

GENERAL MINING CORPORATION LIMITED
ACN 125 721 075

Annual Financial Statements
2010

CORPORATE DIRECTORY

ACN: 125 721 075

ABN: 95 125 721 075

DIRECTORS

Michael Wright Non-Executive Chairman
Dr Boris Matveev Managing Director
Craig Readhead Non-Executive Director
Robert Wanless Non-Executive Director
Christopher Wanless Non- Executive Director

COMPANY SECRETARY

Karen Brown Joint Company Secretary
Lindsay Colless Joint Company Secretary

REGISTERED AND PRINCIPAL OFFICE - AUSTRALIA

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DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of General Mining Corporation Limited (ACN 125 721 075) (ASX code GMM) ("GMM" or "the Company") and the entities it controlled at the end of, or during, the year ended 30 June 2010.

DIRECTORS

The following persons were Directors of General Mining Corporation Limited during the whole year and up to the date of this report:

Michael Wright - Chairman from 1 October 2009

Dr Boris Matveev – Managing Director (appointed 1 January 2010)

Craig Readhead - Non-executive Director (Chairman to 30 September 2009)

Christopher Wanless –Director

Robert Wanless - Non-executive Director

PRINCIPAL ACTIVITIES

The principal activities of the economic entity during the course of the financial year were the exploration and assessment of mineral exploration projects predominantly in Australia and Mongolia. There has been no significant change in the nature of these activities during the financial year.

RESULTS

The consolidated loss of the economic entity attributable to the shareholders of the holding company for the financial year after abnormal items and income tax was \$ 3,163,616 (2009 \$988,540).

DIVIDENDS

No dividends have been paid by the Company during the financial year ended 30 June 2010, nor have the Directors recommended that any dividends be paid.

REVIEW OF OPERATIONS

The Company's Initial Public Offer (IPO) was successfully completed during December 2009 raising \$5.5m. Official quotation of the Company's securities on Australian Securities Exchange commenced on 21 December 2009.

The Company holds a substantial portfolio of exploration properties in Mongolia and Western Australia focussing on bulk commodities, in particular high margin potash at the 100% owned Uvs Basin project in Mongolia and iron ore and manganese at the 50% owned Shoemaker project in Western Australia.

Highlights of the Company's operations are:

Uvs Basin, Mongolia (Potash, GMM 100%)

- Five granted licences covering over 2000 km² ground considered prospective for bedded and domal (salt diaper) potash deposits as well as lithium and potassium brines.
- Bulk commodity target with improving access to freight transport corridors in Russia leading to ports and Asian markets.
- During the year ending 30 June 2010, the Company's exploration team carried out a field reconnaissance program designed to follow up on an independent overview study as well as remote sensing research completed during the year.
- Subsequent to year end a drilling contractor has been commissioned to carry out a program of structural drilling to ascertain priority targets for exploratory drilling aiming at the domal type of potash deposits.

Shoemaker, Australia (Iron, GMM 50% earning up to 80%)

- During the year ending 30 June 2010, the Company completed an agreement with Galaxy Resources Limited to acquire a 50% interest in the Shoemaker project. The Company elected to earn up to a further 30% of the project by spending \$1m on exploration in the joint venture within two years.
- During the year an independent technical overview was commissioned and a program of systematic field mapping and sampling was commenced.
- In addition to exploration for iron ore, the Company is also targeting manganese mineralisation newly identified on the Shoemaker tenements

Khangai, Mongolia (Base metals, GMM 100%)

- Five granted licences in the northwest of Mongolia along the Khangai Fault considered prospective for copper, nickel and PGE.
- During the year ending 30 June 2010, ASTER satellite imagery enhancements acquired to focus the initial field exploration program.
- Subsequent to year end the initial field reconnaissance program was carried out.

DIRECTORS' REPORT (Continued)

REVIEW OF OPERATIONS (Continued)

Eyre, Australia (Iron oxide copper gold/carbonatite targets, GMM 100%)

- During the year ending 30 June 2010, two diamond drill holes were commissioned by the Company to test the 8km diameter Moonera magnetic anomaly. Both holes encountered wall stabilisation problems and were terminated before reaching target depth.
- The Company's application for additional funding for further diamond drilling at the project under the Western Australian State Government's Exploration Incentive Scheme was successful and \$75,000 was granted under the 2010-11 Co-funded Exploration Drilling Scheme.

Other

- Reviews and assessments of the Company's other projects were conducted during the year ending 30 June 2010 and the decision made to surrender the Mt Kinahan and Webb tenements.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The state of affairs of the Company was not affected by any significant changes during the year other than as disclosed elsewhere in this report and as noted in the Statement of Financial Position and Statement of Comprehensive Income.

EVENTS SUBSEQUENT TO BALANCE DATE

No matters or circumstances, not otherwise dealt with in the financial statements, have arisen since the end of the financial year and to the date of this report which significantly affected or may significantly affect the operations of the economic entity, the results of the economic entity, or the state of affairs of the economic entity in the financial years subsequent to the financial year ended 30 June 2010.

LIKELY DEVELOPMENTS

The Company intends to continue development of its current businesses, to develop new businesses, and to seek other areas of investment in resources and other industries. Further information on likely developments in the operations of the Company and expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Company.

PARTICULARS OF DIRECTORS

Michael Wright, Chairman

Mr Wright (52) has had over 25 years experience in the resources industry, particularly in the management of listed resource companies in the gold, minerals and oil and gas sectors. During that time he has held positions with Herald Resources, Laurel Bay Petroleum, Occidental Oil, the Griffin Coal Group, Arthur Andersen and others. An executive director of Herald Resources from 1993 until September 2008, Mr Wright had overseen the development of 6 mines since joining that company. As part of that process, he was also instrumental in some of the early resource loans and innovative hedging arrangements in their infancy in Australia. Mr Wright was also a non-executive director of Jaguar Minerals Ltd until October 2009.

Dr Boris Matveev, PhD, GradDipBus, MAIG, Director

Dr Matveev (51) is a geologist with 29 years experience in the mining and exploration industry and in geoscientific research in Australia, Africa, the USA and the former Soviet Union including the last 15 years in senior executive positions with ASX and AIM listed resource companies. His technical expertise includes exploration management, remote sensing and GIS, and environmental management. As executive director of Carnegie Minerals Plc, he oversaw the development of a West African industrial mineral project from an early exploration stage to mining and export of mineral concentrates to China. Before moving to Australia in 1994, he held the position of associate professor and senior research positions at leading Moscow universities where he undertook projects in geology and natural resource management.

Craig Readhead, B Juris Lib, Director

Mr Readhead (56) holds the degrees of Bachelor of Law and Bachelor of Jurisprudence from the University of Western Australia. He has spent the last 29 years practicing in the resources law area and was a partner of a major Perth Law firm before forming his own practice 11 years ago. He is now a partner of the law firm Allion Legal. Mr Readhead has had a significant role in the development of a number of mining projects within Australia, Africa and South East Asia. Mr Readhead is a director of a number of listed and unlisted companies. He has been a director of the following listed companies in the past 3 year period: Heron Resources Limited (appointed director November 2001, chairman since March 2002), Mount Gibson Iron Limited (appointed December 2001), Frankland River Olive Company Limited (appointed as director September 1999, chairman since March 2009), Galaxy Resources Limited (appointed director and chairman April 1999), India Resources Limited (appointed February 2007), Nickelore Limited (resigned October 2007), and Beadell Resources (appointed director and chairman April 2010).

DIRECTORS' REPORT (Continued)**PARTICULARS OF DIRECTORS (Continued)****Robert Wanless, Director**

Mr Wanless (63) is a prospector and mining investor with 34 years mining experience. He was employed by Placer Exploration Limited as a professional prospector and exploration supervisor covering South East Asia and Australia including exploration at Laloki, Watut and Pleysumi (PNG) and throughout Western Australia. Since then he has embarked on all aspects of mineral exploration, assessment, acquisition, fieldwork, development and mining, mainly in Western Australia. He has negotiated numerous mining related sale and joint venture agreements with International and Australian mining companies involving gold, base metals and industrial mineral properties. Recently he managed the Alicia Gold Mine in Western Australia. He is a past founding director of ASX listed Greenstone Resources NL and a current founding director of ASX listed Galaxy Resources Ltd (appointed January 1996).

Christopher Wanless, LLB (Hons)/ BEc Director

Mr Wanless (32) has an Honours Degree in Law and a Bachelors degree in Economics both from Monash University. He has worked for infrastructure consulting firm The Peron Group as a management consultant and for several law firms including Allens Arthur Robinson. He also has practical field experience in mineral exploration having worked for Greenstone Resources NL and Galaxy Resources Ltd. He is a director of Quaalup Investments Pty Ltd, a private resource investment company and Urucum Resources Pty Ltd, a Brazilian focussed exploration company.

Lindsay Colless, CA, FAICD Joint Company Secretary

Mr Colless (65) is a member of the Institute of Chartered Accountants in Australia with 15 years experience in the profession and a further 31 years experience in commerce, most of which has been in the mineral and petroleum exploration industries in the capacities of financial controller, company secretary and director. He is a director and/or secretary of a number of public listed companies: director and former chairman of East Africa Resources Limited (since December 2006) and a joint company secretary of Alkane Resources Ltd.

Karen Brown, BEc(Hons) Joint Company Secretary

Miss Brown, (50) is an Honours Degree graduate in economics from the University of Western Australia. Miss Brown has considerable experience in corporate administration of public listed companies over a period spanning 25 years, primarily in the resources sector and is currently the company secretary for Northern Star Resources Ltd and a joint company secretary for Alkane Resources Ltd.

At the date of this report, the interests of the directors in the shares and options of General Mining Corporation Ltd (directly and indirectly) were:

	Number of ordinary shares	Number of options over ordinary shares
Michael Wright	2,516,417	2,500,000
Boris Matveev	-	-
Christopher Wanless	500,000	1,000,000
Robert Wanless	770,000	1,000,000
Christopher Wanless and Robert Wanless jointly #	3,800,000	1,800,000
Craig Readhead	1,593,227	2,100,000

shares and options held via joint shareholding in Quaalup Investments Pty Ltd.

DIRECTORS' MEETINGS

The following table sets out the number of meetings of the Company's directors held during the year ended 30 June 2010, and the number of meetings attended by each director.

There were eleven (15) Board Meetings, two (2) Audit, three (3) Nomination, five (5) Remuneration and one (1) Risk Management Committee meetings held during the financial year. The number of meetings attended by each director during the year is as follows:

Director	Board meetings		Audit Committee		Nomination Committee		Remuneration Committee		Risk Management Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
M Wright	15	14	2	2	3	3	5	5	1	1
B Matveev	6	6	2	2	1	-	5	3	1	1
C Readhead	15	14	2	2	3	3	5	5	1	1
C Wanless	15	15	2	2	3	3	5	5	1	1
R Wanless	15	12	2	2	3	-	5	3	1	1

DIRECTORS' REPORT (Continued)**DIRECTORS' MEETINGS (Continued)****Committee Membership**

Directors acting on the committees of the board during the year were:

Audit	Nomination	Remuneration	Risk Management
M Wright	M Wright	M Wright	M Wright
B Matveev #	B Matveev #	B Matveev #	B Matveev
C Readhead	C Readhead	C Readhead	C Readhead
C Wanless	C Wanless	C Wanless	C Wanless
R Wanless #	R Wanless #	R Wanless #	R Wanless

B Matveev and R Wanless were members of the Audit, Nomination and Remuneration committees until 26 May

2010.REMUNERATION REPORT

The remuneration report is set out under the following main headings:

A	Principles used to determine the nature and amount of remuneration
B	Details of remuneration
C	Service agreements
D	Share-based compensation
E	Additional information

The information provided under headings A-D includes remuneration disclosures that are required under Accounting Standard AASB 1024 Related Party Disclosures. These disclosures have been transferred from the financial statements and have been audited. The disclosures in Section E are additional disclosures required by the Corporations Act 2001 and the Corporations Regulations 2001 which have not been audited.

A Principles used to determine the nature and amount of remuneration**Remuneration Policy**

The remuneration policy of General Mining Corporation Limited ("GMM") has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Consolidated Entity's financial results. The board of GMM believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Consolidated Entity.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the Consolidated Entity is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the board. Some Directors are entitled to receive a base salary. The board will review executive packages annually by reference to the Consolidated Entity's performance, executive performance and comparable information from industry sectors and other companies in similar industries.
- The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.
- Executives are also entitled to participate in the employee share and option arrangements.
- The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits.
- All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Options are valued using the Black-Scholes methodology
- The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

DIRECTORS' REPORT (Continued)**REMUNERATION REPORT (Continued)****A Principles used to determine the nature and amount of remuneration (Continued)****Performance based remuneration**

The Company currently has no other performance based remuneration component built into director and executive remuneration packages.

Company performance, shareholder wealth and directors' and executives' remuneration

The remuneration policy has been tailored to increase the direct positive relationship between shareholders investment objectives and directors and executive's performance. Currently, this is facilitated through the issue of options to the directors to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth. For details of directors and executives interests in options at year end, refer to note 15 of the financial statements.

B Details of remuneration (audited)

Details of the remuneration of the directors and the key management personnel (as defined in AASB 124 Related Party Disclosures) of GMM and the Consolidated Entity are set out in the following tables.

The key management personnel of GMM and the Consolidated Entity include the directors as noted in the Particulars of Directors and the following executive officers who have authority and responsibility for planning, directing and controlling the activities of the Consolidated Entity:

- Lindsay Colless and Karen Brown – Joint Company Secretaries

Given the size and nature of operations of GMM and the Consolidated Entity, there are no other employees who are required to have their remuneration disclosed in accordance with the Corporations Act 2001.

Key management personnel and other executives of GMM and the Consolidated Entity

Details of remunerations to directors are as follows:

	Consolidated	
	2010	2009
	\$	\$
Directors' income (see also Note 16)		
Total income received, or due and receivable, by directors of General Mining Corporation Limited from the company and any related body corporate in connection with the management of the company and any related body corporate.	321,823	127,005
Total income received, or due and receivable, by directors of subsidiaries only, from the company and any related body corporate in connection with the management of the company and any related body corporate.	-	-
	-	-

The details of remuneration of the directors and key management personnel of General Mining Corporation Limited ("GMM") are set out in the following tables. The key management personnel of "GMM" are the following: Boris Matveev, Craig Readhead, Christopher Wanless, Robert Wanless, Michael Wright, Lindsay Colless and Karen Brown.

DIRECTORS' REPORT (Continued)

REMUNERATION REPORT (Continued)

The details of directors' remunerations paid or payable are as follows:

Directors

Name	Short-term benefits	Post-employment benefits	Share-based payment		Total	Proportion of remuneration	
	Salary and fees \$	Super-annuation \$	Accrued Shares \$	Options \$		Fixed % of remuneration	Value of options as a % of remuneration
2010							
Michael Wright Chairman	57,500	-	-	-	57,500	100%	-
Boris Matveev # Managing Director	124,765	6,255	-	-	131,020	100%	-
Christopher Wanless Director	47,900	-	-	-	47,900	100%	-
Robert Wanless Director	42,900	-	-	-	42,900	100%	-
Craig Readhead Director	42,503	-	-	-	42,503	100%	-
	315,568	6,255	-	-	321,823		
2009							
Craig Readhead Chairman	-	-	50,000	707	50,707	98.61%	1.39%
Christopher Wanless Director	24,500	-	-	442	24,942	98.23%	1.77%
Robert Wanless Director	-	-	-	442	442	-	100%
Michael Wright Director	-	-	50,000	914	50,914	98.21%	1.79%
	24,500	-	100,000	2,505	127,005		

Per his service agreement, B Matveev is due to be issued 1,500,000 20c options, subject to shareholder approval.

Details of remuneration of other key management personnel are as follows:

Other key management personnel

Name	Short-term benefits	Post-employment benefits	Share-based payment		Total	Proportion of remuneration	
	Salary and Fees \$	Super-annuation \$	Accrued Shares \$	Options \$		Fixed % of remuneration	Value of options as a % of remuneration
2010							
L Colless & K Brown Company Secretarial and administration fees	72,000	-	-	-	72,000	100%	-
	72,000	-	-	-	72,000		
2009							
L Colless & K Brown Company Secretarial and administration fees	-	-	60,000	-	60,000	100%	-
	-	-	60,000	-	60,000		

DIRECTORS' REPORT (Continued)**REMUNERATION REPORT (Continued)**

Summary	Short-Term		Post Employment	Share-based Payments		Total
	Salary & Fees	Non Monetary	Superannuation	Accrued Shares	Options	
	\$	\$	\$	\$	\$	
Directors						
M Wright						
2010	57,500	-	-	-	-	57,500
2009	-	-	-	50,000	914	50,914
B Matveev						
2010	131,020	-	-	-	-	131,020
2009	-	-	-	-	-	-
C Wanless						
2010	47,900	-	-	-	-	47,900
2009	24,500	-	-	-	442	24,942
R Wanless						
2010	42,900	-	-	-	-	42,900
2009	-	-	-	-	442	442
C Readhead						
2010	42,503	-	-	-	-	42,503
2009	-	-	-	50,000	707	50,707
Other key management personnel						
L Colless & K Brown – Joint Company Secretarial and administration fees						
2010	72,000	-	-	-	-	72,000
2009	-	-	-	60,000	-	60,000
Total						
2010	393,823	-	-	-	-	393,823
2009	-	-	-	160,000	2,505	187,005

Directors' shareholdings

See Note 15 for details of each director's relevant interest in shares and rights or options in shares of the Company or a related body corporate as at the date of this report.

C Service agreements (audited)**Michael Wright**

Michael Wright was appointed as a non-executive director on 25 February 2008, and as chairman on 1 October 2009. The agreement has been renewed on 1 October 2009. As per the revised agreement, the term of appointment will expire on the 3rd annual general meeting or earlier by rotation. Director's fees will be payable at \$50,000 per annum (inclusive of any applicable statutory superannuation) until September 2009 and \$60,000 thereafter. The agreement will be terminated on occurrence of any of the events mentioned in the agreement.

Boris Matveev

Boris Matveev was appointed as Managing Director of GMM on 1 January 2010. Director's fees will be payable at \$220,000 per annum (inclusive of any applicable statutory superannuation) from January 2010. He is also entitled to 1,500,000 options with an exercise price of 20c per option following the first performance review at 30 June 2010, 1,500,000 options with an exercise price of 40c per option following the second performance review at 30 June 2011, and 1,500,000 options with an exercise price of 60c per option following the third performance review at 30 June 2012. No options were issued before 30 June 2010. The agreement will be terminated on occurrence of any of the events mentioned in the agreement.

Craig Readhead

Craig Readhead was appointed as a Director of the Company and Chairman of the Board on the 10 September 2007. The agreement has been renewed on 1 October 2009. As per the revised agreement, the term of appointment will expire on the 3rd annual general meeting or earlier by rotation. Director's fees will be payable at \$50,000 per annum until September 2009 and at \$40,000 per annum (inclusive of any applicable statutory superannuation) thereafter. The agreement will be terminated on occurrence of any of the events mentioned in the agreement.

DIRECTORS' REPORT (Continued)**REMUNERATION REPORT (Continued)****Christopher Wanless**

Christopher Wanless was appointed as Director of GMM at the first meeting of Directors held on 31 May 2007 (term of the agreements is on-going). The agreement has been renewed on 1 October 2009. As per the revised agreement, the term of appointment will expire on the 3rd annual general meeting or earlier by rotation. Directors fees will be payable at \$40,000 per annum (inclusive of any applicable statutory superannuation) from October 2009. The agreement will be terminated on occurrence of any of the events mentioned in the agreement.

Robert Wanless

Robert Wanless was appointed as Director of GMM at the first meeting of Directors held on 31 May 2007. The agreement has been renewed on 1 October 2009. As per the revised agreement, the term of appointment will expire on the 3rd annual general meeting or earlier by rotation. Directors fees will be payable at \$40,000 per annum (inclusive of any applicable statutory superannuation) from October 2009. The agreement will be terminated on occurrence of any of the events mentioned in the agreement.

Lindsay Colless and Karen Brown

Lindsay Colless and Karen Brown were appointed as joint Company Secretaries on 11 February 2008 (the agreement has been renewed on October 2009 and is ongoing). Fees for the provision of services will be \$7,000 per month.

D Share-based compensation (audited)

No options were granted to directors and executives during the year. – refer note 15.

Details of options over ordinary shares in the Company that were granted as compensation to each key management person during the past two years and details of options that were vested during the past two years are as follows:

2010	Number of options granted during the year	Grant Date	Fair value of option at grant date	Exercise price per option	Expiry date	Number of options vested during the year
Directors			\$	\$		
M Wright	-	-	-	-	-	-
B Matveev	-	-	-	-	-	-
C Readhead	-	-	-	-	-	-
C Wanless	-	-	-	-	-	-
R Wanless	-	-	-	-	-	-
Executives						
L Colless	-	-	-	-	-	-
K Brown	-	-	-	-	-	-
2009						
	Number of options granted during the year	Grant Date	Fair value of option at grant date	Exercise price per option	Expiry date	Number of options vested during the year
Directors			\$	\$		
M Wright	-	-	-	-	-	2,500,000
B Matveev	-	-	-	-	-	-
C Readhead	-	-	-	-	-	2,100,000
C Wanless	-	-	-	-	-	1,000,000
R Wanless	-	-	-	-	-	1,000,000
C & R Wanless jointly	-	-	-	-	-	1,800,000
Executives						
L Colless	-	-	-	-	-	-
K Brown	-	-	-	-	-	-

DIRECTORS' REPORT (Continued)

D Share-based compensation (Continued)

Value of options issued to Directors and Executives (audited)

The following table summarises the value of options granted, exercised or lapsed during the annual reporting period to the identified directors and executives:

Directors	Options exercised	Options lapsed	Total value of options granted, exercised, lapsed	Value of options included in remuneration for the year	Percentage of total remuneration for the year that consists of options
	Value at exercise date	Value at lapse date			
	\$	\$	\$	\$	%
M Wright					
2010	-	-	-	-	-
2009	-	-	914	914	1.79
B Matveev					
2010	-	-	-	-	-
2009	-	-	-	-	-
C Readhead					
2010	-	-	-	-	-
2009	-	-	707	707	1.39
C Wanless					
2010	-	-	-	-	-
2009	-	-	442	442	1.77
R Wanless					
2010	-	-	-	-	-
2009	-	-	442	442	100.00
Executives	Options exercised	Options lapsed	Total value of options granted, exercised, lapsed	Value of options included in remuneration for the year	Percentage of total remuneration for the year that consists of options
	Value at exercise date	Value at lapse date			
	\$	\$	\$	\$	%
L Colless					
2010	-	-	-	-	-
2009	-	-	-	-	-
K Brown					
2010	-	-	-	-	-
2009	-	-	-	-	-

The value of options granted during the period is recognised in compensation over the vesting period of the grant, in accordance with Australian Accounting standards.

DIRECTORS' REPORT (Continued)**E Additional information – (unaudited)****Performance income as a proportion of total compensation**

No performance based bonuses have been paid to key management personnel during the financial year

Share Options

Options to take up ordinary shares in the capital of GMM have been granted as follows:

Outstanding as at the date of this report:	Number
Unlisted options exercisable at 20 cents	
Outstanding as at date of this report	14,900,000
Outstanding at end of the financial period	14,900,000
Outstanding at the beginning of the financial period	11,500,000
Granted during the financial period	3,400,000
Exercised during the financial period	Nil

During and since the end of the year ended 30 June 2010 up to the date of this report, no share options have been issued to directors and key executives of the Company as remuneration.

Unissued shares under option:

a) At the date of this report unissued ordinary shares of the Company under option to directors and executives of the Company are:

Expiry Date	Exercise Price	Number of options
20/12/2010	0.20	1,800,000
30/09/2012	0.20	4,000,000
28/02/2013	0.20	2,000,000
11/03/2011	0.20	600,000
Total		8,400,000

b) At the date of this report unissued ordinary shares of the Company under option to those other than directors and executives of the Company are:

Expiry Date	Exercise Price	Number of options
20/12/2010	0.20	1,150,000
11/03/2011	0.20	1,650,000
14/12/2012	0.20	2,500,000
23/06/2013	0.20	550,000
31/08/2014	0.20	100,000
21/12/2014	0.20	550,000
Total		6,500,000

SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no ordinary shares issued during the year ended 30 June 2010 on the exercise of options granted under the Employee Share Option Plan. 250,000 options were issued to employees of the Consolidated Entity during the year before the adoption of the Employee Share Option Plan on 19 October 2009.

No options were exercised during the year and no shares have been issued from the exercise of options since year-end to the date of this report. No person entitled to exercise any option has or had, by virtue of the option, a right to participate in any share issue of any other body corporate. The names of all holders of options are entered into the Company's register, inspection of which may be made free of charge.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of General Mining Corporation Limited support and have adhered to the principles of corporate governance and have established a set of policies and manuals for the purpose of managing corporate governance. The Company's detailed corporate governance policy statement is contained in the additional Supplementary Information section of the annual report.

DIRECTORS' REPORT (Continued)**ENVIRONMENTAL REGULATION**

The Consolidated Entity is regulated by environmental authorities in Australia and Mongolia in respect of its construction and mining activities. The Consolidated Entity is subject to environmental controls and licence conditions on all its mineral exploration tenements relating to any exploration activity on those tenements. No breaches of any licence were recorded during the year.

DIRECTORS' INDEMNITIES

The Company has entered into deeds of indemnity, access and insurance with each of the Directors. These deeds remain in effect as at the date of this report. Under the Deeds, the Company indemnifies each Director to the maximum extent permitted by law against legal proceedings or claims made against or incurred by the Directors in connection with being a Director of the Company, or breach by the Group of its obligations under the Deed.

The Company has incurred premiums to insure the Directors and/or Secretary for liabilities incurred as costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities of the consolidated entity. The directors have not included details of the nature of liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses' insurance contracts, as such disclosure is prohibited under the terms of the contract.

No liability has arisen under this indemnity as at the date of this report.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate, against a liability incurred as such by an officer.

AUDIT INDEPENDENCE AND NON-AUDIT SERVICES

The Auditors have not been involved in any other services for the Company during the year ended 30 June 2010.

The following amounts were paid to the auditors	Consolidated	
	2010 \$	2009 \$
Auditor's remuneration		
• auditing the accounts	18,571	15,773
• Auditors of the subsidiary company	553	4,946
Non-audit services		
• Other services	12,069 #	-
	<u>31,193</u>	<u>20,719</u>

This is in relation to an Independent Accountant's report, which is a cost of share issue.

The independence letter from the Auditors is set out on the following page.

Signed in accordance with a resolution of the directors.

Dated at Perth this 17th day of September 2010.



BORIS MATVEEV
Director

Stantons International

ABN 41 103 088 697

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www.stantons.com.au

17 September 2010

Board of Directors
General Mining Corporation Limited
129 Edward Street
PERTH WA 6000

Dear Directors

RE: GENERAL MINING CORPORATION LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of General Mining Corporation Limited.

As Audit Director for the audit of the financial statements of General Mining Corporation Limited for the year ended 30 June 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely
STANTONS INTERNATIONAL
(Authorised Audit Company)



J P Van Dieren
Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010

	Note	Consolidated	
		2010	2009
		\$	\$
Revenue from continuing operations			
Revenue from continuing operations	2	114,237	72
Expenses			
Secretarial and administration fees		(88,753)	(79,796)
Legal fees		(14,693)	(28,458)
Directors, consulting fees		(45,503)	(24,500)
Directors' salary & entitlements		(194,039)	(100,000)
Share based remuneration		(11,475)	(22,505)
Corporate fees and reports		(1,065)	(1,000)
Travel, accommodation and entertainment		(75,541)	(49,429)
Consulting		(11,198)	(53,912)
Computing IT costs		(6,418)	(10,532)
Audit fees and taxation services		(22,245)	(20,719)
Rent expense		(21,918)	-
Insurance		(32,238)	-
Depreciation	6	(2,833)	(687)
Staff costs		(92,899)	(65,918)
Foreign Exchange gains (losses)		(309)	(15,218)
Provision for exploration costs	7	(2,405,740)	(322,177)
Write down of exploration costs	7	(204,360)	(176,063)
Other expenses from ordinary activities		(46,626)	(17,698)
(Loss) profit before income tax		(3,163,616)	(988,540)
Income tax expense	3	-	-
(Loss) profit for the year		(3,163,616)	(988,540)
Other comprehensive income			
Exchange differences on translating foreign operations		(1,113)	14,734
Income tax on other comprehensive income		-	-
Total comprehensive income/(loss)		(3,164,729)	(973,806)
 (Loss) / profit attributable to:			
Owners of the Company		(3,163,616)	(988,540)
Non-controlling interest		-	-
(Loss) / profit for the year		(3,163,616)	(988,540)
 Total comprehensive income / (loss) attributable to:			
Owners of the Company		(3,164,729)	(973,806)
Non-controlling interest		-	-
Total comprehensive income / (loss) for the year		(3,164,729)	(973,806)
 Basic earnings per share (cents per share)	21	(7.96)	(5.73)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2010

		Consolidated	
	Note	2010	2009
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	4	3,683,733	104,953
Trade and other receivables	5	142,277	512
Total Current Assets		3,826,010	105,465
Non-Current Assets			
Property, plant & equipment	6	74,764	10,939
Mineral exploration & evaluation expenditure	7	-	-
Intangibles	8	-	-
Total Non-Current Assets		74,764	10,939
Total Assets		3,900,774	116,404
LIABILITIES			
Current Liabilities			
Trade and other payables	10	413,069	116,337
Provisions	11	11,228	-
Short-term borrowings – related parties	12	244	13,721
Current tax liabilities	3	-	-
Other – shares to be issued		-	160,718
Total Current Liabilities		424,541	290,776
Total Liabilities		424,541	290,776
Net Assets		3,476,233	(174,372)
Equity			
Contributed equity (Issued Capital)	13	7,635,739	1,074,360
Reserves	14a	296,450	43,608
Accumulated profits (losses)	14b	(4,455,956)	(1,292,340)
Total Equity		3,476,233	(174,372)

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010

Consolidated Entity

	Note	Contributed equity \$	Accumulated losses \$	Option Reserve \$	Foreign Exchange Translation Reserve \$	Total equity \$
Balance at 1 July 2008		478,130	(303,800)	568	12,031	186,929
Total loss for the year	14b	-	(988,540)	-	-	(988,540)
Other comprehensive income / (loss) for the year	14a	-	-	-	14,734	14,734
Total comprehensive income / (loss) for the year		-	(988,540)	-	14,734	(973,806)
Contributions of equity, net of transaction costs	13	596,230	-	-	-	596,230
Share options issued	14a	-	-	16,275	-	16,275
Balance at 30 June 2009		1,074,360	(1,292,340)	16,843	26,765	(174,372)
Balance at 1 July 2009		1,074,360	(1,292,340)	16,843	26,765	(174,372)
Total loss for the year	14b	-	(3,163,616)	-	-	(3,163,616)
Other comprehensive income / (loss) for the year	14a	-	-	-	(1,113)	(1,113)
Total comprehensive income / (loss) for the year		-	(3,163,616)	-	(1,113)	(3,164,729)
Contributions of equity, net of transaction costs	13	6,561,379	-	-	-	6,561,379
Options issued during the year	14a	-	-	253,955	-	253,955
Balance at 30 June 2010		7,635,739	(4,455,956)	270,798	25,652	3,476,233

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010

	Note	Consolidated	
		2010 \$	2009 \$
Cash Flows from Operating Activities			
Interest received		53,401	72
Other revenue		-	-
Foreign Exchange gain (loss)		-	-
Payments to suppliers and contractors (inclusive of goods and services tax)		(757,196)	(286,860)
Net cash (outflow) inflow from operating activities	17	(703,795)	(286,788)
Cash Flows from Investing Activities			
Property, plant & equipment		(37,318)	(11,577)
Exploration expenditure		(1,107,310)	(225,052)
Loans to controlled entities		-	-
Investments		-	-
Receivables		-	-
Payables		-	-
Net cash (outflow) inflow from investing activities		(1,144,628)	(236,629)
Cash Flows from Financing Activities			
Net proceeds from issue of shares		5,440,680	590,000
Repayment of loans		(13,477)	-
Net cash (outflow) inflow from financing activities		5,427,203	590,000
Net increase (decrease) in cash and cash equivalents		3,578,780	66,583
Cash and cash equivalents at the beginning of the financial year		104,953	38,370
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the end of the financial year	4	3,683,733	104,953
Non -Cash investing and financing activities			
Placement fees paid by issue of shares/options		20,700	43,770
Brokerage fees paid by issue of shares/options		168,080	-

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of General Mining Corporation Limited ("the Company") for the year ended 30 June 2010 were authorised for issue in accordance with a resolution of the Board of Directors on 17 September 2010.

Statement of Compliance

These financial statements are general purpose financial statements, which have been prepared in accordance with Australian Accounting Standards (AASBs), adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. International Financial Reporting Standards (IFRSs) form the basis of AASBs adopted by the AASB, and for the purpose of this report are called Australian equivalents to IFRS (AIFRS) to distinguish from previous Australian GAAP. The financial statements comply with IFRSs and interpretations adopted by the International Accounting Standards Board.

Separate financial statements for General Mining Corporation Limited as an individual entity are no longer presented as the consequence of a change to the Corporations Act 2001, however, required financial information for General Mining Corporation Limited as an individual entity is included in Note 20.

Basis of preparation

These financial statements have been prepared on the basis of historical costs and except where stated do not take into account changing money values or current valuation of non-current assets. The accounting policies adopted are consistent with those of the previous year. The following specific accounting policies have been consistently applied, unless otherwise stated.

a) Going Concern

The consolidated financial statements have been prepared on a going concern basis. However, the ability of the company and the consolidated entity to actively explore and continue as a going concern, and to meet their debts and commitments as they fall due, is dependent upon further capital raisings.

The Directors are confident that the Company will be successful in raising further capital and, accordingly, have prepared the financial statements on a going concern basis. At this time, the directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial statements at 30 June 2010. Accordingly, no adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

b) Taxes

Income tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the national income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between tax bases of assets and liabilities and their carrying amounts in the financial statements and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those rates which are enacted or subsequently enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Taxes (Continued)

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

c) Principles of Consolidation

The consolidated accounts incorporate the assets and liabilities of all entities controlled by the Company as at 30 June 2010 and the results of all controlled entities for the year then ended. General Mining Corporation Limited and its controlled entities are referred to in these financial statements as the "Consolidated Entity" or "Group".

The effects of all intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated in full. Outside equity interests in the results and equity of controlled entities are shown separately in the consolidated Statement of Comprehensive Income and Statement of Financial Position respectively.

Where control of an entity is obtained during a financial year, its results are included in the consolidated statement of comprehensive income account from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control existed.

d) Investments and other financial assets

The Consolidated Entity classifies its investments in the following categories: financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the Statement of Financial Position date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the Statement of Financial Position.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Consolidated Entity's management has the positive intention and ability to hold to maturity. Held-to-maturity investments are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Investments and other financial assets (continued)

Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the Statement of Financial Position date.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed to the Statement of Comprehensive Income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

When securities are classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the Statement of Comprehensive Income as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the Statement of Comprehensive Income within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the Statement of Comprehensive Income as part of income from continuing operations when the Company's right to receive payment is established.

Fair value

The fair values of quoted investments are based on last trade prices. If the market for financial assets is not active (and for unlisted securities), the Consolidated Entity establishes fair value by using valuation techniques.

e) Plant and Equipment

Plant and equipment is stated at historical cost less depreciation. Depreciation is calculated on a straight line basis to write off the net cost of each asset during their expected useful life as follows:

Plant and equipment - 5 years

Computer software - 3 years.

f) Impairment of assets

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Non-current assets are not revalued to an amount above their recoverable amount.

g) Foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is General Mining Corporation Limited's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) **Foreign currencies (continued)**

Translation differences on non-monetary financial assets such as equities classified as available-for-sale financial assets are included in the fair value reserve in equity.

h) **Earnings per share**

Basic earnings per share is determined by dividing the profit (loss) after income tax attributable to equity holders of the Consolidated Entity by the weighted average number of ordinary shares outstanding during the year.

i) **Trade and other Payables**

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

j) **Provisions**

Provisions are recognised when the consolidated entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be reliably measured. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

k) **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

l) **Trade and other receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is established when there is objective evidence that the Consolidated Entity will not be able to collect all amounts due according to the original terms of receivables. The amount of provision is recognised in the Statement of Comprehensive Income.

m) **Segment Reporting**

The Group determines and presents operating segments based on the information that internally is provided to the Managing Director, who is the Group's chief operating decision maker. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Managing Director to make decisions about resources to be allocated to the segment and assess its performance.

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Intersegment loans payable and receivable are initially recognised at the consideration received net of transaction costs. If intersegment loans receivable and payable are not on commercial terms, these are not adjusted to fair value on market interest rates.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are mandatory for 30 June 2010 reporting periods. The Group's assessment of the impact of these new standards and interpretations is set out below.

Affected Standard	Nature of Change to Accounting Policy	Application *
AASB 123 : Borrowing costs	The option of expensing borrowing costs relating to qualifying assets has been eliminated, and instead the standard requires capitalisation.	1 January 2009
Revised AASB 127 : Consolidated and Separate Financial Statements	Changes in ownership interests by the Group, while maintaining control, are now recognised as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The amendments are not expected to have a significant impact on the financial statements for the year ending 30 June 2010.	1 July 2009
AASB 3 : Business Combinations	Incorporates the following changes: <ul style="list-style-type: none"> - The definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations - Contingent consideration will be measured at fair value, with subsequent changes therein recognised in profit or loss - Transaction costs, other than share and debt issue costs, will be expensed as incurred - Any pre-existing interest in an acquire will be measured at fair value with gain or loss recognised in profit or loss; and - Any non-controlling (minority) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquire, on a transaction-by-transaction basis. AASB 3 will be applied prospectively and therefore there will be no impact on prior periods.	1 July 2009
AASB 2007-10 : Further amendments arising from AASB 101	This amending standard changes the term 'general purpose financial report' to 'general purpose financial statements', and the term 'financial report' to 'financial statements' to better align with IFRS terminology.	1 January 2009
AASB 2009-2 : Improving disclosure about Financial Instruments	Amends AASB 7 Financial Instruments: Disclosures to require enhanced disclosures about fair value measurements and liquidity risk.	1 January 2009
AASB 2009-4 and 2009-6 : Amendments to Australian Accounting Standards	Affects various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments are not expected to have a significant impact on the financial statements for the year ending 30 June 2010.	1 January 2009
2009-7 : Amendments to Australian Accounting Standards	Affects various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments are not expected to have a significant impact on the financial statements for the year ending 30 June 2010.	1 July 2009

* Applicable to reporting periods commencing on or after the given date

The Group has elected not to early adopt any new standards or amendments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o) New accounting standards for application in future periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Group follows:

AASB 9: Financial Instruments and AASB 2009-11; Amendments to Australian Accounting Standards arising from AASB 9 (AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 138, 139, 1023 & 1038 and Interpretations 10 & 121 (applicable for annual reporting periods commencing on or after 1 January 2013).

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Group has not yet determined the potential impact on the financial statements.

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on;
- the objective of the entity's business model for managing the financial assets; and
- the characteristics of the contractual cash flows.

AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No changes are expected to materially affect the Group.

AASB 2009-5; Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Group.

AASB 2009-8; Amendments to Australian Accounting Standards - Group Cash-settled Share-based Payment Transactions [AASB 2] (applicable for annual reporting periods commencing on or after 1 January 2010).

These amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 and Interpretation 11 and as a consequence, these two Interpretations are superseded by the amendments. These amendments are not expected to impact the Group.

AASB 2009-10: Amendments to Australian Accounting Standards - Classification of Rights Issues [AASB 132] (applicable for annual reporting periods commencing on or after 1 February 2010).

These amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. These amendments are not expected to impact the Group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o) New accounting standards for application in future periods (continued)

AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. These amendments are not expected to impact the Group.

AASB Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing on or after 1 July 2010).

This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the Group.

The Group does not anticipate the early adoption of any of the above Australian Accounting Standards.

p) Critical accounting estimates & judgements

In preparing these financial statements, the Group has been required to make certain estimates and assumptions concerning future occurrences. There is an inherent risk that the resulting accounting estimates will not equate exactly with actual events and results.

i) Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Capitalisation of exploration and evaluation expenditure

The Group has capitalised significant exploration and evaluation expenditure on the basis either that this is expected to be recouped through future successful development (or alternatively sale) of the Areas of Interest concerned or on the basis that it is not yet possible to assess whether it will be recouped.

ii) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on an number of factors, including whether the Company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

As at 30 June 2010, the carrying value of exploration expenditure is \$NIL.

Impairment of available for sale investments

The available for sale investments have been subjected to impairment criteria in accordance with accounting standards and current market conditions, particularly those investments that are not listed on recognised stock exchanges. The majority of the impaired investments are expected to mature within the next twelve months and, where applicable, the impairment losses will be written back.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

q) Exploration, Evaluation and Development Expenditure

Expenditure incurred during exploration and the early stages of evaluation of new areas of interest and costs of acquisition is capitalised to areas of interest and carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future. Where projects have advanced to the stage that directors have made a decision to mine, they are classified as development properties. When further development expenditure is incurred in respect of a development property, such expenditure is carried forward as part of the cost of that development property only when substantial future economic benefits are established. Otherwise such expenditure is classified as part of the cost of production or written off where production has not commenced.

r) Interests in Joint Ventures

Reimbursement of the joint venture operator's costs

When the Group, acting as an operator, receives reimbursement of direct costs recharged to the joint venture, such recharges represent reimbursements of costs that the operator incurred as an agent for the joint venture and therefore have no effect on the statement of comprehensive income.

Jointly controlled assets

A jointly controlled asset involves joint control and offers joint ownership by the Group and other venturers of assets contributed to or acquired for the purpose of the joint venture, without the formation of a corporation, partnership or other entity.

Where the Group's activities are conducted through jointly controlled assets, the Group recognises its share of the jointly controlled assets, and liabilities it has incurred, its share of liabilities incurred jointly with other venturers, related revenue and operating costs in the financial statements and a share of their production.

Jointly controlled entities

A jointly controlled entity is a corporation, partnership or other entity in which each venturer holds an interest. A jointly controlled entity operates in the same way as other entities, except that a contractual arrangement establishes joint control. A jointly controlled entity controls the assets of the joint venture, earns its own income and incurs its own liabilities and expenses. Interests in jointly controlled entities are accounted for using the equity method.

Under the equity method, the investment in the joint venture is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of comprehensive income reflects the Group's share of the results of operations of the joint venture. Where there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes and discloses this, where applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The share of the joint venture's net profit is shown on the face of the statement of comprehensive income. This is the profit attributable to venturers in the joint venture.

The financial statement of the joint controlled entities are prepared for the same reporting period as the parent company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

s) Comparative information

This is the first reporting period in which AASB 8: Operating Segments has been adopted. Comparative information has been stated to conform to the requirement of the Standard.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	Consolidated	
	2010	2009
	\$	\$
2. REVENUE FROM CONTINUING OPERATIONS		
Included in revenue from continuing operations are the following:		
Interest received	114,237	72
Other revenue	-	-
	114,237	72
3. TAXATION		
The prima facie tax on profit / (loss) before income tax is reconciled to the income tax expense as follows:		
Operating profit (loss) for year before income tax	(3,163,616)	(988,540)
Prima facie income tax expense / (benefit) calculated at 30% (2009: 30%) on the profit (loss) before tax	(949,085)	(296,562)
Add/(less) tax effect of:		
Non-deductible expenses	7,850	18,621
Provision for employee entitlements	3,387	-
Other provisions	1,050	-
Section 40-880 deduction	(4,292)	(3,410)
Capitalised exploration expenditure	-	75,000
Unused tax losses not recognised as deferred tax assets	941,090	206,351
Doubtful debts expense	-	-
Income tax expense	-	-
Unrecognised temporary differences		
Deferred Tax Asset (at 30 %)		
Revenue tax losses	654,408	372,081
Provisions	8,936	-
Capital raising costs	13,596	13,480
	676,940	385,561
Deferred tax liabilities (at 30 %)		
Capitalised exploration expenditure	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

		Consolidated	
		2010	2009
		\$	\$
4.	CASH AND CASH EQUIVALENTS		
	Cash at bank and on hand	3,683,733	104,953
5.	TRADE AND OTHER RECEIVABLES		
	Current		
	Trade debtors and receivables	-	287
	Other receivables	142,277	225
		142,277	512
	As at 30 June 2010, current trade and other receivables do not contain impaired assets and are not passed due. It is expected that these amounts will be received during the coming year.		
6.	PROPERTY, PLANT & EQUIPMENT		
	Land:		
	At cost	-	-
	Plant & Equipment :		
	At cost	78,248	11,577
	Less: accumulated depreciation	(3,484)	(638)
	Net book value	74,764	10,939
	Reconciliation / movement for year		
	Plant & equipment		
	Carrying amount at beginning of year	10,939	-
	Additions	67,373	11,577
	Foreign exchange movements	(715)	49
	Depreciation charge	(2,833)	(687)
	Carrying amount at end of year	74,764	10,939
	Total property, plant & equipment	74,764	10,939
7.	MINERAL EXPLORATION & EVALUATION EXPENDITURE		
	Exploration & evaluation expenditure – at cost	-	-
	Movements during the year		
	Balance 1 July	-	273,188
	Expenditure during year comprising		
	Acquisitions	1,282,407	
	Exploration expenditure	1,327,693	225,052
	Less exploration expenses written off	(204,360)	(176,063)
	Less provided to profit or loss	(2,405,740)	(322,177)
	Balance 30 June	-	-
	The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the discovery of commercially viable resources. The Board of Directors have fully impaired the value of capitalised exploration expenditure as at 30 June 2010, however, remain confident of the inherent value of the mineral exploration and evaluation expenditure assets and the ability to increase the value of these assets.		
8.	INTANGIBLE ASSETS		
	Formation expenses	-	400
	Less: accumulated amortisation	-	(400)
		-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

9. CONTROLLED ENTITIES

Name of entity	Percentage owned		Class of share	Cost of parent's investments		Contribution to consolidated profit/(loss) from operating activities after income tax expense		Loans to controlled entities	
	2010	2009		2010	2009	2010	2009	2010	2009
	%	%		\$	\$	\$	\$	\$	\$
Parent entity									
General Mining Corporation Limited				-	-	(3,172,264)	(996,413)	620,944	265,791
Provision on intercompany loan				-	-	355,153	265,791	(620,944)	(265,791)
Forex on intercompany loan				-	-	9,952	38,660	-	-
Controlled entity				-	-	-	-	-	-
Golden Cross LLC	100	100	Ordinary	11,000	11,000	(356,457)	(306,578)	-	-
				11,000	11,000	(3,163,616)	(988,540)	-	-

Country of Incorporation

Parent entity:	
General Mining Corporation Limited	Australia
Subsidiaries entities:	
Golden Cross Company Limited	Mongolia

The carrying values of the controlled entities recorded in the books of the parent entity are at the lower of cost or net asset backing of the subsidiaries at balance date.

	Consolidated	
	2010	2009
	\$	\$
10. TRADE AND OTHER PAYABLES		
Current		
Trade creditors and accruals	413,069	116,337
	413,069	116,337
11. PROVISIONS		
Provision for annual leave		
Balance 1 July	-	-
Provisions made during the year	11,228	-
Balance 30 June	11,228	-
12. SHORT-TERM BORROWINGS – (Related Parties)		
Debtor loans – unsecured		
Quaalup Investments Pty Ltd	-	11,357
Christopher Wanless	244	244
Robert Wanless	-	2,120
	244	13,721

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

	Consolidated		Consolidated	
	2010	2010	2009	2009
	No. of shares	\$	No. of shares	\$
13. CONTRIBUTED EQUITY				
Issued and paid up share capital				
Ordinary shares – fully paid	56,087,394	7,635,739	19,000,000	1,074,360
Movements in ordinary share capital				
Opening Balance at 1 July	19,000,000	1,074,360	12,600,000	478,130
Initial Public Offering	27,500,000	5,500,000	-	-
Shares issued for payment of issue costs	650,000	122,000	500,000	50,000
Shares issued for purchase of tenements	5,000,000	1,000,000	-	-
Conversion of debt to equity	937,394	187,479	-	-
Placements	3,000,000	360,000	5,900,000	590,000
	56,087,394	8,243,839	19,000,000	1,118,130
Less: share issue costs	-	(608,100)	-	(43,770)
Closing Balance at 30 June	56,087,394	7,635,739	19,000,000	1,074,360

Terms and conditions of contributed equity

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder's meetings.

In the event of winding up of the parent entity, ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation.

Issued Shares

During the financial year, the parent entity issued 37,087,394 shares (2009: 6,400,000); in 2010 the following shares were issued:

- 3,000,000 shares at 12 cents per share, being for capital raising.
- 27,500,000 shares at 20 cents per share, being for capital raising.
- 550,000 shares at 20 cents per share for payment of brokerage fees.
- 100,000 shares at 12 cents per share for payment of placement fees.
- 5,000,000 shares at 20 cents per share for acquisition of tenements.
- 937,394 shares at 20 cents per share to convert debt to equity.

	Consolidated		Consolidated	
	2010	2010	2009	2009
	No. of options	\$	No. of options	\$
OPTIONS	14,900,000	270,798	11,500,000	16,843
Options – Unlisted				
At 1 July	11,500,000	16,843	11,200,000	568
Issued during year for payment of issue costs	650,000	66,780	300,000	13,770
Employee options issued during year	250,000	11,475	-	-
Other options issued during year	2,500,000	175,700	-	-
Recognised during year	-	-	-	2,505
At 30 June	14,900,000	270,798	11,500,000	16,843

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

13. **CONTRIBUTED EQUITY (continued)**

Share Options

During the financial period, 650,000 options were issued by the parent entity towards brokerage fees (2009:300,000 options).

At the end of the year, there were 14,900,000 options over unissued shares currently on issue with the following terms:

- (i) each option entitles the holder to subscribe for and be allotted one fully paid ordinary share in the Company;
- (ii) the options are exercisable at 20 cents;
- (iii) the options will expire as follows:

- 2,250,000 options expire on the 11/03/2011
- 2,950,000 options expire on the 20/12/2010
- 4,000,000 options expire on the 30/09/2012
- 2,000,000 options expire on the 28/02/2013
- 550,000 options expire on the 23/06/2013
- 100,000 options expire on the 31/08/2014
- 2,500,000 options expire on the 14/12/2010
- 550,000 options expire on the 21/12/2014

Each option entitles the holder to be issued with one ordinary share in the capital of the parent entity subject to payment of the relevant issue price and satisfaction of applicable conditions (if any).

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

SHARE BASED PAYMENTS

An employee share option plan was adopted on 26 October 2009. No options were issued under this plan during the year.

550,000 shares were issued at 20 cents per share for payment of brokerage fees.

100,000 shares were issued at 12 cents per share for payment of placement fees.

250,000 options were issued to employees with an exercise price of 20 cents per option and an expiry date of 26 July 2013.

550,000 options were issued for payment of brokerage fees at 20 cents per option and with an expiry date of 21 December 2014.

100,000 options were issued for payment of placement fees at 20 cents per option and with an expiry date of 31 August 2014.

Director option expense:

No options were issued to the directors during the year.

Consolidated	
2010	2009
\$	\$

14. **RESERVES AND ACCUMULATED LOSSES**

(a) RESERVES

Foreign currency translation / reserves

Option reserve

25,652	26,765
270,798	16,843
296,450	43,608

Movement in reserves for year

Foreign currency translation / reserves / options

At 1 July

Currency translation differences gain (loss) arising during the year

Options reserve

At 30 June

43,608	12,599
(1,113)	14,734
253,955	16,275
296,450	43,608

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

	Consolidated	
	2010	2009
	\$	\$
14. RESERVES AND ACCUMULATED LOSSES (Continued)		
(b) ACCUMULATED PROFITS (LOSSES)		
Movement for year		
At 1 July	(1,292,340)	(303,800)
Net Profit (Loss) for the year after tax	(3,163,616)	(988,540)
At 30 June	(4,455,956)	(1,292,340)

Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary

15. KEY MANAGEMENT PERSONNEL DISCLOSURE

(a) Directors

The directors of the economic entity during the year were:

Mr M Wright
 Dr B Matveev (appointed 1 January 2010)
 Mr C Readhead
 Mr R Wanless
 Mr C Wanless

(b) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year:

K Brown – Joint Company Secretary
 L Colless – Joint Company Secretary

(c) Transactions with key management personnel

Fees were paid for administration, company secretarial and financial services provided by Mineral Administration Services Pty Ltd, a company in which Mr Colless and Miss Brown are directors and shareholders.

(d) Outstanding balances

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Fees and disbursements Accrued

(a) L Colless and K Brown	\$8,772*
(b) C Readhead	\$3,919**
(c) R Wanless	\$12,900

* Amount due (\$8,772 in total, including disbursements) to Mineral Administration Services Pty Ltd (MAS), a company in which Mr Colless and Ms Brown are both directors and shareholders.

** Director's fees of \$3,334 owed, and an amount of \$585 owed to Allion Legal, a company in which Mr Readhead is a principal.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

15. KEY MANAGEMENT PERSONNEL DISCLOSURE – (continued)

(c) Equity instrument disclosures relating to key management personnel

The interests of Directors and their Director related entities in shares and share options at the end of the financial period are as follows:

Name of Director	Shares held directly	Shares held indirectly	Options held directly	Options held indirectly
M Wright	1,250,000	1,266,417	2,000,000	500,000
B Matveev	-	-	-	-
C Readhead	-	1,593,227	-	2,100,000
R Wanless	10,000	760,000	-	1,000,000
C Wanless	500,000	-	1,000,000	-
C Wanless & R Wanless jointly	-	3,800,000*	-	1,800,000#
Total	1,760,000	7,419,644	3,000,000	5,400,000

Note:

* 3,800,000 Shares held via joint shareholding in Quaalup Investments Pty Ltd.

1,800,000 Options held via joint shareholding in Quaalup Investments Pty Ltd

2010	Name	Balance at the start of the financial year	Changes during the year	Issued during the year on exercise of options	Balance at the end of the financial year
	(1) Shares				
	Directors of General Mining Corporation Limited				
	M Wright	2,000,000	516,417	-	2,516,417
	C Readhead	1,250,000	343,227	-	1,593,227
	R Wanless	700,000	70,000	-	770,000
	C Wanless	500,000	-	-	500,000
	C Wanless & R Wanless jointly held shares	3,800,000	-	-	3,800,000
	Key Management Personnel				
	K Brown & L Colless	-	327,750	-	327,750
	Total shares	8,250,000	1,257,394	-	9,507,394
	(2) Options				
	Directors of General Mining Corporation Limited				
	M Wright	2,500,000	-	-	2,500,000
	C Readhead	2,100,000	-	-	2,100,000
	R Wanless	1,000,000	-	-	1,000,000
	C Wanless	1,000,000	-	-	1,000,000
	C Wanless & R Wanless jointly held options	1,800,000	-	-	1,800,000
	Key Management Personnel				
	K Brown & L Colless	-	-	-	-
	Total Options	8,400,000	-	-	8,400,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

15. KEY MANAGEMENT PERSONNEL DISCLOSURE – (continued)

2009	Name	Balance at the start of the financial year	Changes during the year	Issued during the year on exercise of options	Balance at the end of the financial year
(1) Shares					
Directors of General Mining Corporation Limited					
	M Wright	2,000,000	-	-	2,000,000
	C Readhead	1,250,000	-	-	1,250,000
	R Wanless	700,000	-	-	700,000
	C Wanless	500,000	-	-	500,000
	C Wanless & R Wanless jointly held shares	3,800,000	-	-	3,800,000
Key Management Personnel					
	K Brown & L Colless	-	-	-	-
	Total shares	8,250,000	-	-	8,250,000
(2) Options					
Directors of General Mining Corporation Limited					
	M Wright	2,500,000	-	-	2,500,000
	C Readhead	2,100,000	-	-	2,100,000
	R Wanless	1,000,000	-	-	1,000,000
	C Wanless	1,000,000	-	-	1,000,000
	C Wanless & R Wanless jointly held options	1,800,000	-	-	1,800,000
Key Management Personnel					
	K Brown & L Colless	-	-	-	-
	Total Options	8,400,000	-	-	8,400,000

f) Key management personnel compensation

The Company has taken advantage of the relief provided by Corporation Regulation 2M.6.04 and has transferred the detailed remuneration disclosures to the Directors' Report. The relevant information can be found in sections A – C of the remuneration report within the Directors' Report.

g) Related party transactions

An agreement was concluded with Galaxy Resources Limited (a company in which Mr Readhead and Mr C Wanless are directors) to acquire an interest in the Shoemaker project. Refer to note 24 for further details.

Other than this transaction and the transactions disclosed below, there are no other transactions between related parties that require disclosure.

16. RELATED PARTY TRANSACTIONS

Transactions with directors and director related entities

Type of transaction	Related party	Terms and conditions	Consolidated	
			2010 \$	2009 \$
- directors				
Director's remuneration	M Wright	Normal commercial	57,500	-
Managing director salary	B Matveev	Normal commercial	118,020	-
Consulting	B Matveev	Normal commercial	13,000	-
Consulting	C Readhead	Normal commercial	20,003	-
Legal Fees	C Readhead	Normal commercial	65,943	27,516
Director's remuneration	C Readhead	Normal commercial	22,500	-
Director's remuneration	R Wanless	Normal commercial	30,000	-
Consulting	R Wanless	Normal commercial	12,900	-
Director's remuneration	C Wanless	Normal commercial	35,400	-
Consulting	C Wanless	Normal commercial	12,500	24,500

During the year, 609,644 shares were issued to related parties to repay debt.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

17. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Consolidated	
	2010	2009
	\$	\$
Operating profit (loss) for the year	(3,163,616)	(988,540)
Add (less) non-cash items:		
Write down of / provision for exploration costs	2,610,100	498,240
Share based payments	11,475	22,505
Depreciation / Amortisation	2,833	687
Provision on loan to subsidiaries	-	-
Foreign Exchange gains (losses)	(397)	14,685
<i>Changes in current assets and liabilities</i>		
Receivables / Other	(141,765)	(423)
Creditors	(33,653)	166,058
Provisions	11,228	-
Non – operating item – Interest on borrowings	-	-
Net cash inflow (outflow) from operating activities	(703,795)	(286,788)

18. EVENTS SUBSEQUENT TO BALANCE DATE

No other matters or circumstances, not otherwise dealt with in the financial statements, have arisen since the end of the financial year and to the date of this report which significantly affected or may significantly affect the operations of the economic entity, the results of the economic entity, or the state of affairs of the economic entity in the financial years subsequent to the financial year ended 30 June 2010.

19. SEGMENT INFORMATION

The Group has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group's primary segment is one business, being the exploration and evaluation of mineral resources.

During the year ended 30 June 2010, the consolidated entity operated in the following Geographical Segments: Australia and Mongolia (2009: Australia and Mongolia)

30 June 2010	Australia	Mongolia	Consolidated
	\$	\$	\$
REVENUE			
Segment revenue from operating activities	114,152	85	114,237
RESULT			
Profit/(loss) after income tax	(2,807,159)	(356,457)	(3,163,616)
ASSETS			
Segment assets	3,874,701	26,073	3,900,774
LIABILITIES			
Segment liabilities	416,540	8,001	424,541
OTHER			
Segment assets acquired	63,649	3,724	67,373
Segment depreciation	1,109	1,724	2,833
30 June 2009	Australia	Mongolia	Consolidated
	\$	\$	\$
REVENUE			
Segment revenue from operating activities	40	32	72
RESULT			
Profit/(loss) after income tax	(681,962)	(306,578)	(988,540)
ASSETS			
Segment assets	94,677	21,727	116,404

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

19.	SEGMENT INFORMATION (Continued) 30 June 2009	Australia \$	Mongolia \$	Consolidated \$
	LIABILITIES	279,584	11,192	290,776
	OTHER			
	Segment assets acquired	-	11,577	11,577
	Segment depreciation and amortisation	-	687	687
20.	PARENT ENTITY DISCLOSURES		Parent Entity	
			2010	2009
			\$	\$
	FINANCIAL POSITION			
	Assets			
	Current assets		3,812,160	94,677
	Non-current assets		62,541	-
	Total assets		3,874,701	94,677
	Liabilities			
	Current liabilities		416,540	279,584
	Non-current liabilities		-	-
	Total liabilities		416,540	279,584
	Equity and Reserves			
	Issued capital		7,635,739	1,074,360
	Accumulated profits / (losses)		(4,448,376)	(1,276,110)
	Option reserve		270,798	16,843
	Total equity		3,458,161	(184,907)
	FINANCIAL PERFORMANCE			
	Profit / (loss) for the year		(3,172,264)	(996,413)
	Other comprehensive income		-	-
	Total comprehensive income		(3,172,264)	(996,413)
	GUARANTEES ENTERED INTO BY THE PARENT ENTITY		-	-
	CONTINGENT LIABILITIES OF THE PARENT ENTITY (refer to note 23)		-	-
	COMMITMENTS FOR THE ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT BY THE PARENT ENTITY		-	-
21.	EARNINGS PER SHARE		Consolidated	
			2010	2009
			\$	\$
	(a) Basic earnings per share			
	Profit (loss) attributable to the ordinary equity holders of the Company		(0.0796)	(0.0573)
	(b) Earnings used in calculating earnings per share			
	Profit/(Loss) attributable to the ordinary equity holders of the Company		(3,163,616)	(988,540)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

21. EARNINGS PER SHARE (Continued)

	Consolidated	
	2010	2009
	\$	\$
(c) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares on issue used in calculation of basic earnings per share	39,757,134	17,245,014
(d) Diluted earnings per share		
Diluted earnings per share is not materially different from basic earnings per share and has therefore not been disclosed.		

22. AUDITORS' REMUNERATION

During the year the following fees were paid or payable for services provided by the auditors:

	Consolidated	
	2010	2009
	\$	\$
Audit Services		
- Audit and review of financial statements and other audit work under the Corporations Act 2001	19,124	15,773
Total fees for audit services	19,124	15,773
Non – Audit Services		
- Others	12,069	-
Total fees for non-audit services	15,190	4,946
Total remuneration of auditors	34,314	20,719

The Group has received notification from the Group's auditor that he satisfies the independence criterion and that there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct in relation to the audit. The Company is satisfied that the non-audit services provided is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

23. CONTINGENT LIABILITIES AND ASSETS

Per the service agreement with the Managing Director, B Matveev, he is entitled to 1,500,000 options with an exercise price of 20c per option following the first performance review at 30 June 2010, 1,500,000 options with an exercise price of 40c per option following the second performance review at 30 June 2011, and 1,500,000 options with an exercise price of 60c per option following the third performance review at 30 June 2012. No options were issued before 30 June 2010.

There are no other contingent liabilities or assets at 30 June 2010.

24. COMMITMENTS

During the year ending 30 June 2010, an agreement with Galaxy Resources Limited was completed to acquire a 50% interest in the Shoemaker project. General Mining Corporation Limited elected to earn up to a further 30% of the project by spending \$1m on exploration in the joint venture within two years

Mining Tenement Leases

In order to maintain current rights of tenure to exploration tenements, the Company will be required to outlay in 2010 amounts of approximately \$534,327 (2009 \$314,282) in respect of tenement lease rentals and exploration expenditures to meet the minimum expenditure requirements, and rentals of the various Mines Departments in Australia.

The amount required to satisfy the Mongolian Mines Departments in 2010 is approximately \$184,684 (2009 \$268,585).

The estimated exploration and joint venture expenditure commitments for the ensuing year, but not recognised as a liability in the financial statements is:

	Consolidated Entity	
	2010	2009
	\$	\$
Within one year	719,011*	582,867*
Later than one year but less than five years	3,309,925*	3,149,458*
Later than five years	-*	177,347*

* Mongolian minimum exploration expenditure requirements only start in their second year.

This expenditure will only be incurred should the Company retain its existing level of interest in its various exploration areas and provided access to mining tenements is not restricted. These obligations will be fulfilled in the normal course of operations.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

25. **FINANCIAL RISK MANAGEMENT**

Overview:

The group has exposure to the following risks from their use of financial instruments:

- (a) credit risk
- (b) liquidity risk
- (c) market risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The board of directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the group through regular reviews of the risks.

(a) Credit risk:

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

(i) Investments:

The Group limits its exposure to credit risk by only investing with counterparties that have an acceptable credit rating.

(ii) Trade and other receivables:

The Company and Group have established an allowance for impairment that represents their estimate of incurred losses in respect of receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures. The management does not expect any counterparty to fail to meet its obligations.

Presently, the Group undertakes exploration and evaluation activities in Australia. At the Statement of Financial Position date there were no significant concentrations of credit risk.

Exposure to credit risk:

The carrying amount of the Group's financial assets represents the maximum credit exposure.

The Group's maximum exposure to credit risk at the reporting date was:

	Consolidated Carrying amount	
	2010	2009
	\$	\$
Cash and cash equivalents	3,683,733	104,953
Trade and other receivables	142,277	512
Other financial assets	-	-
Total exposure	3,826,010	105,465

No impairment loss in respect of inter-group loans was recognised during the current year, however these loans have been provided for.

(b) Liquidity risk:

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The Group manages liquidity risk by maintaining adequate reserves through continuously monitoring forecast and actual cash flows.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

25. **FINANCIAL RISK MANAGEMENT (continued)**

The Consolidated Entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

Financial Instruments	Floating interest rate		Non-interest bearing		Total carrying amount as per the statement of financial position		Weighted average effective interest rate	
	2010	2009	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$	%	%
Consolidated								
<i>(i) Financial assets</i>								
Cash	3,675,071	104,953	8,662	-	3,683,733	104,953	0.057%	0.05%
Trade and other receivables	-	-	142,277	512	142,277	512	-	-
Total financial assets	3,675,071	104,953	150,939	512	3,826,010	105,465		
<i>(ii) Financial liabilities</i>								
Trade and other creditors	-	-	413,069	116,337	413,069	116,337	-	-
Other creditors	-	-	11,472	13,721	11,472	13,721	-	-
Total financial liabilities	-	-	424,541	130,058	424,541	130,058		

(c) Market Risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk:

The Group is exposed to currency risk only on investments in subsidiaries in a currency other than the respective functional currencies of group entities, primarily the Australian dollar (AUD).

The Group has not entered into any derivative financial instruments to hedge such investments and anticipated future receipts or payments that are denominated in a foreign currency.

The Group's investments in its subsidiaries are not hedged as those currency positions are considered to be long term in nature.

Exposure to currency risk:

The Group's exposure to foreign currency risk at balance date was as follows, based on notional amounts:

	Consolidated Carrying amount	
	2010	2009
	\$	\$
Revenue	114,237	72
Expenses	(3,277,853)	(988,612)
Net exposure	(3,163,616)	(988,540)

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	2010	2009	2010	2009
USD	0.8822	0.7480	0.8567	0.8048

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

25. **FINANCIAL RISK MANAGEMENT (continued)**

Sensitivity analysis:

A 10 percent strengthening of the Australian dollar against the following currencies at 30 June would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2009.

	Consolidated	
	Equity	Profit or loss
30 June 2010		
USD	1,807	1,807
30 June 2009		
USD	958	958

A 10 percent weakening of the Australian dollar against the above currencies at 30 June would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(ii) Interest rate risk:

At balance date the Group had minimal exposure to interest rate risk, through its cash and equivalents held within a financial institution.

	Consolidated Carrying Amount	
	30 June 2010	30 June 2009
	\$	\$
Fixed rate instruments		
Financial assets	-	-
Variable rate instruments		
Financial assets	3,683,733	104,953

Fair value sensitivity analysis for fixed rate instruments:

There was no exposure to fixed rate instruments at balance date or at the previous reporting period.

Fair value sensitivity analysis for variable rate instruments:

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2009.

Consolidated	Profit or loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
30 June 2010				
Cash and cash equivalents	36,837	(36,837)	36,837	(36,837)
30 June 2009				
Cash and cash equivalents	1,050	(1,050)	1,050	(1,050)

Net Fair value

For unlisted investments where there is no organised financial market, the net fair value has been based on a reasonable estimation of the underlying assets of the investment. For other assets and other liabilities the net fair value approximates their carrying value as disclosed in the Statement of Financial Position. There was no exposure to interest risk rate in regards to investments at balance date or at the previous reporting period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

26. **SHARE BASED PAYMENTS**

Set out below is a summary of the options outstanding at the end of the financial year:

CONSOLIDATED AND PARENT ENTITY 2010

Grant Date	Expiry Date	Exercise Price	Balance at start of the year (number)	Granted during the financial period (number)	Exercised during the financial period	Expired during the financial period	Balance at the end of the financial period (number)	Vested and exercisable at end of financial period (number)
Director options								
1 Oct 2007	30 Sep 2012	\$0.20	4,000,000	-	-	-	4,000,000	4,000,000
20 Dec 2007	20 Dec 2010	\$0.20	1,800,000	-	-	-	1,800,000	1,800,000
11 Mar 2008	28 Feb 2013	\$0.20	2,000,000	-	-	-	2,000,000	2,000,000
23 Mar 2008	11 Mar 2011	\$0.20	600,000	-	-	-	600,000	600,000
Vendor options								
06 Dec 2007	11 Mar 2011	\$0.20	1,350,000	-	-	-	1,350,000	1,350,000
20 Dec 2007	20 Dec 2010	\$0.20	150,000	-	-	-	150,000	150,000
12 Feb 2008	20 Dec 2010	\$0.20	950,000	-	-	-	950,000	950,000
27 Mar 2008	20 Dec 2010	\$0.20	50,000	-	-	-	50,000	50,000
26 May 2008	11 Mar 2011	\$0.20	300,000	-	-	-	300,000	300,000
14 Dec 2009	14 Dec 2012	\$0.20	-	2,500,000	-	-	2,500,000	2,500,000
Other options								
09 Dec 2008	23 Jun 2013	\$0.20	300,000	-	-	-	300,000	300,000
09 Oct 2009	23 Jun 2013	\$0.20	-	250,000	-	-	250,000	250,000
15 Dec 2009	31 Aug 2014	\$0.20	-	100,000	-	-	100,000	100,000
15 Dec 2009	21 Dec 2014	\$0.20	-	550,000	-	-	550,000	550,000
Weighted average exercise price		\$0.20						

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

26. **SHARE BASED PAYMENTS (continued)**

CONSOLIDATED AND PARENT ENTITY 2009

Grant Date	Expiry Date	Exercise Price	Balance at start of the year (number)	Granted during the financial period (number)	Exercised during the financial period	Expired during the financial period	Balance at the end of the financial period (number)	Vested and exercisable at end of financial period (number)
Director options								
1 Oct 2007	30 Sep 2012	\$0.20	4,000,000	-	-	-	4,000,000	4,000,000
20 Dec 2007	20 Dec 2010	\$0.20	1,800,000	-	-	-	1,800,000	1,800,000
11 Mar 2008	28 Feb 2013	\$0.20	2,000,000	-	-	-	2,000,000	2,000,000
23 Mar 2008	11 Mar 2011	\$0.20	600,000	-	-	-	600,000	600,000
Vendor options								
06 Dec 2007	11 Mar 2011	\$0.20	1,350,000	-	-	-	1,350,000	1,350,000
20 Dec 2007	20 Dec 2010	\$0.20	150,000	-	-	-	150,000	150,000
12 Feb 2008	20 Dec 2010	\$0.20	950,000	-	-	-	950,000	950,000
27 Mar 2008	20 Dec 2010	\$0.20	50,000	-	-	-	50,000	50,000
26 May 2008	11 Mar 2011	\$0.20	300,000	-	-	-	300,000	300,000
Other options								
9 Dec 2008	23 Jun 2013	\$0.20	-	300,000	-	-	300,000	300,000
Weighted average exercise price		\$0.20						

An Employee Share Option Plan was adopted on 26 October 2009.

Expenses arising from share - based payment transactions

Total expenses arising from share-based payments recognised during the financial period as employee benefits expense was:

	Consolidated	
	2010	2009
	\$	\$
Share Options		
Directors benefits (share options)	-	2,505
Tenement acquisition (vendor share options issued)	-	-
Placement and brokerage fees paid by issue of options	66,780	13,770
Options issued to employees	11,475	-
Shares issued		
Placement and brokerage fees paid by issue of shares	122,000	-
Shares issued to pay related parties	187,479	-
Shares issued to employees as per service agreement	-	20,000
	387,734	36,275

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

26. **SHARE BASED PAYMENTS (continued)**

Option pricing model

The fair value of options granted is estimated as at the date of grant using the Black-Scholes formula, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs used for the years ended 30 June 2010 and 30 June 2009:

	Consolidated	
	2010	2009
Vendor options		
Expected volatility (%)	70.00	-
Risk-free interest rate (%)	5.75	-
Expected life of option (years)	3	-
Option exercise price (\$)	0.20	-
Share price (\$)	0.20	-
Employee options		
Expected volatility (%)	70.00	-
Risk-free interest rate (%)	4.93	-
Expected life of option (years)	3.7	-
Option exercise price (\$)	0.20	-
Share price (\$)	0.20	-
Other options		
Expected volatility (%)	70.00	70.00
Risk-free interest rate (%)	6.25	4.93
Expected life of option (years)	5	3.7
Option exercise price (\$)	0.20	0.20
Share price (\$)	0.175	0.20

27. **COMPANY DETAILS**

The registered office and principal place of business of the parent entity is:
129 Edward Street
Perth WA 6000
Australia

DIRECTORS' DECLARATION

In the opinion of the Directors of General Mining Corporation Limited:

- (a) The financial statements and notes set out on the preceding pages are in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the financial position of the Company and consolidated entity as at 30 June 2010 and of their performance for the financial year ended on that date; and
 - ii. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- (b) There are reasonable grounds to believe that the Company and Consolidated Entity will be able to pay its debts as and when they become due and payable; and
- (c) The financial report also complies with International Financial Reporting Standards, as disclosed in note 1.
- (d) The audited remuneration disclosures set out in the Directors' Report comply with Accounting Standard AASB 124 Related Party Disclosures and the Corporations Regulations 2001.

This declaration is made in accordance with a resolution of the Directors.

Signed at Perth this 17th day of September 2010



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BORIS MATVEEV
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENERAL MINING CORPORATION LIMITED

Report on the Financial Report

We have audited the accompanying financial report of General Mining Corporation Limited, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cashflows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

- (a) the financial report of General Mining Corporation Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1.

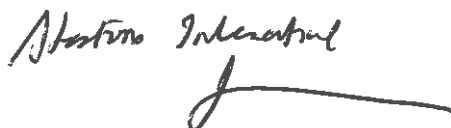
Report on the Remuneration Report

We have audited the remuneration report included in pages 7 to 11 of the directors' report for the year ended 30 June 2010. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

Auditor's opinion

In our opinion the remuneration report of General Mining Corporation Limited for the year ended 30 June 2010 complies with section 300 A of the *Corporations Act 2001*.

STANTONS INTERNATIONAL
(An Authorised Audit Company)



J P Van Dieren
Director

West Perth, Western Australia
17 September 2010