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GENESIS RESOURCES LIMITED

ABN 22 114 787 469

and its controlled entities

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

Lodged with ASX under Listing Rule 4.2A

This information should be read in conjunction with 30 June 2015 Annual Report

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Directors' Report

The Directors present their report together with the interim financial report of Genesis Resources Limited (**Genesis** or the **Company**), for the six months ended 31 December 2015 (**Half Year**) and independent auditor's review report thereon. This financial report has been prepared in accordance with Australian Equivalents to International Financial Reporting Standards.

Directors

The names of directors who held office during or since the end of the Half Year and until the date of this report are as below:

Name	Position	Period of directorship
Mr Eddie Lung Yiu Pang	Managing Director & Chairman	6 March 2009 – present (Chairman 1 December 2013 – 27 September 2015; and 26 November 2015 – present)
Mr Deric Wee	Non-Executive Director	11 December 2009 – 26 November 2012 16 January 2013 – present
Ms Alyn Tai	Non-Executive Director	26 November 2015 – present
Previous directors during the Half Year		
Mr Hooi Kiang (Alex) Lim	Non-Executive Director (ceased)	26 November 2012 – 26 June 2015
Mr Zilong Dai	Non-Executive Director Chief Executive Officer (ceased)	26 June 2015 – 27 September 2015 28 September 2015 – 9 October 2015
Mr John Zee	Non-Executive Director (ceased)	11 May 2012 – 26 November 2012 16 January 2013 – 31 October 2014 26 June 2015 – 26 November 2015
Mr Kinpo Yu	Non-Executive Chairman (ceased)	26 June 2015 – 26 November 2015 (Chairman 28 September 2015 – 26 November 2015)

EVENTS DURING HALF YEAR

Board changes

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 Kinpo 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.

On 9 October 2015, Mr Zilong Dai resigned as Director and Chief Executive Officer of the Company.

On 26 November 2015, following the results of the 2015 Annual General Meeting:

- Messrs John Zee and Kin Po Yu ceased to be Directors of Genesis;
- Ms Alyn Tai was appointed to the role of Non-Executive Director of Genesis; and
- Mr Eddie Pang was appointed to the role of acting Chairman of Genesis.

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2015 Annual General Meeting

On 26 November 2015, Genesis held its 2015 Annual General Meeting. All resolutions proposed by the Company to shareholders were unanimously carried on a show of hands, except for Resolutions 3 and 4, which dealt with the re-election as Directors of Messrs John Zee and Kin Po Yu respectively and which were not carried.

EVENTS SUBSEQUENT TO HALF YEAR

Issue of Shares: On 26 February 2016, Genesis issued a further 57,002,640 shares in retirement of debt (total principal amount of $2,600,000 plus accrued interest) under a loan, at a deemed issue price of $0.055 per share.

REVIEW OF OPERATIONS

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

Principal Activities

PLAVICA AU-AG-CU PROJECT

- An extensional drilling program was initiated at the Plavica Project. A total of 30 core holes were drilled at Plavica for a total of 6,873.0m. Of these 21 holes were drilled on the main Plavica prospect and 9 holes were drilled at Maricanski Rid located 800m to the south of Plavica.

- Results were very encouraging with a new zone of high grade gold discovered at Maricanski Rid (**24m @ 6.39 g/t Au** from surface (0m) and **38.8m @ 5.71 g/t Au from 0m)**. In addition a new zone of copper was intersected on the eastern edge of Plavica: **12m @ 5.97 % Cu, 0.42 g/t Au, 390 g/t Ag from 100m.**

PLAVICA HIGH SULPHIDATION EPITHERMAL GOLD-COPPER-SILVER PROJECT

(Figure 1)

During the Half Year to Dec 31 2015 drilling continued at Plavica to try to extend the known mineralisation. Drilling was done at Plavica (21 HQ core holes for 5,516.4m) and Maricanski Rid (9 HQ core holes for 1,356.6m)

In addition, results have also been returned for the 10 holes drilled in the June Quarter. Six of these are from Plavica and four are from Maricanski Rid, some 800m to the south of Plavica. Collar locations are shown in Table 1 and Figure 2.

Results from the follow up extensional drilling at Maricanski Rid are very encouraging and include:

MRDD010: 69.6m @ 1.01 g/t Au from 4.4m
MRDD012: 44m @ 0.83 g/t Au from 19m

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MRDD013: 31m @ 0.85 g/t Au from 58m
MRDD014: 38.8m @ 5.71 g/t Au from 0m to End of Hole (EOH).
MRDD015: 18m @ 3.73 g/t Au from 32m
MRDD018: 31m @ 0.76 g/t Au from 132m

All intersections listed above are in oxide material. Hole MRDD014 was terminated early due to poor drilling conditions in vuggy silica and will be re-drilled as it ended in high grade.

Also at Maricanski Rid, assays from four holes drilled in the June Quarter (MRDD006 to MRDD009) were returned and were very encouraging. The holes were drilled 100m apart along the silica cap, targeting the vuggy silica zones intersected in RC drilling in 2013. Highlights include:

MRDD006: 24m @ 6.39 g/t Au from 0m
MRDD006: 69m @ 1.06 g/t Au from 28m
MRDD008: 23m @ 2.22 g/t Au from 4m

Results from the eastern part of the main Plavica mineralization were encouraging and included:

PNDD058: 34m @ 1.10 g/t Au from 133m
PNDD062: 38m @ 0.99 g/t Au from 32m
PNDD062: 49m @ 1.05 g/t Au from 106m

In addition, a copper-rich zone was intersected just to the east of the previously defined gold mineralisation over eastern Plavica. Intervals included:

PNDD046: 12m @ 5.97 % Cu, 0.42 g/t Au, 390 g/t Ag from 100m
PNDD046: 14m @ 1.61 % Cu, 1.07 g/t Au, 140 g/t Ag from 124m
PNDD046: 17m @ 1.37 % Cu, 0.50 g/t Au from 209m

The true thickness of this copper zone is yet to be defined and will be followed up with more drilling.

Results from 5 holes drilled over the central part of the Plavica prospect during the half year ending Dec 31 2015 returned encouraging results including:

PNDD065: 27m @ 0.91 % Cu, 0.25 g/t Au & 26 ppm Ag from 211m
PNDD067: 5m @ 2.72 % Cu, 1.05 g/t Au & 48 ppm Ag from 184m

In contrast, a number of holes drilled over the Western part of Plavica were slightly disappointing with best results of:

PNDD049: 11m @ 0.88 % Cu, 0.43 g/t Au from 43m
PNDD052: 16m @ 0.61 % Cu from 84m
PNDD052: 13m @ 0.82 g/t Au, 0.51 % Cu from 170m

Drill collar details are shown in Table 1 and their locations are shown in Figure 2. Composites from results received this half-year are shown in Tables 2, 3 and 4. Two sections through Maricanski Rid are shown in Figures 3 and 4.

Drilling has been suspended at Plavica and Maricanski Rid due to the onset of winter. Genesis aims to resume drilling and then complete a JORC compliant Resource in early 2016. Genesis then expects to complete a feasibility study before October 2017, and has agreed to commit up to US $7.5m for these activities.

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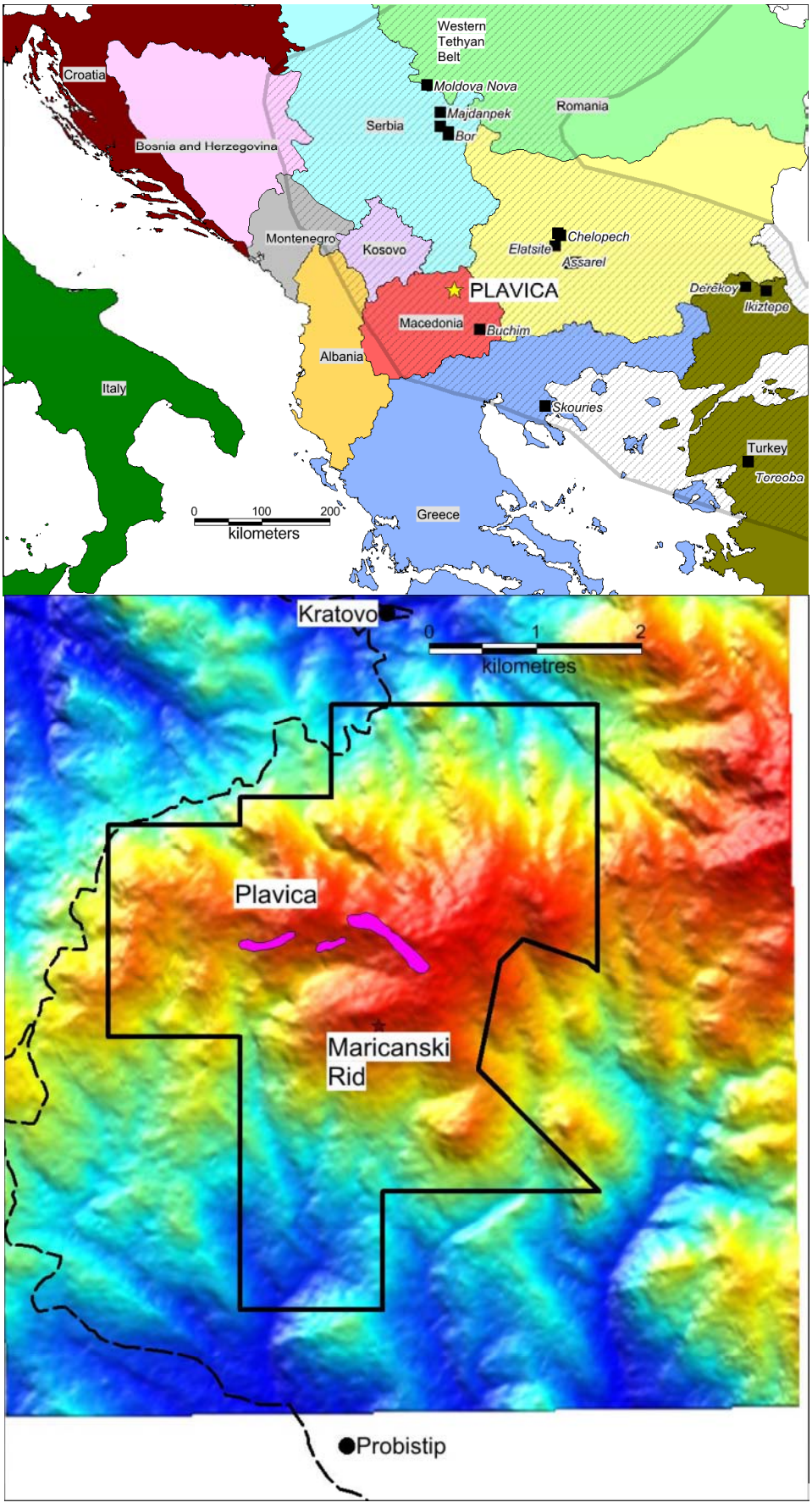


Figure 1 Location of Plavica Gold-Copper-Silver Project, Republic of Macedonia. Bottom Image overlies a Digital Terrain Model (DTM).

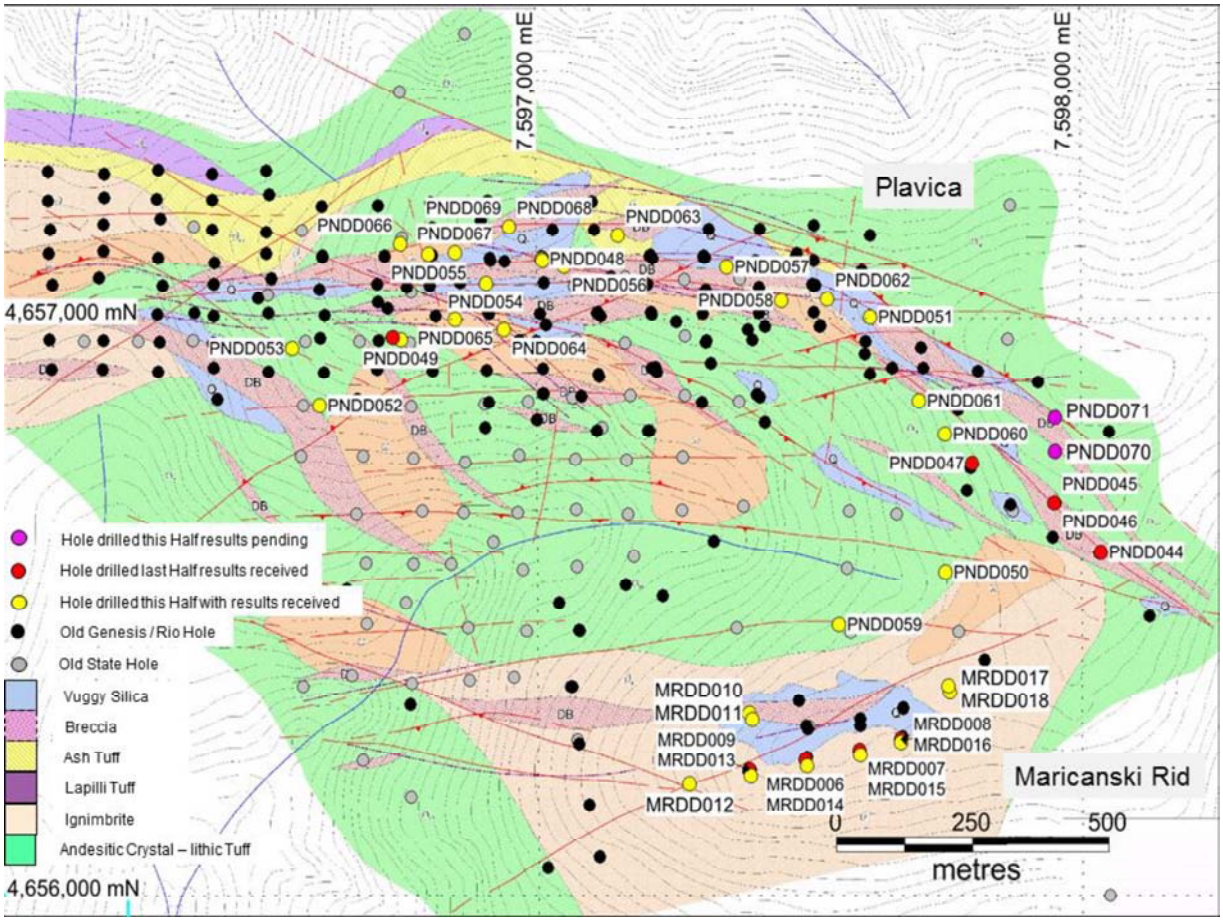


Figure 2 Location of Holes drilled or assays reported, Half-Year to Dec 31 2015, Plavica Gold-Copper-Silver Project. Gauss Kruger Co-ordinate System.

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Hole ID	Final Depth (m)	East (GK)	North (GK)	Dip	Azm	RL	Type
MRDD010	103.1	7597375	4656312	-60	360	1175	DD
MRDD011	179	7597375	4656304	-50	180	1176	DD
MRDD012	145.3	7597289	4656198	-50	360	1170	DD
MRDD013	137.5	7597387	4656215	-50	180	1197	DD
MRDD014	38.8	7597490	4656237	-55	180	1219	DD
MRDD015	176.9	7597592	4656250	-55	180	1202	DD
MRDD016	187.2	7597669	4656272	-45	180	1200	DD
MRDD017	185.05	7597744	4656346	-50	360	1204	DD
MRDD018	203.75	7597744	4656350	-50	180	1204	DD
PNDD050	349.6	7597750	4656560	-60	360	1189	DD
PNDD051	163.2	7597613	4657003	-45	360	1236	DD
PNDD052	321	7596600	4656850	-60	360	1083	DD
PNDD053	209.1	7596550	4656950	-45	360	1100	DD
PNDD054	305.1	7596907	4657062	-45	360	1176	DD
PNDD055	272	7596802	4657113	-55	360	1182	DD
PNDD056	246	7597050	4657092	-55	360	1178	DD
PNDD057	175.3	7597350	4657090	-70	360	1190	DD
PNDD058	224	7597450	4657032	-50	360	1197	DD
PNDD059	396.1	7597553	4656470	-55	360	1159	DD
PNDD060	289.4	7597750	4656800	-60	360	1230	DD
PNDD061	215	7597702	4656858	-60	360	1221	DD
PNDD062	180.2	7597534	4657034	-50	360	1212	DD
PNDD063	191.1	7597150	4657145	-55	360	1178	DD
PNDD064	281.3	7596940	4656982	-45	360	1140	DD
PNDD065	391.4	7596850	4657000	-45	360	1147	DD
PNDD066	210.4	7596750	4657130	-50	360	1170	DD
PNDD067	227.2	7596850	4657115	-45	360	1187	DD
PNDD068	216.7	7596950	4657160	-50	360	1200	DD
PNDD069	171.2	7596950	4657160	-55	180	1200	DD
PNDD070	271.5	7597953	4656774	-50	360	1270	DD
PNDD071	209.6	7597959	4656817	-50	360	1280	DD

Table 1 Details of Holes drilled, Half-Year to Dec 31 2015, Plavica Gold-Copper-Silver Project. Gauss Kruger Co-ordinate System. NB Collars have not yet been surveyed.

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Prospect	Hole_ID	From	To	Interval	AU_ppm	CU %	AG_ppm
Maricanski Rid	MRDD006	0	24	24	6.39	0.01	13.96
Maricanski Rid	MRDD006	28	97	69	1.06	0.00	4.58
Maricanski Rid	MRDD006	102	107	5	0.61	0.00	1.20
Maricanski Rid	MRDD006	137	149	12	0.62	0.00	2.83
Maricanski Rid	MRDD006	161	172	11	0.44	0.00	3.55
Maricanski Rid	MRDD007	4	38	34	1.15	0.01	3.88
Maricanski Rid	MRDD007	70	74	4	0.45	0.01	4.50
Maricanski Rid	MRDD007	161	166	5	0.52	0.29	2.60
Maricanski Rid	MRDD007	175	180	5	0.66	0.17	1.40
Maricanski Rid	MRDD008	4	27	23	2.22	0.01	4.22
Maricanski Rid	MRDD008	55	59	4	0.42	0.02	2.00
Maricanski Rid	MRDD008	67	106	39	0.60	0.02	1.67
Maricanski Rid	MRDD008	110	113	3	0.44	0.05	1.00
Maricanski Rid	MRDD009	25	62	37	0.64	0.01	2.38
Maricanski Rid	MRDD009	123	140	17	0.95	0.01	6.59
Maricanski Rid	MRDD009	197	201	4	0.81	0.02	1.50
Maricanski Rid	MRDD009	235	242	7	0.78	0.00	6.14
Maricanski Rid	MRDD010	4.4	74	69.6	1.01	0.01	4.35
Maricanski Rid	MRDD011	3	14	11	0.50	0.03	3.73
Maricanski Rid	MRDD011	35	40	5	0.44	0.02	1.80
Maricanski Rid	MRDD011	43	50	7	0.41	0.01	2.00
Maricanski Rid	MRDD011	55	58	3	0.50	0.00	2.33
Maricanski Rid	MRDD011	61	64	3	0.47	0.00	1.33
Maricanski Rid	MRDD011	74	77	3	0.66	0.01	2.33
Maricanski Rid	MRDD011	87	90	3	0.52	0.00	1.00
Maricanski Rid	MRDD011	94	109	15	0.44	0.00	1.20
Maricanski Rid	MRDD012	8	12	4	0.60	0.02	3.25
Maricanski Rid	MRDD012	19	63	44	0.83	0.01	2.18
Maricanski Rid	MRDD012	67	80	13	0.63	0.00	1.23
Maricanski Rid	MRDD012	85	98	13	0.44	0.00	1.00
Maricanski Rid	MRDD012	132	139	7	0.64	0.01	1.00
Maricanski Rid	MRDD013	25	36	11	0.66	0.00	2.00
Maricanski Rid	MRDD013	40	48	8	1.00	0.00	3.00
Maricanski Rid	MRDD013	58	89	31	0.85	0.01	3.81
Maricanski Rid	MRDD013	94	105	11	0.51	0.01	1.73
Maricanski Rid	MRDD013	114	117	3	0.57	0.03	1.00
Maricanski Rid	MRDD014	0	38.8	38.8	5.71	0.01	22.86
Maricanski Rid	MRDD015	3	7	4	0.77	0.00	2.75
Maricanski Rid	MRDD015	32	50	18	3.73	0.02	11.22
Maricanski Rid	MRDD015	108	114	6	1.06	0.02	9.33
Maricanski Rid	MRDD015	143	147	4	0.79	0.02	3.00
Maricanski Rid	MRDD016	3	10	7	1.31	0.01	4.29
Maricanski Rid	MRDD016	144	149	5	0.80	0.04	5.80
Maricanski Rid	MRDD017	132	135	3	4.17	0.02	6.33
Maricanski Rid	MRDD017	148	151	3	0.58	0.03	9.33
Maricanski Rid	MRDD017	179	185.05	6.05	0.58	0.01	5.41
Maricanski Rid	MRDD018	81	99	18	0.61	0.01	2.50
Maricanski Rid	MRDD018	119	126	7	0.69	0.06	1.14
Maricanski Rid	MRDD018	132	163	31	0.76	0.03	2.16
Maricanski Rid	MRDD018	196	203.75	7.75	1.13	0.01	9.48

Table 2 (above): Significant Core Drilling Gold Results received, Half Year to Dec 31 2015, Maricanski Rid Prospect Area. Compositing done with a 0.4 g/t Au cut-off, minimum 3m interval, maximum 3m internal waste. Core samples are all orientated standard HQ size core split in two using a core saw. Half the core was sampled at 1m intervals and the other half retained for reference purposes. All core was logged and photographed prior to sampling. Samples were sent to SGS Laboratories in Ankara, Turkey. Samples were assayed for gold by 30g Fire Assay and other elements by ICP. Standards, Blanks and Duplicates were also submitted for Laboratory Quality Assurance / Quality Control (QAQC). Intercept widths are not necessarily true widths.

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Hole_ID	From	To	Interval	AU_ppm	CU %	AG_ppm
PNDD045	87	92	5	0.65	0.29	32.80
PNDD045	101	106	5	0.66	0.30	1.60
PNDD045	121	132	11	1.17	0.03	3.09
PNDD045	139	172	33	0.63	0.29	7.91
PNDD046	21	26	5	0.80	0.02	6.20
PNDD046	106	110	4	0.83	11.59	740.00
PNDD046	122	131	9	1.48	2.34	211.22
PNDD046	140	147	7	2.04	0.33	55.00
PNDD046	173	177	4	0.47	0.11	1.75
PNDD046	186	192	6	0.46	0.05	1.00
PNDD046	211	214	3	0.48	0.43	3.00
PNDD046	253	258	5	0.94	0.23	2.40
PNDD046	288	294	6	0.59	0.28	41.17
PNDD047	110	113	3	0.79	0.02	1.67
PNDD047	187	197	10	0.61	0.29	8.50
PNDD047	245	252	7	1.66	0.07	23.71
PNDD048	11	19	8	1.32	0.02	25.00
PNDD048	136	139	3	2.39	0.12	34.67
PNDD049	0	10	10	0.97	0.07	25.90
PNDD049	44	59	15	0.47	0.67	29.40
PNDD049	63	78	15	0.63	0.49	49.53
PNDD049	85	98	13	0.80	0.04	8.08
PNDD050	7	12	5	0.56	0.00	4.00
PNDD050	44	49	5	0.79	0.03	1.00
PNDD050	59	64	5	0.87	0.03	2.80
PNDD050	79	82	3	0.43	0.01	1.00
PNDD050	170	173	3	0.90	0.06	4.33
PNDD050	256	276	20	0.56	0.01	1.60
PNDD050	289	335	46	0.78	0.16	1.80
PNDD051	24	43	19	1.72	0.02	2.26
PNDD051	100	112	12	1.52	0.02	4.42
PNDD052	69	73	4	1.07	0.46	3.25
PNDD052	152	159	7	0.96	0.52	2.72

Hole_ID	From	To	Interval	AU_ppm	CU %	AG_ppm
PNDD052	170	183	13	0.82	0.51	9.46
PNDD054	226	236	10	0.72	0.45	13.80
PNDD055	163	166	3	0.62	0.15	61.67
PNDD055	196	199	3	0.96	0.50	66.00
PNDD055	217	221	4	0.76	0.18	9.75
PNDD058	10	13	3	0.44	0.02	1.00
PNDD058	35	39	4	0.59	0.05	2.50
PNDD058	51	54	3	0.80	0.06	1.00
PNDD058	63	68	5	0.97	0.12	1.00
PNDD058	109	122	13	1.81	0.02	3.54
PNDD058	133	167	34	1.10	0.03	1.96
PNDD058	183	194	11	1.04	0.06	54.43
PNDD059	3	37	34	0.61	0.01	3.71
PNDD059	113	117	4	0.81	0.10	1.00
PNDD059	230	236	6	0.63	0.32	2.17
PNDD060	10	23	13	1.03	0.03	2.62
PNDD060	29	35	6	0.66	0.03	3.67
PNDD060	99	109	10	0.78	0.40	17.70
PNDD061	94	102	8	0.77	0.02	67.75
PNDD062	0	18	18	1.15	0.03	2.06
PNDD062	32	71	39	0.99	0.04	1.51
PNDD062	106	155	49	1.05	0.09	6.43
PNDD064	45	56	11	0.60	0.03	6.00
PNDD064	63	68	5	0.50	0.02	11.40
PNDD064	164	168	4	1.39	1.48	79.75
PNDD065	47	52	5	0.62	0.00	9.40
PNDD065	111	114	3	0.54	0.21	7.00
PNDD065	213	217	4	0.78	2.61	118.75
PNDD066	120	123	3	0.44	0.53	1.00
PNDD067	168	171	3	1.26	1.03	38.67
PNDD067	186	190	4	1.31	3.24	58.75
PNDD067	205	212	7	0.43	0.16	12.57
PNDD069	165	171	6	0.43	0.10	4.00

Table 3 (above): Significant Core Drilling Gold Results received, Half Year to Dec 31 2015, Plavica Prospect Area. Compositing done with a 0.4 g/t Au cut-off, minimum 3m interval, maximum 3m internal waste. Core samples are all orientated standard HQ size core split in two using a core saw. Half the core was sampled at 1m intervals and the other half retained for reference purposes. All core was logged and photographed prior to sampling. Samples were sent to SGS Laboratories in Ankara, Turkey. Samples were assayed for gold by 30g Fire Assay and other elements by ICP. Standards, Blanks and Duplicates were also submitted for Laboratory Quality Assurance / Quality Control (QAQC). Intercept widths are not necessarily true widths.

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Hole_ID	From	To	Interval	CU %	AU_ppm	AG_ppm
PNDD045	140	149	9	0.57	1.06	7.89
PNDD045	167	172	5	0.34	0.56	11.20
PNDD046	88	96	8	1.09	0.21	28.88
PNDD046	100	112	12	5.97	0.42	390.33
PNDD046	124	138	14	1.61	1.07	140.57
PNDD046	209	226	17	1.37	0.50	6.59
PNDD046	236	240	4	0.96	0.36	1.00
PNDD046	247	251	4	0.45	0.19	4.00
PNDD046	274	279	5	0.48	0.32	7.20
PNDD047	68	77	9	0.49	0.07	5.78
PNDD047	186	190	4	0.82	0.36	7.00
PNDD048	61	64	3	0.39	0.02	5.33
PNDD048	92	95	3	0.42	0.02	8.00
PNDD048	150	155	5	0.35	0.12	4.60
PNDD049	33	40	7	0.32	0.18	3.57
PNDD049	43	54	11	0.88	0.43	35.64
PNDD049	62	78	16	0.50	0.62	49.25
PNDD049	179	182	3	0.60	0.52	50.67
PNDD050	191	197	6	0.39	0.22	7.17
PNDD050	320	324	4	0.80	0.65	2.50
PNDD050	333	336	3	0.43	0.29	3.00
PNDD050	345	348	3	0.44	0.20	1.00
PNDD052	64	67	3	0.36	0.05	1.00
PNDD052	69	74	5	0.44	0.87	2.80
PNDD052	84	100	16	0.61	0.09	1.00
PNDD052	104	119	15	0.43	0.17	1.87
PNDD052	150	159	9	0.53	0.79	4.00
PNDD052	170	179	9	0.67	1.02	4.11
PNDD052	196	205	9	0.38	0.27	10.00
PNDD053	121	126	5	0.52	0.29	19.60
PNDD054	221	229	8	0.72	0.46	13.13
PNDD056	175	178	3	0.53	0.02	2.33
PNDD059	183	188	5	0.31	0.24	1.00
PNDD059	211	216	5	0.31	0.08	1.00
PNDD059	231	235	4	0.45	0.49	2.75
PNDD060	98	109	11	0.41	0.73	16.18
PNDD060	166	185	19	0.64	0.17	16.79
PNDD061	159	163	4	0.64	0.27	33.25
PNDD061	175	187	12	0.59	0.14	6.58
PNDD064	163	168	5	1.65	1.13	77.20
PNDD064	181	185	4	0.58	0.09	1.25
PNDD065	120	123	3	0.98	0.40	9.00
PNDD065	187	194	7	0.63	0.20	8.29
PNDD065	211	238	27	0.91	0.25	26.33
PNDD066	110	116	6	1.54	0.21	1.33
PNDD066	120	126	6	0.42	0.41	4.67
PNDD067	89	92	3	0.34	0.16	26.67
PNDD067	165	170	5	0.83	0.76	23.20
PNDD067	184	189	5	2.72	1.05	48.00
PNDD069	73	78	5	0.53	0.02	3.60

Table 4 (above): Significant Core Drilling Copper Results received, Half Year to Dec 31 2015, Plavica Prospect Area. Compositing done with a 0.3 % Cu cut-off, minimum 3m interval, maximum 3m internal waste. Intercept widths are not necessarily true widths.

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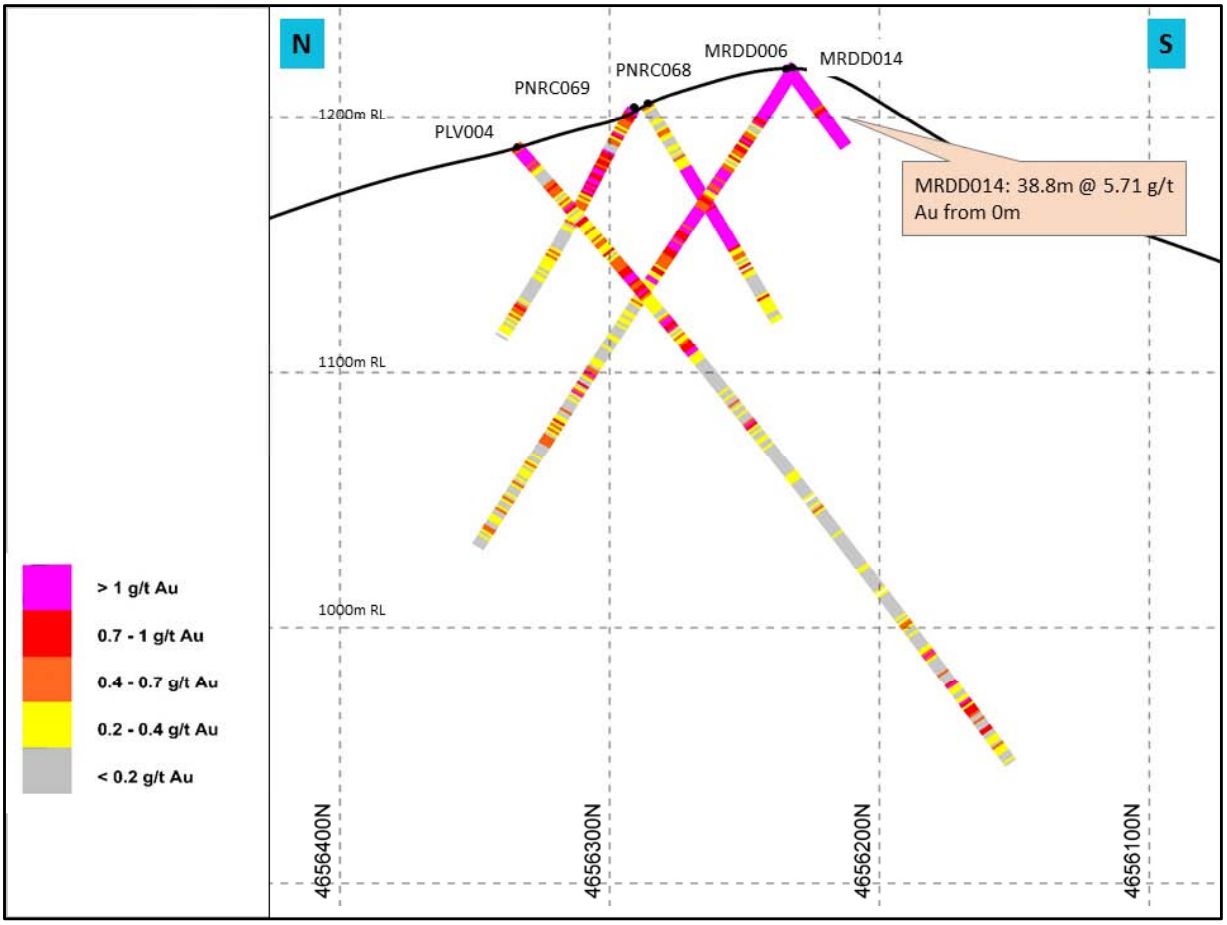


Figure 3 Maricanski Rid Section 7597500E Gauss Kruger, looking East. Section shows MRDD006 and MRDD014 plus previous Genesis holes PNRC068 and PNRC069 and previous Rio Tinto hole PLV004.

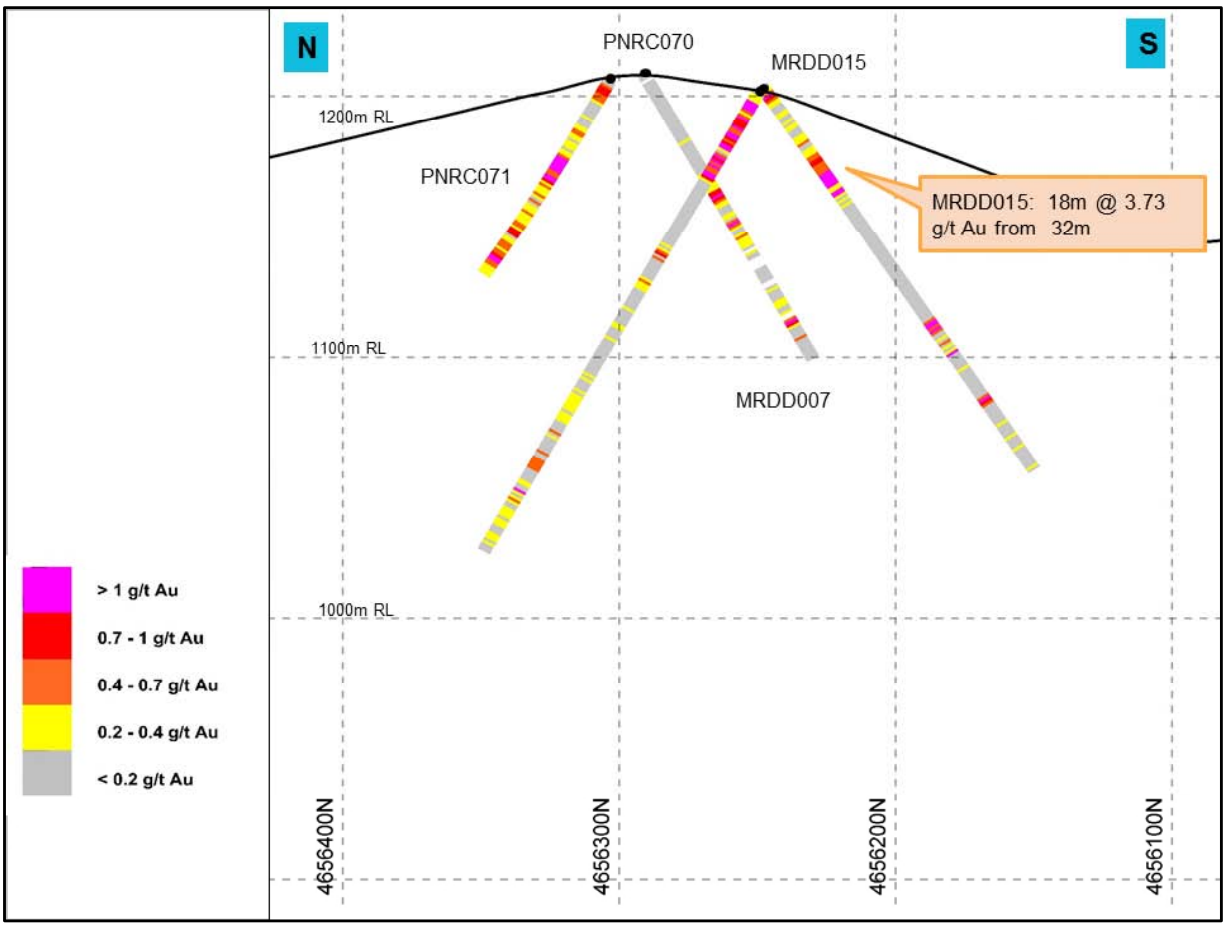


Figure 4 Maricanski Rid Section 7597600E Gauss Kruger, looking East. Section shows MRDD007 and MRDD015 plus previous Genesis holes PNRC070 and PNRC071.

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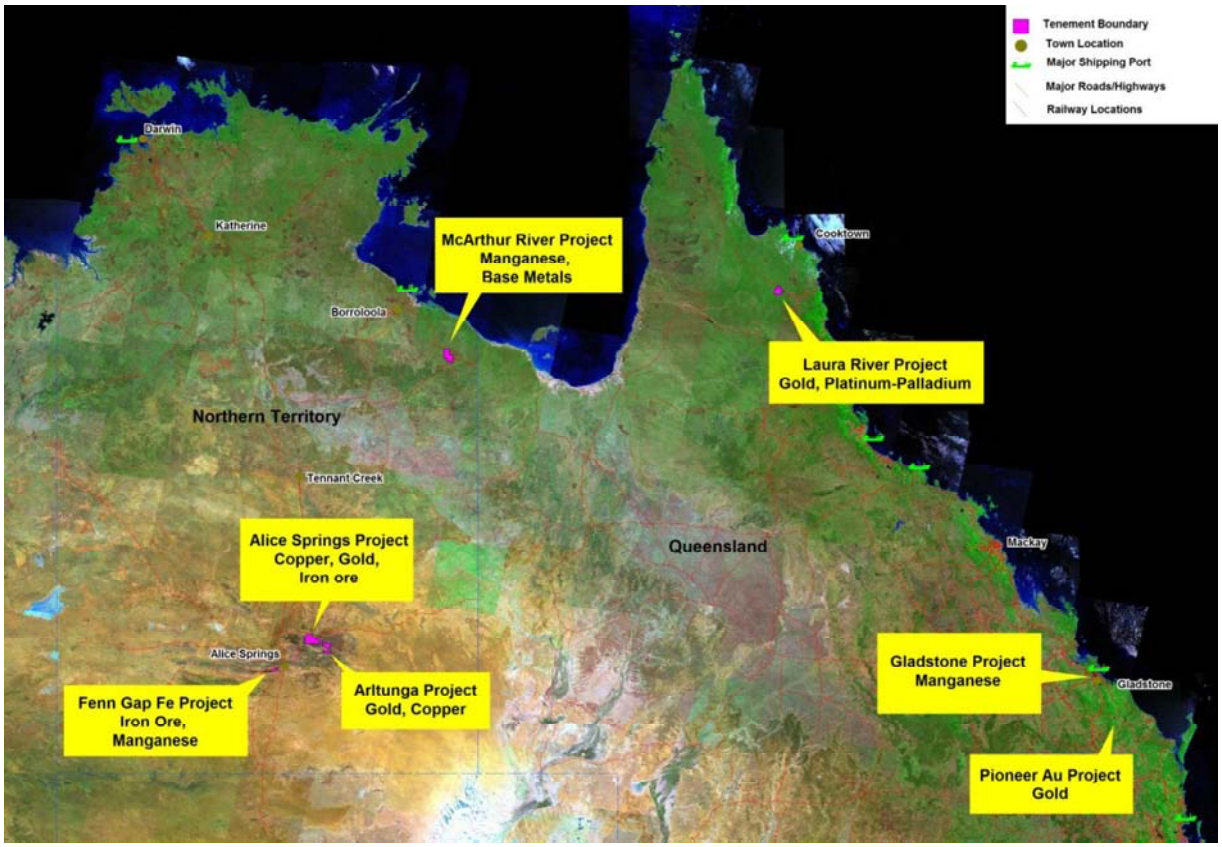


Figure 5 Location of Australian Projects.

AUSTRALIA

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

The Arltunga Gold Project consists of Exploration Licence EL25238 covering 95.2 sq km, is located approximately 110 km northeast of Alice Springs *(Figure 5)* 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.

A full review of all available data is currently underway, with the aim of defining targets for Reverse Circulation drilling in Q2 2016.

The 9th Annual Technical Report was lodged on 9 November 2015 and accepted as satisfactory by the DME on the 19 November 2015.

No field work was carried out.

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

The Alice Springs Project consists of Exploration Licence EL24817 covering 372.59 sq km, is located approximately 110-155 km northeast from Alice Springs in the Northern Territory *(Figure 5)*.

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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.

In addition a full review of all available data to define targets for RC drill testing during Q2 2016 has been undertaken, 21 drill holes have been proposed.

No field work was carried out.

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

The Gladstone-Mount Miller Project consists of Exploration Licence (EPM15771) covering 63.93 sq km and Mining Lease Application (MLA80166) covering 32.24 Ha and is located approximately 15 km by road from the port of Gladstone on the east coast of central Queensland *(Figure 5)*.

The largest mine on the tenements controlled by Genesis was at Mount Miller. The mine opened in 1895 and operated intermittently until 1916 and then from 1958 to 1960. A total of 21,785 tonnes of ore was mined with a grade which ranged from 71% to 75% MnO_2.

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.

The 8th Annual Technical Report was lodged on 15 July 2015.

No field work was carried out. A review of all available data is underway to confirm if more drilling is necessary at the Mt Miller mine and if other prospect areas on the tenement require drill testing during Q2 2016.

PIONEER PROJECT: Gold (GES 100%)

The Pioneer Project consists of one granted Exploration Permit Mineral (EPM15619) covering 6.23 sq km approximately 70 km by road from Bundaberg via the Bruce Highway in Queensland *(Figure 5)*.

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.

The 9th Annual Technical Report was lodged on 03 August 2015.

No field work was carried out. A review of all available data is underway to compile all geological mapping and define targets for drill testing during Q2 2016.

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McARTHUR RIVER PROJECT: Manganese (GES 100%)

The McArthur River project consists of Exploration Licence EL24814 covering 380.88 sq km and is located approximately 850 km south east of Darwin in the Northern Territory and 450 km north-west of Mount Isa in Queensland *(Figure 5)*.

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.

The Mining Management Plan Update was lodged on the 21 October 2015, it was accepted by DME on 30 October 2015.

No field work was carried out. 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 sq km is centered on the Cape York Peninsular township of Laura, 210km north-west of Cairns and 88km west of Cooktown in North Queensland *(Figure 5)*. The area is prospective for gold. Several historical alluvial workings are found in the vicinity of the Laura River and tributaries.

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.

The 8th Annual Technical Report was lodged on the 24 August 2015.

No field work was carried out.

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 sq km, is located approximately 25 km south west of Alice Springs in the Northern Territory *(Figure 5)*. The project is 25 km 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 Mining Management Plan Update was lodged on 7 September 2015. This was approved on 16 September 2015.

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

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 the Genesis Group. 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.

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TENEMENTS AS AT 31 DECEMBER 2015

PROJECT	TENEMENT NUMBER	COMMODITY	COMPANY'S BENEFICIAL INTEREST	CURRENT AREA (KM^2)	CURRENT HOLDER	COUNTRY/ STATE
Alice Springs	EL24817	Copper-Iron-Gold	100%	372.59	Genesis	NT
Arltunga	EL25238	Gold-PGE	100%	95.2	Genesis	NT
Fenn Gap	EL24839	Iron-Manganese	100%	26.93	Genesis	NT
Laura River	EMP15242	Gold-PGE	100%	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 Resources	Macedonia

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

Results

The loss of the Group for the period ended 31 December 2015 was 1,216,608 (31 December 2014: loss of $1,759,404).

Significant changes in state of affairs

There were no significant changes in the Company's state of affairs during the period.

Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 17 and forms part of the directors' report for the period ended 31 December 2015.

Signed in accordance with a resolution of directors:



Eddie Pang
Managing Director
11 March 2016

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Genesis Resources Limited for the half-year ended 31 December 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 AUSTRALIA PARTNERS

J S CROALL
Partner

Melbourne, Victoria
Dated: 11 March 2016

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RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	31 Dec 2015	31 Dec 2014
	$	$
Other income	**3,385**	**233**
Employee costs	**(608,074)**	**(562,732)**
Administrative and other expenses	**(451,152)**	**(544,407)**
Finance income	**693**	**581**
Finance expenses	**(124,019)**	**(205,635)**
Loss on foreign exchange	**(37,441)**	**(447,444)**
Loss before income tax	**(1,216,608)**	**(1,759,404)**
Income tax expense	**-**	**-**
Loss for the half-year	**(1,216,608)**	**(1,759,404)**
Other comprehensive income		
Exchange differences arising on translating foreign operations	**(44,530)**	**87,606**
Other comprehensive income for the half-year, net of tax	**(44,530)**	**87,606**
Total comprehensive Loss for the half-year	**(1,261,138)**	**(1,671,798)**
Earnings per share		
Basic loss per share (cents per share)	**(0.004)**	**(0.009)**
Diluted loss per share (cents per share) ,	**(0.004)**	**(0.009)**

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Notes	31 Dec 2015	30 Jun 2015
		$	$
Assets			
Current Assets			
Cash and cash equivalents		**61,721**	2,034,950
Trade and other receivables		**37,913**	50,301
Other financial assets		**370**	370
Total Current Assets		**100,004**	2,085,621
Other financial assets		**103,867**	98,684
Property, plant and equipment		**73,659**	95,151
Exploration and evaluation assets		**15,264,647**	13,795,210
Total Non-Current Assets		**15,442,173**	13,989,045
Total Assets		**15,542,177**	16,074,666
Current Liabilities			
Trade and other payables		**1,100,349**	997,262
Borrowings	6	**3,600,000**	2,974,438
Total Current Liabilities		**4,700,349**	3,971,700
Total Liabilities		**4,700,349**	3,971,700
Net Assets		**10,841,828**	12,102,966
Equity			
Share capital	5	**21,528,698**	21,528,698
Reserves		**(177,552)**	(132,022)
Accumulated losses		**(10,509,318)**	(9,292,710)
Total Equity		**10,841,828**	12,102,966

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	Issued Capital	Accumulated (Losses)	Reserve	Total equity
	$	$	$	$
Balance at 1 July 2015	**21,528,698**	**(9,292,710)**	**(133,022)**	**12,102,966**
Loss for the period	-	(1,216,608)	-	(1,216,608)
Foreign currency translation	-	-	(44,530)	(44,530)
Total comprehensive income for the period	**-**	**(1,216,608)**	**(44,530)**	**(1,261,138)**
Transactions with owner in their capacity as owners				
Issued during the year	-	-	-	-
Transaction costs of share issues	-	-	-	-
Balance at 31 December 2015	**21,528,698**	**(10,509,318)**	**(177,552)**	**10,841,828**

For the half-year ended 31 Dec 2014

	Issued Capital	Accumulated (Losses)	Reserve	Total equity
	$	$	$	$
Balance at 1 July 2014	**13,738,468**	**(6,292,741)**	**(213,853)**	**7,231,874**
Loss for the period	-	(1,759,404)	-	(1,759,404)
Foreign currency translation	-	-	87,606	87,606
Total comprehensive income for the period	**-**	**(1,759,404)**	**87,606**	**(1,671,798)**
Transactions with owner in their capacity as owners				
Issued during the year	1,243,219	-	-	1,243,519
Transaction costs of share issues	(62,161)	-	-	(62,161)
Balance at 31 December 2014	**14,919,526**	**(8,052,145)**	**(126,247)**	**6,741,134**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	31 Dec 2015	31 Dec 2014
	$	$
Cash Flows From Operating Activities		
Payments to suppliers and employees (inclusive of goods and services tax)	(915,005)	(1,506,527)
Interest paid	(124,598)	-
Net cash used in operating activities	**(1,039,603)**	**(1,506,527)**
Cash Flows From Investing Activities		
Payments for property, plant and equipment	(11,364)	(1,685)
Net proceeds from sale of investments	(5,172)	369
Payments for purchases of financial assets	-	252
Payments of exploration and evaluation expenditure	(1,498,122)	(105,134)
Net cash used in investing activities	**(1,514,658)**	**(106,198)**
Cash Flows From Financing Activities		
Proceeds from issue of ordinary shares	-	1,243,219
Proceeds from long term borrowings	625,562	200,000
Net cash from financing activities	**625,562**	**1,443,219**
Net decrease in cash and cash equivalents	**(1,928,699)**	**(169,506)**
Cash and cash equivalents at 1 July	2,034,950	543,206
Effects of exchange rate changes on cash and cash equivalents	(44,530)	(21,853)
Cash and cash equivalents at 31 December	**61,721**	**351,847**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED
31 DECEMBER 2015

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1. Basis of preparation of half-year report

The condensed consolidated interim financial report for the half-year ended 31 December 2015 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report of Genesis Resources Limited ("GES") and its controlled entity (the "consolidated entity" or the "Group"). Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by GES during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

2. Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by GES at the end of the reporting period. A controlled entity is any entity over which GES has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated Statement of Financial Position and Statement of Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

3. Going concern

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

As disclosed in the financial statements, the consolidated entity incurred a loss of $1,216,608 (2014: $1,759,404), and had net cash outflows from operating activities of $1,039,603 (2014: $1,506,527) and investing activities of $1,514,658 (2014: $106,198) for the half-year ended 31 December 2015. As at that date the consolidated entity had net current liabilities of $4,600,345 (2014: $1,886,079).

These factors indicate significant uncertainty as to whether the consolidated entity will continue as

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a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

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

- On 26 February 2016, Genesis issued a further 57,002,640 shares in retirement of debt (total principal amount of $2,600,000 plus accrued interest) under a loan with an unrelated Malaysian based financing company, at a deemed issue price of $0.055 per share.

- Following the repayment noted above, under the loan facility agreement, the consolidated entity has $7 million of an unused credit facility available to be drawn down as at date of this report.

- 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.

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

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

The directors believe that the Group will be successful in obtaining the required funding to meet the expenditure obligations and, accordingly, have prepared the financial report on a going concern basis.

4. Segment information

The Group has reportable segments, as described below, which are the Group's business units. The two business units are managed separately because they are regulated under different authorities. For each of the business units, the Group's Board of Directors, which acts as the Chief Operating Decision Maker, reviews internal reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

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

Information regarding the results of each reportable segment is included below. Comparative segment information has been represented in conformity with the requirement of Accounting Standard AASB 8 *Operating Segments.*

	Australia		Macedonia		Head Office		Total	
	31 Dec 2015	**31 Dec 2014**	**31 Dec 2015**	**31 Dec 2014**	**31 Dec 2015**	**31 Dec 2014**	**31 Dec 2015**	**31 Dec 2014**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Other income	-	**-**	**3,745**	260	**333**	554	**4,078**	814
Operating expenses	-	**-**	**(547,989)**	(481,084)	**(672,697)**	(1,279,134)	**(1,220,686)**	(1,760,218)
Reportable segment net loss before income tax	-	-	**(544,244)**	(480,825)	**(672,364)**	(1,278,579)	**(1,216,608)**	(1,759,404)
	31 Dec 2015	**30 June 2015**	**31 Dec 2015**	**30 June 2015**	**31 Dec 2015**	**30 June 2015**	**31 Dec 2015**	**30 June 2015**
Exploration and evaluation assets	**2,237,834**	2,234,886	**13,026,813**	11,560,324	**-**	-	**15,264,647**	13,795,210
Total segment assets	**2,237,834**	2,234,886	**13,134,099**	11,694,350	**172,244**	2,145,430	**15,542,177**	16,074,666
Total segment liabilities	**-**	362,373	**3,762,744**	151,351	**937,605**	3,457,974	**4,700,349**	3,971,698

5. Share Capital

	31 Dec 2015	30 Jun 2015	**31 Dec 2015**	30 Jun 2015
	No. of Shares	No. of Shares	**$**	$
Balance at beginning of period	**300,743,205**	165,762,564	**21,528,698**	13,738,468
Transactions during the period				
Issue of shares	**-**	134,980,641	**-**	8,014,704
Rights issued	**-**	-	**-**	-
Transaction costs	**-**	-	**-**	(224,474)
Balance at end of period	**300,743,205**	300,743,205	**21,528,698**	21,528,698

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Unissued ordinary shares of the Company under option at the end of the reporting period are:

Expiry date	Exercise price ($)	Options on issue as 31 Dec 2015	Options on issue at 30 Jun 2015
-	-	-	-

There were no Shares issued during the period.

6. Borrowings

	31 Dec 2015 $	30 Jun 2015 $
Loan facility	**3,600,000**	2,974,438

The Group obtained $7 million loan facilities from unrelated third party lenders. The loan facilities are unsecured and any amount drawn down will bear interest at a rates ranging from 8% -10% per annum.

The loans are repayable in cash one year after the date of each loan provided that the Company has cash in excess of its working capital requirements. In the event that the Company does not have cash in excess of its working capital requirements to repay the loans, then there are only 2 options:

(i) the date the loans are repayable will be extended; or
(ii) the loans get repaid by the issue of shares.

Subsequent to balance sheet date, on 26 February 2015, Genesis issued a further 57,002,640 shares in retirement of debt (total principal amount of $2,600,000 plus accrued interest) under one of the loan agreements, at a deemed issue price of $0.055 per share.

7. Contingent Assets and Liabilities

There have been no changes of a material nature in contingent liabilities or assets since the last annual reporting date.

8. Related parties transactions

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

	Note	Transaction	Transaction value period ended 31 Dec 2015	
Key management person			**2015**	**2014**
			$	**$**
			Nil	Nil

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9. Commitments

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 program and priorities.

These obligations, which include a portion relating to rent, are not provided for in the financial report and are payable as follows:

	Note	31 Dec 2015	30 June 2015
		$	$
Within one year		**738,000**	648,000
One to five years		**66,343**	64,894
Later than five years		**-**	**-**
		804,343	712,894

10. Events after balance date

On 26 February 2016, Genesis issued a further 57,002,640 shares in retirement of debt (total principal amount of $2,600,000 plus accrued interest) under one of the loan agreements, at a deemed issue price of $0.055 per share.

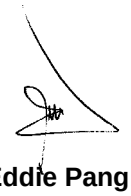
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DIRECTORS' DECLARATION

In the opinion of the directors of Genesis Resources Limited, ("the Company"):

1. the financial statements and notes set out on pages 18 to 26 are in accordance with the *Corporations Act 2001*, including:
   a. complying with Accounting Standards, the *Corporations Regulations 2011* and other mandatory professional reporting requirements, and
   b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date, and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Eddie Pang
Managing Director
11 March 2016

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF

GENESIS RESOURCES LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Genesis Resources Limited which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, 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 half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Genesis Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, 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.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Genesis Resources Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 3 in the financial report, which indicates that the consolidated entity incurred a loss of $1,216,608, and had net cash outflows from operating activities of $1,039,603 and investing activities of $1,514,658 and had net current liabilities of $4,600,345 as at 31 December 2015. These conditions, along with other matters as set forth in Note 3, 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.

RSM AUSTRALIA PARTNERS

J S CROALL
Partner

Melbourne, Victoria
Dated: 11 March 2016

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Appendix 1

Reporting of Exploration Results – Plavica Project

JORC Code, 2012 Edition – Table 1 Report

The following section is provided to ensure compliance with the JORC (2012) requirements for the reporting of Exploration Results for the Plavica project.

Section 1 - Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	• N/A
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• N/A
	• *Aspects of the determination of mineralisation that are Material to the Public Report.*	• Holes were generally drilled towards grid north with dips of approximately 60 degrees to optimally intersect the steeply dipping east-west striking mineralised zones of high sulphidation style epithermal mineralization.
	• *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• The drill hole locations are to be picked up by local survey contractors using a DGPS (Differential Global Positioning System). • Down hole surveys have been undertaken using a Reflex EZ-Trac tool. Down hole surveys were conducted at intervals of to 25m. • All DD holes completed by the Genesis were sampled by cutting the core longitudinally in half using diamond saws. Sampling of diamond core was also undertaken on 1m intervals.

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Criteria	JORC Code explanation	Commentary
		• Diamond core was drilled to obtain high quality samples that were logged for lithological, structural, geotechnical, density and other attributes. Sampling of diamond core was also on one meter intervals with the core being cut in half using a diamond core saw • Sub-samples of ~3 kg were sent to the laboratory for assaying. Analysis has been performed by commercial laboratories with samples sent to SGS Ankara. The samples sent to SGS follow standard SGS crushing and pulverization procedures and a conventional fire assay procedure with either atomic absorption or gravimetric finish on a 30 gram sub-sample. Fire Assay is considered a total recovery method for gold. • QC samples have been inserted into the routine sample stream to monitor sample quality as per industry best practice. These include standards, blanks and duplicates at regular (25m intervals)
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• The core drill rigs used 3m drill rods. Diamond drilling has employed a 63.5mm diameter HQ 'standard tube' core drilling methods. • Orientation are completed every run (maximum 3m) using a spear technique. Diamond drill core is typically orientated where possible though often the core is highly fractured and cannot be reliably orientated using standard techniques.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Diamond drill core is assessed by measuring the recovered drill length against the actual drilled. Diamond drill recovery is generally above 95%.Recoveries drop to less than this in minor (1-2m) zones of vuggy silica and clay. • No detailed analysis of grade versus recovery has been undertaken at this stage however comparison of RC against DD gold results indicates a slight positive bias for RC drilling. This may indicate some loss of fines when using DD methods. • No coarse gold has been observed through Photo-micrographic studies.
Logging	• *Whether core and chip samples have been geologically and*	• All drill holes have been logged in full and record standard criteria

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Criteria	JORC Code explanation	Commentary
	geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	such as lithology, alteration, mineralisation, structural, weathering and oxidation. Geotechnical data such as drill recovery, RQD, hardness, fracture type and frequency are also recorded for input into future scoping level mining studies. • All logging is entered into excel spreadsheet templates or onto hard copy forms which are transferred to excel spreadsheets. These spreadsheets are then imported into Micromine routinely. • All diamond core is photographed in a wet and dry state.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Refer to the above sampling techniques • Quarter core duplicates are submitted every 50m.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Refer to the above analysis methods • Industry standard QC sample insertion procedures have been adopted. QC insertion rates are: - every 50m is a field duplicate, - every 25m is a Standard, - every 50m is a coarse blank • The QAQC results indicate acceptable levels of precision and accuracy
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• Samples are currently submitted to an umpire laboratory however the results are yet to be reviewed • Data is imported into Micromine. There is no adjustment of assay data.

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Criteria	JORC Code explanation	Commentary
	• *Discuss any adjustment to assay data.*	
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• A local control station near the project is utilised by the local surveying contractor. Holes are routinely surveyed using Surveyors with DGPS equipment. • All surveys are taken using the Gauss–Krüger (GK) coordinate system which has been the system used for survey by Genesis at Plavica since 2012.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The nominal drill hole spacing is 100m (easting) x 50m (northing) • Samples are collected at one meter lengths and are not composited in the field / core-shed.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Holes were generally drilled towards grid north with dips of approximately 45 to 60 degrees to optimally intersect the steeply dipping east-west striking mineralised zones • No orientation based sampling bias has been identified in the data at this stage
Sample security	• *The measures taken to ensure sample security.*	• Chain of Custody is managed by Genesis Staff. All drilling assay samples were collected from the field by Genesis personnel. Core samples were stored at the secure sample processing and storage facility where they were subsequently processed and prepared for pickup. This facility has CCTV. Assay samples were collected by appropriately qualified staff at the laboratories.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• An audit of drilling and sampling procedures was undertaken by Golder Associates in 2012 at the commencement of that years drilling program. A number of priority based recommendations were provided to Genesis. All priority 1 recommendations were implemented and many of the lower priority actions have also been completed. The implementation of these recommendations has provided increased confidence in the quality of the data used in the resource estimate

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Section 2 – Reporting of Exploration Results.

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• 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. The JV Company has been formally granted the Licence for a term of 30 years. The area covered by the Licence totals 16.85 km2. • Genesis has pledged its 62% share of Silgen to completing a Feasibility Study to mine Plavica and has agreed to spend USD $7.5M for this work. • All Australian Tenements are Exploration Licences except Mt Millar which is a Mining Lease Application and are 100% owned by Genesis.
Exploration done by other parties	• *Acknowledgement and appraisal of exploration by other parties.*	• Previous small scale mining was undertaken by Romans and Ottoman Turks. 2 adits were completed by British Mines Selection in the 1930's targeting enargite veins. • Previous exploration has been conducted by the Yugoslav Government, Cyprus Amax, Rio Tinto and European Minerals.
Geology	• *Deposit type, geological setting and style of mineralisation*	• Both Plavica and Maricanski Rid host oxide gold mineralization in vuggy silica and clay zones within silica caps of a high sulphidation epithermal style setting. Alunite alteration is widespread. • Beneath this oxide zone is a series of steeply dipping E-W striking structures comprising enargite-pyrite veins and vuggy silica zones. These zones are rich in Au, Cu, Ag and occasionally Pb and Zn. • The prospects lie within the Western Tethyan Arc and are Tertiary in age.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* *o easting and northing of the drill hole collar* *o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*	• All drill hole collars with location, elevation, depth, dip and azimuth are tabulated in the body of the report.

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Criteria	JORC Code explanation	Commentary
	o dip and azimuth of the hole *o down hole length and interception depth* *o hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• A 0.4 g/t Au cut-off is used for reporting of Au grades and a 0.3 % for Cu grades. No top cuts are used. • A minimum of 3m length is used for compositing and a maximum of 3m of internal waste is used. These parameters are considered adequate for this deposit style. • No metal equivalents used
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• Core orientation and sectional interpretation suggest the mineralised zones are sub-vertical. • Holes are drilled on 45 to 60 degree angles to intersect the zones at the highest angle possible but also taking into account the steep topography of the area and the difficulty of locating drill pads. As a result the mineralized zones are intersected at an oblique angle and therefore down-hole lengths are not true widths.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• A plan and sections are included. .
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Negative results mentioned as well as positive results.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• N/A.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including*	• Anomalous copper and gold possibly extends further east at Plavica • Anomalous gold possibly extends further west at Maricanski Rid.

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Criteria	JORC Code explanation	Commentary
	the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• These possibilities will be tested in 2016.