

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



**ANNUAL REPORT**  
**30 JUNE 2015**

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# CORPORATE DIRECTORY

**GENESIS RESOURCES LIMITED**  
ACN 114 787 469

DIRECTORS	Mr Kin Po Yu Mr Eddie Lung Yiu Pang Mr Zilong Dai  Mr Deric Kok Bin Wee Mr John Yong Teak Zee	Non-Executive Chairman Managing Director Executive Director/Chief Executive Officer Non-Executive Director Non-Executive Director
COMPANY SECRETARY	Ms Sophie Karzis	
CHIEF FINANCIAL OFFICER	Ms Patricia Wong	
REGISTERED OFFICE	Level 1, 61 Spring Street Melbourne, Victoria 3000	T + 61 (0) 3 9286 7500 F + 61 (0) 3 9662 1472
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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).		

# Letter from the Chairman

Dear Shareholders

## The Year in Review

On behalf of the Board I am pleased to present Genesis Resources Limited's Annual Report for the year ended 30 June 2015. It has been a significant year of progress for the Company, particularly in relation to the Plavica Project in Macedonia, which formed Genesis' main exploration focus during the year.

### Operational Review

As announced to the market on 12 May 2015, a concession agreement in respect of the 30 years exploitation (mining) licence for the Plavica tenement (**Licence**) was entered into (**Agreement**). The Agreement is between the Government of Macedonia and Silgen Resources International Ltd, Kratovo, an incorporated joint venture entity owned by Genesis and its Macedonian-based joint venture partner RIK Sileks AD Kratovo (via its nominee) in 62% and 38% proportions respectively (**JV Company**). Pursuant to the execution of the Agreement, the JV Company has been formally granted the Licence for a term of 30 years.

Through its 62% ownership of the JV Company, Genesis has a direct interest in the Licence. The JV Company currently owns all assets in respect of the Plavica tenement. As the joint venture party responsible for managing the Plavica Project, Genesis commenced an extensive drilling program at Plavica during the last month of the reporting period ending 30 June 2015. A total of ten core holes were drilled for a total of 2,732.7m. A number of interesting vuggy silica zones were intercepted with results pending. Whilst waiting for the Licence to be granted, field work in late 2014 consisted of reconnaissance mapping and geochemistry and a number of drilling targets were identified.

### Corporate Review

The financial year ended 30 June 2015 brought about a number of changes to Genesis' Board. On 26 June 2015, Mr Alex Lim resigned as Non-Executive Director of Genesis; and Messrs John Zee, Kinpo Yu and Zilong Dai were appointed Non-Executive Directors of Genesis.

Subsequent to the end of the financial year, the Board undertook a strategic review of the organisational structure of Genesis, which resulted in a number of changes to Genesis' Board and management structure as described below.

I take this opportunity to express my appreciation for the contribution made by Mr Lim during his tenure as Director, and welcome the changes made to the Board and management team which I am confident will drive the Company's resource assets to the next level, in particular at the Plavica Project. Our strengthened team will endeavour to increase the value of the assets of Genesis for the benefit of all shareholders and investors.

Genesis and its assets continue to generate interest in the investment community, and Genesis became the subject of another takeover bid during the year, by Singapore based Blumont Group Ltd (Blumont). The takeover bid offer made by Blumont closed in March, with the result that Blumont currently has a relevant interest in 33,002,561 Genesis shares, representing 10.97% of Genesis' total current issued share capital.

### Capital raising

Despite the 2015 financial year proving to be a challenging climate for capital raising generally, Genesis continued to be successful in securing the funding it required for working capital and to achieve its business objectives; during the year the Company raised a total of \$4.18 million through the issue of shares.

## Outlook

The 2016 financial year is already set to be an exciting year for the Company. As announced to the market on 28 September 2015, following a strategic review of the organisational structure of Genesis, a number of changes have been made to Genesis' Board and management structure. Mr Eddie Pang has stepped down from his role as Chairman of the Board, in order to assume an executive role as Managing Director of Genesis., and I was appointed as Chairman of the Board. In addition, Mr Zilong Dai, who was appointed Non-Executive Director of Genesis on 26 June 2015, has assumed the role of Executive Director and Chief Executive Officer.

I take this opportunity to thank Mr Pang for his efforts as Chairman of the Company, and look forward to his continued contribution in his capacity of Managing Director, as supported by Mr Dai in his role of Chief Executive Officer. We are confident that the implementation of these changes will be in the best interests of all shareholders.

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



Mr Kin Po Yu

**Chairman**

29 September 2015

# 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 2015. In accordance with the Corporations Act 2001, the Directors report as follows:

## DIRECTORS

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

### Current Directors

<b>KIN PO YU</b>	Non-Executive Director, 26 June 2015 – present
<b>EDDIE LUNG YIU PANG</b>	Non-Executive Chairman, 28 September 2015 - present Non-Executive Chairman, 6 March 2009 – 30 November 2013 Executive Chairman, 1 December 2013 – 28 September 2015 Managing Director, 28 September 2015 - present
<b>ZILONG DAI</b>	Non-Executive Director, 26 June 2015 – 28 September 2015 Executive Director and Chief Executive Officer, 28 September 2015 - present
<b>DERIC KOK BIN WEE</b>	Non-Executive Director, 11 December 2009 – 26 November 2012, and 16 January 2013 – present
<b>JOHN YONG TEAK ZEE</b>	Non-Executive Director, 11 May 2012 – 26 November 2012, 16 January 2013 – 31 October 2014, and 26 June 2015 to present

### Former Directors

<b>ALEX HOOI-KIANG LIM</b>	Non-Executive Director, 26 November 2012 – 26 June 2015
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### KIN PO YU, Non-Executive Chairman

Kin Po has been the Chairman of Huahui Mining Group (**Huahui**), based in Hong Kong, for 15 years. In this role he has developed solid relationships with local governments in China, and with commercial and investment banks. Kin Po has led several M&A transactions.

Over the last 15 years, Huahui acquired several gold, copper and iron ore projects in China, and based on further investments in these projects, Huahui converted some of the gold, copper and iron ore projects into production. Huahui has extensive experience in exploration and constructing processing plants and managing the operation of gold, copper and iron ore projects. Kin Po has not held any directorships of other ASX listed companies.

Kin Po currently has a relevant interest in 36,000,000 fully paid ordinary shares in the Company.

### EDDIE PANG, Managing Director

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

In addition, Eddie 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.

Eddie 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.

Eddie is presently a director of ASX-listed company Lincoln Minerals Ltd (ASX: LML) and he was appointed to this role on 1 December 2013. He currently has a relevant interest in 3,210,000 fully paid ordinary shares in the Company.

## ZILONG DAI, Executive Director and Chief Executive Officer

Zilong has had extensive executive management and accounting experience in Australia and China over the past 10 years. He has established and maintained excellent relationships with over 100 large SOE, private companies and funds in different sectors including mining, oil/gas and agriculture. Zilong has been China Chief Representative of PCF Capital Group, an independent, corporate advisory firm focused on serving clients in the resources sector.

He was previously involved with Shandong Gold, one of the largest gold producers in China; establishing and maintaining strong relationships with many ASX, TSX, and NYSE listed mining corporations, and large legal firms, accounting firms, investment banks and other organisations. Zilong has managed M&A transactions in the resources sector. Zilong has not held any directorships of other ASX listed companies.

Zilong does not have a relevant interest in any shares in Genesis.

## DERIC WEE, Non-Executive Director

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

Deric 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. Deric has not held any directorships of other ASX listed companies in the last three years.

Deric currently has a relevant interest in 1,860,000 fully paid ordinary shares in the Company.

## JOHN ZEE, Non-Executive Director

John Zee has worked in the financial services industry in stockbroking, corporate advisory and capital raisings in Australia for over 30 years. His expertise in deal structuring and capital raisings for start-ups or enterprises in their various lifecycles is well-known. His current roles include serving as the responsible manager for Foxfire Capital AFSL 390210 in the provision of financial services in securities dealing and corporate advisory. These roles have included an extensive amount of customer contact. He has a well-established extensive network of investors across Asia for the purpose of introducing investment opportunities and corporate transactions.

During the three years immediately preceding the end of the 2015 financial year, John was a director of Australia United Mining Limited (ASX: AYM). John held his directorship of AYM from 14 May 2012 to 28 November 2014.

John does not currently have a relevant interest in any shares in Genesis.

## Senior Management

### SOPHIE KARZIS, Company Secretary

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

### PATRICIA WONG, Chief Financial Officer

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



## **JAMES PATTERSON, Exploration Manager (Australia and Macedonia)**

James 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).

## **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 Australian and Macedonian Projects. In particular, the Board is pleased to announce the following exploration highlights in relation to the 2015 financial year:

#### **Plavica Project (Macedonia)**

- 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.
- Following the granting of the 30 year Exploitation Licence at Plavica, drilling has commenced to extend the known mineralisation. Ten holes were drilled for 2,732.7m of HQ drill core. A number of interesting zones were intersected. Results are pending.
- Drilling is ongoing with one core rig currently operating. Genesis aims to complete a JORC compliant 'Indicated' Resource based on this drilling. Genesis then expects to complete a feasibility study before October 2017, and has agreed to commit up to US\$7.5m for such activities.

#### **Gladstone-Mount Miller Mn Project**

- An agreement was reached with both Queensland Main Roads and Queensland National Railways. The Company plans to carry out the diamond drilling program in the near future.

#### **Alice Springs Project**

- Geological mapping is currently being undertaken and targets finalized for planned drilling.

#### **Arltunga Project**

- Geological mapping and reconnaissance of geophysical anomalies is currently being undertaken.
- A program of drilling is planned.

### **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, which is 62% owned by Genesis and 38% owned by Sileks' nominee. Following the parties' incorporation of the JV Company, 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. The Directors confirm that the Government has granted a 30-year Exploitation Licence to Silgen Resources. As a result of the developments described above, Genesis now has a direct 62% ownership of the JV Company (subject to the encumbrance described below) which in turn owns all assets in respect of the Plavica tenement, including the granted Licence. Genesis remains responsible under the terms of the JV Agreement for undertaking infill and extensional drilling and completing a feasibility study in respect of the Licence area (as required to obtain funding for mine development), and the costs of those activities. Figures 1 shows the location of Plavica Gold-Copper-Silver Project in the Republic of Macedonia. The area covered by the Exploitation Licence totals 16.85 km<sup>2</sup> and is shown in Figure 2.

The project was the site of mining in Roman and Ottoman times and then again during the 1930s, reputedly of high grade gold. Over eighty, mostly vertical diamond drill-holes by the Yugoslav Government searching for porphyry copper mineralisation, and 10 angled diamond drill-holes by Rio Tinto and European Minerals searching for gold mineralisation, were drilled prior to Genesis entering into the Joint Venture Agreement. Significant gold-copper-silver intersections were delineated by this drilling.

Following the granting of the Exploitation Licence at Plavica, drilling commenced to extend the known mineralisation. Ten holes were drilled for 2,732.7m of HQ drill core. Of these ten holes, six were drilled at Plavica and four at Maricanski Rid, some 800m to the south of Plavica. Collar locations are shown in Table 1 and Figure 3. A number of both oxide and primary vuggy silica and sulphide-rich zones are intersected. Results are pending.

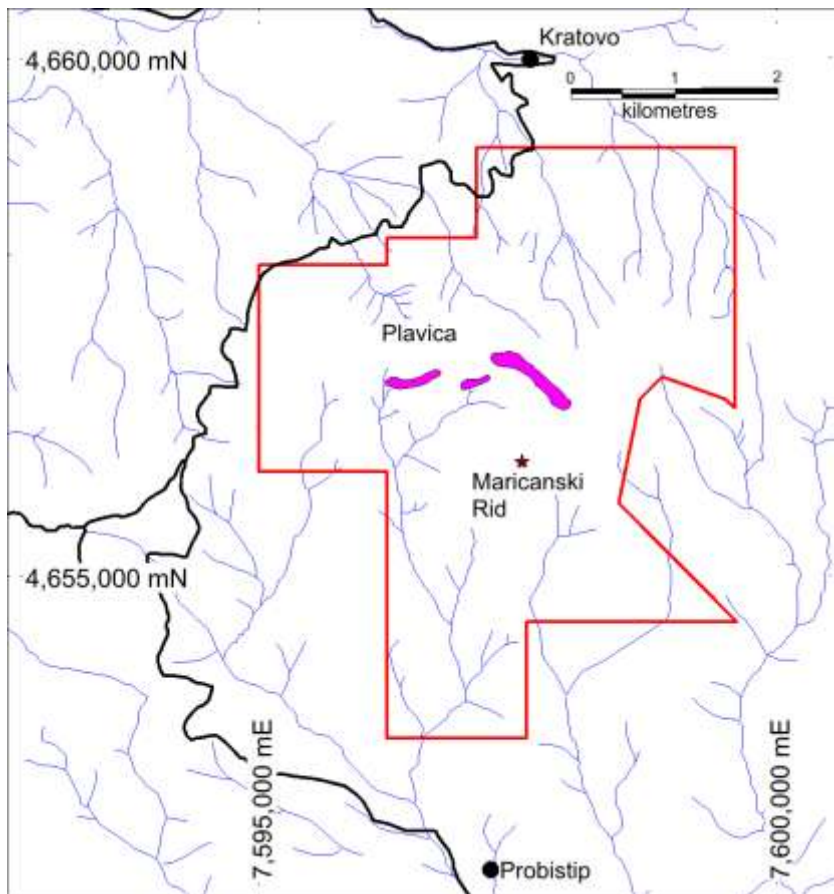
Work also focused on geological mapping at Plavica and identifying new areas of alteration and mineralisation within the Plavica tenement. A number of new areas were discovered and rock-chip sampled. A number of new target areas for scout drilling were discovered (Figure 4). These include rock chip samples up to 9.66 g/t Au 800m to the east of the main mineralization and rocks up to 3.28 g/t Au some 1.2 km north of the main mineralisation at Plavica.

A soil sampling program over the eastern half of the Plavica tenement was also completed. The western half of the tenement was previously covered in soil samples by Rio Tinto in the 1990's. Results are also shown in Figure 4. A large area of gold in soils was returned 1.2 km north of the main Plavica mineralization with Au up to 1,050 ppb (1 g/t Au).

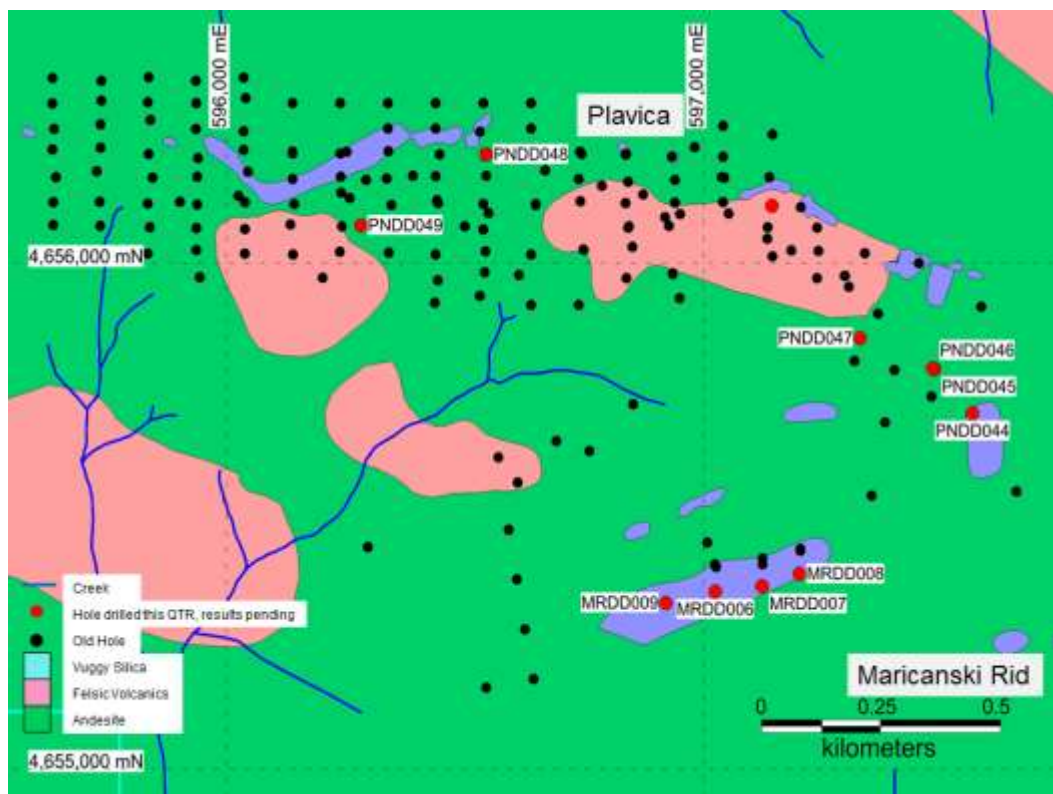
Drilling is ongoing with one core rig currently operating. Genesis aims to complete a JORC compliant 'Indicated' Resource based on this drilling. Genesis then expects to complete a feasibility study before October 2017, and has agreed to commit up to US\$7.5m for such activities.



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



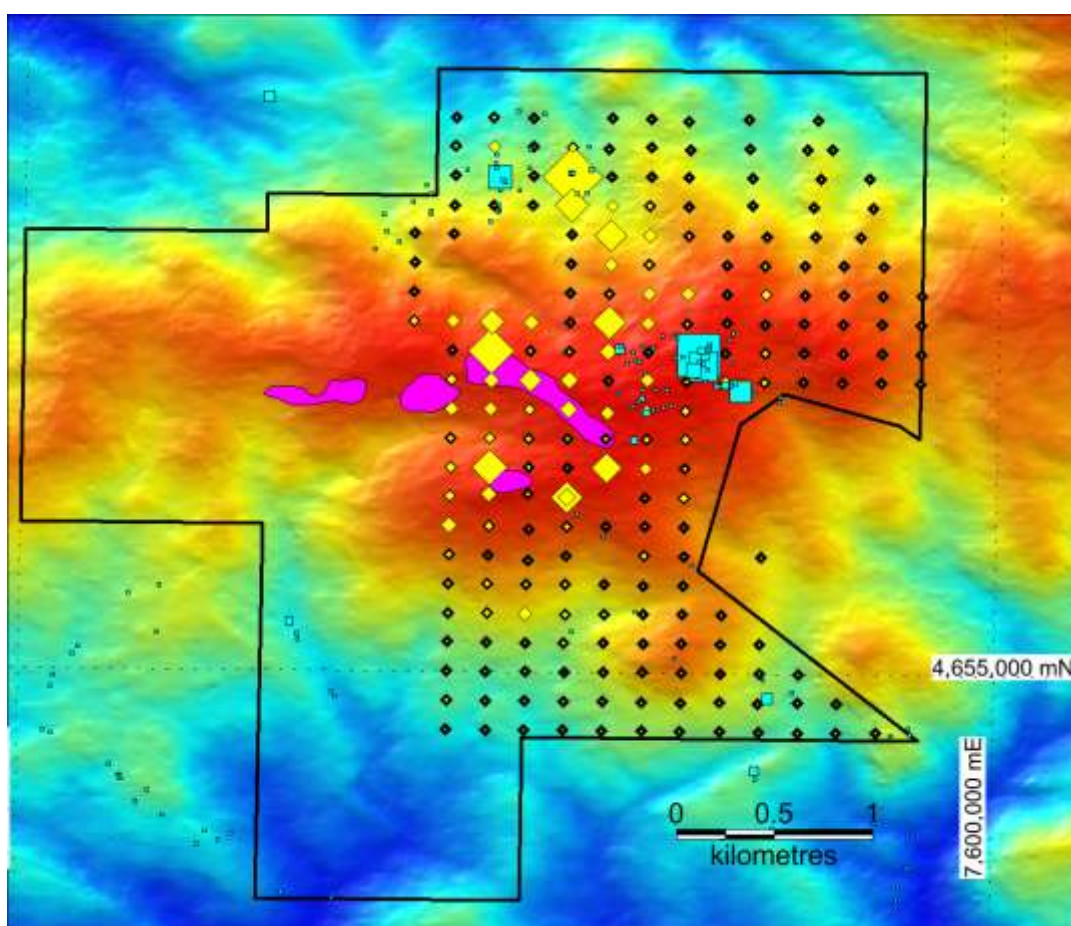
**Figure 2:** Plavica Gold-Copper-Silver Project. Granted Exploitation Licence in Red. Pink polygons are the main bodies of mineralisation at Plavica. Co-ordinates are in Gauss Kruger projection.



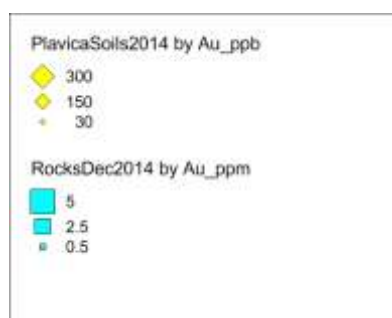
**Figure 3:** Location of Drill Collars, July 2014-June 2015, Plavica Gold-Copper-Silver Project. Co-ordinates in Gauss Kruger Projection

Prospect	Hole ID	Type	Final Depth (m)	Dip	Azi Mag	East_GK	North_GK	RL_GK
Plavica	PNDD044	DD	350.2	-60	360	7598033	4656593	1244
Plavica	PNDD045	DD	203	-60	360	7597953	4656680	1245
Plavica	PNDD046	DD	410	-45	360	7597950	4656682	1245
Plavica	PNDD047	DD	266.1	-45	360	7597797	4656741	1226
Plavica	PNDD048	DD	193.1	-45	360	7597013	4657105	1191
Plavica	PNDD049	DD	195.3	-50	360	7596750	4656965	1130
Maricanski Rid	MRDD006	DD	219	-60	360	7597494	4656240	1208
Maricanski Rid	MRDD007	DD	202	-60	360	7597592	4656250	1202
Maricanski Rid	MRDD008	DD	343.3	-65	360	7597670	4656275	1201
Maricanski Rid	MRDD009	DD	350.7	-60	350	7597390	4656217.2	1190

**Table 1: Diamond Core Drill Collar Details, Jul 2014- Jun 2015, Plavica Gold-Copper-Silver Project.**



**Figure 4 Location of Soil and Rock Chip Samples collected , Jul 2014- Jun 2015, Plavica Gold-Copper-Silver Project Gauss Kruger Co-ordinate System. Previously defined significant mineralisation from drilling is shown in pink. Data overlays Aster DEM. Figure also shows Granted Exploitation Lease.**





## Exploration Activities - Australia



Figure 6: Location of Australian Projects.

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

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

The Licence Renewal was approved on 6 February 2015 for a term of 2 years and will expire on 7 November 2016. All 31 sub-blocks were retained.

The 8<sup>th</sup> Annual Technical Report was submitted on 2 December 2014. It was accepted as satisfactory on the 20 January 2015.

A Mining Management Plan (MMP) Update was lodged on 19 March 2015.

A CLC Sacred Site Clearance Certificate was issued on 19 September 2014.

Reconnaissance work was completed in August 2014. A number of the historic mining areas and several of the anomalies defined by aeromagnetic, gradient array and CSAMT data were field checked and mapped in more detail. A full review of all available data is currently underway, with the aim of defining targets for reverse circulation drilling in late 2015.

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

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

A Licence Renewal Application was lodged on 1 April 2014. It was approved on 13 October 2014 for a further term of 2 years and will expire on 17 April 2016. All 118 sub-blocks were retained.

Additional information for the application of a Mining Management Plan (MMP) was lodged on the 29 January 2015. The MMP was approved on 13 March 2015, Authorisation no: 0840-01.

A CLC Sacred Site Clearance Certificate was issued on 6 February 2015, Certificate no. C2014-38-B. This is valid for 24 months after the date of issue (6/02/2017).

The Expenditure Report was lodged on 17 March 2015 to DME, it was accepted as satisfactory on the 18 March 2015.

The 9<sup>th</sup> Annual Technical Report was lodged on 20 April 2015. It was accepted as satisfactory on the 1 May 2015.

Reconnaissance was completed during August 2014. The historic Camp Hill mining area and several previously defined zones of anomalous Cu-Au mineralization including Corner Post Hill, Diana 2 to 8 and Diamond 2 were mapped in more detail.

In addition a full review of all available data is underway to define targets for RC drill testing in late 2015.

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

The Gladstone-Mount Miller Project consists of Exploration Licence (EPM15771) covering 63.93 square kilometres and Mining Lease Application (MLA80166) covering 32.24 Ha and is located approximately 15 kilometres by road from the port of Gladstone on the east coast of central Queensland (Figure 6).

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

The Licence Renewal was approved on 7 May 2013 for a term of 5 years and will expire on 18 June 2017. All 21 sub-blocks were retained.

A field visit was completed during September 2014 in an attempt to locate and map several of the other historic manganese mining areas on the tenement.

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 in late 2015.

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

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

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

A Licence Renewal Application was lodged on 14 April 2014 requesting another two year period. The Application for renewal was approved on 15 May 2014 and the licence now expires on 2 August 2016.

As per the conditions of the exploration permit Genesis were required to relinquish 2 sub blocks from EPM 15619. Pursuant to section 793 of the *Mineral Resources Act 1989 (MRA)*, the relinquishment was accepted by the Department of Natural Resources and Mines Queensland on 22 August 2013. The tenement area has been reduced from 12.67 sq km to 6.23 sq km.

A site visit was conducted in September 2014 in an attempt to locate drill collars from the 1970 Queensland Department of Mines diamond drilling program.

A review of all available data is underway to compile all geological mapping and define targets for drill testing in late 2015.

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

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

The project area contains the Masterton No2 manganese occurrence.

The Licence Renewal was approved on 13 October 2014 for a term of 2 years and will expire on 17 April 2016. All 116 sub-blocks were retained.

A Mine Management Plan (MMP) Update was submitted to the NT Government on 8 October 2014.

The Expenditure Report was lodged on 17 March 2015 to DME, it was accepted as satisfactory on 18 March 2015.

The 9<sup>th</sup> Annual Technical Report was lodged on 20 April 2015. It was accepted as satisfactory on 20 April 2015.

A full review of all data available is underway to guide further exploration on the tenement.

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

The Laura River project consists of Exploration Licence EPM15242 covering 165.35 square kilometres is centered on the Cape York Peninsular township of Laura, 210km north-west of Cairns and 88km west of Cooktown in North Queensland (Figure 6). The area is prospective for gold. Several historical alluvial workings are found in the vicinity of the Laura River and affluents.

The Licence Renewal was approved on 11 March 2015 for a term of 2 years and will expire on 23 August 2016. All 50 sub-blocks were retained.

No work was carried out during the year.

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

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

A Licence Renewal Application requesting another two year period was approved on 23 December 2014. The new expiry date is 5 May 2016.

Genesis was issued with a Partial Cancellation Notice (Loss of Block Penalty) for Fenn Gap on 23 June 2014, requesting the relinquishment of 13 sub blocks. EL24839 now comprises of 14 sub blocks covering 26.93 sq km.

A site visit was conducted in September 2014. Checks were made on the location of RC holes drilled during 2011 and geological mapping traverses were made across an area of high gravity response north of the known manganese - iron mineralization. Several representative rock samples were collected for specific gravity measurement as reference against results of the previous gravity survey.

The 7<sup>th</sup> Annual Technical Report was lodged on 1 June 2015 and accepted as satisfactory on 15 June 2015.

The expenditure report was lodged on the 3 June 2015 and accepted as satisfactory on 4 June 2015.

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 mineralization.

## TENEMENTS AS AT 30 JUNE 2015

PROJECT	TENEMENT NUMBER	COMMODITY	COMPANY'S BENEFICIAL INTEREST	CURRENT AREA (KM <sup>2</sup> )	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%	165.35	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%	63.93	Genesis	QLD
Mt Miller	MLA80166	Manganese	100%	32.24 Ha	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	7	7
D. Wee	7	6
Z. Dai	0	0
K. Yu	0	0
J. Zee	2	2
A. Lim	7	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
D. Wee	1,860,000	0
Z. Dai	0	0
K. Yu	36,000,000	0
J. Zee	0	0
<b>Former Directors</b>		
A. Lim	1,100,000	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 2015, the only securities on issue in Genesis were 300,743,205 fully paid ordinary shares. No options were on issue during the year. There are no other classes of equity securities on issue.

## Financial Results

The loss after tax of the Company for the financial year attributable to the members of Genesis Resources Limited was \$2,999,969. The loss was mainly due to professional, consultancy and administrative fees incurred during the year.

Losses per share has decreased from (\$1.65) cents to (\$1.44) cents as at 30 June 2015. 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 \$1,911,140 during the financial year from \$14,163,526 as at 30 June 2014 to \$16,074,666 at 30 June 2015, mainly as a result of capitalised exploration expenditure on the Plavica Project.

## State of Affairs

### Director resignations and appointments during the year

Mr Alex Lim resigned as a Director on 26 June 2015. Mr John Zee resigned as a Director on 31 October 2014 and was reappointed on 26 June 2015. Messrs Zilong Dai and Kin Po Yu were also appointed as Directors on 26 June 2015.

### Takeover bid

**Extensions of takeover bid:** Blumont made an off-market takeover bid for all the shares on issue in Genesis on 21 March 2014. On 11 September 2014, Blumont extended its offer until 13 February 2015. On 29 October 2014, Blumont extended the offer to include

the Genesis shares which had been issued subsequent to Blumont's initial offer on 21 March 2014. On 5 February 2015, Blumont further extended its offer until 23 March 2015.

**Share placement agreement with Blumont:** On 12 December 2014, Genesis announced that it had entered into a placement agreement with Blumont under which Blumont would subscribe for new shares in Genesis to assist Genesis meet its need for additional capital (**Blumont Placement Agreement**). The agreement was conditional on SGX approval.

**Termination of Blumont Bid Implementation Deed:** On 2 March 2015, Genesis advised that it had terminated the Takeover Bid Implementation Deed with Blumont (**Deed**), under which Blumont made an off-market takeover bid for all the shares in Genesis. Genesis terminated the Deed because of the fall of the 5 day volume weighted average price of Blumont shares to below S\$0.0272; under the Deed this was an event entitling Genesis to exercise its right of termination.

**Withdrawal of Genesis Directors' recommendation to shareholders to accept Blumont's offer:** A consequence of termination of the Deed was that the Directors were freed from their obligation to recommend acceptance of the Blumont offer and the expectation that they will accept the offer in relation to their own shares. On 3 March 2015, Genesis issued a supplementary target's statement notifying shareholders that the Directors unanimously recommend that shareholders do not accept the Blumont offer.

**Close of takeover bid offer:** On 13 March 2015, Blumont confirmed that it had waived each of the conditions to the takeover bid, and that the Offer had become unconditional. The takeover bid offer closed on 23 March 2015, with the result that Blumont currently has a relevant interest in 33,002,561 Genesis shares, representing 10.97% of Genesis' total current issued share capital.

### **Approval of exploitation (mining) licence for Plavica tenement**

On 12 March 2015, Genesis announced that it had received advice that the Government of Macedonia made an in-principle decision to approve the application made by Silgen Resources International Ltd, Kratovo (**Silgen**), the joint venture company owned by the Company and its joint venture partner RIK Sileks AD Kratovo in 62% and 38% proportions respectively, for a 30 years exploitation (mining) licence for the Plavica tenement (**Licence**). In accordance with Macedonian legislation, the Government of Macedonia published in an official governmental gazette its decision to grant the exploitation licence to Silgen.

Formal grant of the exploitation licence later took effect upon the signing of a concession agreement between Silgen and the Government of Macedonia (**Agreement**) which Genesis announced on 12 May 2015. Pursuant to the execution of the Agreement, Silgen has been formally granted the Licence for a term of 30 years. The area covered by the Licence totals 16.85 km<sup>2</sup>.

Through its 62% ownership of the Silgen, Genesis now has a direct interest in the Licence. Silgen currently owns all assets in respect of the Plavica tenement.

As the joint venture party responsible for managing the Plavica Project, Genesis has commenced implementing its strategic objectives at the Licence area. This includes drilling extensions of the mineralisation at Plavica, which is open along strike, drilling out the mineralisation at Maricanski Rid (46m @ 1.59 g/t Au in previous drilling) and testing new geochemical anomalies (up to 9.6 g/t Au in rock chips).

### **Share issues**

Despite the 2015 financial year proving to be a challenging climate for capital raising generally, Genesis continued to be successful in securing the funding it required for working capital and to achieve its business objectives; during the year the Company raised a total of \$4.18 million through the issue of shares to professional and sophisticated investors as follows:

- On 19 September 2014, \$1,243,219 was raised through a placement of 24,864,384 ordinary shares.
- On 2 June 2015, \$500,897.72 was raised through a placement of 6,261,222 ordinary shares.
- On 17 June 2015, \$275,000 was raised through a placement of 3,928,571 ordinary shares.
- On 25 June 2015, \$2,160,000 was raised through a placement of 36,000,000 ordinary shares.

In addition to the above share issues, the Company issued a total of 63,926,464 shares at a deemed \$0.06 per share in lieu of fees to a drilling contractor and to retire debt under a loan.

### **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 FY2016

In the 2016 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 focus its resources during the 2016 financial year and beyond on undertaking infill and extensional drilling and completing a feasibility study in respect of the Exploitation Licence area (as required to obtain funding for mine development). Genesis will aim, with infill drilling, to deliver a resource in the 'indicated' category, and with extensional drilling, to increase the total resource of Plavica, which is still open along strike as well as test Maricanski Rid (46m @ 1.59 g/t Au) located 800m south of Plavica, and a number of other targets. These objectives are consistent with Genesis' obligations under its joint venture agreement with Sileks, and once achieved, will enable Genesis and its joint venture partner to assess viability to develop a mine site at Plavica. Genesis expects to complete the proposed infill and extensional drilling and the feasibility study within 2.5 years of the granting of the Exploitation Licence (May 2015), and has agreed to commit up to US\$7.5m for such activities.

### 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 2016 field season. Field checking of geophysical and geochemical anomalies and geological mapping is currently being undertaken over a number of these projects

## Key Business Risks

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

- (a) **Capital/going concern** – The Company will require further financing, in particular to advance the Plavica Project, further explore the Company's Australian projects, obtain a feasibility study for the Plavica tenement and repay loans. In particular, now that the 30 year exploitation (mining) licence for the Plavica tenement has been granted to the JV Company, 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). Genesis expects to complete the proposed infill and extensional drilling and the feasibility study within 2.5 years of the JV Company being granted the exploitation licence (May 2015), and has agreed to commit up to US\$7.5m for such activities. In order to secure the performance of Genesis' obligations to complete and pay for the proposed infill and extensional drilling and the feasibility study within 2.5 years, 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 drilling required and a 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

As announced to the market on 28 September 2015, following a strategic review of the organisational structure of Genesis, a number of changes were made to Genesis' Board and management structure as follows:

- Mr Eddie Pang stepped down from his role as Chairman of the Board, in order to assume an executive role as Managing Director of Genesis;
- Mr Kin Po Yu was appointed as Chairman of the Board; and
- Mr Zilong Dai, who was appointed Non-Executive Director of Genesis on 26 June 2015, assumed the role of Executive Director and Chief Executive Officer.

## No Other Events

Other than as otherwise disclosed, in the interval between the end of the financial year and the date of this report, no item, transaction or event of a material and unusual nature has arisen that is likely, in the opinion of the Directors, to affect significantly, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

## Environmental Regulation and Performance

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

## Dividends

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

## Indemnification and Insurance of Officers

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

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

The insurance premiums relate to:

- Cost and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

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

## Auditor Independence and Non-Audit Services

The auditor's independence declaration is included on page 38 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 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 2015. The prescribed details for each person covered by this report are detailed below under the following headings:

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

## Director Details

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

### Current Directors

<b>KIN PO YU</b>	Non-Executive Director, 26 June 2015 – present
<b>EDDIE LUNG YIU PANG</b>	Non-Executive Chairman, 28 September 2015 - present Non-Executive Chairman, 6 March 2009 – 30 November 2013 Executive Chairman, 1 December 2013 – 28 September 2015 Managing Director, 28 September 2015 - present
<b>ZILONG DAI</b>	Non-Executive Director, 26 June 2015 – 28 September 2015 Executive Director and Chief Executive Officer, 28 September 2015 - present
<b>DERIC KOK BIN WEE</b>	Non-Executive Director, 11 December 2009 – 26 November 2012, and 16 January 2013 – present
<b>JOHN YONG TEAK ZEE</b>	Non-Executive Director, 11 May 2012 – 26 November 2012, 16 January 2013 – 31 October 2014, and 26 June 2015 to present

### Former Directors

<b>ALEX HOOI-KIANG LIM</b>	Non-Executive Director, 26 November 2012 – 26 June 2015
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## Remuneration Policy

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

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

Remuneration packages contain the following key elements:

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

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

The Board's approach to executive remuneration has always been to balance fair remuneration for skills and expertise with a risk and reward framework that supports long-term growth of Genesis. The Board seeks to set remuneration at a level which provides the Company with the ability to attract and retain directors of relevant experience and skill, whilst incurring costs which are acceptable to shareholders, particularly with regard to Genesis' financial position.

The Directors consider Genesis' remuneration practices during FY2015 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 the passing of an ordinary 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.

## 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 2015:

Financial Year Ending 30 June	2015	2014	2013	2012	2011
Other income (\$)	1,002	2,726	276	447,313	219,436
NPAT (\$)	(2,999,969)	(2,617,270)	(1,795,065)	(935,312)	(562,052)
Share price at end of year	0.06	0.08	0.09	0.06	0.11
Basic EPS (cents per share)	(1.44)	(1.65)	(1.49)	(1.64)	(1.06)

## 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
2015 Directors	Salary & Fees (\$)	Superannuation (\$)	Termination Benefit (\$)	(\$)
<b>Executive Directors during FY15</b>				
E. Pang (Executive Chairman)	180,000	17,100	-	197,100
<b>Non-Executive Directors during FY15</b>				
Z. Dai	556	-	-	556
D. Wee	40,000	-	-	40,000
K. Yu	556	-	-	556
J. Zee	13,888	-	-	13,888
<b>Former Directors and Executives</b>				
A. Lim	39,556	-	-	39,556
<b>Total</b>	<b>274,556</b>	<b>17,100</b>	<b>-</b>	<b>291,656</b>

	Short Term Benefits	Post Employment		Total
2014 Directors	Salary & Fees (\$)	Superannuation (\$)	Termination Benefit (\$)	(\$)
<b>Executive Directors during FY14</b>				
E. Pang (Executive Chairman)	130,000	12,025	-	142,025
<b>Non- Executive Directors during FY14</b>				
A. Lim	40,000	-	-	40,000
D. Wee	40,000	-	-	40,000
J. Zee	40,000	-	-	40,000



<b>Former Directors and Executives</b>				
K. Lim	12,258	-	-	12,258
J. Karajas	16,111	-	-	16,111
P. Kong (Managing Director)	98,000	9,065	-	107,065
P. Volpe	38,555	-	-	38,555
<b>Total</b>	<b>414,924</b>	<b>21,090</b>	<b>-</b>	<b>436,014</b>

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

*Share holdings*

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

<b>Fully paid ordinary shares 2015</b>	<b>Balance at 1 July 2014</b>	<b>Shares Acquired/ Other</b>	<b>Shares Disposed/ Other</b>	<b>Options Exercised</b>	<b>Net Change</b>	<b>Balance at 30 June 2015</b>
<b>Directors of Genesis Resources Limited</b>						
E. Pang	3,210,000	-	-	-	-	3,210,000
D. Wee	1,860,000	-	-	-	-	1,860,000
Z. Dai	-	-	-	-	-	-
K. Yu	-	36,000,000	-	-	-	36,000,000
J. Zee	-	-	-	-	-	-
A. Lim*	1,100,000	-	-	-	-	1,100,000
<b>Total</b>	<b>6,170,000</b>	<b>36,000,000</b>				<b>42,170,000</b>

\*Director resigned during the period.

<b>Fully paid ordinary shares 2014</b>	<b>Balance at 1 July 2013</b>	<b>Shares Acquired</b>	<b>Shares Disposed/ Other</b>	<b>Options Exercised</b>	<b>Net Change</b>	<b>Balance at 30 June 2014 or date of resignation</b>
<b>Directors of Genesis Resources Limited</b>						
E. Pang	3,210,000	-	-	-	-	3,210,000
P. Kong*	1,458,750	-	-	-	-	1,458,750
J. Karajas*	-	-	-	-	-	-
A. Lim	1,100,000	-	-	-	-	1,100,000
K. Lim*	22,117,930	-	-	-	-	22,117,930
J. Zee	-	-	-	-	-	-
P. Volpe*	2,222,222	-	-	-	-	2,222,222
D. Wee	1,860,000	-	-	-	-	1,860,000
<b>Total</b>	<b>31,968,902</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,968,902</b>

\*Director resigned during the period and final balance.

### Options

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

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

No loans were made to the directors of Genesis and other key management personnel of the Company, including their personally related parties.

### c) Other transactions with key management personnel

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

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

For the year ended 30 June 2015 and 30 June 2014, there were no transactions and outstanding balances related to key management personnel and entities over which they have control or significant influence were as follows.

Key Management Personnel Disclosures are provided in Note 24.

## Auditor

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

## Directors' Resolution

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

On behalf of the Directors



**Eddie Pang**  
Managing Director  
29 September 2015

# CORPORATE GOVERNANCE STATEMENT

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

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

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

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

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

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Genesis Resources Limited for the year ended 30 June 2015, 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 Bird Cameron Partners*

### RSM BIRD CAMERON PARTNERS



**J S CROALL**

Partner

Melbourne, Victoria

Dated: 29 September 2015

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2015

		2015	2014
	Note	\$	\$
Other Income	5	1,002	2,726
Professional fees	6	(295,793)	(351,136)
Administrative and other expenses	7	(790,184)	(845,731)
Employee benefit expenses	8	(998,485)	(1,217,896)
Finance cost	9	(412,460)	(215,808)
Foreign exchange gain /(loss)	10	(504,940)	-
<b>Results from operating activities</b>		<b>(3,000,860)</b>	<b>(2,627,845)</b>
Interest income		893	10,575
<b>Net finance income</b>		<b>893</b>	<b>10,575</b>
<b>Loss before tax</b>		<b>(2,999,967)</b>	<b>(2,617,270)</b>
Income tax expense	12	-	-
<b>Loss for the year</b>		<b>(2,999,967)</b>	<b>(2,617,270)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Foreign exchange gain/(loss)	22	80,831	(280,726)
<b>Other comprehensive loss for the year, net of tax</b>		<b>(80,831)</b>	<b>(280,726)</b>
<b>Total comprehensive loss for the year</b>		<b>(2,919,136)</b>	<b>(2,897,996)</b>
<b>Earnings per share</b>			
Basic Loss per share (cents per share)	28	(1.43)	(1.65)
Diluted Loss per share (cents per share)	28	(1.43)	(1.65)

The above consolidated comprehensive statement of profit or loss and comprehensive income should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Note	2015 \$	2014 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	13	2,034,950	543,206
Prepayments and other receivables	14	50,301	53,608
Other financial assets	15	370	1,110
<b>Total current assets</b>		<b>2,085,621</b>	<b>597,924</b>
<b>Non-current assets</b>			
Other financial assets	15	98,684	78,977
Property, plant and equipment	16	95,151	176,310
Exploration and evaluation assets	17	13,795,210	13,310,315
<b>Total non-current assets</b>		<b>13,989,045</b>	<b>13,565,602</b>
<b>Total assets</b>		<b>16,074,666</b>	<b>14,163,526</b>
<b>Current liabilities</b>			
Trade and other payables	19	997,262	2,531,652
Borrowings	20	2,974,438	4,400,000
<b>Total current liabilities</b>		<b>3,971,700</b>	<b>6,931,652</b>
<b>Total liabilities</b>		<b>3,971,700</b>	<b>6,931,652</b>
<b>Net assets</b>		<b>12,102,966</b>	<b>7,231,874</b>
<b>Equity</b>			
Share capital	21	21,528,698	13,738,468
Reserves	22	(133,022)	(213,853)
Accumulated losses	23	(9,292,710)	(6,292,741)
<b>Total equity</b>		<b>12,102,966</b>	<b>7,231,874</b>

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2015

	Note	Share capital \$	Accumulated losses \$	Reserves \$	Total equity \$
<b>Balance at 1 July 2013</b>		<b>11,590,114</b>	<b>( 3,675,471)</b>	<b>66,873</b>	<b>7,981,516</b>
Loss for the year	23	-	( 2,617,270)	-	( 2,617,270)
<i>Other comprehensive income/(loss) for the year</i>		-	-	-	-
Foreign currency translation reserve	22	-	-	(280,726)	(280,726)
Total comprehensive (loss)/income for the year		-	( 2,617,270)	(280,726)	( 2,897,996)
<b>Transaction with owners in their capacity as owners</b>					
Issue of ordinary shares	21	2,148,354	-	-	2,148,354
Total transactions with owners		2,148,354	-	-	2,148,354
<b>Balance at 30 June 2014</b>		<b>13,738,468</b>	<b>(6,292,741)</b>	<b>(213,853)</b>	<b>7,231,874</b>
Loss for the year	23	-	(2,999,969)	-	(2,999,969)
<i>Other comprehensive income/(loss) for the year</i>		-	-	-	-
Foreign currency translation reserve	22	-	-	80,831	80,831
Total comprehensive (loss)/income for the year		-	(2,999,969)	80,831	(2,919,138)
<b>Transaction with owners in their capacity as owners</b>					
Issue of ordinary shares	21	7,790,230	-	-	7,790,230
Total transactions with owners		7,790,230	-	-	7,790,230
<b>Balance at 30 June 2015</b>		<b>21,528,698</b>	<b>(9,292,710)</b>	<b>(133,022)</b>	<b>12,102,966</b>

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



# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2015

	Note	2015 \$	2014 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		434	2,418
Payments to suppliers and employees		(2,357,368)	(3,292,283)
Interest (paid) / received		1,713	10,873
<b>Net cash used in operating activities</b>	13	<b>(2,355,221)</b>	<b>(3,278,992)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of investments		-	742
Payments for exploration and evaluation expenditures		(670,180)	(3,541,926)
Payments for fixed assets		630	(34,079)
Proceeds from sale of property, plant and equipment		24,602	-
Payment for bank guarantee		(19,949)	-
<b>Net cash used in investing activities</b>		<b>(664,897)</b>	<b>(3,575,263)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		4,179,117	2,261,346
Payment for share issue costs		(116,561)	(112,992)
Proceeds from borrowing		384,000	4,400,000
Repayment of loan		-	-
<b>Net cash provided by financing activities</b>		<b>4,446,556</b>	<b>6,548,354</b>
<b>Net increase /(decrease) In cash and cash equivalents</b>		<b>1,426,438</b>	<b>(305,901)</b>
Cash and cash equivalents at 1 July		543,206	1,129,833
Net foreign exchange difference		65,306	(280,726)
<b>Cash and cash equivalents at 30 June</b>	13	<b>2,034,950</b>	<b>543,206</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the entity Genesis Resources Limited ("Genesis" or "the Company") domiciled in Australia. The address of the Company's registered office is Level 1, 61 Spring Street, Melbourne, VIC 3000. The Company is primarily involved in gold, manganese and base metal exploration and development activities. The Company is a for-profit entity for the purpose of preparing the financial statements.

The financial statements were authorised for issue by the directors on 29 September 2015.

### (a) Basis of preparation

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

#### *Statement of compliance*

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

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

#### *Adoption of new and amended accounting standards*

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning on 1 July 2014.

- AASB 2012-3 – Amendments to Australian Accounting Standards- Offsetting Financial Assets and Financial Liabilities
- AASB 2013-3 – Recoverable Amount Disclosures for Non- Financial Assets
- AASB 2014-1 – Amendments to Australia Accounting Standards (Parts A to C)

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

#### *Historical cost convention*

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

#### *Critical accounting estimates*

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

The areas involving a higher level of judgement or complexity, or areas where assumptions and estimates are made 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 company and consolidated entity incurred losses of \$2,078,152 and \$2,999,969 respectively, and the consolidated entity had net cash outflows from operating activities of \$2,355,221 and from investing activities of \$664,897 for year ended 30 June 2015. As at that date the company and consolidated entity had net current assets/(liabilities) of \$2,765,812 and (\$1,886,079) respectively.

These factors indicate significant uncertainty as to whether the company and consolidated entity will continue as going concerns and therefore whether they will realise their assets and extinguish their 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 company and consolidated entity will be able to continue as going concerns, 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.
- The amount of cash on hand as at 30 June 2015 has increased to \$2,034,950 compared with 30 June 2014 of \$543,206.
- The continued support of the company's major financier, Axie Capital Sdn. Bhd ("Axie"). The Company has a loan facility of \$7.0 million with Axie. As at 30 June 2015, the Company has a balance owing to Axie of \$2,600,000, leaving a further \$4.4 million for the Company to draw down.

Accordingly, the Directors believe that the company and consolidated entity will be able to continue as going concerns 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 company and consolidated entity do not continue as going concerns.

## **(c) Segment reporting**

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

## **(d) Functional and Presentation Currency**

### *Foreign currency translation*

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

### *Transactions and balances*

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

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

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported

as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

**(e) Interest income**

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

**(f) Income Tax**

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

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

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

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

**(g) Impairment of tangible and intangible assets**

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

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market

assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

#### **(h) Plant and equipment**

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

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

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

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

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

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

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

#### **(i) Exploration and evaluation assets**

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

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

- (i) the expenditures are expected to be recouped through successful development or sale of the area of interest; or
- (ii) activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or other of economically recoverable reserves and active and significant operations in, or relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the resulting impairment loss is measured and disclosed in accordance with the impairment loss policy noted in accounting policy 1 (g).

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

## **(j) Employee Benefits**

### **(i) Defined contribution plans**

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

### **(ii) Short-term benefits**

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

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

## **(k) Trade and other payables**

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

## **(l) Provisions**

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

### **(i) Site restoration**

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

## **(m) Cash and cash equivalents**

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

## **(n) Goods and Services Tax (GST)**

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

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

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

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

### *Classification*

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

#### Available-for-sale financial assets

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

### *Recognition and derecognition*

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

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

### *Measurement*

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

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

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

### *Impairment*

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

#### Assets classified as available-for-sale

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

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



**(p) Contributed equity**

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

**(q) Earnings per share ("EPS")**

**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year

**(ii) Diluted earnings per share**

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

- The after income tax effect of interest and other financial costs associated with dilutive potential ordinary shares, and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

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

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods. The Company's assessment of the impact of these new standards is that there will be no material affect 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 \$3,971,700 (2014: \$6,931,562) all due in less than 6 to 12 months.

### (c) Market risk

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

#### (i) Currency risk

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

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

	2015	2015	2014	2014
Expressed in AUD	USD	MKD	USD	MKD
Trade and other payables	359,136	-	1,920,199	-
Other receivables- Bank Guarantee	-	78,977	-	78,977
Borrowings	390,625	-	-	-

Based on the financial instruments held at 30 June 2015, had the Australian dollar weakened/strengthened by a reasonable amount there would be no material impact on the financial statements.

#### (ii) Interest rate risk

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

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

As at the end of the reporting period, if interest rate had increased/(decreased) by a reasonable amount, there would not be a material impact on the financial statements.

### (d) Fair value measurement

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

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

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- (ii) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2),
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

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

As at 30 June 2015 no material assets or liabilities measured at fair value were held by the Company.

### NOTE 3: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

#### *Recoverability of deferred exploration and evaluation expenditure*

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

In considering the carrying value of the Plavica Project of \$9,061,255 (2014: \$8,633,432), 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

	2015	2014
	\$	\$
Current assets	6,586,161	4,185,833
Non-current assets	11,418,320	10,962,357
<b>Total assets</b>	<b>18,004,481</b>	<b>15,148,190</b>
Current liabilities	3,820,349	6,676,137
<b>Total liabilities</b>	<b>3,820,349</b>	<b>6,676,137</b>
Contributed equity	21,528,698	13,736,968
Reserves	-	1,500
Accumulated losses	(7,344,567)	(5,266,415)
<b>Total equity</b>	<b>14,184,131</b>	<b>8,472,053</b>
Loss for the year	(2,078,152)	(1,664,965)
Other comprehensive income for the year	-	-
<b>Total comprehensive loss for the year</b>	<b>(2,078,152)</b>	<b>(1,664,965)</b>

### NOTE 5: OTHER INCOME

	2015	2014
	\$	\$
Other income	1,002	2,726
	<b>1,002</b>	<b>2,726</b>

### NOTE 6: PROFESSIONAL FEES

	2015	2014
	\$	\$
Legal, accounting and other professional fees	(247,927)	(299,810)
Corporate secretarial fees	(47,866)	(51,326)
	<u>(295,793)</u>	<u>(351,136)</u>

#### NOTE 7: ADMINISTRATIVE AND OTHER EXPENSES

	2015	2014
	\$	\$
Travel expenses	(319,534)	(240,023)
Insurance expense	(60,213)	(88,224)
Other expenses	(173,484)	(275,775)
Rent expense	(39,112)	(39,196)
ASX listing fees	(72,650)	(63,330)
Office administrative expense	(66,876)	(66,894)
Advertising expense	-	(4,326)
Licensing expenses	(56,056)	(67,963)
Loss from disposal of fixed assets	(2,261)	-
	<u>(790,186)</u>	<u>(845,731)</u>

#### NOTE 8: EMPLOYEE BENEFIT EXPENSES

	2015	2014
	\$	\$
Director fees	(274,555)	(414,924)
Wages and salaries	(673,656)	(745,918)
Employment termination payment	(31,065)	(23,002)
Superannuation contributions	(19,209)	(34,052)
	<u>(998,485)</u>	<u>(1,217,896)</u>

#### NOTE 9: FINANCE COSTS

	2015	2014
	\$	\$
Interest charges paid/payable to non financial institutions	(412,460)	(215,808)
Finance costs expensed	<u>(412,460)</u>	<u>(215,808)</u>

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

	2015 \$	2014 \$
Foreign exchange loss - USD currency	(487,403)	-
Foreign exchange loss – Other fx currency	(17,537)	-
	<u>(504,940)</u>	<u>-</u>

#### NOTE 11: AUDITOR'S REMUNERATION

	2015 \$	2014 \$
<b>Audit fees</b>		
RSM Bird Cameron Partners	(40,418)	(47,991)
PricewaterhouseCoopers	-	(2,495)
	<u>(40,418)</u>	<u>(50,486)</u>

The auditor of Genesis Resources Limited for the year ended 30 June 2015 is RSM Bird Cameron (2014: RSM Bird Cameron).

#### NOTE 12: INCOME TAX EXPENSE

##### Income tax expense

	2015 \$	2014 \$
Current tax	-	-
Deferred tax	649,492	(1,169,573)
Deferred tax not brought to account	(649,492)	(1,169,573)
	<u>-</u>	<u>-</u>

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

	2015 \$	2014 \$
Loss before tax	(2,999,967)	(2,617,270)
Income tax credit using the Company's domestic tax rate of 30% (2014: 30%)	(899,990)	(785,181)
Non-deductible expenses	289,380	291,185
Current year losses for which no deferred tax asset was recognised	610,611	493,996
<b>Total income tax expense</b>	<u>-</u>	<u>-</u>

#### NOTE 13: CASH & CASH EQUIVALENTS

	2015 \$	2014 \$
Cash at bank	2,034,950	543,206
Cash and cash equivalents in the statement of cash flows	<u>2,034,950</u>	<u>543,206</u>

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

	2015	2014
	\$	\$
<b>Cash flows from operating activities</b>		
Loss for the year	(2,999,967)	(2,617,270)
Adjustments for:		
Loss from disposal of fixed assets	(2,261)	-
Depreciation and amortisation	49,299	70,801
Exploration and evaluation assets written off	-	-
	<b>(2,952,929)</b>	<b>(2,546,469)</b>
Change in prepayments and other receivables	(3,307)	138,192
Change in trade and other payables	601,015	(870,715)
<b>Net cash used in operating activities</b>	<b>(2,355,221)</b>	<b>(3,278,992)</b>

**NOTE 14: PREPAYMENTS AND OTHER RECEIVABLES**

	2015	2014
	\$	\$
<b>Current</b>		
Prepayments	18,977	44,458
Other receivables	31,324	9,150
	<b>50,301</b>	<b>53,608</b>

**NOTE 15: OTHER FINANCIAL ASSETS**

	2015	2014
	\$	\$
<b>Current</b>		
Shares in Thor Mining Plc (370,266 shares)	370	1,110
	<b>370</b>	<b>1,110</b>
<b>Non-current</b>		
Bank Guarantee (i)	98,684	78,977
	<b>98,684</b>	<b>78,977</b>

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

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

	Plant and equipment \$	Office equipment \$	Total \$
<i>At 30 June 2014</i>			
Cost	180,460	92,155	272,726
Accumulated depreciation/amortisation	( 55,557)	( 40,859)	( 96,416)
Net book amount	124,903	51,407	176,310
<i>Year ended 30 June 2015</i>			
Opening net book value	124,903	51,409	176,310
Additions	-	24,224	24,224
Disposals	(56,804)	-	(56,804)
Depreciation/amortisation expense	(18,144)	(31,155)	(49,299)
Closing net book amount	50,675	44,476	95,151
<i>At 30 June 2015</i>			
Cost	124,376	116,490	240,866
Accumulated depreciation/amortisation	(73,700)	(72,015)	(145,715)
Net book amount	50,676	44,475	95,151

## NOTE 17: EXPLORATION AND EVALUATION ASSETS

	2015 \$	2014 \$
Opening balance	13,310,315	8,152,812
Capitalised expenditures during the year	484,895	5,157,503
Less : Amount written off during the year	-	-
<b>Closing balance</b>	<b>13,795,210</b>	<b>13,310,315</b>

Mt Millar mining application has been submitted and is awaiting confirmation from the mining registrar from Queensland. Specific conditions attached to the licences, e.g. expenditure commitments and programs of work, is subject to variation upon renewal.

The recoverability of carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploration or sale of the respective area of interest. This is assessed half yearly at the statement of financial position date.

## NOTE 18: DEFERRED TAX ASSETS AND LIABILITIES

### Unrecognised deferred tax assets

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

	2015 \$	2014 \$
Tax losses	6,319,880	5,039,315
Temporary differences (net)	(3,773,206)	(3,066,508)
	<b>2,546,675</b>	<b>1,972,807</b>

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

## NOTE 19: TRADE AND OTHER PAYABLES

	2015 \$	2014 \$
Trade and other payables	997,262	2,531,652
	<u>997,262</u>	<u>2,531,652</u>

## NOTE 20: BORROWINGS

	2015 \$	2014 \$
Loan from third party	2,974,438	4,400,000
Total unsecured current borrowings	<u>2,974,438</u>	<u>4,400,000</u>

(i) On 19 September 2013, the Company secured a \$3 million loan facility which provides the Company with immediate access to funds upon draw down as and when required. On 28 April 2014, Genesis (with the consent of Blumont) entered into a deed of variation with its lender to vary the terms of the parties' existing loan facility agreement. Pursuant to the varied agreement, the lender increased the limit under the existing loan facility provided to Genesis from \$3 million to \$7 million. As at 30 June 2015 the Company has drawn down \$2.6 million under this facility. The interest rate is 8% per annum. The loan may be converted into equity if mutually agreed upon between the Company and the lender.

(ii) On 16 February 2015, the Company secured a USD\$300,000 loan which was drawn down in February 2015. The repayment date is 3 months from the drawn down date. The interest rate is 15% per annum. On 16 July 2015, the Company has fully settled the loan facility.

## NOTE 21: SHARE CAPITAL

	2015		2014	
	Number	\$	Number	\$
<b>Fully paid ordinary shares</b>				
Balance at beginning of the financial year	165,762,564	13,738,468	139,979,568	11,590,114
Shares issued during the year	134,980,641	8,014,704	25,782,996	2,261,346
Rights issued	-	-	-	-
Share transaction costs	-	(224,474)	-	(112,992)
Balance at end of the financial year	<u>300,743,205</u>	<u>21,528,698</u>	<u>165,762,564</u>	<u>13,738,468</u>

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

Shares issued during the year are as follows:

- On 19 September 2014, \$1,243,219 was raised through a placement of 24,864,384 ordinary shares.
- On 2 June 2015, \$500,898 was raised through a placement of 6,261,222 ordinary shares.
- On 17 June 2015, \$275,000 was raised through a placement of 3,928,571 ordinary shares.
- On 25 June 2015, \$2,160,000 was raised through a placement of 36,000,000 ordinary shares.

In addition to the above share issues, the Company issued 63,926,464 shares at a deemed \$0.06 per share in lieu of fees to a contractor and to retire debt under a loan.

## NOTE 22: RESERVES- FOREIGN CURRENCY



	2015 \$	2014 \$
Balance 1 July	213,853	(66,873)
Foreign exchange translation	(80,831)	280,726
Balance 30 June	<u>133,022</u>	<u>213,853</u>

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

## NOTE 23: ACCUMULATED LOSSES

	2015 \$	2014 \$
Balance 1 July	(6,292,741)	(3,675,471)
Net loss for the year	(2,999,969)	(2,617,270)
Balance 30 June	<u>9,292,710</u>	<u>(6,292,741)</u>

## NOTE 24: KEY MANAGEMENT PERSONNEL DISCLOSURES

Key management personnel consists of the directors of the Company, as disclosure in the Director's Report on pages 6 to 20.

### d) Key management personnel compensation

	2015 \$	2014 \$
Short term employment benefits	274,556	414,924
Post employment benefits	17,100	21,090
	<u>291,656</u>	<u>436,014</u>

Detailed remuneration disclosures are provided in the Remuneration Report on pages 22 to 25.

## NOTE 25: DIVIDENDS

No dividends were declared during the relevant period.

## NOTE 26: RELATED PARTY TRANSACTIONS

Related parties of the Company consist of the Key Management Personnel disclosed in Note 24. There are no other related party transactions.

## NOTE 27: 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	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$		\$	\$	\$
Other income	-	-	1,002	2,476	-	250	1,002	2,726
Operating expenses	-	-	(922,820)	(954,779)	(2,079,042)	(1,675,792)	(3,001,862)	(2,630,571)
Results from operating activities	-	-	(921,818)	(952,303)	(2,079,042)	(1,675,542)	(3,000,860)	(2,627,845)
Exploration and evaluation assets	2,234,886	2,203,373	11,560,324	11,106,943	-	-	13,795,210	13,310,315
Total segment assets	2,234,886	2,203,373	11,694,350	11,342,370	2,145,430	617,783	16,074,666	11,694,350
Total segment liabilities	362,373	2,038,427	151,351	147,755	3,457,974	4,745,470	3,971,698	6,931,652

## NOTE 28: EARNINGS PER SHARE

### Basic and diluted earnings per share

The calculation of basic and diluted earnings per share at 30 June 2015 was based on the loss attributable to ordinary shareholders of \$2,999,969 (2014: \$2,617,270) and a weighted average number of ordinary shares outstanding of 209,067,324 (2014: 158,421,573), calculated as follows:

	2015	2014
	\$	\$
Loss for the year	(2,999,967)	(2,617,270)
<b>Loss attributable to ordinary shareholders</b>	<b>(2,999,967)</b>	<b>(2,617,270)</b>
<b>Weighted average number of ordinary shares at 30 June</b>	<b>209,067,324</b>	<b>158,421,573</b>
Basic Loss per share (cents per share)	(1.43)	(1.65)
Diluted Loss per share (cents per share)	(1.43)	(1.65)

## NOTE 29: SUBSEQUENT EVENTS

No other matters arose in the interval between the end of the financial year and the date of this report any item, transaction or even of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

## NOTE 30: 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:

	2015	2014
	\$	\$
Contracted but not provided for and payable:		
Within one year	648,000	185,000
One year or later and no later than five years	64,894	8,923
Later than five years	-	-
Total	712,894	193,923

The Mt Millar Mining Lease application has been submitted, we are awaiting confirmation from the mining registrar from Queensland. The renewal application for Laura River has been approved by the mining registrar from Queensland. The Alice Springs, McArthur River and Fenn Gap renewal applications have all been approved by the mining registrar from the Northern Territory.

#### b) Commitments- Plavica Project

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

A 30 year Exploitation Licence and Concession Agreement 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.

Following the granting of the 30 year Exploitation Licence at Plavica, drilling has commenced to extend the known mineralisation. Ten holes were drilled for 2,732.7m of HQ drill core. A number of interesting zones were intersected. Results are pending.

Drilling is ongoing with one core rig currently operating and a second rig planned to start later in the year. Genesis aims to complete a JORC compliant 'Indicated' Resource based on this drilling. Genesis then expects to complete a feasibility study before October 2017, and has agreed to commit up to US\$7.5m for such activities.

### NOTE 31: CONTROLLED ENTITY

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

Name	Country of Incorporation	Ownership interest	
		2015	2014
		%	%
GENESIS RESOURCES INTERNATIONAL	Macedonia	100	100
DOOEL SKOPJE			

### NOTE 32: CONTINGENCIES

The directors are not aware of any contingent liabilities to which the Company may be exposed to as at 30 June 2015 (2014: Nil) and into the foreseeable future, which have not been noted with these financial statements.

### NOTE 33: COMPANY DETAILS

The registered office of the Company is:

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

# DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes set out on pages 27 to 47 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 2015 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**  
Managing Director  
29 September 2015

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF**  
**GENESIS RESOURCES LIMITED**

**Report on the Financial Report**

We have audited the accompanying financial report of Genesis Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2015, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

*Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

*Auditor's Responsibility*

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

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

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

### *Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Genesis Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

### *Opinion*

In our opinion:

- (a) the financial report of Genesis Resources Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1(a).

### *Emphasis of Matter*

Without qualifying our opinion, we draw attention to Note 1(b) in the financial report, which indicates that the company and consolidated entity incurred losses of \$2,078,152 and \$2,999,969, respectively, the consolidated entity had net cash outflows from operating activities of \$2,355,221 and investing activities of \$664,897, respectively, for the year ended 30 June 2015. As at that date the consolidated entity had net current liabilities of \$1,886,079. 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 about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

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

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. 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.

### *Opinion*

In our opinion the Remuneration Report of Genesis Resources Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.



**RSM BIRD CAMERON PARTNERS**



**J S CROALL**  
Partner

Melbourne, Victoria  
Dated: 29 September 2015

# 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 10 September 2015 (**Reporting Date**).

## Number of Holdings of Equity Securities as at 10 September 2015

The fully paid issued capital of the Company consisted of 300,743,205 ordinary fully paid shares held by 288 shareholders. Each share entitles the holder to one vote.

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

## Distribution of Holders of Equity Securities as at 10 September 2015

Range	Total holders	Units	% Issued capital
1 – 1,000	7	583	0.00
1,001 – 5,000	4	15,600	0.01
5,001 – 10,000	50	485,500	0.16
10,001 – 100,000	149	5,315,752	1.77
100,001 – 9,999,999,999	78	294,925,770	98.07
<b>Rounding</b>			<b>-0.01</b>
<b>Total</b>	<b>288</b>	<b>300,743,205</b>	<b>100.00</b>

## Unmarketable Parcels as at 10 September 2015

Unmarketable Parcels	Minimum parcel size	Holders	Units
Minimum \$ 500.00 parcel at \$0.09 per unit	5,556	11	16,183

## Substantial Shareholders as at 10 September 2015

Rank	Shareholder	No.	%
1.	Kin Po Yu and Hua Hui Group Holdings Pty Ltd	36,000,000	11.97
2.	Blumont Group Ltd	33,002,561	10.97
3.	Spektra Jeotek Sanayi ve Ticaret A.S.	25,630,833	8.52
4.	Mr Kar Ghee Ong	24,864,384	8.27
5.	S Active Holding Sdn Bhd	22,117,930	7.35
6.	Chin Niap Mah	16,764,706	5.57

## Twenty Largest Holders of Quoted Equity Securities as at 10 September 2015

Rank	Shareholder	Units	% of issued capital
1.	CITICORP NOMINEES PTY LIMITED	51,444,161	17.11
2.	HUAHUI HOLDINGS GROUP PTY LTD	36,000,000	11.97
3.	BLUMONT GROUP LTD	33,002,561	10.97
4.	SPEKTRA JEOTEK SANAYI VE	25,630,833	8.52
5.	MR KAR GHEE ONG	24,864,384	8.27
6.	S ACTIVE HOLDING SDN BHD	22,117,930	7.35
7.	CHIN NIAP MAH	16,764,706	5.57
8.	RHB SECURITIES SINGAPORE PTE LTD <CLIENTS A/C>	8,683,690	2.89
9.	WOW DIGITAL DEVELOPMENT LTD	6,261,222	2.08
10.	PERSHING AUSTRALIA NOMINEES PTY LTD <Q ACCOUNT>	6,085,333	2.02
11.	POLARITY B PTY LTD	5,794,681	1.93
12.	CHE HOE WONG	5,000,000	1.66
13.	MR HOCK GUAN NG	4,164,383	1.38
14.	MS SIEW BEE TAN	4,000,000	1.33
15.	MS SIEW BEE TAN	4,000,000	1.33
16.	INNER IVORY INVESTMENTS INC	3,375,000	1.12
17.	BERNE NO 132 NOMINEES PTY LTD <600835 A/C>	3,042,667	1.01
18.	BERNE NO 132 NOMINEES PTY LTD <601299 A/C>	2,703,551	0.90
19.	BERNE NO 132 NOMINEES PTY LTD <602987 A/C>	2,703,551	0.90
20.	VERMAR PTY LTD <CAP A/C>	2,222,222	0.74
<b>Top 20 Holders Of Ordinary Fully Paid Shares as at 10 September 2015</b>		<b>267,860,875</b>	<b>89.07</b>
<b>Remaining Holders Balance</b>		<b>32,882,330</b>	<b>10.93</b>



## Voting Rights

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

## Voluntary Escrow

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

## On-Market Buyback

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

## Item 7 Issues of Securities

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

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

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

## Company Secretary

The Company's secretary is Ms Sophie Karzis.

## Registered Office

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

Level 1, 61 Spring Street  
Melbourne, VIC 3000

Telephone: +61 (0)3 9286 7500

## Share Registry

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

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

Postal Address:  
GPO Box 242  
Melbourne Victoria 3001

Telephone: 1300 137 328