



GENESIS

RESOURCES LTD

Genesis Resources Limited is an Australian company with a portfolio (over 1,501 km²) 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.

Registered Office

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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

29 June 2012

Letter to Shareholders

Genesis Resources Limited's response to Clancy Exploration Limited's Supplementary Bidder's Statement dated 26 June 2012

Dear Shareholders

After considering the points raised by Clancy Exploration Limited (**Clancy**) in its Supplementary Bidder's Statement in response to Genesis Resources Limited's (**Genesis** or the **Company**) Target's Statement dated 14 June 2012, the Board continues to maintain **its recommendation that shareholders REJECT Clancy's inadequate and unsolicited offer.**

This recommendation to reject Clancy's inadequate and unsolicited offer is supported by the Independent Expert, who concluded that Clancy's offer is **neither fair NOR reasonable to Genesis shareholders.**

The Independent Expert has valued Genesis in a range of between \$0.225 and \$0.395 a share, with a preferred value of \$0.305 a share. Clancy's offer of 3 Clancy shares for every 1 Genesis share values each Genesis share at \$0.06 (based on \$0.02 for each Clancy share as at 28 June 2012). As at 28 June 2012 this undervalues GES shares by more than \$0.24 per share (\$0.305 less \$0.06).

The Supplementary Bidder's statement has not improved the value of the offer or made it any less conditional. **Therefore, the Genesis Board reaffirms its recommendation that you REJECT Clancy's inadequate and unsolicited offer. To REJECT Clancy's offer, simply DO NOTHING.**

The Board has developed a strategic plan to extract the full potential value of the Plavica Project. This strategic plan was set out in an ASX announcement on 14 May 2012 and in the Target's Statement. Shareholders should note that a scoping study consultant will be appointed very soon and in-fill drilling is expected to commence shortly after that. All these activities should assist in extracting the full potential value of the Plavica Project and lead towards obtaining a final feasibility study.

The Board of Genesis is very capable and experienced in raising funds. This is proven by the successful completion of the recent rights issue. The philosophy of the Genesis Board to date has been to raise funds when they are needed. This prudent approach has enabled Genesis to keep its issued share capital to 79.6 million shares to date. The Genesis Board has always kept the best interest of its shareholders in mind when pricing and structuring capital raisings in order to make them available to all shareholders. The Genesis Board acknowledges that the company needs to raise further funds in order to progress the Plavica Project and its other projects.

The Genesis Board is in the process of recruiting an experienced technical team to assist the company in extracting the full potential value of the Plavica Project. The Board remains very mindful of avoiding unnecessary overheads and accordingly not employing excessive resources. Previously a need for such a team was not required, but there is now such a need in order for Genesis to aggressively explore and develop the Plavica Project.

The Board will keep shareholders informed of these appointments as and when they are made.

IN CONCLUSION, THE GENESIS BOARD REAFFIRMS ITS RECOMMENDATION THAT SHAREHOLDERS REJECT CLANCY'S INADEQUATE AND UNSOLICITED OFFER.

For more information, please contact either of the Directors below:

Yours sincerely

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