

25 August 2010

### Drilling to commence at Uvs potash project in Mongolia

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

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

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

Some rock salt, soda ash & gypsum deposits and base metal occurrences have been discovered within the Uvs Basin (Figure 1) and limited drilling at the northern periphery of the basin in the 1950-60s intersected shallow potash mineralisation in up to 600 m thick Devonian evaporates. These drilling results from the Russian part of the Uvs Nuur Basin confirm the prospectivity for solid potash and/or potassium brine deposits.

As announced in the Company's recent quarterly report (refer to ASX announcement dated 15 July 2010), in June 2010 the Company's exploration team, working together with German consulting firm ERCOSPLAN Ingenieurgesellschaft Geotechnik und Bergbau mbH ("ERCOSPLAN"), carried out field reconnaissance at the Uvs project. This program was designed to follow up on ERCOSPLAN's desktop overview study and the Company's in-house remote sensing research.

The exploration team carried out surface mapping of some remote sensing circular features within the Company's exploration ground that were interpreted as possible salt diapir structures (Figure 2).

The Company has commissioned a drilling contractor to commence structural drilling of a series of drill holes at these circular features to a depth of about 150 m and totaling 1,200 line metres. If confirmed by this structural drilling, salt diapir structures could become a priority target for subsequent specialised exploratory drilling aiming at the domal type of potash deposits.

The Company also plans to use the availability of a drilling rig at the Uvs project to test areas of previously unexplored alluvial placer potential within the Company's exploration licences.

It is expected that the drilling program will commence in September once all necessary approvals are received.

General Mining Corporation Ltd  
ABN: 95 125 721 075

ASX Code: GMM

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

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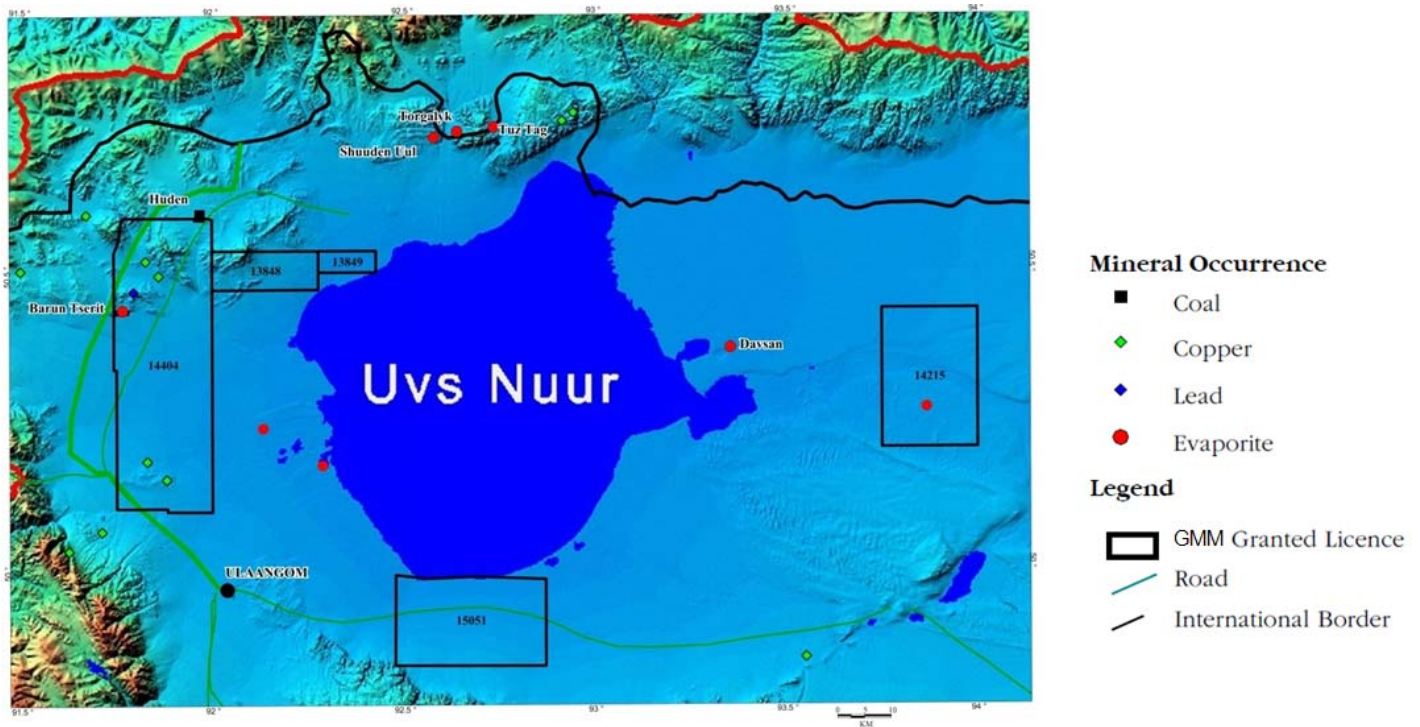


Figure 1: The Uvs Basin project area in Mongolia: GMM's exploration licences and known evaporite and other mineral occurrences

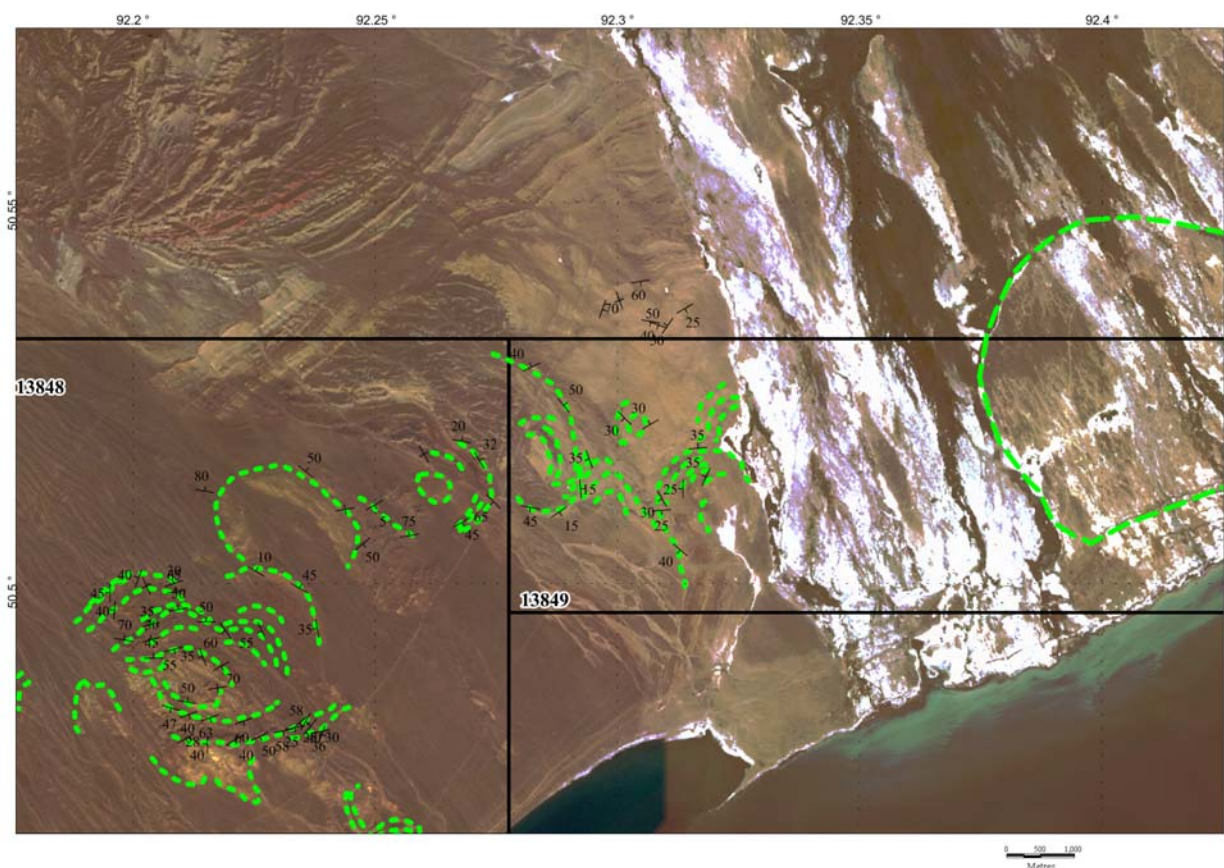


Figure 2: Circular features (green lines) initially interpreted using ALOS satellite imagery and mapped in the field in June 2010

Dr Boris Matveev  
Managing Director

### **About General Mining Corporation Ltd (ASX: GMM)**

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

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

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

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Boris Matveev, who is a Member of The Australian Institute of Geoscientists. Dr Matveev is a full-time employee of General Mining Corporation Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Matveev consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*