Quarterly Activities Report – March 2016

HIGHLIGHTS

Plavica Au-Ag-Cu Project

- The extensional drilling program resumed at Plavica during the quarter ended 31 March 2016 (**Quarter**) following the end of winter. A total of 3 core holes were drilled for a total of 593.2m. Drilling is ongoing at Plavica and the Company plans to re-do the inferred resource in the middle of 2016.
- Results were returned from the two outstanding holes drilled at the end of 2015, drilled at the eastern end of Plavica. Results were encouraging and included:

  - **PNDD071: 46m @ 1.10 g/t Au & 38.8 g/t Ag from 17m.**

EXPLORATION & DEVELOPMENT PROGRESS DURING THE QUARTER

REPUBLIC OF MACEDONIA

PLAVICA HIGH SULPHIDATION EPITHERMAL GOLD-COPPER-SILVER PROJECT *(Figures 1 & 2)*

Following the granting of the 30 year Exploitation Licence at Plavica in May 2015, drilling since then has focussed on extending and better understanding the previously known mineralisation at both the Plavica and Maricanski Rid prospects. Following the winter break, drilling has resumed at both these prospects with the aim of re-doing the Inferred Resource at Plavica and completing a maiden Inferred Resource at Maricanski Rid. Drilling is on track with one core rig and one RC rig currently in operation.

Drilling resumed in the last week of March and therefore only 3 holes were drilled during the Quarter for 593.2m of HQ drill core. Results from these holes are pending. In addition, results have also been returned for two holes drilled last Quarter on the Plavica prospect that had not been previously reported. These holes are PNDD070 and PNDD071and include the following:

- **PNDD070: 19m @ 1.06 g/t Au & 87.7 g/t Ag from 28m.**
- **PNDD070: 8m @ 1.28 g/t Au & 42.3 g/t Ag from 99m.**
- **PNDD071: 13m @ 0.97 g/t Au & 43.9 g/t Ag from 0m.**
- **PNDD071: 46m @ 1.10 g/t Au & 38.8 g/t Ag from 17m.**

All intersections listed above are in oxide material. All the afore-mentioned drill hole locations are shown in Table 1 and Figure 2. Composites from results received this Quarter are shown in Table 2. A section from Plavica showing holes PNDD070 and 071 is shown in Figure 3.

Genesis aims to continue drilling and then complete a JORC compliant Resource in mid 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.

For personal use only

For personal use only

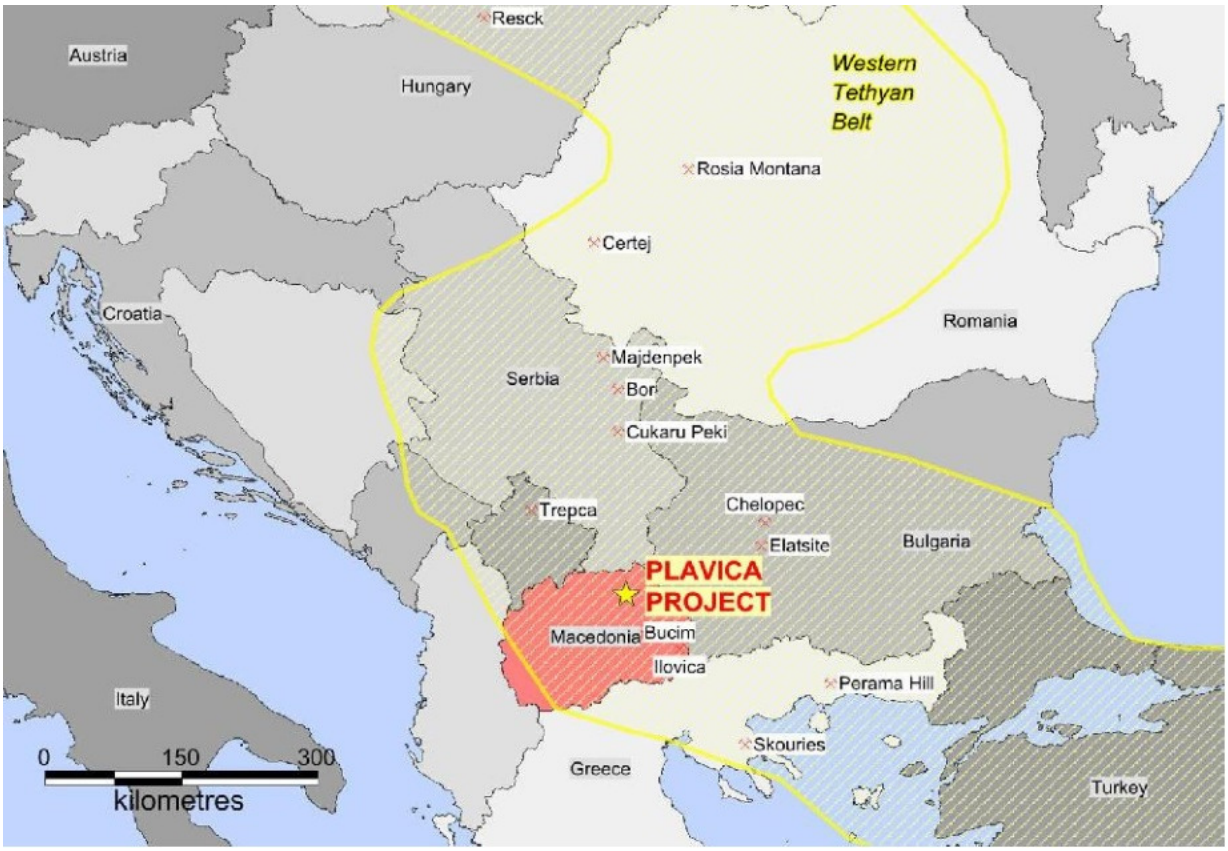


Figure 1 (above) Location of the Plavica Gold-Copper-Silver Project, Republic of Macedonia.

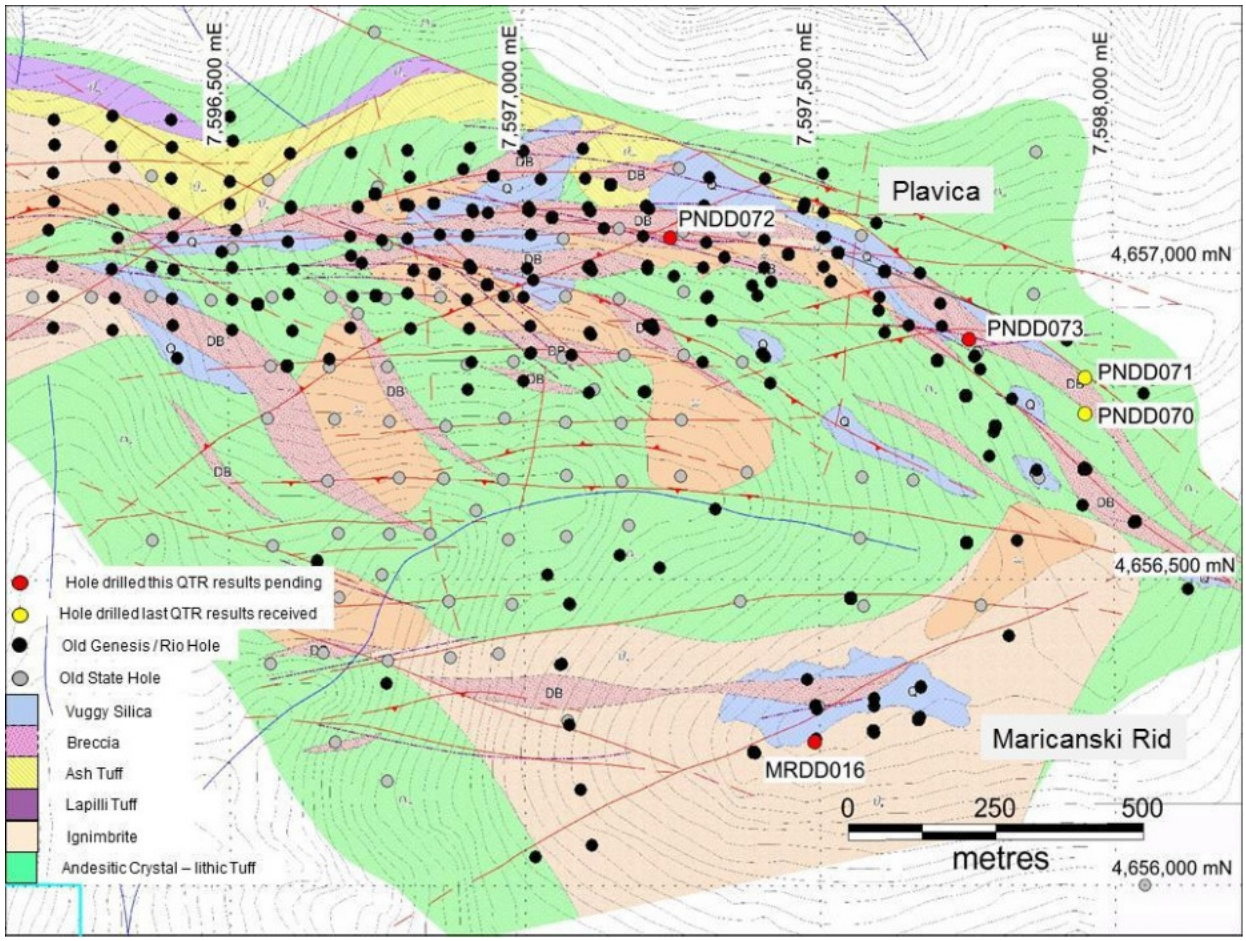


Figure 2 Location of Holes drilled or assays reported, QTR 1 2016, Plavica Project. Gauss Kruger Co-ordinate System.

Hole ID	Final Depth (m)	East (GK)	North (GK)	Dip	Azm	RL	Type
MRDD019	172.00	7597490	4656235	-55	184	1219	DD
PNDD072	236.1	7597250	4657058	-60	4	1178	DD
PNDD073	185.1	7597756	4656892	-50	4	1239	DD

Table 1 Details of Holes drilled, QTR 1 2016, Plavica Gold-Copper-Silver Project. Gauss Kruger Co-ordinate System. NB Collars have not yet been surveyed.

Hole ID	From	To	Interval	Au ppm	Ag ppm
PNDD070	28	47	19	1.06	87.7
PNDD070	88	92	4	1.15	73.0
PNDD070	99	107	8	1.28	42.3
PNDD070	114	125	11	0.69	27.6
PNDD070	198	207	9	0.67	4.1
PNDD070	222	229	7	0.93	10.3
PNDD071	0	13	13	0.97	43.9
PNDD071	17	63	46	1.10	38.8
PNDD071	167	174	7	0.91	11.3

Table 2 (above): Significant Core Drilling Gold Results received, QTR 1 2016, 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.

For personal use only

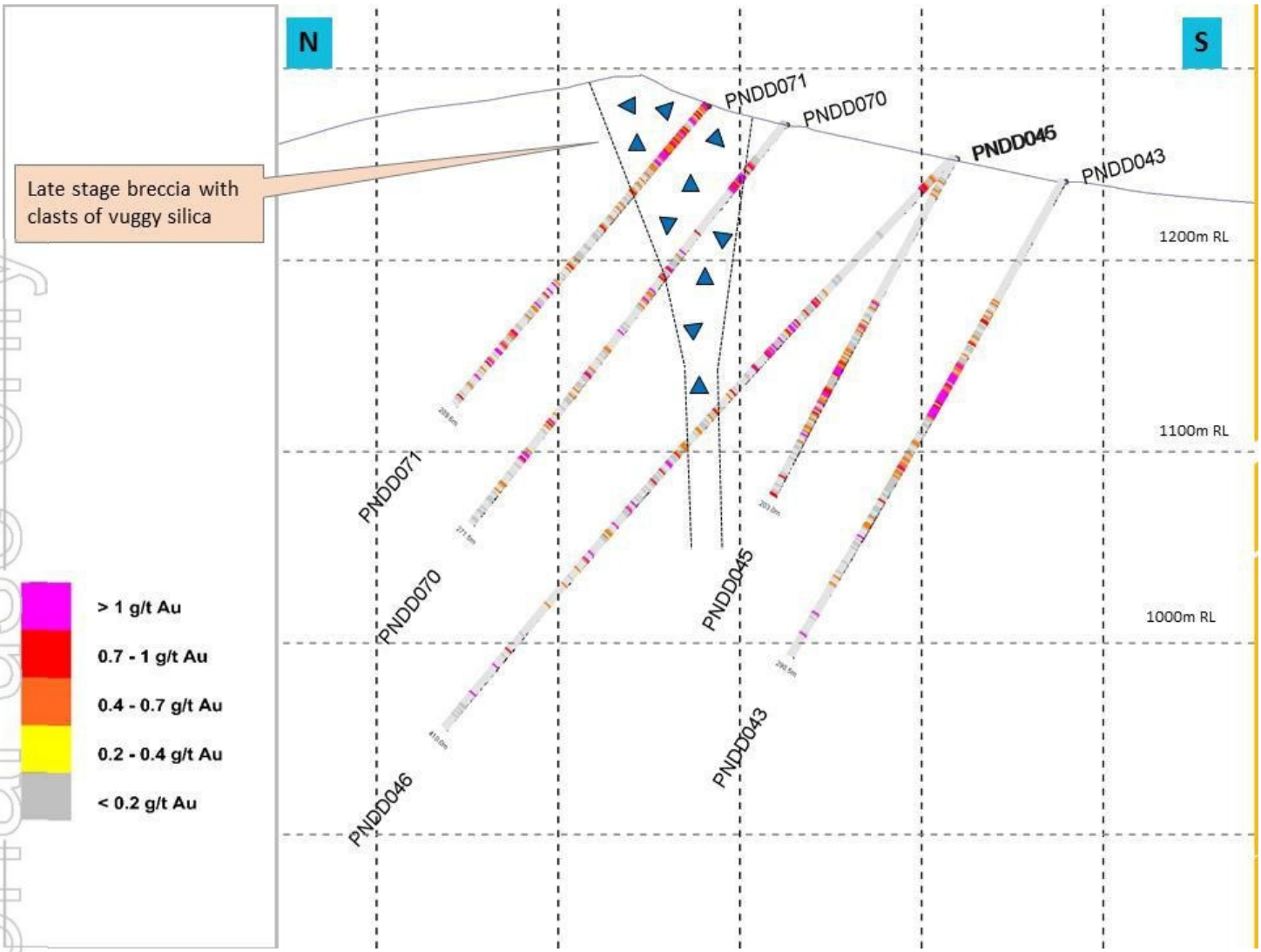


Figure 3 Plavica Section 7597950E Gauss Kruger, looking East.

For personal use only

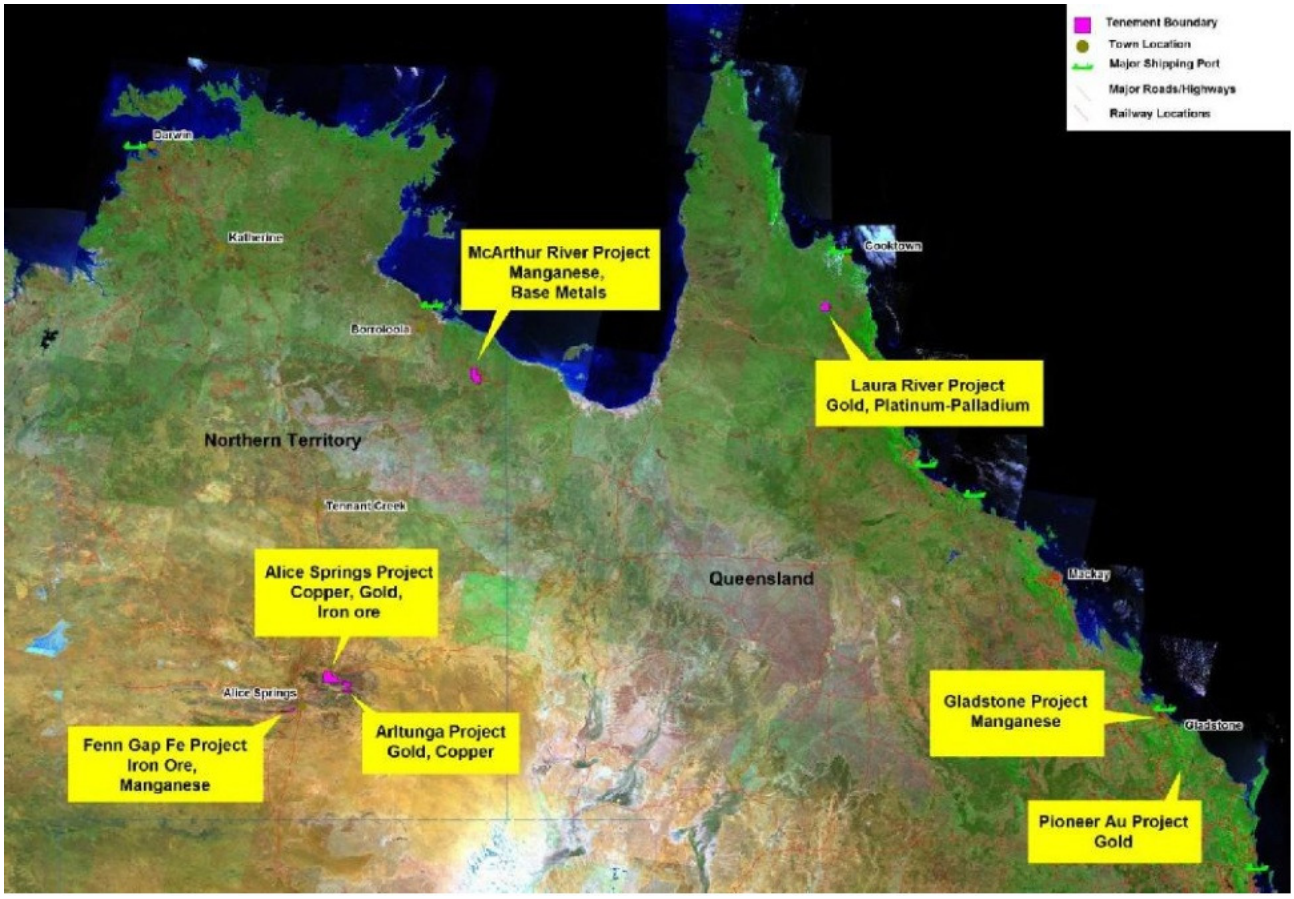


Figure 5 Location of Australian Projects.

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 Q3 2016.

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

An updated Mining Management Plan (MMP) was lodged on the 8 March 2016.

No field work was carried out during the current Quarter.

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)*.

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.

An updated Mining Management Plan (MMP) was lodged on the 23 February 2016.

For personal use only

No field work was carried out. In addition a full review of all available data is underway to define targets for RC drill testing during Q3 2016.

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 Q3 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.

No f eld work was carried out. A review of all available data is underway to compile all geological mapping and define targets for drill testing during Q3 2016.

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.

For personal use only

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.

TENEMENTS AS AT 31 MARCH 2016

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.

For personal use only

CORPORATE UPDATES

Events during the Quarter

Issue of Shares

On 26 February 2016, Genesis issued 57,002,640 fully paid ordinary 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 (**February Shares**).

Events subsequent

Capital Raising

On 24 March 2016 the Company advised shareholders that it had secured a mandate agreement under which a Dealer's Representative of RHB Investment Bank Berhad will act as lead manager for Genesis in relation to a proposed capital raising of approximately US$4,000,000 by way of progressive placements of shares.

Extraordinary General Meeting

On 22 April 2016 Genesis held an Extraordinary General Meeting. All resolutions proposed by the Company to shareholders at the Extraordinary General Meeting were unanimously carried on a show of hands.

Securities on issue as at 31 March 2016:

CLASS OF SECURITIES	NO. OF SECURITIES ON ISSUE
Fully paid ordinary shares	357,745,845

Board and Management as at 31 March 2016

Mr Eddie Pang	Managing Director
Mr Deric Wee	Non-Executive Director
Ms Alyn Tai	Non-Executive Director
Ms Sophie Karzis	Company Secretary
Ms Patricia Wong	Chief Financial Officer
Mr James Patterson	Exploration Manager

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.

-ENDS

About Genesis Resources Limited

Genesis Resources Limited is an Australian company with a portfolio of quality gold, iron, manganese, uranium and base metal (copper-zinc-silver) in the highly prospective Proterozoic and Phanerozoic metallogenic provinces of northern and central Australia. Genesis has signed a Joint Venture over an advanced copper-gold project (Plavica) within the Former Yugoslav Republic of Macedonia. The Plavica Project lies within Carpathian Volcanic Arc, a major epithermal province running through Eastern Europe, which is highly prospective for gold, copper and silver mineralisation. Genesis' projects are close to established infrastructure including railways, shipping ports, highways, power stations and populated areas. The Company's objective is to provide rapid capital growth through mineral discoveries and development of economic deposits in Australia and overseas.

For more information please visit the Company's website at: www.genesisresourcesltd.com.au

For personal use only

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 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. • 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

For personal use only

Criteria	JORC Code explanation	Commentary
		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 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.*	• All drill holes have been logged in full and record standard criteria 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 routinely imported into Micromine. • All diamond core is photographed in a wet and dry state.

For personal use only

Criteria	JORC Code explanation	Commentary
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.* • *Discuss any adjustment to assay data.*	• 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.
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.

For personal use only

Criteria	JORC Code explanation	Commentary
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

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.

For personal use only

Criteria	JORC Code explanation	Commentary
		• 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.*	• At Plavica 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* *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.*	• All drill hole collars with location, elevation, depth, dip and azimuth are tabulated in the body of the report.
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.*	• 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

For personal use only

Criteria	JORC Code explanation	Commentary
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
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 section 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.*	• Of the 2 holes reported this Quarter, both had significant 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 the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Anomalous copper and gold possibly extends further east at Plavica • Anomalous gold possibly extends further west at Maricanski Rid. • These possibilities will be tested in QTR 2 2016.

For personal use only

Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

GENESIS RESOURCES LIMITED

ABN	Quarter ended ("current quarter")
22 114 787 469	**31 March 2016**

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (9 months) $A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(467)	(1,949)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(391)	(1,384)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	1	8
1.6	Income taxes paid	(7)	(18)
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	(864)	(3,343)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity in subsidiary	-	(5)
	(c) other fixed assets	-	(7)
	(d) other non current assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
	(d) other non current assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	-	(12)
1.13	Total operating and investing cash flows (carried forward)	(864)	(3,355)

+ See chapter 19 for defined terms.

For personal use only

1.13	Total operating and investing cash flows (brought forward)	(864)	(3,355)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	328	1,328
1.17	Repayment of borrowings	-	(442)
1.18	Dividends paid	-	-
1.19	Unallocated shares application fund	1,041	1,041
1.20	Transaction costs	-	-
	Net financing cash flows	1,369	1,927
	Net increase (decrease) in cash held	505	(1,428)
1.20	Cash at beginning of quarter/year to date	62	2,035
1.21	Exchange rate adjustments to item 1.20	(1)	(41)
1.22	**Cash at end of quarter**	566	566

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	-
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

None

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

None

+ See chapter 19 for defined terms.

For personal use only

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities (refer to (i) and (iii) below)	7,000	-
3.2	Credit standby arrangements	-	-

(i) In September 2013, the Company entered into a loan agreement with an unrelated Malaysian based financing company pursuant to which the financing company made available a loan facility to the Company, with a S3 million facility limit (**First Loan Facility**). In April 2014, the parties reached an agreement to increase the First Loan Facility limit from $3 million to $7 million on the same terms and conditions provided for in the existing loan agreement. Total funds of S7 million remain available for draw down by Genesis under the First Loan Facility. In February 2016, 57,002,640 shares were issued at $0.055 per share in retirement of debt amounting to $2,600,000 plus accrued interest.

Estimated cash outflows for next quarter

		SA'000
4.1	Exploration and evaluation	810
4.2	Development	-
4.3	Production	-
4.4	Administration	285
	Total	**1,095**

(ii) Whilst the Company expects that its estimated cash flows will exceed its cash currently at hand, the Company has access to the loan facilities as detailed above.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	566	62
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (Term deposit – bank guarantee)	98	98
	Total: cash at end of quarter (item 1.22)	**664**	**160**

For personal use only

Changes in interests in mining tenements and petroleum tenements

		Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	-	-	-	-
6.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*	-	-	-	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	**+Ordinary securities**	357,745,845	357,745,845	Fully paid	Fully paid

+ See chapter 19 for defined terms.

For personal use only

7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	Genesis issued a total of 57,002,640 ordinary fully paid shares during the quarter in retirement of debt under a loan (**Conversion Shares**).	57,002,640	57,002,640 Conversion Shares were issued at a deemed issue price of $0.055 per share	The 57,002,640 Conversion Shares were issued 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.
7.5	+**Convertible debt securities** *(description)*	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7	**Options** *(description and conversion factor)*	-	-	-	-
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	**Debentures** *(totals only)*	-	-		
7.12	**Unsecured notes** *(totals only)*	-	-		

For personal use only

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does give a true and fair view of the matters disclosed.



Alyn Tai
Non-Executive Director
29 April 2016

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

For personal use only