Resource model for the Oxide Gold was updated by Golder Associates and was published in November 2017. The total Measured, Indicated and Inferred Mineral Resources as at November 2017 are estimated at 37.4 million tonnes (MT) at 0.77 grams per tonne of gold (ppm Au) containing 926,000 ounces of gold and 7.7 M ounces of silver.
- This material is all within oxide and partial oxide (transitional) material which metallurgical test-work shows is recoverable by heap leaching methods. This resource represents an increase by 18 % on the total ounces of the same material reported in December 2016. The full report is available on Genesis' website (genesisresourcesltd.com.au).

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 and will be undertaken in the next reporting period.

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 62% ownership of the JV Company which in turn owns all assets in respect of the Plavica tenement, including the Exploitation Licence.

The total Measured, Indicated and Inferred Mineral Resources as at November 2017 are estimated at 37.4 million tonnes (MT) at 0.77 grams per tonne of gold (ppm Au) containing 926,000 ounces of gold and 7.7 M ounces of silver.

This material is all within oxide and partial oxide (transitional) material which metallurgical testwork shows is recoverable by heap leaching methods.

This resource represents an upgrade of 18 % on the total ounces of the same material reported last year (Dec 2016). The primary mineralisation (non oxidised) component was not targeted in 2017.

The resource estimate follows a series of reverse circulation and diamond drilling campaigns completed to define mineralisation along both the main Plavica ridge and Maricanski Rid.

Mineralisation is continuous for over 1km at Plavica and 700m at Maricanski Rid (Figure 2) and has been drilled to depths of over 300m.

Field work throughout the year has consisted of continued collection of data from water monitoring boreholes, wells and surface monitoring points throughout the project and collection of Flora and Fauna data to be used in an ESIA.

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

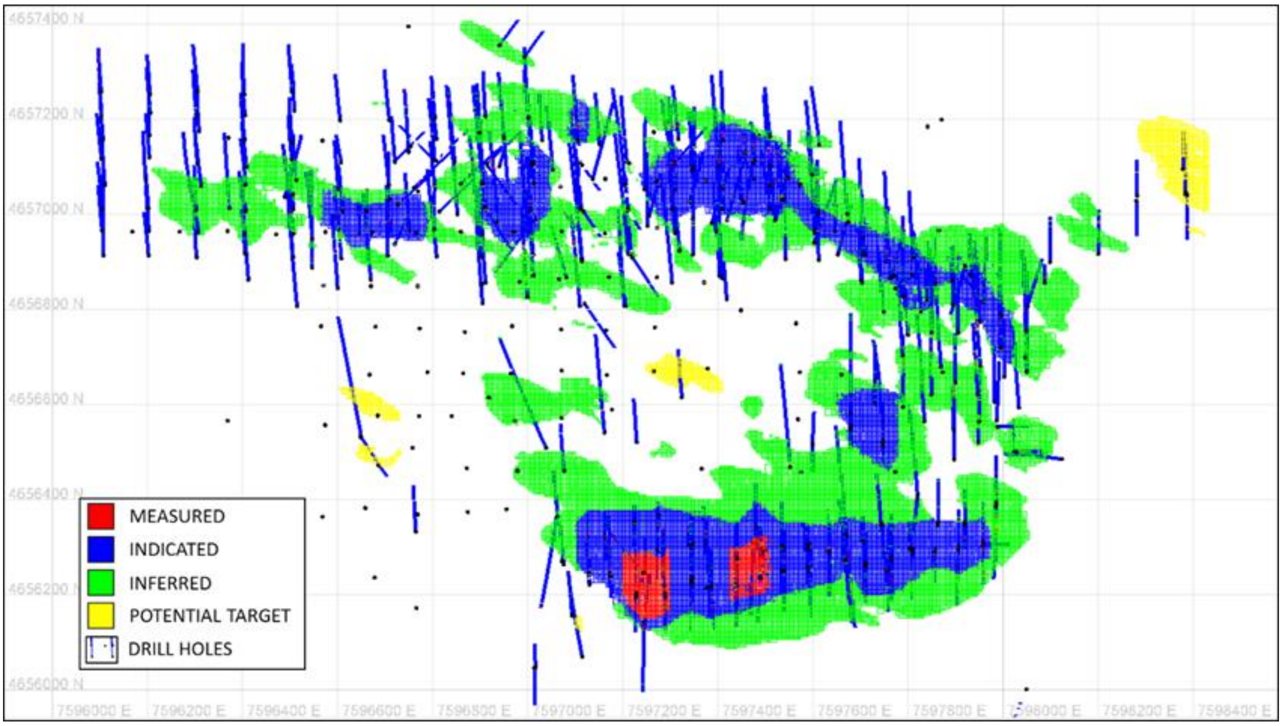

Figure 2: Plan View of the Mineral Resource Calculation. Plavica Gold-Copper-Silver Project. Co-ordinates in Gauss Kruger Projection

Exploration Activities - Australia

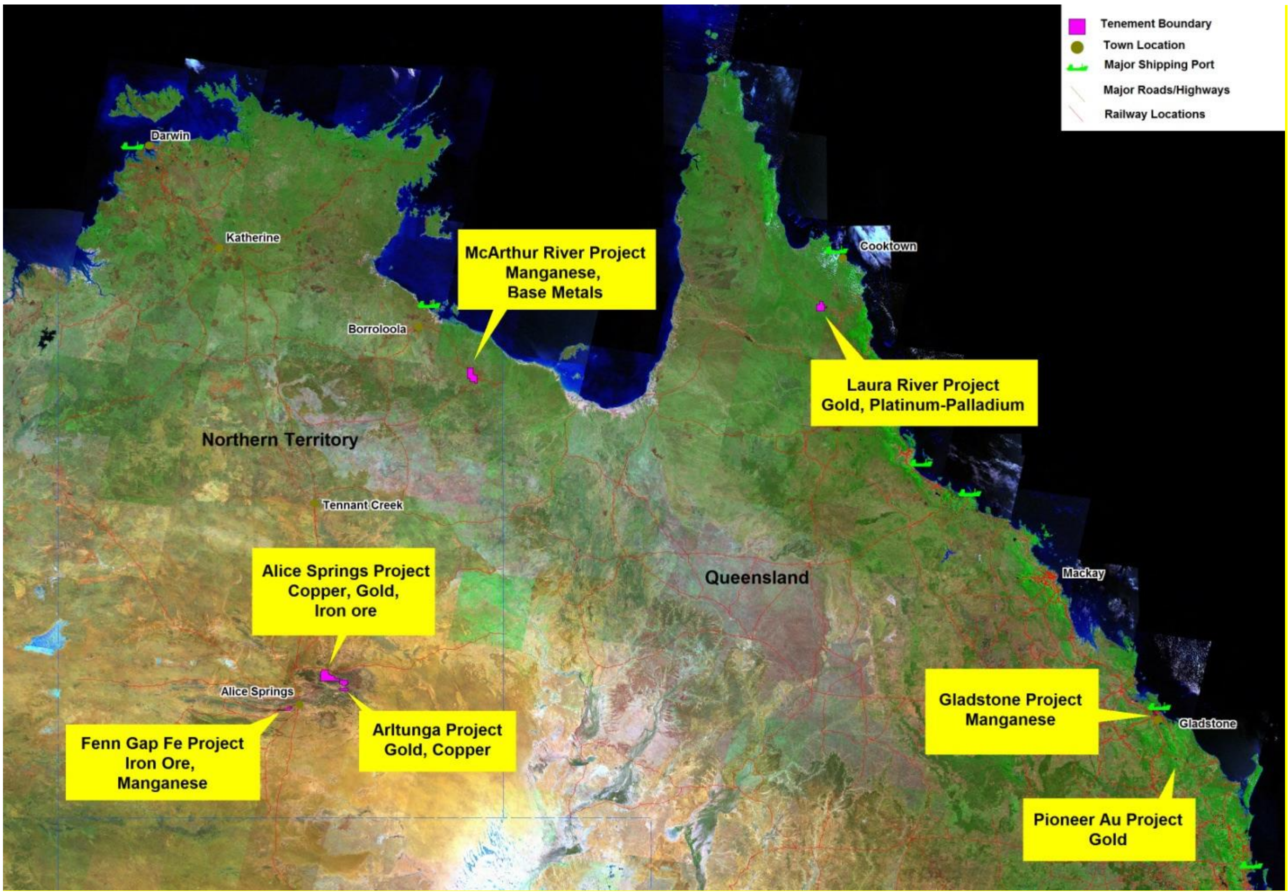

Figure 3: *Location of Australian Projects.*

ARLTUNGA PROJECT: Copper, Gold (EL25238) (GES 100%)

The Arltunga Gold Project consists of Exploration Licence EL25238 covering 95.2 sq km, is located approximately 110 km northeast of Alice Springs *(Figure 3)* 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 the 26 October 2016 and approved on the 21 March 2017 for a further two year period. The new expiry date is the 7 November 2018. All 31 sub blocks were retained.

The 11th Annual Technical Report was lodged on 10 November 2017.

The Mining Management Plan (MMP) update was lodged on the 28 February 2018.

The Central Land Council Sacred Site Clearance Certificate was extended on the 30 August 2017. The new expiry date is the 31 December 2018.

A full review of all available data is currently underway, with the aim of defining targets for Reverse Circulation drilling in 2018.

No field work was carried out.

ALICE SPRINGS PROJECT: Copper, Gold, Iron (EL24817) (GES 100%)

The Alice Springs Project consists of Exploration Licence EL24817 covering 372.59 sq km, is located approximately 110-155 km northeast from Alice Springs in the Northern Territory *(Figure 3)*.

The Mining Management Plan (MMP) update was lodged on the 9 March 2018.

A Licence Renewal Application was lodged on 9 April 2018 requesting a further two year period. This Application is pending. EL24817 currently covers 118 sub-blocks.

The 12th Annual Technical Report was lodged on 18 April 2018 and accepted as satisfactory by the DME on the 19 April 2018.

The Central Land Council Sacred Site Clearance Certificate was extended on the 30 August 2017. The new expiry date is the 31 December 2018.

No field work was carried out. In addition a full review of all available data is underway to define targets for RC drill testing during 2018.

GLADSTONE PROJECT: Manganese (EPM15771) (GES 100%)

The Gladstone Project consists of Exploration Licence (EPM15771) covering 42.62sq km and is located approximately 15 km by road from the port of Gladstone on the east coast of central Queensland *(Figure 3).*

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_2.

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

The 11th Annual Technical Report was lodged on 21 June 2018.

No field work was carried out. 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 during 2018.

Withdrawal of Mining Lease Application

In May 2017, Genesis advised the Queensland Government's Department of Natural Resources and Mines (DNRM) that Genesis requested to withdraw its Mining Lease 80166 (ML) application. The request was approved by the DNRM.

The Company's decision not to progress the ML from application to grant stage at this time is consistent with its 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 will allow the area to fall back within the underlying exploration permit held by Genesis, and for exploration activities to continue. The withdrawal will not affect 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 (EPM15619) (GES 100%)

The Pioneer Project consists of one granted Exploration Permit Mineral (EPM15619) covering 6.23 sq km approximately 70 km by road from Bundaberg via the Bruce Highway in Queensland *(Figure 3)*.

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 requesting another two year period was approved on the 31 July 2018. The new expiry date is the 2 August 2020.

The 12th Annual Technical Report was lodged on 3 August 2018.

No field work was carried out. A review of all available data is underway to compile all geological mapping and define targets for drill testing during 2018.

McARTHUR RIVER PROJECT: Manganese (EL24814) (GES 100%)

The McArthur River project consists of Exploration Licence EL24814 covering 380.88 sq km and is located approximately 850 km south east of Darwin in the Northern Territory and 450 km north-west of Mount Isa in Queensland *(Figure 3)*.

The project area contains the Masterton No2 manganese occurrence.

The Mining Management Plan Update lodged on the 25 October 2017 was approved on the 13 November 2017.

A Licence Renewal Application was lodged on 11 April 2018 requesting a further two year period. This Application is pending. EL24814 currently covers 116 sub-blocks.

The 12th Annual Technical Report was lodged on 18 April 2018 and accepted as satisfactory by the DME on the 19 April 2018.

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

LAURA RIVER PROJECT: Au-Pt (EPM15242) (GES 100%)

The Laura River project consists of Exploration Licence EPM15242 covering 82.67 sq km is centered on the Cape York Peninsular township of Laura, 210km north-west of Cairns and 88km west of Cooktown in North Queensland *(Figure 3)*. The area is prospective for gold. Several historical alluvial workings are found in the vicinity of the Laura River and tributaries.

The 10th Annual Technical Report was lodged on the 25 August 2017.

A Licence Renewal Application was lodged on the 11 May 2018 requesting another 2 year term. The current expiry date is the 22 August 2018. This Application is pending.

No field work was carried out.

FENN GAP PROJECT: Mn-Fe (EL24839) (GES 100%)

The Fenn Gap project consists of one Exploration Licence EL24839 which covers a total area of 26.93 sq km, is located approximately 25 km south west of Alice Springs in the Northern Territory *(Figure 3)*. The project is 25 km from major infrastructure such as the Stuart Highway and Alice to Adelaide Railway.

The Mining Management Plan (MMP) update was lodged on the 2 January 2018 and approved on the 10 January 2018.

A Licence Renewal Application requesting another two-year period was lodged on the 4 May 2018. This Application is pending. EL24839 currently covers 14 sub-blocks.

The 10th Annual Technical Report was lodged on 7 May 2018 and accepted as satisfactory by the DME on the 10 May 2018.

No field work was carried out. 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 2018

PROJECT	TENEMENT NUMBER	COMMODITY	COMPANY'S BENEFICIAL INTEREST	CURRENT AREA (KM^2)	CURRENT HOLDER	COUNTRY/ STATE
Alice Springs	EL24817	Copper-Iron-Gold	100%	372.59	Genesis	NT
Arltunga	EL25238	Gold-PGE	100%	95.2	Genesis	NT
Fenn Gap	EL24839	Iron-Manganese	100%	26.93	Genesis	NT
Laura River	EMP15242	Gold-PGE	100%	82.67	Genesis	QLD
Pioneer	EPM15619	Gold	100%	6.23	Genesis	QLD
McArthur River	EL24814	Manganese-Base Metals	100%	380.88	Genesis	NT
Gladstone	EPM15771	Manganese	100%	42.62	Genesis	QLD
Plavica & Crn Vrv	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	6	6
K. Lim	6	4
Y. Lim	6	5
C. Mah	6	5
J. Patterson	6	6
D. Wee	6	6

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	281,924,863	0
Y. Lim	106,491,446	0
C. Mah	0	0
J. Patterson	0	0
D. Wee	1,860,000	0

Remuneration of Directors and Key Management Personnel

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

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 2018, the only securities on issue in Genesis were 782,841,294 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 $1,609,979. The loss was mainly due to professional, consultancy and administrative fees incurred during the year.

Losses per share has decreased from ($0.48) cents to ($0.22) cents as at 30 June 2018. 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 $969,363 during the financial year from $20,749,298 as at 30 June 2017 to $21,718,661 at 30 June 2018, mainly as a result of capitalised exploration expenditure on the Plavica Project.

State of Affairs

Director resignations and appointments during the year

There have been no Director resignations or appointments during the year.

JORC 2012 Compliant Mineral Resource Upgrade at Plavica Project, Macedonia

In November 2017, the Company announced an upgraded JORC 2012 compliant Mineral Resource for the Plavica Project in Macedonia, The Resource model for the Oxide Gold at Plavica was updated by Golder Associates. The total Measured, Indicated and Inferred Mineral Resources as at November 2017 are estimated at 37.4 million tonnes (MT) at 0.77 grams per tonne of gold (ppm Au) containing 926,000 ounces of gold and 7.7 M ounces of silver.

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.

The full report is available on Genesis' website (genesisresourcesltd.com.au).

Changes in share capital

The following changes in Genesis' share capital occurred during the year ended 30 June 2018, as part of the Company's capital raising initiatives:

- On 11 October 2017, 50,000,000 fully paid ordinary shares were issued to a sophisticated investor under a capital raising placement. The Company raised a total of $500,000 under the placement, which was used to strengthen the Company's balance sheet and to fund its working capital requirements.
- On 5 December 2017, 62,086,350 fully paid ordinary shares were issued in conversion of an unsecured loan of USD $500,000 (AUD $620,864 equivalent) provided to the Company by Director Yau Young Lim, in full and final satisfaction of the Company's obligation to repay the loan.
- On 9 May 2018, 31,755,825 fully paid ordinary shares were issued to a sophisticated investor under a capital raising placement. The Company raised a total of $317,558 under the placement, which was used to strengthen the Company's balance sheet and to fund its working capital requirements.

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 FY2019

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

Genesis intends to complete a Mining Study for the Macedonian Government, as required by Macedonian legislation as part of the permitting process.

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. 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

(i) On 20 September 2018, the Company secured a $300,000 loan which was drawn down in September 2018. The repayment date is as agreed between the parties from the drawn down date. The interest rate is 10% per annum.

(ii) On 20 September 2018, the Company secured a $50,000 loan which was drawn down in September 2018. The repayment date is as agreed between the parties from the drawn down date. The interest rate is 10% 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's Independence and Non-Audit Services

The auditor's independence declaration is included on page 47 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 2018. 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

EDDIE LUNG YIU PANG	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
KIM HENG LIM	Non-Executive Director, 31 May 2016 – present
YAU YOUNG LIM	Non-Executive Director, 21 November 2016 – present
CHIN NIAP MAH	Non-Executive Director, 31 May 2016 – present
JAMES PATTERSON	Non-Executive Director, 24 October 2016 – present
DERIC KOK BIN WEE	Non-Executive Director, 11 December 2009 – 26 November 2012, and 16 January 2013 – present

Former Directors

None

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 FY2018 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 2017.

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 2018:

Financial Year Ending 30 June	2018	2017	2016	2015	2014
Other income ($)	**370,933**	36,740	4,044	1,002	2,726
NPAT ($)	**(1,609,979)**	(2,377,152)	(2,343,013)	(2,999,967)	(2,617,270)
Share price at end of year	**0.010**	0.025	0.04	0.06	0.08
Basic EPS (cents per share)	**(0.22)**	(0.48)	(0.72)	(1.44)	(1.65)

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
2018 Directors	**Salary & Fees ($)**	**Superannuation ($)**	**Termination Benefit ($)**	**($)**
Executive Directors during FY18				
E. Pang (Executive Chairman)	180,000	17,100	-	197,500
Non-Executive Directors during FY18				
K. Lim	1	-	-	1
Y. Lim	1	-	-	1
N. Mah	1	-	-	1
J. Patterson	219,179	-	-	219,176
D. Wee	40,000	-	-	40,000
Total	**439,182**	**17,100**	**-**	**456,282**

	Short Term Benefits	Post Employment		Total
2017 Directors	**Salary & Fees ($)**	**Superannuation ($)**	**Termination Benefit ($)**	**($)**
Executive Directors during FY17				
E. Pang (Executive Chairman)	180,000	17,100	-	197,100
Non-Executive Directors during FY17				
K. Lim	1	-	-	1
Y. Lim	1	-	-	1
N. Mah	1	-	-	1
J. Patterson	300,000	-	-	300,000
D. Wee	40,000	-	-	40,000
Former Directors and Executives during FY17				
A. Tai	11,074	-	-	11,074
Total	**531,077**	**17,100**	**-**	**548,177**

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 2018 financial year are set out below. There were no shares granted to KMP during the reporting period as compensation.

Fully paid ordinary shares 2018	Balance at 1 July 2017	Shares Acquired/Other	Shares Disposed/ Other	Options Exercised	Net Change	Balance at 30 June 2018
Directors of Genesis Resources Limited						
E. Pang	3,210,000	-	-	-	-	3,210,000
D. Wee	1,860,000	-	-	-	-	1,860,000
J. Patterson	-	-	-	-	-	-
K. Lim	260,160,157	21,764,706	-	-	21,764,706	281,924,863
C. Mah	16,764,706	-	16,764,706	-	(16,764,706)	-
Y. Lim	43,303,636	63,187,810	-	-	63,187,810	106,491,446
Total	325,298,499	84,952,516	16,764,706	-	68,187,810	393,486,309

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
Directors of Genesis Resources Limited						
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*	-	-	-	-	-	-
Total	85,890,454	239,408,045	-	-	239,408,045	325,298,499

*Director resigned during the period.

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 K.Lim, Mr Y Lim and Mr Eddie Pang have advanced a loan to the Company. Further disclosure on the loan is provided in Note 28.

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 2018 are set out in Note 26.

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.

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 2018

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) (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 2018, 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.

RSM

RSM AUSTRALIA PARTNERS

J S CROALL
Partner

Dated: 27 September 2018
Melbourne, Victoria

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2018

	Note	2018 $	2017 $
Other Income	5	**2,845**	36,740
Professional fees	6	**(235,605)**	(281,373)
Administrative and other expenses	7	**(488,968)**	(548,892)
Employee benefit expenses	8	**(870,412)**	(1,247,725)
Finance cost	9	**(329,682)**	(289,211)
Foreign exchange (loss) / gain	10	**(59,090)**	(47,472)
Results used in operating activities		**(1,983,757)**	(2,377,933)
Interest income		**370,933**	781
Net finance income		**370,933**	781
Loss before tax		**(1,609,979)**	(2,377,152)
Income tax expense	12	**-**	-
Loss for the year		**(1,609,979)**	(2,377,152)
Attributable to non-controlling interests		**(30,661)**	(567)
Attributable to owners of the Genesis Group		**(1,579,318)**	(2,376,585)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Foreign exchange loss	22	**(10,363)**	(36,587)
Other comprehensive loss for the year, net of tax		**(10,363)**	(36,587)
Total comprehensive loss for the year		**(1,620,342)**	(2,413,739)
Attributable to non-controlling interests	24	**(30,661)**	(567)
Attributable to owners of the Genesis Group		**(1,589,681)**	(2,413,172)
Earnings per share			
Basic Loss per share (cents per share)	29	**(0.22)**	(0.48)
Diluted Loss per share (cents per share)	29	**(0.22)**	(0.48)

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 2018

	Note	2018 $	2017 $
Assets			
Current assets			
Cash and cash equivalents	13	**493,752**	279,927
Prepayments and other receivables	14	**24,301**	219,910
Other financial assets	15	**459**	222
Total current assets		**518,512**	500,059
Non-current assets			
Other financial assets	15	**98,722**	98,693
Property, plant and equipment	16	**35,849**	28,473
Exploration and evaluation assets	17	**21,065,578**	20,122,073
Total non-current assets		**21,200,149**	20,249,239
Total assets		**21,718,661**	20,749,298
Current liabilities			
Trade and other payables	19	**1,191,667**	1,522,816
Borrowings	20	**3,917,687**	2,500,000
Derivative Liability	21	**168,438**	-
Total current liabilities		**5,277,792**	4,022,816
Total liabilities		**5,277,792**	4,022,816
Net assets		**16,440,869**	16,726,482
Equity			
Share capital	22	**32,317,746**	30,983,016
Reserves	23	**(256,858)**	(246,495)
Accumulated losses	24	**(15,591,303)**	(14,011,985)
Total equity attributable to members of Genesis Group		**16,469,585**	16,724,536
Non-controlling interests	25	**(28,716)**	1,946
Total equity		**16,440,869**	16,726,482

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 2018

	Note	Attributable to owners of Genesis Group				
		Share capital	Accumulated losses	Reserves	Non-controlling interests	Total equity
	Note	$	$	$	$	$
Balance at 1 July 2016		**25,749,425**	**(11,635,400)**	**(209,908)**	**2,513**	**13,906,630**
Loss for the year	24,25	-	(2,376,585)	-	(567)	(2,377,152)
Other comprehensive loss for the year						
Foreign currency translation reserve	23	-	-	(36,587)	-	(36,587)
Total comprehensive loss for the year		-	(2,376,585)	(36,587)	(567)	(2,413,739)
Transaction with owners in their capacity as owners						
Issue of ordinary shares, net of transactions costs	22	5,233,591	-	-	-	5,233,591
Total transactions with owners		5,233,591	-	-	-	5,233,591
Balance at 30 June 2017		**30,983,016**	**(14,011,985)**	**(246,495)**	**1,946**	**16,726,482**
Loss for the year	24,25	-	(1,579,318)	-	(30,661)	(1,609,979)
Other comprehensive loss for the year						
Foreign currency translation reserve	23	-		(10,363)	-	(10,363)
Total comprehensive loss for the year		-	(1,579,318)	(10,363)	(30,661)	(1,620,342)
Transaction with owners in their capacity as owners						
Issue of ordinary shares, net of transactions costs	22	1,334,730	-	-	-	1,334,730
Total transactions with owners		1,334,730	-	-	-	1,334,730
Balance at 30 June 2018		**32,317,746**	**(15,591,303)**	**(256,858)**	**(28,716)**	**16,440,869**

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 2018

	Note	2018 $	2017 $
Cash flows from operating activities			
Receipts from customers		**1,939**	609
Payments to suppliers and employees		**(1,705,825)**	(2,179,325)
Interest received		**1,387**	794
Interest paid		**(1)**	(5,090)
Net cash used in operating activities	13	**(1,702.500)**	(2,183,012)
Cash flows from investing activities			
Payments for exploration and evaluation expenditures		**(1,653,267)**	(3,464,875)
Payments for fixed assets		**(26,516)**	(10,481)
Net cash used in investing activities		**(1,679,783)**	(3,475,356)
Cash flows from financing activities			
Proceeds from issue of shares, net of transaction costs		**889,104**	5,285,870
Proceeds from borrowings		**2,666,111**	500,000
Repayment of loans		**(60,000)**	(269,003)
Contributions from non-controlling interests		**-**	-
Net cash provided by financing activities		**3,495,215**	5,516,867
Net increase /(decrease) in cash and cash equivalents		**112,932**	(141,501)
Cash and cash equivalents at 1 July		**279,927**	504,034
Net foreign exchange difference		**100,893**	(82,606)
Cash and cash equivalents at 30 June	13	**493,752**	279,927

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 7, 333 Collins Street, Melbourne Victoria 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 27 September 2018.

(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 $1,609,979 and the consolidated entity had net cash outflows from operating activities of $1,702,500 and from investing activities of $1,679,783 for the year ended 30 June 2018. As at that date the consolidated entity had net current liabilities of $4,759,280.

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 32.

- As described in Note 31, the consolidated entity has secured loans of $350,000 which were drawn down in September 2018.

- The current lenders have provided a letter of support indicating they will not call upon the loans within 12 months of this financial statements being signed.

- Plans to obtain further financing are in place through a capital raising. Based on previous history, 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:

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

<u>Available-for-sale financial assets</u>

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.

<u>Assets classified as available-for-sale</u>

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 2018. 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 $5,648,244 (2017: $4,022,816) 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:

	2018	**2018**	**2017**	**2017**	**2017**
Expressed in AUD	USD	MKD	USD	MKD	MYR
Trade and other payables		**107,909**	**716,632**	**3,668**	-
Other receivables- Bank Guarantee		**3,417**	-	**67,190**	-
Borrowings	**1,057,830**	**-**	-	-	-

Based on the financial instruments held at 30 June 2018, had the Australian dollar weakened/strengthened by +/-5% there would have been a decrease / increase of $58,457 (30 June 2017: decrease / increase of $33,140) on the consolidated entity's profit before tax for the year ended 30 June 2018.

(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 $9,875 (30 June 2017: decrease / increase of $5,599) on the consolidated entity's profit before tax for the year ended 30 June 2018.

(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.

	Level 1	**Level 2**	**Level 3**	**Total**
Consolidated - 2018	**$**	**$**	**$**	**$**
Loans from third party	-	-	3,917,897	3,917,897
Derivative Liability	-	-	168,438	168,438
Total Liabilities	**-**	**-**	**4,086,125**	**4,086,125**

The fair value of financial liabilities is estimated by discounting the remaining contractual liabilities at the current market interest rate that is available for similar financial liabilities. The discount rate used was 25%.

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 $18,719,619 (2017: $17,792,096), 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

	2018	**2017**
	$	$
Current assets	**7,874,002**	7,159,796
Non-current assets	**18,359,155**	17,459,843
Total assets	**26,233,157**	24,619,639
Current liabilities	**5,169,883**	3,845,276
Total liabilities	**5,169,883**	3,845,276
Contributed equity	**32,317,746**	30,983,016
Reserves	**-**	-
Accumulated losses	**(11,254,472)**	(10,208,654)
Total equity	**21,063,274**	20,774,362
Loss for the year	**(1,039,616)**	(1,465,209)
Other comprehensive income for the year	**-**	-
Total comprehensive loss for the year	**(1,039,616)**	(1,465,209)

NOTE 5: OTHER INCOME

	2018	2017
	$	**$**
Other income	**2,845**	36,740
	2,845	36,740

NOTE 6: PROFESSIONAL FEES

	2018	2017
	$	$
Legal, accounting and other professional fees	**(191,486)**	(233,223)
Corporate secretarial fees	**(44,119)**	(48,150)
	(235,605)	(281,373)

NOTE 7: ADMINISTRATIVE AND OTHER EXPENSES

	2018	2017
	$	$
Travel expenses	**(115,761)**	(186,721)
Insurance expense	**(46,503)**	(35,378)
Other expenses	**(97,648)**	(36,194)
Rent expense	**(61,512)**	(55,630)
ASX listing fees	**(53,315)**	(88,927)
Office administrative expense	**(51,049)**	(47,054)
Licensing expenses	**(63,180)**	(12,859)
Capitalised expenditure written off	**-**	(86,129)
	(488,968)	(548,892)

NOTE 8: EMPLOYEE BENEFIT EXPENSES

	2018	2017
	$	$
Director fees	**(319,470)**	(531,077)
Wages and salaries	**(486,723)**	(621,659)
Other employment expenses	**(33,692)**	(63,829)
Superannuation contributions	**(30,527)**	(31,160)
	(870,412)	(1,247,725)

NOTE 9: FINANCE COSTS

	2018	2017
	$	$
Interest charges paid/payable to non-financial institutions	**(329,682)**	(289,211)
Finance costs expensed	**(329,682)**	(289,211)

NOTE 10: FOREIGN EXCHANGE GAIN/(LOSS)

	2018 $	2017 $
Foreign exchange loss - USD currency	**(58,069)**	(56,445)
Foreign exchange loss – Other fx currency	**(1,021)**	8,973
	(59,090)	(47,472)

NOTE 11: AUDITOR'S REMUNERATION

	2018 $	2017 $
Audit fees		
RSM Australia Partners	**(42,000)**	(41,000)
	(42,000)	(41,000)

The auditor of Genesis Resources Limited for the year ended 30 June 2018 is RSM Australia Partners (2017: RSM Australia Partners).

NOTE 12: INCOME TAX EXPENSE

Income tax expense

	2018 $	2017 $
Deferred tax	**(577,505)**	(41,382)
Deferred tax not brought to account	**577,505**	41,382
	-	-

Numerical reconciliation between tax expense and pre-tax accounting profit

	2018 $	2017 $
Loss before tax	**(1,609,979)**	(2,377,152)
Income tax credit using the Company's domestic tax rate of 30% (2017: 30%)	**(482,994)**	(713,146)
Non-deductible expenses	**171,109**	367,555
Current year losses for which no deferred tax asset was recognised	**423,020**	345,590
Total income tax expense	**-**	-

NOTE 13: CASH & CASH EQUIVALENTS

	2018 $	2017 $
Cash at bank	**493,752**	279,927
Cash and cash equivalents in the statement of cash flows	**493,752**	279,927

Reconciliation of cash flows from operating activities:

	2018 $	2017 $
Cash flows from operating activities		
Loss for the year	**(1,609,979)**	(2,377,152)
Adjustments for:		
Non-cash items	**(111,042)**	10,256
Interest income	**(370,933)**	-
Depreciation and amortisation	**19,140**	29,816
Exploration and evaluation assets written off	**-**	86,129
	(2,072,814)	(2,250,951)
Change in prepayments and other receivables	**194,715**	(197,282)
Change in trade and other payables	**175,599**	265,221
Net cash used in operating activities	**(1,702,500)**	(2,183,012)

NOTE 14: PREPAYMENTS AND OTHER RECEIVABLES

	2018 $	2017 $
Current		
Prepayments	**16,439**	21,077
Other receivables	**7,862**	198,833
	24,301	219,910

NOTE 15: OTHER FINANCIAL ASSETS

	2018 $	2017 $
Current		
Shares in Thor Mining Plc (370,266 shares)	**459**	222
	459	222
Non-current		
Bank Guarantee (i)	**97,222**	98,693
Bank Security Cash (ii)	**1,500**	-
	98,722	98,693

(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 approximately AUD85,000(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.

(ii) On May 2018, Company deposited $500 with the Queensland Department of Natural Resources, Mines and Energy as Variation Security for the Pioneer project. On May 2018, Company deposited $500 with the Queensland Department of Natural Resources, Mines and Energy as Variation Security for the Gladstone project. On June 2018, Company deposited $500 with the Queensland Department of Natural Resources, Mines and Energy as Renewal Security for the Laura River project.

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

	Plant and equipment $	Office equipment $	Total $
At 30 June 2017			
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
Year ended 30 June 2018			
Opening net book value	10,205	18,268	28,473
Additions	15,237	11,279	26,516
Disposals	-	-	-
Depreciation/amortisation expense	(8,437)	(10,703)	(19,140)
Closing net book amount	17,005	18,844	35.849
At 30 June 2018			
Cost	151,928	137,799	289,727
Accumulated depreciation/amortisation	(134,923)	(118,955)	(253,878)
Net book amount	17,005	18,844	35,849

NOTE 17: EXPLORATION AND EVALUATION ASSETS

	2018 $	2017 $
Opening balance	**20,122,073**	16,730,158
Capitalised expenditures during the year	**943,505**	3,478,044
Less: Amount written off during the year (i)	**-**	(86,129)
Closing balance	**21,065,578**	20,122,073

(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 LIABILTIIES

Unrecognised deferred tax assets

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

	2018 $	2017 $
Tax losses	**8,963,248**	8,385,744
Temporary differences (net)	**(5,277,551)**	(5,074,031)
	3,685,698	3,311,713

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

	2018 $	2017 $
Trade and other payables	**1,191,667**	1,522,816
	1,191,667	1,522,816

NOTE 20: BORROWINGS

	2018 $	2017 $
Loan from third party	**3,917,687**	2,500,000
Total unsecured current borrowings	**3,917,687**	2,500,000

*The borrowings consist of loan amounts with three different parties. The following details are the face value amounts before fair value adjustments. All figures are in AUD.

a. S Active Holding Sdn. Bhd.:
   i) $1,500,000 at an interest rate of 10%, repayable 5 business days after the date that Genesis has cleared funds from capital raising.
   ii) $1,000,000 at an interest rate of 16%, repayable 12 months from the draw down date.
   iii) $1,006,830 at an interest free rate, repayable 10 business days after the date that Genesis has cleared funds from capital raising.
   iv) $379,747 at an interest rate of 8%, repayable 1 month from the draw down date. This can be converted to shares at the sole discretion of the borrower.

b. Eddie Pang:
   i) $200,000 at an interest free rate, repayable 10 business days after the date that Genesis has cleared funds from capital raising.

c. Yan Young Lim:
   i) $370,000 at an interest free rate, repayable 10 business days after the date that Genesis has cleared funds from capital raising. This can be converted to shares at the sole discretion of the borrower.

NOTE 21: DERIVATIVE LIABILTY

	2018 $	2017 $
Derivative liability	**168,438**	-
Total derivative liability	**168,438**	-

Derivative liability relates to the convertible notes payable, representing the value of the conversion option.

NOTE 22 : SHARE CAPITAL

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	2018		2017	
	Number	$	Number	$
Fully paid ordinary shares				
Balance at beginning of the financial year	**638,999,119**	**30,983,016**	384,885,386	25,749,425
Shares issued during the year	**143,842,175**	**1,438,422**	254,113,733	5,357,870
Rights issued	**-**		-	-
Share transaction costs	**-**	**(103,692)**	-	(124,279)
Balance at end of the financial year	**782,841,294**	**32,317,746**	638,999,119	30,983,016

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 2018:

- On 11 October 2017, 50,000,000 fully paid ordinary shares were issued to a sophisticated investor under a capital raising placement. The Company raised a total of $500,000 under the placement, which was used to strengthen the Company's balance sheet and to fund its working capital requirements.

- On 5 December 2017, 62,086,350 fully paid ordinary shares were issued in conversion of an unsecured loan of USD $500,000 (AUD $620,864 equivalent) provided to the Company by Director Yau Young Lim, in full and final satisfaction of the Company's obligation to repay the loan.

- On 9 May 2018, 31,755,825 fully paid ordinary shares were issued to a sophisticated investor under a capital raising placement. The Company raised a total of $317,558 under the placement, which was used to strengthen the Company's balance sheet and to fund its working capital requirements.

NOTE 23: RESERVES- FOREIGN CURRENCY

	2018	2017
	$	$
Balance 1 July	**246,495**	209,908
Foreign exchange translation	**10,363**	36,587
Balance 30 June	**256,858**	246,495

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

NOTE 24: ACCUMULATED LOSSES

	2018	2017
	$	$
Balance 1 July	**(14,012,875)**	(11,635,400)
Net loss for the year attributable to owners of Genesis Group	**(1,609,979)**	(2,376,585)
Balance 30 June	**(15,622,854)**	(14,011,985)

NOTE 25: EQUITY – NON-CONTROLLING INTEREST

	2018	2017
	$	$
Issued Capital	**2,836**	2,836
Reserves		-
Accumulated Losses	**(31,551)**	(890)
TOTAL	**(28,715)**	1,946

The non-controlling interest has a 38% (2017: 38%) equity holding in Silgen Resources International Ltd.

NOTE 26: KEY MANAGEMENT PERSONNEL DISCLOSURES

Key management personnel consists of the directors of the Company, as disclosed in the Director's Report on pages 4 to 21.

d) Key management personnel compensation

	2018	2017
	$	$
Short term employment benefits	**439,185**	531,077
Post-employment benefits	**17,100**	17,100
	456,282	548,177

Detailed remuneration disclosures are provided in the Remuneration Report on pages 18 to 21.

NOTE 27: DIVIDENDS

No dividends were declared during the relevant period.

NOTE 28: 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 26.

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.

	Consolidated	
	2018	**2017**
	$	$
Loans from related parties*	**3,917,687**	2,500,000
	3,917,687	2,500,000

*The borrowings consist of loan amounts with three different parties. The following details are the face value amounts before fair value adjustments (note 21). All figures are in AUD.

d. S Active Holding Sdn. Bhd.:
 i. $1,500,000 at an interest rate of 10%, repayable 5 business days after the date that Genesis has cleared funds from capital raising.
 ii. $1,000,000 at an interest rate of 16%, repayable 12 months from the draw down date.
 iii. $1,006,830 at an interest free rate, repayable 10 business days after the date that Genesis has cleared funds from capital raising.
 iv. $379,747 at an interest rate of 8%, repayable 1 month from the draw down date. This can be converted to shares at the sole discretion of the borrower.

e. Eddie Pang:
 i. $200,000 at an interest free rate, repayable 10 business days after the date that Genesis has cleared funds from capital raising.

f. Y. Lim:
 i. $370,000 at an interest free rate, repayable 10 business days after the date that Genesis has cleared funds from capital raising. This can be converted to shares at the sole discretion of the borrower.

Interest charged for the year ended 30 June 2018 was $328,684 (2017: $156,648).

NOTE 29: 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.

	Australia		Macedonia		Head Office		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	$	$	$	$		$	$	$
Other income	-	-	2,845	622	-	36,117	2,845	36,739
Operating expenses	-	-	(573,208)	(912,567)	(1,410,549)	(1,502,107)	(1,983,757)	(2,414,673)
Results from operating activities	-	-	(570,363)	(911,944)	(1,410,549)	(1,465,989)	(1,980,912)	(2,377,933)
Exploration and evaluation assets	2,217,461	2,208,782	18,848,117	17,913,291	-	-	21,065,578	20,122,073
Total segment assets	2,217,461	2,208,782	18,805,601	18,088,707	695,599	451,810	21,718,661	20,749,298
Total segment liabilities	-	716,610	284	177,537	5,647,960	3,128,669	5,648,244	4,022,816

NOTE 30: EARNINGS PER SHARE

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share at 30 June 2018 was based on the loss attributable to ordinary shareholders of $1,579,318 (2017: $2,376,585) and a weighted average number of ordinary shares outstanding of 714,624,262 (2017: 495,742,857), calculated as follows:

	2018	2017
	$	$
Loss for the year	**(1,609,979)**	(2,377,152)
Loss attributable to ordinary shareholders	**(1,579,318)**	(2,376,585)
Weighted average number of ordinary shares at 30 June	**714,624,262**	495,742,857
Basic Loss per share (cents per share)	**(0.22)**	(0.48)
Diluted Loss per share (cents per share)	**(0.22)**	(0.48)

NOTE 31: SUBSEQUENT EVENTS

(i) On 20 September 2018, the Company secured a $300,000 loan which was drawn down in September 2018. The repayment date is as agreed between the parties from the drawn down date. The interest rate is 10% per annum.

(ii) On 20 September 2018, the Company secured a $50,000 loan which was drawn down in September 2018. The repayment date is as agreed between the parties from the drawn down date. The interest rate is 10% per annum.

NOTE 32: 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:

	2018	2017
	$	$
Contracted but not provided for and payable:		
Within one year	**740,797**	708,797
One year or later and no later than five years	**40,000**	40,000
Later than five years	**-**	-
Total	**780,797**	748,797

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.

NOTE 33: 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**	
		2018	**2017**
		%	%
GENESIS RESOURCES INTERNATIONAL DOOEL SKOPJE	Macedonia	**100**	100
SILGEN RESOURCES INTERNATIONAL LTD, KRATOVO	Macedonia	**62**	62

NOTE 34: CONTINGENCIES

The directors are not aware of any contingent liabilities to which the Company may be exposed to as at 30 June 2018 (2017: Nil) and into the foreseeable future, which have not been noted with these financial statements.

NOTE 35: COMPANY DETAILS

The registered office of the Company is:

Genesis Resources Limited
Level 7, 333 Collins Street
Melbourne Victoria 3000

DIRECTORS' DECLARATION

In the directors' opinion:

(a) the financial statements and notes set out on pages 24 to 45 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 2018 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 2018

RSM Australia Partners

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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 2018, 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 2018 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 Group incurred losses of $1,609,979 and had net cash outflows from operating activities of $1,702,500 and investing activities of $1,679,783 for the year ended 30 June 2018. As at that date the Group had net current liabilities of $4,759,280. 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 Group's ability to continue as a going concern and therefore, the Group 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 Matters (Continued.)

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed this matter</th></tr>
<tr><td colspan="2">Carrying Value of Capitalised Exploration Expenditure
Refer to Note 17 in the financial Statements</td></tr>
<tr><td>The Group has capitalised exploration and evaluation expenditure, with a carrying value of $21,065,578 as at 30 June 2018.

Under AASB 6 Exploration for and Evaluation of Mineral Resources, 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.</td><td>Our audit procedures in relation to the carrying value of exploration and evaluation expenditure included:
obtaining evidence that the Group has valid rights to explore in the specific areas of interest;
testing that exploration and evaluation costs capitalised are in accordance with the measurement criteria of AASB 6 Exploration for and Evaluation of Mineral Resources and that the costs was allocated to the correct area of interest;
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;
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
reviewing minutes of director meetings to ensure that the Group has not resolved to discontinue activities in the specific area of interest.</td></tr>
<tr><td colspan="2">Accounting for interest free loans and loans with a convertible option
Refer to Note 20 and 21 in the financial Statements</td></tr>
<tr><td>During the year, the Group received the following:
$0.75 million loans with an option for the lender to convert the loan value to shares; and
$1.2 million of loans that bear no interest.
Given the nature of both types of loans, the determination of the fair value of the loan can be complex and requires significant management estimate and judgement. Further, the correct accounting treatment between the fair value of the loans and the face value of the loans can be complex. For the reasons noted above, the accounting for the above-mentioned loans was considered a key audit matter.</td><td>Our audit procedures in relation to the accounting for interest free loans and loans with convertible options included:
reviewing loan agreements to verify loan amount, interest rates (if applicable) and maturity dates;
obtaining confirmation from lenders verifying the loan balance at balance date;
assessing management's assumptions in determining the fair value of the loan, including the discount rate / market interest rate used; and
reviewing the accounting treatment for the difference between the fair value of the loan and the face value of the loan.</td></tr>
</table>

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 2018, 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.

Other Information (Continued.)

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.
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 the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Genesis Resources Limited., for the year ended 30 June 2018, 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

RSM AUSTRALIA PARTNERS

J S CROALL
Partner

Dated: 27 September 2018
Melbourne, Victoria

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 29 August 2018 (**Reporting Date**).

Corporate Governance Statement

The Company's Directors and management are committed to conducting the Group's business in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and substantially complies with the ASX Corporate Governance Principles and Recommendations (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' website (http://genesisresourcesltd.com.au/content/?page=corporate-governance) 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 particularise each Recommendation that needs to be reported against by Genesis Resources, and will provide shareholders with information as to where relevant governance disclosures can be found.

The Company's corporate governance policies and charters are all available on Genesis Resources' website (http://genesisresourcesltd.com.au/content/?page=corporate-governance).

Number of Holdings of Equity Securities as at Reporting Date

The fully paid issued capital of the Company consisted of 782,841,294 ordinary fully paid shares held by 295 shareholders. Each share entitles the holder to one vote.

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

Distribution of holders of ordinary shares

The distribution of holders of ordinary shares on issue in the Company as at the Reporting Date is as follows:

Holdings ranges	Total holders	Total units	% Issued capital
1 – 1,000	8	849	0.0001
1,001 – 5,000	3	8,150	0.0010
5,001 – 10,000	44	421,274	0.0538
10,001 – 100,000	147	5,478,857	0.6999
100,001 and over	93	776,932,164	99.2452
Total	**295**	**782,841,294**	**100%**

Less than marketable parcels of ordinary shares (UMP Shares)

The number of holders of less than a marketable parcel of ordinary shares based on the closing market price at the Reporting Date is as follows:

Unmarketable Parcels	Minimum parcel size	Holders	Units
Minimum $ 500.00 parcel at $0.008 per unit	62,500	177	3,823,728

Substantial holders

As at the Reporting Date, the names of the substantial holders of the Company and the number of ordinary shares in which those substantial holders and their associates have a relevant interest, as disclosed in substantial holding notices given to the Company, are as follows:

Rank	Shareholder	No.	%
1.	S Active Holding SDN BHD	281,924,863	36.01
2.	Lim Yau Young	106,491,446	13.60
3.	Ping Tiong Yap	50,000,000	6.39

Twenty largest shareholders

The Company only has one class of quoted securities, being ordinary shares. The names of the 20 largest holders of ordinary shares, and the number of ordinary shares and percentage of capital held by each holder is as follows:

Rank	Shareholder	Units	% of issued capital
1.	S Active Holding SDN BHD	281,924,863	36.01
2.	Citicorp Nominees Pty Limited	194,240,201	24.81
3.	BNP Paribas Noms Pty Ltd <UOB Kay Hian Priv Ltd>	50,100,000	6.40
4.	Huahui Holdings Group Pty Ltd	36,000,000	4.60
5.	Wintercrest Advisors LLC	33,002,561	4.22
6.	Mr Cjun Men Leo Yu	27,139,541	3.47
7.	Mr Kar Ghee Ong	24,864,384	3.18
8.	Mr Ming Tech Yau	20,002,640	2.56
9.	RHB Securities Singapore Pte Ltd <Clients A/C>	13,692,070	1.75
10.	Spektra Jeotek Sanayi Ve	10,496,393	1.34
11.	HSBC Custody Nominees (Australia) Limited	6,587,812	0.84
12.	Wow Digital Development Ltd	6,261,222	0.80
13.	Pershing Australia Nominees Pty Ltd <Q Account>	6,085,333	0.78
14.	Polarity B Pty Ltd	5,794,681	0.74
15.	Mr Hock Guan Ng	4,164,383	0.53
16.	Ms Siew Bee Tan	4,000,000	0.51
17.	Ms Siew Bee Tan	4,000,000	0.51
18.	Vermar Pty Ltd <CAP A/C>	3,055,556	0.39
19.	Berne NO 132 Nominees Pty Ltd <600835 A/C>	3,042,667	0.39
20.	Berne NO 132 Nominees Pty Ltd <601299 A/C>	2,703,551	0.35
Top 20 Holders of Ordinary Fully Paid Shares as at Reporting Date		**737,157,858**	**94.16**
Remaining Holders Balance		**45,683,436**	**5.84**

Voting rights of equity securities

The only class of equity securities on issue in the Company which carries voting rights is ordinary shares.

As at the Reporting Date, there were 295 holders of a total of 782,841,294 ordinary shares of the Company.

At a general meeting of the Company, 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 7, 333 Collins Street
Melbourne, VIC 3000

Telephone: +61 (0)3 8622 3354

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