

18 April 2011

## March 2011 Quarterly Report

General Mining Corporation Ltd  
ABN: 95 125 721 075

ASX Code: GMM

Quoted Securities:  
47,902,234 ordinary f.p. shares  
Total Issued Capital:  
63,034,628 ordinary f.p. shares

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### HIGHLIGHTS

- Preparations underway for deep potash exploratory drilling at the Uvs project in Mongolia
- RC drilling at iron ore and manganese exploration targets at the Shoemaker project in Western Australia to start in mid May
- Share placement to institutional and sophisticated investors raises A\$1.2M to accelerate potash and manganese / iron ore exploration

### Projects

#### Mongolia

##### **Uvs Basin Project**

*(Potash; lithium & potassium brines exploration - GMM 100%)*

The project comprises 5 granted exploration licences covering more than 2,000 km<sup>2</sup> within the Uvs Nuur Basin (Figure 1) that is considered **prospective for bedded and domal (salt diapir) potash deposits as well as for lithium and potassium brines.**

Some rock salt, soda ash & gypsum deposits and base metal occurrences have been discovered within the Uvs Basin (Figure 2), and limited drilling at the northern periphery of the basin in the 1950-60s intersected shallow potash mineralisation in up to 600 m thick Devonian evaporates. These drilling results from the Russian part of the Uvs Nuur Basin confirm the prospectivity for solid potash and/or potassium brine deposits.

During the 2011 field season, the Company plans to drill from 3 to 5 potash exploratory holes to an average depth of 1,000 m targeting **bedded potash** as a primary exploration target as well as lithium brines.

Negotiations with drilling contractors are currently underway and the Company will advise the market as soon as the contract has been executed. In parallel, the Company is obtaining all necessary approvals to start this drilling program without delays.



Figure 1: Company's project locations in Mongolia

Planning is also underway to continue exploration at the Company's Khangai Project during the 2011 field season and to follow up on some known copper and nickel occurrences as well as to investigate gold and lithium brine potential at the Company's tenements.

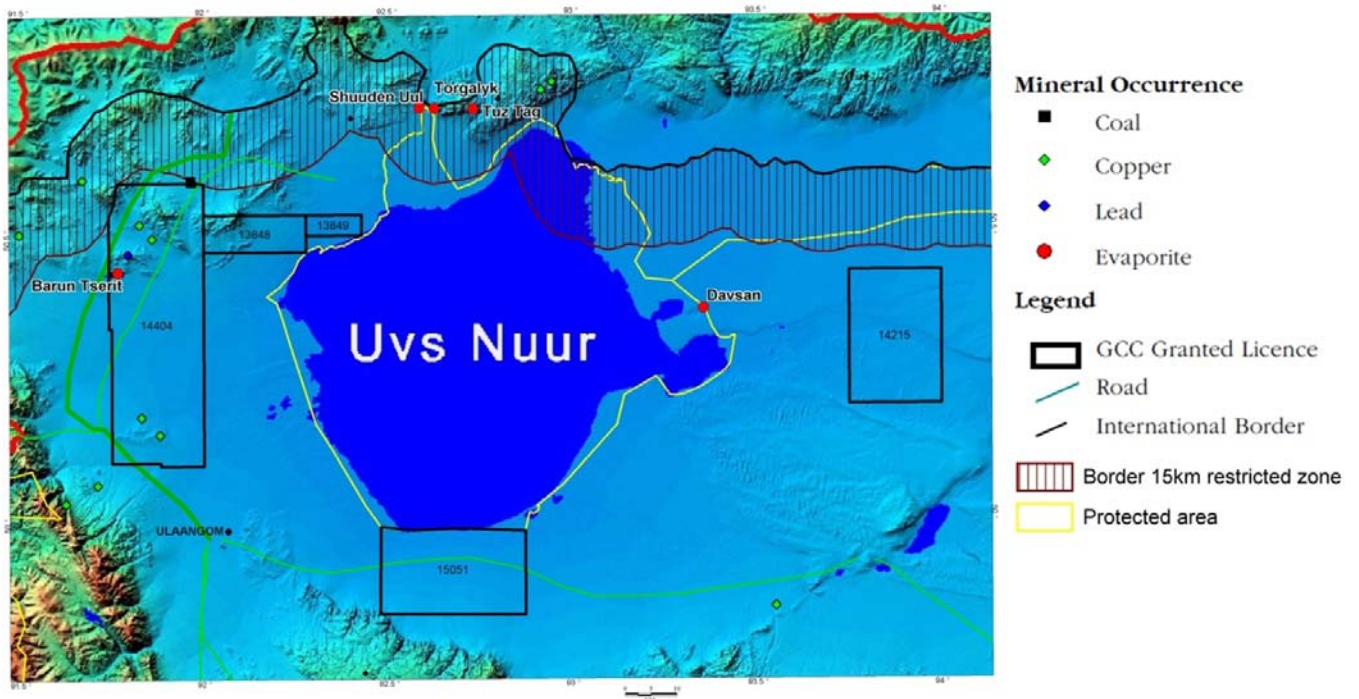


Figure 2: The Uvs Basin project area: GMM's exploration licences and known evaporite and other mineral occurrences

## Western Australia

### Shoemaker Project

(Iron ore & manganese exploration - GMM 50% & earning up to 80% from Galaxy Resources Limited)

The technical overview by Coffey Mining in February 2010 concluded that the Shoemaker project had **good potential for iron-ore mineralisation** in both the bedded and taconite styles in BIF<sup>1</sup> and some potential for near surface DSO<sup>2</sup> hematite mineralisation within the Frere Formation. The Lockeridge Prospect discovery by Zinc Co (ASX:ZNC) next to the Shoemaker project, as well as work on the Stanley Project by AusQuest Ltd (ASX:AQD), also show **the presence of stratiform bedded manganese mineralisation** in the Earaaheedy Basin

The Company's field exploration in 2010 confirmed the presence of the extensive high-grade iron ore mineralisation at the surface within the Frere Formation and 33 rock chip samples collected from hematite rich surface outcrops yielded high-grades from 50% to 65% Fe (Figure 3 - refer ASX announcements dated 1 June and 26 July 2010).

The 2010 exploration also identified some previously unknown spot occurrences and 3 linear manganese mineralisation zones totalling ~1.9 km along strike and up to 30 m wide. 19 rock chip samples assayed from 21% to 48% Mn (refer ASX announcements dated 1 June and 26 July 2010).

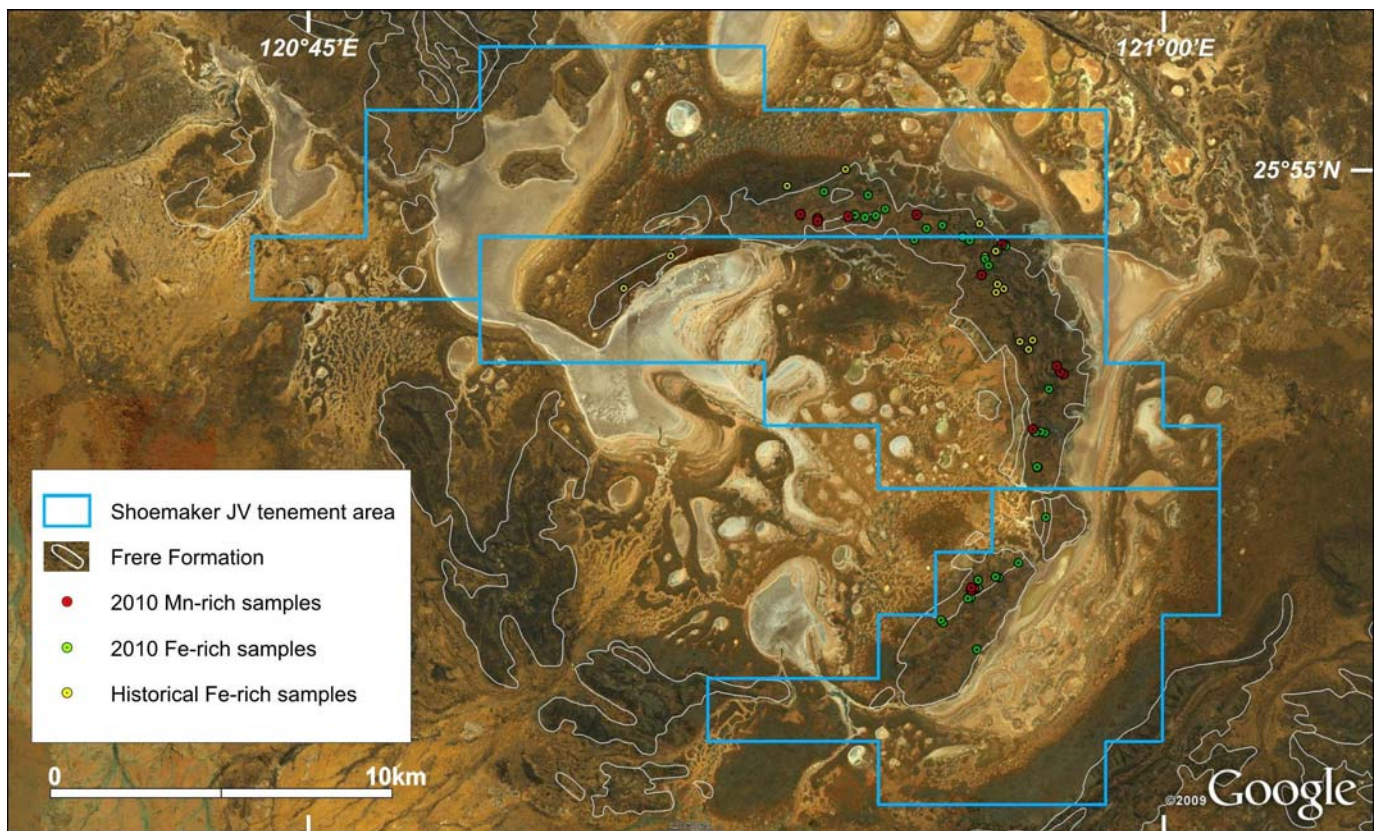


Figure 3: High-grade iron ore & manganese mineralisation at Shoemaker project area:

<sup>1</sup> Banded Iron Formation

<sup>2</sup> Direct Shipping Ore

In March 2011 the WA Department of Mines and Petroleum approved the Company's Programme of Work for the 1<sup>st</sup> stage RC drilling program that will include 30 holes totalling about 2,500 line m to explore the following:

- vertical extent of the surface high-grade iron ore mineralisation;
- identified magnetic and gravity anomalies - targeting possible bedded and taconite style iron ore mineralisation in the Frere Formation;
- extent of the newly identified bedded manganese mineralisation.

The Company has engaged a drilling contractor and this program is expected to start on 15<sup>th</sup> May 2011.

## **Corporate**

The Company placed 6,947,234 shares at \$0.175 per share to raise \$1,215,766 before costs of the issue. Demand for the placement was strong and the issue closed oversubscribed. The placement was made under the Company's 15% placement capacity to institutional, sophisticated and professional investor clients of Pareto Capital.

Use of Funds:

- i) to assist with funding of the Company's forthcoming potash and lithium brine exploratory drilling program in the Uvs Basin in Mongolia;
- ii) to assist with funding of drilling at the WA Shoemaker iron ore/manganese project; and
- iii) for general working capital purposes

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 and manganese at the Shoemaker project in Western Australia.

The Company also has some base metal and IOCG exploration properties in those countries.

#### ***Competent Person Statement***

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Boris Matveev, who is a Member of The Australian Institute of Geoscientists. Dr Matveev is a full-time employee of General Mining Corporation Ltd 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'. Dr Matveev consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*