GENESIS RESOURCES LTD

Genesis Resources Limited is an Australian company with a portfolio (over 1,501 km^2) of quality iron, manganese, gold and base metal projects in the highly prospective Proterozoic and Palaeozoic metallogenic provinces of Australia.

Genesis has also signed a Joint Venture over the Plavica Project: an advanced project within Macedonia. The Plavica Project is highly prospective for gold, copper, silver, molybdenum, 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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Directors and Management

Mr Eddie Pang	Chairman
Mr Peter Kong	Managing Director
Dr John Parker	Non-Executive Director
Mr Patrick Volpe	Non-Executive Director
Deric Wee	Non-Executive Director
Mr John Zee	Non-Executive Director
Ms Sophie Karzis	Company Secretary

ASX Code: **GES**

Issued Capital: **79,621,128 shares**

ASX ANNOUNCEMENT

30 May 2012

JORC Inferred Resource for the Plavica Project

Following on from Genesis Resources Limited (ASX: GES, “Genesis” or “the Company”) Strategic Plan announcement of 14th May 2012, the Board is pleased to update shareholders and investors, of the results of its gold equivalent JORC-compliant Inferred Mineral Resource estimate based on three different Au cut off grades for the ***Plavica Project*** located in the (FY) Republic of Macedonia (“Macedonia”).

The Inferred Resource has now been recalculated to include copper and silver as a gold equivalent and now estimates the ***Inferred Resource to be 3.66 million ounces of gold at 0.75 g/t Au*** at a cut off of 0.5 g/t Au or ***6.37 million ounces gold equivalent at 1.31 g/t AuEq*** including copper and silver.

Highlights:

Gold Domain – based on 0.5 g/t Au cutoff:

- Gold resource estimate of 3.66 million ounces Au
- 151 million tonnes at an average grade of 0.75 g/t Au, 11.43 g/t Ag and 0.24% Cu
- Gold equivalent grade of 1.31 g/t AuEq (or 6.37 million ounces) including copper and silver.

Gold Domain – based on 0.75 g/t Au cutoff:

- Gold resource estimate of 1.86 million ounces Au
- 55.5 million tonnes at an average grade of 1.04 g/t Au, 11.26 g/t Ag and 0.23% Cu
- Gold equivalent grade of 1.58 g/t AuEq (or 2.82 million ounces) including copper and silver.

Gold Domain – based on 1.0 g/t Au cutoff:

- Gold resource estimate of 1.07 million ounces Au
- 27.2 million tonnes at an average grade of 1.23 g/t Au, 11.87 g/t Ag and 0.22% Cu
- Gold equivalent grade of 1.77 g/t AuEq (or 1.55 million ounces) including copper and silver.

Silver Domain – based on 20 g/t Ag cutoff

- 22.64 million tonnes at an average grade of 29.7 g/t Ag, 0.59 g/t Au and 0.26% Cu

<u>Copper Domain – based on 0.4% Cu cutoff</u>

- 7.98 million tonnes at an average grade of 0.43% Cu, 0.41 g/t Au and 9.53 g/t Ag
- Copper equivalent grade of 0.81% CuEq including gold and silver.

Eddie Pang, Chairman, reported:

"These further results which now include copper and silver to define a gold equivalent grade for different cutoff values within the Plavica Inferred Resource further emphasize the value of this important world class asset and give a range of potential development scenarios.

Genesis is now planning a major exploration and development program to progress this project through to a definitive or bankable feasibility study. The next steps in this program, to be initiated this year, include a scoping or prefeasibility study and further drilling to confirm the resource estimate, define indicated and measured resources and to explore extensions to the orebody not previously drilled.

This is an exciting period for Genesis, and the Company is currently establishing a technical team to undertake the work outlined above."

The Plavica Project

The Plavica Project is located in the Kratovo District in the north-east of Macedonia and is situated approximately 65km to the east of the Macedonian capital, Skopje. The project comprises seven exploration concessions covering an area of 184.94 square kilometres.

Genesis signed a joint venture agreement with RIK Sileks AD Kratovo in December 2007 over the Plavica and Crn Vrv concessions which were granted by the Macedonian Ministry of Economics in April 2010. Genesis holds the rights to acquire a 62% participating interest in the Plavica Project under the joint venture agreement by sole funding exploration on the project to completion of a final feasibility study. Genesis is manager of the joint venture with overall responsibility for operations.

Geological Setting

The Plavica Project is located within an intermediate volcanic complex in the Kratovo-Zletovo region of northeast Macedonia. It represents the remains of a volcanic caldera which covers an area of approximately 20 square kilometres. A series of NW- and NE-trending faults cut across the structure, some of which host epithermal gold mineralisation and lead-zinc mineralisation.

In addition, sub-vertical vughy silica bodies that can be traced to approximately 100-150m depth, run along the crests of ridges in a horseshoe shaped morphology surrounding the main Plavica resource.

The dimensions of the Plavica resource area as defined by historic drilling is over 1.5km in length and 500m in width with mineralisation delineated to a depth of 800m from the surface. The project is the site of historic mining activity extending back to Roman times but most recently by British Selection Mines during the 1930s. More recently the Plavica Project has been the subject of substantial exploration by the Yugoslav Government, Rio Tinto, European Minerals and Genesis Resources, confirming the significant potential of the project.

Mineral Resource Estimate

The resource estimate has been generated by Mr Alfred Gillman of Odessa Resources Pty Ltd in compliance with the guidelines of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2004). The resource estimate has been prepared using historic diamond drilling data in addition to the recent drilling data produced from the Genesis exploration programme that was completed in 2011.

The resource estimate is based on the results of 108 diamond drill holes, totalling 34,408 metres. The resource has been classified as an Inferred Resource due primarily to the 100 x 100m drill spacing of the majority of historic holes.

A total of 8,043 gold assays and 12,845 silver and 15,707 copper results were used in the grade estimation. It should be noted that complete assay information for all three elements is not consistently available for all holes and that the historic sampling and assaying were not completed in a manner that provided consistent gold, silver and copper determinations for all samples. Assay methodology for the drilling completed by Genesis involved fire assay and ICP-MS methods for gold and other elements respectively.

Wireframes for the Plavica resource model were constructed by producing grade domains or iso-surfaces using Leapfrog modelling software. The resource wireframe for gold is defined by a 0.2 g/t Au iso-surface and wireframes were constructed in a similar way from grade iso-surfaces for Ag and Cu.

The resource wireframes form a complex east-west trending mineralised zone that dips approximately 45^0 towards the south.

Within the constraining domains defined by the wireframes, grades were interpolated using the inverse distance squared method using assay data composited to 1m. Following univariate statistical analysis of the composited assay data, top cuts of 2.5 g/t Au, 50 g/t Ag and 0.5% Cu were applied prior to grade interpolation.

A conservative bulk density of 2.4 g/cm^3 was used for the tonnage calculations in the absence of any relevant data. No mining, metallurgical, marketing, economic or environmental studies are or have been considered to determine the economic viability of the project, particularly the relevant economic factors concerning mining along the estimated strike and depth of the resource.

The tabulated resource estimate is split into three commodities and is reported on an estimated in-situ grade and tonnage basis (Tables 1 and 2).

Table 1: Classified summary Joint Ore Reserves Committee (“JORC”) resource statement for the Plavica Project, with grade and tonnage reported separately for gold (Au), silver (Ag) and copper (Cu) based on domains established for each element individually.

Element	Cut Off (ppm)	Tonnes	Grade	Au (oz)	Ag (oz)	Cu (kg)	Classification
Au*	0.75	55,465,647	1.0 g/t	1,858,611			Inferred
Ag**	20	22,638,978	29.7 g/t		21,614,007		Inferred
Cu***	4,000	7,975,180	0.43%			33,921,304	Inferred

* *reported from within the gold defined domain*

** *reported from within the silver defined domain*

*** *reported from within the copper defined domain*

Table 2: Classified Joint Ore Reserves Committee ("JORC") Inferred Resource statement for the Plavica Project but including Au, Ag and Cu grades and gold equivalents (AuEq) for each of the gold, silver and copper (Cu) domains noted above and for additional cutoff values.

Gold Domain								
Cut Off	**Tonnes**	**Grade (g/t Au)**	**Ounces Au**	**Grade (g/t Ag)**	**Ounces Ag**	**Grade (% Cu)**	**kg Cu**	**AuEQ Grade (g/t) #**
0.5 g/t	151,046,457	0.75	3,662,333	11.43	55,486,281	0.24	360,133,182	1.31
0.75 g/t	55,465,647	1.04	1,858,611	11.26	20,072,713	0.23	127,237,533	1.58
1.0 g/t	27,170,206	1.23	1,072,328	11.87	10,368,822	0.22	60,782,612	1.77
Silver Domain								
15 g/t	34,766,222	0.55	619,881	25.26	28,232,352	0.25	86,800,803	1.37
20 g/t	22,638,978	0.59	431,780	29.70	21,614,007	0.26	58,590,013	1.50
Copper Domain								
3000 ppm	39,066,271	0.43	538,727	8.81	11,063,735	0.36	138,955,380	1.11
4000 ppm	7,975,180	0.41	105,348	9.53	2,443,870	0.43	33,921,304	1.21

 # The Gold Equivalent is based on gold (US$1,587 per ounce), silver (US$28 per ounce) and copper (US$7,600 per tonne) prices as at 20 May 2012. The gold equivalent calculation represents the total metal value for each metal, multiplied by a price-based conversion factor, summed and expressed in equivalent gold grams per tonne (AuEq g/t = (Au g/t + (Ag g/t * Ag$/oz / Au$/oz) + (Cu% * 10000 * (Cu$/t / 1000000) / (Au$/oz / 31.1035)). These results are exploration results only and no allowance is made for recovery losses that may occur should mining eventually result nor for metallurgical flowsheet considerations. Nevertheless, it is the Company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered. The gold equivalent calculation is intended as an indicative value only.

In a similar way to the calculation for gold equivalence outlined above, the copper equivalence for the copper domain in Table 2 is 0.81% CuEq for 4000 ppm Cu cutoff including gold and silver (note comments above in regard to no allowance for recovery losses nor for flowsheet considerations). Copper equivalence is intended as an indicative value only.

For further information, please contact:

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The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr. Alfred Gillman who is a fellow of the Australasian Institute of Mining and Metallurgy. Mr. Gillman is a consultant to Genesis Resources Limited and has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration and to the subject matter of the report to qualify as Competent Person and defined in the 2004 edition of the Australasian Code for the Reporting of Exploration Results Mineral Resources and Ore Reserves (JORC Code). Mr. Gillman consents to the inclusion in the report of the matters based on his information in the form and context in which they occur.