Genesis Resources Limited
ABN 22 114 787 469

Interim Financial Report

31 December 2009

Genesis Resources Limited

Directors' report

31 December 2009

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Genesis Resources Limited

Directors' report

31 December 2009

The directors present their report together with the financial report for the six months ended 31 December 2009 and the review report thereon.

1. Directors

The directors of the Company at any time during or since the end of the interim period are:

Name	Period of directorship
Non-executive	
Mr Peter G Hepburn-Brown	Resigned 30 November 2009
Dr Ahmet K Sener	Director since 27 March 2006
Mr Eddie Lung Yiu Pang (Chairperson)	Director since 6 March 2009
Mr Deric Wee	Director since 11 December 2009
Executive	
Mr Pedro Kastellorizos	Managing Director since 27 March 2006

2. Review of operations

Principal activities

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

Results

The profit of the Company for the period ended 31 December 2009 was $248,986 (2008: loss of $84,720). The profit was mainly due to proceeds from sale of shares and rights.

During November 2009, Genesis Resources Ltd and WDR Base Metals Pty Ltd entered into an agreement in which Genesis Resources Limited purchased the remaining 45% interest over the McArthur River (EL24814) and Gladstone (EPM15771) Manganese Projects for a cash consideration of $750,000. Genesis now is 100% owner and operator of both Projects.

3. Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 2 and forms part of the directors' report for the year ended 31 December 2009.

Signed in accordance with a resolution of directors:

Mr P Kastellorizos
Director

Dated at Monday this 15th day of March 2010

Grant Thornton

10 Kings Park Road
West Perth WA 6005
PO BOX 570
West Perth WA 6872

T +61 8 9480 2000
F +61 8 9322 7787
E admin@gtwa.com.au
W www.grantthornton.com.au

Auditor's Independence Declaration
To the Directors of Genesis Resources Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Genesis Resources Limited for the half-year ended 31 December 2009, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b no contraventions of any applicable code of professional conduct in relation to the review.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J W Vibert
Director – Audit & Assurance Services

Perth, 15 March 2010

Genesis Resources Limited

Condensed statement of financial position

As at 31 December 2009

	Note	31 Dec 2009 $	30 June 2009 $
Assets			
Cash and cash equivalents		**3,500,697**	212,250
Trade and other receivables		**59,553**	69,654
Other financial assets		**56,081**	60,859
Total current assets		**3,616,331**	342,763
Other financial assets		**1,499,009**	466,808
Exploration and evaluation assets		**933,459**	157,832
Deferred tax asset		**498,360**	-
Total non-current assets		**2,930,828**	624,640
Total assets		**6,547,159**	967,403
Liabilities			
Borrowings		**11,240**	5,649
Trade and other payables		**138,913**	207,977
Total current liabilities		**150,153**	213,626
Deferred tax liability		**619,085**	-
Total non-current liabilities		**619,085**	-
Total liabilities		**769,238**	213,626
Net assets		**5,777,921**	753,777
Equity			
Share capital	6	**4,960,002**	1,024,289
Reserves		**839,445**	-
Accumulated losses		**(21,526)**	(270,512)
Total equity		**5,777,921**	753,777

Genesis Resources Limited

Condensed statement of comprehensive income

For the six months ended 31 December

	Note	2009 $	2008 $
Other income		676,280	683,202
Other expenses		(369,890)	(782,204)
Results from operating activities		306,390	(99,002)
Finance income		34,111	14,504
Finance expense		(5,098)	(222)
Net finance income		29,013	14,282
Profit/(loss) before income tax		335,403	(84,720)
Income tax expense		(86,417)	-
Profit/(loss) for the period		248,986	(84,720)
Other comprehensive income			
Net change in fair value of available-for-sale financial assets		839,445	-
Other comprehensive income for the period, net of income tax		839,445	-
Total comprehensive income for the period		1,088,431	(84,720)
Earnings per share			
Basic earnings/(loss) per share (cents per share)		0.61	(0.38)
Diluted earnings/(loss) per share (cents per share)		0.61	(0.38)

Genesis Resources Limited

Condensed statement of changes in equity

For the six months ended 31 December 2009

For the six months ended 31 December 2009

	Issued capital $	Accumulated losses $	Fair value reserve	Total equity $
Balance at 1 July 2009	**1,024,289**	**(270,512)**	-	**753,777**
Total comprehensive income for the period				
Profit	-	**248,986**	-	**248,986**
Other comprehensive income				
Net change in fair value of available-for-sale financial assets net of tax	-	-	**839,445**	**839,445**
Transactions with owners recorded directly in equity				
Contributions by and distributions to owners				
Issue of ordinary shares	**3,995,000**	-	-	**3,995,000**
Share-based payment transactions	**416,667**	-	-	**416,667**
Transaction costs of share issues	**(475,954)**	-	-	**(475,954)**
Total transactions with owners	**3,935,713**	-	-	**3,935,713**
Balance at 31 December 2009	**4,960,002**	**(21,526)**	**839,445**	**5,777,921**

For the six months ended 31 December 2008

	Issued capital $	Accumulated losses $	Fair value reserve	Total equity $
Balance at 1 July 2008	358,012	(140,588)	-	217,424
Total comprehensive income for the period				
Loss	-	(84,720)	-	(84,720)
Transactions with owners recorded directly in equity				
Contributions by and distributions to owners				
Issue of ordinary shares	101,000	-	-	101,000
Cancellation of Class A Performance Shares	(250)	-	-	(250)
Share-based payment transactions	171,709	-	-	171,709
Transaction costs of share issues	(20,167)	-	-	(20,167)
Total transactions with owners	252,292	-	-	252,292
Balance at 31 December 2008	610,304	(225,308)	-	384,996

Genesis Resources Limited

Condensed statement of cash flows

For the six months ended 31 December

	Note	2009 $	2008 $
Cash flows from operating activities			
Cash paid to suppliers and employees		**(428,853)**	(245,601)
Cash generated from operations		**(428,853)**	(245,601)
Interest received		**34,111**	919
Net cash used in operating activities		**(394,742)**	(244,682)
Cash flows from investing activities			
Payments of exploration and evaluation expenditure		**(775,627)**	(18,649)
Proceeds from sale of investments		**843,286**	33,250
Net cash provided by investing activities		**67,659**	14,601
Cash flows from financing activities			
Proceeds from issue of shares		**3,995,000**	272,459
Share issue costs		**(384,741)**	(20,167)
Loans from associates		**5,271**	1,482
Net cash from financing activities		**3,615,530**	253,774
Net increase in cash and cash equivalents		**3,288,447**	23,693
Cash and cash equivalents at 1 July		**212,250**	24,211
Cash and cash equivalents at 31 December		**3,500,697**	47,904

Genesis Resources Limited

Notes to the condensed interim financial statements

For the six months ended 31 December

1 Reporting entity

Genesis Resources Limited (the "Company") is a Company domiciled in Australia.

The financial statements of the company as at and for the year ended 30 June 2009 are available upon request from the Company's registered office at Unit 8, 52 Marina Boulevard, Cullen Bay, Northern Territory 0820.

2 Statement of compliance

These condensed interim financial statements have been prepared accordance with AASB 134 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended 30 June 2009.

The condensed interim financial statements were approved by the Board of Directors on xxx 2010.

3 Significant accounting policies

Except as described below, the accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Company in its financial statements as at and for the year ended 30 June 2009.

(a) Change in accounting policy

(i) Determination and presentation of operating segments

As of 1 July 2009 the Company determines and presents operating segments based on the information that internally is provided to the Managing Director, who is the Company's chief operating decision maker. This change in accounting policy is due to the adoption of AASB 8 Operating Segments. Previously operating segments were determined and presented in accordance with AASB 114 Segment Reporting. The new accounting policy in respect of segment operating disclosures is presented as follows.

An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Company operates in only one operating segment, namely gold, manganese and base metals exploration. Segment results are those revenues and expenses of the Company as a whole and are set out in the profit or loss.

3 Significant accounting policies continued

(ii) Presentation of financial statements

The Company applies revised AASB 101 *Presentation of Financial Statements* (2007), which became effective as of 1 July 2009. As a result, the Company presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income. This presentation has been applied in these condensed interim financial statements as of and for the six months period ended on 31 December 2009.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share

4. Estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Except as described below, in preparing this condensed interim financial report, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2009.

5 Financial risk management

All aspects of the Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2009.

6 Share capital

	31 December 2009	30 June 2009
53,080,752 (30 June 2009: 30,580,752) fully paid ordinary shares	**4,960,002**	1,024,289

6 Share capital continued

Reconciliation of movement in capital and reserves

The movements in ordinary shares during the year are as follows:

	31 December 2009 Number of Shares	$	30 June 2009 Number of Shares	$
At the beginning of the period	30,580,752	1,024,289	20,918,252	358,012
Shares issued during the year:				
Ordinary shares issued at 8 cents per share on 26 September 2008	-	-	12,500	1,000
Ordinary shares issued at 5 cents per share on 21 October 2008	-	-	2,000,000	100,000
Equity settled transactions – 11 November 2008	-	-	4,000,000	157,820
Ordinary shares issued at 5 cents per share on 10 January 2009	-	-	700,000	35,000
Ordinary shares issued at 5 cents per share on 23 February 2009	-	-	1,000,000	50,000
Ordinary shares issued at 10 cents per share on 13 March 2009	-	-	4,450,000	445,000
Cancellation of Class A Performance Shares	-	-	(2,500,000)	(250)
Equity settled transactions - Services up to 30 June 2009	-	-	-	83,333
Ordinary shares issued at 20 cents per share on initial public offering (IPO)	20,000,000	3,995,000	-	-
Equity settled transactions - Services from 1 July 2009 to 31 December 2009	2,500,000	416,667	-	-
Less share issue costs (Net of tax effect)	-	(475,954)	-	(205,626)
Balance at the end of the period	**53,080,752**	**4,960,002**	**30,580,752**	**1,024,289**

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

Issue date	Expiry date	Exercise price $	Options on issue at 31 December 2009	Options on issue at 30 June 2009
20/12/2007	20/12/2010	0.20	166,667	166,667
20/12/2007	20/12/2010	0.20	166,667	166,667
20/12/2007	20/12/2010	0.20	166,666	166,667

7 Related parties

Other than noted below, existing arrangements with related parties continue to be in place. For the details of these existing arrangements, refer to the 30 June 2009 annual financial report.

Transactions with key management personnel

The aggregate amounts recognised as expenses during the period relating to key management personnel and their personally-related entities were $79,925 (2008: $316,945). Details of the transactions are as follows:

		31 December 2009 $	31 December 2008 $
Director/Transaction			
- Mr Pedro Kastellorizos – Executive and geological services	(i)	**79,925**	287,445
- Dr Ahmet Kerim Sener – Geological services	(ii)	-	10,000
- Mr Peter Gordon Hepburn-Brown – Geological services	(ii)	-	19,500

i) Provision of geological consulting and tenement management services as well as general company management services at normal commercial rates.

ii) Provision of geological consulting services at normal commercial rates.

8 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 are not provided for in the financial report and are payable as follows:

	31 December 2009 $	30 June 2009 $
Within one year	**253,693**	253,693
One to five years	**452,099**	578,946
Later than five years	-	-
	705,792	832,639

Genesis Resources Limited

Directors' declaration

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

(a) the financial statements and notes, set out on pages 3 to 10, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's financial position as at 31 December 2009 and of its performance for the six month period ended on that date; and

(ii) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Mr P Kastellorizos
Director

Dated at Monday this 15th day of March 2010

Grant Thornton

10 Kings Park Road
West Perth WA 6005
PO BOX 570
West Perth WA 6872

T +61 8 9480 2000
F +61 8 9322 7787
E admin@gtwa.com.au
W www.grantthornton.com.au

Independent Auditor's Review Report
To the Members of Genesis Resources Limited

We have reviewed the accompanying half-year financial report of Genesis Resources Limited (the Company), which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 Engagement ASRE 2410: Review of Interim and Other Financial Reports 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 financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Company's financial position as at 31 December 2009 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.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

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:

1 giving a true and fair view of the Company's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and

2 complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Grant Thornton Audit Pty Ltd

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J W VIBERT
Director – Audit and Assurance Services

Perth, 15 March 2010