

Genesis Resources Limited is an Australian company with a portfolio (over 1,877 km²) of quality iron, manganese, gold and base metal projects in the highly prospective Proterozoic and Palaeozoic metallogenic provinces of Australia

The Company has prospective high grade manganese projects at Mount Millar near Gladstone in Queensland and at McArthur River in the Northern Territory.

Genesis also has a Joint Venture over the Plavica Project: an advanced project within Macedonia. The Plavica Project is highly prospective for gold, copper, silver, lead and zinc mineralisation.

Genesis is an exploration company committed to the creation of shareholder value through successful mineral exploration and development.

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ASX Code: GES

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ASX ANNOUNCEMENT

13 May 2011

Environmental Authority granted

Mount Millar Manganese Project

Genesis Resources Limited (ASX: GES, "Genesis" or "the Company") is pleased to announce that an Environmental Authority (number MIN201115110) has been granted for the Company's Mining Lease Application at the Mount Millar Mine near Gladstone in Queensland.

- **Environmental Authority granted for Mount Millar Mine**
- **Drilling program being planned to define high grade manganese reserves**

The application for an Environmental Authority (Mining Lease) Non-Code Compliant Level 2 Mining Project – Mount Millar Mine was lodged with the Queensland Department of Environment and Resource Management in February 2010 and, following representations at the Land Court of Queensland, all objections to mining at Mount Millar were recently withdrawn and the Environmental Authority (Mining Lease) granted.

This now enables a Mining Lease to be granted subject to establishment of appropriate compensation agreements with landowners and compliance with Standard Environmental Conditions.

Based on the granting of the Environmental Authority and recent reviews and site visits to the former Mount Millar Manganese Mine, a diamond core drilling program is being planned to define the mineable reserves of high grade 40-50% Mn and assist with mine planning.

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Mount Millar Project (GES 100%)

The Gladstone-Mount Millar Project consists of Exploration Licence (EPM15771) and Mining Lease Application (MLA80166) and is located approximately 15 kilometres by road from the port of Gladstone on the east coast of central Queensland.

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% MnO₂.

In 1915, the Geological Survey of Queensland undertook a review of the historical mining activities over the Mount Millar Manganese Mine. Through estimation of the ore reserves in the various parts of the mine it was concluded that over 35,000 tonnes of high grade manganese was still available for mining and extraction.

In 2009, Genesis contracted a study to complete a 3D model of the existing data over Mount Millar. Based on the 3D Model combined with the 1915 estimates, the total amount of ore remaining is estimated to represent an Exploration Target (**) of 35,000t to over 206,000t at an average grade of 35-50% Mn with the mineralisation still open at depth.

For further information, please contact:

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Information in this report that relates to exploration activity and results was compiled by Dr A John Parker who is a Member of the Australasian Institute of Geoscientists. Dr Parker is a non-executive director of Genesis Resources Limited and has sufficient experience relevant to the styles of mineralisation and to the activities which are being reported to qualify as a Competent Person as defined by the JORC code, 2004. Dr Parker consents to the release of the information compiled in this report in the form and context in which it appears.

*** It is emphasized that exploration target tonnage estimates given in this report are entirely conceptual in nature. There has been insufficient drilling in the immediate areas of these targets and it is uncertain if further exploration will result in the estimation of a Mineral Resource.*

