

The Company continued to evaluate a number of new gold, copper and nickel opportunities in South America, Australia and Canada during the quarter. Genesis has progressed negotiations over several of these Projects, all of which could potentially be moved rapidly towards production.

Merceditas Project, Chile

Negotiations are continuing with potential Joint Venture partners and investors for the Merceditas Project.

An Inferred Resource has been estimated for the Paula and Lucy Prospects comprising **6.4Mt @ 0.65% copper for 41,300 tonnes of contained copper** (0.5% Cu cut off). In addition the Lucy Prospect contains 3.9Mt @ 0.16g/t gold for 19,700 ounces of gold.

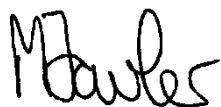
Both resources remain open in a number of areas and considerable potential exists to substantially increase the resource through further exploration.

To date Genesis has completed 67 RC drill holes at the Merceditas Project, in two phases, for 5,320 metres. This drilling comprised mostly wide spaced drilling at the Principal Zone SE and the Pupy Zone at the Paula Prospect and limited drilling at the Lucy Prospect. The average hole depth was 80 metres. The mineralised zones defined to date remain open along strike and at depth.

Corporate

Genesis raised approximately \$357,000 (before costs) through a placement of 3.96 million ordinary shares to institutional and sophisticated investors at \$0.09 per share during July.

Following this placement Genesis maintains a very tight capital structure with only 30.41 million shares on issue.



Michael Fowler
Managing Director

Further Information

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Registered Office

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Issued Capital

30.41 million shares
9.75 million options

ASX Code: GMD

Board Members

Michael Haynes
Chairman

Michael Fowler
Managing Director/CEO

Graeme Smith
Non Executive Director
Company Secretary

Chile Office

Alcántara 200, 6th Floor
Las Condes
Santiago, Chile

Background of Project

The Merceditas Project is located in northern Chile's Iron-Oxide-Copper-Gold ("IOCG") belt which is one of the most prospective IOCG provinces in the world. It is located approximately 1,000km north of Santiago, the capital of Chile, in the Atacama Desert and is easily accessible by road in an area that is serviced by very good infrastructure.

The information in this announcement was compiled by Michael Fowler, Genesis Minerals Limited 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.