

27 January 2011

December 2010 Quarterly Report

HIGHLIGHTS

- **2010 field season completed at Mongolian projects**
- **Preparations underway to start 1st stage RC drilling at iron ore and manganese exploration targets at the Shoemaker project in Western Australia**

Projects

Mongolia

Uvs Basin Project

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

The project comprises 5 granted exploration licences covering more than 2,000km² 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.

In October/November the Company drilled of a series of 8 shallow structural holes totalling 1,100m by a combination of direct circulation rotary and down-hole hammer drilling to a maximum depth of 150m. The obtained geological information helped to better understand this underexplored area and will be used in planning a deeper drilling program in the coming 2011 field season seeking bedded potash that is the Company's primary exploration target.

General Mining Corporation Ltd
ABN: 95 125 721 075

ASX Code: GMM

Quoted Securities:
40,955,000 ordinary f.p. shares
Total Issued Capital:
56,087,394 ordinary f.p. shares

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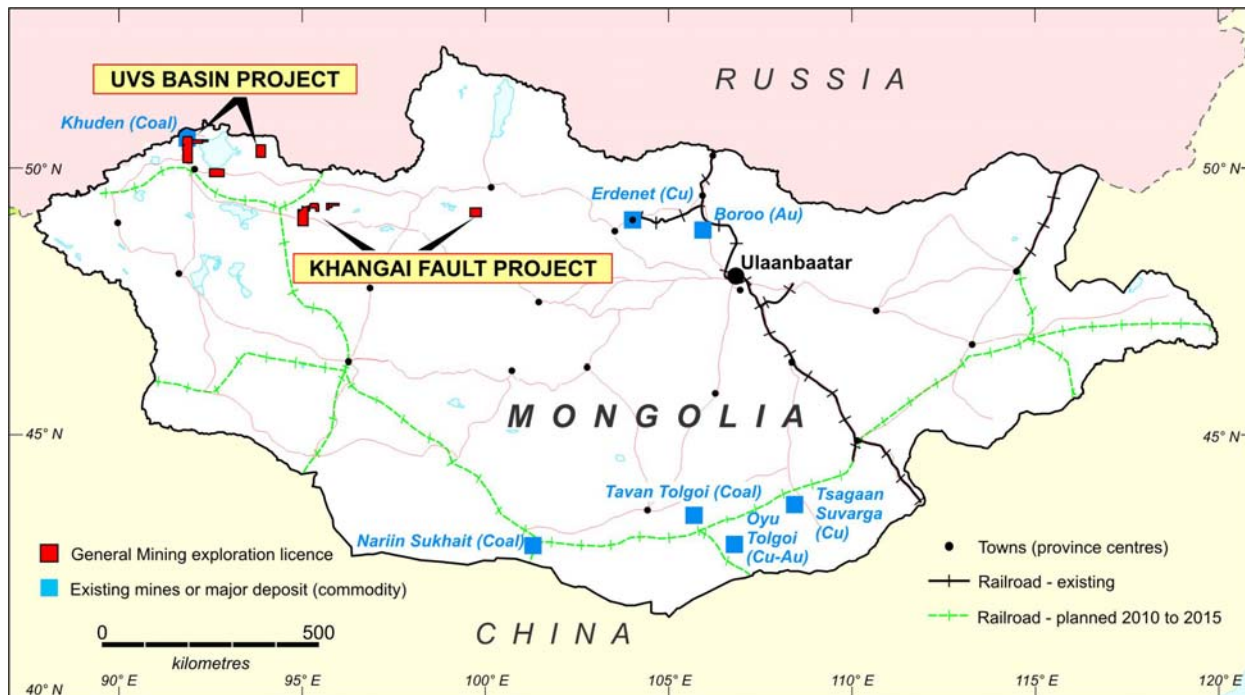


Figure 1: Company's project locations in Mongolia

After the above structural drilling, the mobilized rig was moved to a different location at one of the Company's Uvs tenements and 5 shallow holes were bucket auger drilled to a maximum depth of 25m and sampled at an average interval of 1m to check the potential for gold and PGE alluvials. The drill samples obtained were gravity concentrated and assayed at an independent laboratory. Trace levels of gold have been detected in 64 samples and trace platinum and palladium in 12 samples out of 110 samples assayed. While the detected levels of mineralisation do not warrant further exploration at the drill tested area, the Company will consider additional drilling at yet unexplored wider areas of alluvial sediments within the Company's Uvs as well as Khangai project tenements.

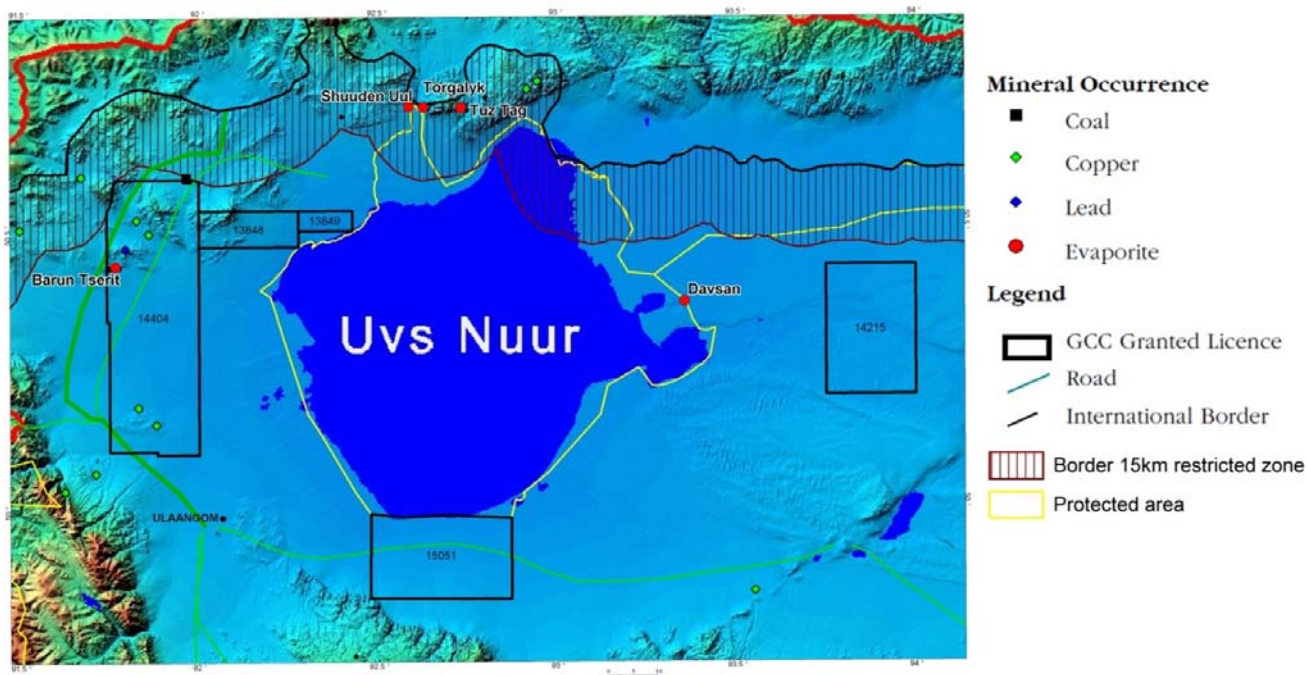


Figure 2: The Uvs Basin project area: GMM's exploration licences and known evaporate and other mineral occurrences

Western Australia

Shoemaker Project

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

The technical overview by Coffey Mining in February 2010 concluded that the Shoemaker project had good potential for iron-ore mineralisation in both the bedded and taconite styles in BIF¹ and some potential for near surface DSO² hematite mineralisation within the Frere Formation. The Lockeridge Prospect discovery by Zinc Co (ASX:ZNC) next to the Shoemaker project, as well as work on the Stanley Project by AusQuest Ltd (ASX:AQD), also show the presence of stratiform bedded manganese mineralisation in the Earaheedy Basin

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

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

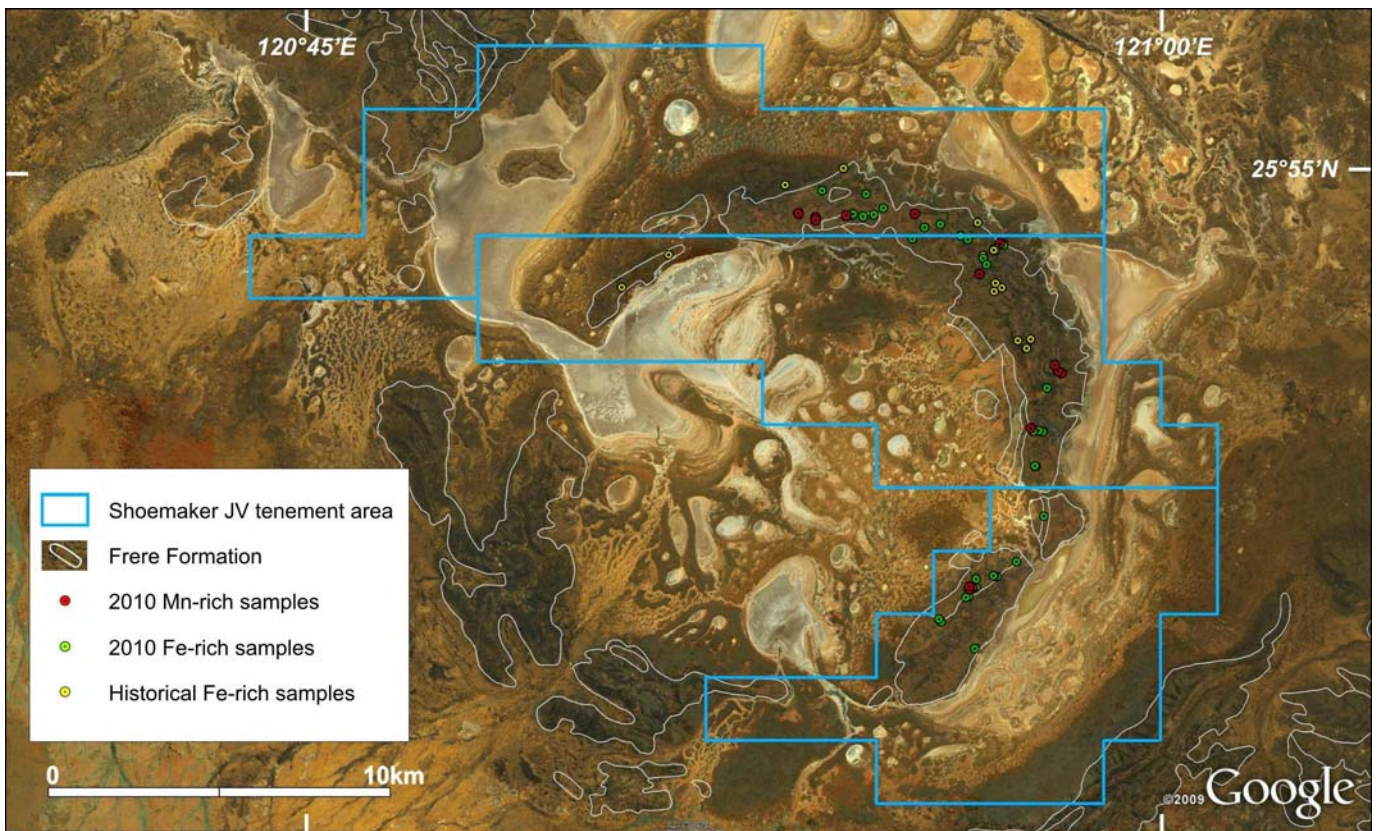


Figure 3: High-grade iron ore & manganese mineralisation at Shoemaker project area:

¹ Banded Iron Formation

² Direct Shipping Ore

The 1st stage RC drilling program has been planned to include 30 holes totalling about 2,500 line metres to explore the following:

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

After some delays due to the factors beyond the Company's control, a statutory heritage survey of the drilling program areas was carried out in November and the survey report was received by the Company in early December. This cleared the planned drilling sites and access routes. The Company lodged its Programme of Work (POW) application for the 1st stage drilling on 10th December and on 24th January 2011 received a letter from the WA Department of Mines and Petroleum (DMP) that informed that the DMP intended to approve the POW subject to some additional conditions that included lodging an Unconditional Performance Bond of \$10,000 as well as the restriction for the exploration activities to be permitted only during dry conditions. The latter requirement could mean further delay as, subject to finally receiving the DMP's approval of the POW, the Company will start drilling only when there are dry conditions at the project area.

Because of the delays with the heritage survey, in December the Company applied for the extension of exploration licences E69/1869, E69/1870 and E69/1871 beyond their original expiry date, and is pleased to advise that the DMP has informed the Company that this application has been approved.

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.