

MT CATTLIN UPDATE: REVISED TERMS WITH GALAXY RESOURCES

HIGHLIGHTS

- General Mining (ASX:GMM) to acquire 50% of the Mt Cattlin Project for total consideration of \$25m;
- Expanded production plan includes both Spodumene and Tantalum;
- Commencement of production scheduled for March quarter 2016;
- Offtake discussions well advanced; strong demand evident for concentrates;
- GMM also now has the right to earn 50% of Galaxy Resources' (ASX:GXY) James Bay Lithium Project in Canada.

General Mining is pleased to announce the following amended terms to the Mt Cattlin transaction ["Project"], as previously announced to the ASX on 9 February 2015.

These amended terms will see General Mining rapidly become a rare metal producer (Lithium and Tantalum), with major assets in two key mining provinces – Western Australia and Quebec, Canada.

With cash flow anticipated within twelve months from Mt Cattlin, and James Bay offering substantial development upside in the increasingly lithium hungry North American market, General Mining has secured access to an outstanding portfolio of mining assets.

General Mining Director Michael Fotios:

"General Mining is pleased to be entering into a long term partnership with Galaxy Resources. The two companies have highly complementary skill sets in exploring, developing and financing mineral assets in Australia and Canada, and this revised transaction provides General Mining with a strong platform for the future."

We are looking to make rapid progress on the Mt Cattlin Project at a time of strong interest in the Lithium market, with James Bay offering a second development project close to several downstream consumers of lithium raw materials."

The renegotiated deal is a simpler structure and gives the Company exposure to a second Project in James Bay, as well as an expanded production platform at Mt Cattlin."

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:
7.0 cents per share

Market Capitalisation:
AUD\$10.66m

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

Company Secretary

Ms Karen Brown

www.generalmining.com

Address:

Ground Floor
89 Burswood Road
Burswood WA 6100

Telephone:
08 9227 1186

Facsimile:
08 9227 8178

Total Resources (inclusive of the GXY and GMM stakes) across the two Projects include:

- Mt Cattlin, Ravensthorpe, Western Australia:
 - Resource: 12.8Mt @ 1.09% Li₂O, 163ppm Ta₂O₅, 87ppm Nb₂O₅
 - Reserve: 10.7Mt @ 1.04% Li₂O, 146 Ta₂O₅ ppm
- James Bay, Quebec, Canada:
 - Resource: 22.2Mt @ 1.28% Li₂O

(Galaxy Resources 2014 Annual Report, released to the ASX 29 April 2015. GMM will release its own Resource statements to the market at the appropriate time).

Subject to final regulatory and shareholder approval, this transaction has now passed all required due diligence and development hurdles set by General Mining and will move to completion in July 2015.

Amended Transaction Structure

1. GMM will initially acquire a 50% deemed operating profit interest in the Project, by spending AUD \$7m on the Project prior to commencement of production (on or before 31 March 2016). GMM's equity interest will commence at 14% upon making that expenditure and thereafter increase in accordance with Clause 2 below;
2. Balance of consideration to be paid in 3x \$6m instalments, due annually from the commencement of production. GMM's equity interest will increase by 12% upon payment of each instalment;
3. GMM has the right to acquire its 50% share early (at its sole discretion) by making full payment at any time in the first three years;
4. All prior lease and royalty arrangements to be extinguished;
5. GMM to be sole operator and manager of the Project;
6. All care & maintenance costs prior to the commencement of production (subject to a cap on Galaxy's contribution of \$50,000 per month) and revenues after the commencement of production to be shared equally;
7. Offtake discussions for both Spodumene and Tantalum sales from Mt Cattlin to be jointly managed by the parties;
8. All tenements currently held by Galaxy Lithium Australia Limited are included in the Mt Cattlin Project package;
9. GMM has the right to earn a 50% stake in GXY's James Bay Lithium Project in Canada by spending USD \$5m over a three year period

The transactions contemplated remain subject to all necessary shareholder and regulatory approvals. The binding Term Sheet agreed is to be replaced by a formal agreement based upon the principles described above.

Progress Update on Mt Cattlin

Development work continues at Mt Cattlin in a number of areas:

- Processing:
 - Redesigned flow sheet to improve Spodumene concentrate specification, and effect significant improvement in Tantalum recovery
 - Bulk test work underway on a new Mica scalping circuit
 - Recovery of Feldspar and Silica from current tails circuit also being investigated – potential exists to produce saleable product
- Crusher
 - Studies underway to review and refine existing crushing capacity and flow sheet design, targeting an 800ktpa throughput scenario
- Marketing
 - Offtake discussions with prospective funding partners well advanced
 - Strong levels of demand evident for Spodumene concentrate

The Company will release a more detailed technical and marketing document once it has been prepared.

For more information please contact:

Michael Jardine
Business Development Advisor, General Mining Corporation Limited
Tel: +61 8 6241 1832 or +61 424 615 047
Email: Michael.Jardine@deltaman.com.au