

ASX ANNOUNCEMENT  
29 April 2016

# QUARTERLY ACTIVITIES REPORT

## MARCH 2016

### HIGHLIGHTS

- **Production at Mt Cattlin commenced on schedule on 31 March 2016**
- **Binding terms agreed on concentrate sales, formal offtake agreements pending**
- **Multiple intercepts of spodumene-bearing pegmatite intersected in initial stratigraphic diamond drill hole**

General Mining Corporation  
ABN: 95 125 721 075

**ASX Code: GMM**

**Quoted Securities:**

311,702,853 shares  
22,700,000 unlisted options

**Share Price:**

0.55 cents per share

**Market Capitalisation:**

A\$171.4M

**Board of Directors**

Mr Michael Fotios  
*Executive Chairman*

Mr Alan Still  
*Non-executive Director*

Mr Michael Kitney  
*Non-executive Director*

**Company Secretary**

Ms Karen Brown

[www.generalmining.com](http://www.generalmining.com)

**Registered Office:**

Ground Floor  
89 Burswood Road  
Burswood WA 6100

**Telephone:**

08 9227 1186

**Facsimile:**

08 9227 8178

**Business Office:**

24 Mumford Place  
Balcatta WA 6021

**Telephone:**

08 6241 1888

### CORPORATE

As announced during the quarter (ASX announcement 8 March 2016), agreement was reached by General Mining Corporation Ltd (ASX:GMM) ("General Mining", "GMM" or "the Company") and its partner on the Mt Cattlin project, Galaxy Resources Limited (ASX:GXY, "GXY"), for the forward sale of 60,000 tonnes of spodumene concentrate for USD\$600 per tonne (FOB, minimum 5.5% Li<sub>2</sub>O) to two China based buyers.

Of the USD\$36 million sale, USD\$18 million will be paid as a pre-payment, with funds initially due to be received on or before 31 March 2016 following signing of the formal agreements. As at the date of release, the signing of those formal agreements remains outstanding but completion on the previously announced commercial terms is expected soon.

GMM and GXY have also agreed to deliver 120,000 tonnes in 2017 to the same Chinese customers with a sale price to be agreed during Q4 2016, based upon prevailing market conditions at that time.

GMM and GXY are selling this 60,000 tonnes of production into the lithium carbonate and lithium hydroxide refining markets. It is intended that for the balance of calendar 2016 and 2017, production will be sold to a range of downstream converters, including the lithium carbonate and lithium hydroxide refining markets, and the cathode market.

## **OPERATIONAL UPDATE – MT CATTLIN PROJECT**

As required by the Mt Cattlin Acquisition and Development Agreement entered into with GXY during 2015, production at the Mt Cattlin Project commenced by 31 March 2016 and a Production Notice was provided to GXY.

As reported earlier (ASX announcement 1 April 2016), production has commenced with both mining and processing operations. An initial 5-week program is underway to sequentially recover and stockpile spodumene and tantalum concentrates from the fines circuit ahead of crusher and HMS circuit (coarse circuit) commissioning later in the June quarter.

Given the quantities of ore already mined and available for processing, the immediate focus at restart (through to early May 2016) is on the processing circuit, including progressive commissioning of the primary and secondary feed preparation circuits, thickener, fine and coarse circuit screens, mica removal screens, tantalum spirals and tables, fines reflux classifiers and filter belt.

Recovery of previously blasted ore in the Dowling Pit has also commenced, and this ore is being stockpiled for processing later in the June quarter. Recovery of fines material from the TSF for processing in the fines circuit is scheduled to begin during the quarter. Initial plant feed will be sourced from the existing crushed fine ore stockpile adjacent to the plant.

## **EXPLORATION UPDATE – MT CATTLIN PROJECT**

During the March quarter the Company completed an initial stratigraphic diamond drill hole (MTCDD1) at Mt Cattlin to a downhole depth of 879.6m. This drilling is designed to provide greater geological understanding of the Mt Cattlin orebody, and assist in determining optimal depths for future infill and extensional drilling of the known lithium-tantalum resource. Two additional diamond holes (MTCDD2, MTCDD3) of shorter length have been planned east of the current location, collared within the current pit and drilling is continuing. These will be reported on in the second quarter.

Multiple intercepts of spodumene-bearing pegmatite have been intersected in Hole MTCDD1, and the following pegmatite intervals (minimum width approximately 2.5m) were noted: <sup>1</sup>

- 65.7-91.9m
- 93.5-96.2m
- 107.9-111.3m
- 165.8-168.5m
- 175.0-178.0m
- 427.0-429.3m
- 825.5-829.5m (in MTCDD1W1)

<sup>1</sup> These intervals are not Exploration Results for the purposes of the JORC Code 2012 and the Company will announce the Exploration Results of the drilling upon completion of assaying and test work

True widths are expected to be 80-100% of the pegmatite drill interval. Currently only the first interval is captured by the current resource model. Additional intercepts encountered thus far are considered significant in that the pegmatite, while mostly flat-lying, can roll and swell in thickness along dip and strike, and represent exploration targets for further drilling.

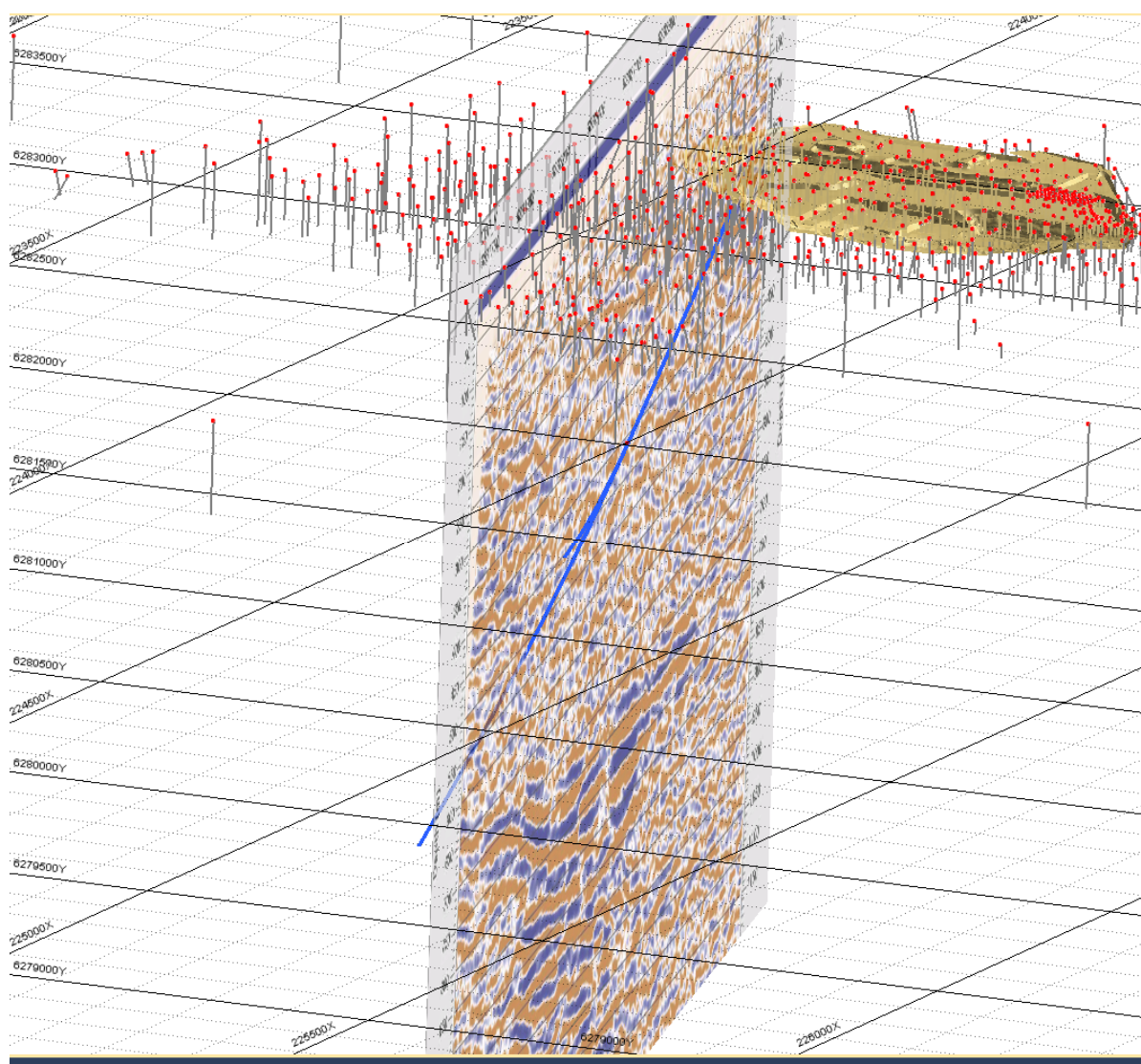


**Figure 1: Pegmatite intersection in drill core, Hole MTCDD1, depth approx. 428m**

Drilling was nominally designed to test various flat-lying stratigraphic horizons indicated by reflectors in an adjacent single seismic section line generated during 2010-11, which included a significant but deep (ca 600m vertical) reflector horizon (refer Figure 2), which could be drill-tested by MTCDD1 if drilling conditions and outcomes were positive. With drilling intersecting a lithium mineralizing system that was demonstrably open in all directions, the decision to push on to test the deeper reflector was made.

However, the hole began to lift at unacceptable levels between 450-500m downhole depth, and hole MTCDD1 was abandoned at around 502m. A wedge was placed further back up the hole to re-establish a satisfactory trajectory to the target area, and subsequent drilling was successful, with hole MTCDD1W1 eventually terminated at 879.6m downhole depth.

A gabbroic intrusive was noted at around 750m downhole, and this was initially suspected to be responsible for the seismic reflector due to the density difference, but the gabbro was not extensive, and rock types subsequently logged included a complex mix of doleritic intrusives, dacites, pegmatities and pegmatite stringers, and fine, laminar sediments.



**Figure 2: Oblique view from South-South West of current Dowling pit profile (ochre), showing Holes MTCDD1 and MTCDD1W1 (blue), and seismic section profile. Historic drilling in grey.**

Significant disseminated and laminated sulfide occurrences, (pyrrhotite, pyrite, chalcopyrite, and local arsenopyrite) were noted between 800-860m, along with magnetite occurrences at approximately 845-855m. Sampling of the pegmatite zones for lithium, tantalum, and associated elements is underway as a priority. Assaying for gold and other metals within the observed sulfide zones is planned, along with several discrete zones of chalcopyrite mineralization in vein and breccia features observed between 400 and 490m downhole. Results will be reported in the second quarter.

Further geological investigation of all zones is ongoing, and hole MTCDD1 has been surveyed for accuracy, magnetic susceptibility, natural gamma, density, resistivity and logged by optical and acoustic televiewers.

## **WA GOLD PROJECTS**

No work occurred in the field on the Company's WA based gold assets. Work was limited to strategy review and statutory reporting.

## **OUTLOOK**

General Mining will be focused on sequential commissioning of the Mt Cattlin operation during the April to June quarter, ahead of an intended first shipment of concentrate in the September 2016 quarter. Deep stratigraphic drilling will also continue at Mt Cattlin in the June quarter.

It is intended that planning for the DFS at the Company's second Lithium-Tantalum asset, the James Bay Project in Quebec Province, Canada, will also commence in earnest in the June quarter once improved ground conditions allow regular and unimpeded access to the site for exploration work.

---

### **For more information:**

Michael Fotios  
Director  
Tel: +61 8 6241 1888

Michael Jardine  
Business Development Advisor  
Tel: +61 8 6241 1832  
Mob.: +61 424 615047  
Email: [michael.jardine@deltaman.com.au](mailto:michael.jardine@deltaman.com.au)