

27 July 2011

General Mining Corporation Ltd  
ABN: 95 125 721 075

ASX Code: GMM

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

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## HIGHLIGHTS

- **Deep potash exploratory drilling to start at the Uvs project in Mongolia**
- **1<sup>st</sup> stage RC drilling at the Shoemaker project in Western Australia completed**

## PROJECTS

### Mongolia

#### **Uvs Basin Project**

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

#### ***Introduction***

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

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

#### ***Drilling program***

After an extensive tender process the Company signed a contract with a reputable international drilling contractor for 3,000 to 5,000 line metres of potash exploratory drilling to an average depth of 1,000 m targeting **bedded potash** as a primary exploration target.

Drill hole locations and drilling parameters have been identified in consultation with the Company's major technical advisor on this project, German firm ERCOSPLAN Ingenieurgesellschaft Geotechnik und Bergbau mbH, one of the leading international experts on potash geology and mining.

The Company has obtained all necessary approvals for this drilling program which should commence in August as soon as the designated drilling rig finishes its previous contract. Some practical preparations for this program are underway including the contractor's site visit, logistical arrangements and procurement of special materials and equipment necessary for the potash drilling.



Figure 1: Company's project locations in Mongolia

In parallel with the priority potash exploratory drilling program at the Uvs project, the Company plans to continue exploration, comprising mapping and geochemical and stream sampling, at the Khangai Project during the 2011 field season.

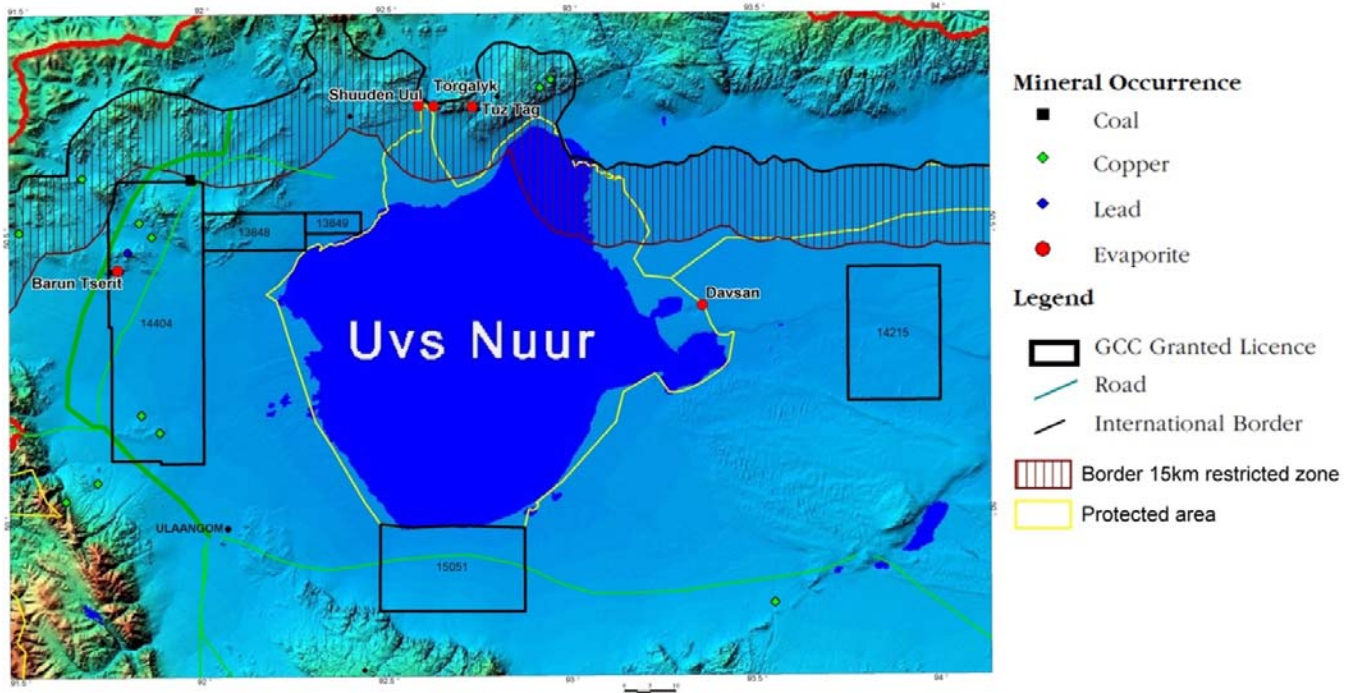


Figure 2: The Uvs Basin project area: GMM's exploration licences and known evaporite and other mineral occurrences

## **Western Australia**

### **Shoemaker Project**

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

#### ***Introduction***

The technical overview by Coffey Mining in 2010 concluded that the Shoemaker project had good potential for iron-ore mineralisation in both the bedded and taconite styles in banded iron formation and some potential for near surface direct shipping ore hematite mineralisation within the Frere Formation. Some 2010 discoveries in proximity to the Shoemaker project also showed the presence of stratiform bedded manganese mineralisation in the Earraheedy Basin

The Company's field exploration in 2010 confirmed the presence of the extensive high-grade iron ore mineralisation at the surface within the Frere Formation and also identified some spot occurrences and outcropping linear manganese mineralisation zones (refer ASX announcements dated 1 June and 26 July 2010).

#### ***Drilling program***

The 1<sup>st</sup> stage RC drilling program was carried out in May – June 2011. It was planned for preliminary assessment of the extent of the surface high-grade iron ore and manganese mineralisation in the Frere Formation. The program also included shallow drill testing of some magnetic and gravity anomalies interpreted as possible iron ore exploration targets.

30 holes totalling 2,748 line metres were drilled using 5 1/8" to 5 1/2" diameter face sampling hammers (Figures 3, 4). The drill holes were sampled at 1 metre intervals using a cyclone-mounted sample splitter producing a 12.5% sample split. All drill samples were visually logged and then sorted in the field using the Company's handheld X-ray fluorescence (XRF) Niton XL3t 900S analyser. About 1,050 priority samples were selected for assaying at independent Perth laboratories. Long waiting times at laboratories due to demand has delayed the Company from receiving full results in time for this quarterly report. However this assaying is currently underway using various laboratory techniques (refer discussion below).



Figure 3: RC drilling at the Shoemaker project area

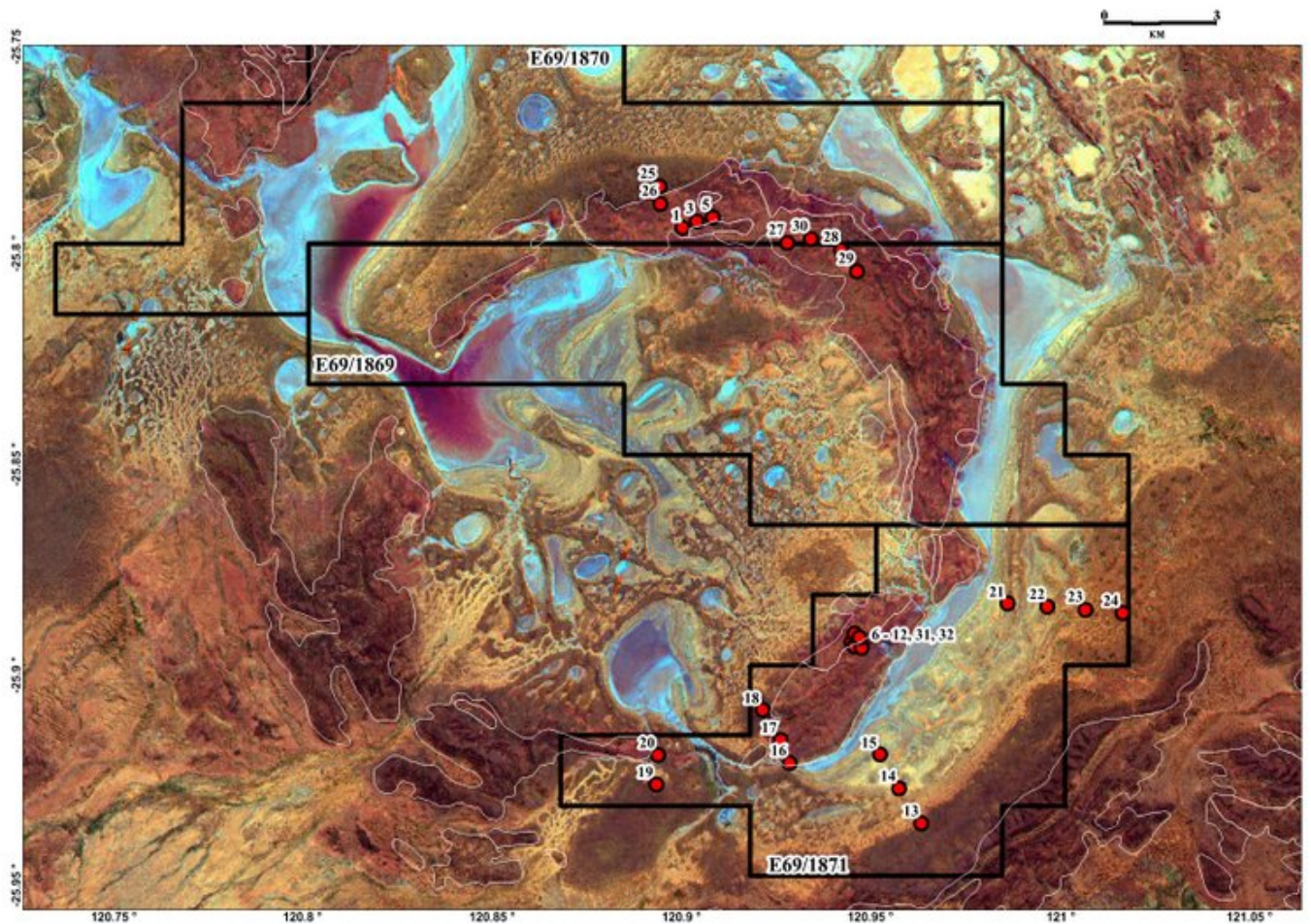


Figure 4: Drill hole location at the backdrop of ASTER satellite imagery “Fe transform” produced by Coffey Mining; white contour – Frere Formation

The laboratory XRF assays for iron and manganese are not yet available. However, the Company previously compared some field (i.e. handheld) and laboratory XRF assays for iron and manganese on a number of the Shoemaker samples collected in 2010. This comparison showed that the handheld XRF provides a reasonable preliminary assessment of the iron and manganese mineralisation – these results are summarised in Table 1.

The preliminary results of the 1<sup>st</sup> stage drilling program suggest that the previously reported high-grade iron ore and manganese mineralisation in the Frere Formation (refer ASX announcements dated 1 June and 26 July 2010) is probably limited by the depth of the surface enrichment. These results also show that further iron ore and manganese exploration is warranted, in particular, targeting the bedded and taconite styles of iron ore mineralisation potentially linked to some large geophysical anomalies that still remain to be explored.

Table 1: Iron ore (Fe) and manganese (Mn) mineralisation intercepts – preliminary handheld XRF results

Drill hole No	Down-hole depth* interval, m	Down-hole length*, m	Average grade**, %	
			Fe	Mn
RCS-001	0-15	15	22	
RCS-003	5-15	11	26	
RCS-003	31-46	16	24	
RCS-005	17-20	4		5
RCS-005	30-36	7		4
RCS-006	2-14	13	32	
RCS-006	2-12	11		8
RCS-007	1-17	17	20	
RCS-007	14-21	8		10
RCS-008	1-22	22	26	
RCS-008	15-27	13		6
RCS-009	0-20	20	34	
RCS-009	17-21	5		12
RCS-012	55-68	14		6
RCS-016	3-86	84	23	
RCS-017	20-67	48	18	
RCS-025	79-98	20	24	
RCS-026	79-112	34	20	
RCS-028	49-72	24	22	
RCS-029	65-105	41	22	
RCS-030	5-50	46	21	
RCS-031	0-20	21	30	
RCS-031	6-15	10		17

\* Down-hole depth and length are not true depth and width of mineralisation – the geometry of the iron ore mineralisation should be further investigated; the dipping beds of manganese mineralisation are intersected by inclined drill holes at angles of 45 to 60 degrees

\*\* Average of 1 m interval grades determined by handheld XRF analyser – preliminary results only, to be verified by appropriate laboratory XRF analysis

The handheld/field XRF checking of the drill samples also suggested the possibility of some gold and silver mineralisation that was not previously identified by the joint venture at the project area. Unlike iron and manganese, the handheld XRF analyser's detection limits for gold and silver are generally not adequate for accurate and reliable assaying; therefore, these preliminary field indications could not be reported with any reasonable confidence and appropriate laboratory assays are required.

At this stage the Company has received all results of the Aqua Regia analysis that was chosen as an initial step for checking this hypothetical mineralisation as it is efficient for the extraction of gold and some other easily digested elements. The initial Aqua Regia assays received do not confirm the field XRF indications of gold and silver mineralisation. Some further tests are required as the Aqua Regia analysis is a partial digest only and there are some known limitations with regards to the extraction of refractory oxides and silicates.

The Company will consider the optimal laboratory analysis for assaying the drill samples after receiving all trial assays for a number of samples submitted for Fire Assay and certain other laboratory techniques that provide more complete dissolution of most minerals including silicates (Mixed Acid Digest, Fusion).

In addition, 5 water samples were collected from some brine aquifers encountered by drilling at the depths from 4 to 70 metres near one of the large salt lakes within the Shoemaker structure. These samples showed some elevated potassium levels (Table 2) that may be further investigated as part of the future exploration at this project.

Table 2: Chemical composition\* of aquifer brine samples

<b>Drill hole No</b>	<b>Aquifer depth, m</b>	<b>K, mg/L</b>	<b>Ca, mg/L</b>	<b>Mg, mg/L</b>	<b>Na, mg/L</b>
RCS-013	40	3,000	695	3,740	67,500
RCS-014	52	3,410	811	3,290	71,700
RCS-019	4	1,910	579	3,140	46,900
RCS-020	4	3,700	536	4,110	74,500
RCS-020	70	4,220	597	4,590	84,700

\* determined by Inductively Coupled Plasma (ICP) Optical Emission Spectrometry

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.*