

OPERATIONAL RAMP UP CONTINUES AT MT CATTLIN

- **Processing circuit commissioned and operational during April**
- **Completion of offtake agreements, and receipt of cash, imminent**
- **Drilling continues to target mineralisation at depth**

General Mining Corporation
ABN: 95 125 721 075

ASX Code: GMM

Issued Capital:
311,702,853 shares
22,700,000 unlisted options

Share Price:
\$0.545 per share

Market Capitalisation:
AUD\$169.9m

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

Address:

89 Burswood Road
Burswood WA 6100

Telephone:

08 9227 1186

Facsimile:

08 9227 8178

General Mining ("GMM", or the "Company") along with its project partner Galaxy Resources (ASX:GXY), is pleased to issue a progress report on activity at the Mt Cattlin Project.

Commissioning

On 31 March 2016, GMM commenced initial mining and commissioning of the spodumene and tantalum circuits. During April a number of milestones were achieved, including:

- Reinstatement of power to the processing facility
- Reinstatement and commissioning of the pit dewatering circuit
- SCADA systems were reinstated to allow operation and control of equipment (including the raw water circuits which were dry and wet commissioned successfully)
- First feed was successfully placed into the circuit and the feed preparation circuit was fully commissioned and operating successfully
- Further construction continued with regard to necessary circuit upgrades required to enhance recovery and increase final product grade with tie in planned for early May
- This included structural steel upgrades to allow for the replacement of equipment with poor past performance
- The finalisation of the tantalum recovery circuit commissioning is expected in early May, including the new spiral separators

At present, May and June will see commencement of extraction of TSF ore (feed source for the fines circuit) and commissioning of the tantalum recovery circuit, fine spodumene beneficiation circuit and mica removal circuit.

It is intended that the coarse spodumene circuit should begin commissioning towards the end of June, in line with previous announcements.



Figure 1 Mt Cattlin plant



Figure 2 Feed preparation circuit primary screen



Figure 3 Installation of ultrafine spiral circuit

Initial concentrate production will be stockpiled at the mine site ahead of expected first shipment in the September quarter 2016. Post commissioning of the crushing and DMS circuits in June 2016 (targeting an expected throughput rate July onwards of 800ktpa), the operational focus will be twofold:

- Increase yield to anticipated 70-75%
- Capacity expansion targeted at a throughput rate of up to 1.6Mtpa (from the July 2016 base case of 800ktpa)

Offtake

On 8 March 2016, the Company announced the signing of two binding Term Sheets for the sale of 60kt of spodumene concentrate (USD \$600/t) in 2016, and a further 120kt in 2017 (subject to price agreement in the December quarter 2016). These term sheets included an

upfront prepayment amount equal to 50% of the 2016 sale amount, due on or before 31 March 2016.

At present, the formalisation of these binding term sheets is in its final stage and will result in tri-party agreements involving GMM, the China based offtakers and GMM's sales & distribution agent, Tokyo based Mitsubishi Corporation. The groups are working closely together to have the formal documents completed as soon as possible (completion will occur upon receipt of funds) and the Company will update the market once this has occurred.

Exploration

On 25 February 2016, GMM announced the commencement of its maiden drilling campaign at Mt Cattlin. The initial drilling comprises three deep diamond stratigraphic holes which will be used to test the extent of any spodumene bearing pegmatite mineralisation at depth, and to better inform subsequent resource extension drilling. The objective of this latter program is to support a doubling of throughput at Mt Cattlin from the current 800ktpa to an intended target of 1.6Mtpa (see "Commissioning" above for further details) in 2017.

The pegmatite intersections in MCDD1 (as announced to the market on 11 April 2016) have been cut and are now awaiting assay. These results are expected to be available for public release by mid to late May. MCDD2 is now complete down to a depth of 641m and MCDD3 is currently underway and at a depth of 169m (as at 4 May 2016).

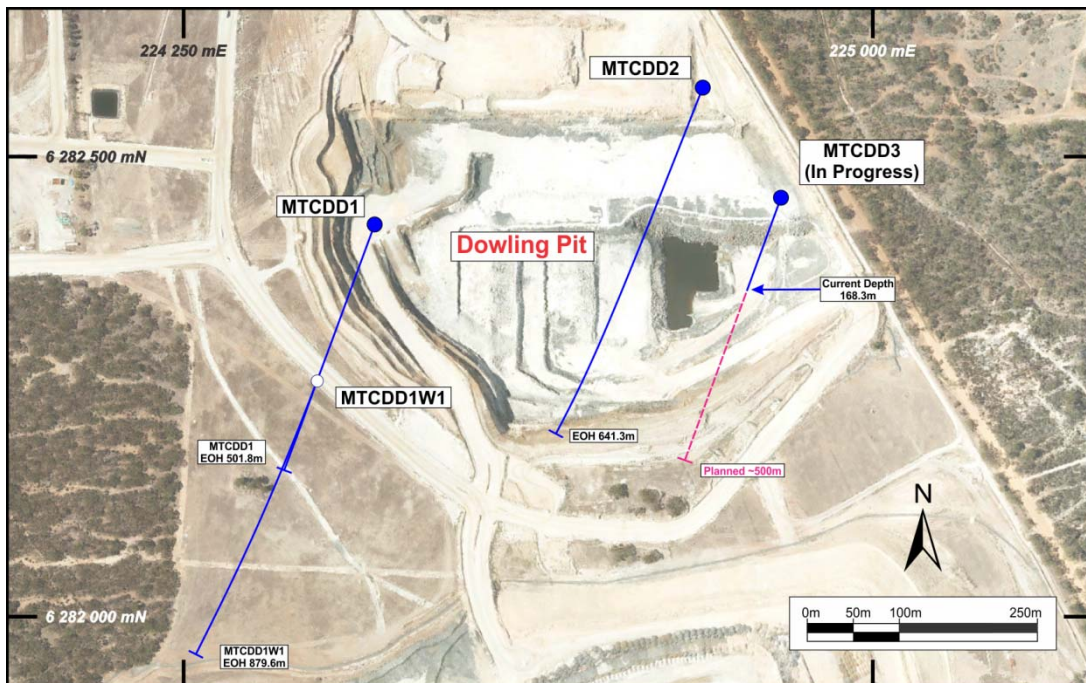


Figure 4 Location plan of holes in current stratigraphic drilling program

Once assaying of MCDD1 is complete and announced, the Company will issue further guidance regarding its exploration program.

Market

General Mining continues to field very strong interest in its Mt Cattlin concentrates, with the spodumene market forecast to remain in physical deficit over 2016/7 and into 2018. As the world's largest listed independent producer of spodumene concentrate, i.e. not controlled by a downstream lithium converter or trader, GMM is strongly positioned to take advantage of this anticipated shortage in the short to medium term.

-END-

Further inquiries:

Michael Jardine
Business Development Manager
Tel: +61 8 6241 1832 or
+61 424 615 047
michael.jardine@deltaman.com.au

Jon Snowball
FTI Consulting
Tel: +61 2 8298 6100 or
+61 477 946 068
jon.snowball@fticonsulting.com

Forward-looking statements

This presentation includes forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are, or may be, outside the control of General Mining Corporation Limited. Actual values, results or events may be materially different to those expressed or implied in this announcement. Although General Mining Corporation Limited believes that the expectations reflected in such forward-looking statements are reasonable, such expectations are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward looking statements and no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, delays or changes in project development, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in metals prices and exchange rates and business and operational risk management. Except for statutory liability which cannot be excluded, each of General Mining Corporation Limited, its officers, employees and advisors expressly disclaim any responsibility for the accuracy or completeness of the material contained in this statement and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this statement or any error or omission. General Mining Corporation Limited undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events other than required by the Corporations Act and ASX Listing Rules. Accordingly you should not place undue reliance on any forward looking statement.