



ASX Release
GENESIS RESOURCES LIMITED
(ASX:GES)

19 September 2013

Genesis secures \$3M loan facility

Genesis Resources Limited (**Genesis** or the **Company**) is pleased to advise that it has secured a loan facility of \$3 million, under a loan facility agreement entered into with an unrelated Malaysian based financing company (**Agreement**).

The loan facility provides Genesis to immediate access to \$3 million in cash available upon draw down at Genesis' discretion, in whole or in part, and in any number of tranches. Whilst the Company is not obligated to use the loan facility, Genesis intends to draw down \$1 million under the facility early next week in order to facilitate its cash flow requirements.

The key terms of the Agreement are summarised as follows:

1. **Interest and security** – The loan facility is unsecured and any amounts drawn down will bear interest at a rate of 8% per annum.
2. **Facility fee** – There is no facility fee payable by Genesis.
3. **Pre-payment** – Genesis may, at its election, pre-pay amounts owing under the loan facility at any time without incurring pre-payment penalties.
4. **Repayment date** – Interest will accrue and will be payable by Genesis on the repayment date (being the first anniversary of the first draw down date) (**Repayment Date**), along with all other outstanding amounts payable by Genesis under the Agreement.
5. **Repayment and discretionary conversion** – The drawn down principal amount is payable by Genesis on the Repayment Date, but only to the extent that the Company has sufficient funds in excess of its working capital requirements, as determined by Genesis' Board in its reasonable discretion. In the event that the Board determines that Genesis does not have funds in excess of its working capital requirements on the Repayment Date, the parties are obliged to negotiate in good faith to extend this date. Alternatively, the parties may agree that the loan amounts outstanding will convert into Genesis shares, and that interest accrued will be similarly capitalised and paid out in Genesis shares. In this event the conversion price will be agreed upon at the time of conversion, subject to a floor price of the 30 day VWAP of Genesis shares traded on ASX immediately prior to conversion. Any conversion will be subject to the Corporations Act and the ASX Listing Rules.

The Board is pleased at having secured access to a \$3 million facility on terms which it considers to be favourable, and is optimistic that Genesis' improved cash flow will enable the Company to support and bolster its ongoing drilling program at its Plavica Project in Macedonia.

-Ends

For further information, please contact:

Sophie Karzis

Company Secretary

Genesis Resources Limited

T: +61 3 9286 7501

M: 0409 540 827

E: sk@ccounsel.com.au