



GENESIS RESOURCES LIMITED

ACN 114 787 469

Pro-Rata Non-Renounceable Rights Issue Offer Document

**3-FOR-8 PRO-RATA NON-RENOUNCEABLE RIGHTS ISSUE OFFER
OF GENESIS RESOURCES LIMITED ORDINARY SHARES
AT AN ISSUE PRICE OF \$0.017 (1.7 CENTS) PER SHARE**

**THIS RIGHTS ISSUE OFFER CLOSSES AT
5.00pm (Melbourne time) on Friday 24 February 2017**

Important notice

This is an important Offer Document which is accompanied by an Entitlement and Acceptance Form for you to subscribe for new ordinary shares in Genesis Resources Limited. Please read both documents carefully. If after reading the Offer Document you have any questions about the Offer or the New Shares then you should consult your stockbroker, accountant or other professional advisor.

The Offer made pursuant to this Offer Document is for a rights issue of continuously quoted securities (as defined in the Corporations Act) of the Company. This Offer Document is not a disclosure document for the purposes of Chapter 6D of the Corporations Act and has not been lodged with ASIC. The Company is offering the securities under this Offer Document without disclosure to investors under Chapter 6D of the Corporations Act pursuant to section 708AA of the Corporations Act. Accordingly, the level of disclosure contained in this Offer Document is less than that required under a prospectus and Shareholders should consider all relevant facts and circumstances, including their knowledge of the Company and disclosures made to ASX, before deciding whether to accept the Offer. The New Shares offered by this Offer Document should be considered speculative.

Wednesday 1 February 2017

Pro-Rata Non-Renounceable Rights Issue Offer Document

As announced to the market on Wednesday 1 February 2017, Genesis Resources Limited (**Genesis** or the **Company**) is undertaking a pro-rata non-renounceable rights issue on a 3-for-8 basis to raise approximately \$3 million.

This Offer Document sets out:

- 1 **Contact details for the Offer**
- 2 **Important Information**
- 3 **Key dates for the Offer**
- 4 **General information in relation to the Offer**
- 5 **How to apply for New Shares**
- 6 **The purpose and effect of the Offer**
- 7 **Investment and business risks**
- 8 **Additional information relevant to the Offer**
- 9 **Rights Attaching to New Shares**
- 10 **Definitions**

1 **Contact details for the Offer**

1.1 **Queries regarding your Entitlement, the Offer or the Company**

If you:

- have not received a personalised Entitlement and Acceptance Form;
- have any queries on how to complete the Entitlement and Acceptance Form; or
- have any queries or questions in relation to the details of the Offer or the Company in general,

please contact the Company Secretary as follows:

Sophie Karzis
Company Secretary

T: + 61 (0) 3 9286 7501
E: sk@ccounsel.com.au

2 Important Information

2.1 This Offer Document is not a prospectus

This Offer Document has been prepared by Genesis, and is not a prospectus or a disclosure document for the purposes of Chapter 6D of the Corporations Act, and has not been lodged with ASIC.

The Company is offering the securities under this Offer Document without disclosure to investors under Chapter 6D of the Corporations Act, pursuant to section 708AA of the Corporations Act, which allows Genesis to offer Shares to existing Shareholders after providing certain confirmations to the market.

The Offer Document does not purport to contain all the information that Shareholders may require to make an informed investment decision regarding, or about the rights attaching to, the New Shares. Shareholders should consider all relevant facts and circumstances, including their knowledge of the Company and disclosures made to ASX, before deciding whether to accept the Offer. In particular, it is important that you read and understand the information on Genesis which is publicly available, prior to accepting the Offer. Please refer to:

- Genesis' annual reports and other announcements made available at www.asx.com.au; and
- the 'cleansing notice' lodged by the Company with ASX on Wednesday 1 February 2017. A copy of the 'cleansing notice' is available at www.asx.com.au (ASX: GES).

Neither ASX nor ASIC takes any responsibility for the content of this document.

2.2 Investment risks

The New Shares offered under this Offer Document should be considered speculative. There are a number of risk factors that could potentially impact Genesis and its operations. For information about these risks, please refer to section 7 of this Offer Document.

2.3 Eligibility to participate in Offer

A Shareholder will be eligible to participate in the Offer if, as at 7.00pm (Melbourne time) on Monday 6 February 2017 (**Record Date**), the person was a registered holder of Shares.

Genesis reserves the right to determine whether a Shareholder is an eligible Shareholder or an ineligible Shareholder. This Offer Document and Entitlement and Acceptance Form will only be sent to eligible Shareholders.

2.4 Foreign jurisdictions

No action has been taken to register Genesis Shares or otherwise permit a public offering of those Shares in jurisdictions outside of Australia and New Zealand. Lodgement of the Entitlement and Acceptance Form or payment by BPAY will be taken by Genesis to constitute a representation by you that there has been no breach of any law in your jurisdiction. To the extent that you hold Shares on behalf of another person resident outside Australia or New Zealand, it is your responsibility to ensure that any acceptance complies with all applicable foreign laws. Shareholders who are nominees, trustees or custodians should seek independent advice as to how to proceed.

The distribution of this document, any document that accompanies it, or any document that is related to any of them may be restricted by law in some jurisdictions. Any person who comes into possession of this document, any document that accompanies it, or any document that is related to any of them should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws, and Genesis disclaims any liability in relation to any such violation.

New Zealand

The New Shares being offered to residents of New Zealand under this Offer Document are offered in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). This Offer Document and the accompanying Entitlement and Acceptance Form have not been registered, filed or approved by any New Zealand regulatory authority. This Offer Document is not an investment statement or prospectus under New Zealand law.

Hong Kong

The Offer is being made in Hong Kong and is exempt from the prospectus registration requirement under the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and restrictions under the Securities and Futures Ordinance.

WARNING: the contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Malaysia

The Offer Document and any other materials relating to the New Shares have not been and will not be registered as a prospectus or lodged with the Securities Commission Malaysia under the *Capital Markets and Services Act 2007* (Malaysia) (**CMSA**). Accordingly, this Offer Document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia except pursuant to and in accordance with the exemptions in Schedule 5 and Schedule 6 of the CMSA, or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the CMSA. This Offer Document has been given to Shareholders located in Malaysia on the basis that they are existing holders of Shares, and that this Offer Document is only given to these Shareholders following lodgement with the ASX. Persons who receive this Offer Document and are not existing holders of Shares must return this Offer Document immediately. This Offer Document must not be forwarded or circulated to any other person in Malaysia, except upon the fulfilment of the conditions aforementioned.

Singapore

This document and any other materials relating to the Offer have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the Offer may not be issued, circulated or distributed, nor may any Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the *Securities and Futures Act*, Chapter 289 of Singapore (**SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an existing holder of Shares in the Company. In the event that you are not an existing holder of Shares in the Company, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offer for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire the New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

2.5 Custodians and nominees

The Rights Issue is being made to all Shareholders. Genesis is not required to determine whether or not any Shareholder is acting as a nominee or the identity or residence of any beneficial owners of Shares.

Where any registered holder is acting as a nominee for a foreign person, that registered holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Rights Issue is compatible with applicable foreign laws.

Genesis is not able to advise on foreign securities laws.

2.6 Fractional entitlements

Any fractional entitlements to a New Share will be rounded up to the nearest whole New Share.

2.7 Definitions

A number of terms and abbreviations used in this Offer Document have defined meanings, which are explained in the “Definitions” at section 10.

3 Key dates for the Offer

EVENT	DATE (2017)
Announcement of the Offer	Pre-market Wednesday 1 February
Lodgement of the following documents with ASX: <ul style="list-style-type: none"> • an Appendix 3B; • this Offer Document; and • a cleansing notice under section 708AA(2)(f) of the Corporations Act 	Pre-market Wednesday 1 February
Notice sent to Shareholders containing ASX Appendix 3B details and indicative timetable	Thursday 2 February
“Ex” date where the Company’s existing Shares will commence trading without the entitlement to participate in the Offer	Friday 3 February
Record date to determine Entitlements under the Offer	7.00pm (Melbourne time) Monday 6 February
Opening Date for the Rights Issue	Thursday 9 February
Mailing of Offer Document and Entitlement and Acceptance Form to Shareholders	
Last day to extend Rights Issue Closing Date	Tuesday 21 February
Closing Date for the Rights Issue	5.00pm (Melbourne time) Friday 24 February
Shares quoted on a deferred settlement basis	Monday 27 February
ASX notified of under subscriptions	Wednesday 1 March
New Shares for which valid applications have been received and accepted by the Company will be issued	Friday 3 March
Deferred settlement trading ends	Friday 3 March
Normal trading of New Shares on ASX expected to commence	Monday 6 March

Genesis reserves the right, subject to the listing rules of the ASX (**Listing Rules**), the *Corporations Act 2001* (Cth) (**Corporations Act**) and other applicable laws to, without notice, vary any or all of the dates of the Offer (whether or not they are key dates), including extending the Offer, closing the Offer early, accepting late Applications either generally or in particular cases, or withdrawing the Offer.

4 General information in relation to the Offer

4.1 What is the structure of the Offer?

The Offer is a 3-for-8 pro-rata non-renounceable rights issue at \$0.017 per new share, to raise approximately \$3 million (less the costs of the Offer). It is open all persons registered as holders of Shares on the Record Date of 7:00pm (Melbourne time) on Monday 6 February 2017.

Genesis currently has 464,726,632 fully paid ordinary shares on issue. It will issue approximately 174,272,487 new Shares (**New Shares**) under the Offer (subject to fractional rounding). If all 174,272,487 New Shares are issued, Genesis will have approximately 638,999,119 Shares on issue. As at the date of this Offer Document, Genesis does not currently have any options over unissued Shares or other convertible securities on issue.

A table summarising the capital structure of the Company before and after the Offer appears below:

EVENT	NO. OF SHARES
Shares on issue at date of Offer Document	464,726,632
New Shares issued pursuant to the Offer	174,272,487
TOTAL SHARES ON ISSUE AFTER COMPLETION OF THE OFFER	638,999,119

The Offer opens on Thursday 9 February 2017 and closes at 5:00pm (Melbourne time) on Friday 24 February 2017. The Offer is fully underwritten.

4.2 Offer Price

The Offer Price payable for each New Share is \$0.017.

Shareholders will not be required to pay brokerage or other fees in respect of New Shares acquired under the Offer. Shareholders should note that the market price of Genesis Shares may rise and fall between the date of this Offer Document and the date on which the New Shares are allotted. Accordingly, the price you pay per New Share pursuant to the Offer may be higher or lower than the market price of Shares at the time of this Offer or at the time the New Shares are issued under this Offer.

Genesis recommends that you monitor the price of Genesis Shares, which can be done via the ASX website at www.asx.com.au (ASX: GES).

4.3 No trading of Entitlements

The Offer is made on a 'non-renounceable' basis, which means that you cannot sell, trade or transfer all or any part of your Entitlement to New Shares under the Offer. Any part of your Entitlement that is not accepted by you will lapse.

4.4 Minimum subscription

There is no minimum subscription for the Offer.

4.5 Underwriting

The Offer is fully underwritten. Further details on the underwriter and the terms of the underwriting are included in section 8.4.

4.6 Directors' Participation

The offer will be fully underwritten by S Active Holding Sdn Bhd (the **Underwriter**), which is an entity controlled by Non-Executive Director Mr Kim Heng Lim.

4.7 Shortfall Facility

The Company proposes to adopt a dispersion strategy for dealing with any Shortfall by way of a facility for Shareholders to apply for additional New Shares in excess of their Entitlements not taken up under the Rights Issue (**Shortfall Facility**).

Under the Shortfall Facility, subject to the Corporations Act and the requirements of the Listing Rules, Shareholders who subscribe for their full Entitlement may apply for more New Shares than the number shown on their Entitlement and Acceptance Form (**Additional Shares**), subject to the condition that **no Shareholder may increase their total holding to above 20% through the acquisition of Additional Shares, and any**

Shareholder who holds more than 20% may not further increase their holding through the acquisition of Additional Shares. The issue price of each Additional Share will be the Offer Price.

The Company will only issue up to the aggregate number of New Shares that are offered under the Offer, being approximately 174,272,487 Shares (subject to fractional rounding), therefore it may be necessary to scale-back Applications for Additional Shares if all Applications exceed this number.

The Company's allocation policy under the Shortfall Facility will be such that if Genesis receives Applications for Additional Shares under the Shortfall Facility which in aggregate are more than the total number of Shortfall Shares, then the Applications under the Shortfall Facility will be scaled back:

1. on a pro-rata basis, according to the proportional number of Shares held by each Shareholder under the Shortfall Facility as at the Record Date;
2. such that the maximum number of Shares to be issued under the Shortfall Facility will not exceed the total number of Shortfall Shares; and
3. so that no Shareholder will be issued with more than the number of Additional Shares they applied for under the Shortfall Facility.

Shareholders, along with the Underwriter and any sub-underwriters, will be permitted to acquire a relevant interest in the Company's share capital that is in excess of 20% pursuant to item 10 of section 611 of the Corporations Act, **but only if such interest is acquired as a result of the acquisition of Entitlement Shares (and, in the case of the Underwriter, underwritten Shares), and not as a result of an acquisition of Additional Shares.** Therefore, any Shareholders who may, as a result of applying for any Additional Shares under the Shortfall Facility, be at a risk of exceeding the takeovers threshold set out in section 606 of the Corporations Act, should seek professional advice before completing and returning the enclosed Entitlement and Acceptance Form.

In the event of any disputes in relation to the implementation of the allocation policy outlined above, the Board in consultation with the Underwriter reserves the right to resolve such disputes in a manner it deems appropriate, and at its sole discretion. The decision of the Board as to allocation of Additional Shares is final.

There is no guarantee that you will receive Additional Shares and the Directors do not represent that any Applications for Additional Shares will be successful. By applying under the Shortfall Facility, you agree to accept a lesser number of Additional Shares than that applied for in your Entitlement and Acceptance Form. If the number of Additional Shares allotted to a Shareholder is less than the number applied for by that Shareholder, surplus Application Monies will be refunded in full. Interest will not be paid on monies refunded.

Any Additional Shares will be allotted at the same time as the Entitlement Shares on or around Friday 3 March 2017, in accordance with the Offer timetable.

4.8 Placement of remaining Shortfall

As the Offer is fully underwritten, it is not anticipated that there will be a shortfall following the close of the Offer. In the unlikely event that following the close of the Offer a shortfall remains, the balance of the Offer Shares not taken up by Shareholders or the Underwriter will not be issued.

4.9 New Shares issued under the Offer

New Shares issued under the Offer will be fully paid ordinary shares ranking equally with Genesis ordinary shares currently on issue. For further information on the rights attaching to New Shares, refer to section 9.

Genesis will apply to ASX for Quotation of the New Shares to be issued under the Offer. If ASX does not grant permission for the Quotation of the New Shares within 3 months of the date the Offer opens, Genesis will refund all Application Monies, without interest, as soon as practicable.

If you sell New Shares issued under the Offer before you receive a holding statement, you do so at your own risk.

5 How to apply for New Shares

5.1 Entitlement under the Offer

A Shareholder's Entitlement will be set out in the Entitlement and Acceptance Form accompanying this Offer Document which will be sent to Shareholders on Thursday 9 February 2017. Shareholders will be entitled to 3 New Shares for every 8 Genesis Shares held as at the Record Date.

If you have more than one holding of Genesis Shares you will receive more than one set of Offer Documents and you will have a separate Entitlement for each holding.

5.2 Options available to Shareholders

If you are a Shareholder, you may:

- (1) take up all of your Entitlement (see section 5.3 for instructions on how to do this);
- (2) in addition to applying for all of your Entitlement, apply for Additional Shares under the Shortfall Facility described in section 4.7 (see section 5.4 for instructions on how to do this);
- (3) take up part of your Entitlement and allow the balance of your entitlement to lapse (see section 5.3 for instructions on how to do this); or
- (4) allow all of your Entitlement to lapse (see section 5.7).

5.3 Applying for New Shares

The Entitlement and Acceptance Form will allow you to apply for less New Shares than your Entitlement. A Shareholder may take up all or part of their Entitlement by completing their personalised Entitlement and Acceptance Form which should accompany this Offer Document, and returning it together with the correct Application Monies in accordance with the instructions contained in section 5.5 by no later than the Closing Date of **5.00pm (Melbourne time) on Friday 24 February 2017**.

Genesis may, but is not obliged to, accept an Application received after the Closing Date if the Application is postmarked prior to the Closing Date. If the Company does not accept an Application for any reason, Genesis will refund any excess Application Monies to the Shareholder without interest.

5.4 Applying for Additional Shares

Shareholders who subscribe for their full Entitlement may apply for Additional Shares under the Shortfall Facility detailed in section 4.7. To do this, Shareholders should enter the number of Additional Shares they wish to apply for in the relevant section of their personalised Entitlement and Acceptance Form entitled "Application for Additional Shares if available".

The amount of Application Monies that Shareholders submit with their Applications must be equal to the Offer Price multiplied by the total number of New Shares applied for (including Additional Shares).

5.5 Form of payment

Payment of Application Monies (Application Monies must be equal to the Offer Price multiplied by the total number of New Shares applied for, including Additional Shares) will only be accepted in Australian currency, and as follows:

- (1) Through BPAY®¹. To pay by BPAY, Shareholders should make their payment using the Biller Code and Customer Reference Number set out in their personalised Entitlement and Acceptance Form. If you are a Shareholder who has multiple holdings, you will have multiple BPAY reference numbers. To ensure you receive your Entitlement in respect of that holding, you must use the Customer Reference Number shown on each personalised Entitlement and Acceptance Form when paying for

¹ ® Registered to BPAY Pty Ltd ABN 69 079 137 518

any New Shares (and if applicable, Additional Shares) that you wish to apply for in respect of that holding.

Shareholders making payment via BPAY do not need to complete and return their personalised Entitlement and Acceptance Form.

You should be aware that your own financial institution may implement earlier cut-off times for electronic payments and it is your responsibility to ensure that your payment is submitted through BPAY so that it will be received by no later than **5.00pm (Melbourne time) on Friday 24 February 2017**.

(2) By returning your cheque, bank draft or money order payment with your completed Entitlement and Acceptance Form to the Share Registry, Computershare Investor Services Pty Limited. To pay by cheque, bank draft or money order:

- complete your personalised Entitlement and Acceptance Form;
- attach your payment of Application Monies, which must be drawn on an Australian bank or an Australian branch of a financial institution and be made payable in Australian currency;
- address the cheque, bank draft or money order to '**Genesis Resources Limited**' and cross '**Not Negotiable**'; and
- return the completed Entitlement and Acceptance Form and payment by no later than **5.00pm (Melbourne time) on Friday 24 February 2017** to:

By post:

Genesis Resources Limited Rights Issue
c/- Computershare Investor Services Pty Limited
GPO Box 2987
Adelaide, South Australia 5001

By hand delivery:

Genesis Resources Limited Rights Issue
Yarra Falls
452 Johnston Street
Abbotsford, Victoria, 3067 (*please do not use this address for mailing purposes*)

Shareholders are requested not to forward cash as cash payment will not be accepted. Receipts for payment will not be provided. Neither Computershare Investor Services Pty Limited nor the Company accepts any responsibility if you lodge your Entitlement and Acceptance Form and payment at any other address or by any means other than those detailed above.

If the amount of Application Monies provided is insufficient to pay in full for the number of New Shares including any Additional Shares you applied for, or is more than the number of New Shares including any Additional Shares you applied for, then you will be taken to have applied for such whole number of New Shares including any Additional Shares which is covered in full by your Application Monies. Alternatively, the Company may in its discretion reject your Application, in which case any Application Monies will be refunded to you, without interest.

If you do not receive any or all of the Additional Shares you applied for, any surplus Application Monies will be refunded to you, without interest.

5.6 Effect of Application

By applying for New Shares and Additional Shares under the Offer (including by way of payment through BPAY), a Shareholder is taken to:

- (1) agree to be bound by the terms and conditions set out in this Offer Document and the accompanying Entitlement and Acceptance Form;
- (2) acknowledge the statement of risks in section 7 of this Offer Document and that investments in Genesis are subject to risk;

- (3) represent and warrant that they satisfy the criteria of being an eligible Shareholder set out in section 2.3;
- (4) authorise the Company to place the Shareholder's name on the Company's shareholder register in respect of those New Shares (including, if applicable, Additional Shares); and
- (5) agree to be bound by the Company's Constitution.

Any application for New Shares under the Offer (including by way of payment through BPAY), once lodged, cannot be withdrawn.

5.7 Allowing your Entitlement to lapse

If you do not wish to accept the Offer, take no action, and all of your Entitlement will lapse. Your shareholding in Genesis, however, will be diluted.

6 The purpose and effect of the Offer

6.1 Purpose of the Offer and use of funds

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 required to meet a number of obligations under its joint venture agreement with Sileks, including 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). As part of its joint venture obligations, Genesis has agreed to commit up to US\$7.5M for such activities.

The purpose of the fully-underwritten Offer is to raise funds of approximately \$3 million. The Directors intend to apply the funds raised as follows:

Purpose	Amount (approximate)
Expenses associated with drilling and assays at Plavica	\$750,000
Expenses associated with feasibility studies on the Plavica Project, to be undertaken following the Company's release of a JORC 2012 compliant mineral resource at the end of 2016. These studies will include metallurgical test-work, infill and extensional drilling, pit and infrastructure design and an upgrading of the resource to "indicated" status. The Company has appointed Golder Associates to complete this work.	\$500,000
Other expenses associated with further work on Plavica, including a LIDAR Survey and ESIA Study	\$500,000
General working capital requirements, and to pay for costs of the Offer	Balance (approximately \$1,250,000)

6.2 Effect of the Offer on Shareholder dilution and the control of Genesis

The effect of the Rights Issue on the control of Genesis will depend on a number of factors, including:

- (a) the level of Shareholder participation in the Entitlement component of the Offer and the identity of Shareholders who participate in the Entitlement component of the Offer;
- (b) if applicable, the level of Shareholder participation in the Shortfall Facility and the identity of Shareholders who participate in the Shortfall Facility;
- (c) the extent to which the underwriting or sub-underwriting is called upon; and

- (d) the level of dispersion of Shortfall Shares (if any) to the Underwriter and any sub-underwriters of the Offer.

The potential effect of the Offer on the control of the Company is as follows:

1. If all Shareholders take up their full Entitlements, there would be no effect on the control of Genesis, as the Offer is made pro-rata, and so in that case no rights would lapse or revert to the Shortfall Facility or Shortfall for the Underwriter or sub-underwriters (see section 8.4).
2. If Shareholders do not take up their full Entitlements under the Offer, then the interests of those Shareholders will be diluted.

It is not presently possible for the Directors to predict the final level of underwriting, subscription by Shareholders and Shortfall under the Rights Issue, or the identity of Shareholders who will subscribe for their Entitlements.

If every Shareholder was to take up their full Entitlement, there would be no effect on the control of Genesis, as the Offer is made pro-rata and in that case there would be no Shortfall for the Underwriter (see section 8.4).

If no Shareholder (other than the Underwriter) was to take up any of their Entitlement (**Lack of Shareholder Subscription**), the Underwriter would therefore be bound to subscribe for 174,272,487 Shares (including its Entitlement).

The Underwriter is a major Shareholder of Genesis and is a company controlled by Genesis Non-Executive Director Mr Kim Heng Lim.

The table below sets out the final shareholding interests of the Underwriter (in the event that the Underwriter elects to directly subscribe for the underwritten Shares instead of allocating Shares to sub-underwriters) upon completion of the Offer in the event that the Offer is fully subscribed, 75% subscribed, 50% subscribed, 25% subscribed, and in the event of Lack of Shareholder Subscription (in each case on the basis that the Underwriter will apply for its full Entitlement under the Offer as a Shareholder):

UNDERWRITER'S CURRENT SHAREHOLDING	
Number of Shares currently held by Underwriter in Genesis	88,784,597
Current percentage of Genesis' issued capital (%)	19.10%
IF THE OFFER IS FULLY SUBSCRIBED (INCLUDING UNDERWRITER'S ENTITLEMENT)	
Entitlement and Additional Shares taken up by other Shareholders	140,978,263
Entitlement Shares to be taken up by the Underwriter	33,294,224
Underwritten Shortfall Shares taken up by the Underwriter	-
Total Shares acquired under the Offer by the Underwriter	33,294,224
Underwriter's total holding following the Offer	122,078,821
Percentage of Genesis' issued capital held by Underwriter (%)	19.10%
IF THE OFFER IS 75% SUBSCRIBED (INCLUDING UNDERWRITER'S ENTITLEMENT)	
Entitlement and Additional Shares taken up by other Shareholders	97,410,141
Entitlement Shares to be taken up by the Underwriter	33,294,224
Underwritten Shortfall Shares taken up by the Underwriter	43,568,122
Total Shares acquired under the Offer by the Underwriter	76,862,346
Underwriter's total holding following the Offer	165,646,943
Percentage of Genesis' issued capital held by Underwriter (%)	25.92%
IF THE OFFER IS 50% SUBSCRIBED (INCLUDING UNDERWRITER'S ENTITLEMENT)	
Entitlement and Additional Shares taken up by other Shareholders	53,842,019
Entitlement Shares to be taken up by the Underwriter	33,294,224
Underwritten Shortfall Shares taken up by the Underwriter	87,136,244
Total Shares acquired under the Offer by the Underwriter	120,430,468
Underwriter's total holding following the Offer	209,215,065

Percentage of Genesis' issued capital held by Underwriter (%)	32.74%
IF THE OFFER IS 25% SUBSCRIBED (INCLUDING UNDERWRITER'S ENTITLEMENT)	
Entitlement and Additional Shares taken up by other Shareholders	10,273,898
Entitlement Shares to be taken up by the Underwriter	33,294,224
Underwritten Shortfall Shares taken up by the Underwriter	130,704,365
Total Shares acquired under the Offer by the Underwriter	163,998,589
Underwriter's total holding following the Offer	252,783,186
Percentage of Genesis' issued capital held by Underwriter (%)	39.56%
IF THE OFFER IS 0% SUBSCRIBED BY ANY SHAREHOLDER EXCEPT THE UNDERWRITER	
Entitlement and Additional Shares taken up by other Shareholders	0
Entitlement Shares to be taken up by the Underwriter	33,294,224
Underwritten Shortfall Shares taken up by the Underwriter	140,978,263
Total Shares acquired under the Offer by the Underwriter	174,272,487
Underwriter's total holding following the Offer	263,057,084
Percentage of Genesis' issued capital held by Underwriter (%)	41.17%

All Shareholders, along with the Underwriter and any sub-underwriters, will be permitted to acquire a relevant interest in the Company's share capital that is in excess of 20% pursuant to item 10 of section 611 of the Corporations Act, **but only if such interest is acquired as a result of the acquisition of Entitlement Shares (and, in the case of the Underwriter, underwritten Shares), and not as a result of an acquisition of Additional Shares.**

The final shareholding interests of the Underwriter upon completion of the Offer will depend upon the factors noted earlier in this section 6.2. As the Offer is fully underwritten, there will be no Shortfall following completion of the Underwriting.

The following can be said about the potential effect of the Offer on the control of Genesis:

- currently, the Underwriter does not control Genesis, though it is noted that the Underwriter holds 19.10% of the issued capital in Genesis and the Underwriter is controlled by Genesis Non-Executive Director Mr Kim Heng Lim;
- as noted above, if every Shareholder was to take up their full Entitlement, there would be no effect on the control of Genesis following the Offer; and
- should other Shareholders elect not to participate in the Offer, it would result in the Underwriter increasing its holding in Genesis (up to a maximum of 41.17%), giving it increased voting rights as well as gaining a greater degree of influence over the operations of Genesis.

The current substantial Shareholders of Genesis as at the date of this Offer Document are as follows:

Substantial Shareholder	No. of shares	% of current issued capital
S Active Holding Sdn Bhd	88,784,597	19.10%
Citicorp Nominees Pty Limited	88,397,827	19.02%
Kin Po Yu and Huahui Group Holdings Pty Ltd	36,000,000	7.75%
Spektra Jeotek Sanayi ve Ticaret A.S.	34,174,444	7.35%
Wintercrest Advisors LLC	33,002,561	7.10%
Chun Men Leo Yu	27,139,541	5.84%
Kar Ghee Ong	24,864,384	5.35%

Where the Rights Issue is significantly undersubscribed, the Underwriter could acquire control of the Company.

7 Investment and business risks

An investment in Genesis Shares is subject to investment and other known and unknown risks, including possible loss of income and principal invested. Genesis has implemented strategies, actions, systems and

safeguards for known risks, however, some risks are beyond its control. Consequently, the prevailing price or value of New Shares issued under the Offer may be more or less than the Offer price.

In any event, Genesis does not guarantee any particular rate of return, the performance of Genesis, the payment of any dividends, the repayment of capital from Genesis, any price for Genesis Shares or any particular tax treatment.

7.1 General risks

General risks that may impact significantly on Genesis, its performance and the price of its Shares include:

- economic conditions in Australia and internationally;
- investors' sentiment and share market conditions;
- changes in fiscal and monetary policy by governments;
- changes in relevant taxation and other legal regimes;
- default of customers and suppliers;
- natural disasters; and
- availability of credit.

7.2 Business specific risks

Business specific risks that may impact significantly on Genesis, its performance and the price of its Shares include:

- the overall performance of management and the ability of senior management to manage business operations;
- the loss of one or more of Genesis key managers or executives;
- there is no assurance that funds expended by Genesis on exploration activities will result in discoveries or development prospects that will be economically viable;
- the metallurgical characteristics of mineral deposits being explored and developed by the Company may be such as to prevent commercial exploitation;
- changes to government regulations, policy and royalty regimes may have adverse impacts upon the development options available to the Company at any of its projects;
- fluctuations in metal prices may adversely impact on Genesis' exploration and future development;
- additional funding may be required for further exploration, appraisal and development, and there is no assurance that Genesis will be able to raise such funding;
- national and local environmental and heritage laws and regulations may impact adversely on exploration and future development at any one of its projects; and
- unexpected circumstances may arise at any time which may have adverse impacts on the Company's activities.

The above risks should not be taken to be exhaustive of the risks faced by Genesis or its Shareholders. Those risk factors, and others not specifically referred to above, may materially affect the financial performance of Genesis and the value of its Shares in the future.

8 Additional information relevant to the Offer

8.1 No financial product advice

This document and any document which accompanies it, are not, and may not be taken to be, financial product advice or a recommendation to acquire Genesis Shares. They have been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision you should consider all relevant information having regard to your own objectives, financial situation and needs, and consult your stockbroker, accountant or other independent financial adviser.

8.2 Authorised and unauthorised information and representations

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this document or in any document that accompanies it, or in any release by Genesis to ASX. Any information or representation in relation to the Offer which is not contained in this document or in any document that accompanies it may not be relied upon as having been authorised by Genesis or any of its officers.

To the maximum extent permitted by law, Genesis and its respective advisers and respective affiliates or related bodies corporate and any of their respective directors, officers, partners, employees, representatives or agents exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Offer or this Offer Document being inaccurate or incomplete in any way or any reason, whether by negligence or otherwise.

8.3 Taxation

There may be tax consequences associated with being issued New Shares under the Offer. None of Genesis, its officers, employees or advisers is giving or is able to give you advice about the specific tax consequences for you. All investors should satisfy themselves of any possible tax consequences by consulting their own professional tax advisers.

8.4 Underwriting arrangements

Genesis has entered into an underwriting agreement with the Underwriter, S Active Holding Sdn Bhd, which is a major Shareholder of the Company and is an entity controlled by the Company's Director Mr Kim Heng Lim.

The Underwriter has agreed to fully underwrite the Offer.

Under the underwriting arrangements, the Underwriter is committed to apply or procure applications for (generally speaking) any Shortfall between the number of New Shares actually applied for under the Offer and a number of New Shares that if applied for would raise \$2,962,632.28.

In line with similar underwritings in offers similar to the Offer:

- Genesis gives a range of traditional warranties and both positive and negative undertakings in favour of the Underwriter;
- The Underwriter is required to meet its obligations under the underwriting agreement within 3 business days of receiving notification from the Company of the underwriting shortfall amount;
- an Underwriter may terminate its underwriting agreement and thereby be released from its obligations on the occurrence of certain traditional events, including if:
 - there is an event, material change or development affecting Genesis or its industry which would have a material adverse effect on Genesis or the Offer; or
 - there is a breach by Genesis of any standard warranty provided under the agreement or other material breach of the agreement;
- The Underwriter will be paid an underwriting fee of 2.5% of its maximum underwriting financial commitment and a management fee of 1% of its maximum underwriting financial commitment; and
- Genesis will be responsible for all costs of the Underwriter.

The Board has the discretion under the Shortfall Facility to issue Shares to Shareholders who subscribe for additional New Shares in excess of their Entitlement and not taken up under the Offer in advance of determining the Shortfall that the Underwriter will be required to take up.

The potential impact of the underwriting arrangements on Shareholder dilution and the control of Genesis is explained in section 6.2.

Applications for Additional Shares under the Shortfall Facility from Shareholders will reduce the amount of any Shortfall which would otherwise be taken up by the Underwriter.

8.5 Discretion of the Board

Without limiting the other powers and discretions set out in this document, the Directors of Genesis may:

- implement the Offer in the manner they think fit (subject always to the Listing Rules and the Corporations Act); and
- settle any difficulty, anomaly or dispute which may arise either generally or in a particular case in connection with, or by reason of, the operation of the Offer or a matter in this Offer Document as they think fit, whether generally or in relation to any Shareholder or any Shares, and the determination of the Directors is conclusive and binding on all relevant Shareholders and other persons to whom the determination relates.

8.6 Governing law of the Offer

This Offer Document and the documents that accompanied it, the Offer and the contracts formed on acceptance of Applications made under the Offer are governed by the laws of Victoria, Australia. Each person who applies for New Shares under the Offer submits to the jurisdiction of the courts of Victoria, Australia.

9 Rights Attaching to New Shares

9.1 Terms and Conditions of New Shares

The following is a general description of the more significant rights and liabilities attaching to the New Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, the Listing Rules and the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

- At the date of the Offer, all Shares are of the same class and rank equally in all respects. Specifically, the New Shares issued pursuant to the Offer will rank equally with existing Shares on issue.
- Subject to any special rights or restrictions (at present there are none), at any meeting each member present in person or by proxy has one vote on a show of hands, and on a poll has one vote for each Share held.
- Subject to any special rights (at present there are none), any dividends that may be declared by the Company are payable on all Shares in proportion to the amount paid up.
- The rights attaching to the Shares may only be varied by the consent in writing of the holders of a majority of the Shares of the affected class, or with the sanction of an ordinary resolution passed at a meeting of the holders of the Shares of the affected class.
- Subject to the Company's Constitution, the Corporations Act or any other applicable laws of Australia and the Listing Rules, the Shares are freely transferable. The Directors may refuse to register a transfer of Shares only in limited circumstances, such as where the Company has a lien on those Shares.
- Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and the Listing Rules.

- The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable law and provided a notice is given to the minority Shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.
- If the Company is wound up, the liquidator may, with the sanction of a special resolution:
 - divide among the Shareholders the whole or any part of the Company's property; and
 - decide how the division is to be carried out between the Shareholders.
- Subject to any special rights (at present there are none), any surplus assets on a winding up are to be distributed to Shareholders in proportion to the number of Shares held by them irrespective of the amounts paid or credited as paid.

10 Definitions

Additional Shares	New Shares applied for by Shareholders in excess of their Entitlement under the Shortfall Facility.
Application	The submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies or arranging for payment of the relevant Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.
Application Monies	The aggregate amount payable for the New Shares (including Additional Shares) applied for in a duly completed Entitlement and Acceptance Form or through BPAY, calculated as the Offer Price multiplied by the number of New Shares (including Additional Shares) applied for.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691 or the securities exchange operated by ASX Limited (as the context requires).
Genesis or the Company	Genesis Resources Limited ACN 114 787 469.
Board	The board of Directors of the Company.
Closing Date	The closing date of the Offer being 5.00pm (Melbourne time) on Friday 24 February 2017 (unless extended).
Constitution	The Company's constitution as at the date of this Offer Document.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	A director of the Company.
Entitlement	The pro-rata entitlement of a Shareholder to subscribe for New Shares under the Offer.
Entitlement and Acceptance Form	The entitlement and acceptance form accompanying this Offer Document in respect of the Rights Issue.
Listing Rules	The Listing Rules of the ASX.
New Shares	Means the Shares to be issued pursuant to this Offer Document, including Entitlement Shares, Additional Shares and underwritten Shares.
Offer or Rights Issue	The non-renounceable rights issue of 174,272,487 New Shares on the basis of three (3) New Shares for every eight (8) Shares held at an issue price of \$0.017 per New Share issued in order to raise approximately \$3 million before costs, pursuant to this Offer Document.
Offer Document	This document to which the Rights Issue relates.

Offer Price	The price payable for each New Share, being \$0.017.
Opening Date	The opening date of the Offer, being Thursday 9 February 2017.
Quotation	Official quotation on ASX.
Record Date	The time and date for determining Entitlements under the Offer, being 7.00pm (Melbourne time) on Monday 6 February 2017.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	A holder of a Share as recorded in the register of the Company.
Share Registry	Computershare Investor Services Pty Limited ACN 078 279 277.
Shortfall or Shortfall Shares	Those New Shares not validly applied for by Shareholders under the Entitlement component of the Offer by the Closing Date, and which will revert to the Shortfall Facility or to the Underwriter or sub-underwriters.
Shortfall Facility	Has the meaning given to it in section 4.7 of this Offer Document.
Timetable	The timetable (as varied from time to time) of the Offer under as outlined in section 3 of this Offer Document.

-ENDS