

Quarterly Activities Report – December 2016

HIGHLIGHTS

Plavica Au-Ag-Cu Project

- The Company released a JORC 2012 compliant resource statement over Plavica during the quarter ended 31 December 2016 (**Quarter**) which included maiden resource results for Maricanski Rid. The total gold resource was 65.8 MT at 0.70 g/t Au containing **1.46 Million Ounces of Gold**. The resource also contained 107 kT of contained copper and 11.1 Million Ounces of Silver. The full report can be seen on the Genesis website.
- The extensional and infill drilling program continued at Plavica and Maricanski Rid. A total of 20 core holes were drilled for a total of 3,177.6m and 30 RC holes were also drilled for 3,419m. This drilling is to increase the confidence in the resource and get most of it into the 'indicated' category.
- Drilling at the eastern and western ends of Maricanski Rid continue to return significant results including:
 - ❖ **MRRC015: 53m @ 1.49 g/t Au from 43m from the eastern end of the Maricanski Rid prospect.**
 - ❖ **MRDD050: 34m @ 1.13 g/t Au from 0m from the western end of the Maricanski Rid prospect.**

These above results are not included in the Resource model.

EXPLORATION & DEVELOPMENT PROGRESS DURING THE QUARTER

REPUBLIC OF MACEDONIA

PLAVICA HIGH SULPHIDATION EPITHERMAL GOLD-COPPER-SILVER PROJECT (*Figures 1 & 2*)

Following the granting of the 30-year Exploitation Licence at Plavica in May 2015, drilling has since focussed on extending and better understanding the previously known mineralisation at both the Plavica and Maricanski Rid prospects with a focus on the oxide gold potential.

As announced to the market on the 19th of December 2016, a JORC 2012 compliant resource was released for the Plavica project. The total Indicated and Inferred Mineral Resources as at November 2016 are estimated at 65.8 million tonnes (MT) at 0.70 grams per tonne of gold (g/t Au) containing **1.46 million ounces of gold**. Contained within this total resource is 31.7 MT @ 0.77 g/t Au for 781,000 Au ounces of oxide and transitional (Pox) material from both the Plavica and Maricanski Rid deposits.

The resource estimate follows a series of reverse circulation and diamond drilling campaigns completed to define mineralisation along both the main Plavica ridge and Maricanski Rid. Mineralisation is continuous for over 1km at Plavica and 700m at Maricanski Rid and has been drilled to depths of over 300m. The Resource at Plavica remains open along strike to the east and at Maricanski Rid to the east and west.

Resource estimations were also completed for silver (11.1 million ounces) and copper (107 kT contained copper) within the Primary unoxidized material at Plavica.

The Resource represents a major milestone for the Company and work has begun on completing a Pre-Feasibility Study. Golder Associates have been contracted to complete this work.

Also during the Quarter, drilling has continued at both of these prospects using one core rig and one Reverse Circulation (RC) rig with the aim of upgrading the Inferred Resources at Plavica and Maricanski Rid to 'indicated' status. Results were returned for some of these holes whilst other results are pending. A total of 20 core holes were drilled for a total of 3,177.6m and 30 RC holes were also drilled for 3,419m. Drilling at the eastern and western ends of Maricanski Rid continue to return significant results including:

- ❖ **MRRC015: 53m @ 1.49 g/t Au from 43m from the eastern end of the Maricanski Rid prospect.**
- ❖ **MRDD050: 34m @ 1.13 g/t Au from 0m from the western end of the Maricanski Rid prospect.**

These results are not included in the Resource statement.

In addition, results were received for many of the holes drilled in the September Quarter (Table 2). These results are also

not included in the Resource statement and highlights include:

- ❖ **MRDD035: 80m @ 1.00 g/t Au from 43m.**
- ❖ **PNDD087: 17m @ 0.43 g/t Au, 1.72% Cu & 17.6 g/t Ag from 239m.**

All drill collar locations drilled this Quarter are shown in Tables 1 and 2 and Figure 2. Composites from results received this Quarter are shown in Tables 3, 4 5 and 6. A section from Maricanski Rid showing holes MRDD035 and MRRC015 is shown as Figure 3.

Genesis expects to complete a feasibility study before December 2017, and has agreed to commit up to US \$7.5m for these activities.



Figure 1 (above) Location of the Plavica Gold-Copper-Silver Project, Republic of Macedonia.

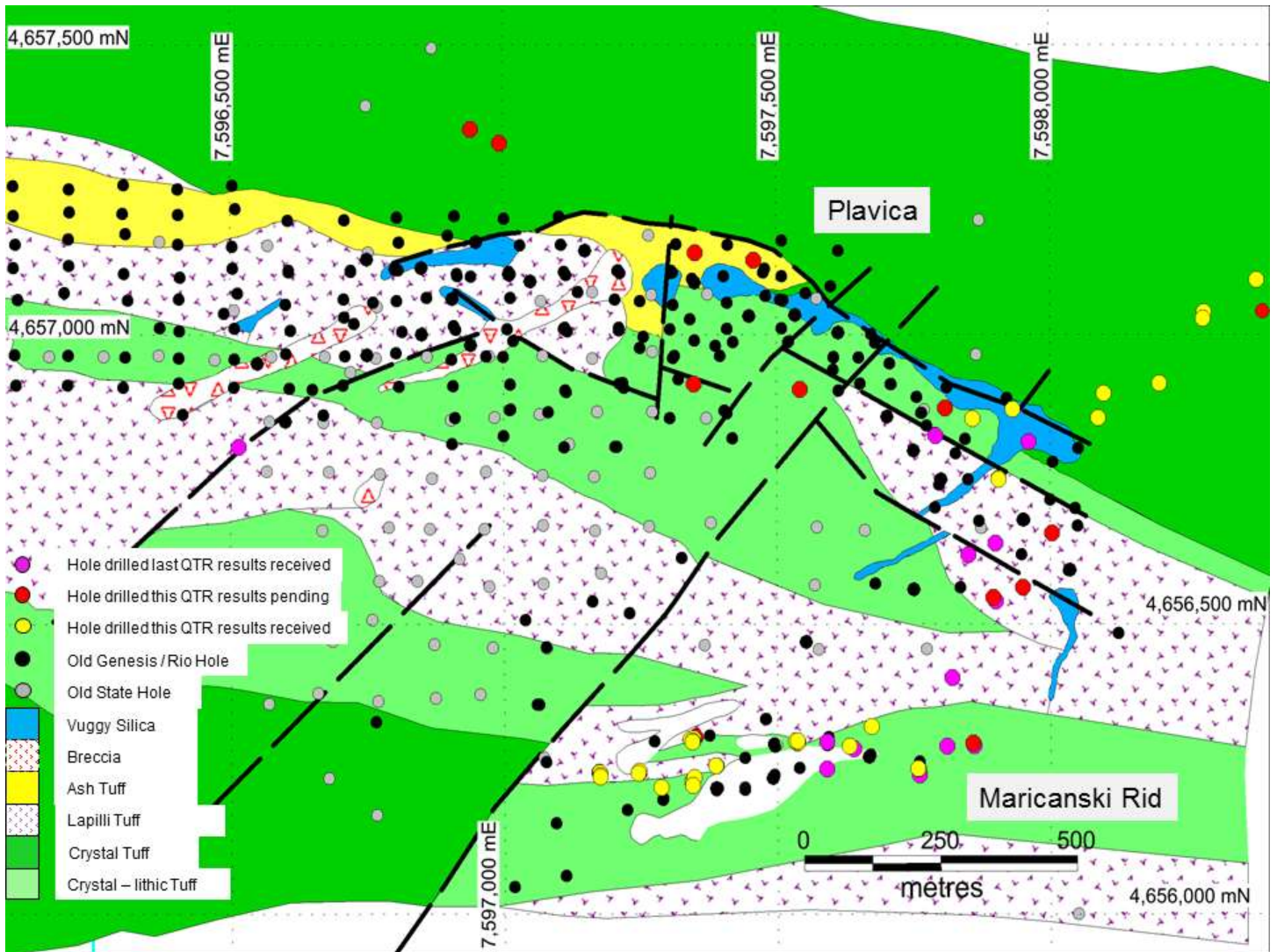


Figure 2 Location of Holes drilled or assays reported, QTR 4 2016, Plavica Project. Gauss Kruger Co-ordinate System.

Prospect	Hole ID	Type	Depth	Dip	Azi Mag	East_GK	North_GK	RL m	Comments
Plavica	PNDD089	DD	227.8	-65	4	7597896.06	4656546.17	1223.35	Results Pending
Plavica	PNDD090	DD	191.5	-50	4	7598003.03	4656657.34	1255.29	Results Pending
Plavica	PNDD091	DD	264.7	-45	4	7597542.96	4656905.40	1187.16	Results Pending
Plavica	PNDD092	DD	314.1	-45	4	7597348.17	4656914.70	1145.00	Results Pending
Plavica	PNDD093	DD	233.3	-60	4	7597950.13	4656563.29	1234.51	Results Pending
Plavica	PNRC111	RC	150.0	-50	4	7597905.74	4656751.35	1255.89	Results Received
Plavica	PNRC112	RC	140.0	-70	4	7597905.55	4656750.19	1255.96	Results Received
Plavica	PNRC113	RC	130.0	-50	4	7598379.22	4657094.52	1281.07	Results Received
Plavica	PNRC114	RC	120.0	-50	4	7598282.59	4657038.55	1279.12	Results Received
Plavica	PNRC115	RC	120.0	-50	184	7598281.16	4657027.49	1279.46	Results Received
Plavica	PNRC116	RC	150.0	-50	4	7598200.98	4656915.78	1289.41	Results Received
Plavica	PNRC117	RC	60.0	-50	4	7598088.35	4656855.81	1294.52	Results Received
Plavica	PNRC118	RC	150.0	-50	4	7598099.11	4656898.27	1294.02	Results Received
Plavica	PNRC119	RC	130.0	-50	4	7597932.14	4656871.13	1291.71	Results Received
Plavica	PNRC120	RC	150.0	-50	4	7597858.89	4656854.44	1264.08	Results Received
Plavica	PNRC121	RC	100.0	-50	4	7597808.01	4656873.07	1252.91	Results Pending
Plavica	PNRC122	RC	80.0	-60	360	7597458.49	4657128.40	1199.01	Results Pending
Plavica	PNRC123	RC	132.0	-50	4	7597351.09	4657140.97	1188.01	Results Pending
Plavica	PNRC124	RC	120.0	-55	40	7596993.96	4657330.49	1154.73	Results Pending
Plavica	PNRC125	RC	120.0	-55	40	7596940.95	4657354.65	1145.33	Results Pending
Plavica	PNRC126	RC	102.0	-50	4	7595241.16	4656932.88	1022.69	Results Pending

Table 1 Details of Holes drilled, QTR 4 2016, Plavica Prospect. Gauss Kruger Co-ordinate System.

Prospect	Hole ID	Type	Depth	Dip	Azi Mag	East_GK	North_GK	RL m	Comments
Maricansi Rid	MRDD040	DD	170.0	-45	4	7597286.96	4656218.66	1170.09	Results Received
Maricansi Rid	MRDD041	DD	62.3	-45	4	7597340.12	4656302.21	1170.19	Results Received
Maricansi Rid	MRDD041A	DD	94.0	-45	4	7597345.32	4656302.44	1170.45	Results Received
Maricansi Rid	MRDD042	DD	101.0	-45	5	7597344.02	4656229.36	1186.48	Results Received
Maricansi Rid	MRDD043	DD	150.9	-45	184	7597343.35	4656227.36	1186.50	Results Received
Maricansi Rid	MRDD044	DD	157.3	-50	184	7597387.51	4656256.09	1193.00	Results Received
Maricansi Rid	MRDD045	DD	134.0	-45	4	7597534.96	4656297.72	1205.10	Results Received
Maricansi Rid	MRDD046	DD	133.9	-45	184	7597535.56	4656295.60	1204.99	Results Received
Maricansi Rid	MRDD047	DD	124.0	-45	184	7597758.07	4656250.27	1190.56	Results Received
Maricansi Rid	MRDD048	DD	161.2	-55	4	7597757.43	4656251.23	1190.56	Results Received
Maricansi Rid	MRDD049	DD	169.1	-45	4	7597173.54	4656245.62	1130.42	Results Received
Maricansi Rid	MRDD050	DD	135.7	-65	4	7597173.69	4656244.22	1130.35	Results Received
Maricansi Rid	MRDD051	DD	92.4	-60	4	7597246.34	4656245.73	1155.62	Results Received
Maricansi Rid	MRDD051A	DD	154.1	-60	4	7597246.72	4656246.67	1155.58	Results Received
Maricansi Rid	MRDD052	DD	106.4	-65	184	7597537.26	4656295.94	1205.13	Results Pending
Maricansi Rid	MRRC018	RC	102.0	-60	204	7597244.32	4656242.98	1155.50	Results Received
Maricansi Rid	MRRC019	RC	126.0	-90	330	7597345.01	4656297.97	1170.31	Results Received
Maricansi Rid	MRRC020	RC	127.0	-60	184	7597343.68	4656296.91	1170.20	Results Received
Maricansi Rid	MRRC021	RC	120.0	-90	346	7597347.49	4656235.95	1186.21	Results Received
Maricansi Rid	MRRC022	RC	98.0	-65	184	7597344.89	4656222.30	1186.37	Results Received
Maricansi Rid	MRRC023	RC	120.0	-70	4	7597386.82	4656255.83	1192.99	Results Received
Maricansi Rid	MRRC024	RC	6.0	-65	4	7597533.10	4656298.93	1204.86	Results Received
Maricansi Rid	MRRC024A	RC	100.0	-65	4	7597536.15	4656298.94	1204.89	Results Received
Maricansi Rid	MRRC025	RC	132.0	-90	343	7597631.92	4656289.65	1203.74	Results Received
Maricansi Rid	MRRC026	RC	120.0	-90	356	7597672.00	4656324.00	1206.00	Results Received
Maricansi Rid	MRRC027	RC	90.0	-90	24	7597174.89	4656239.95	1130.31	Results Received
Maricansi Rid	MRRC028	RC	72.0	-50	184	7597174.80	4656237.14	1130.26	Results Received
Maricansi Rid	MRRC029	RC	120.0	-90	75	7597858.16	4656295.45	1201.55	Results Pending
Maricansi Rid	MRRC030	DD	132.0	-65	4	7597349.22	4656305.30	1170.70	Results Pending

Table 2 Details of Holes drilled, QTR 4 2016, Maricansi Rid Prospect. Gauss Kruger Co-ordinate System.

Hole_ID	From	To	Interval	Au g/t	Ag g/t	Cu %
PNDD082	16	22	6	0.79	3.19	0.02
PNDD082	32	38	6	0.61	16.24	0.02
PNDD082	68	106	38	0.96	4.19	0.30
PNDD082	118	122	4	0.42	9.48	0.15
PNDD082	214	217	3	0.92	1.36	0.03
PNDD083	4	10	6	0.70	15.67	0.02
PNDD083	15	37	22	0.76	15.75	0.04
PNDD083	43	62	19	0.55	8.98	0.15
PNDD083	68	71	3	0.46	1.20	0.01
PNDD083	81	87	6	0.55	11.31	0.47
PNDD083	134	147	13	1.33	66.11	0.03
PNDD083	191	197	6	1.49	3.07	0.01
PNDD083	236	248	12	3.79	4.43	0.01
PNDD083	264	272	8	1.26	3.94	0.01
PNDD083	292	296	4	0.56	2.34	0.02
PNDD084	7	64	57	0.46	6.49	0.07
PNDD084	68	77	9	0.56	4.55	0.31
PNDD084	283	288	5	0.45	0.27	0.04
PNDD085	0	22	22	0.67	23.47	0.02
PNDD085	27	46	19	0.77	33.26	0.01
PNDD085	115	125	10	0.59	54.28	0.03
PNDD085	143	146	3	0.56	8.77	0.02
PNDD086	90	93	3	0.61	5.67	0.05
PNDD086	99	164	65	0.71	9.74	0.03
PNDD086	178	185	7	0.49	28.66	0.78
PNDD086	331	335	4	0.58	0.69	0.03
PNDD086	348	352	4	0.98	10.43	0.15
PNDD086	365	371	6	0.44	2.42	0.15
PNDD086	386	392	6	0.64	1.26	0.02
PNDD087	8	18	10	0.61	1.51	0.02
PNDD087	70	85	15	0.51	21.17	0.03
PNDD087	95	107	12	0.58	32.97	0.08
PNDD087	142	150	8	0.55	17.55	0.82
PNDD088	240	243	3	0.68	4.31	0.25
PNDD088	281	286	5	1.13	4.09	0.17

Table 3 (above): Significant Core Drilling Gold Results received, QTR 4 2016, Plavica Prospect Area. Note some holes were drilled in QTR 3. Compositing done with a 0.4 g/t Au cut-off, minimum 3m interval, maximum 3m internal waste. Core samples are all orientated standard HQ size core split in two using a core saw. Half the core was sampled at 1m intervals and the other half retained for reference purposes. All core was logged and photographed prior to sampling. Samples were sent to SGS Laboratories in Bor, Serbia. Samples were assayed for gold by 30g Fire Assay and other elements by ICP. Standards, Blanks and Duplicates were also submitted for Laboratory Quality Assurance / Quality Control (QA/QC). Intercept widths are not necessarily true widths.

Hole_ID	From	To	Interval	Au g/t	Ag g/t	Cu %
PNRC109	112	148	36	1.49	8.19	0.02
PNRC109	152	156	4	1.16	4.64	0.06
PNRC109	164	168	4	0.53	2.23	0.01
PNRC109	174	204	30	0.97	1.50	0.01
PNRC110	122	144	22	0.52	2.23	0.02
PNRC110	164	172	8	0.41	86.00	0.17
PNRC110	173	178	5	0.68	5.41	0.20
PNRC110	185	189	4	1.17	129.50	0.25
PNRC111	138	142	4	0.64	130.00	0.52
PNRC112	NSI					
PNRC113	47	51	4	1.21	1.75	0.01
PNRC113	64	67	3	0.70	3.00	0.00
PNRC113	81	89	8	0.59	1.75	0.02
PNRC113	125	130	5	0.51	4.60	0.07
PNRC114	75	80	5	0.72	3.80	0.08
PNRC115	NSI					
PNRC116	103	106	3	1.16	1.00	0.02
PNRC116	128	138	10	0.79	5.10	0.25
PNRC116	144	147	3	0.49	5.33	0.24
PNRC117	NSI					
PNRC118	136	139	3	0.60	39.34	0.54
PNRC119	0	6	6	0.70	11.00	0.02
PNRC119	19	29	10	0.65	8.50	0.04
PNRC119	57	72	15	0.96	9.73	0.02
PNRC119	83	87	4	1.44	9.00	0.02
PNRC119	92	103	11	0.53	1.55	0.03
PNRC119	109	113	4	0.41	2.00	0.02
PNRC119	125	129	4	1.16	2.50	0.02
PNRC120	18	37	19	0.83	45.11	0.03
PNRC120	59	68	9	0.45	5.11	0.02
PNRC120	72	82	10	1.19	29.10	0.04
PNRC120	87	90	3	0.63	16.67	0.02
PNRC120	94	117	23	1.22	18.91	0.13

Table 4 (above): Significant RC Drilling Gold Results received, QTR 4 2016, Plavica Prospect Area. Note some holes were drilled in QTR 3. Compositing done with a 0.4 g/t Au cut-off, minimum 3m interval, maximum 3m interval waste. RC samples were riffle split on site and sampled at 1m intervals. All samples were logged and photographed prior to sampling. Samples were sent to SGS Laboratories in Bor, Serbia. Samples were assayed for gold by 30g Fire Assay and other elements by ICP. Standards, Blanks and Duplicates were also submitted for Laboratory Quality Assurance / Quality Control (QA/QC). Intercept widths are not necessarily true widths.

Hole_ID	From	To	Interval	Au g/t	Ag g/t	Cu %	Hole_ID	From	To	Interval	Au g/t	Ag g/t	Cu %
MRDD034	10	58	48	0.66	4.00	0.02	MRDD044	48	56	8	0.42	1.63	0.00
MRDD034	69	105	36	1.02	5.33	0.01	MRDD044	58	64	6	0.59	1.67	0.00
MRDD034	122	125	3	0.55	1.00	0.06	MRDD044	68	79	11	0.75	1.45	0.00
MRDD035	34	39	5	0.57	1.00	0.00	MRDD044	83	87	4	0.59	1.50	0.00
MRDD035	43	123	80	1.00	3.48	0.04	MRDD044	93	102	9	0.61	2.56	0.01
MRDD036	83	88	5	0.74	2.20	0.04	MRDD044	128	133	5	1.03	3.20	0.08
MRDD037	111	120	9	0.77	6.22	0.02	MRDD044	141	147	6	0.53	2.50	0.08
MRDD038	1	6	5	0.55	1.20	0.02	MRDD045	1	5	4	0.82	2.50	0.01
MRDD038	72	77	5	1.00	4.80	0.29	MRDD045	48.2	70	21.8	0.76	1.41	0.01
MRDD038	130	154	24	1.03	1.92	0.01	MRDD045	74	83	9	0.48	1.00	0.01
MRDD038	187	191	4	0.60	1.00	2.08	MRDD046	16	24	8	1.84	3.88	0.01
MRDD039	6	24	18	0.94	4.74	0.02	MRDD046	32	35	3	1.03	4.00	0.03
MRDD039	55	61	6	0.60	2.22	0.00	MRDD046	61	67	6	0.63	8.17	0.02
MRDD039	71	78	7	1.02	1.20	0.01	MRDD046	71	79	8	0.53	6.88	0.01
MRDD039	104	107	3	0.41	1.48	0.00	MRDD046	104	108	4	0.51	4.75	0.01
MRDD040	26	57	31	0.48	1.74	0.00	MRDD047	38	42	4	0.58	6.00	0.01
MRDD040	78	83	5	0.74	1.77	0.02	MRDD047	48	73	25	1.02	4.72	0.01
MRDD040	118	121	3	0.48	2.64	0.00	MRDD047	79	83	4	0.71	1.75	0.02
MRDD040	135	140	5	0.79	1.75	0.01	MRDD048	46	74	28	0.81	2.21	0.01
MRDD040	161	165	4	0.80	0.84	0.00	MRDD048	78	81	3	0.45	1.67	0.01
MRDD041	6	25	19	0.48	6.46	0.02	MRDD048	87	93	6	0.82	4.00	0.03
MRDD041	29	33	4	0.47	4.42	0.05	MRDD048	98	102	4	0.86	1.25	0.02
MRDD041	40	46	6	0.83	1.86	0.01	MRDD048	137	142	5	1.39	15.80	0.01
MRDD041	47.4	52.5	5.1	1.04	1.39	0.00	MRDD049	1	30	29	1.24	4.77	0.02
MRDD041	55	62.3	7.3	0.78	1.27	0.00	MRDD049	36	42.1	6.1	1.17	1.16	0.06
MRDD041A	11	15	4	0.55	9.25	0.02	MRDD049	52	62.2	10.2	0.93	2.06	0.06
MRDD041A	19	23	4	0.55	5.00	0.01	MRDD049	64.2	74	9.8	0.98	2.14	0.08
MRDD041A	31	43.6	12.6	0.60	1.13	0.01	MRDD049	96	99	3	0.90	1.00	0.02
MRDD041A	46.8	54.3	7.5	0.59	1.00	0.00	MRDD049	113	117	4	0.47	1.50	0.01
MRDD041A	59.9	69.65	9.75	0.74	1.00	0.02	MRDD049	137	153	16	0.48	1.63	0.01
MRDD041A	73.7	76.7	3	0.43	4.00	0.01	MRDD049	159	164	5	0.44	4.00	0.01
MRDD041A	84.1	87.6	3.5	0.44	3.60	0.01	MRDD050	0	34	34	1.13	4.24	0.03
MRDD042	10	17	7	0.61	1.40	0.00	MRDD050	86	91	5	0.52	9.20	0.04
MRDD042	24	30	6	0.54	3.39	0.01	MRDD051	7	34	27	0.78	1.59	0.02
MRDD042	46	49	3	0.58	1.43	0.00	MRDD051	44	47	3	0.78	1.67	0.02
MRDD043	53	58	5	1.05	0.92	0.01	MRDD051	54	61	7	0.60	2.71	0.01
MRDD043	83	87	4	0.65	6.20	0.02	MRDD051	65	72	7	0.89	3.57	0.01
MRDD043	98	101	3	0.60	2.26	0.06	MRDD051	80	92.4	12.4	0.95	2.69	0.01
MRDD043	112	138	26	0.95	4.98	0.14	MRDD051A	5	36	31	0.86	2.45	0.02
MRDD043	144	150.9	6.9	0.83	1.98	0.08	MRDD051A	68	71	3	0.55	1.00	0.00
							MRDD051A	81.7	101	19.3	0.56	1.64	0.00

Table 5 (above): Significant Core Drilling Gold Results received, QTR 4 2016, Maricanski Rid Prospect Area. Note some holes were drilled in QTR 3. Compositing done with a 0.4 g/t Au cut-off, minimum 3m interval, maximum 3m internal waste. Core samples are all orientated standard HQ size core split in two using a core saw. Half the core was sampled at 1m intervals and the other half retained for reference purposes. All core was logged and photographed prior to sampling. Samples were sent to SGS Laboratories in Bor, Serbia. Samples were assayed for gold by 30g Fire Assay and other elements by ICP. Standards, Blanks and Duplicates were also submitted for Laboratory Quality Assurance / Quality Control (QA/QC). Intercept widths are not necessarily true widths.

Hole_ID	From	To	Interval	Au g/t	Ag g/t	Cu %
MRRC014	71	83	12	0.52	1.75	0.02
MRRC014	87	90	3	0.61	17.33	0.01
MRRC014	101	117	16	0.78	62.00	0.02
MRRC014	123	140	17	2.17	40.18	0.03
MRRC015	0	3	3	0.54	7.18	0.01
MRRC015	43	108	65	1.31	7.45	0.02
MRRC016	61	67	6	0.72	2.67	0.01
MRRC016	86	91	5	0.48	22.60	0.01
MRRC016	131	135	4	0.73	2.00	0.02
MRRC017	30	51	21	0.74	1.29	0.01
MRRC017	74	98	24	1.29	1.25	0.02
MRRC018	4	20	16	1.04	1.06	0.01
MRRC018	27	79	52	1.11	1.35	0.02
MRRC019	NSI					
MRRC020	12	19	7	0.45	2.14	0.01
MRRC020	76	84	8	0.65	1.00	0.01
MRRC021	4	27	23	0.68	1.17	0.00
MRRC021	33	50	17	0.60	1.00	0.00
MRRC021	56	69	13	0.57	1.00	0.00
MRRC021	94	98	4	0.50	1.00	0.00
MRRC021	110	113	3	0.50	1.00	0.00
MRRC021	115	120	5	0.49	1.00	0.01
MRRC022	26	30	4	0.84	5.75	0.01
MRRC022	63	67	4	0.76	1.00	0.00
MRRC023	3	6	3	0.45	3.67	0.01
MRRC023	10	32	22	0.53	10.86	0.03
MRRC023	37	40	3	0.43	1.00	0.03
MRRC023	100	105	5	0.61	2.00	0.02
MRRC023	110	120	10	0.66	2.40	0.01
MRRC024	0	6	6	0.49	2.33	0.01
MRRC024A	0	6	6	0.41	2.67	0.01
MRRC024A	69	73	4	0.73	3.50	0.01
MRRC024A	91	99	8	0.62	1.00	0.00
MRRC025	30	34	4	0.75	2.25	0.01
MRRC026	5	10	5	1.00	1.00	0.01
MRRC026	53	59	6	0.46	2.00	0.00
MRRC026	93	98	5	0.57	1.00	0.01
MRRC027	2	24	22	1.04	3.68	0.04
MRRC027	31	38	7	0.59	1.00	0.03

Table 6 (above): Significant RC Drilling Gold Results received, QTR 4 2016, Maricanski Rid Prospect Area. Note some holes were drilled in QTR 3. Compositing done with a 0.4 g/t Au cut-off, minimum 3m interval, maximum 3m internal waste. RC samples were riffle split on site and sampled at 1m intervals. All samples were logged and photographed prior to sampling. Samples were sent to SGS Laboratories in Bor, Serbia. Samples were assayed for gold by 30g Fire Assay and other elements by ICP. Standards, Blanks and Duplicates were also submitted for Laboratory Quality Assurance / Quality Control (QA/QC). Intercept widths are not necessarily true widths.

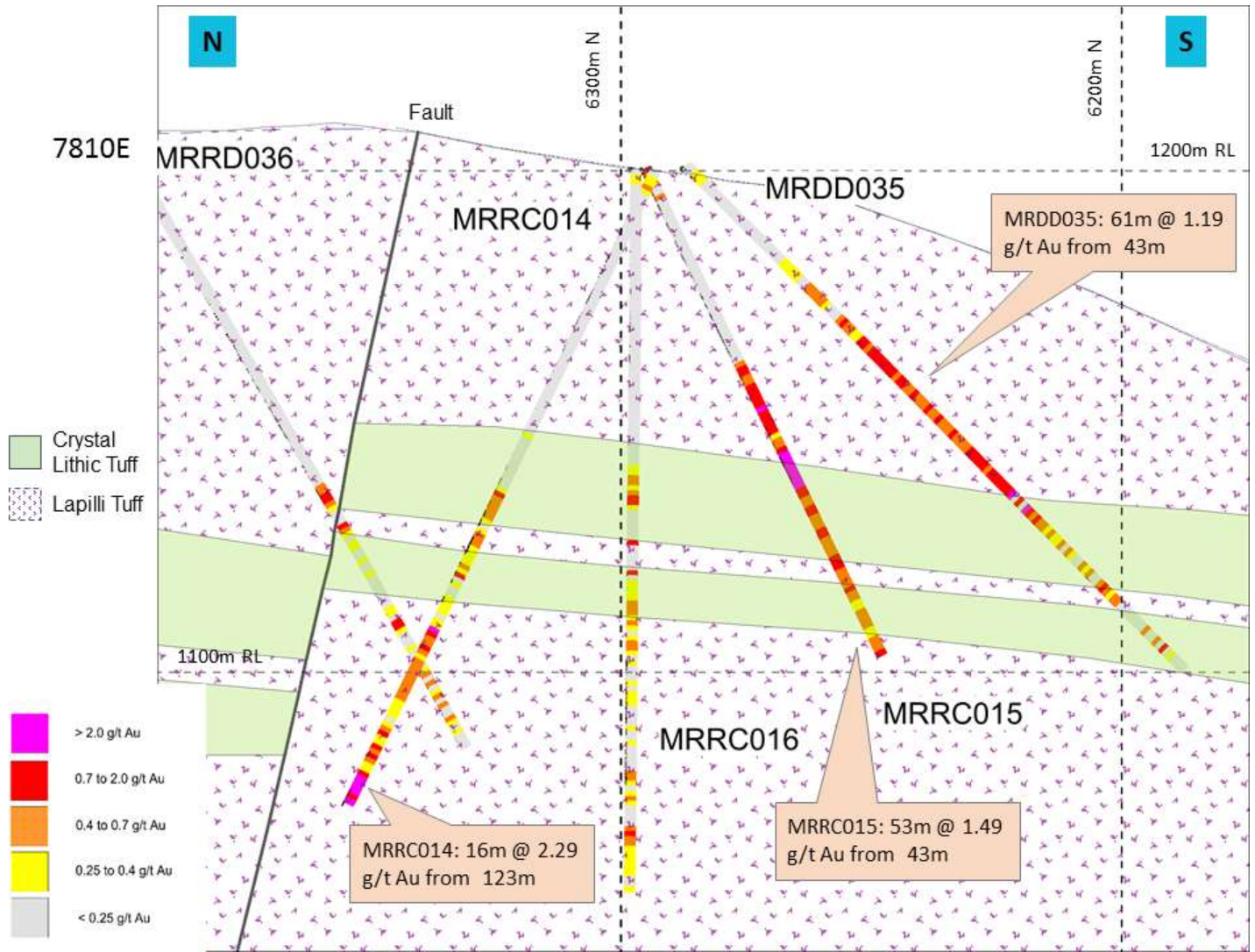


Figure 3 Maricanski Rid Section 7597810E Gauss Kruger, looking East.



Figure 4 Location of Australian Projects.

AUSTRALIA

ARLTUNGA PROJECT: Copper, Gold, (GES 100%)

The Aritunga Gold Project consists of Exploration Licence EL25238 covering 95.2 sq km, is located approximately 110 km northeast of Alice Springs (*Figure 6*) in the vicinity of the Aritunga Goldfield. Thirty three historical gold mines and prospects are known in the licence area.

A Licence Renewal Application was lodged on 26 October 2016 requesting another two year period to the 7 November 2018. This renewal application is still pending.

The 10th Annual Technical Report was lodged on 10 November 2016 and accepted as satisfactory by the DME on the 11 November 2016.

An updated Mining Management Plan (MMP) was lodged on the 8 March 2016. This update was approved on the 20 July 2016. The next update is due on the 29 March 2017.

The Central Land Council Sacred Site Clearance Certificate was extended on the 12 July 2016. The new expiry date is the 19 September 2017.

A full review of all available data is currently underway, with the aim of defining targets for Reverse Circulation drilling in Q3 2017.

No field work was carried out during the current Quarter.

ALICE SPRINGS PROJECT: Copper, Gold, Iron (GES 100%)

The Alice Springs Project consists of Exploration Licence EL24817 covering 372.59 sq km, is located approximately 110-155 km northeast from Alice Springs in the Northern Territory (*Figure 6*).

An application for the extension of The Central Land Council Sacred Site Clearance Certificate was lodged on the 28 November 2016. The current certificate expires on the 6 February 2017.

A Licence Renewal Application was lodged on 5 April 2016. It was approved on 13 May 2016 for a further term of 2 years and will expire on 17 April 2018. All 118 sub-blocks were retained.

The 10th Annual Technical Report was lodged on 18 April 2016 and accepted as satisfactory by the DME on the 9 May 2016.

An updated Mining Management Plan (MMP) was lodged on the 23 February 2016 and accepted as satisfactory on the 20 June 2016.

No field work was carried out. In addition a full review of all available data is underway to define targets for RC drill testing during Q3 2017.

GLADSTONE-MOUNT MILLER PROJECT: Manganese (GES 100%)

The Gladstone-Mount Miller Project consists of Exploration Licence (EPM15771) covering 42.62sq km and Mining Lease Application (MLA80166) covering 32.24 Ha and is located approximately 15 km by road from the port of Gladstone on the east coast of central Queensland (*Figure 6*).

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.

The Licence Renewal was approved on 7 May 2013 for a term of 5 years and will expire on 18 June 2017.

As per the conditions of the exploration permit Genesis were required to relinquish 14 sub blocks from EPM 15771. A Partial Relinquishment Report was lodged on the 16 June 2016. 14 of the 21 sub blocks were relinquished, 7 sub-blocks were retained. EPM15771 now covers 42.62sq km. The partial relinquishment was accepted by the Department of Natural Resources on the 13 July 2016.

The 9th Annual Technical Report was lodged on 20 June 2016.

A Partial Surrender of an Environmental Authority was lodged on the 27 June 2016 and approved on the 5 July 2016.

No field work was carried out. A review of all available data is underway to confirm if more drilling is necessary at the Mt Miller mine and if other prospect areas on the tenement require drill testing during Q3 2017.

PIONEER PROJECT: Gold (GES 100%)

The Pioneer Project consists of one granted Exploration Permit Mineral (EPM15619) covering 6.23 sq km approximately 70 km by road from Bundaberg via the Bruce Highway in Queensland (*Figure 6*).

The project lies within the Gaeta Goldfield and has undergone previous exploration for gold, uranium and base metals, with numerous historical gold workings located throughout the area. Historical mining was primarily focused on the Pioneer Reef which was the largest producer, but mining activities also included several other reefs including Gympie, Lord Nelson, West Yorkshire and Happy Jack.

A Licence Renewal Application was lodged on 28 April 2016 requesting another two year period. The renewal application was approved on the 30 June 2016. The new expiry date is the 2 August 2018. The 2 sub blocks were retained.

The 9th Annual Technical Report was lodged on 8 August 2016.

No field work was carried out. A review of all available data is underway to compile all geological mapping and define targets for drill testing during Q3 2017.

McARTHUR RIVER PROJECT: Manganese (GES 100%)

The McArthur River project consists of Exploration Licence EL24814 covering 380.88 sq km and is located approximately 850 km south east of Darwin in the Northern Territory and 450 km north-west of Mount Isa in Queensland (*Figure 6*).

The project area contains the Masterton No2 manganese occurrence.

The Mining Management Plan Update was lodged on the 16 November 2016.

A Licence Renewal Application was lodged on 5 April 2016. It was approved on 13 May 2016 for a further term of 2 years and will expire on 17 April 2018. All 116 sub-blocks were retained.

The 10th Annual Technical Report was lodged on 18 April 2016 and accepted as satisfactory by the DME on the 9 May 2016.

No field work was carried out. A full review of all data available is underway to guide further exploration on the tenement.

LAURA RIVER Au-Pt PROJECT: (EMP15242) (GES:100%)

The Laura River project consists of Exploration Licence EPM15242 covering 82.67 sq km is centered on the Cape York Peninsular township of Laura, 210km north-west of Cairns and 88km west of Cooktown in North Queensland (*Figure 6*). The area is prospective for gold. Several historical alluvial workings are found in the vicinity of the Laura River and tributaries.

The 9th Annual Technical Report was lodged on the 2 September 2016.

A Licence Renewal Application was lodged on the 19 May 2016 requesting another 2 year term. The renewal application was approved on the 26 August 2016. The new expiry date is the 23 August 2018.

As per the conditions of the exploration permit Genesis were required to relinquish 25 sub blocks from EPM 15242. A Partial Relinquishment Report was lodged on the 20 June 2016. 25 of the 50 sub blocks were relinquished, 25 sub-blocks were retained. EPM15242 now covers 82.67sq km.

A Partial Surrender of an Environmental Authority was lodged on the 22 June 2016 and approved on the 30 June 2016.

No field work was carried out.

FENN GAP Mn-Fe PROJECT: (EMP24839) (GES:100%)

The Fenn Gap project consists of one Exploration Licence EL24839 which covers a total area of 26.93 sq km, is located approximately 25 km south west of Alice Springs in the Northern Territory (*Figure 6*). The project is 25 km from major infrastructure such as the Stuart Highway and Alice to Adelaide Railway.

Genesis was issued with a Partial Cancellation Notice (Loss of Block Penalty) for Fenn Gap on 23 June 2014, requesting the relinquishment of 13 sub blocks. EL24839 now comprises of 14 sub blocks covering 26.93 sq km.

A Mining Management Plan Update was lodged on 2 December 2016.

A Licence Renewal Application requesting another two-year period was lodged on the 26 April 2016. The renewal application was approved on the 25 July 2016. The new expiry date is the 5 May 2018.

The 8th Annual Technical Report was lodged on 9 May 2016 and accepted as satisfactory by the DME on the 1 June 2016.

No field work was carried out. A full review of existing data has been completed. A further, more detailed review of drilling data is underway to determine if drilling has adequately tested the known manganese mineralisation.

TENEMENTS AS AT 31 December 2016

PROJECT	TENEMENT NUMBER	COMMODITY	COMPANY'S BENEFICIAL INTEREST	CURRENT AREA (KM ²)	CURRENT HOLDER	COUNTRY/ STATE
Alice Springs	EL24817	Copper-Iron-Gold	100%	372.59	Genesis	NT
Arltunga	EL25238	Gold-PGE	100%	95.2	Genesis	NT
Fenn Gap	EL24839	Iron-Manganese	100%	26.93	Genesis	NT
Laura River	EMP15242	Gold-PGE	100%	82.67	Genesis	QLD
Pioneer	EPM15619	Gold	100%	6.23	Genesis	QLD
McArthur River	EL24814	Manganese-Base Metals	100%	380.88	Genesis	NT
Gladstone	EPM15771	Manganese	100%	42.62	Genesis	QLD
Mt Miller	MLA80166	Manganese	100%	32.24 Ha	Genesis	QLD
Plavica & Crn Vrv	19-6648/1	Gold-Silver-Copper	62%	16.85	Silgen Resources	Macedonia

All tenements noted above are Exploration Licences except Plavica in Macedonia which is an Exploitation Licence.

CORPORATE UPDATES

Events during the Quarter

Issues of shares

On 3 October 2016, 66,666,667 fully paid ordinary shares were issued to the underwriter of the Rights Issue, being S Active Holding Sdn Bhd, an entity associated with Genesis Director Mr Kim Heng Lim, raising \$2,000,000.

On 26 October 2016, 2,400,000 fully paid ordinary shares were issued as part of the placement of the shortfall under the Rights Issue, at \$0.03 per share. The Directors may place shortfall shares following the Rights Issue within 3 months of the closing date of the Rights Issue.

Appointment and resignation of Directors

Ms Alyn Tai resigned as a Director of Genesis effective 10 October 2016. Mr James Patterson (the Company's Exploration Manager), was appointed as a Director of Genesis on 24 October 2016, and Mr Yau Young Lim was appointed as a Director of Genesis on 21 November 2016.

Publication of Mineral Resource Estimate for Plavica Project

Genesis announced the publication of a JORC 2012 Compliant Mineral Resource Estimate Report in relation to its Plavica Project in Macedonia. A copy of the full report is available on Genesis' website and in an ASX announcement lodged by the Company on 19 December 2016.

Events subsequent

None.

Securities on issue as at 31 December 2016:

CLASS OF SECURITIES	NO. OF SECURITIES ON ISSUE
Fully paid ordinary shares	464,726,632

Board and Management as at 31 December 2016

Mr Eddie Pang	Managing Director / Executive Chairman
Mr Deric Wee	Non-Executive Director
Mr Kim Heng Lim	Non-Executive Director
Mr Chin Niap Mah	Non-Executive Director
Mr James Patterson	Exploration Manager / Director
Mr Yau Young Lim	Non-Executive Director
Ms Sophie Karzis	Company Secretary
Ms Patricia Wong	Chief Financial Officer

COMPETENT PERSON

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by James Patterson, a Competent Person who is a Member of the Australian Institute of Geoscientists. James Patterson is a full-time employee of Genesis. James Patterson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. James Patterson consents to the inclusion in the report of the matters based on his information in the form and context of which it appears.

-ENDS

About Genesis Resources Limited

Genesis Resources Limited is an Australian company with a portfolio of quality gold, iron, manganese, uranium and base metal (copper-zinc-silver) in the highly prospective Proterozoic and Phanerozoic metallogenic provinces of northern and central Australia. Genesis has signed a Joint Venture over an advanced copper-gold project (Plavica) within the Former Yugoslav Republic of Macedonia. The Plavica Project lies within Carpathian Volcanic Arc, a major epithermal province running through Eastern Europe, which is highly prospective for gold, copper and silver mineralisation. Genesis' projects are close to established infrastructure including railways, shipping ports, highways, power stations and populated areas. The Company's objective is to provide rapid capital growth through mineral discoveries and development of economic deposits in Australia and overseas.

For more information please visit the Company's website at: www.genesisresourcesltd.com.au

Appendix 1
Reporting of Exploration Results – Plavica Project
JORC Code, 2012 Edition – Table 1 Report

The following section is provided to ensure compliance with the JORC (2012) requirements for the reporting of Exploration Results for the Plavica project.

Section 1 - Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<p>Sampling techniques</p>	<ul style="list-style-type: none"> <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> N/A N/A Holes were generally drilled towards grid north with dips of approximately 60 degrees to optimally intersect the steeply dipping east-west striking mineralised zones of high sulphidation style epithermal mineralization. Some holes at Maricanski Rid were drilled to the south as well as some vertically due to lack of access for drill pads and the sub-horizontal nature of the mineralization there. The drill hole locations are to be picked up by local survey contractors using a DGPS (Differential Global Positioning System). Down hole surveys have been undertaken using a Reflex EZ-Trac tool. Down hole surveys were conducted at intervals of 25m. All DD holes completed by the Genesis were sampled by cutting the core longitudinally in half using diamond saws. Sampling of diamond core was also undertaken on 1m intervals. Diamond core was drilled to obtain high quality samples that were logged for lithological, structural, geotechnical, density and other attributes. Sampling of diamond core was also on one meter intervals with the core being cut in half using a diamond core saw Sub-samples of ~3 kg were sent to the laboratory for assaying. Analysis has been performed by commercial laboratories with samples sent to SGS Bor. The samples sent to SGS follow standard SGS crushing and pulverization procedures and a conventional fire assay procedure with either atomic absorption or gravimetric finish on a 30 gram sub-sample. Fire Assay is considered a total recovery method for gold.

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> • QC samples have been inserted into the routine sample stream to monitor sample quality as per industry best practice. These include standards, blanks and duplicates at regular (25m intervals) • RC Samples were split every 1m at the rig using a riffle splitter and the sub-samples of approximately 3kg sent to SGS Bor.
Drilling techniques	<ul style="list-style-type: none"> • <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<ul style="list-style-type: none"> • The core drill rigs used 3m drill rods. Diamond drilling has employed a 63.5mm diameter HQ 'standard tube' core drilling methods. • RC drilling has been completed with 6m rods using a 4.5" or 121 mm face sampling hammer bit. • Orientations are completed every run (maximum 3m) using a spear technique. Diamond drill core is typically orientated where possible though often the core is highly fractured and cannot be reliably orientated using standard techniques.
Drill sample recovery	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<ul style="list-style-type: none"> • Diamond drill core is assessed by measuring the recovered drill length against the actual drilled. Diamond drill recovery is generally above 95%. Recoveries drop to less than this in minor (1-2m) zones of vuggy silica and clay. • RC sample weights have been taken on all primary samples. Theoretical sample weights are then compared to the actual sample to identify any intervals that have had poor recovery. Average recoveries for RC holes are >95% but can vary significantly between holes. • No detailed analysis of grade versus recovery has been undertaken at this stage however comparison of RC against DD gold results indicates a slight positive bias for RC drilling. This may indicate some loss of fines when using DD methods. • No coarse gold has been observed through Photo-micrographic studies.

Criteria	JORC Code explanation	Commentary
Logging	<ul style="list-style-type: none"> • <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • All drill holes have been logged in full and record standard criteria such as lithology, alteration, mineralisation, structures, weathering and oxidation. Geotechnical data such as drill recovery, RQD, hardness, fracture type and frequency are also recorded for input into future scoping level mining studies. • All logging is entered into excel spreadsheet templates or onto hard copy forms which are transferred to excel spreadsheets. These spreadsheets are then routinely imported into Micromine. • All diamond core is photographed in a wet and dry state.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • Refer to the above sampling techniques • Quarter core duplicates are submitted every 50m.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> • Refer to the above analysis methods • Industry standard QC sample insertion procedures have been adopted. QC insertion rates are: <ul style="list-style-type: none"> - every 50m is a field duplicate, - every 25m is a Standard, - every 50m is a coarse blank • The QAQC results indicate acceptable levels of precision and accuracy

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • Samples are currently submitted to an umpire laboratory and are comparable with the originals. • Data is imported into Micromine. There is no adjustment of assay data.
Location of data points	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • A local control station near the project is utilised by the local surveying contractor. Holes are routinely surveyed using Surveyors with DGPS equipment. • All surveys are taken using the Gauss–Krüger (GK) coordinate system which has been the system used for survey by Genesis at Plavica since 2012.
Data spacing and distribution	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • The nominal drill hole spacing is 50m (easting) x 50m (northing) • Samples are collected at one meter lengths and are not composited in the field / core-shed.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • Holes were generally drilled towards grid north with dips of approximately 45 to 60 degrees to optimally intersect the steeply dipping east-west striking mineralised zones • No orientation based sampling bias has been identified in the data at this stage
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Chain of Custody is managed by Genesis Staff. All drilling assay samples were collected from the field by Genesis personnel. Core samples were stored at the secure sample processing and storage facility where they were subsequently processed and prepared for pickup. This facility has CCTV. Assay samples were collected by appropriately qualified staff at the laboratories.

Criteria	JORC Code explanation	Commentary
Audits or reviews	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> An audit of drilling and sampling procedures was undertaken by Golder Associates in 2012 at the commencement of that years drilling program. A number of priority based recommendations were provided to Genesis. All priority 1 recommendations were implemented and many of the lower priority actions have also been completed. The implementation of these recommendations has provided increased confidence in the quality of the data used in the resource estimate

Section 2 – Reporting of Exploration Results.

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> A 30 year Exploitation Licence and Concession Agreement were granted to Silgen Resources International Ltd, an incorporated joint venture entity owned by Genesis and its Macedonian-based joint venture partner RIK Sileks AD Kratovo. Silgen is 62% owned by Genesis. The JV Company has been formally granted the Licence for a term of 30 years. The area covered by the Licence totals 16.85 km². Genesis has pledged its 62% share of Silgen to completing a Feasibility Study to mine Plavica and has agreed to spend USD \$7.5M for this work. All Australian Tenements are Exploration Licences except Mt Millar which is a Mining Lease Application and are 100% owned by Genesis.
Exploration done by other parties	<ul style="list-style-type: none"> <i>Acknowledgement and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> At Plavica previous small scale mining was undertaken by Romans and Ottoman Turks. 2 adits were completed by British Mines Selection in the 1930's targeting enargite veins. Previous exploration has been conducted by the Yugoslav Government, Cyprus Amax, Rio Tinto and European Minerals.

Criteria	JORC Code explanation	Commentary
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation</i> 	<ul style="list-style-type: none"> • Both Plavica and Maricanski Rid host oxide gold mineralization in vuggy silica and clay zones within silica caps of a high sulphidation epithermal style setting. Alunite alteration is common. • Beneath this oxide zone is a series of steeply dipping E-W striking structures comprising enargite-pyrite veins and vuggy silica zones. These zones are rich in Au, Cu, Ag and occasionally Pb and Zn. • The prospects lie within the Western Tethyan Arc and are Tertiary in age.
Drill hole Information	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o hole length. • <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> • All drill hole collars with location, elevation, depth, dip and azimuth are tabulated in the body of the report.
Data aggregation methods	<ul style="list-style-type: none"> • <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i> • <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> • A 0.4 g/t Au cut-off is used for reporting of Au grades and a 0.3 % for Cu grades. No top cuts are used. • A minimum of 3m length is used for compositing and a maximum of 3m of internal waste is used. These parameters are considered adequate for this deposit style. • No metal equivalents used
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> • Core orientation and sectional interpretation suggest the mineralised zones are sub-vertical. • Holes are drilled on 45 to 60 degree angles to intersect the zones at the highest angle possible but also taking into account the steep topography of the area and the difficulty of locating drill pads. As a result the mineralized zones are intersected at an oblique angle and therefore down-hole lengths are not true widths.

Criteria	JORC Code explanation	Commentary
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> A plan and section are included.
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> Of the holes reported this Quarter, all had significant results though some were low grade.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> N/A.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Further step-out drilling will depend on the next set of results that are currently pending.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

GENESIS RESOURCES LIMITED

ABN

22 114 787 469

Quarter ended ("current quarter")

31 December 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(810)	(2,235)
(b) development	-	-
(c) production	-	-
(d) staff costs	(250)	(502)
(e) administration and corporate costs	(171)	(366)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	4	(35)
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,226)	(3,137)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(1)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(1)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	323
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	500	500
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Proceeds from underwritten portion of rights issue; corresponding shares allotted subsequent to 30 September 2016)	-	2,000
3.10	Net cash from / (used in) financing activities	500	2,823

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	901	504
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,226)	(3,137)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(1)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	500	2,823

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(4)	(18)
4.6	Cash and cash equivalents at end of period	171	171

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	171	901
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Term deposits - bank guarantee)	98	98
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	269	999

6. Payments to directors of the entity and their associates**Current quarter
\$A'000**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

-

-

- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

None

7. Payments to related entities of the entity and their associates**Current quarter
\$A'000**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

-

-

- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

None

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	7,000	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

- (i) In September 2013, the Company entered into a loan agreement with an unrelated Malaysian based financing company pursuant to which the financing company made available a loan facility to the Company, with a \$3 million facility limit (**First Loan Facility**) at 8% per annum. In April 2014, the parties reached an agreement to increase the First Loan Facility limit from \$3 million to \$7 million on the same terms and conditions provided for in the existing loan agreement. Total funds of \$7 million remain available for draw down by Genesis under the First Loan Facility.
- (ii) In December 2016, the Company entered into a loan agreement with a related Malaysian based company in which the company made a \$500,000 loan at 10% per annum.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	1,821
9.2 Development	-
9.3 Production	-
9.4 Staff costs	236
9.5 Administration and corporate costs	197
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	2,254

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:
(Director/~~Company secretary~~)

Date: 30 January 2017

Print name:..Eddie Pang
Executive Chairman

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.