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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 2020**

**Lodged with ASX under Listing Rule 4.2A**

**This information should be read in conjunction with 30 June 2020 Annual Report**

For personal use only

**Genesis Resources Limited**  
**Financial Report for the half-year ended 31 December 2020**

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## Genesis Resources Limited

### Financial Report for the half-year ended 31 December 2020

#### 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 2020 (**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<br>/ Executive Chairman | 6 March 2009 – present<br>(Chairman 1 December 2013 – 27 September 2015; and<br>26 November 2015 – present) |
| Mr Deric Wee           | Non-Executive Director                    | 11 December 2009 – 26 November 2012; and<br>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 Alyn Tai.

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

##### PLAVICA HIGH SULPHIDATION EPITHERMAL GOLD-COPPER-SILVER PROJECT

(Figure 1)

Metallurgical studies continue at the CSIRO, using the 'CleanTeq' Gold recovery method. Results will be submitted to the North Macedonian Government in the March 2021 Quarter.



Ongoing work relating to Metallurgical testing is being undertaken on oxide ore samples at the CSIRO developed 'Clean Mining' Lab in Western Australia. The Clean Mining technique uses a non-toxic, water soluble, non-flammable inorganic compound to extract gold after the crushing and milling processes are completed. Final results will be tabulated in a report for the North Macedonian Government. The results from this work were reported in the June Quarter. Second phase work is now ongoing to see what the recoveries are like with different grind sizes. Results are expected in the March 2021 Quarter.

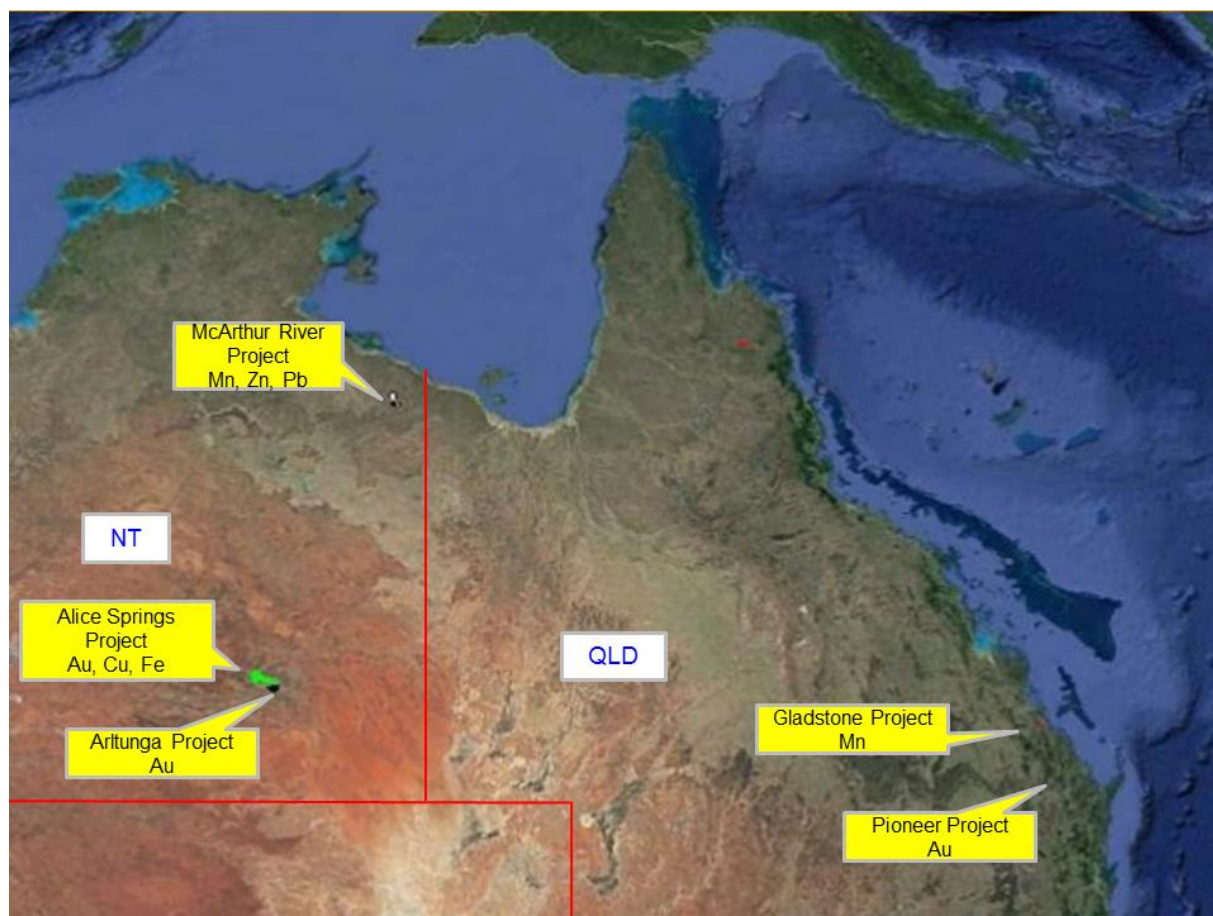


Figure 2 (above) Location of Australian Projects.

## **AUSTRALIA**

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### **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 2*) in the vicinity of the Arltunga Goldfield. Thirty three historical gold mines and prospects are known in the licence area. EL25238 covers 31 sub blocks.

A Licence Renewal Application was lodged on the 23 October 2020. This application was approved on the 18 January 2021 for a further one year period. The new expiry date is the 7 November 2021.

The 14 Annual Technical Report was lodged on the 9 November 2020 and accepted as satisfactory on the 17 November 2020.

Genesis contacted The Department of Industry, Tourism and Trade on the 21 September 2020 to explain that Terra Search Pty Ltd, the company Genesis had contracted to undertake the drilling program in October 2020 could not proceed with the exploration program until March 2020 due to COVID-19 border restrictions. Genesis requested an expenditure covenant amendment and this was approved on the 28<sup>th</sup> September.

The Mining Management Plan (MMP) update was lodged on the 1 March 2021.

An Application to the Aboriginal Areas Protection Authority (AAPA) for an Authority Certificate was made on the 14 November 2019. Authority Certificate C2020/028 was issued on 4 June 2020.

A request was made to the Central Land Council to extend Genesis Sacred Site Clearance Certificate on the 1 December 2020. This was approved on the 9 December 2020 with the new expiry date the 31 December 2021. A meeting planned with CLC and the Native Title Holders for the 17 March 2020 at Santa Teresa was cancelled due to the recent developments of COVID-19. A new meeting is planned for the 13 April 2021.

A Reverse Circulation (RC) drilling program is planned in mid 2021.

No field work was carried out during the current Quarter.

### **ALICE SPRINGS PROJECT: (EL24817) Copper, Gold, Iron (GES 100%)**

The Alice Springs Project consists of Exploration Licence EL24817 covering 372.59 sq km, and is located approximately 110-155 km northeast from Alice Springs in the Northern Territory (*Figure 2*). EL24817 covers 118 sub-blocks.

An Application to the Aboriginal Areas Protection Authority for an Authority Certificate was made on the 14 November 2019. Authority Certificate C2020/028 was issued on 4 June 2020.

A Licence Renewal Application was lodged on 14 April 2020. This application was approved on the 6 August 2020 for a further one year period. The new expiry date is the 17 April 2021.

The 14 Annual Technical Report was lodged on the 20 April 2020 and accepted as satisfactory on the 24 April 2020.

## Genesis Resources Limited

### Financial Report for the half-year ended 31 December 2020

A request to waive the submission of the annual Mining Management Plan Update was accepted on the 25 February 2021 as the exploration program had not changed from the previous application in March 2020.

A request was made to the Central Land Council to extend Genesis Sacred Site Clearance Certificate on the 1 December 2020. This was approved on the 9 December 2020 with the new expiry date the 31 December 2021. A meeting planned with CLC and the Native Title Holders for the 17 March 2020 at Santa Teresa was cancelled due to the recent developments of COVID-19. A new meeting is planned for the 13 April 2021.

No field work was carried out. A Reverse Circulation (RC) drilling program is planned in mid 2021.

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

The Gladstone-Mount Miller Project consists of Exploration Licence (EPM15771) covering 24.35sq km and is located approximately 15 km by road from the port of Gladstone on the east coast of central Queensland (Figure 2). 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% MnO<sub>2</sub>.

The 13 Annual Technical Report was lodged on the 22 June 2020.

A Licence Renewal Application was lodged on the 14 February 2019. This application was approved on the 3 September 2019, the new expiry date is the 19 June 2021.

A Partial relinquishment report was lodged on the 16 April 2019 requesting the surrender of 3 sub blocks. 4 sub blocks will be retained. The Environmental Authority Partial Surrender Report was approved on the 21 May 2019.

Reconnaissance mapping was carried out during the quarter ending 30 September 2019. A small pit of manganese was discovered to the southwest of Mt Millar. A small outcrop of quartz breccia was also discovered to the west of the Mt Millar mine. This was assayed for Au and base metals with no significant results.

No field work was carried out during the Quarter.

#### **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 2). 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.

The 14 Annual Technical Report was lodged on the 6 August 2020.

A Licence Renewal Application was lodged on 22 April 2020 requesting a further two year period. This application was approved on the 30 June 2020. The new expiry date is the 2 August 2022. EPM15619 covers 2 sub blocks.

Reconnaissance mapping was undertaken in August 2019. A number of pegmatites were sampled for Lithium plus Au and base metals. Results were disappointing.

Prospect scale mapping was conducted at Pioneer during the December Quarter. Due to the drought in SE Australia, the grass was at a minimum resulting in maximum exposure of outcrop. As a result a number of previously unmapped old workings and quartz veins were discovered. Planned work now includes Pole dipole IP and ground magnetics to help define targets prior to drilling.

No field work was carried out.

#### **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 2*). The project area contains the Masterton No2 manganese occurrence. EL24814 covers 116 sub-blocks.

A Licence Renewal Application was lodged on 14 April 2020. This application was approved on the 6 August 2020 for a further one year period. The new expiry date is the 17 April 2021.

The 14 Annual Technical Report was lodged on the 20 April 2020 and accepted as satisfactory on the 24 April 2020.

A request to waiver the submission of the annual Mining Management Plan Update was accepted on the 16 November 2020 as the exploration program had not changed from the previous application in November 2019.

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

#### **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.



**Genesis Resources Limited**  
**Financial Report for the half-year ended 31 December 2020**

**TENEMENTS AS AT 31 DECEMBER 2020**

| PROJECT          | TENEMENT NUMBER | COMMODITY             | COMPANY'S BENEFICIAL INTEREST | CURRENT AREA (KM <sup>2</sup> ) | CURRENT HOLDER   | COUNTRY/ STATE  |
|------------------|-----------------|-----------------------|-------------------------------|---------------------------------|------------------|-----------------|
| Alice Springs    | EL24817         | Copper-Iron-Gold      | 100%                          | 372.59                          | Genesis          | NT              |
| Arltunga         | EL25238         | Gold-PGE              | 100%                          | 95.2                            | Genesis          | NT              |
| Pioneer          | EPM15619        | Gold                  | 100%                          | 6.23                            | Genesis          | QLD             |
| McArthur River   | EL24814         | Manganese-Base Metals | 100%                          | 380.88                          | Genesis          | NT              |
| Gladstone        | EPM15771        | Manganese             | 100%                          | 24.35                           | Genesis          | QLD             |
| Plavica & CrnVrv | 19-6648/1       | Gold-Silver-Copper    | 62%                           | 16.85                           | Silgen Resources | North Macedonia |

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 2020 was \$802,331 (31 December 2019: loss of \$986,769).

**Matters subsequent to the end of the Half Year**

- i. On 1 January 2021, the Company secured a loan of \$50,000 which was drawn down in 1 January 2021. The interest rate is 10% per annum and is repayable 10 business days after the date that Genesis has cleared funds from capital raising.
- ii. On 19 January 2021, the Company secured a loan of \$50,000 which was drawn down in 19 January 2021. The interest rate is 10% per annum and is repayable 10 business days after the date that Genesis has cleared funds from capital raising.
- iii. On 5 February 2021, the Company secured a loan of \$60,000 which was drawn down in 5 February 2021. The interest rate is 10% per annum and is repayable 10 business days after the date that Genesis has cleared funds from capital raising.
- iv. On 5 March 2021, the Company secured a loan of \$50,000 which was drawn down in 5 March 2021. The interest rate is 10% per annum and is repayable 10 business days after the date that Genesis has cleared funds from capital raising.

Other than the above, no matter or circumstance has arisen since 31 December 2020 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 2020

#### 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 2020.

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**  
12 March 2021

**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 2020, 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.

*RSM*

**RSM AUSTRALIA PARTNERS**

*M Parameswaran*

**M PARAMESWARAN**  
Partner

Dated: 12 March 2021  
Melbourne, Victoria

# Genesis Resources Limited

## Financial Report for the half-year ended 31 December 2020

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

|  | 31 Dec 2020      | 31 Dec 2019      |
|--|------------------|------------------|
|  | \$               | \$               |
| Other income   | 89,324           | 198              |
| Employee costs   | (180,484)        | (358,437)        |
| Administrative and other expenses                              | (333,616)        | (349,587)        |
| Finance income   | 31               | 162,076          |
| Finance expenses   | (376,770)        | (416,997)        |
| Loss on foreign exchange                                       | (816)            | (24,022)         |
| <b>Loss before income tax</b>                                  | <b>(802,331)</b> | <b>(986,769)</b> |
| Income tax expense   | -                | -                |
| <b>Loss for the half-year</b>                                  | <b>(802,331)</b> | <b>(986,769)</b> |
| Attributable to non-controlling interests                      | (2,339)          | (1,227)          |
| Attributable to owners of the Genesis Group                    | (799,992)        | (985,542)        |
| <b>Other comprehensive income</b>                              |                  |                  |
| Exchange differences arising on translating foreign operations | (71,825)         | (8,521)          |
| <b>Other comprehensive loss for the half-year, net of tax</b>  | <b>(71,825)</b>  | <b>(8,521)</b>   |
| <b>Total comprehensive loss for the half-year</b>              | <b>(874,156)</b> | <b>(995,290)</b> |
| Attributable to non-controlling interests                      | (2,339)          | (1,227)          |
| Attributable to owners of the Genesis Group                    | (871,817)        | (994,063)        |
| <b>Earnings per share</b>                                      |                  |                  |
| Basic loss per share (cents per share)                         | (0.10)           | (0.13)           |
| Diluted loss per share (cents per share)                       | (0.10)           | (0.13)           |

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

**Genesis Resources Limited**  
**Financial Report for the half-year ended 31 December 2020**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

|   | Notes | 31 Dec 2020<br>\$ | 30 June 2020<br>\$ |
|---|-------|-------------------|--------------------|
| <b>Assets</b>   |       |                   |                    |
| <b>Current Assets</b>                                 |       |                   |                    |
| Cash and cash equivalents                             |       | 69,898            | 185,198            |
| Prepayments and other receivables                     |       | 8,565             | 19,291             |
| Other financial assets                                |       | 118               | 118                |
| <b>Total Current Assets</b>                           |       | <b>78,581</b>     | <b>204,607</b>     |
| <b>Non-Current Assets</b>                             |       |                   |                    |
| Other financial assets                                |       | 98,721            | 98,743             |
| Property, plant and equipment                         |       | 49,886            | 58,256             |
| Right-of-use of asset                                 | 5     | 27,814            | 38,940             |
| Exploration and evaluation assets                     |       | 21,633,991        | 21,548,977         |
| <b>Total Non-Current Assets</b>                       |       | <b>21,810,412</b> | <b>21,744,916</b>  |
| <b>Total Assets</b>                                   |       | <b>21,888,993</b> | <b>21,949,523</b>  |
| <b>Current Liabilities</b>                            |       |                   |                    |
| Trade and other payables                              |       | 2,411,577         | 2,241,999          |
| Borrowings  |       | 7,469,332         | 6,814,264          |
| Lease liability                                       | 6     | 23,161            | 22,409             |
| <b>Total Current Liabilities</b>                      |       | <b>9,904,070</b>  | <b>9,078,672</b>   |
| <b>Non-Current Liabilities</b>                        |       |                   |                    |
| Lease liability – non current                         | 6     | 6,033             | 17,805             |
| <b>Total Non-Current Liabilities</b>                  |       | <b>6,033</b>      | <b>17,805</b>      |
| <b>Total Liabilities</b>                              |       | <b>9,910,103</b>  | <b>9,096,477</b>   |
| <b>Net Assets</b>                                     |       | <b>11,978,890</b> | <b>12,853,046</b>  |
| <b>Equity</b>   |       |                   |                    |
| Share capital   | 4     | 32,317,746        | 32,317,746         |
| Reserves  |       | (336,035)         | (264,210)          |
| Accumulated losses                                    |       | (19,967,841)      | (19,167,849)       |
| Total equity attributable to members of Genesis Group |       | 12,013,870        | 12,885,687         |
| Non-controlling interests                             | 7     | (34,980)          | (32,641)           |
| <b>Total Equity</b>                                   |       | <b>11,978,890</b> | <b>12,853,046</b>  |

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

Genesis Resources Limited

Financial Report for the half-year ended 31 December 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR  
ENDED 31 DECEMBER 2020

|  | Share<br>Capital  | Accumulated<br>Losses | Reserve          | Non-<br>controlling<br>interests | Total equity      |
|--|-------------------|-----------------------|------------------|----------------------------------|-------------------|
|  | \$                | \$                    | \$               | \$                               | \$                |
| <b>Balance at 1 July 2020</b>                              | 32,317,746        | (19,167,849)          | (264,210)        | (32,641)                         | 12,853,046        |
| Loss for the period  | -                 | (799,992)             | -                | (2,339)                          | (802,331)         |
| Foreign currency translation                               | -                 | -                     | (71,825)         | -                                | (71,825)          |
| <b>Total comprehensive income for the period</b>           | -                 | <b>(799,992)</b>      | <b>(71,825)</b>  | <b>(2,339)</b>                   | <b>(874,156)</b>  |
| <b>Transactions with owner in their capacity as owners</b> | -                 | -                     | -                | -                                | -                 |
| Issued during the year net of transaction costs            | -                 | -                     | -                | -                                | -                 |
| <b>Balance at 31 December 2020</b>                         | <b>32,317,746</b> | <b>(19,967,841)</b>   | <b>(336,035)</b> | <b>(34,980)</b>                  | <b>11,978,890</b> |

|  | Share<br>Capital  | Accumulated<br>Losses | Reserve          | Non-<br>controlling<br>interests | Total equity      |
|--|-------------------|-----------------------|------------------|----------------------------------|-------------------|
|  | \$                | \$                    | \$               | \$                               | \$                |
| <b>Balance at 1 July 2019</b>                              | 32,317,746        | (17,400,334)          | (263,929)        | (30,206)                         | 14,623,277        |
| Loss for the period  | -                 | (985,542)             | -                | (1,227)                          | (986,769)         |
| Foreign currency translation                               | -                 | -                     | (8,521)          | -                                | (8,521)           |
| <b>Total comprehensive income for the period</b>           | -                 | <b>(985,542)</b>      | <b>(8,521)</b>   | <b>(1,227)</b>                   | <b>(995,290)</b>  |
| <b>Transactions with owner in their capacity as owners</b> | -                 | -                     | -                | -                                | -                 |
| Issued during the year net of transaction costs            | -                 | -                     | -                | -                                | -                 |
| <b>Balance at 31 December 2019</b>                         | <b>32,317,746</b> | <b>(18,385,876)</b>   | <b>(272,450)</b> | <b>(31,433)</b>                  | <b>13,627,987</b> |

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

Genesis Resources Limited

Financial Report for the half-year ended 31 December 2020

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2020

|  | 31 Dec 2020<br>\$ | 31 Dec 2019<br>\$ |
|--|-------------------|-------------------|
| <b>Cash Flows from Operating Activities</b>                                  |                   |                   |
| Receipts from customers and suppliers  | -                 | 198               |
| Payments to suppliers and employees<br>(inclusive of goods and services tax) | (498,779)         | (582,220)         |
| Interest (paid) /received  | 1,855             | 76                |
| <b>Net cash used in operating activities</b>                                 | <b>(496,924)</b>  | <b>(581,946)</b>  |
| <b>Cash Flows from Investing Activities</b>                                  |                   |                   |
| Payments for property, plant and equipment                                   | -                 | (34,496)          |
| Payments of exploration and evaluation expenditure                           | (85,014)          | (213,220)         |
| <b>Net cash used in investing activities</b>                                 | <b>(85,014)</b>   | <b>(247,716)</b>  |
| <b>Cash Flows from Financing Activities</b>                                  |                   |                   |
| Proceeds from long term borrowings   | 570,000           | 925,782           |
| Payment for leases   | (29,715)          | -                 |
| <b>Net cash from financing activities</b>                                    | <b>540,285</b>    | <b>925,782</b>    |
| <b>Net (decrease)/increase in cash and cash equivalents</b>                  | <b>(41,653)</b>   | <b>96,120</b>     |
| Cash and cash equivalents at 1 July 2020                                     | 185,198           | 115,669           |
| Effects of exchange rate changes on cash and cash<br>equivalents             | (73,647)          | (32,543)          |
| <b>Cash and cash equivalents at 31 December 2020</b>                         | <b>69,898</b>     | <b>179,246</b>    |

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2020**

**Note 1. Basis of preparation of half-year report**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**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.

When 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 interest in the net assets comprise their interest at the date of the original business combination and their share of changes in equity since that date.



**Note 2. 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 \$802,331 and had net cash outflows from operating activities of \$496,924 for the half-year ended 31 December 2020. As at that date the consolidated entity had net current liabilities of \$9,825,489.

These factors indicate a material uncertainty which may cast significant doubt over the ability of the consolidated entity to 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 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;
- As described in Note 11, a total of \$210,000 in loan facilities have been secured and drawn down post balance date. A further two facilities of \$280,000 and \$340,000 remain undrawn at the date of signing this report;
- Loan liabilities totalling \$6,799,332 with related parties are not repayable until the company obtains sufficient funding through a capital raise; and
- 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.

**Note 3. 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.
- North 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 presented in conformity with the requirements of Accounting Standard AASB 8 *Operating Segments*.

**Genesis Resources Limited**  
**Financial Report for the half-year ended 31 December 2020**

**Note 3. Segment information (continued)**

|   | Australia      |                | North Macedonia |                | Head Office    |                | Total          |                |
|---|----------------|----------------|-----------------|----------------|----------------|----------------|----------------|----------------|
|   | 31 Dec<br>2020 | 31 Dec<br>2019 | 31 Dec<br>2020  | 31 Dec<br>2019 | 31 Dec<br>2020 | 31 Dec<br>2019 | 31 Dec<br>2020 | 31 Dec<br>2019 |
|   | \$             | \$             | \$              | \$             | \$             | \$             | \$             | \$             |
| Other income                                  | -              | -              | 1,824           | 198            | 87,500         | -              | 89,324         | 198            |
| Operating expenses                            | -              | -              | (203,655)       | (208,433)      | (688,000)      | (778,534)      | (891,655)      | (986,967)      |
| Reportable segment net loss before income tax | -              | -              | (201,831)       | (208,235)      | (600,500)      | (778,534)      | (802,331)      | (986,769)      |
|   | 31 Dec<br>2020 | 30 Jun<br>2020 | 31 Dec<br>2020  | 30 Jun<br>2020 | 31 Dec<br>2020 | 30 Jun<br>2020 | 31 Dec<br>2020 | 30 Jun<br>2020 |
|   | \$             | \$             | \$              | \$             | \$             | \$             | \$             | \$             |
| Exploration and evaluation assets             | 2,080,453      | 2,080,453      | 19,553,538      | 19,468,524     | -              | -              | 21,633,991     | 21,548,977     |
| Total segment assets                          | 2,080,453      | 2,080,453      | 19,553,538      | 19,468,524     | 255,002        | 400,546        | 21,888,993     | 21,949,523     |
| Total segment liabilities                     | -              | -              | -               | -              | 9,910,103      | 9,096,477      | 9,910,103      | 9,096,477      |

# Genesis Resources Limited

## Financial Report for the half-year ended 31 December 2020

### Note 4. Share capital

|                                       | 31 Dec 2020        | 30 Jun 2020   | 31 Dec 2020       | 30 Jun 2020 |
|---------------------------------------|--------------------|---------------|-------------------|-------------|
|                                       | No. of Shares      | No. of Shares | \$                | \$          |
| <b>Balance at beginning of period</b> | <b>782,841,294</b> | 782,841,294   | <b>32,317,746</b> | 32,317,746  |
| <b>Transactions during the period</b> |                    |               |                   |             |
| Issue of shares                       | -                  | -             | -                 | -           |
| Rights issue                          | -                  | -             | -                 | -           |
| Transaction costs                     | -                  | -             | -                 | -           |
| <b>Balance at end of period</b>       | <b>782,841,294</b> | 782,841,294   | <b>32,317,746</b> | 32,317,746  |

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 2020 | Options on issue at 30 Jun 2020 |
|-------------|---------------------|---------------------------------|---------------------------------|
| -           | -                   | -                               | -                               |

### Note 5. Right-of-use assets

|                                 | 31 Dec 2020   | 30 Jun 2020 |
|---------------------------------|---------------|-------------|
|                                 | \$            | \$          |
| Right-of-use assets             | 80,141        | 80,141      |
| Less : Accumulated depreciation | (52,327)      | (41,201)    |
| <b>TOTAL</b>                    | <b>27,814</b> | 38,940      |

### Note 6. Lease liability

|              | 31 Dec 2020   | 30 Jun 2020 |
|--------------|---------------|-------------|
|              | \$            | \$          |
| Current      | 23,161        | 22,409      |
| Non-current  | 6,033         | 17,805      |
| <b>TOTAL</b> | <b>29,194</b> | 40,214      |

**Genesis Resources Limited**  
**Financial Report for the half-year ended 31 December 2020**

**Note 7. Equity – Non-Controlling interest**

|                  | 31 Dec 2020     | 30 Jun 2020     |
|------------------|-----------------|-----------------|
|                  | \$              | \$              |
| Issued Capital   | 2,836           | 2,836           |
| Reserves         | -               | -               |
| Accumulated Loss | (37,816)        | (35,477)        |
| <b>TOTAL</b>     | <b>(34,980)</b> | <b>(32,641)</b> |

The non-controlling interest has a 38% (2019: 38%) equity holding in Silgen Resources International Ltd.

**Note 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.

**Note 9. Related party transactions**

Related parties of the consolidated entity consist of Key Management Personnel.

|                             | 31 Dec 2020      | 30 Jun 2020      |
|-----------------------------|------------------|------------------|
|                             | \$               | \$               |
| Loans from related parties* | 6,799,332        | 6,507,830        |
|                             | <b>6,799,332</b> | <b>6,507,830</b> |

**Note 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 2020    | 30 Jun 2020    |
|-----------------------|------|----------------|----------------|
|                       |      | \$             |                |
| Within one year       |      | 583,515        | 703,515        |
| One to five years     |      | 155,915        | 235,915        |
| Later than five years |      | -              | -              |
|                       |      | <b>739,430</b> | <b>939,430</b> |

**Note 11. Events after balance date**

- i. On 1 January 2021, the Company secured a loan of \$50,000 which was drawn down in 1 January 2021. The interest rate is 10% per annum and is repayable 10 business days after the date that Genesis has cleared funds from capital raising.
- ii. On 19 January 2021, the Company secured a loan of \$50,000 which was drawn down in 19 January 2021. The interest rate is 10% per annum and is repayable 10 business days after the date that Genesis has cleared funds from capital raising.
- iii. On 5 February 2021, the Company secured a loan of \$60,000 which was drawn down in 5 February 2021. The interest rate is 10% per annum and is repayable 10 business days after the date that Genesis has cleared funds from capital raising.
- iv. On 5 March 2021, the Company secured a loan of \$50,000 which was drawn down in 5 March 2021. The interest rate is 10% per annum and is repayable 10 business days after the date that Genesis has cleared funds from capital raising.

Other than the above, no matter or circumstance has arisen since 31 December 2020 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 2020**

**DIRECTORS' DECLARATION**

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

1. the financial statements and notes set out on pages 10-19 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 2020 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  
12 March 2021

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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 (company) and its controlled entities (consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2020, 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 2020 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 and its controlled entities 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 2020 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 2 in the financial report, which indicates that the consolidated entity incurred a loss of \$802,331 and had net cash outflows from operating activities of \$496,924 and had net current liabilities of \$9,825,489 as at 31 December 2020. These conditions, along with other matters as set forth in Note 2, 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.



**RSM AUSTRALIA PARTNERS**



**M PARAMESWARAN**  
Partner

Dated: 12 March 2020  
Melbourne, Victoria