

1 September 2010

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

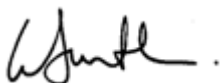
Dear Sir

**Genesis Minerals Limited (ASX: GMD) - Entitlement Issue**

Please find attached the Entitlement Issue booklet relating to Genesis' underwritten Entitlement Issue announced 27 August 2010. The book will be mailed to be to eligible shareholders by 13 September 2010 and contains:

- A letter from Genesis' chairman;
- Key dates for the Entitlement Issue;
- ASX announcements;
- Details on how to apply; and
- Important information.

Yours faithfully



Graeme Smith  
Company Secretary



## ENTITLEMENT ISSUE

Details of a 2 for 3 non-renounceable pro rata Entitlement Issue of Genesis Minerals Limited fully paid ordinary shares (**New Shares**) at an offer price of \$0.05 per New Share

**This offer opens Friday 10 September 2010  
and closes at 5 PM (WST) Tuesday 28 September 2010**

This is an important document which is accompanied by a personalised Entitlement and Acceptance Form for you to subscribe for New Shares in Genesis Minerals Limited. Please read this document carefully and call your professional adviser if you have any queries.

This document is not a prospectus under the Corporations Act and has not been lodged with the Australian Securities & Investments Commission. It is also not financial product advice and has been prepared without taking into account your specific investment objectives, financial circumstances or particular needs. Genesis Minerals Limited is not licensed to provide financial product advice in respect of the New Shares or Shortfall Shares. The Information does not purport to contain all the information that you may require to evaluate a possible investment in New Shares or Shortfall Shares.

## CORPORATE DIRECTORY

### Registered Office

23 Altona Street  
WEST PERTH WA 6005

### Principal Place of Business

Level 3, 10 Outram Street  
WEST PERTH WA 6005  
Telephone: +61 8 9322 6178  
Facsimile: +61 8 9481 2335

### Postal Address

PO Box 437  
WEST PERTH WA 6872

### Share Register

Computershare Investor Services Pty Ltd  
Level 2, 45 St Georges Terrace  
PERTH WA 6000

## IMPORTANT DATES

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

## CHAIRMAN'S LETTER

13 September 2010

Dear Shareholder,

### Genesis Minerals Limited Equity Raising - Entitlement Issue

On behalf of Genesis Minerals Limited (**Genesis** or **the Company**), I am pleased to invite you to participate in a 2 for 3 non-renounceable pro rata Entitlement Issue of Genesis fully paid ordinary shares (**New Shares**) at an offer price of \$0.05 per New Share (**Entitlement Issue**). New Shares issued under the Entitlement Issue will rank equally with existing issued shares of Genesis.

On 27 August 2010, Genesis announced to ASX its intention to raise \$1,163,917 (before costs) through the Entitlement Issue.

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.

This Entitlement Issue booklet (**booklet**) contains a number of important documents including:

- important dates for the Entitlement Issue;
- recent ASX announcements relating to the activities of Genesis;
- instructions on 'How to Apply', setting out how to accept all or part of your Entitlement; and
- other important information.

This booklet is also accompanied by a personalised Entitlement and Acceptance Form which details your Entitlement. If you wish to take up all or part of your Entitlement you should complete the form in accordance with instructions provided in the form and instructions on the 'How to Apply' section of this booklet.

The Entitlement Issue closes at 5pm (WST) on 28 September 2010. To participate, you need to ensure you have completed your personalised Entitlement and Acceptance Form and the funds payable for the New Shares you take up (**Application Monies**) are received by Genesis before this time and date OR that you have paid your Application Monies by BPAY® according to the instructions that are set out on the personalised Entitlement and Acceptance Form. Please refer to the instructions in the 'How to Apply' section of this booklet for further information.

The Entitlement Issue is non-renounceable, and is not tradeable on the ASX or otherwise transferable. Shareholders who do not take up their entitlement in full will not receive any value in respect of those Entitlements they do not take up.

The directors confirm there is currently no information to be disclosed which is excluded information (as defined in section 708AA(8) of the Corporations Act) which would reasonably be required for the purpose of making an informed assessment by investors and their professional advisers, of:

- the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
- the rights and liabilities attaching to the New Shares.

You should consult a stockbroker, accountant or other independent professional adviser to evaluate whether or not to participate in the Entitlement Issue.

The Entitlement Issue has been filed with the ASX on 1 September 2010 and has also been posted to the Company's website. For further information regarding the Entitlement Issue, please call Genesis on +61 9 322 6178

On behalf of the Board of Genesis, I commend this investment opportunity to you and as always thank you for your ongoing support of our Company.

Yours sincerely

**Michael Haynes**  
Chairman

# ASX ANNOUNCEMENTS



Level 3, 10 Outram St  
West Perth WA 6005

27 August 2010

PO BOX 437  
West Perth WA 6872

**ASX Announcement**

Tel: +618 9322 6178  
Fax: +618 9481 2335

## 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 Verde<sup>1</sup> 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 Verde<sup>1</sup> 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 Verde<sup>1</sup> 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 Issue
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**

Contact - Michael Fowler

+61 8 9 322 6178 or [mfowler@genesisminerals.com.au](mailto:mfowler@genesisminerals.com.au)

*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.*

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

## HOW TO APPLY

### 1. The Entitlement Issue

Eligible Shareholders (as defined in Section 1 of the Important Information section of this booklet) are being offered the opportunity to subscribe for 2 New Shares for every 3 Genesis ordinary shares (**Shares**) held at 5pm (WST) on 9 September 2010 (**Entitlement**), at the offer price of \$0.05 per New Share (**Offer Price**).

As at the Record Date, the Company has on issue 34,917,510 Shares, 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. The Company expects that up to 23,278,340 New Shares will be issued under the Entitlement Issue.

The Entitlement Issue is being made pursuant to section 708A of the Corporations Act which allows rights issues by listed companies to be offered without a prospectus. As a result, it is important for Eligible Shareholders to read and understand the information regarding Genesis and the Entitlement Issue made publicly available, prior to accepting all or part of their Entitlement. In particular, please refer to this booklet, Genesis' interim and annual reports and other announcements made available at [www.genesisminerals.com.au](http://www.genesisminerals.com.au) (including Genesis' Annual Report for the financial year ended 30 June 2009 that was released to ASX on 30 September 2009).

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 2 New Shares for every 3 Shares you held as at the Record Date of 5pm (WST) on 9 September 2010. If you have more than one holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. New Shares issued under the Entitlement Issue will rank equally with existing issued Shares.

#### Nominees

Genesis will not necessarily seek to determine whether or not any registered holder is acting as a nominee, or the identity or residence of any beneficial owners of Shares held by such a nominee. Where any holder is acting as a nominee for a foreign person, that nominee, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Issue is compatible with applicable foreign laws. Genesis is not able to advise on foreign laws.

### 2. Consider the Entitlement Issue in light of your particular investment objectives and circumstances

Please consult your stockbroker, accountant or other independent professional adviser if you have any queries or are uncertain about any aspects of the Entitlement Issue. You should also refer to the 'Key Risks' section in this booklet at point 13 of Important Information.

### 3. Complete and return the accompanying Entitlement and Acceptance Form with your Application Monies or make a payment by BPAY®

If you decide to take up all or part of your Entitlement please complete and return your personalised Entitlement and Acceptance Form with the requisite Application Monies or pay your Application Monies via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form.

Genesis will treat you as applying for as many New Shares as your payment will pay for in full. If you are paying by BPAY®, please make sure to use the specific Biller Code and unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the CRN specific to the Entitlement on that Form.

If you take no action you will not be allocated any New Shares and your Entitlement will lapse. Your Entitlement to participate in the Entitlement Issue is non-renounceable and will not be tradeable or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.



If you take up and pay for all or part of your Entitlement before the close of the Entitlement Issue you will be allotted your New Shares on or around 1 October 2010. In the event that there are Shortfall Shares (as that term is defined in the Important Information section of this booklet), Genesis will allot and issue those shares, at its absolute discretion, on or around 1 October 2010.

Genesis also reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or they fail to provide information to substantiate their claims.

#### **4. Acceptance of the Entitlement Issue**

The method of acceptance of the Entitlement Issue will depend on your method of payment being:

- by BPAY®; or
- by cheque, bank draft or money order.

By completing and returning your personalised Entitlement and Acceptance Form with Application Monies or making a payment by BPAY®, you will be deemed to have represented that you are an Eligible Shareholder (as defined in the Important Information section of this booklet).

##### **Payment by BPAY®**

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that if you choose to pay by BPAY®:

- you do not need to submit to Genesis or its share registry the personalised Entitlement and Acceptance Form, but will be taken to have made the declarations on that Entitlement and Acceptance Form; and
- if you do not pay for your full Entitlement, you will be deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

**It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5pm (WST) on 28 September 2010** (subject to variation). You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment. Any Application Monies received for more than your final allocation of New Shares and Shortfall Shares (only where the amount is \$1.00 or greater) will be refunded on or around 6 October 2010. No interest will be paid on any Application Monies received or refunded.

##### **Payment by cheque, bank draft or money order**

For payment by cheque, bank draft or money order, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to “**Genesis Minerals Limited**” and crossed “**Not Negotiable**”.

Your cheque, bank draft or money order must be:

- for an amount equal to \$0.05 multiplied by the number of New Shares that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution.

You should ensure that sufficient funds are held in your relevant account to cover the Application Monies as your cheque will be processed on the day of receipt. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared Application Monies will pay for (and you will also be taken to have specified that lower number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, at Genesis’ absolute discretion, your application will not be accepted.

Any Application Monies received for more than your final allocation of New Shares and Shortfall Shares will be refunded on or around 6 October 2010. No interest will be paid on any Application Monies received or refunded.

Cash payments will not be accepted. Receipts for payment will not be issued.

**Mail**

To participate in the Entitlement Issue, your payment must be received no later than the close of the Entitlement Issue, which will occur at 5pm (WST) on 28 September 2010. Shareholders who make payment via cheque, bank draft or money order should mail their completed personalised Entitlement and Acceptance Form together with Application Monies using the reply paid or self-addressed envelope provided with this booklet, or mail to:

Genesis Minerals Limited  
c/- Computershare Investor Services Pty Limited  
Locked Bag 2508  
PERTH WA 6001

## IMPORTANT INFORMATION

This Entitlement Issue booklet (including the ASX Offer Announcements in relation to the Entitlement Issue) and enclosed personalised Entitlement and Acceptance Form (**Information**) have been prepared by Genesis. This Information is dated 13 September 2010 (other than the ASX Announcement, which is dated 27 August 2010).

No party other than Genesis has authorised or caused the issue of this Information, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information.

### **THIS INFORMATION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

You should read this Information carefully and in its entirety before deciding whether to invest in New Shares. In particular, you should consider the risk factors outlined in the Key Risks section of this booklet at point 13 of the Important Information section.

You should consult your stockbroker, accountant or other independent professional adviser to evaluate whether or not to participate in the Entitlement Issue.

Genesis has applied for the grant by ASX of official quotation of the New Shares.

## 1. Eligible Shareholders

This Information contains an offer of New Shares to eligible shareholders being those holders of Shares who:

- are registered as a holder of Shares as at 5pm (WST) on 9 September 2010 (the **Record Date**);
- have an address, as recorded in the share register, that is in Australia or in any other jurisdiction within which it is lawful and (in the reasonable opinion of the Company) practical for the Company to offer New Shares ; and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Issue (**Eligible Shareholders**).

## 2. Shortfall Shares

Shortfall Shares are any New Shares in excess of the Entitlements taken up by Eligible Shareholders.

Argonaut Capital Limited, as underwriter of the issue, will subscribe for, or secure subscriptions for, Shortfall Shares.

New Shares and Shortfall Shares issued under the Entitlement Issue will rank equally with existing issued Shares.

## 3. No Cooling Off Rights

Cooling off rights do not apply to an investment in New Shares or Shortfall Shares. You cannot withdraw your application or payment once it has been accepted.

## 4. No Entitlements Trading

Entitlements are non-renounceable and cannot be traded on the ASX or any other exchange, nor can they be privately transferred.

## 5. Not Investment or Financial Product Advice

The Information is not a prospectus under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Genesis is not licensed to provide financial product advice in respect of the New Shares or Shortfall Shares. The Information does not purport to contain all the information that you may require to evaluate a possible investment in New Shares.

Before deciding whether to invest in New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Information, you have any questions about the Entitlement Issue, you should contact your stockbroker, accountant or other independent professional adviser.

## 6. Impact on Genesis' Capital Structure

The table in this section shows the current structure of the Company and the capital structure on completion of the Entitlement Issue:

	Number of Shares
Existing Shares as at 13 September 2010	34,917,510
New Shares assuming full subscription	23,278,340*
Shares issued pursuant to a Placement	4,937,627**
<b>Total Shares on Completion of Issue</b>	<b>63,133,477</b>

\* subject to the exercise of any options prior to the Record Date

\*\* on 10 September 2010, Genesis announced the issue of 4.9 million shares pursuant to Listing Rule 7.1

## 7. Taxation

The directors do not consider it appropriate to give shareholders advice regarding the taxation consequences of subscribing for New Shares under this Entitlement Issue. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Entitlement Issue.

## 8. Rounding of Entitlements

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares.

## 9. Information Availability

Eligible Shareholders can obtain a copy of this Information during the period of the Entitlement Issue on the Genesis website at [www.genesisminerals.com.au](http://www.genesisminerals.com.au) or by calling Genesis on +61 8 9322 6178 at any time from 8:30am to 5:30pm (WST) Monday to Friday during the Entitlement Issue period. Persons who access the electronic version of this Information should ensure that they download and read the entire Information. The electronic version of this Information on the Genesis website will not include an Entitlement and Acceptance Form. A replacement Entitlement and Acceptance Form can be requested by calling Genesis.

## 10. Privacy Act

If you complete an application for New Shares, you will be providing personal information to the Company (directly or by the Company's share registry).

The Company collects, holds and uses that information to assess your application, service your needs as a shareholder, facilitate distribution payments and corporate communications to you as a shareholder and to carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this booklet.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the application for New Shares, the Company may not be able to accept or process your application.

## 11. Future Performance and Forward Looking Statements

Neither Genesis nor any other person warrants or guarantees the future performance of Genesis, the New Shares, Shortfall Shares or any return on any investment made pursuant to this Information or from participation in the Entitlement Issue. Forward looking statements, opinions and estimates provided in the Information are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Any forward looking statements including projections, guidance on future revenues, earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of Genesis and its board, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward looking statements in this Information.

## 12. Past Performance

Investors should note that the past share performance of Genesis and of Genesis' Shares provides no guidance as to future performance.

## 13. Risk Factors

### 13.1 Introduction

Subscribing for New Shares involves a number of risks. The risk factors outlined in this section and elsewhere in this booklet should be carefully considered by investors. In addition, investors should appreciate that the value of Genesis' Shares on ASX may rise or fall depending on a range of factors beyond the control of Genesis.

Any of the factors set out in this section or any other factors identified in this booklet may materially affect the financial performance of Genesis and the market price of Genesis' Shares. To that extent the New Shares carry no guarantee with respect to the payment of dividends, return on capital or the price at which those New Shares will trade on ASX.

The directors consider that an investment in Genesis should be considered speculative and shareholders should consult their professional advisers before deciding whether to apply for securities pursuant to this Entitlement Issue.

While the Company plans to take prudent measures to safeguard from, or mitigate its exposure to these risks, many of the risks are outside of the Company's control.

There are a number of risk factors that investors should consider before deciding whether or not to invest in the Entitlement Issue. The following list is not exhaustive and potential investors should read this booklet in its entirety and, if they require further information on material risks, seek appropriate financial advice.

### 13.2 General Risk Factors

#### No Guarantee of Exploration Success or Profitable Development

Mineral exploration involves significant risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no assurance that minerals will be discovered or, even if they are, that commercial quantities of minerals can be recovered from the Company's exploration permit. No assurances can be given that if commercial reserves are discovered the Company will be able to realise such reserves as intended.

#### The Company May Be Unable To Obtain Environmental Approvals

The Company's operations are subject to the environmental risks inherent in the minerals industry. The Company is subject to environmental laws and regulations in connection with all its operations. Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent in its activities that could subject the Company to extensive liability. Further, the Company may require approval from the relevant authorities before it can undertake activities which are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities.

The Company is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area. The Company believes that it is in material compliance with all applicable laws relating to the protection of the environment. However, there can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

### **Operating Risks**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits; failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

### **Resources Estimates**

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operation.

### **Adverse Movements in the Overall Share Market May Negatively Impact on Investment in Genesis**

The market price of the New Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource stocks in particular. Neither the Company nor the directors warrant the future performance of the Company or any return on an investment in Genesis.

### **Failure to Meet Payment Obligations May Result In Dilution or Forfeiture**

Under the Company's exploration permits and certain other contractual agreements to which the Company is or may in the future become party, the Company is or may become subject to payment and other obligations. Failure to meet agreed work commitments will render any rights to concessions liable to be cancelled. Further, if any contractual obligations are not complied with when due, in addition to any other remedies which may be available to the other parties, this could result in dilution or forfeiture of interests held by the Company. The Company may not have, or be able to obtain, financing for all such obligations as they arise.

### **The Company May Not Be Able To Exploit Successful Discoveries**

It may not always be possible for the Company to participate in the exploitation of any successful discoveries which may be made in any areas in which the Company has an interest. Such exploitation will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as the Company. As described above, such further work may require the Company to meet or commit to financing obligations for which it may not have planned.

### **Mineral Prices May Go Down**

The demand for, and price of, minerals is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, weather conditions, actions taken by governments and international cartels, and global economic and political developments. International mineral prices have fluctuated widely in recent years and may continue to fluctuate significantly in the future. Fluctuations in minerals prices and, in particular, a material decline in the

price of minerals may have a material adverse effect on the Company's business, financial condition and results of operations.

### **Governments May Stop Exploration and Production Activities**

Any material adverse changes in government policies or legislation of the countries in which the Company operates affecting mineral exploration development and/or production activities may affect the viability and profitability of the Company.

### **War and Acts of Terrorism May Stop Exploration and Production Activities**

The Company has interests in projects located in Chile. There can be no assurance that the political and economic conditions in this and its neighbouring countries will continue as they are at the present time. Changes in political or economic conditions may have an adverse effect on the Company's business and the results of its operations in these countries.

The economic, legal and political conditions vary in these countries from those existing in Australia. Changes in those conditions could have both a positive and negative impact on the business in the relevant country.

While the Company will undertake all reasonable due diligence in assessing the risks associated with these countries, the economic, legal and political condition can change and are outside the control of the Company.

### **Joint Venture Parties and Contractors May Go Bankrupt**

The directors are unable to predict the risk of:

- (a) financial failure or default by a participant in any joint venture to which the Company may become a party; or
- (b) insolvency or other managerial failure by any of the contractors used by the Company in its exploration activities.

### **Access to Land May Be Stopped**

Immediate access to the exploration permits in which the Company has an interest cannot, in all cases, be guaranteed. The Company may be required to seek the consent of landholders or other persons or groups with an interest in the real property encompassed by the exploration permits. Compensation may be required to be paid by the Company to landholders to allow the Company to carry out exploration and/or production activities. Although the Company has budgeted no compensation payments, there is no guarantee that additional amounts may not be required. Judicial decisions and legislation could also unforeseeably restrict land access.

### **Key Directors and Consultants May Leave the Company**

The success of the Company will depend in part on the continued services of its directors and consultants. The loss of services of one or more of these persons could have a materially adverse effect on the Company's business, operating results and financial condition.

### **The Company May Not Be Able to Raise Any Further Funds**

The Company may need to raise debt and/or equity capital from time to time in relation to the funding of its projects and business activities. The availability of such capital is influenced by numerous factors including, but not limited to, economic, legal and political conditions and investors' and financiers' investment and credit policies. The inability to raise capital on favourable terms, or not at all, may have a negative impact on the Company's project and business development strategies. No assurance can be given that future funding will be made available on acceptable terms (if at all).

### **Foreign Currency and Exchange Rate Fluctuations**

Revenue and expenditure of the Company may be domiciled in currencies other than Australian dollars and as such expose the Company to foreign exchange movements, which may have a positive or negative influence on the Australian dollar equivalent of such revenue and expenditure.

The Company may invest in projects and businesses in countries outside of Australia in which case movements in the currency of the relevant country against the Australian dollar may increase or decrease the Australian dollar equivalent value of the investment.

The Company will appropriately monitor and assess such risks and may from time to time implement measures, such as foreign exchange currency hedging, to assist manage these risks. However, the implementation of such measures may not eliminate all such risks and the measures themselves may expose the Company to related risks.

### **The Company May Not Be Able To Secure Insurance**

The Company may, where economically practicable and available, endeavour to mitigate some project and business risks by procuring relevant insurance cover. However, such insurance cover may not always be available or economically justifiable and the policy provisions and exclusions may render a particular claim by the Company outside the scope of the insurance cover.

While the Company will undertake all reasonable due diligence in assessing the creditworthiness of its insurance providers there will remain the risk that an insurer defaults in the legitimate claim by the Company under an insurance policy.

### **Industrial Disputes May Prevent Exploration and Production**

The Company's projects and businesses may be adversely impacted by industrial disputes by employees of the Company, its contractors, its contract counterparties and/or other third parties. The Company will endeavour to provide working conditions, including salaries, which are consistent with best industry practice for the country and/or region in which it conducts its project and businesses. The Company will also endeavour to ensure that its contractors and contract counterparties also adopt such practices. However, the risk of industrial disputes and the potential negative impact on a project or business of the Company cannot be fully mitigated.

### **13.3 Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Entitlement Issue. Therefore, the securities to be issued pursuant to this Entitlement Issue carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

## **14. Governing Law**

This Information, the Entitlement Issue and the contracts formed on acceptance by Genesis of the Entitlement and Acceptance Forms are governed by the laws applicable in Western Australia, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Western Australia, Australia.

## **15. Foreign Jurisdictions**

This Information has been prepared to comply with the requirements of the securities laws of Australia and New Zealand.

The New Shares being offered under this Information are also being offered to Eligible Shareholders with registered addresses in New Zealand in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). This Information is not an investment statement or prospectus under New Zealand law, and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

This Information does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Issue, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Information (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of this Information, you should observe such restrictions and should seek your own advice on such restrictions.

Any non-compliance with these restrictions may contravene applicable securities laws.

## **16. Underwriting**

The Entitlement Issue is being underwritten by Argonaut Capital Limited.



## 17. Disclaimer of Representations

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Issue that is not contained in this Information.

Any information or representation that is not in this Information may not be taken as having been authorised by Genesis, or its related bodies corporate in connection with the Entitlement Issue. Except as required by law, and only to the extent so required, none of Genesis, or any other person, warrants or guarantees the future performance of Genesis or any return on any investment made pursuant to this Information.