

15 July 2010

General Mining Corporation Ltd  
ABN: 95 125 721 075

ASX Code: GMM

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

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## June 2010 Quarterly Report

### HIGHLIGHTS

#### Shoemaker Project (WA)

- **High-grade bedded manganese mineralisation identified within the Shoemaker project area**
- **Field outcrop mapping confirms extensive high-grade iron ore mineralisation at surface at the Shoemaker project**
- **Drilling to commence in September quarter once all approvals are received**

#### Uvs Project (Mongolia)

- **Leading international potash consultancy provides technical guidance on the field exploration program started at Uvs**

### PROJECTS

#### Shoemaker Project – Western Australia

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

In May 2010 the Company's exploration team, assisted by consultants Coffey Mining, carried out field mapping and sampling to follow up on historical surface sampling that demonstrated the presence of high-grade, low impurity iron ore.

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 recent 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.

<sup>1</sup> Banded Iron Formation

<sup>2</sup> Direct Shipping Ore

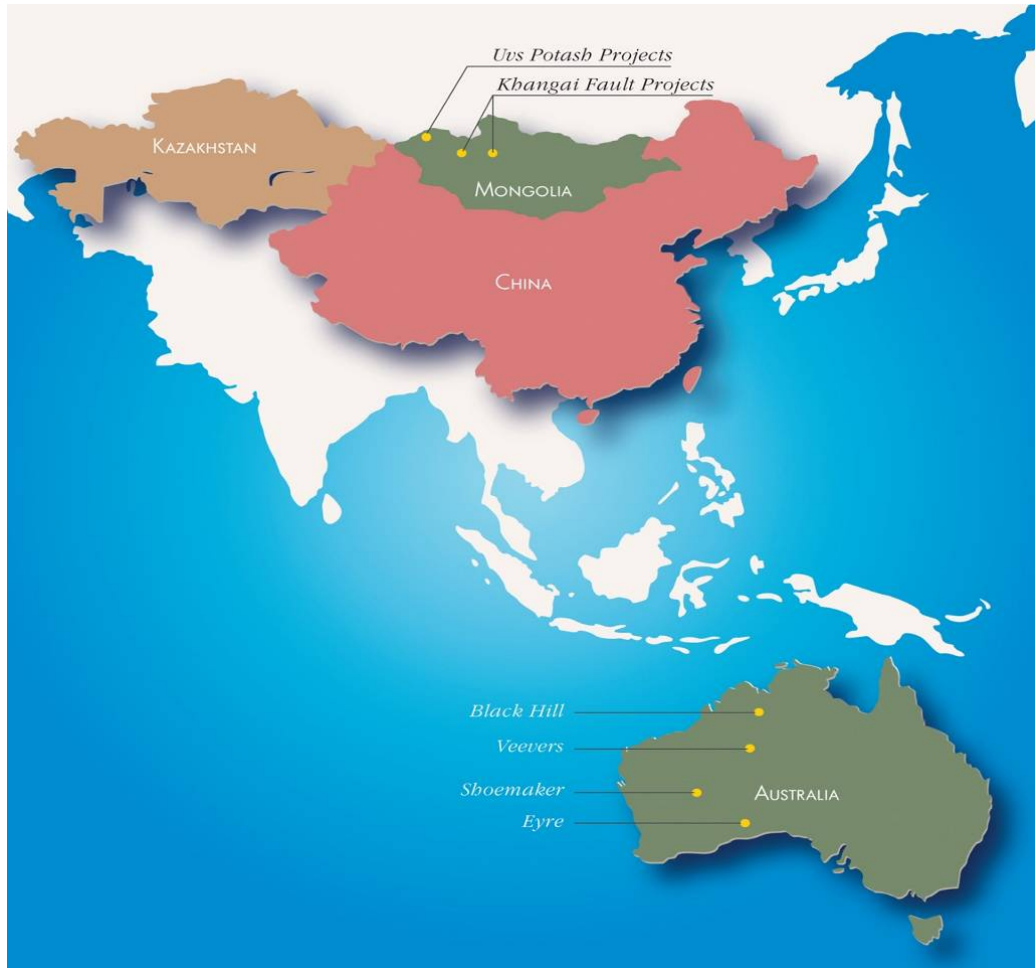


Figure 1: Company's project locations in Western Australia and Mongolia

The May program included systematic outcrop mapping and collecting 77 rock chip samples along 11 traverses, as well as channel sampling assisted by preliminary field assaying using a hand-held XRF analyser. Fifty samples were later assayed at an independent laboratory in Perth.

Outcropping manganese rich beds dipping N and NNW at 50 to 80 degrees have been identified within the Frere Formation at the project area and traced for about 1 km along the strike (Figure 2). The thickness of the individual beds is up to ~1 m and the total visible width of the outcropping mineralised zone is up to several metres across the slope (Figure 3). Three rock chip samples were collected and assayed from **21.4% to 43.0% Mn** (refer ASX announcement dated 1 June 2010).

The systematic outcrop mapping and sampling further confirmed the presence of the extensive high-grade iron ore mineralisation at the surface within the project area (Figures 2 & 4). 25 rock chip samples collected from hematite rich surface outcrops yielded high-grades between **50% and 65% Fe** (refer ASX announcement dated 1 June 2010). Some Frere Formation outcrops exposed by erosion and less affected by weathering yielded lower variable grades between 10% and 60% Fe.

The Company's field mapping program was interrupted by rains and will be continued in July to follow up on the newly identified manganese mineralisation. In particular, the interpretation of remote sensing data has been used to outline possible additional manganese rich outcrops to focus the next stage of field mapping.

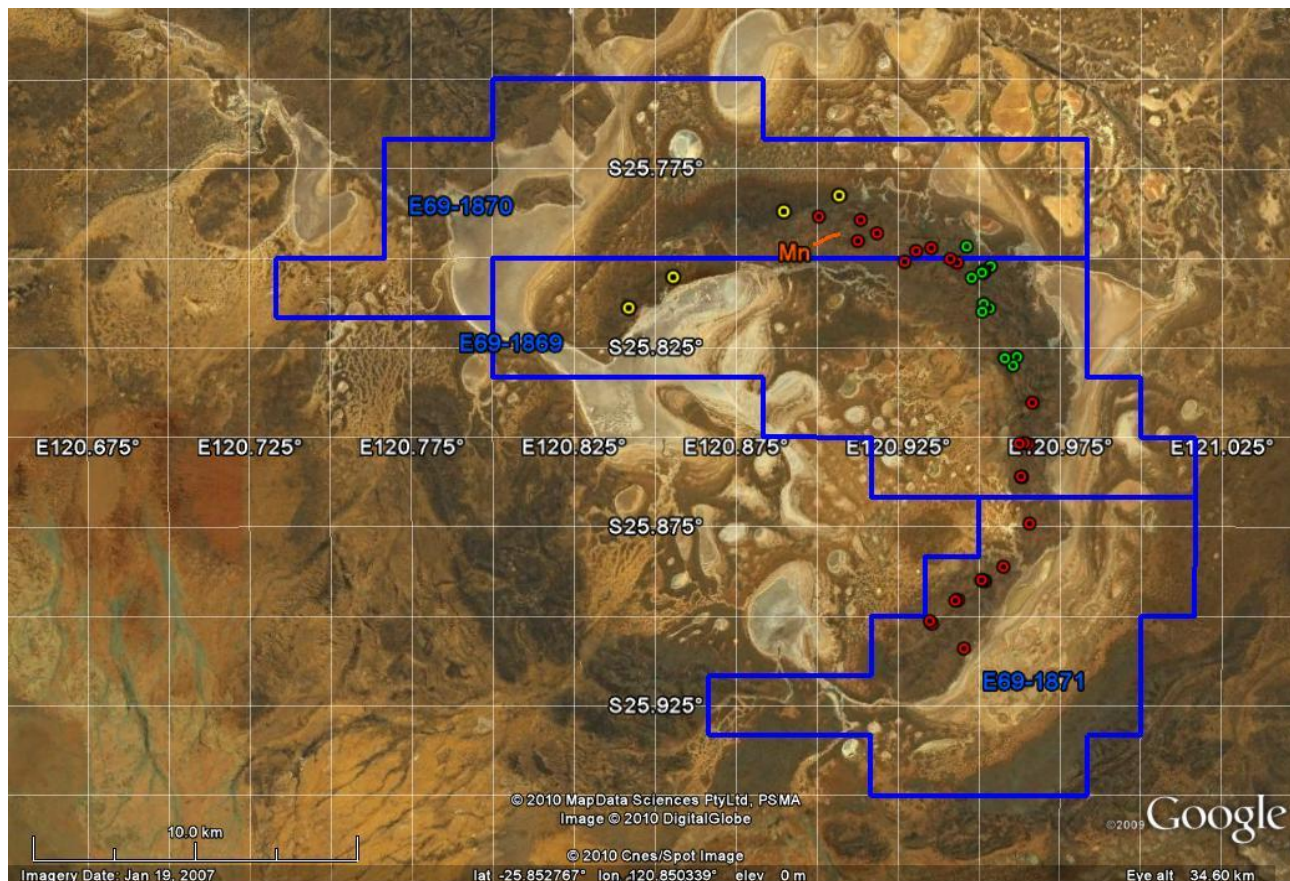


Figure 2: High-grade iron ore & manganese mineralisation at project area:

- Red dots – GMM's May 2010 rock chip sample assays >50% Fe
- Green – Galaxy Resources' 2008 samples >50% Fe
- Yellow – historical iron ore occurrences (GSWA's MINEDEX records)
- Orange line – manganese mineralisation identified by GMM in May 2010



Figure 3: NNW dipping manganese rich beds within the Frere Formation



Figure 4: Hematite rich Frere Formation at surface

The 1<sup>st</sup> stage RC drilling program is being planned based on the results of field mapping and available geophysical data with the following objectives:

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

Coffey Mining have recommended 8 drilling lines and their location and drilling spacing will be further clarified based on the results of the second stage of field mapping. It is expected that this drilling program will commence in the September quarter once all approvals are received.

The Company signed a standard heritage agreement on exploration licence applications E69/2792 & E69/2793 within the Shoemaker project area and the WA Department of Mines and Petroleum (“DMP”) advised that the Company’s application for exploration licence E69/2763 in this area may be granted under the so-called “expedited procedure”.

### **Uvs Basin Project - Mongolia**

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

The project comprises 10 granted exploration licences covering more than 2,000 km<sup>2</sup> within the Uvs Basin that is considered **prospective for bedded and domal 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 5) and limited drilling at the 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 ore and/or potassium brine deposits.

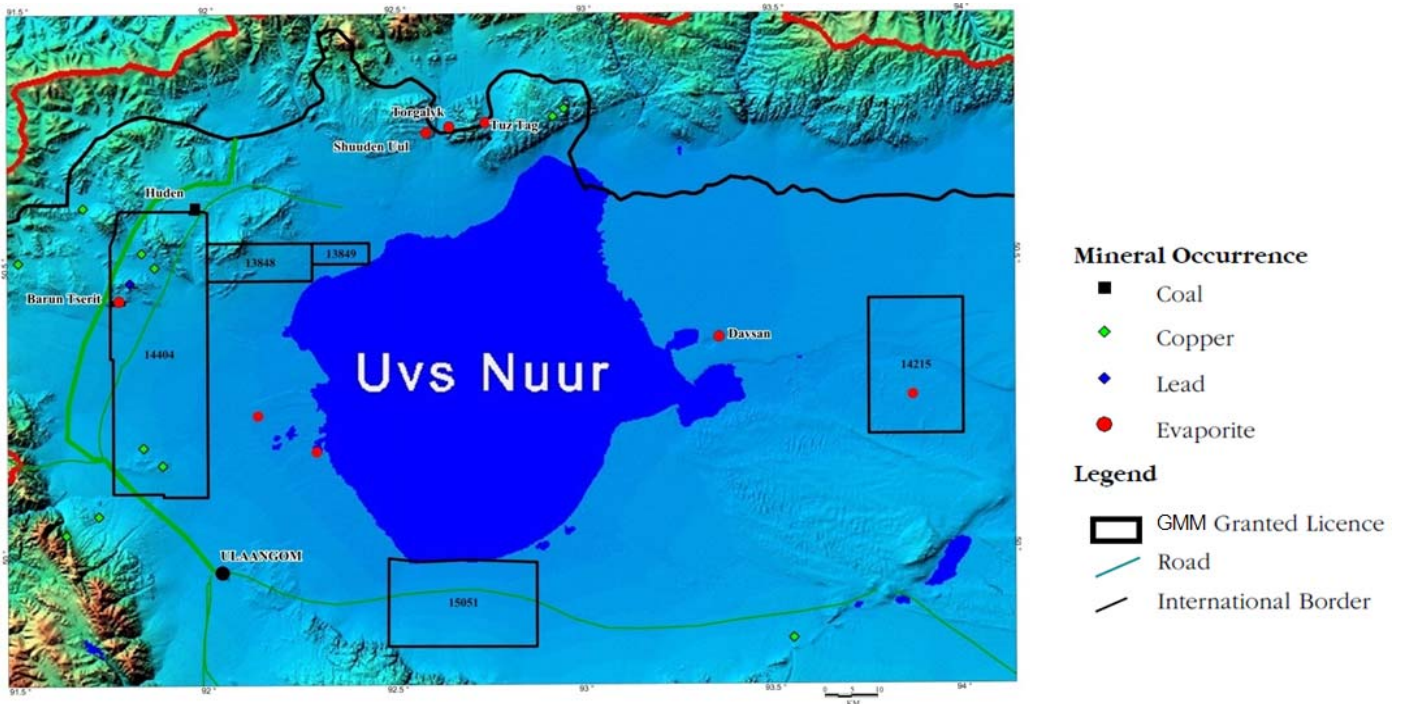


Figure 5: The Uvs Basin project area in Mongolia: GMM's exploration licences and known evaporite and other mineral occurrences

German consulting firm ERCOSPLAN Ingenieurgesellschaft Geotechnik und Bergbau mbH ("ERCOSPLAN") who are one of the leading international experts on potash exploration, mining and processing, provide technical guidance on this project to the Company.

ERCOSPLAN earlier obtained available Mongolian and Russian historical data on the Uvs Basin to preliminary review the project and to assemble a technical database, and also carried out the initial interpretation of Landsat remote sensing data. Further ALOS satellite imagery enhancements were provided to the Company by consultants Coffey Mining and interpreted in-house.

In June 2010 the Company's exploration team together with ERCOSPLAN carried out field reconnaissance at the Uvs project to follow up on the desktop study.

In particular, the exploration team studied some known outcrops of the Devonian evaporites and carried out structural mapping of some remote sensing circular features within the Company's exploration licences (Figure 6). These circular features are interpreted as possible salt diapir structures and, subject to further confirmation, could become a priority target for step-wise further exploration by geophysical measurement (gravimetric and seismic) and potash exploratory drilling.

In this context the Company is evaluating various geophysical and drilling work program options for the current field season in Mongolia.

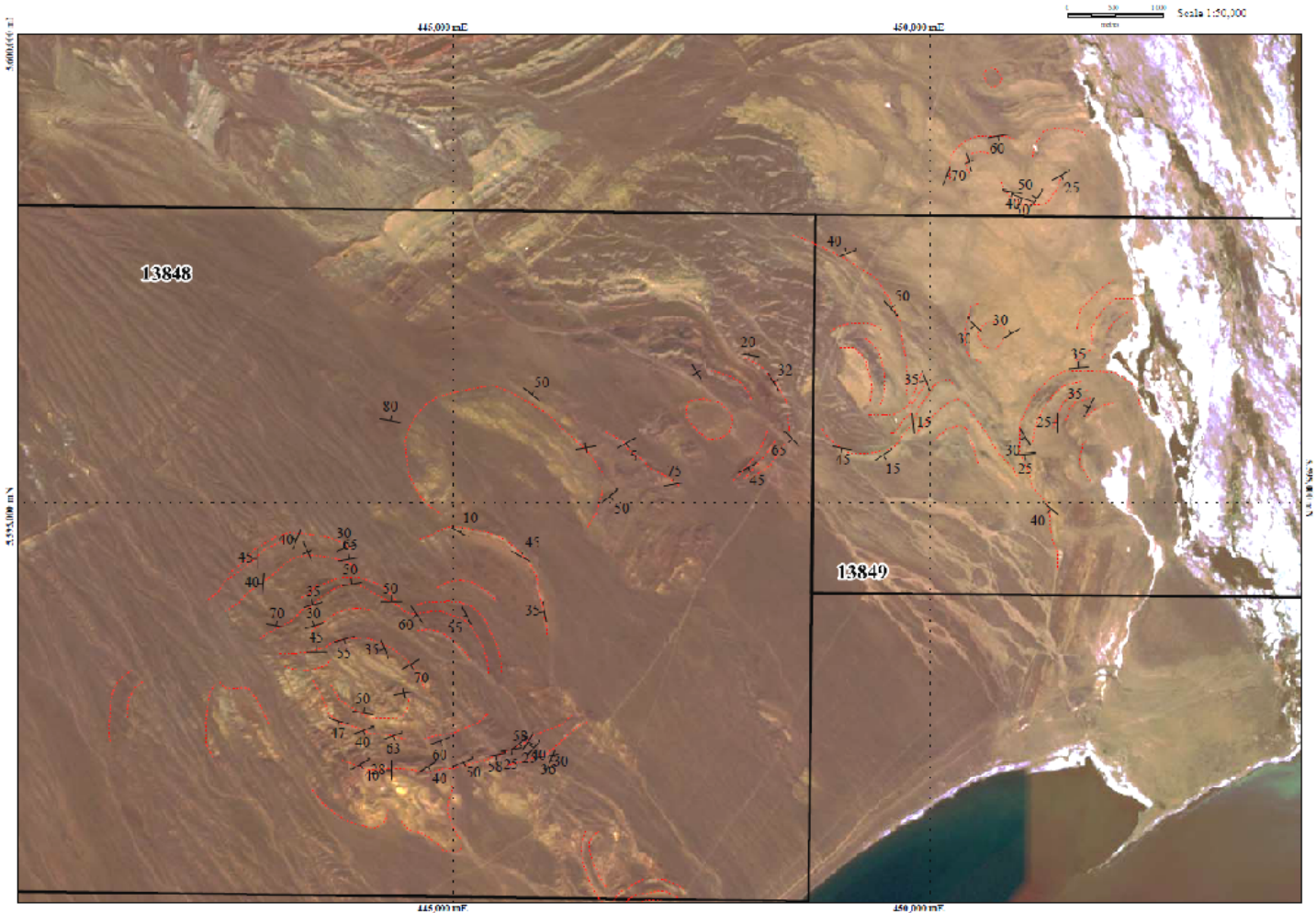


Figure 6: Circular features (red lines) initially interpreted using ALOS satellite imagery and structurally mapped in the field in June 2010

### About Potash

Potash is a high value industrial mineral commodity predominantly used in fertilizers. Potash is produced from buried evaporate 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.

### **Khangai Project - Mongolia**

*(Base metals - GMM 100%)*

The Company holds five granted exploration licences in the northwest of Mongolia (Figure 1) along the Khangai Fault that is believed to form the westernmost extension of the regional scale Mongol-Okhotsk suture zone extending in the east-northeast direction for over 3,000 km and hosting some major copper-nickel-PGE and copper porphyry deposits and prospects with the majority of known deposits occurring in Russia. The Company's licence areas were covered by various geological mapping and geochemical sampling programs in the 1960s and 1970s and include some known mineral occurrences.

The Company has commissioned consultants Coffey Mining to produce a set of ASTER satellite imagery enhancements to focus the initial field exploration program scheduled for August 2010 on some known mineral occurrences and alteration zones and their possible extensions as well as major fault structures.

## **Eyre Project – Western Australia**

*(targeting IOCG<sup>3</sup>/carbonatite related mineralisation - GMM 100%)*

An independent expert overview of the project previously concluded that the 8 km diameter Moonera magnetic anomaly is a **high priority exploration target** (Figure 7) that occurs in a geological setting where mineralization of several different styles appears possible including IOCG and carbonatite related mineralization.

The second diamond drill hole commissioned by the Company in May 2010 to determine the source of this anomaly encountered lost circulation and wall stabilisation problems at the depth of about 560 m within a friable siltstone horizon with barite layers – i.e. before reaching the basement and the modelled depth of the Moonera geophysical target. After numerous attempts to resume drilling, it was terminated when the core barrel broke off. Given this second unsuccessful drilling attempt, the Company is currently considering its options for this target.

The Company's application for additional funding for further diamond drilling at the Eyre Project under the State Government's Exploration Incentive Scheme was successful and \$75,000 was granted under the 2010-11 Co-funded Exploration Drilling Program.

In June 2010 the DMP granted exploration licence E69/2649 to the Company, and advised the intention to grant exploration licence E69/2650 currently under application within the Eyre project area (Figure 7).

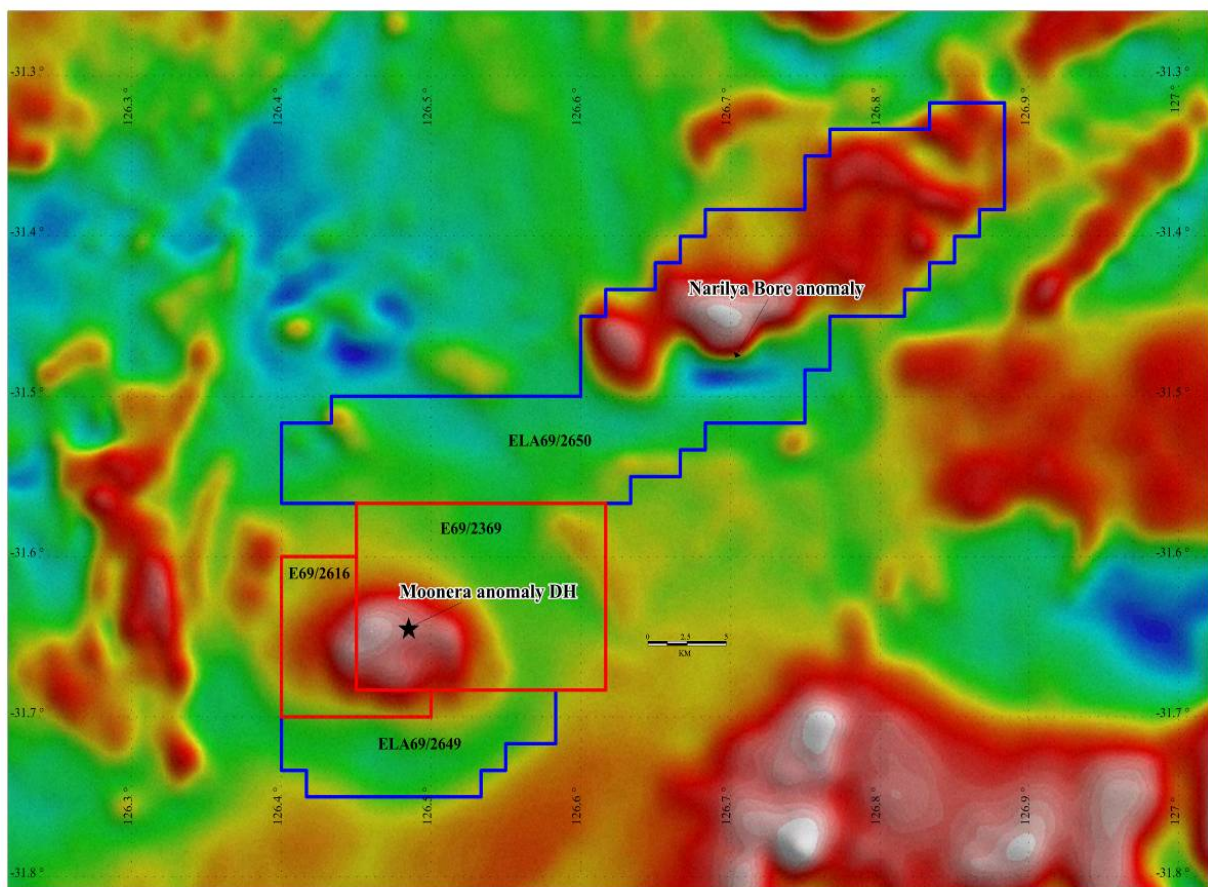


Figure 7: Company's exploration licences and applications at the Eyre project (backdrop - regional airborne magnetic survey data)

<sup>3</sup> Iron Oxide Copper Gold

## **Corporate or Other Projects**

Following a review of the Company's Webb project in Western Australia, the Board has decided to relinquish the project.

At 30 June 2010, the Company's cash reserves stood at \$3.6m.

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.*