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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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## March 2010 Quarterly Report

### HIGHLIGHTS

- **Consultants Coffey Mining confirm good potential for iron ore & manganese mineralisation at the Shoemaker project**
- **Preparations underway for 2<sup>nd</sup> drill hole at the Eyre project**
- **Leading international potash consultancy provides technical guidance on the Uvs project in preparation for field season in Mongolia**
- **Company appoints permanent technical and administrative staff in Australia and Mongolia**

### Projects

#### Western Australia

##### **Shoemaker Project**

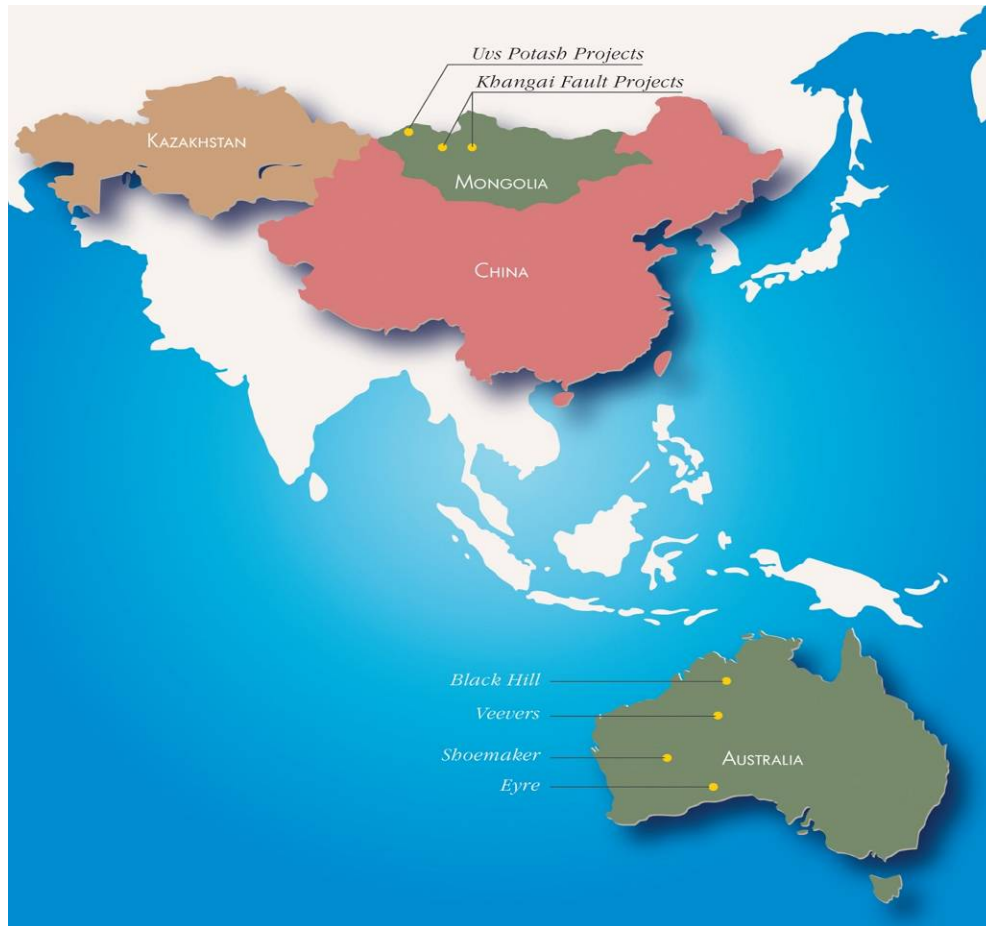
*(Iron ore & manganese exploration - GMM 50% & earning up to 80% from Galaxy Resources Limited)*

Leading industry consultants Coffey Mining carried out a technical overview of the limited previous exploration done by others and provided recommendations on the future exploration strategy for this project.

Coffey Mining concluded that **the project has good potential for iron-ore mineralisation**, in both the bedded and taconite styles in BIF<sup>1</sup> with maghemite and hematite mineralogy dominant and some potential for near surface DSO<sup>2</sup> hematite mineralisation within the target Frere Formation.

<sup>1</sup> Banded Iron Formation

<sup>2</sup> Direct Shipping Ore



*Figure 1: Company's project locations in Western Australia and Mongolia*

According to Coffey Mining, the Lockeridge Prospect discovery announced in February 2010 by Zinc Co Australia Ltd (ASX:ZNC), next to the Shoemaker project in the Earraheedy Basin, indicates **potential for stratiform bedded manganese mineralisation** in the Karri Karri Member of the Chiall Formation that overlies the Frere Formation and outcrops within the Shoemaker project tenements.

Coffey Mining recommended outcrop mapping as a follow up to historical surface sampling which demonstrated the presence of high-grade, low impurity iron ore. Some initial RC drilling is necessary to confirm the extent of the mineralisation and should be followed up by early stage diamond drilling to develop a good understanding of the relationships between structure, mineralisation and stratigraphy.

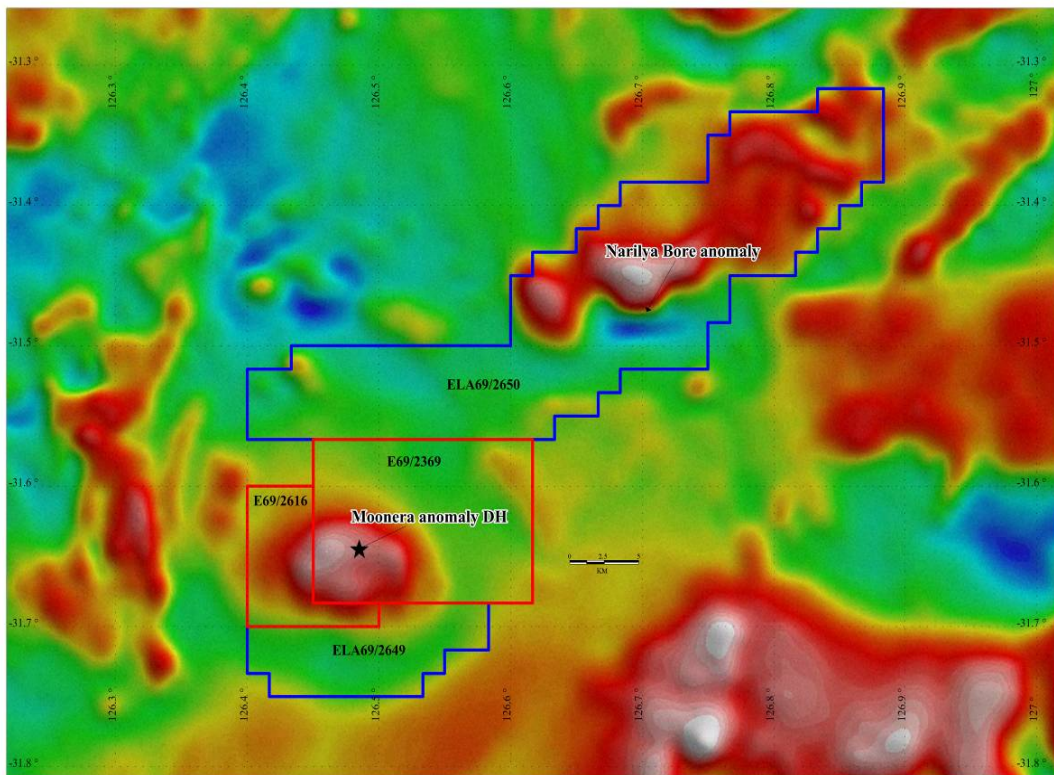
In accordance with a standard heritage agreement between Galaxy Resources Limited and representatives from a Native Title Party, the Company initiated a heritage survey over some priority exploration areas to facilitate drilling later this year. The first stage of the survey fieldwork has been completed at exploration licences 69/1869 and 69/1870.

The Company signed a standard heritage agreement on exploration licence application E69/2763 and also lodged two additional applications for exploration licences in this project area.

## Eyre Project

*(targeting IOCG<sup>1</sup>/carbonatite related mineralisation - GMM 100%)*

An independent expert overview of the project previously concluded that the 8 km diameter Moonera magnetic anomaly is a **high priority exploration target** (Figure 2) that occurs in a geological setting where mineralization of several different styles appears possible including IOCG and carbonatite related mineralization.



*Figure 2: Company's exploration licences and applications at the Eyre project (backdrop - regional airborne magnetic survey data)*

The first drill hole (Figure 3) commissioned by the Company to determine the source of this anomaly encountered wall stabilisation problems at a depth of 530 m - i.e. before reaching the modelled depth of the anomaly of approximately 560 m. After assessing various alternatives to complete the first drill hole, a new adjacent vertical pre-collar hole was drilled to the base of a limestone horizon at the depth of 320m, utilising a RC rig that was in the area (Figure 4).

Diamond drilling will be commenced when a suitable rig is available, hopefully in a few weeks, in order to extend this precollared hole into the basement rocks to the planned depth of about 700 m.

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<sup>1</sup> Iron Oxide Copper Gold



*Figure 3: Diamond drilling at the Eyre project in January 2010*



*Figure 4: Pre-collar RC drilling at the Eyre project in March 2010*

In March 2010 the Western Australian Department of Mines and Petroleum granted new exploration licence E69/2616 and advised the intention to grant exploration licence E69/2649 currently under application within the Eyre project area (Figure 2).

## Mongolia

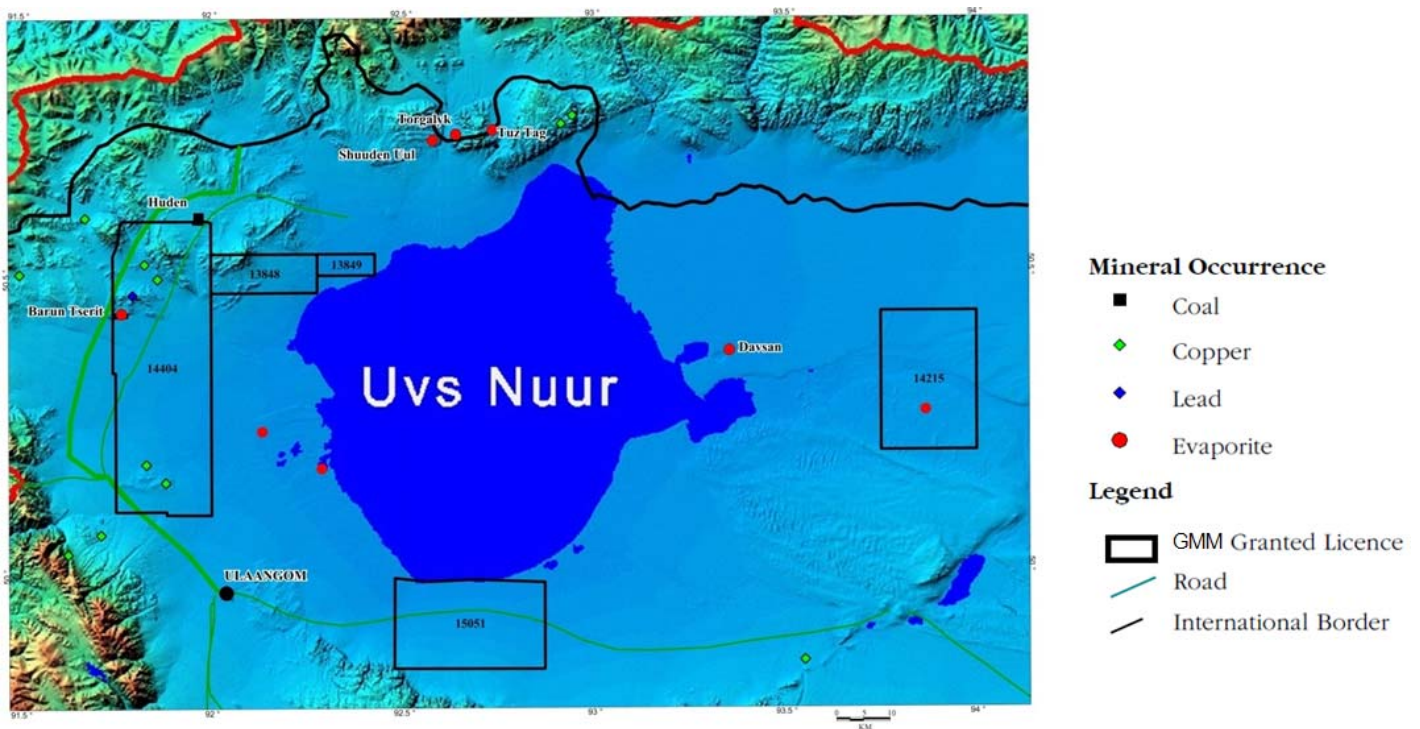
### The Uvs Basin Project

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

The project comprises 10 granted explorations licences covering more than 2,000 km<sup>2</sup> within the Uvs Basin that is considered **prospective for bedded and 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 5) and limited drilling at the Russian periphery of the basin in the 1950-60s intersected shallow potash mineralisation in up to 600 m thick Devonian evaporites – therefore confirming the prospectivity of the basin for potash deposits.

The Company commissioned German firm ERCOSPLAN Ingenieurgesellschaft Geotechnik und Bergbau mbH ("ERCOSPLAN"), one of the leading international experts on potash geology, mining and marketing, to provide technical guidance on this project.



*Figure 5: The Uvs Basin project area in Mongolia: GMM's exploration licences and known evaporite and other mineral occurrences*

ERCOSPLAN obtained all available Mongolian and Russian historical data on the Uvs Basin to create a preliminary computer technical database for the project and also carried out the initial interpretation of the remote sensing data.

ERCOSPLAN prepared preliminary structural, hydrogeological and remote sensing interpretation maps, which along with the available technical data enabled ERCOSPLAN to tentatively identify the locations of geophysical and drilling programs for the first field season in 2010.

These recommendations included the preliminary location and parameters for an optional stratigraphic and some exploratory drill holes, including drill holes targeting circular remote sensing features interpreted as possible salt diapir structures.

The field reconnaissance and mapping will follow up on this desktop study during the June quarter of 2010 to verify some details of the preliminary maps and to firm up the recommended drilling sites.

In the preparation for the Company's upcoming first field season in Mongolia, GMM continued discussions with several drilling and geophysical contractors both in Mongolia and Russia, as well as keeping the local administrative authorities in Uvs Province fully informed about the plans for the field season.

## **Corporate**

Following listing on the ASX in December 2009, during the March quarter the Company appointed an experienced Senior Geologist in Perth. The Company's office in Ulaanbaatar in Mongolia was relocated to convenient modern premises and new permanent contracts were signed with the Mongolian technical and administrative staff.

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 at the Shoemaker project in Western Australia.

The Company also has some base metal and IOCG exploration properties in those countries (such as the Eyre Project above) and is well capitalized with about \$4m of liquid funds at the date of this report.

### ***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.*