Quarterly Activities Report - September 2020

HIGHLIGHTS

Plavica Au-Ag-Cu Project (North Macedonia)

Metallurgical Studies include the testing of gold oxide ore using the CSIRO-developed 'Clean Mining' technique are ongoing. Preliminary results suggest an average of 83% recovery after 24 hours of leaching.

EXPLORATION & DEVELOPMENT PROGRESS DURING THE QUARTER

REPUBLIC OF NORTH MACEDONIA

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 December Quarter.



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

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.

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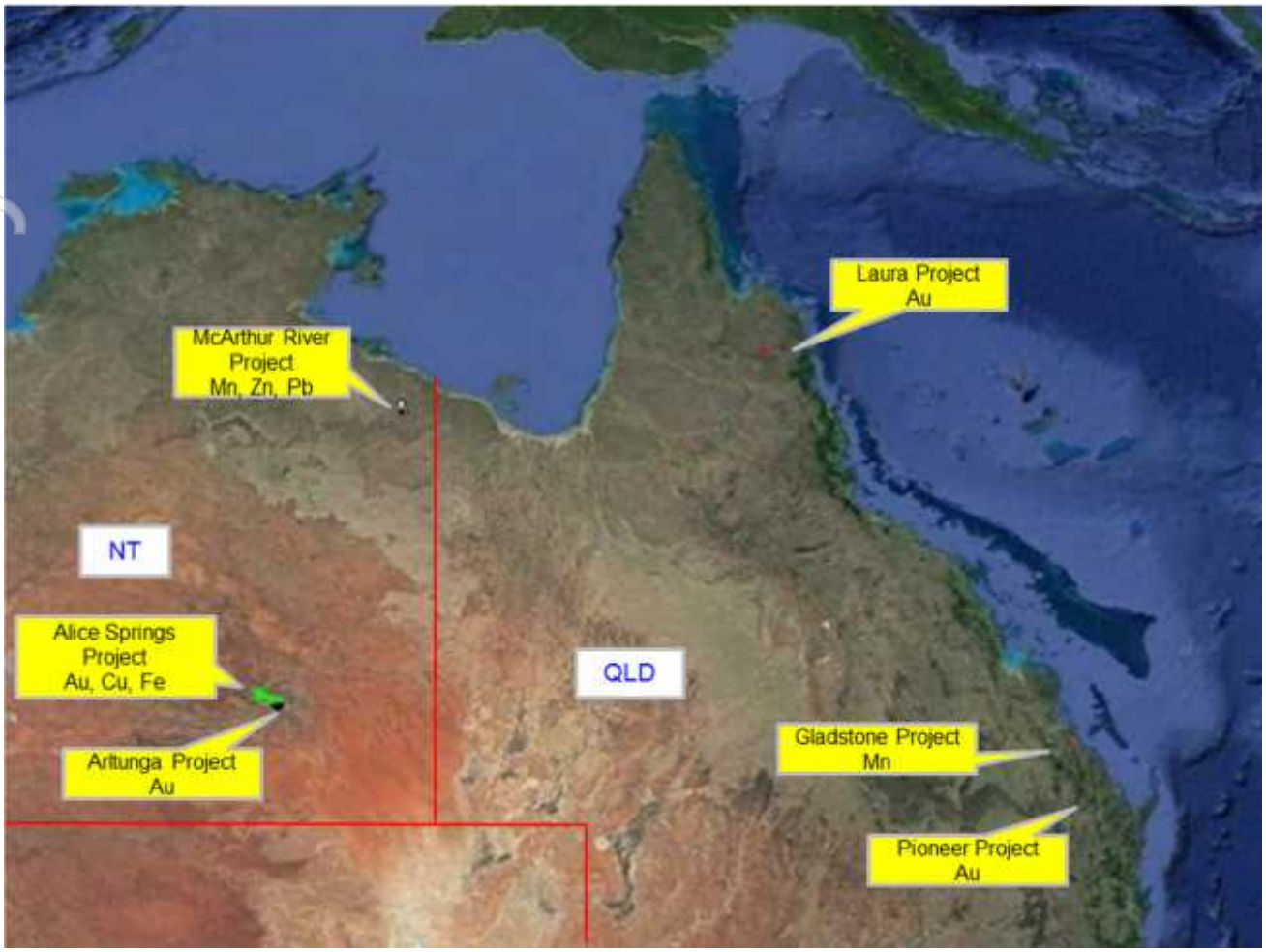


Figure 2 (above) Location of Australian Projects.

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AUSTRALIA

ARLTUNGA PROJECT: Copper, Gold (EL25238) (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 13 Annual Technical Report was lodged on the 11 November 2019. The Variation of Conditions (VOC) was approved on the 4 December 2019.

A Licence Renewal Application was lodged on the 1 November 2019. This application was approved on the 6 August 2020 for a further one year period. Genesis has until 7 November 2020 to lodge a further renewal application for a period of 1 year which it intends to do shortly.

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 28th September.

The Mining Management Plan (MMP) update was lodged on the 17 March 2020 and approved on the 21 September 2020.

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.

An extension of the Central Land Council Sacred Site Clearance Certificate was approved on the 6 September 2019. The new expiry date is the 31 December 2020. 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 Reverse Circulation (RC) drilling program is planned in early 2021.

No field work was carried out during the current Quarter.

ALICE SPRINGS PROJECT: Copper, Gold, Iron (EL24817) (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.

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.

The Mining Management Plan (MMP) update was lodged on the 6 March 2020.

An extension of the Central Land Council Sacred Site Clearance Certificate was approved on the 6 September 2019. The new expiry date is the 31 December 2020. 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.

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

GLADSTONE-MOUNT MILLER PROJECT: Manganese (EPM15771) (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% MnO2.

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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: Gold (EPM15619) (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: Manganese (EL24814) (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.

The Mining Management Plan Update was lodged on the 14 November 2019.

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

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TENEMENTS AS AT 30 September 2020

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
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 & Crn Vrv	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.

OTHER INFORMATION

COVID-19

During the Quarter, the Company continued to review on a monthly basis the revised working and salary/fee arrangements of its senior project management team and Directors. The health and safety of the Company's staff remains a priority.

All necessary health and safety precautions are being taken as part of this process of returning to the office.

Payments to related parties of the Company and their associates

The aggregate amount of payments made during the quarter to related parties and their associates (referred to in item 6.1 of the accompanying Appendix 5B (quarterly cash flow report)) comprises director fees paid to directors, consultancy fees paid to a director for the provision of geological consulting and tenement management services, as well as general company management services, at a discount from normal commercial rates. During the Quarter, Director fees payable to certain of the Directors have been accrued and not paid.

Securities on issue as at 30 September 2020

CLASS OF SECURITIES	NO. OF SECURITIES ON ISSUE
Fully paid ordinary shares	**782,841,294**

Board and Management as at 30 September 2020

Mr Eddie Pang	Executive Chairman
Mr Deric Wee	Non-Executive Director
Mr Kim Heng Lim	Non-Executive Director
Mr Chin Niap Mah	Non-Executive Director
Mr James Patterson	Non-Executive Director
Mr Yau Young Lim	Non-Executive Director
Ms Alyn Tai	Company Secretary
Ms Patricia Wong	Chief Financial Officer

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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 Non-Executive Director 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.

-ENDS

About Genesis Resources Limited

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

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

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

GENESIS RESOURCES LIMITED

ABN	Quarter ended ("current quarter")
22 114 787 469	**30 September 2020**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(95)	(95)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(78)	(78)
	(e) administration and corporate costs	(207)	(207)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	6	6
1.7	Government grants and tax incentives	17	17
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(357)**	**(357)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

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

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	300	300
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**300**	**300**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	185	185
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(357)	(357)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	300	300

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	(2)	(2)
4.6	**Cash and cash equivalents at end of period**	**126**	**126**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	126	185
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Term deposits - bank guarantee)	98	98
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**224**	**283**

6.	**Payments to related parties of the entity and their associates**	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	14
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other – Loan from shareholders	620	620
7.4	**Total financing facilities**	620	620

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

(i) On 19 October 2020, the Company entered into a loan facility agreement with Wynnwood Pty Ltd, a company associated with Director Eddie Pang. The loan facility limit under the agreement is $50,000. The loan is unsecured and bears interest at a rate of 10% per annum. Interest is payable on the repayment date of the loan, which is the date that is 10 business days after the date that Genesis completes an equity capital raising of at least USD$2M (or such later date as agreed between the parties).

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(357)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(357)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	126
8.5	Unused finance facilities available at quarter end (Item 7.5)	620
8.6	Total available funding (Item 8.4 + Item 8.5)	746
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	2.09

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

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Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Dated: 28 October 2020

Authorised by: Board of Genesis Resources Limited

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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