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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 2022

Lodged with ASX under Listing Rule 4.2A

This information should be read in conjunction with 30 June 2022 Annual Report

For personal use only

Genesis Resources Limited
Financial Report for the half-year ended 31 December 2022

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Genesis Resources Limited

Financial Report for the half-year ended 31 December 2022

DIRECTORS' REPORT

The Directors present their report together with the interim financial report of Genesis Resources Limited (**Genesis** or the **Company**) and its controlled entities (**Consolidated Entity**), for the six months ended 31 December 2022 (**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 Alyn Tai.

The Chief Financial Officer is Ms Patricia Wong.

PRINCIPAL ACTIVITIES

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

REVIEW OF OPERATIONS

PLAVICA AU-AG-CU PROJECT

PLAVICA HIGH SULPHIDATION EPITHERMAL GOLD-COPPER-SILVER PROJECT

(Figure 1)

The completed Mining Project was submitted to the Ministry of Economy in the Government of North Macedonia on 23 March 2021. It has subsequently passed the assessment by the Audit and Revision Committee appointed by the Ministry of Economy on 31 May 2021. The completion and reporting of the ongoing environmental studies is the last required submission for the Application of Mining Approval.

During the six months ended 31 December 2022, the notification of intention to implement a 'project' to the Ministry of Environment was submitted. In addition a Strategic Assessment Report was submitted to the Ministry of Environment to finalize planning documentation at the Ministry of Transport and Communications. Further agreements with landholders are also ongoing.



Figure 1 (above) Location of Macedonian (Plavica) Project

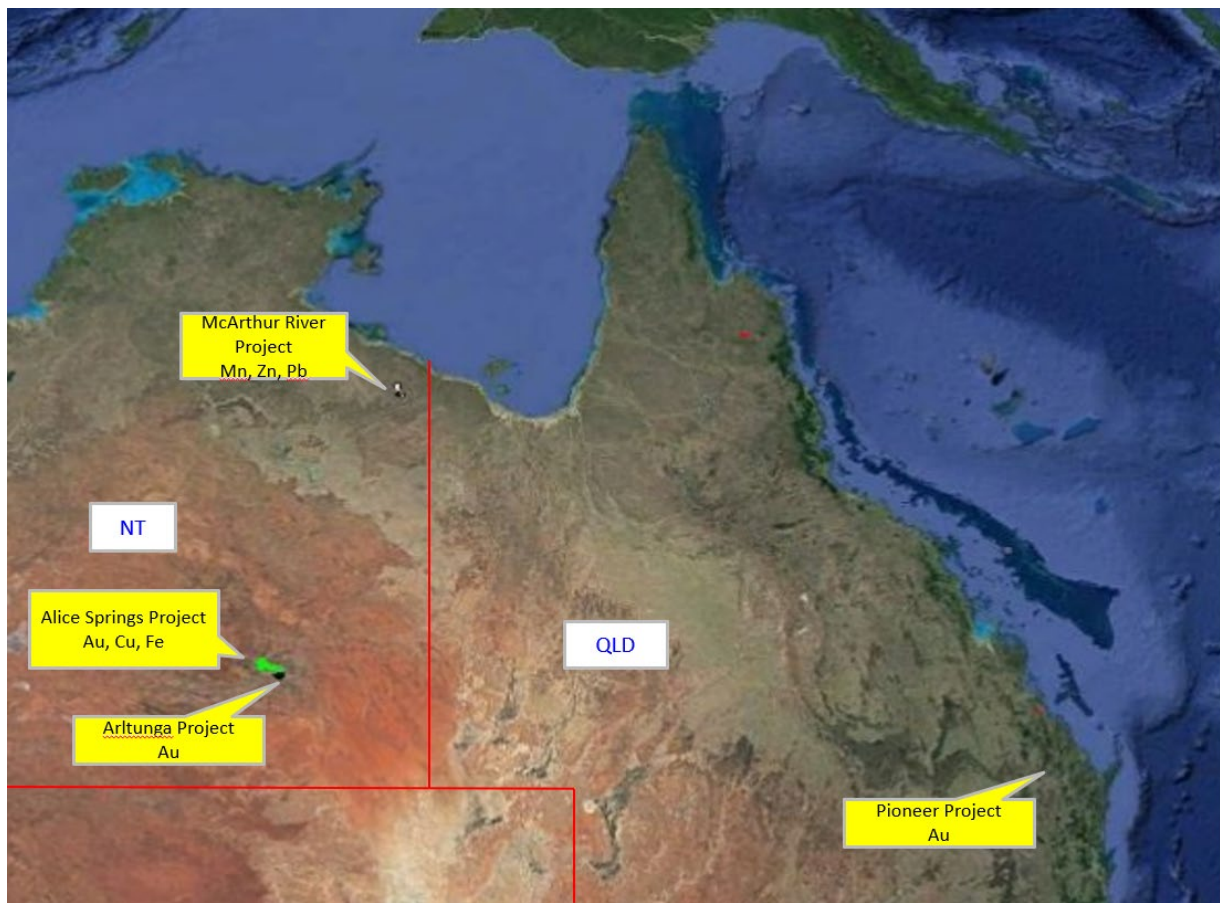


Figure 2 (above) Location of Australian Projects.

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 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. The most recent licence expiry date was 8 November 2022. A Licence Renewal Application was lodged on 26 October 2022. This Renewal application is still pending.

The 16 Annual Technical Report was lodged on 8 November 2022 and was accepted as satisfactory on the 16 November 2022.

The request to the Central Land Council for the extension of the Sacred Site Clearance Certificate on the 10 October 2022 was approved on the 4 December 2022. The new expiry date is the 31 December 2023.

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

A request to waiver the Mining Management Plan (MMP) update submission because no changes to activities were planned was lodged on 17 January 2023 and approved on the 19 January 2023.

A Reverse Circulation (RC) drilling program is planned in mid 2023.

No field work was carried out during the six months ended 31 December 2022.

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 2*). EL24817 covers 118 sub-blocks.

The 16 Annual Technical Report was lodged on 20 April 2022.

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

A Licence Renewal Application was lodged on 28 March 2022 and approved on the 11 May 2022. New expiry date is 17 April 2023.

A request to waiver the Mining Management Plan (MMP) update submission because no changes to activities were planned was lodged on 17 January 2023 and approved on the 19 January 2023.

The request to the Central Land Council for the extension of the Sacred Site Clearance Certificate on the 10 October 2022 was approved on the 4 December 2022. The new expiry date is the 31 December 2023.

No field work was carried out. A Reverse Circulation (RC) drilling program is planned in mid 2023.

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 16 Annual Activity Report was lodged on 9 August 2022.

A Licence Renewal Application was lodged on 21 April 2022 and approved on the 27 July 2022. EPM15619 covers 2 sub blocks. The new expiry date is the 2 August 2024.

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 No 2 manganese occurrence. EL24814 covers 116 sub-blocks.

The 16 Annual Technical Report was lodged on 20 April 2022.

A Licence Renewal Application was lodged on 28 March 2022 and approved on the 11 May 2022. New expiry date is 17 April 2023.

A request to waiver the submission of the annual Mining Management Plan Update was lodged on the 11 November 2022 as the exploration program had not changed from the previous application in November 2021.

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.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Consolidated Entity during the financial half-year.

Genesis Resources Limited
Financial Report for the half-year ended 31 December 2022

TENEMENTS AS AT 31 DECEMBER 2022

PROJECT	TENEMENT NUMBER	COMMODITY	CONSOLIDA TED ENTITY'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
Pioneer	EPM15619	Gold	100%	6.23	Genesis	QLD
McArthur River	EL24814	Manganese-Base Metals	100%	380.88	Genesis	NT
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 Consolidated Entity for the period ended 31 December 2022 was \$874,014 (31 December 2021: loss of \$1,045,405).

MATTERS SUBSEQUENT TO THE END OF THE HALF YEAR

On 9 February 2023, the Consolidated Entity secured a loan of \$270,000 which was drawn down on 14 February 2023. 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 2022 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.

ROUNDING OF AMOUNTS

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollars.

Genesis Resources Limited

Financial Report for the half-year ended 31 December 2022

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9 and forms part of the directors' report for the period ended 31 December 2022.

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
14 March 2023

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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 2022, 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 review.



RSM AUSTRALIA PARTNERS



M PARAMESWARAN

Partner

Melbourne, Victoria

Dated: 14 March 2023

Genesis Resources Limited

Financial Report for the half-year ended 31 December 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	31 Dec 2022	31 Dec 2021
	\$	\$
Other income	-	-
Employee costs	(218,221)	(196,753)
Administrative and other expenses	(231,012)	(368,223)
Finance income	3	4
Finance expenses	(424,285)	(479,373)
Loss on foreign exchange	(499)	(1,060)
Loss before income tax	(874,014)	(1,045,405)
Income tax expense	-	-
Loss for the half-year	(874,014)	(1,045,405)
Attributable to non-controlling interests	(2,383)	(28,741)
Attributable to owners of the Genesis Group	(871,631)	(1,016,664)
Other comprehensive income		
Exchange differences arising on translating foreign operations	15,959	184,268
Other comprehensive Income/(loss) for the half-year, net of tax	15,959	184,268
Total comprehensive loss for the half-year	(858,055)	(861,137)
Attributable to non-controlling interests	(2,383)	(28,741)
Attributable to owners of the Genesis Group	(855,672)	(832,396)
Earnings per share		
Basic loss per share (cents per share)	(0.11)	(0.13)
Diluted loss per share (cents per share)	(0.11)	(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 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	31 Dec 2022 \$	30 June 2022 \$
Assets			
Current Assets			
Cash and cash equivalents		93,208	193,471
Prepayments and other receivables		37,004	19,574
Other financial assets		31,169	118
Total Current Assets		161,381	213,163
Non-Current Assets			
Other financial assets		98,724	98,706
Property, plant and equipment		33,131	33,136
Right-of-use of asset		17,628	9,200
Exploration and evaluation assets		21,529,094	21,469,943
Total Non-Current Assets		21,678,577	21,610,985
Total Assets		21,839,958	21,824,148
Current Liabilities			
Trade and other payables		3,754,530	3,389,233
Borrowings	5	10,279,879	9,779,879
Lease liability		18,211	9,643
Total Current Liabilities		14,052,620	13,178,755
Non-Current Liabilities			
Lease liability – non current		-	-
Total Non-Current Liabilities		-	-
Total Liabilities		14,052,620	13,178,755
Net Assets		7,787,338	8,645,393
Equity			
Share capital	4	32,317,746	32,317,746
Reserves		(194,432)	(210,391)
Accumulated losses		(24,267,198)	(23,395,567)
Total equity attributable to members of Genesis Group		7,856,116	8,711,788
Non-controlling interests	6	(68,778)	(66,395)
Total Equity		7,787,338	8,645,393

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 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Share Capital	Accumulated Losses	Reserve	Non- controlling interests	Total equity
	\$	\$	\$	\$	\$
Balance at 1 July 2022	32,317,746	(23,395,567)	(210,391)	(66,395)	8,645,393
Loss for the period	-	(871,631)	-	(2,383)	(874,014)
Foreign currency translation	-	-	15,959	-	15,959
Total comprehensive income for the period	-	(871,631)	15,959	(2,383)	(858,055)
Transactions with owner in their capacity as owners	-	-	-	-	-
Issued during the year net of transaction costs	-	-	-	-	-
Balance at 31 December 2022	32,317,746	(24,267,198)	(194,432)	(68,778)	7,787,338

	Share Capital	Accumulated Losses	Reserve	Non- controlling interests	Total equity
	\$	\$	\$	\$	\$
Balance at 1 July 2021	32,317,746	(21,365,293)	(325,729)	(36,073)	10,590,651
Loss for the period	-	(1,016,664)	-	(28,741)	(1,045,405)
Foreign currency translation	-	-	184,268	-	184,268
Total comprehensive income for the period	-	(1,016,664)	184,268	(28,741)	(861,137)
Transactions with owner in their capacity as owners	-	-	-	-	-
Issued during the year net of transaction costs	-	-	-	-	-
Balance at 31 December 2021	32,317,746	(22,381,957)	(141,461)	(64,814)	9,729,514

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

Genesis Resources Limited

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	31 Dec 2022 \$	31 Dec 2021 \$
Cash Flows from Operating Activities		
Payments to suppliers and employees (inclusive of goods and services tax)	(496,725)	(592,602)
Interest (paid) /received	3	4
Net cash used in operating activities	(496,722)	(592,598)
Cash Flows from Investing Activities		
Payments for property, plant and equipment	-	-
Payments of exploration and evaluation expenditure	(59,151)	(293,761)
Net cash used in investing activities	(59,151)	(293,761)
Cash Flows from Financing Activities		
Proceeds from borrowings	500,000	250,000
Payment for leases	(9,435)	(21,721)
Net cash from financing activities	490,565	228,279
Net decrease in cash and cash equivalents	(65,308)	(658,080)
Cash and cash equivalents at 1 July 2022	193,471	703,286
Effects of exchange rate changes on cash and cash equivalents	(34,955)	137,577
Cash and cash equivalents at 31 December 2022	93,208	182,783

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 2022**

Note 1. Significant accounting policies

Basis of preparation of half-year report

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 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 2022 and any public announcements made by the Consolidated Entity 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 Genesis at the end of the reporting period. A controlled entity is any entity over which Genesis 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 Consolidated Entity 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.

Foreign currency translation

The financial statements are presented in Australian dollars, which is the Consolidated Entity's presentational currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity. The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

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 \$874,014 and had net cash outflows from operating activities of \$496,722 for the half-year ended 31 December 2022. As at that date the Consolidated Entity had net current liabilities of \$13,891,239.

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 9;
- As described in Note 10, a total of \$270,000 in loan facilities have been secured and drawn down post balance date. A further two facilities totalling \$620,000 remain undrawn at the date of signing this report;
- Loan liabilities totalling \$9,609,879 with related parties are not repayable until the Consolidated Entity obtains sufficient funding through a capital raise; and
- The Consolidated Entity has the ability to obtain funds to support its operations through related parties and other lenders.

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.

Genesis Resources Limited

Financial Report for the half-year ended 31 December 2022

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 Consolidated Entity has reportable segments, as described below, which are the Consolidated Entity's business units. The two business units are managed separately because they are regulated under different authorities. For each of the business units, the Consolidated Entity'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 Consolidated Entity'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.
- Head office – Includes the central administration of Australia and Macedonia.

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 Consolidated Entity's accounting policy. Comparative segment information has been presented in conformity with the requirements of Accounting Standard AASB 8 *Operating Segments*.

	Australia		North Macedonia		Head Office		Total	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	\$	\$	\$	\$	\$	\$	\$	\$
Other income	-	-	-	-	3	4	3	4
Operating expenses	-	-	(209,653)	(276,587)	(664,364)	(768,822)	(874,017)	(1,045,409)
Reportable segment net loss before income tax	-	-	(209,653)	(276,587)	(664,361)	(768,818)	(874,014)	(1,045,405)
	31 Dec 2022	30 June 2022	31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022
	\$	\$	\$	\$	\$	\$	\$	\$
Exploration and evaluation assets	1,567,599	1,567,599	19,961,495	19,902,344	-	-	21,592,094	21,469,943
Total segment assets	1,567,599	1,567,599	19,961,495	19,902,344	310,864	354,205	21,839,958	21,824,148
Total segment liabilities	-	-	-	-	14,052,620	13,178,755	14,052,620	13,178,755

Genesis Resources Limited
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Note 4. Share capital

	31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022
	No. of Shares	No. of Shares	\$	\$
Balance at beginning of period	782,841,294	782,841,294	32,317,746	32,317,746
Transactions during the period	-	-	-	-
Issue of shares	-	-	-	-
Rights issue	-	-	-	-
Transaction costs	-	-	-	-
Balance at end of period	782,841,294	782,841,294	32,317,746	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 2022	Options on issue at 30 Jun 2022
-	-	-	-

Note 5. Borrowings

	31 Dec 2022	30 Jun 2022
	\$	\$
Related party borrowings	9,609,879	9,109,879
Other borrowings	670,000	670,000
TOTAL	10,279,879	9,779,879

Note 6. Equity – Non-Controlling interest

	31 Dec 2022	30 Jun 2022
	\$	\$
Issued Capital	2,836	2,836
Reserves	-	-
Accumulated Loss	(71,614)	(69,231)
TOTAL	(68,778)	(69,395)

The non-controlling interest has a 38% (2021: 38%) equity holding in Silgen Resources International Ltd.

Genesis Resources Limited
Financial Report for the half-year ended 31 December 2022

Note 7. Contingent Assets and Liabilities

The directors are not aware of any contingent liabilities or assets to which the Consolidated Entity may be exposed to as at 31 December 2022 (30 June 2022: Nil) and into foreseeable future, which have not been noted within these financial statements.

Note 8. Related party transactions

Related parties of the Consolidated Entity consist of Key Management Personnel.

	31 Dec 2022	30 June 2022
	\$	\$
Loans from related parties	9,609,879	9,109,879
	<u>9,609,879</u>	<u>9,109,879</u>

Note 9. Commitments

In order to maintain current rights of tenure to exploration permits, the Consolidated Entity is required to perform minimum exploration work to meet minimum expenditure requirements. These obligations may vary over time, depending on the Consolidated Entity'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:

	31 Dec 2022	30 Jun 2022
	\$	\$
Within one year	586,765	586,765
One to five years	-	59,165
Later than five years	-	-
	<u>586,765</u>	<u>645,931</u>

Note 10. Events after balance date

On 9 February 2023, the Consolidated Entity secured a loan of \$270,000 which was drawn down on 14 February 2023. 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 2022 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 2022

DIRECTORS' DECLARATION

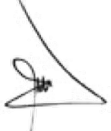
In the opinion of the directors of Genesis Resources Limited, ("the Company"):

the financial statements and notes comply with the *Corporations Act 2001*, including:

- a. complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting, 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 2022 and of its performance for the half-year ended on that date, and
- 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 signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Eddie Pang
Managing Director
14 March 2023

RSM Australia Partners

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INDEPENDENT AUDITOR'S REVIEW REPORT To The Members of Genesis Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Genesis Resources Limited ('the Company') and its controlled entities (together 'the consolidated entity') which comprises the consolidated statement of financial position as at 31 December 2022, 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.

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 the consolidated entity 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 2022 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*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* ('ASRE 2410'). Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 review report.

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Material Uncertainty Related to Going Concern

Without modifying our conclusion, we draw attention to Note 2 in the financial report, which indicates that during the half year ended 31 December 2022 the consolidated entity incurred a loss of \$874,014 and had net cash outflows from operating activities of \$496,722. Also as at that date, the consolidated entity had net current liabilities of \$13,891,239. These events and 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.

Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity 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 2022 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*.

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.



RSM AUSTRALIA PARTNERS



M PARAMESWARAN
Partner

Melbourne, Victoria
Dated: 14 March 2023