

QUARTERLY ACTIVITIES REPORT

MARCH 2015

General Mining Corporation
ABN: 95 125 721 075

ASX Code: GMM

Quoted Securities:

152,313,993 shares
5,801,582 options

Total Issued Capital:

152,313,993 shares
12,468,248 options

Share Price:

6.6 cents per share

Market Capitalisation:

AUD\$10.05M

Board of Directors

Mr Michael Wright
Chairman

Mr Craig Readhead
Non-executive Director

Mr Michael Fotios
Non-executive Director

Mr Bob Wanless
Non-executive Director

Joint Company Secretary

Ms Karen Brown

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HIGHLIGHTS

- General Mining (ASX:GMM) announced on 9 February 2015 that it has been granted the right to solely operate at the Mt Cattlin Project for 3 years with an option to purchase 100% interest in Mt Cattlin for \$30,000,000 plus a 3% net smelter return, at any time during the 3 year period.
- General Mining to pay a lease fee of AUD\$2,500,000 per annum to Galaxy Resources (ASX:GXY), and a 10% production royalty.
- General Mining plans to commence tantalum production at Mt Cattlin within approximately 6 months.

This transaction is of interest to both parties largely because of the deep background that GMM director, Michael Fotios, has in developing and operating tantalum mines in Western Australia and in the specialised area of marketing tantalum based products.

- The Company completed a placement of shares at \$0.05 per share to sophisticated investors during the quarter to raise \$900,000 before costs.

CORPORATE

Mt Cattlin - Transaction Structure

1. GMM will make a non-refundable payment to Galaxy of \$50,000 within 5 business days for the right to conduct sixty (60) days exclusive due diligence on Mt Cattlin.
2. GMM will then have for a further ninety (90) days the sole and exclusive right to determine whether GMM wishes to commence production at Mt Cattlin. GMM will be solely responsible for all Mt Cattlin care & maintenance costs and all tenement maintenance costs during this period.
3. If GMM elects to proceed with development at Mt Cattlin, it will have the sole and exclusive right to operate for a period of three (3) years from making such decision ("Operations Period").

4. During the Operations Period, GMM will:
 - a. conduct its operations at Mt Cattlin at its sole discretion and cost;
 - b. pay to Galaxy a lease fee of \$2,500,000 per annum (GST exclusive) in monthly instalments in advance and a 10% production royalty, payable quarterly to Galaxy, on the gross value of all minerals mined and sold by GMM (other than any spodumene produced, where revenues will be shared equally subject to the parties entering into a more detailed agreement);
 - c. receive 100% of all revenues from its high grade tantalum operations at Mt Cattlin, which General Mining plans to commence within 6 months; and
 - d. have the option to purchase a 100% legal and beneficial interest in Mt Cattlin, at any time during the three (3) year Operations Period, upon payment to Galaxy of \$30,000,000 (GST exclusive) less all production payments made to Galaxy up to the date of exercise of the purchase option.
5. If GMM exercises the option to purchase Mt Cattlin, GMM will also pay to Galaxy a future 3% Net Smelter Return (NSR) royalty on the value of all minerals mined and sold by GMM from Mt Cattlin's existing resource base. Any new mineral resources delineated by GMM after acquisition of Mt Cattlin will be subject to a lower 1% NSR royalty.
6. The transactions contemplated are subject to all necessary shareholder and regulatory approvals.

The binding Term Sheet is to be replaced by a formal agreement based upon the principles described above. The Company and Galaxy announced on 7 April 2015 that mutual due diligence had been successfully completed.

About Mt Cattlin

The Mt Cattlin Project, currently wholly owned by Galaxy Resources, is located two kilometres north of the town of Ravensthorpe in Western Australia. Previously mined for both Spodumene and associated Tantalum by-products, the Project has been in Care & Maintenance since July 2012.

Capital raising

During the quarter the Company completed a placement 18 million shares to professional and sophisticated investors at a price of A\$0.05 per share raising A\$900,000 of additional capital (before costs). The placement provided funds for the completion of the Due Diligence and any pre development work on the Mt Cattlin Project, and for general working capital purposes.

EXPLORATION

Chesterfield

(Gold - GMM 100%)

No field activity this quarter.

Mt Success

(Gold - Options to purchase 100%)

The option to acquire M58/72 and M58/356 expired in December but an offer to extend the option agreement has been received from the vendor and negotiations are progressing.

Negotiations are also underway to extend the option to acquire P58/1492-1494 and P58/1564.

No field activity this quarter.

Mercury Hill

(Gold - GMM 100%)

No field activity this quarter.

For more information:

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COMPETENT PERSON:

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Michael Fotios, who is a Member of The Australian Institute of Geoscientists. Mr Fotios is a director 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Fotios consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.