Quarterly Activities Report
For the Period Ended December 2010

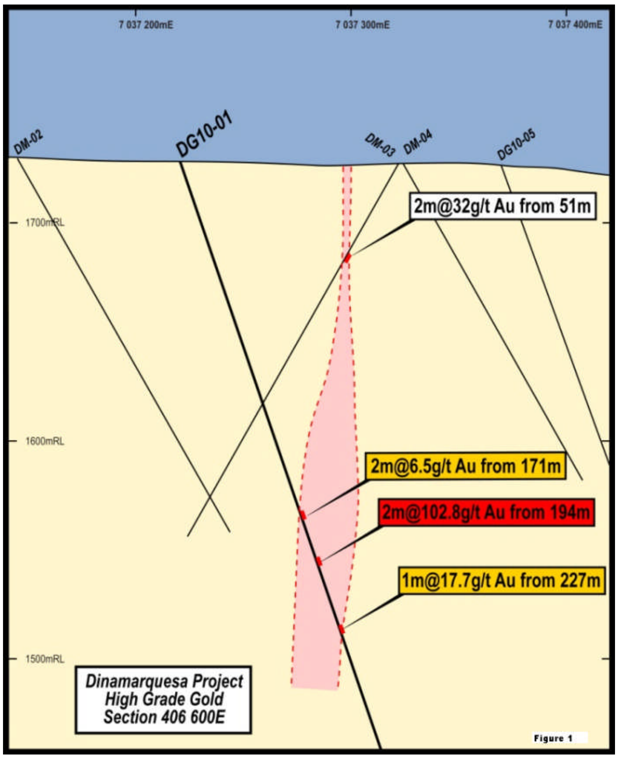
Genesis Minerals Limited

HIGHLIGHTS

Highlights for the quarter from exploration activities completed at Genesis Minerals Limited's Projects in northern Chile included:

Dinamarquesa

- Very high grade gold mineralisation intersected in first hole (DG10-01) drilled at Dinamarquesa
- High grade gold intersections included:
  - **2m @ 102.8 g/t gold**
  - **2m @ 6.5 g/t gold, and**
  - **1m @ 17.7 g/t gold**
- Results significantly increase the known strike and depth extent of high grade gold mineralisation
- The high grade mineralisation intersected in DG10-01 is located directly below and 150 metres down-dip of the high grade mineralisation intersected in the historic drill hole DM03, which returned 2m @ 32g/t gold*



Cerro Verde

- Rock chip sampling extended surface mineralisation a further 1,000m to the south of historic sampling
- Copper and gold results **up to 6.2% copper and 6.1g/t gold**
- Mineralisation now delineated at surface over more than 5,000m

Genesis Minerals Limited

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Registered Office
23 Altona St
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Issued Capital
64.9 million shares
13.5 million options

ASX Code: GMD

Board Members
Michael Haynes
Chairman

Michael Fowler
Managing Director/CEO

Graeme Smith
Non Executive Director
Company Secretary

Chile Office
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Oficina 837
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**Historical intersections previously reported in Genesis Minerals Limited ASX release 5th August 2010.*

DINAMARQUESA PROJECT, CHILE

Multiple intersections of very high grade gold mineralisation were returned from drilling during December at the Dinamarquesa Project in northern Chile. Analytical results have been returned from the first (drill hole DG10-01) of seven diamond core holes drilled recently at the Project. High grade gold intersections returned from the hole included:

- **2m @ 102.8 g/t gold**
- **2m @ 6.5 g/t gold, and**
- **1m @ 17.7 g/t gold**

Additional holes were drilled to evaluate the along strike potential of this high grade gold mineralisation (drill holes DG10-02, DG10-04 and DG11-07; see Figure 2). Previous drilling along strike from drill holes DM03 and DG10-01 returned intersections* including:

- **1m @ 29.9 g/t gold**
- **2m @ 19.9 g/t gold**
- **5m @ 12.8 g/t gold, and**
- **3m @ 10.7 g/t gold**

Logging, sampling and assaying of these drill holes continues and results for the remainder of the holes drilled will be reported over the coming weeks.

A seven hole diamond drilling program (DG10-01 – DG10-05, DG11-06 –DG11-07) for a total of 2,200m was completed in January 2011. This program targeted both the high grade gold vein system and the porphyry copper - molybdenum - gold potential.

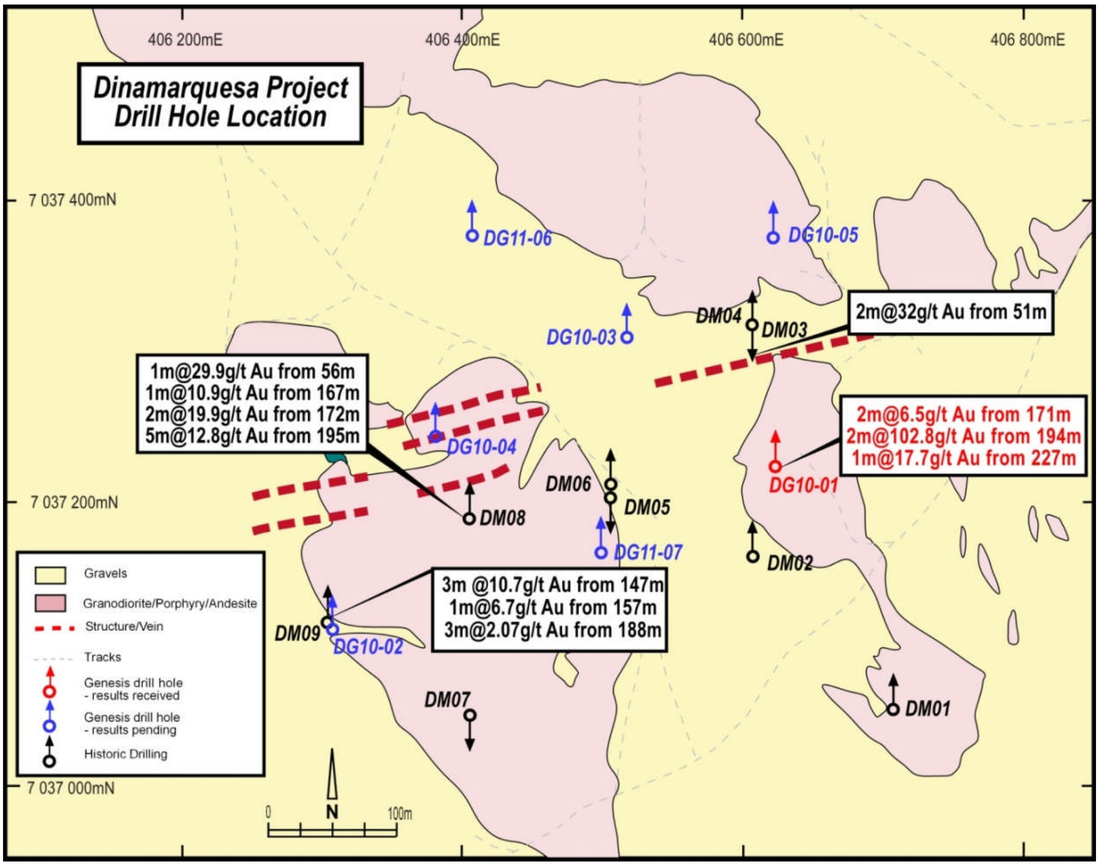

Figure 2 Drill Hole Locations.

**Historical intersections previously reported in Genesis Minerals Limited ASX release 5th August 2010*

Field mapping during November confirmed the potential of the Project to host a significant porphyry copper-molybdenum-gold deposit. The mapping completed by Genesis confirmed the intrusion at Dinamarquesa is one of a cluster of Palaeocene porphyry deposits in the area. A mineralised dacitic porphyry has been mapped over a 700m by 500m area and is open for another 800m to the west and north under alluvial cover. The strong potassic (biotite) alteration zones in the porphyry along with the moderate to intense stockwork veining identified highlights the significance of the porphyry. The stockwork veining is associated with chalcopyrite- pyrite- molybdenite mineralisation and is both disseminated and with B and D type veins (stockwork).

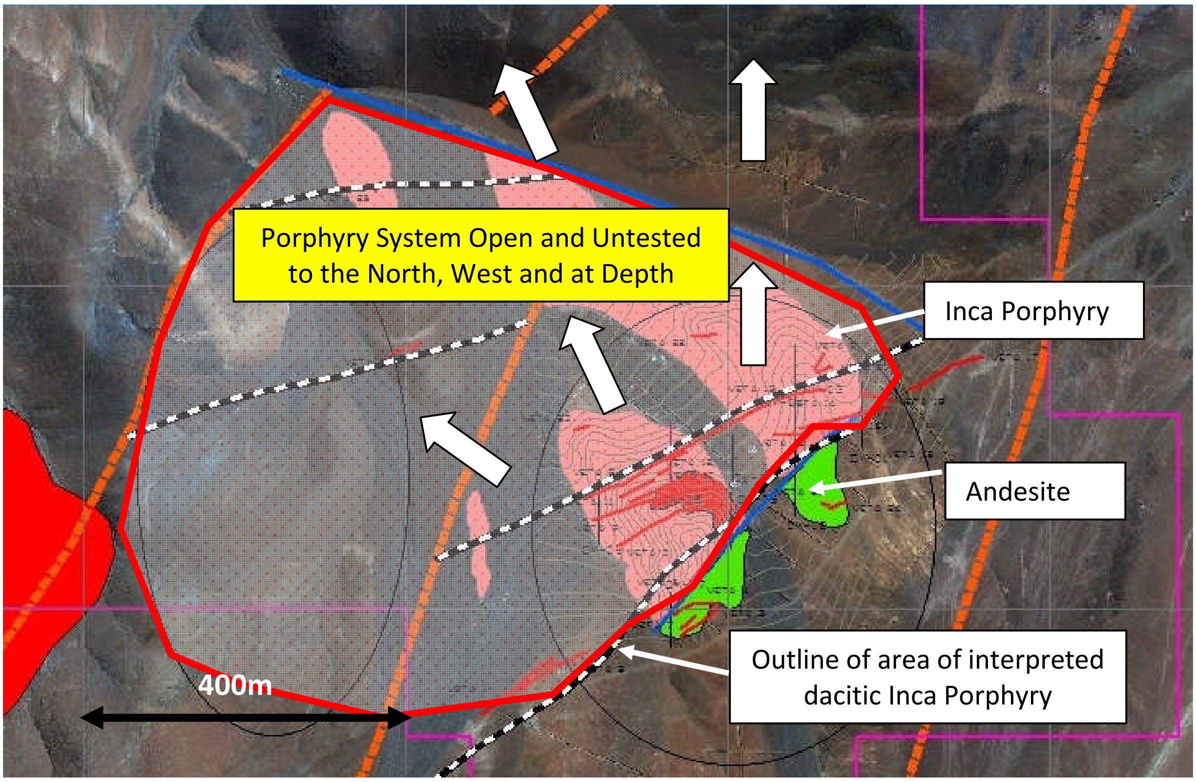

Figure 3 Dinamarquesa Porphyry.

Background

Genesis Minerals Limited entered into an agreement in August 2010 with a private Chilean company to acquire a 100% interest in the Dinamarquesa Project in northern Chile. Limited previous wide spaced drilling has delineated a number of high grade gold structures. The Project occurs in the highly mineralised Inca de Oro gold-copper belt.

The Project is located in the Atacama Desert in an area with excellent infrastructure about 850km north of Santiago, 90km north of the city of Copiapó and 75km east of the Pacific Ocean. The Project is 3km south west of the small town of Inca de Oro which is connected by a sealed highway between Copiapó in the south and Diego de Almagro in the north.

Limited previous wide spaced (100m+), shallow drilling intersected a number of strongly mineralised structures with results including **2m @ 32g/t gold and 5m @ 12.8 g/t gold.**

The regional geology comprises andesitic rocks of the La Negra Formation and volcanoclastic rocks of the Punta del Cobre Formation, both Jurassic age. The units are intruded by Palaeocene granodioritic rocks and andesitic to rhyolitic dikes. The Dinamarquesa Project is a copper-gold-molybdenum porphyry system. The andesite is intruded by a medium grained granodiorite batholith of Palaeocene age which hosts the intrusion of dacitic porphyry rocks (Inca Porphyry).

The gold – copper mineralisation at Dinamarquesa is associated with veins and stockworks trending east to north northeast, hosted in andesitic rocks intruded by a series of porphyries. The veins generally comprise quartz, pyrite, chalcopyrite, gold and occasionally calcite and barite and are associated with potassic alteration.

The known copper-molybdenum-gold primary porphyry hosted mineralisation is found mostly as an intense to moderate stockwork of A, B and D veinlets with pyrite-chalcopyrite-molybdenite mineralisation in the porphyry, granodiorite and the contact zone with andesite and the andesite roof pendant structures.

The high grade gold mineralisation is related to subvertical, banded to massive quartz - sulphide - carbonate veins. The veins occur within an ENE trending structural zone up to 150m wide.

Figure 4 Location of the Dinamarquesa Project.

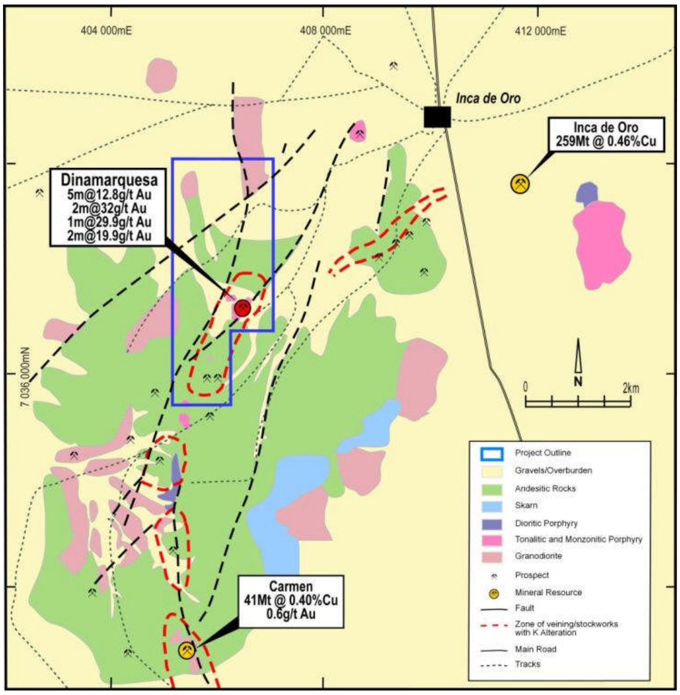

Figure 5 Simplified geology and Project location.

CERRO VERDE PROJECT, CHILE

Genesis Minerals Limited completed rock chip sampling at the Cerro Verde Project in northern Chile during the quarter. The sampling extended surface mineralisation a further 1,000m to the south of historic sampling at the Project. The sampling confirmed the potential of the Project to host high grade gold-copper mineralisation, with mineralisation now delineated at surface over more than 5,000 metres within the Project area.

Highly encouraging results were returned from a recent program of reconnaissance sampling in the southern half of the Project, with copper and gold results **up to 6.2% copper and 6.1g/t gold** .

The anomalous samples are associated with north to north-north west trending, quartz veined iron oxide rich structures with copper oxides.

Exploration in the coming months will consist of further rock chip sampling, geological mapping, alteration mapping (ASTER) and historical data compilation prior to drilling. A number of areas remain untested and require first pass sampling.

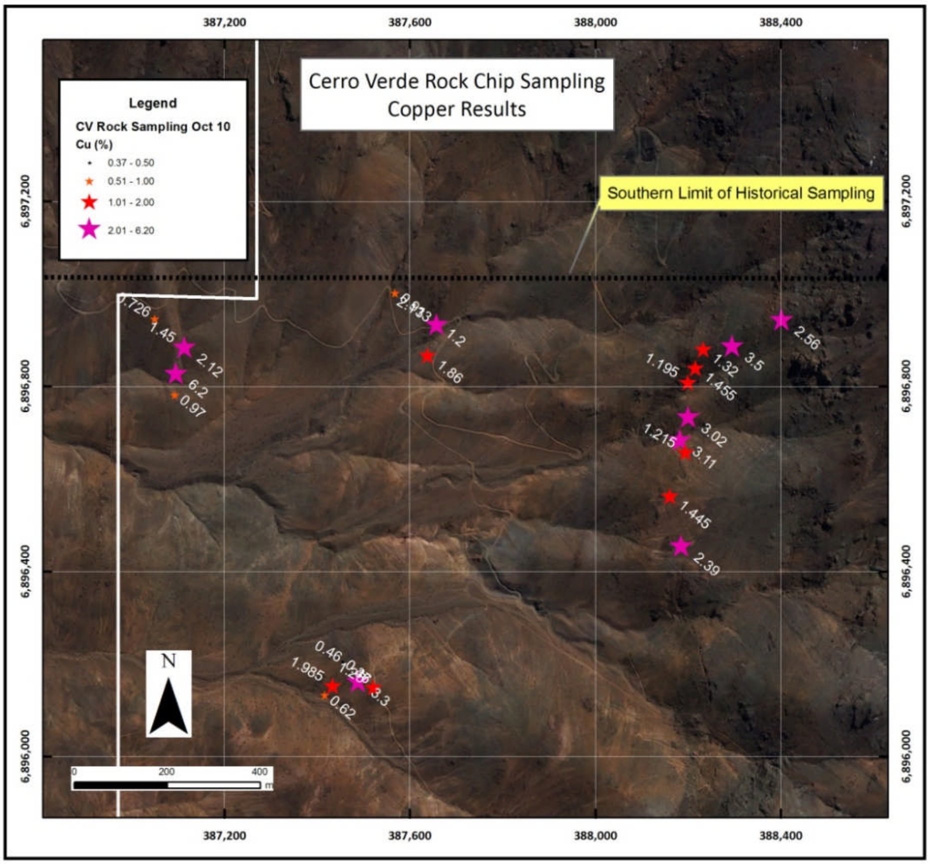

Figure 6 Cerro Verde Copper Results.

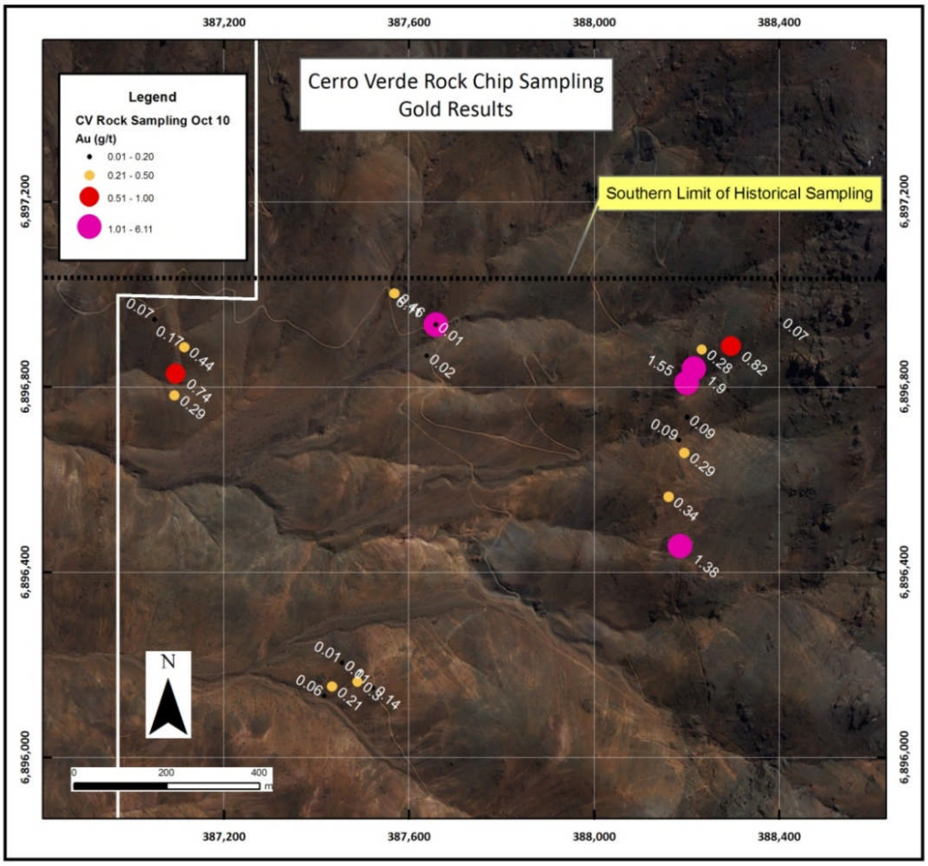

Figure 7 Cerro Verde Gold Results.

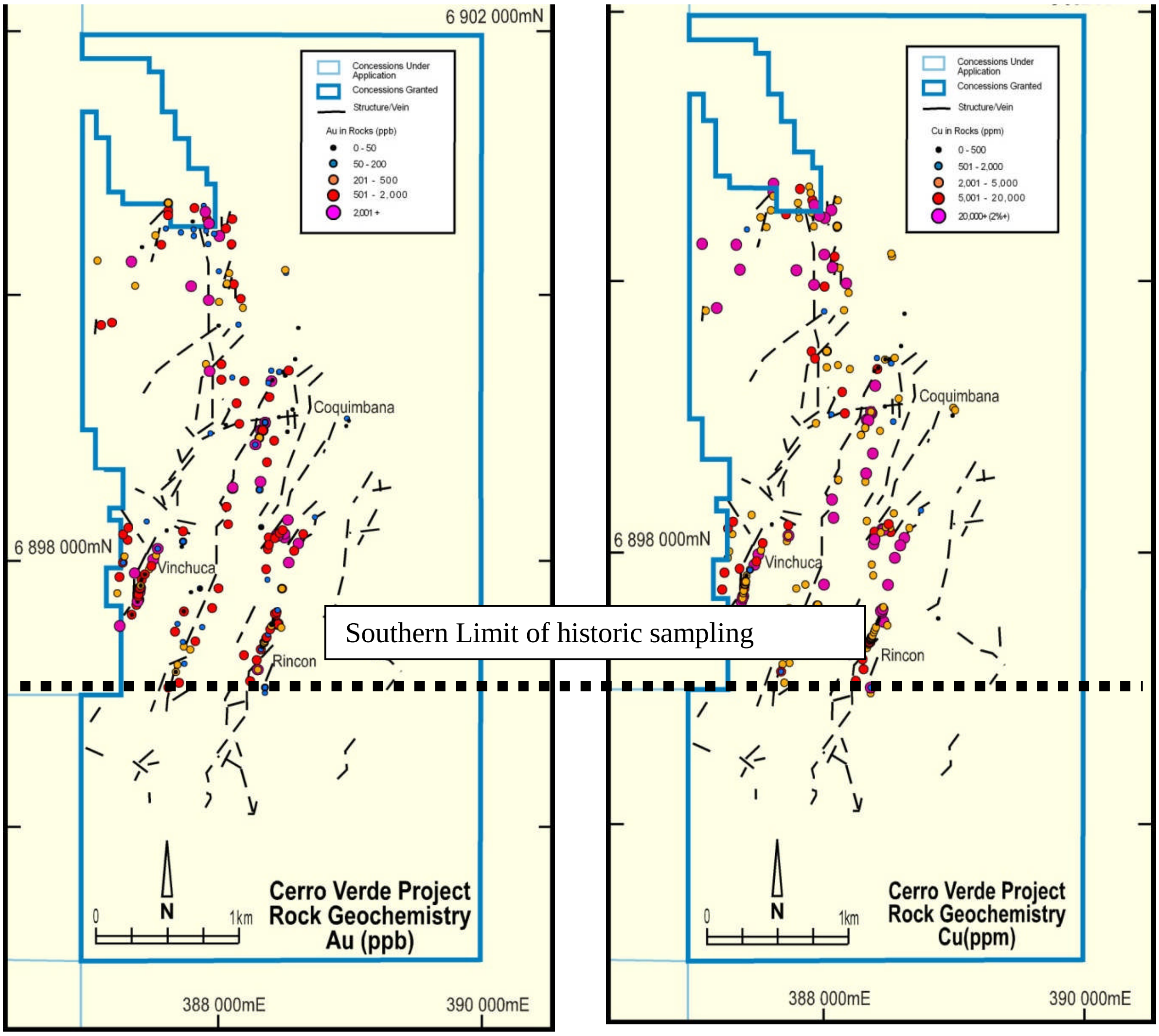

Figure 8 Cerro Verde Historic Rock Chip Samples

Background

Genesis entered into an agreement with a second private Chilean company to acquire a 100% interest in the Cerro Verde 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 serviced by very good infrastructure about 750km north of Santiago, 80km 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.

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 Palaeocene andesitic volcaniclastics, 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.

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.

Michael Fowler
Managing Director

Further Information
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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.

Table 1. Cerro Verde - October 2010 Rock Chip Samples

Sample ID	Easting	Northing	RL	Au (ppm)	Ag (ppm)	Cu (%)
336651	387,050	6,896,946	1,959	0.07	1.55	0.73
336652	387,568	6,897,002	1,979	0.46	0.47	0.91
336653	387,658	6,896,935	2,002	6.11	9.77	1.20
336654	387,658	6,896,935	2,002	0.01	2.1	2.13
336655	387,639	6,896,867	1,982	0.02	0.23	1.86
336656	388,183	6,896,685	2,089	0.09	0.84	3.11
336657	388,201	6,896,735	2,110	0.09	1.65	3.02
336658	388,200	6,896,809	2,135	1.55	3.58	1.20
336659	388,216	6,896,840	2,145	1.9	4.82	1.46
336660	388,233	6,896,881	2,148	0.28	2.01	1.32
336661	388,296	6,896,888	2,206	0.82	2.22	3.50
336662	388,403	6,896,945	2,229	0.07	1.68	2.56
336663	388,161	6,896,563	2,115	0.34	2.26	1.45
336664	388,186	6,896,456	2,110	1.38	6.97	2.39
336665	388,195	6,896,658	2,086	0.29	1.49	1.22
336666	387,093	6,896,782	1,923	0.29	2.03	0.97
336667	387,096	6,896,829	1,929	0.74	0.75	6.20
336668	387,114	6,896,886	1,949	0.17	0.54	1.45
336669	387,114	6,896,886	1,949	0.44	1	2.12
336670	387,456	6,896,205	1,978	0.01	0.2	0.46
336671	387,456	6,896,205	1,978	0.1	3.67	0.37
336672	387,456	6,896,205	1,978	0.01	0.3	0.46
336673	387,417	6,896,133	1,972	0.06	5.59	0.62
336674	387,434	6,896,153	1,973	0.21	3.31	1.99
336675	387,489	6,896,163	1,981	0.3	2.14	3.30
336676	387,522	6,896,150	2,010	0.14	0.91	1.25

Samples were analysed by ALS in La Serena, Chile. Gold was analysed by Fire Assay/AAS and all other elements by ICP-AES following a four acid digest.

Table 2 Significant gold intersections form DG10-01.

Hole Number	**Northing**	**Easting**	**mRL**	**UTM Az.**	**Dip**	**Hole Depth (m)**	**From (m)**	**To (m)**	**Interval**	**Au (g/t)**
DG10-01	7,037,220	406,610	1728	0	-70	300	126	127	1	2.04
							171	173	2	6.532
							194	196	2	102.78
						includes	***194***	***195.33***	***1.33***	***151.42***
							227	228	1	17.68
							256	257	1	1.27

Notes :

- Final assay results from ½ NQ or HQ diamond core.
- Lower cut of 1g/t gold.
- Analysis completed by ANALMIN laboratory in La Serena, Chile.
- All samples were analysed for gold by fire assay.
- Reference standards, duplicate and blank samples were routinely submitted and were within acceptable limits based on current data.
- Drill hole collar position surveyed - PSAD56 Zone 19S by GPS.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Genesis Minerals Limited

ABN	Quarter ended ("current quarter")
72 124 772 041	31 December 2010

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (6 months) $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(574)	(618)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(76)	(293)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	10	11
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	(640)	(900)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(3)	(3)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	(3)	(3)
1.13	Total operating and investing cash flows (carried forward)	(643)	(903)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(643)	(903)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,164	1,411
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material) Share issue transaction costs	(82)	(100)
	Net financing cash flows	1,082	1,311
	Net increase (decrease) in cash held	439	408
1.20	Cash at beginning of quarter/year to date	188	219
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	627	627

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	66
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 includes aggregate amounts paid to directors including salary, directors' fees, consulting fees and superannuation.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	300
4.2	Development	-
4.3	Production	-
4.4	Administration	80
	Total	**380**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	20	188
5.2	Deposits at call	607	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	627	188

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	E08/1690 E08/1787		100% 100%	- -
6.2	Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	63,433,477	63,433,477		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	23,578,340	23,578,340		
7.5	**+Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	 4,500,000 600,000 75,000 9,250,000 500,000 75,000 2,400,000	 - - - - - - -	*Exercise price* 10 cents 10 cents 15 cents 20 cents 20 cents 20 cents 31 cents	*Expiry date* 30 June 2011 30 September 2012 23 August 2013 15 May 2012 28 February 2013 23 August 2013 30 November 2013
7.8	Issued during quarter	600,000 2,400,000	- -	10 cents 31 cents	30 September 2012 30 November 2013
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: (Director / Company secretary) Date: **31 January 2011**

Print name: **Graeme Smith**

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.