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ASX Announcement

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ACQUISITION OF CERRO BLANCO GOLD-COPPER-SILVER PROJECT, CHILE

Genesis Minerals Limited (“Genesis” or “the Company”; ASX: GMD) is pleased to advise that it has entered into an agreement with a private Chilean company to acquire a 100% interest in the Cerro Blanco Gold-Copper-Silver Project (“Project”) in northern Chile.

Highlights of the acquisition include:

- Considerable potential to discover high grade gold-copper-silver mineralisation
- Rock chip sampling has defined strong gold, copper and silver mineralisation over a 4km by 2km area at surface
- Project hosts numerous precious and base metal-bearing veins which remain largely untested and are open along strike, up dip and at depth
- Project located within the highly mineralised Palaeocene metallogenic belt of northern Chile
- Very good accessibility and surface infrastructure; located near existing processing facilities in Copiapó
- Potential also exists for large tonnage porphyry hosted gold – copper mineralisation within the Project

Introduction

Genesis is pleased to advise that it has entered into an agreement with a private Chilean company to acquire a 100% interest in the Cerro Blanco Gold-Copper-Silver Project in northern Chile. Mining in the area dates back to the 1800's but only limited modern exploration has been completed at the Project. Numerous high grade structures remain untested and the potential to discover new veins is considered high; as is the potential to define a large porphyry system on the Project.

Location and Access

The Project is located in the Atacama Desert in an area with very good infrastructure about 750 km north of Santiago, 80 km south of the city of Copiapó and 75km east of the Pacific Ocean. The Project is easily accessed by a sealed road and well formed gravel roads from Copiapó. The altitude ranges from 1,800 to 2,200m, with low to moderate relief. Exploration can be conducted all year round.



Figure 1 Location of the Cerro Blanco Gold-Copper-Silver Project.

Geology and Mineralisation

The Project hosts a sub-parallel swarm of precious and base metal-bearing quartz specularite veins exposed along the western flank of a caldera system that is elongated north-south. The host rocks comprise a sequence of Paleocene andesitic volcanoclastics, dacite and rhyolite flows, flow-domes, diatreme-like breccias, and dikes capped by a blanket of rhyolitic ignimbrites. Ore-bearing veins cut the entire stratigraphic column. Mineralised veins and structures strike north to north east with moderate to steep dips to the east and west.

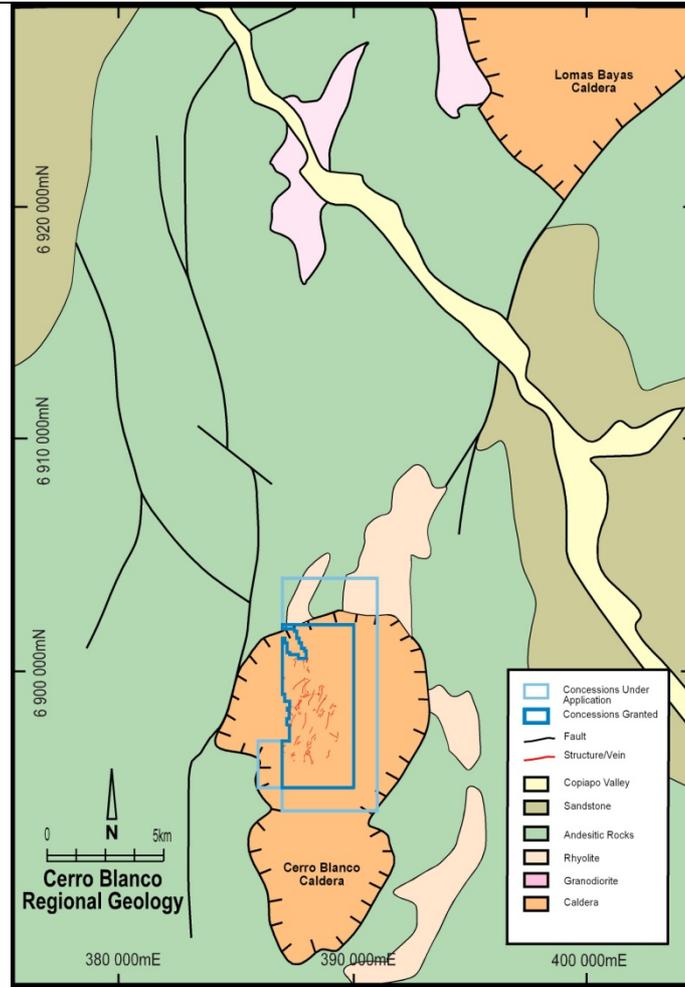


Figure 2 Simplified geology at the Cerro Blanco Gold-Copper-Silver Project.

Project and Exploration History

Historic mining in the area dates back to the 1800's with several high grade veins mined at depth. Only limited historic mining records are currently available to Genesis. However, records indicate that in 1869 some 8,500 tonnes at ~17% copper were extracted from mines in the area. Small scale mining and reclamation of old stockpiles continues at present.

Minor surface exploration was completed by Homestake between 1998 and 1999. Between 2004 and 2005, Hochschilds (MH Chile) explored the area by surface mapping, sampling (334 surface samples) and limited diamond drilling (1,219m completed). The surface rock chip sampling by Hochschilds highlighted significant gold, copper and silver surface mineralisation over a 4km by 2km area. Strong arsenic, barium, bismuth, mercury, molybdenum, lead and stibnite anomalism is also present.

No other modern exploration is known to have been conducted at the Project.

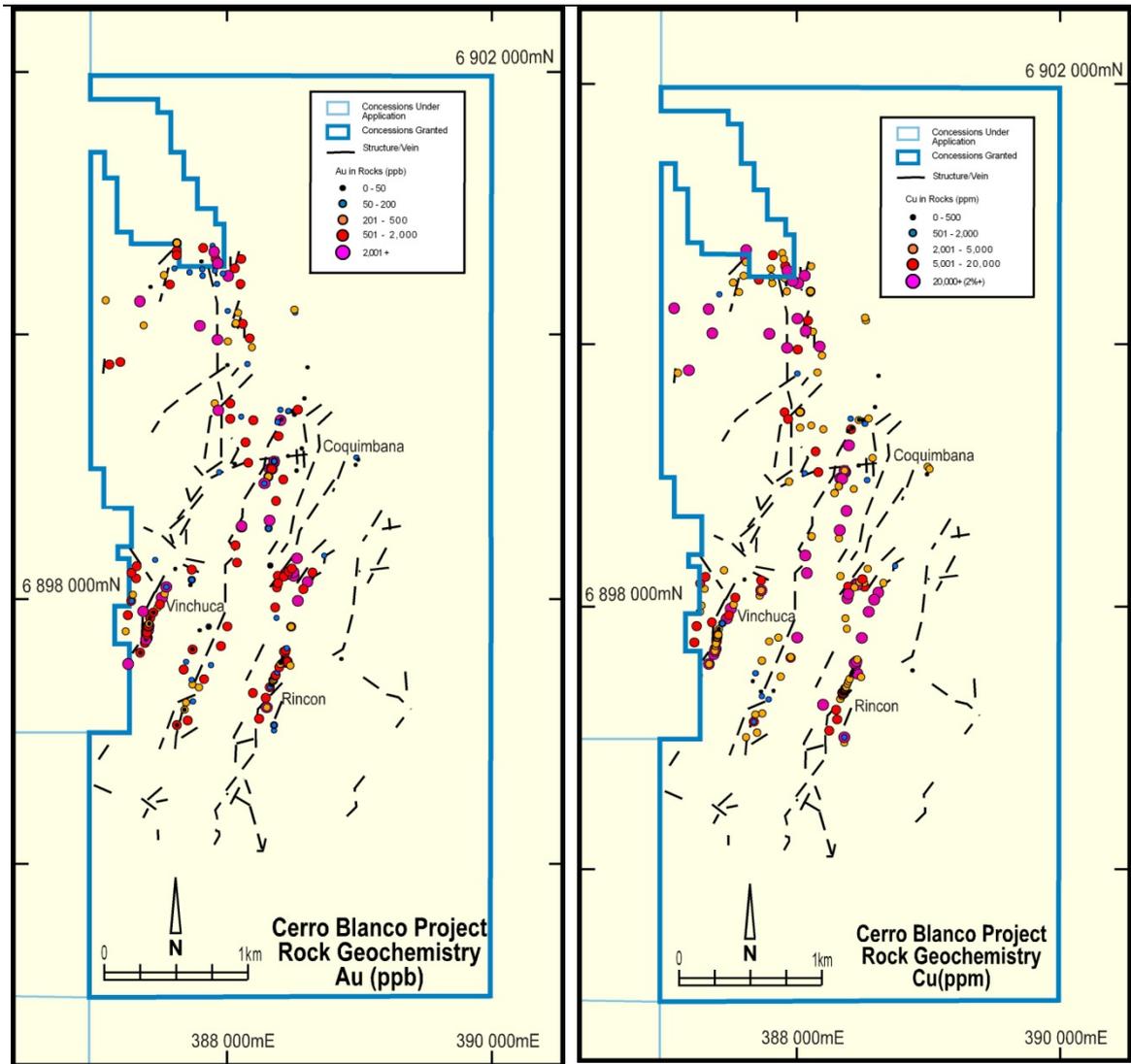


Figure 3 Surface rock chip sampling at the Cerro Blanco Gold-Copper-Silver Project.



Figure 4 Photo showing historic workings at the Cerro Blanco Gold-Copper-Silver Project.

Exploration Potential

Genesis considers there to be very good potential to locate and define numerous high grade gold-copper-silver rich structures at the Cerro Blanco Project. Both known and new structures are considered high priority targets. If exploration is successful the proximity to existing processing facilities presents potential for near term cash flow with low capital start up cost.

Potential also exists to define porphyry hosted gold-copper mineralisation at the Project.

Work Program

During the next four months a work program comprising detailed geological mapping, systematic geochemical sampling, geophysical surveying, historical data compilation and 3D modelling will be undertaken, prior to commencing a drilling program in the first quarter of 2011. A priority of the work program will be to complete a detailed compilation of historical mining data. Exploration will target both high-grade vein/stockwork mineralisation and porphyry hosted gold-copper mineralisation.

Acquisition Terms

Genesis has executed a Letter Agreement with a private Chilean company providing it the exclusive right to acquire a 100% interest in the Cerro Blanco Project. An initial payment of US\$30,000 is due within 28 working days of Genesis completing due diligence and executing a formal Option Agreement, which is scheduled to be finalised by mid September 2010. Staged payments totalling US\$4,000,000 are then due over a 60 month period with a 2nd payment of US\$75,000 due 12 months after signing the Option Agreement. In addition Genesis will issue the private Chilean company US\$20,000 worth of fully paid ordinary shares in Genesis Minerals Limited on satisfactory completion of Due Diligence. On each 12 month anniversary of the Agreement Genesis will issue the vendor an additional US\$25,000 worth of fully paid ordinary shares in Genesis Minerals Limited.



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Further Information

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The information in this announcement was compiled by Michael Fowler, Genesis Minerals Limited's Managing Director, who is a Member of The Australasian Institute of Mining and Metallurgy. Michael Fowler has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 JORC Code. Michael Fowler consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.