



## GENESIS RESOURCES LIMITED

(ASX: GES)

12 August 2016

### Pro-Rata Non-Renounceable Rights Issue

- 1-for-3 pro-rata non-renounceable rights issue at an issue price of \$0.03 per share to raise up to \$3,848,853.86
- Partially underwritten up to \$2,000,000.00, with shortfall facility to enable applications for additional shares
- Funds raised to finance the Company's ongoing drilling and exploration programs at its Plavica Project

### Overview of the Offer

Genesis Resources Limited (**Genesis** or the **Company**) is pleased to announce a pro-rata non-renounceable rights issue (**Offer**) to eligible shareholders, on the basis of 1 new share for every 3 Genesis shares held as at 7:00pm (Melbourne time) on Wednesday 17 August 2016 (**Record Date**).

Pursuant to the Offer, the Company will issue up to 128,295,129 fully paid ordinary shares in the capital of the Company (**New Shares**) at an issue price of \$0.03 each, to raise up to \$3,848,853.86 (before costs). The entitlement to subscribe for New Shares under the Offer will be non-renounceable.

### Eligibility to participate

The Offer will be made to all registered holders of ordinary shares in the Company with a registered address in Australia, New Zealand, Hong Kong, Malaysia or Singapore as at the Record Date (**Eligible Shareholders**).

The Company has determined that it would be unreasonable to extend the Offer to shareholders with a registered address outside Australia, New Zealand, Hong Kong, Malaysia or Singapore (**Ineligible Shareholders**) having regard to:

- the small number of shareholders with addresses in such other countries;
- the number and value of the shares they hold; and
- the cost to the Company of complying with applicable legal and regulatory requirements in such other countries.

### Dispersion strategies

The Offer will be partially underwritten by S Active Holding Sdn Bhd (**Underwriter**) up to an amount of \$2,000,000.00. There will also be a shortfall facility which will enable Eligible Shareholders to subscribe for shares in addition to their Entitlement (**Shortfall Facility**). In the event that following the close of the Offer a shortfall remains after additional shares are issued under the Shortfall Facility and underwritten shares are issued to the Underwriter (and any sub-underwriters), the Directors reserve the right to place such shortfall shares at their discretion with persons interested in subscribing for shares in the Company within 3 months of the close of the Offer (**Shortfall Placement**).

## New Shares issued under the Offer

The number of issued shares at the date of this announcement and the maximum total number of issued shares following the Offer are as follows:

Event	Number of Shares
Shares currently on issue	384,885,386
Maximum New Shares issued pursuant to the Offer	128,295,129
<b>Maximum total shares on issue after completion of the Offer</b>	<b>513,180,515</b>

The New Shares issued under the Offer will be fully paid and will rank equally with the Company's existing Shares on issue. The Company will make an application to the ASX for official quotation of the New Shares.

## Purpose of the Offer

As announced to the market on 12 May 2015, Silgen Resources International Ltd, Kratovo (**Silgen**), the joint venture company owned by the Company and its joint venture partner RIK Sileks AD Kratovo (**Sileks**) in 62% and 38% proportions respectively, has been granted a 30 years exploitation (mining) licence for the Plavica tenement (**Licence**).

As the joint venture party responsible for managing the Plavica Project, the Company is seeking to raise capital under the Offer to meet its obligations under its joint venture agreement with Sileks to undertake infill and extensional drilling and complete a feasibility study in respect of the exploitation licence area (as required to obtain funding for mine development) and for general working capital purposes. Genesis expects to complete the proposed infill and extensional drilling and the feasibility study within 2.5 years of the JV Company being granted the exploitation licence, and has agreed to commit up to US\$7.5M for such activities.

## Offer timetable

EVENT	DATE (2016)
Announcement of the Offer	Pre-market Friday 12 August
Lodgement of the following documents with ASX: <ul style="list-style-type: none"><li>• an Appendix 3B;</li><li>• this Offer Document; and</li><li>• a cleansing notice under section 708AA(2)(f) of the Corporations Act</li></ul>	Pre-market Friday 12 August
Notice sent to Shareholders containing ASX Appendix 3B details and indicative timetable	Monday 15 August
"Ex" date where the Company's existing shares will commence trading without the entitlement to participate in the Offer	Tuesday 16 August
Record date to determine Entitlements under the Offer	7.00pm (Melbourne time) Wednesday 17 August
Opening Date for the Rights Issue	Monday 22 August
Mailing of Offer Document and Entitlement and Acceptance Form to Eligible Shareholders	
Last day to extend Rights Issue Closing Date	Tuesday 13 September
Closing Date for the Rights Issue	5.00pm (Melbourne time) Friday 16 September

Shares quoted on a deferred settlement basis	Monday 19 September
ASX notified of under subscriptions	Wednesday 21 September
New Shares for which valid applications have been received and accepted by the Company will be issued	Friday 23 September
Deferred settlement trading ends	Friday 23 September
Normal trading of New Shares on ASX expected to commence	Monday 26 September
Deadline for placement of remaining shortfall	Friday 16 December

This timetable is indicative only and subject to change. Subject to the *Corporations Act 2001* (Cth) and the ASX Listing Rules, the Board reserves the right to vary these dates, including the closing date of the Offer, without prior notice.

The Company also reserves the right not to proceed with the whole or part of the Offer at any time prior to the issue date. In that event, application monies will be refunded in full without interest.

Full details of the terms and conditions of the Offer will be contained in the Offer document to be lodged with ASX and despatched to Eligible Shareholders in accordance with the timetable set out above.

**-ENDS**

For further information, please contact:

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