

This document is important and requires your immediate attention. If you are in doubt as to how to deal with it, you should consult your investment dealer, stock broker, bank manager, lawyer, accountant or other professional advisor.

Genworth MI Canada Inc.

NOTICE OF VARIATION AND EXTENSION OF OFFER TO PURCHASE FOR CASH

UP TO C\$160,000,000 IN VALUE OF ITS COMMON SHARES AT A PURCHASE PRICE OF NOT LESS THAN C\$26.00 AND NOT MORE THAN C\$29.00 PER COMMON SHARE

This is a notice of variation and extension (the “Notice”) to the offer to purchase dated May 9, 2011 (the “Offer to Purchase”) by Genworth MI Canada Inc. (“Genworth Canada” or the “Company”) to purchase up to C\$160,000,000 in value of the common shares of the Company (the “Shares”). Except as otherwise set forth in this Notice, the terms and conditions previously set forth in the Offer to Purchase, the Issuer Bid Circular (the “Circular”), the related Letter of Transmittal and the Notice of Guaranteed Delivery which accompanied the Offer to Purchase continue to be applicable in all respects, and this Notice should be read in conjunction therewith. Unless the context requires otherwise, terms denoted by initial capital letters and not defined herein have the meaning set forth in the Offer to Purchase. The Offer to Purchase, as amended by this Notice, the Circular and the related Letter of Transmittal and Notice of Guaranteed Delivery together constitute the “Offer”.

THE OFFER HAS BEEN EXTENDED, AND IS NOW OPEN FOR ACCEPTANCE, UNTIL 5:00 P.M. (TORONTO TIME) ON JUNE 27, 2011, UNLESS FURTHER EXTENDED BY THE COMPANY.

Shareholders who have validly deposited and not withdrawn their Shares need to take no further action to accept the Offer. Shareholders wishing to accept the Offer must deposit the certificates representing their Shares together with the Letter of Transmittal previously provided to Shareholders (or a manually executed photocopy thereof), properly completed and duly executed, at or before the extended Expiration Date at the Toronto office of CIBC Mellon Trust Company (the “Depositary”) specified in the Letter of Transmittal, in accordance with the instructions in the Letter of Transmittal. The Offer may also be accepted by a holder by following the procedures for guaranteed delivery, using the Notice of Guaranteed Delivery previously provided to Shareholders or a facsimile thereof. **A non-registered Shareholder who desires to deposit Shares under the Offer should immediately contact such Shareholder’s investment dealer, stock broker, commercial bank, trust company or other nominee in order to take the necessary steps to be able to deposit such Shares under the Offer.**

Questions and requests for assistance may be directed to the Depositary at the telephone number and address set forth on the back cover of this Notice. You may request additional copies of this document, the Offer to Purchase and Circular and other Offer documents from the Depositary at the telephone number and address on the back cover of this Notice.

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, and deposits will not be accepted from or on behalf of, Shareholders in any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of that jurisdiction. However, Genworth Canada may, in its sole discretion, take such action as it may deem necessary to make the Offer in any such jurisdiction and to extend the Offer to Shareholders in such jurisdiction.

(continued on the following page)

The Dealer Managers for the Offer are:

**In Canada
Scotia Capital Inc.**

**In the United States
Scotia Capital (USA) Inc.**

June 15, 2011

(continued from cover)

FORWARD-LOOKING STATEMENTS

Certain statements made in the Offer contain forward-looking information within the meaning of applicable securities laws (“forward-looking statements”). When used in the Offer, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “anticipate”, “believe”, “seek”, “propose”, “estimate”, “expect”, and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. Specific forward-looking statements in this document include, but are not limited to, the trading price of the Shares not fully reflecting the value of the Company’s business and future prospects; the Company continuing to have sufficient financial resources and working capital and the Offer not being expected to preclude Genworth Canada from pursuing its foreseeable business opportunities for the future growth of the Company’s business; the market for the Shares after completion of the Offer not being materially less liquid than the market that exists at the time of the making of the Offer; future purchases of additional Shares following expiry of the Offer; and the prospect that the Company may from time to time in the future consider various acquisition or divestiture opportunities.

The forward-looking statements contained herein are based on certain factors and assumptions, certain of which appear proximate to the applicable forward-looking statements contained herein. Inherent in the forward-looking statements are known and unknown risks, uncertainties and other factors beyond the Company’s ability to control or predict, that may cause the actual results, performance or achievements of the Company, or developments in the Company’s business or in its industry, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Actual results or developments may differ materially from those contemplated by the forward-looking statements.

The Company’s actual results and performance could differ materially from those anticipated in these forward-looking statements as a result of both known and unknown risks, including risks related to: the continued availability of the Canadian government’s guarantee of private mortgage insurance, including proposed legislation regarding such guarantee, on terms satisfactory to the Company; the Company’s expectations regarding its revenues, expenses and operations; the Company’s plans to implement its strategy and operate its business; the Company’s expectations regarding the compensation of directors and officers; the Company’s anticipated cash needs and its estimates regarding its capital expenditures, capital requirements, reserves and its needs for additional financing; the Company’s plans for and timing of expansion of service and products; the Company’s ability to accurately assess and manage risks associated with the policies that are written; the Company’s ability to accurately manage market, interest and credit risks; the Company’s ability to maintain ratings; interest rate fluctuations; a decrease in the volume of high loan-to-value mortgage orientations; the cyclical nature of the mortgage insurance industry; changes in government regulations and laws mandating mortgage insurance; the acceptance by the Company’s lenders of new technologies and products; the Company’s ability to attract lenders and develop and maintain lender relationships; the Company’s competitive position and its expectations regarding competition from other providers of mortgage insurance in Canada; anticipated trends and challenges in the Company’s business and the markets in which it operates; changes in the global or Canadian economies; loss of members of the Company’s senior management team; potential legal, tax and regulatory investigations and actions; the failure of the Company’s computer systems; and potential conflicts of interest between the Company and its majority shareholder, Genworth Financial, Inc.

This is not an exhaustive list of the factors that may affect any of the Company’s forward-looking statements. Some of these and other factors are discussed in more detail in the Company’s annual information form dated March 18, 2011 (the “AIF”). Investors and others should carefully consider these and other factors and not place undue reliance on the forward-looking statements. Further information regarding these and other risk factors is included in the Company’s public filings with provincial securities regulatory authorities and can be found on the System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com, including the AIF. The forward-looking statements contained in the Offer represent the Company’s views only as of the date hereof. Forward-looking statements contained in the Offer are based on management’s current plans, estimates, projections, beliefs and opinions and the assumptions related to these plans, estimates, projections, beliefs and opinions may change, and are presented for the purpose of assisting the Company’s securityholders in understanding management’s current views regarding those future outcomes and may not be appropriate for other purposes. While the Company anticipates that subsequent events and developments may cause the Company’s views to change, the Company does not undertake to update any forward-looking statements, except to the extent required by applicable securities laws.

INFORMATION FOR UNITED STATES SHAREHOLDERS ONLY

The Offer is made by Genworth Canada, a Canadian issuer, for its own securities, and while the Offer is subject to the disclosure requirements of the province of Ontario and the other provinces of Canada, U.S. Shareholders should be aware that these disclosure requirements are different from those of the United States. Financial statements of Genworth Canada have been prepared in accordance with Canadian generally accepted accounting principles and are subject to Canadian auditing and auditor independence standards and, therefore, they may not be comparable to financial statements of U.S. companies prepared in accordance with United States generally accepted accounting principles and pursuant to U.S. auditing and auditor independence standards.

The enforcement by Shareholders of civil liabilities under U.S. federal and state securities laws may be adversely affected by the fact that Genworth Canada is incorporated under the provincial laws of Ontario, that a majority of its directors and officers are residents of Canada or other countries other than the United States, and that all of Genworth Canada's assets are located outside of the United States. For example, it may be difficult or impossible for U.S. Shareholders either to effect service of process within the U.S. upon Genworth Canada or its officers and directors who are residents of Canada or other countries other than the United States, or to enforce against them in the U.S. judgments of courts in the U.S. predicated upon any asserted civil liabilities under U.S. federal and state securities laws as may be applicable. In addition, U.S. Shareholders should not assume that courts in Canada or in the countries where such officers and directors reside or in which Genworth Canada's assets or the assets of such persons are located (i) would enforce judgments of U.S. courts obtained in actions against Genworth Canada or such persons predicated upon civil liability provisions of U.S. federal and state securities laws as may be applicable, or (ii) would enforce, in original actions, any asserted liabilities against Genworth Canada, its subsidiaries or such persons predicated upon such laws. Enforcement of any asserted civil liabilities under U.S. securities laws may be further adversely affected by the fact that some or all of the experts named in the Offer may be residents of Canada.

U.S. Shareholders should be aware that the acceptance of the Offer will have certain tax consequences under United States and Canadian law. See Section 13 of the Circular – "Income Tax Considerations".

CURRENCY

All dollar references in the Notice, the Offer to Purchase and the Circular are in Canadian dollars, except where otherwise indicated.

OFFER TO PURCHASE

To the Holders of the Shares of Genworth MI Canada Inc.

By notice to the Depositary dated June 14, 2011, the Company has extended its Offer to purchase up to C\$160,000,000 in value of its Shares for a cash price of not less than C\$26.00 and not more than C\$29.00 per Share.

Except as otherwise set forth in this Notice, the terms previously set forth in the Offer to Purchase continue to be applicable in all respects and the Notice should be read in conjunction with the Offer to Purchase. Unless the context requires otherwise, terms denoted by initial capital letters and not defined herein have the meaning set forth in the Offer to Purchase.

1. Extension of the Offer

The Company has extended the expiry of the Offer from 5:00 p.m. (Toronto time) on June 14, 2011 to 5:00 p.m. (Toronto time) on June 27, 2011 (the “Extended Expiration Date”), unless the Company further extends the period during which the Offer is open for acceptance pursuant to Section 8 of the Offer to Purchase, “Extension and Variation of the Offer”.

2. Recent Developments

The following is a description of recent developments with respect to the Offer since May 9, 2011, the date of the Offer to Purchase:

On June 14, 2011, the Federal Government of Canada (the “Government”) tabled in Parliament “*An Act To Implement Certain Provisions Of The 2011 Budget As Updated On June 6, 2011*”, which included the *Protection of Residential Mortgage or Hypothecary Insurance Act* and changes to the *National Housing Act*. These changes do not change the level of Government guarantee provided on insured mortgages. They are designed to formalize in legislation existing mortgage insurance arrangements with private mortgage insurers and Canada Mortgage and Housing Corporation, including the rules for Government backed insured mortgages and the terms for the Government guarantee. While the Company does not anticipate any significant changes to its business prospects, a full assessment of the impact on the Company’s business cannot be completed until the regulations referenced in the legislation are finalized.

3. Time for Acceptance

The Offer is open for acceptance until the Extended Expiration Date, unless the Offer is further extended by the Company. The Extended Expiration Date may be further extended at the Company’s sole discretion pursuant to Section 8 of the Offer to Purchase, “Extension and Variation of the Offer”.

4. Procedures of Depositing Shares

The procedure for accepting the Offer is described in Section 5 of the Offer to Purchase, “Procedure for Depositing Shares”.

5. Certain Conditions of the Offer

All conditions contained in Section 7 of the Offer to Purchase, “Certain Conditions of the Offer”, remain unchanged.

6. Take-Up and Payment for Deposited Shares

If all the conditions referred to in Section 7 of the Offer to Purchase, “Certain Conditions of the Offer”, have been satisfied or waived at or prior to the Extended Expiration Date, the Company will, unless the Company shall have terminated the Offer, become obligated to take up and pay for Shares validly deposited under the Offer and not withdrawn pursuant to Section 5 of the Offer to Purchase, “Withdrawal Rights”, as soon as practicable after the Extended Expiration Date, but in any event not later than 10 days after the Extended Expiration Date.

Shareholders are referred to Section 9 of the Offer to Purchase, “Taking Up and Payment for Deposited Shares”, for further details as to the payment for Shares under the Offer.

7. Withdrawal of Deposited Shares

Except as otherwise provided in Section 6 of the Offer to Purchase, “Withdrawal Rights”, deposits of Shares pursuant to the Offer are irrevocable. Shares deposited pursuant to the Offer may be withdrawn by the Shareholder (a) at any time prior to the Extended Expiration Date, (b) at any time if the Shares have not been taken up by the Company before actual receipt by the Depositary of a notice of withdrawal in respect of such Shares, or (c) at any time if the Shares have been taken up but not paid for by the Company within three business days of being taken up. **Shareholders are referred to Section 6 of the Offer to Purchase, “Withdrawal Rights”, for further details and a description of the procedures for exercising the right to withdraw Shares deposited under the Offer.**

Any Shares properly withdrawn will thereafter be deemed not deposited for purposes of the Offer. However, withdrawn Shares may be redeposited prior to the Extended Expiration Date by again following the procedures described in Section 5 of the Offer to Purchase, “Procedure for Depositing Shares”.

8. Liquidity of Market

The liquidity opinion of Scotia Capital Inc., dated May 5, 2011, remains applicable to the Offer, as amended by this Notice. See Section 3 of the Circular, “Purpose and Effect of the Offer – Liquidity of Market”.

9. Shareholders’ Statutory Rights

Securities legislation in certain of the provinces and territories of Canada provides Shareholders with, in addition to any other rights they may have at law, one or more rights of rescission, price revision or to damages if there is a misrepresentation in a circular or notice that is required to be delivered to the Shareholders. However, such rights must be exercised within prescribed time limits. Shareholders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult with a lawyer.

10. Directors’ Approval

The sending of this Notice has been authorized by the Board of Directors of the Company.

APPROVAL AND CERTIFICATE

June 15, 2011

The Board of Directors of Genworth MI Canada Inc. (the “Company”) has approved the contents of the Offer to Purchase and the accompanying Circular dated May 9, 2011 and this Notice dated June 15, 2011 and the delivery thereof to Shareholders. The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

(Signed) Brian Hurley
Chairman and
Chief Executive Officer

(Signed) Philip Mayers
Senior Vice President and
Chief Financial Officer

On behalf of the Board of Directors:

(Signed) Robert Gillespie
Director

(Signed) Brian Kelly
Director

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The Letter of Transmittal or the Notice of Guaranteed Delivery, certificates for Shares and any other required documents must be sent or delivered by each depositing Shareholder or the depositing Shareholder's broker, commercial bank, trust company or other nominee to the Depository at one of its addresses specified below.

OFFICES OF THE DEPOSITARY, CIBC MELLON TRUST COMPANY, FOR THE OFFER:

By Mail

CIBC Mellon Trust Company
P.O. Box 1036
Adelaide Street Postal Station
Toronto, ON M5C 2K4
Attn: Corporate Restructures

By Hand, Registered Mail or Courier

CIBC Mellon Trust Company
199 Bay Street
Commerce Court West, Securities Level
Toronto, Ontario M5L 1G9
Attn: Courier Window
Telephone: (416) 643-5500
Toll Free: (800) 387-0825

E-mail: inquiries@cibcmellon.com

Any questions or requests for assistance, including as to how to accept the Offer while Canadian postal services may be disrupted, may be directed to the Depository at the addresses and telephone number specified above. Shareholders also may contact their broker, commercial bank or trust company for assistance concerning the Offer. Additional copies of the Notice, the Offer to Purchase, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained from the Depository. Manually executed photocopies of the Letter of Transmittal or the Notice of Guaranteed Delivery will be accepted.