

## MT CATTLIN UPDATE: MOVING TO PRODUCTION

- **\$7 million capital commitment to Mt Cattlin satisfied**
- **Spodumene supply into China continues to tighten, prices increasing**

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### Operations Update

General Mining Corporation Limited (ASX: GMM, “**General Mining**” or “**Company**”) is pleased to announce it has met its 31 December 2015 obligation under the agreement with Galaxy Resources Limited (ASX:GXY) by committing to an initial AUD \$7 million capital spend on the recommencement of production at Mt Cattlin.

This means that, upon the restart, General Mining will earn its initial 14% equity and 50% profit interest in the Mt Cattlin Project as per the formal agreement announced to the market on 9 June 2015.

All long lead items required for the restart were ordered in late December 2015 with the 2016 production timeline comprising:

- Fines circuit commissioning – late March 2016
- Coarse circuit commissioning – late June 2016
- First export of concentrate – estimated July 2016
- Plant optimisation process – completed December 2016

### Flow Sheet Redesign

The final redesigned flow sheet is nearing completion with only non-time critical elements of the testwork program remaining outstanding.

The revised flow sheet has focused on:

- Base case throughput of 800ktpa
- Increasing yield from a historic 50-55% to 70-75% across both spodumene and tantalum, implying a run rate production of 120ktpa+ spodumene concentrate and 175klbpa+ of contained tantalum pentoxide
- Final lithium oxide content in concentrate of minimum 5.5%
- Reduction of mica in concentrate from 15-20% to below 5%

General Mining is pleased to state that all of the base case parameters listed above have been successfully met during the testwork program.

#### **Market Update**

Lithium carbonate prices have risen substantially over the last 12 months, and the Company continues to see anecdotal evidence that the supply of spodumene concentrate into mainland China will keep tightening in 2016. It is anticipated that at current lithium carbonate prices, the price of spodumene concentrate will be higher in 2016 than General Mining's quoted 2015 price of USD \$445/tonne.

Given this constrained supply, General Mining is working closely with both Mitsubishi Corporation and Mt Cattlin partner Galaxy Resources on binding spodumene concentrate sales and the Company expects to be able to further update the market on spodumene offtake contracts by the end of February 2016.

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#### **Further inquiries:**

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