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2 September 2010

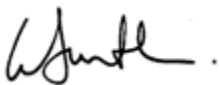
The Manager
ASX Limited
Exchange Plaza
Level 8, 2 The Esplanade
PERTH WA 6000

Entity Name: Genesis Minerals Limited
ASX Code: GMD

Genesis Minerals Limited – Notification to Shareholders

Please find attached the shareholder notification letter, sent to shareholders today, in relation to the Genesis Minerals Limited Entitlement Issue. The Issue booklet is being dispatched to shareholders on 13 September 2010.

Yours faithfully



Graeme Smith
Secretary

2 September 2010

Dear Shareholder

Details of Genesis Minerals Limited's Non-Renounceable Entitlement Issue

On 27 August 2010, Genesis Minerals Limited (**Genesis** or **Company**) announced a pro rata non-renounceable Entitlement Issue (**Entitlement Issue**).

The Entitlement Issue is a non-renounceable offer on the basis of 2 new shares for every 3 held on the record date at an issue price of \$0.05 each. The Entitlement Issue is underwritten and will raise approximately \$1,163,917 (before costs).

On 1 September 2010, Genesis lodged a copy of the Entitlement Issue with the Australian Securities Exchange Limited (**ASX**) and the Entitlement Issue is available on the ASX website and on the Genesis website (www.genesisminerals.com.au). It is anticipated that the Entitlement Issue will be sent to all eligible Genesis shareholders on or around 13 September 2010.

Proposed Timetable

The current proposed timetable for the Entitlement Issue is set out below. The dates are indicative only and Genesis reserves the right to vary the dates subject to satisfying the requirements of the ASX listing rules (**Listing Rules**) and any other applicable law.

| | |
|--------------------------|--|
| 27 August 2010 | Announcement Date |
| 3 September 2010 | Ex Date |
| 9 September 2010 | Record Date 5pm (WST) The date on which Genesis Minerals Limited determines eligible shareholders |
| 10 September 2010 | Opening Date The date on which the Entitlement Issue opens |
| 13 September 2010 | Mailing Date Entitlement and Acceptance Form sent to all eligible shareholders |
| 28 September 2010 | Closing Date The date on which the Entitlement Issue closes Applications must be received by 5pm (WST) |
| 1 October 2010 | Shortfall announcement to the ASX The date on which those entitlements not taken up are announced to the ASX |
| 5 October 2010 | Despatch Date The date on which new shares are allotted and holding statements are sent to shareholders |
| 6 October 2010 | Share Trading Date The date on which new shares commence trading on the ASX |

Dealing with Entitlements

To participate, you need to complete your personalised Entitlement and Acceptance Form (to be posted out to shareholders on or around 13 September 2010) and provide the funds payable to Genesis before 5pm on 28 September 2010. If you take no action, you will not be allocated any new shares and your entitlement will lapse.

Purpose of the Capital Raising

The proceeds of the Entitlement Issue will be used to accelerate exploration of the Company's Dinamarquesa and Cerro Verde Projects, both located in Chile, and for additional working capital.

Information required to be given to you in accordance with the Listing Rules

The Listing Rules require the Company to notify shareholders of certain information in advance of despatching the Entitlement Issue booklet. The following is the information which must be provided to you as prescribed by the Listing Rules:

1. Up to 23,278,340 new shares will be issued under the Entitlement Issue.
2. The new shares to be issued will rank equally in all respects from the date of allotment with the existing class of quoted shares.
3. The issue price of the new shares is \$0.05 each.
4. The Company will apply for quotation of the new shares issued pursuant to the Entitlement Issue on the official list of the ASX.
5. The proceeds of the Entitlement Issue will be used to accelerate exploration of the Company's Dinamarquesa and Cerro Verde Projects, both located in Chile, and for additional working capital.
6. It is anticipated that the new shares will be allotted on 5 October 2010.
7. There are currently 34,917,510 fully paid ordinary shares on issue. In addition to the 23.28 million shares to be issued pursuant to the Entitlement Issue, 4,937,627 fully paid ordinary shares will also be issued, via a placement, on 10 September 2010. Assuming none of the Company's options are exercised, this will bring the total number and class of all securities quoted on the ASX after these two issues to 63,133,477 fully paid ordinary shares.
8. The following are the securities of the Company not quoted on the ASX: 9,250,000 unlisted 20 cent options expiring on 15 May 2012, 500,000 unlisted 20 cent options expiring on 28 February 2013, 75,000 unlisted 20 cent options expiring on 23 August 2013, 75,000 unlisted 15 cent options expiring on 23 August 2013 and 4,500,000 unlisted 10 cent options expiring on 30 June 2011.
9. The directors are not able to say when and if dividends will be paid in the future as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.
10. The Entitlement Issue does not require the approval of shareholders.
11. The Entitlement Issue is non-renounceable. This means that the entitlements cannot be traded on the ASX or any other exchange, nor can they be privately transferred.
12. The new shares in the Entitlement Issue will be offered on the basis of 2 new shares for every 3 existing shares held on the record date of 9 September 2010.
13. The Entitlement Issue relates to ordinary fully paid shares in the capital of the Company.
14. The record date to determine entitlements is 9 September 2010.
15. The Company has only one share register and therefore aggregation of holdings on different share registers does not apply.

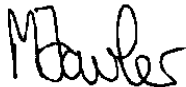
16. In determining the entitlement to shareholders, any fractional entitlement will be rounded up to the nearest whole number.
17. The closing date for receipt of acceptances is 5.00pm WST on 28 September 2010.
18. The Entitlement Issue has been underwritten by Argonaut Capital Limited.
19. The Entitlement Issue booklet and the accompanying Entitlement and Acceptance Form will be sent to you on or around 13 September 2010.
20. The latest date for entry of the new shares into your shareholding statement is 5 October 2010.

The above information has been provided to the ASX on 2 September 2010.

For further information on your entitlement please contact your stockbroker or Genesis' share registrar:

Computershare Investor Services Pty Limited
Telephone: 1300 850 505 or + 61 3 9415 4000
Fax: +61 8 9323 2033

Yours faithfully
Genesis Minerals Limited



Michael Fowler
Managing Director