

27 August 2010

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ASX Announcement

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PLACEMENT AND ENTITLEMENT ISSUE TO FUND NEW PROJECTS

Genesis Minerals Limited (ASX: GMD) today announced it will raise \$1.41 million through a placement of 4.94 million fully paid ordinary shares to institutional and sophisticated investors at \$0.05 per share together with an underwritten two (2) for three (3) non-renounceable pro-rata entitlements issue of approximately 23.28 million new shares (**Entitlement Shares**) at an issue price of five cents (\$0.05) per Entitlement Share (**Entitlement Issue**). Genesis Minerals Limited shareholders registered at the books closing date, 9 September 2010 (**Record Date**) will be eligible to participate in the Entitlement Issue.

The placement of shares is within 15% of the issued capital of Genesis and will not require shareholder approval. Three hundred thousand fully paid shares will also be issued under the terms of the acquisition of the Cerro Verde¹ Project.

Argonaut Capital Limited will act as Manager to the Placement and Underwriter to the entitlements issue.

The proceeds from the transaction will be used for the acquisition, exploration and evaluation of the Dinamarquesa and Cerro Verde¹ Projects. Both Projects are located in northern Chile in an area with excellent infrastructure in close proximity to the city of Copiapó.

The limited previous wide spaced, shallow drilling at Dinamarquesa has intersected a number of strongly mineralised structures with results (*refer ASX release 5/8/10*) including:

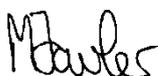
- 2m @ 32g/t gold and 1.23% copper
- 5m @ 12.8 g/t gold
- 1m @ 29.9 g/t gold
- 2m @ 19.9g/t gold and 0.53% copper
- 3m @ 10.7g/t gold and 1.17% copper
- 1m @ 10.9g/t gold and 1.45% copper

Exploration at the Dinamarquesa Project will commence in mid September with an initial drilling program planned to commence by mid November 2010.

Exploration at the Cerro Verde¹ Project will commence in early October with a work program comprising detailed geological mapping, systematic geochemical sampling, geophysical surveying, historical data compilation and 3D modelling, prior to commencing a drilling program in the first quarter of 2011. Numerous high grade gold structures remain untested at the Project and the potential to discover new veins is considered high; as is the potential to define a large copper-gold porphyry system on the Project.

The proposed time table for the Entitlement Issue is:

27 August 2010	Announcement of Placement and Entitlements Issue
1 September 2010	Lodgement of Prospectus and Appendix 3B with ASX
3 September 2010	Ex-Date
9 September 2010	Record Date
10 September 2010	Opening Date for Entitlements Issue, Placement settled.
13 September 2010	Prospectus despatched to Shareholders
28 September 2010	Closing Date
1 October 2010	Company notifies ASX of under subscriptions in Entitlement Offer
5 October 2010	Expected allotment of New Shares and despatch of shareholder statements
6 October 2010	Trading of New Shares expected to commence. (Normal T+3)



Michael Fowler
Managing Director

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.

¹ *The name of the Cerro Blanco Project has been changed to Cerro Verde Project to avoid confusion with other similarly named projects in Chile.*