

28 October 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

- **The Company to acquire interests in coal mining & exploration licences at the Uvs project in Mongolia**
- **1st stage potash exploratory drilling completed at Uvs**
- **Final laboratory assays received for RC drilling program at the Shoemaker project in Western Australia**

PROJECTS

Mongolia

Uvs Basin Projects

(Coal exploration, potash & lithium brine exploration - GMM 100% & earning interest in additional licences)

Introduction

The Uvs coal and potash exploration projects comprise 5 exploration licences covering more than 2,000 km² and held via the Company's wholly-owned Mongolian subsidiary Golden Cross LLC ("Golden Cross") as well as 19.6 km² adjacent exploration licence 15206X, 100% in which is being acquired by Golden Cross (Figure 1 - refer to ASX announcement dated 27 September 2011). Golden Cross has also signed a letter of offer to acquire an interest in 51.6 ha mining licence 11617A (Figure 2 - refer to ASX announcement dated 12 October 2011).

Mining licence 11617A covers the central part of the Khuden Coal Deposit and is adjacent to Golden Cross' exploration areas within licences 14404X and 13848X as well as exploration licence 15206X that cover some Carboniferous sedimentary geology prospective for coal exploration (Figure 3).

The Uvs Nuur Basin is also considered prospective for potash as well as lithium brine exploration.



Figure 1: Company's project locations in Mongolia

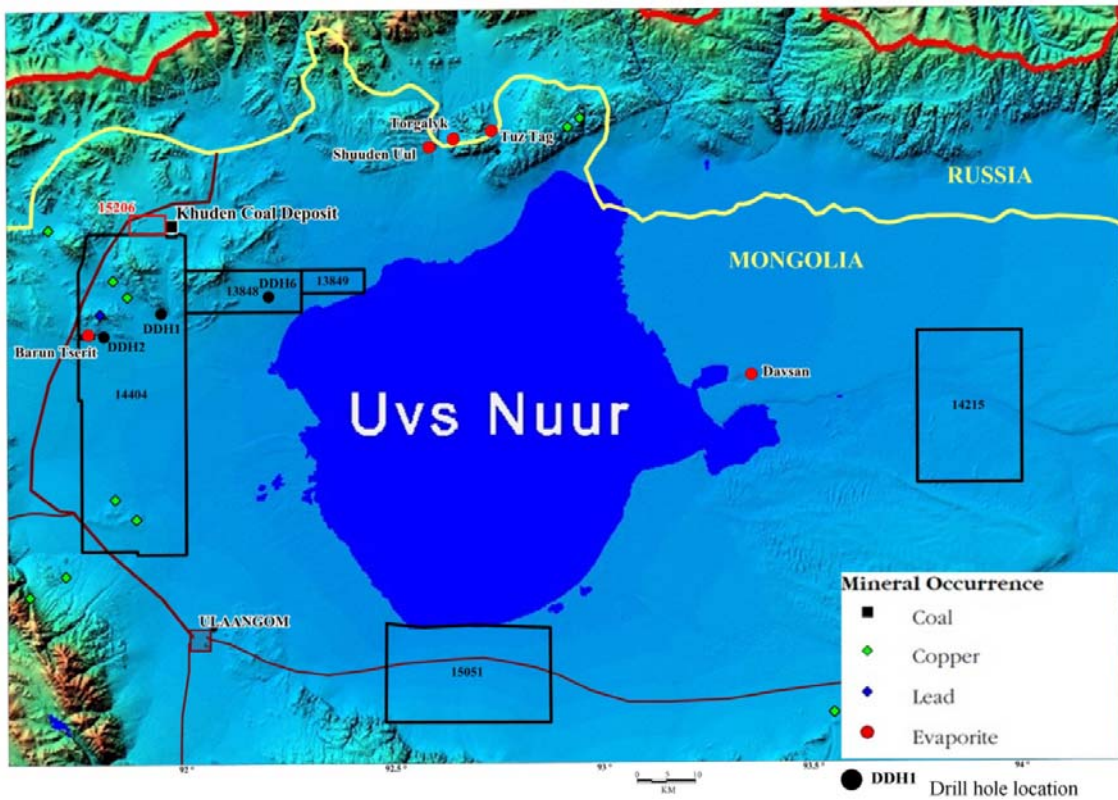


Figure 2: The Uvs Basin project area:
 GMM's exploration properties & licence 15206X (being acquired by the Company);
 mineral occurrences & deposits including Khuden Coal Deposit

Coal Exploration Project

The Khuden black coal deposit was discovered in 1971 and preliminary explored in the mid 1970s and mid 1980s - refer to the ASX announcement dated 12 October 2011 for a summary of this coal exploration.

Some historical coal exploration reports (Mineral Resources Authority of Mongolia Open File Reports 2045, 2319 and 4477) as well as two independent geological reviews commissioned by the Company in 2008 suggest the prospectivity of further deeper exploration at the Khuden Deposit (i.e. at licence 11617A). These reports also suggest the possible extension of the Khuden coal seams to the west of the coal outcropping area (i.e. into licence 15206X – Figure 3), where the coal hosting Carboniferous geology is covered by Quaternary sediments. Most of the Carboniferous geology outside the deposit remains largely unexplored and the Company’s licences 14404X and 13848X as well as licence 15206X, which is being acquired by the Company, include some substantial areas that are considered to be prospective for coal (Figure 4).

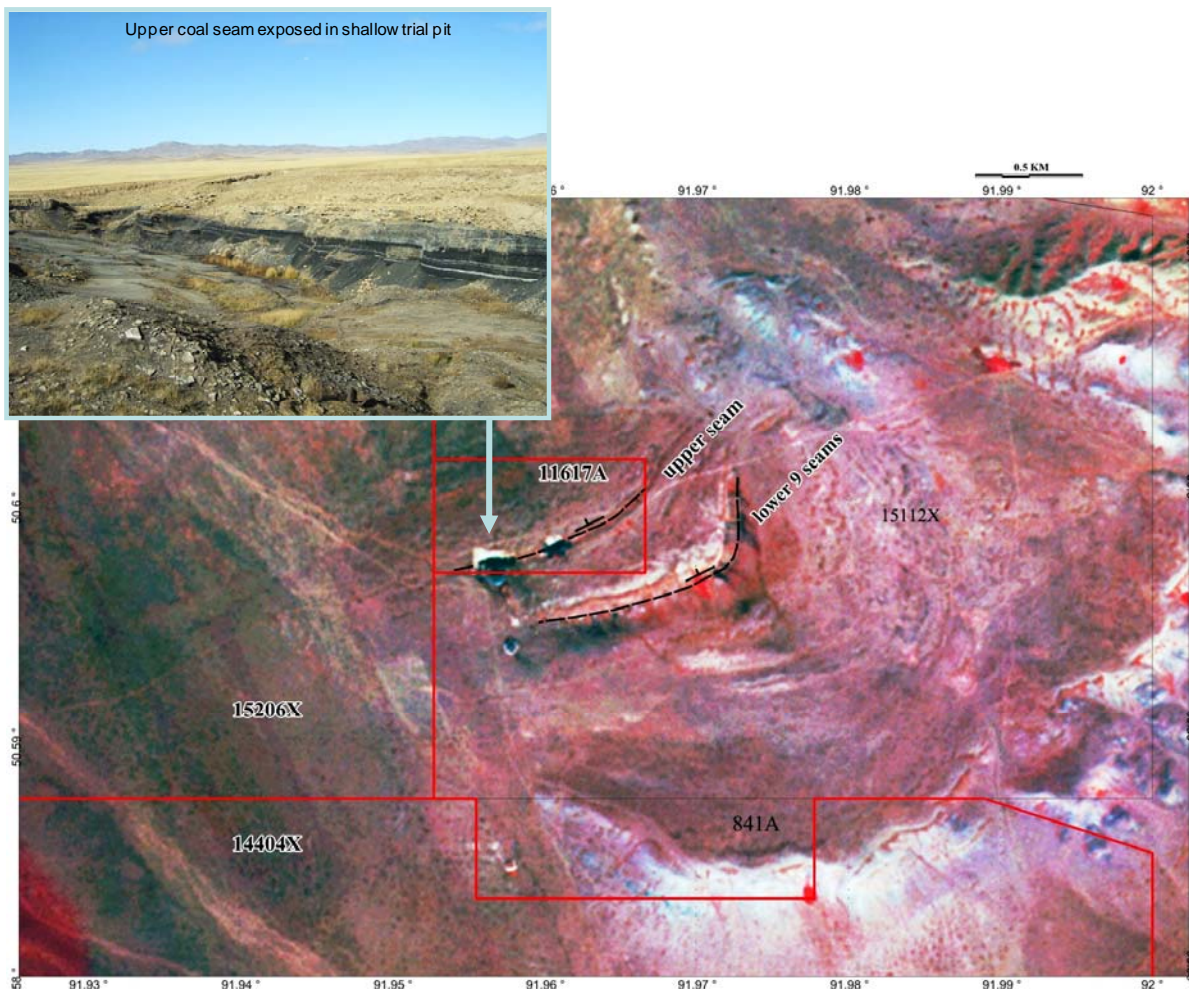


Figure 3 : Satellite image of the Khuden Deposit - 2 black coal outcropping areas:

- upper coal seam (average thickness 6.6 m)
- lower horizon (9 coal seams ~20 m aggregate thickness)

GMM’s interests: exploration licences

14404X – 100% owned

15206X – 100% being acquired

mining licence

11617A – being farmed-in

A leading coal consultancy group with experience in Mongolian coal deposits has been commissioned by the Company for a site geological reconnaissance in November 2011 as well as for an independent review of historical geological and geophysical

data, and subsequently for advising on the further coal exploration. Subject to drilling contract negotiations and finalisation of licence negotiations, this coal exploration program is expected to start after the Mongolian winter season in the second quarter 2012 and may include the following:

- twinning some selected old drill holes to verify the historical data
- deeper drilling at the Khuden Deposit targeting the lower seams (licence 11617A)
- drill testing of possible extensions of the Khuden coal seams (licence 15206X)
- drill testing of other coal exploration areas comprising the prospective Carboniferous sedimentary geology (licences 14404X, 15206X & 13848X)
- comprehensive coal quality analysis

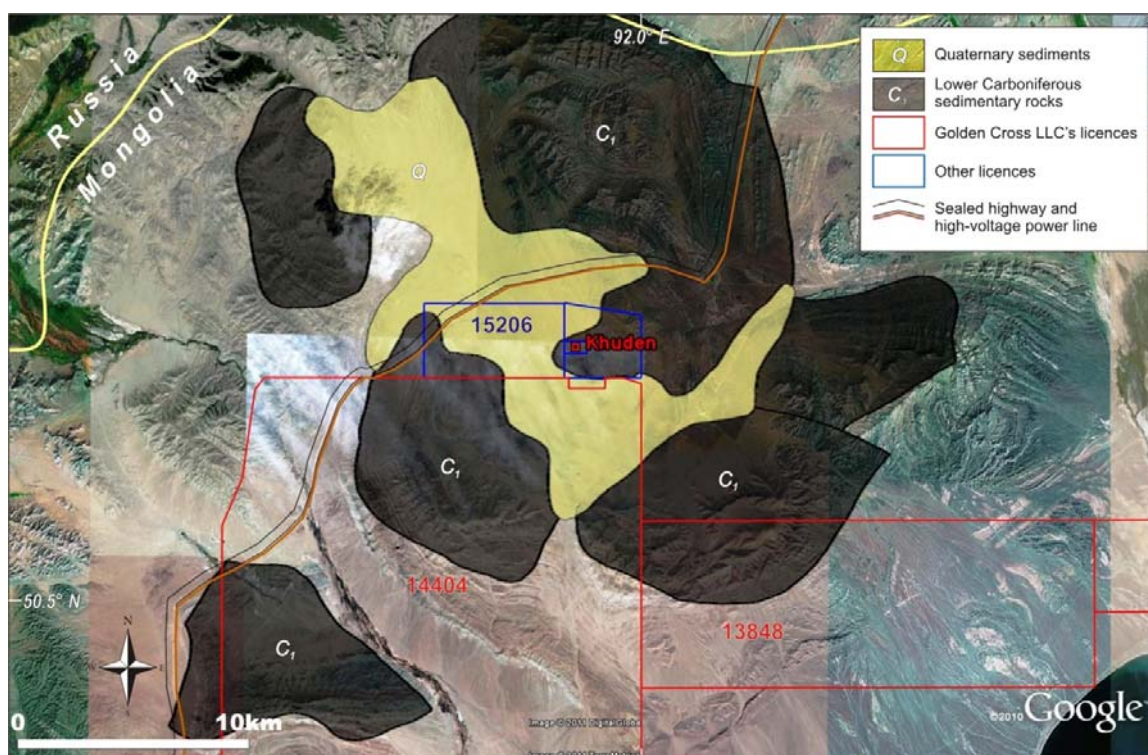


Figure 4: Carboniferous sedimentary geology and infrastructure around the Khuden Coal Deposit

A sealed highway and a high-voltage power line cross the Company's coal exploration area (Figure 4) that is ~200 km by highway from the Russian city of Kyzyl planned to be connected with the Trans-Siberian Railway by a new railroad in 2014. This coal exploration area is ~80 km by highway from the town of Ulaangom, the capital of the Mongolian Uvs Province, where the Mongolian Government plans to build a railroad connecting the north-west of the country with China by 2015 (Figure 1).

Potash exploratory drilling program

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.

In August – October 2011 the Company carried out the 1st stage of the potash exploratory drilling program in the Uvs Basin. 3,000 to 5,000 line metres of diamond drilling were planned to an average depth of 1,000 m (refer to ASX announcement dated 22 August 2011). 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.

3 out of planned 6 drill holes have been drilled without technical problems and on budget to a total of 3,537 line metres (Figure 5). No potash mineralisation has been encountered; however, these 3 drilled holes tested only part of the Company's exploration ground within 2 out of the Company's 5 exploration licences and a very substantial area remains to be explored in the Uvs Basin (Figure 2).

The Company maintains its belief in the prospectivity of the Uvs Basin for the discovery of a potash deposit as supported by the historical potash intersections at the Russian periphery of the Uvs basin at about 30 km from the Company's exploration licences. The Company plans to continue the potash exploration after the end of the Mongolian winter season and, more importantly, in conjunction with the funding and logistical preparations for Company's new coal exploration program at Uvs.



Figure 5 : Potash exploratory drilling in the Uvs Basin in September 2011

Khangai Project

(Base metals - GMM 100%)

The Company holds 5 granted exploration licences covering about 1,800 km² in the northwest of Mongolia along the Khangai Fault that forms the westernmost extension of the regional scale Mongol-Okhotsk suture zone extending in the east-northeast direction for over 3,000 km and hosting some major copper-nickel-PGE and copper porphyry deposits and prospects with the majority of known deposits occurring in Russia. The Company's licence areas were covered by various geological mapping and geochemical sampling programs in the 1960s and 1970s and include some known mineral occurrences.

During the September quarter, the Company commissioned independent Mongolian geological consultants to carry out field geological mapping and rock chip and geochemical sampling to follow up on the 2010 satellite imagery study and the Company's field reconnaissance. This year field work was focused on some known copper and nickel mineral occurrences and alteration zones and major fault structures and their interpreted extensions as well as on some potential gold exploration targets identified in 2010. The 2011 exploration report and sample assays are expected soon and will be used to plan further exploration at this project.

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 Earahedy 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 to ASX announcements dated 1 June and 26 July 2010).

Drilling program

The 1st 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 (Figure 6).

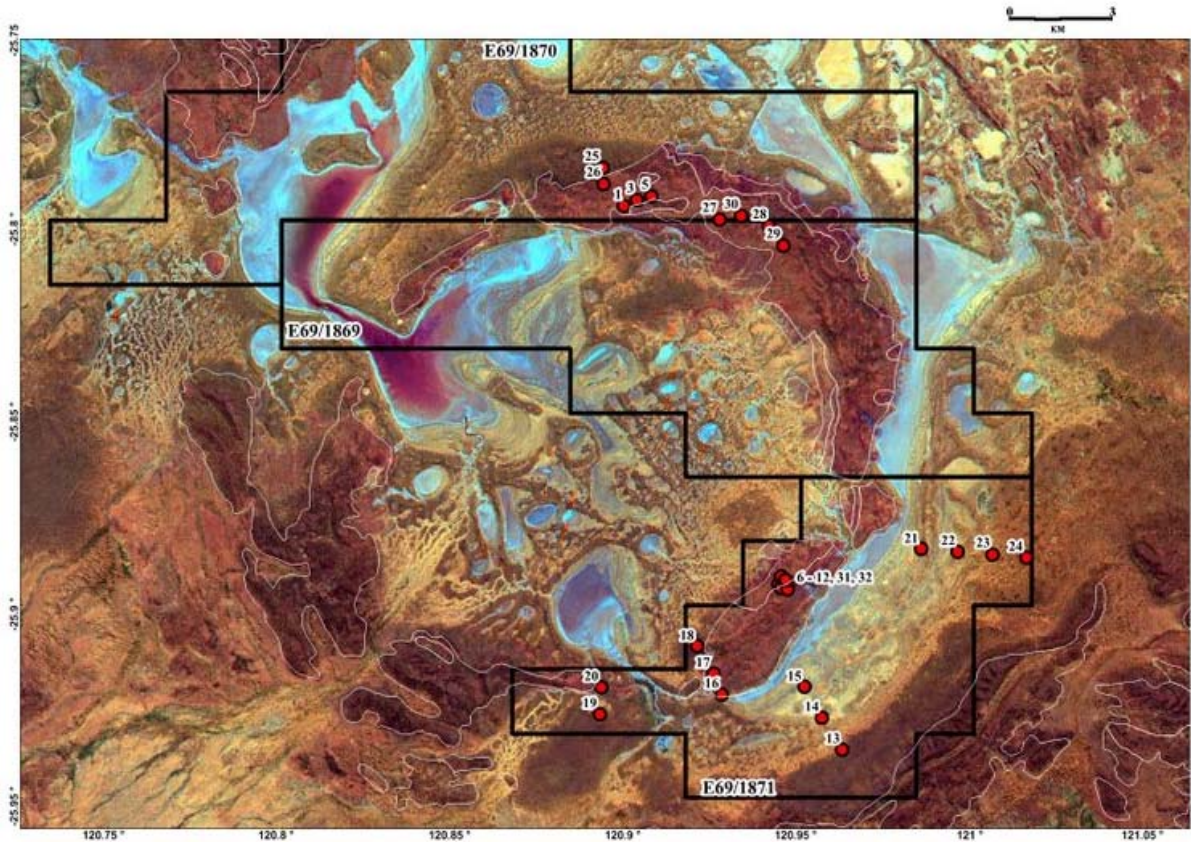


Figure 6: Drill hole location at the backdrop of ASTER satellite imagery “Fe transform” produced by Coffey Mining; white contour – Frere Formation

All drill samples were sorted in the field using a handheld X-ray fluorescence (XRF) analyser and about 1,050 priority samples were selected for assaying at independent Perth laboratories. The field handheld XRF assays for iron and manganese were announced by the Company in the June quarterly report published on 27 July 2011.

The final laboratory XRF assays for iron and manganese were received by the Company in September 2011 and were similar to the previously disclosed field XRF assays. These final laboratory XRF results are summarised in Table 1.

The results of the 1st 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.

During the September quarter the Company carried out necessary rehabilitation of the May – June drilling sites.

In August 2011 two new exploration licences E69/2792 and E69/2793 were granted to the Company in the Shoemaker project area.

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

Drill hole No	Down-hole depth* interval, m	Down-hole length*, m	Average grade**, %	
			Fe	Mn
RCS-001	0-12	12	34	
RCS-003	0-17	17	31	
RCS-003	30-48	18	27	
RCS-005	12-36	24	21	
RCS-005	30-36	6		10
RCS-006	0-16	16	37	
RCS-006	8-11	3		13
RCS-007	0-22	22	23	
RCS-007	13-21	8		12
RCS-008	0-24	24	32	
RCS-008	14-24	10		10
RCS-009	0-23	23	38	
RCS-009	16-21	5		11
RCS-016	6-66	60	27	
RCS-017	20-67	47	22	
RCS-025	78-98	20	27	
RCS-026	15-28	13	25	
RCS-026	96-112	16	21	
RCS-028	44-84	40	23	
RCS-029	63-78	15	22	
RCS-029	93-107	14	24	
RCS-030	1-12	11	30	
RCS-030	36-48	12	26	
RCS-031	0-20	20	30	
RCS-031	6-15	9		19

* 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

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 coal and potash at the Uvs Basin project in Mongolia, and iron ore 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.