

9 March 2010

Update on Uvs potash project (Mongolia)

HIGHLIGHTS

- **Leading international potash consultancy provides technical guidance on the project**
- **Preliminary structural and hydrogeological maps compiled to focus exploration for potash, as well as lithium & potassium brines**
- **Preliminary geophysical survey and drill hole parameters & sites identified for the first field season**

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ASX Code: GMM

Quoted Securities:
39,895,000 ordinary f.p. shares

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Uvs Basin Potash Project, Mongolia

(GMM 100%)

Potash is a high margin industrial mineral commodity predominantly used in fertilizers. Potash is produced from buried evaporite deposits, including those associated with salt diapirs, and potassium rich brines by only about a dozen countries while it is demanded by agricultural producers all over the world. The Company's potash exploration area in north-western Mongolia has infrastructure links with neighbouring Russia and good potential to access international markets, in particular China, which is the largest importer of potash in the world.

The project comprises 10 granted exploration licences, which cover more than 2,000 km² within the Uvs Basin.

Some rock salt, soda ash & gypsum deposits and base metal occurrences have been discovered within the Uvs Basin and limited drilling at the Russian periphery of the basin in the 1950-60s intersected shallow potash mineralisation in up to 600 m thick Devonian evaporites – therefore confirming the prospectivity of the basin for potash deposits.

GMM's exploration area in the basin is also considered prospective for lithium and potassium brines.

The Company commissioned German firm ERCOSPLAN Ingenieurgesellschaft Geotechnik und Bergbau mbH ("ERCOSPLAN"), one of the leading international experts on potash geology, mining and marketing, to provide technical guidance on this project.

ERCOSPLAN obtained all available Mongolian and Russian historical data on the Uvs Basin to create a preliminary computer technical database for the project and also carried out the initial interpretation of the remote sensing data.

ERCOSPLAN have prepared preliminary structural, hydrogeological and remote sensing interpretation maps, which along with the available technical data have enabled ERCOSPLAN to tentatively identify the locations of geophysical and drilling programs for the first field season in 2010.

These preliminary drilling recommendations include the location and technical parameters for an optional deep stratigraphic drill hole, as well as relatively shallow potash exploratory holes including some drill holes targeting circular remote sensing features which could be interpreted as potential salt diapir structures.

The hydrogeological map may be used to focus the exploration for lithium and potassium brines by a series of hydrogeological boreholes.

The field reconnaissance and mapping will follow up on this desktop study during the June quarter of 2010 to verify some details of the preliminary structural and hydrogeological maps and to firm up the recommended geophysical survey and drilling sites.

In the preparation for the Company's upcoming first field season in Mongolia, GMM has started discussions with some potential drilling and geophysical contractors both in Mongolia and Russia.

Dr Boris Matveev
Managing Director

About General Mining Corporation Ltd (ASX: GMM)

General Mining Corporation Ltd is a Western Australian company with a substantial portfolio of exploration properties in Mongolia and Western Australia. The Company is focused on bulk commodities, namely high-margin potash at the Uvs Basin project in Mongolia, and iron ore at the Shoemaker project in Western Australia.

The Company also has some base metal and IOCG exploration properties in those countries and is well capitalized with \$4.5m of liquid funds following its IPO in December 2009.

Competent Person Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Hagen Hopf, who is a European Geologist (EurGeol), member of the European Federation of Geologists included in a list of 'Recognised Overseas Professional Organisation' promulgated by the ASX from time to time. Mr. Hopf is employed by ERCOSPLAN Ingenieurgesellschaft Geotechnik und Bergbau mbH and has sufficient experience which 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 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Hopf consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.