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GENESIS RESOURCES LIMITED
ABN 22 114 787 469
and its controlled entities

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

Lodged with ASX under Listing Rule 4.2A

This information should be read in conjunction with 30 June 2017 Annual Report

Genesis Resources Limited
Financial Report for the half-year ended 31 December 2017

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Genesis Resources Limited
Financial Report for the half-year ended 31 December 2017

Directors' Report

The Directors present their report together with the interim financial report of Genesis Resources Limited (**Genesis** or the **Company**), for the six months ended 31 December 2017 (**Half Year**) and independent auditor's review report thereon. This financial report has been prepared in accordance with Australian Equivalents to International Financial Reporting Standards.

Directors

The names of Directors who held office during or since the end of the Half Year and until the date of this report are as below:

Name	Position	Period of directorship
Mr Eddie Lung Yiu Pang	Managing Director / Executive Chairman	6 March 2009 – present (Chairman 1 December 2013 – 27 September 2015; and 26 November 2015 – present)
Mr Deric Wee	Non-Executive Director	11 December 2009 – 26 November 2012; and 16 January 2013 – present
Mr Kim Heng Lim	Non-Executive Director	31 May 2016 – present
Mr Chin Niap Mah	Non-Executive Director	31 May 2016 – present
Mr James Patterson	Non-Executive Director	24 October 2016 – present
Mr Yau Young Lim	Non-Executive Director	21 November 2016 – present

The Company Secretary is Ms Sophie Karzis.

The Chief Financial Officer is Ms Patricia Wong.

Principal Activities

The principal activities of the Group during the period were exploration for and evaluation of gold, manganese and base metals. There was no significant change in the nature of the Group's activities during the period.

REVIEW OF OPERATIONS

PLAVICA AU-AG-CU PROJECT

- The Resource model for the Oxide Gold at Plavica was updated by Golder Associates and was published in November 2017. The total Measured, Indicated and Inferred Mineral Resources as at November 2017 are estimated at 37.4 million tonnes (MT) at 0.77 grams per tonne of gold (ppm Au) containing 926,000 ounces of gold and 7.7 M ounces of silver. The full report can be seen on the Genesis website.
- This material is all within oxide and partial oxide (transitional) material which metallurgical test-work shows is recoverable by heap leaching methods. This resource represents an upgrade of 18 % on the total ounces of the same material reported in December 2016.

PLAVICA HIGH SULPHIDATION EPITHERMAL GOLD-COPPER-SILVER PROJECT

(Figure 1)

Following the granting of the 30-year Exploitation Licence at Plavica in May 2015, drilling has since focused 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 24 November 2017, an updated JORC 2012 compliant resource was released for the Plavica project. The total Measured, Indicated and Inferred Mineral Resources as at November 2017 are estimated at 37.4 million tonnes (MT) at 0.77 grams per tonne of gold (ppm Au) containing 926,000 ounces of gold and 7.7 M ounces of silver. The resource classification is shown in Figure 2.

This material is all within oxide and partial oxide (transitional) material which metallurgical testwork shows is recoverable by heap leaching methods. This resource represents an upgrade of 18 % on the total ounces of the same material reported the previous year (Dec 2016). The primary mineralisation (non oxidised) component was not targeted in 2017.

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 full report can be found on the Genesis Resources website.

No drilling was completed during the Half Year period. Field work consisted of continued collection of data from water monitoring boreholes, wells and surface monitoring points throughout the project and collection of Flora and Fauna data to be used in an ESIA.



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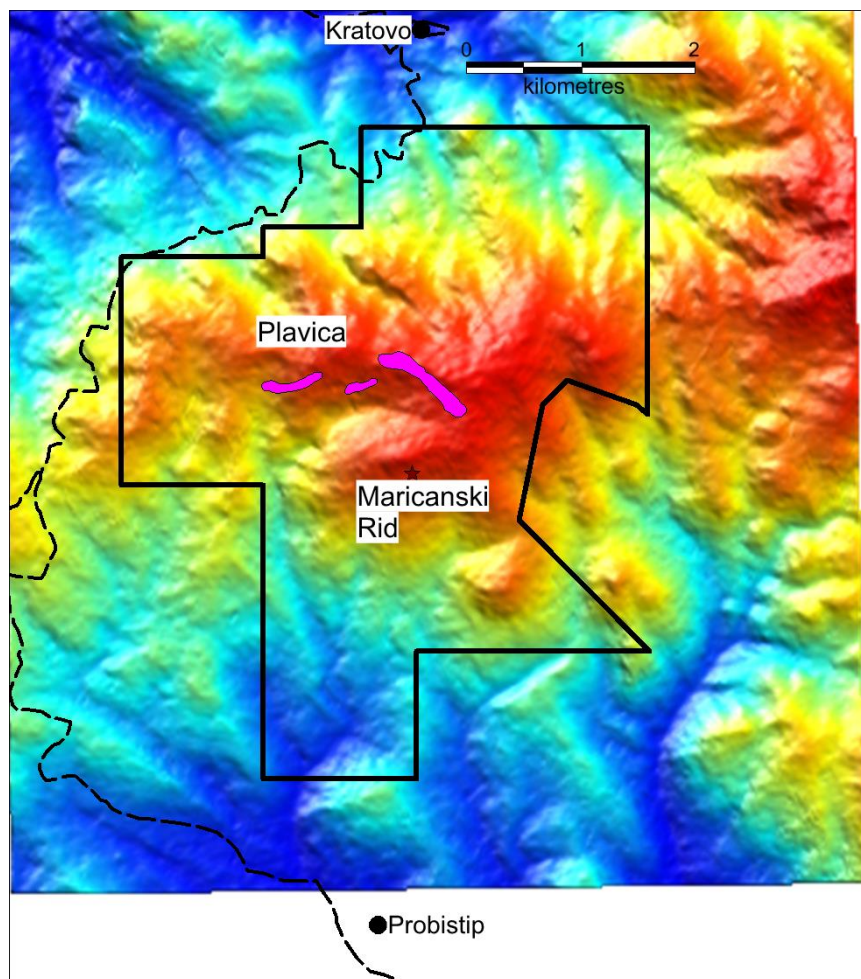


Figure 1 Location of Plavica Gold-Copper-Silver Project, Republic of Macedonia. Bottom Image overlays a Digital Terrain Model (DTM).

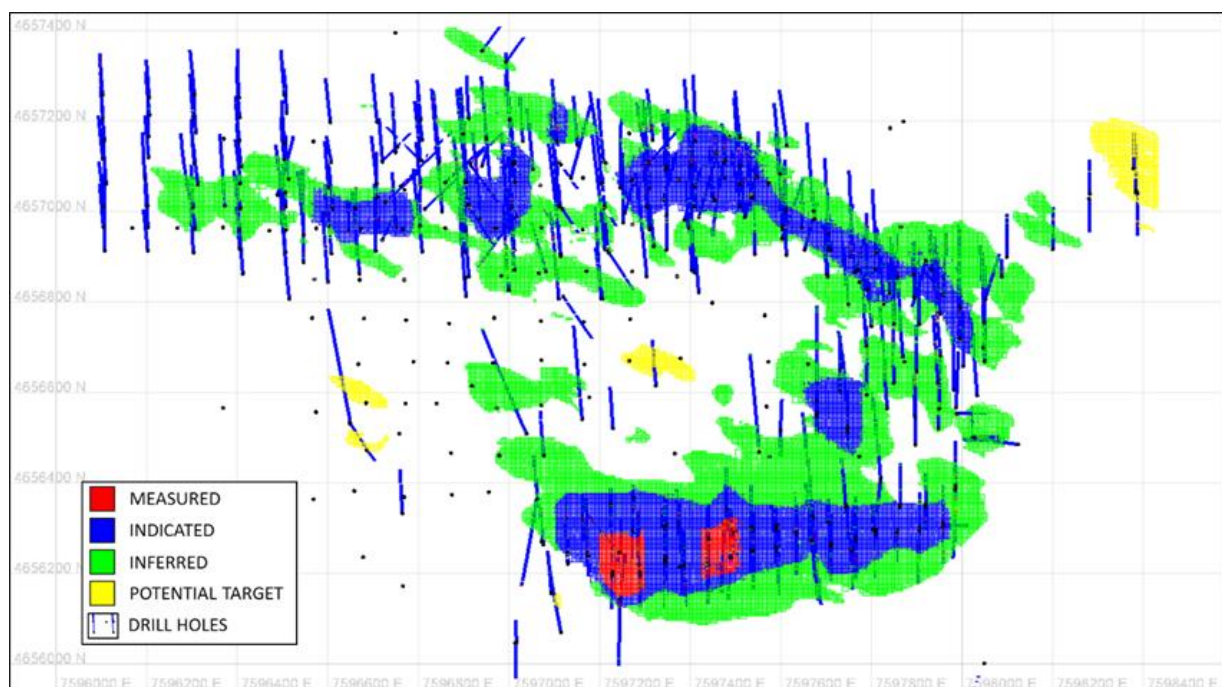


Figure 2: Plan view of the Mineral Resource Classification for Plavica and Maricanski Rid

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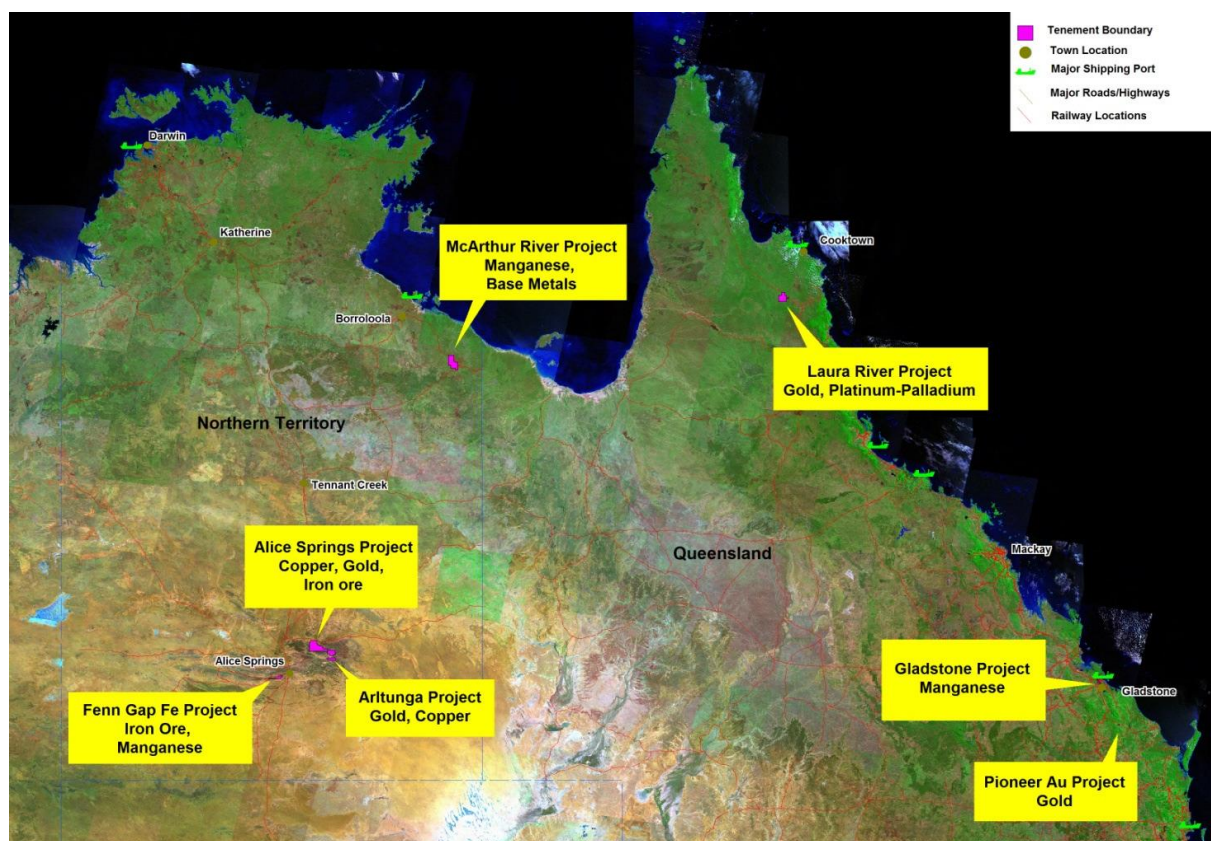


Figure 3 Location of Australian Projects.

AUSTRALIA

ARLTUNGA PROJECT: (EL25238) Copper, Gold, (GES 100%)

The Arltunga Gold Project consists of Exploration Licence EL25238 covering 95.2 sq km, is located approximately 110 km northeast of Alice Springs (*Figure 3*) in the vicinity of the Arltunga Goldfield. Thirty three historical gold mines and prospects are known in the licence area.

A Licence Renewal Application was lodged on 26 October 2016 and approved on 21 March 2017 for a further two-year period. The new expiry date is 7 November 2018. All 31 sub blocks were retained.

The 11th Annual Technical Report was lodged on 10 November 2017.

The Mining Management Plan (MMP) update was approved on 10 October 2017.

The Central Land Council Sacred Site Clearance Certificate was extended on 30 August 2017. The new expiry date is 31 December 2018.

A full review of all available data is currently underway, with the aim of defining targets for Reverse Circulation drilling in 2018.

No field work was carried out during the Half Year.

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ALICE SPRINGS PROJECT: (EL24817) 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 3*).

The Mining Management Plan (MMP) update was approved on 10 November 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 11th Annual Technical Report was lodged on 21 April 2017 and was accepted as satisfactory on 26 April 2017.

The Central Land Council Sacred Site Clearance Certificate was extended on 30 August 2017. The new expiry date is 31 December 2018.

No field work was carried out during the Half Year. In addition, a full review of all available data is underway to define targets for RC drill testing during 2018.

GLADSTONE PROJECT: (EPM15771) Manganese (GES 100%)

The Gladstone-Mount Miller Project consists of Exploration Licence (EPM15771) covering 42.62sq km and is located approximately 15 km by road from the port of Gladstone on the east coast of central Queensland (*Figure 3*).

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.

A Licence Renewal Application was lodged on 17 February 2017 and approved on 17 March 2017. The new expiry date is 19 June 2019. All 7 sub blocks were retained. The 10th Annual Technical Report was lodged on 23 June 2017.

No field work was carried out during the Half Year. 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 2018.

The Company previously held a Mining Lease 80166 (ML) Application covering 32.24 Ha of the Gladstone-Mount Miller Manganese Project. In May 2017, the Company submitted an application to the Queensland Government's Department of Natural Resources and Mines to withdraw its ML application. The withdrawal application was accepted by the Department on 17 May 2017. The Company's decision not to progress the ML from application to grant stage was consistent with its strategy of focusing on a program of works for the exploration permit, rather than the ML application itself.

Genesis' withdrawal of the ML application has allowed the area to fall back within the underlying exploration permit held by Genesis, and for exploration activities to continue. The withdrawal has not affected any entitlements that Genesis currently has through the underlying exploration permit, and the permit continues to provide the Company with security of tenure for any future mining lease applications. The Company intends to continue its exploration programs at this tenement, whilst re-assessing the viability of submitting another mining lease application at a later stage.

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PIONEER PROJECT: (EPM15619) 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 3*).

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 30 June 2016. The new expiry date is 2 August 2018. The 2 sub blocks were retained.

The 11th Annual Technical Report was lodged on 4 August 2017.

No field work was carried out during the Half Year. A review of all available data is underway to compile all geological mapping and define targets for drill testing during 2018.

MCARTHUR RIVER PROJECT: (EL24814) 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 3*).

The project area contains the Masterton No2 manganese occurrence.

The Mining Management Plan Update lodged on 25 October 2017 was approved on 13 November 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 116 sub-blocks were retained.

The 11th Annual Technical Report was lodged on 24 April 2017 and accepted as satisfactory by the DME on 27 April 2017.

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

LAURA RIVER PROJECT: (EMP15242) Gold, Iron (GES 100%)

The Laura River project consists of Exploration Licence EPM15242 covering 82.67 sq km centered on the Cape York Peninsular township of Laura, 210km north-west of Cairns and 88km west of Cooktown in North Queensland (*Figure 3*). The area is prospective for gold. Several historical alluvial workings are found in the vicinity of the Laura River and tributaries.

The 10th Annual Technical Report was lodged on 25 August 2017.

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

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

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

No field work was carried out during the Half Year.

FENN GAP PROJECT: (EMP24839) (Manganese, Iron) (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 3*).

The project is 25 km from major infrastructure such as the Stuart Highway and Alice to Adelaide Railway.

The Mining Management Plan (MMP) update was lodged on 21 December 2017.

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

The 9th Annual Technical Report was lodged on 8 May 2017 and accepted as satisfactory by the DME on 24 May 2017.

No field work was carried out during the Half Year. 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.

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 Director and exploration consultant of Genesis Resources Limited. 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.

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TENEMENTS AS AT 31 DECEMBER 2017

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
Plavica & Crn Vrv	19-6648/1	Gold-Silver-Copper	62%	16.85	Silgen Resources International Ltd	Macedonia

*Silgen Resources International Ltd, Kratovo, is an incorporated joint venture entity owned by Genesis and its Macedonian-based joint venture partner RIK Sileks AD Kratovo in 62% and 38% proportions respectively,

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

Results

The loss of the Group for the period ended 31 December 2017 was \$1,008,109 (31 December 2016: loss of \$986,918).

Matters subsequent to the end of the Half Year

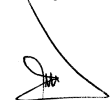
On 22 January and 23 February 2018, the Company obtained \$450,000 total loan facility from Mr Eddie Pang and Mr Yau Young Lim. These loan facilities are unsecured and were drawn down on 22 January and 23 February 2018 respectively. These loans bear no interest.

Other than the above, no matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 9 and forms part of the directors' report for the period ended 31 December 2017.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.



Eddie Pang
Managing Director
13 March 2018

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Genesis Resources Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

A stylized blue ink signature of the RSM network.**RSM AUSTRALIA PARTNERS**A blue ink signature of J S Croall.

J S CROALL
Partner

Dated: 13 March 2018
Melbourne, Victoria

Genesis Resources Limited
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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	31 Dec 2017	31 Dec 2016
	\$	\$
Other income	1,670	298
Employee costs	(518,552)	(564,998)
Administrative and other expenses	(315,951)	(331,202)
Finance income	1,166	11,103
Finance expenses	(161,084)	(132,784)
(Loss) / Profit on foreign exchange	(15,358)	30,665
Loss before income tax	(1,008,109)	(986,918)
Income tax expense	-	-
Loss for the half-year	(1,008,109)	(986,918)
Attributable to non-controlling interests	(265)	(318)
Attributable to owners of the Genesis Group	(1,007,844)	(986,600)
Other comprehensive income		
Exchange differences arising on translating foreign operations	(2,192)	(85,704)
Other comprehensive loss for the half-year, net of tax	(2,192)	(85,704)
Total comprehensive loss for the half-year	(1,010,301)	(1,072,662)
Attributable to non- controlling interests	(265)	(360)
Attributable to owners of the Genesis Group	(1,010,036)	(1,072,262)
Earnings per share		
Basic loss per share (cents per share)	(0.001)	(0.002)
Diluted loss per share (cents per share)	(0.001)	(0.002)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Genesis Resources Limited
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Notes	31 Dec 2017 \$	30 June 2017 \$
Assets			
Current Assets			
Cash and cash equivalents		105,598	279,927
Trade and other receivables		54,001	219,910
Other financial assets		903	222
Total Current Assets		160,502	500,059
Other financial assets		98,710	98,693
Property, plant and equipment		30,229	28,473
Exploration and evaluation assets		21,023,832	20,122,073
Total Non-Current Assets		21,152,771	20,249,329
Total Assets		21,313,273	20,749,298
Current Liabilities			
Trade and other payables		1,158,379	1,522,816
Borrowings	6	3,317,872	2,500,000
Total Current Liabilities		4,476,251	4,022,816
Total Liabilities		4,476,251	4,022,816
Net Assets		16,837,022	16,726,482
Equity			
Share capital	5	32,103,857	30,983,016
Reserves		(248,687)	(246,495)
Accumulated losses		(15,019,829)	(14,011,985)
Total equity attributable to members of Genesis Group		16,835,341	16,724,536
Non-controlling interests	7	1,681	1,946
Total Equity		16,837,022	16,726,482

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR
ENDED 31 DECEMBER 2017**

	Issued Capital	Accumulated (Losses)	Reserve	Non- controlling interests	Total equity
	\$	\$	\$	\$	\$
Balance at 1 July 2017	30,983,016	(14,011,985)	(246,495)	1,946	16,726,482
Loss for the period	-	(1,007,844)	-	(265)	(1,008,109)
Foreign currency translation	-	-	(2,192)		(2,192)
Total comprehensive income for the period	-	(1,007,844)	(2,192)	(265)	(1,010,301)
Transactions with owner in their capacity as owners	-	-	-	-	-
Issued during the year net of transaction costs	1,120,841	-	-	-	1,120,841
Balance at 31 December 2017	32,103,857	(15,019,829)	(248,687)	1,681	16,837,022

For the half-year ended 31 Dec 2016

	Issued Capital	Accumulated (Losses)	Reserve	Non- controlling interests	Total equity
	\$	\$	\$	\$	\$
Balance at 1 July 2016	25,749,425	(11,635,400)	(209,908)	2,513	13,906,630
Loss for the period	-	(986,600)	-	(318)	(986,918)
Foreign currency translation	-	-	(85,662)	(42)	(85,704)
Total comprehensive income for the period	-	(986,600)	(85,662)	(360)	(1,072,622)
Transactions with owner in their capacity as owners					
Issued during the year, net of transaction costs	2,306,959	-	-	-	2,306,959
Balance at 31 December 2016	28,056,384	(12,622,000)	(295,570)	(2,153)	15,140,967

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	31 Dec 2017	31 Dec 2016
	\$	\$
Cash Flows From Operating Activities		
Receipts from customers and suppliers	1,670	300
Payments to suppliers and employees (inclusive of goods and services tax)	(850,431)	(1,064,479)
Interest (paid) /received	971	11,087
Net cash used in operating activities	(847,790)	(1,053,092)
Cash Flows From Investing Activities		
Payments for property, plant and equipment	(12,119)	(3,004)
Net proceeds from sale of investments	-	266
Payments for investment in related entities	(7,536)	-
Payments of exploration and evaluation expenditure	(1,243,177)	(2,024,500)
Net cash used in investing activities	(1,262,832)	(2,027,238)
Cash Flows From Financing Activities		
Proceeds from issue of ordinary shares	500,000	2,395,238
Payment for share issue costs	-	(72,000)
Proceeds from long term borrowings	1,438,713	500,000
Net cash from financing activities	1,938,713	2,823,238
Net decrease in cash and cash equivalents	(171,909)	(257,092)
Cash and cash equivalents at 1 July	279,927	504,034
Effects of exchange rate changes on cash and cash equivalents	(2,420)	(75,485)
Cash and cash equivalents at 31 December	105,598	171,457

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Genesis Resources Limited

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

1. Basis of preparation of half-year report

The consolidated interim financial report for the half-year ended 31 December 2017 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The consolidated interim financial report does not include all the notes of the type normally included in an annual financial report of Genesis Resources Limited ("GES") and its controlled entity (the "consolidated entity" or the "Group"). Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by GES during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

2. Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by GES at the end of the reporting period. A controlled entity is any entity over which GES has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated Statement of Financial Position and Statement of Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

3. Going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of \$1,008,109 (2016: \$986,918), and had net cash outflows from operating activities of \$847,790 (2016: \$1,053,092) and investing activities of \$1,262,832 (2016: \$2,027,238) for the half-year ended 31 December 2017. As at that date the consolidated entity had net current liabilities of \$4,315,749 (30 June 2017: \$3,522,757).

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These factors indicate significant uncertainty as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern, after consideration of the following factors:

- The consolidated entity's ability to delay or fast track spending on exploration and evaluation activities dependent upon cash flow holdings and financial options at any given time; subject to meeting its minimum expenditure requirements described in Note 10.
- The continued support of the company's major financier, Axle Capital Sdn. Bhd ("**Axle**"). The consolidated entity has a loan facility agreement with Axle in place, under which total funds of \$7.0 million remain available for draw down.
- The directors will seek further capital through equity funding, which, based on previous history, they believe is likely to be successful.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

4. Segment information

The Group has reportable segments, as described below, which are the Group's business units. The two business units are managed separately because they are regulated under different authorities. For each of the business units, the Group's Board of Directors, which acts as the Chief Operating Decision Maker, reviews internal reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Australia: includes copper, iron, gold, manganese and other base metal exploration projects in the Northern Territory and Queensland.
- Macedonia: includes a gold, silver and base metal exploration project.

Information regarding the results of each reportable segment is included below. As both segments are in the early stages of exploration, there is no associated segment profit or loss, as expenditure is capitalised in accordance with the company's accounting policy. Comparative segment information has been represented in conformity with the requirement of Accounting Standard AASB 8 *Operating Segments*.

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	Australia		Macedonia		Head Office		Total	
	31 Dec 2017	31Dec 2016	31 Dec 2017	31Dec 2016	31 Dec 2017	31 Dec 2016	31 Dec 2017	31Dec 2016
	\$	\$	\$	\$	\$	\$	\$	\$
Other income	-	-	2,745	11,238	91	163	2,836	11,401
Operating expenses	-	-	(318,481)	(442,178)	(692,464)	(556,141)	(1,010,945)	(998,319)
Reportable segment net loss before income tax	-	-	(315,736)	(430,940)	(692,373)	(555,978)	(1,008,109)	(986,918)
	31 Dec 2017	30 June 2017	31 Dec 2017	30 June 2017	31 Dec 2017	30 June 2017	31 Dec 2017	30 June 2017
Exploration and evaluation assets	2,214,771	2,208,782	18,809,061	17,913,291	-	-	21,023,832	16,730,158
Total segment assets	2,214,771	2,208,782	18,915,401	18,088,707	183,101	451,810	21,313,273	17,416,897
Total segment liabilities	-	716,610	107,349	177,537	4,368,902	3,128,669	4,476,251	4,022,816

5. Share Capital

	31 Dec 2017	30 Jun 2017	31 Dec 2017	30 Jun 2017
	No. of Shares	No. of Shares	\$	\$
Balance at beginning of period	638,999,119	384,885,386	30,983,016	25,749,425
Transactions during the period				
Issue of shares	112,086,350	254,113,733	1,120,841	5,233,591
Rights issue	-	-	-	-
Transaction costs	-	-	-	-
Balance at end of period	751,085,469	638,999,119	32,103,857	30,983,016

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Unissued ordinary shares of the Company under options at the end of the reporting period are:

Expiry date	Exercise price (\$)	Options on issue as 31 Dec 2017	Options on issue at 30 Jun 2017
-	-	-	-

The Company issued the following shares during the period:

- On 11 October 2017, 50,000,000 fully paid ordinary shares were issued to a sophisticated investor under a capital raising placement. The Company raised a total of \$500,000 under the placement, which was used to strengthen the Company's balance sheet and to fund its working capital requirements.
- On 5 December 2017, 62,086,350 fully paid ordinary shares were issued in conversion of an unsecured loan of USD \$500,000 (AUD \$620,864 equivalent) provided to the Company by Director Yau Young Lim, in full and final satisfaction of the Company's obligation to repay the loan.

6. Borrowings

	31 Dec 2017	30 Jun 2017
	\$	\$
Director's loan	120,000	-
Loan facility	3,197,872	2,500,000
	3,317,872	2,500,000

- (i) The borrowings consist of three loan facilities from a company in which certain directors has interest and these loans that are unsecured which bear interest at a rate of 8- 10% per annum. The Director's loan facility of \$120,000 is unsecured and interest-free.
- (ii) The company obtained a USD\$500,000 loan facility from a company in which a certain director has interest. This loan facility is unsecured and any amount drawn down will bear interest at a rate of 10% per annum. During the period, the Company issued 62,086,350 shares at a deemed issue price of \$0.01 per share to retire debt under this loan.
- (iii) During the period, the Company obtained a USD\$300,000 loan facility from a company in which certain directors has an interest. This loan facility is unsecured and any amount drawn down will bear interest at a rate of 8% per annum.
- (iv) Depending on the loan facility, they are repayable in cash two months/one year from the draw down date, or such later date as agreed between the parties; or payable 5 business days after the date that Genesis Resources Ltd has received cleared funds from a capital raising exercise; or will be repaid with first priority when the company receives the proceeds from its anticipated private placement of shares.

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7. Equity – Non Controlling interest

	31 Dec 2017	30 June 2017
	\$	\$
Issued Capital	1,946	2,836
Foreign currency translation	-	(42)
Accumulated Loss	(265)	(641)
TOTAL	1,681	2,153

The non-controlling interest has a 38% (2016: 38%) equity holding in Silgen Resources International Ltd.

8. Contingent Assets and Liabilities

There have been no changes of a material nature in contingent liabilities or assets since the last annual reporting date.

9. Related party transactions

The aggregate value of transactions and outstanding balances related to key management personnel and entities over which they have control or significant influence were as follows:

Key management person	Note	Transaction	Transaction value period ended 31 December		Balance as at 31 December	
			2017	2016	2017	2016
			\$	\$	\$	\$
Mr Eddie Pang	(i)	Loan to Company	120,000	Nil	120,000	Nil
Mr KH Lim	(ii)	Loan to Company	697,872	-	3,197,872	2,500,000
Mr YY Lim	(iii)	Loan to Company	620,864	Nil	Nil	Nil

(i) The Company obtained a loan facility from Mr Eddie Pang. This loan facility is unsecured and interest-free.

(ii) The Company obtained a loan for an entity in which Mr. KH Lim, holds a director position in that entity which is unsecured and bears interest at 8 -16% per annum

(ii) On 5 December 2017, 62,086,350 fully paid ordinary shares were issued in conversion of an unsecured loan of USD \$500,000 (AUD \$620,864 equivalent) provided to the Company by Mr Yau Young Lim, in full and final satisfaction of the Company's obligation to repay the loan. This loan facility bears no interest.

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10. Commitments

In order to maintain current rights of tenure to exploration permits, the Company is required to perform minimum exploration work to meet minimum expenditure requirements. These obligations may vary over time, depending on the Company's exploration program and priorities.

These obligations, which include a portion relating to rent, are not provided for in the financial report and are payable as follows:

	Note	31 Dec 2017	30 Jun 2017
		\$	\$
Within one year		738,797	708,797
One to five years		40,000	40,000
Later than five years		-	-
		778,797	748,797

11. Events after balance date

On 22 January and 23 February 2018, the Company obtained \$450,000 total loan facility from Mr Eddie Pang and Mr Yau Young Lim. These loan facilities are unsecured and were drawn down on 22 January and 23 February 2018 respectively. These loans bear no interest.

Other than the above, no matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Genesis Resources Limited
Financial Report for the half-year ended 31 December 2017

DIRECTORS' DECLARATION

In the opinion of the directors of Genesis Resources Limited, ("the Company"):

1. the financial statements and notes set out on pages 10 to 19 are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standards, the *Corporations Regulations 2011* and other mandatory professional reporting requirements, and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date, and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Eddie Pang

Managing Director

13 March 2018

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
GENESIS RESOURCES LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Genesis Resources Limited which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Genesis Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Genesis Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Genesis Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

Without modifying our conclusion, we draw attention to Note 3 in the financial report, which indicates that the consolidated entity incurred a loss of \$1,008,109, and had net cash outflows from operating activities of \$847,790 and investing activities of \$1,262,832 and had net current liabilities of \$4,315,749 as at 31 December 2017. These conditions, along with other matters as set forth in Note 3, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

A handwritten signature in blue ink, appearing to be 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink, appearing to be 'J S Croall'.

J S CROALL
Partner

Dated: 13 March 2018
Melbourne, Victoria



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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

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Part	Criteria	Comment
1-1	Sampling Techniques	Samples used in the resource estimation were obtained from RC and DD drill holes. A total of 198 DD (for 49,287m) and 221 RC drill holes (for 34,422m) were used in the Plavica and Maricanski Rid resource estimates. Holes were generally drilled towards grid north with dips of approximately 60° to optimally intersect the steeply dipping east-west striking mineralised zones of high sulphidation style epithermal mineralisation. 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 mineralisation there.
		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.
		Samples are assumed to be representative of the mineralised zone.
	Drilling Techniques	The core drill rigs used 3m drill rods. Diamond drilling has employed a 63.5mm diameter HQ 'standard tube' and 85mm diameter PQ 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 the 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.

Genesis Resources Limited

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Part	Criteria	Comment
1-2	Drill Sample Recovery	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.
		Some larger diameter PQ core drilling in shallow oxide zone undertaken to improve core recovery.
		Sixteen twin holes have been completed at the Plavica and Maricanski Rid areas. Ten are DD versus RC, four are DD versus DD and two RC versus RC. The broader assay intervals are considered to be a better comparison of the holes, rather than comparing grades metre by metre as the samples are located up to 7 metres apart due to deviation, etc. Overall, gram metre data results correlate reasonably well.
1-3	Logging	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 software.
		All diamond core is photographed in a wet and dry state.
		Holes are geologically logged for their entire length.
1-4	Sub-Sampling Techniques and Sample Preparation	All DD holes completed by Genesis were sampled by cutting the core longitudinally in half using diamond saws. Sampling of diamond core was also undertaken on 1m intervals. RC Samples were riffle split every 1m at the rig and the sub-samples of approximately 3kg sent to SGS Ankara or SGS Bor.
		The majority of the RC samples were riffle split. Some RC samples were collected using a cone splitter mounted beneath the cyclone.
		Sub-samples of ~3kg were sent to the laboratory for assaying. Analysis has been performed by commercial laboratories with samples sent to SGS Ankara or 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.
		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.
		Quarter core duplicates are submitted every 50m. RC duplicates are submitted at 25m intervals.
		Sample sizes are reasonable for fine gold analysis. No coarse gold has been observed through photo-micrographic studies.

Genesis Resources Limited

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Part	Criteria	Comment
1-5	Quality of Assay Data and Laboratory Tests	Analysis has been performed by commercial laboratories with samples sent to SGS Ankara or 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. Gold and a suite of other elements were analysed.
		No geophysical analysis methods were used.
		Industry standard QC sample insertion procedures have been adopted. QC insertion rates are: - every 50m is a field duplicate - every 25m is a Standard - every 50m is a coarse blank The QA/QC results indicate acceptable levels of precision and accuracy.
1-6	Verification of Sampling and Assaying	Samples are currently submitted to an umpire laboratory and are comparable with the originals.
		Sixteen twinned drill holes demonstrate that there is good agreement between RC and DD holes sampling results.
		Data is imported into Micromine. There is no adjustment of assay data.
1-7	Location of Data Points	The drill hole locations are picked up by local survey contractors using a DGPS (Differential Global Positioning System). A local survey control station near the project is utilised by the local surveying contractor. Down hole surveys have been undertaken using a Reflex EZ-Trac tool. Down hole surveys were conducted at intervals of 25m.
		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.
		Topography is based on surveyed drill collars, tracks, ridges and valleys where available. In areas with new survey gridded elevations are used.
1-8	Data Spacing and Distribution	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.
		Drill spacing has allowed reasonable geological interpretation to be completed. Variogram ranges are generally greater than the drill spacing allowing reasonable estimation of the mineralisation grade continuity for mining study purposes.
		Samples are collected at one metre lengths and are not composited in the field / core-shed. Two metre compositing was undertaken during the grade estimation process.
1-9		Holes were generally drilled towards grid north with dips of approximately 45 to 60° to optimally intersect the steeply dipping east-west striking mineralised zones.

Genesis Resources Limited

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Part	Criteria	Comment
	Orientation of Data in Relation to Geological Structure	No orientation based sampling bias has been identified in the recent data. Early vertical drill holes were excluded from the resource estimation process due to data quality concerns and their orientation subparallel to mineralised structures.
1-10	Sample Security	Chain of Custody has been managed by Genesis Staff. All drilling assay samples were collected from the field by Genesis personnel. Core samples were stored at a 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.
1-11	Audits or Reviews	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. An independent consultancy, Golder Associates, has reviewed all exploration data and interpretations utilised in the resource modelling work.

Genesis Resources Limited

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Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Part	Criteria	Comment
2-1	Mineral Tenement and Land Tenure Status	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 from the 12 th of May 2015 by the Ministry of the Economy. The area covered by the Licence totals 16.85 km ² .
		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.
2-2	Exploration Done by Other Parties	At Plavica historic small scale mining was undertaken during Roman times and by Ottoman Turks. Two 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.
2-3	Geology	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 east 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.
2-4	Drill Hole Information	All drill hole collars with location, elevation, depth, dip and azimuth are tabulated in previous Quarterly Reports.
2-5	Data Aggregation Methods	Exploration results have been previously reported for the Plavica and Maricanski Rid deposits. These are superseded by resource statements for these deposits.
2-6	Relationship Between Mineralisation Widths and Intercept Lengths	Core orientation and sectional interpretation suggest the mineralised zones are sub-vertical.
		Holes are drilled on 45 to 65° 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 mineralised zones are intersected at an oblique angle and therefore down hole lengths are not true widths.
2-7	Diagrams	A plan and sections are included.
2-8	Balanced Reporting	Exploration results are not reported for Plavica and Maricanski Rid deposits.

Genesis Resources Limited

Financial Report for the half-year ended 31 December 2017

Part	Criteria	Comment
2-9	Other Substantive Exploration Data	Bulk density measurements were conducted on selected intervals of core. Dry core is wax coated prior to bulk density measurement by water immersion methods.
2-10	Further Work	Infill drilling to improve the resource confidence of the remaining Inferred material.
		Future drill planning requirements are currently being prepared.

Genesis Resources Limited

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Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in Section 1, and where relevant in Section 2, also apply to this section.)

Part	Criteria	Comment
3-1	Database Integrity	Drill data is stored and managed using Micromine software. This system does not manage data security or record editing history. Security is managed by access limited to senior geological staff only. Genesis staff checked digital data against hard copy following data entry.
		Data validated during importing into Vulcan software. Checks include: missing intervals, overlapping intervals, duplicate sample locations and data intervals beyond end of hole.
3-2	Site Visits	The Competent Person for the Mineral Resource estimate, Richard Gaze of Golder Associates, did not visit Plavica and Maricanski Rid, however the Project Manager for the PFS, Barry Balding also of Golder Associates, visited the sites on a number of occasions in 2016 and 2017. RC and DD drilling, logging, sampling and bulk density measurements were observed. All work was being conducted according to written procedures and standards.
3-3	Geological Interpretation	Lithology and alteration zone interpretation appear to show reasonable consistency between drill holes and between section lines, leading to good confidence in the lithology model. The level of weathering is highly variable and the weathering model is of lower local confidence.
		Geological information used included drill hole logging and surface outcrop mapping. It has been assumed that the logging is consistent between the various phases of drilling. Mineralisation domains are based on sample assays.
		Alternative geological interpretations were not assessed.
		Alteration intensity (silica) was used to constrain the higher grade zones of gold mineralisation. Orientation of the structures and lithology orientation was used to guide the mineralised domain boundaries. These boundaries were used to constrain the grade estimation within selected zones.
		Gold mineralisation appears to be strongly associated with the zones of silica alteration. Weathering has resulted in a depletion of Cu and to a lesser extent Ag near the surface and in areas of deeper oxidation. High grade gold mineralisation was constrained by a restricted search during estimation as drill spacing was not sufficient to model the continuity at higher grade thresholds.
3-4	Dimensions	The mineralisation has been intersected at a maximum depth of 800m. The area extent of mineralisation is: Plavica 3,500mE x 1,000mN x 600mRL Maricanski Rid 800mE x 300mN x 300mRL
3-5	Estimation and Modelling Techniques	Vulcan software was used to estimate grade into 25x25x5m sized blocks using ordinary kriging. The spatial influence of high grade outliers in the composite dataset were limited by the use of a search of 25x25x10m.

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Part	Criteria	Comment
		Comparison was made to previous resource estimates but there was substantially more drilling conducted since the previous estimate which makes comparison inconclusive. No production data was available. Mine workings from Roman times and from 1930s adits are unlikely to have removed significant volumes. Metallurgical test work has confirmed good gold recovery for oxidised material (84 - 89%). Grade of deleterious elements was also conducted. Estimation block size of 25x25x5m is approximately half the nominal drill spacing of 50x50m over the majority of the deposits. Block grades were visually compared to drill hole grades. Global average grades for each estimation domain were reasonably consistent between de-clustered composite grade and the block estimate. Swath plot validations also indicated acceptable conformance between the block model and the composite data.
3-6	Moisture	Tonnage is reported on a dry basis.
3-7	Cut-off Parameters	In order to demonstrate reasonable prospects for eventual economic extraction of the Mineral Resource, the resource model was optimised using the industry standard Whittle 4X to produce an economic resource open pit shell using an optimistic gold sale price of US\$1,875/troy ounce. The economic pit shell was used to constrain the reporting of the Mineral Resource estimate. The use of the economic pit shell utilising an elevated gold price is an industry recognised method of demonstrating 'reasonable prospects' when ascertaining the eventual economic extraction criteria for determination of the Mineral Resource Estimate. Current project (non-inflated) mining and processing costs are applied to the Whittle optimisation using the aforementioned optimistic gold price. The resulting pit shell demonstrated that a cut-off grade of 0.4 Au ppm produces a positive cashflow. Therefore, the Mineral Resource reporting is constrained to this pit shell to satisfy economic considerations.
3-8	Mining Factors or Assumptions	Open pit mining using excavator and truck was assumed for near surface (0-120m). A low strip ratio and potential for heap leaching of the oxide resource should provide low mining and processing costs.
3-9	Metallurgical Factors or Assumptions	Metallurgical test work has confirmed good gold recovery for oxidised material (84 - 89%). Recoveries for transitional material (Pox) were lower.
3-10	Environmental Factors or Assumptions	Scoping study work has identified potential overburden and Heap leach locations on site and has defined the terms of reference for an ESIA.
3-11	Bulk Density	Excellent bulk density data has been acquired throughout both deposits. Rather than assuming a bulk density, it has been possible to interpolate a value into the resource model blocks from the drill data. Bulk density dry in-situ bulk density (DISBD) was estimated from 9,427 measurements. Measurements were made on 10-20cm lengths of core. Wax coating of core samples prior to water displacement method density measurements was used to account for small scale porosity and voids.

Genesis Resources Limited

Financial Report for the half-year ended 31 December 2017

Part	Criteria	Comment
		Bulk density estimates assumed the primary control was the intensity of weathering. Oxidised, partially oxidised and fresh material DISBD were estimated separately.
3-12	Classification	The Mineral Resource classification has taken into account, data density and quality criteria as well as confidence in geological interpretation and continuity which has been guided by estimation parameters.
		The Mineral Resources were initially classified based on data density, estimation performance and confidence in geological continuity. Subsequent refinement of the initial classification was undertaken using generalised classification polygons, to yield more spatially continuous classification categories. The Measured areas are defined by the wireframe "CLASS_Measured.00t", the Indicated by the wireframe "CLASS_indicated.00t" and the Inferred zone represented by the remaining blocks with extrapolation limited to half of the nominal drill hole spacing
		Only recent data with best practice QAQC information was used in the resource estimate. Older data which lacked quality control information was excluded from consideration.
		The Mineral Resource estimate appropriately reflects the view of the Competent Person.
3-13	Audits or Reviews.	Golder associates conducted an audit of data collection practices in 2012. Golder have reviewed all exploration data and interpretations utilised in the resource modelling work. Golder conducted internal peer review on the resource report.
3-14	Discussion of Relative Accuracy / Confidence	Grade variability of samples is reasonable (low CV) for the use of ordinary kriging grade estimation. Low nugget values and drill spacing which exceeds the observed variogram ranges suggesting the grade estimation should provide a reasonable estimate for the deposit.
		The statement relates to the global estimates of tonnes and grade. Local estimate at the reporting cut-off is reasonable but will be poor at higher cut off grade.
		No production data is available.