

31 January 2012

General Mining Corporation Ltd
ABN: 95 125 721 075

ASX Code: GMM

Quoted Securities:
63,034,628 ordinary f.p. shares
Total Issued Capital:
63,034,628 ordinary f.p. shares

www.generalmining.com

Address:
65 Burswood Road
Burswood WA 6100

Telephone:
08 9227 1186

Facsimile:
08 9227 8178

For more information, please
contact:

Michael Wright
Chairman
0413 158 050

HIGHLIGHTS

- **Recommendations for further coal exploration at the Mongolian Uvs project area**
- **GMM acquires additional interest in Shoemaker J/V**
- **Subsequent to end of quarter, GMM announced securing of strategic partner and plan for two stage capital raising**

PROJECTS

Mongolia

Uvs Basin Projects

(Coal exploration, potash & lithium brine exploration - GMM 100% & earning interest in additional licences)

The Uvs coal and potash exploration projects comprise 5 exploration licences covering more than 2,000 km² and held via the Company's wholly-owned Mongolian subsidiary Golden Cross LLC ("Golden Cross"). In addition there is the adjacent 19.6 km² exploration licence 15206X, 100% of which is in the process of being acquired by Golden Cross (Figures 1 and 2 - refer to ASX announcement dated 27 September 2011). Golden Cross has also signed a letter of offer to acquire an interest in 51.6 ha mining licence 11617A that covers the central part of the Khuden Coal Deposit immediately north of the Company's exploration licence 14404X (Figure 2 - refer to ASX announcement dated 12 October 2011). The Company is continuing to conduct due diligence on this project before making a final decision to proceed.

The Company's exploration areas within licences 14404X and 13848X as well as exploration licence 15206X cover some Carboniferous sedimentary geology that hosts the adjacent Khuden black coal deposit on licence 11617A and is prospective for coal exploration.

The Uvs Nuur Basin is also considered prospective for potash, lithium brine as well as soda ash exploration.

Coal Exploration

The Khuden black coal deposit immediately north of the Company's exploration licence 14404X was discovered in 1971 and initially explored in the mid 1970s and 1980s - refer to the ASX announcement dated 12 October 2011 for a summary of this coal exploration that was mostly focused on the coal outcropping area.

Some historical coal exploration reports (Mineral Resources Authority of Mongolia Open File Reports 2045, 2319 and 4477) as well as two independent geological reviews commissioned by the Company in 2008 suggested the possible extension of the Khuden coal seams outside the coal outcropping area.



Figure 1: Company's project locations in Mongolia

Most of the Carboniferous geology outside the Khuden deposit remains largely unexplored and partly covered by shallow Quaternary sediments. The Company's licences 14404X and 13848X as well as licence 15206X, which is in the process of being acquired by the Company, include some substantial areas of the Carboniferous geology that are considered to be prospective for further coal exploration (Figure 3).

In November 2011 the Company commissioned a reputable Australian coal consultancy with experience in Mongolian coal deposits for a site geological reconnaissance as well as for an independent review of historical geological and geophysical data. The Company received recommendations for the further coal exploration in 2012. Subject to proceeding with the acquisitions, this may include the following:

- twinning some selected old drill holes to verify the historical exploration data
- drill testing of possible extensions of the Khuden coal seams
- drill testing of other coal exploration areas comprising the prospective Carboniferous sedimentary geology
- comprehensive coal quality analysis

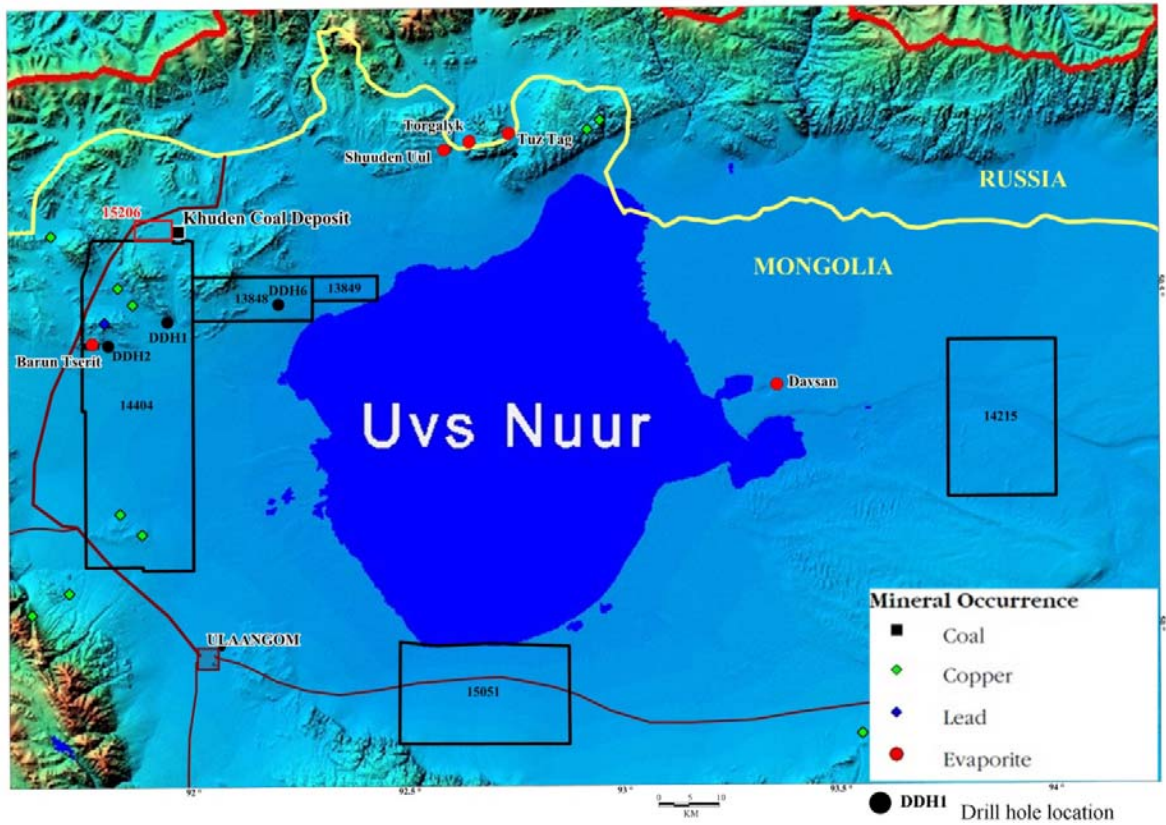


Figure 2: The Uvs Basin project area:
 GMM's exploration properties & licence 15206X (being acquired by the Company);
 mineral occurrences & deposits including Khuden Coal Deposit

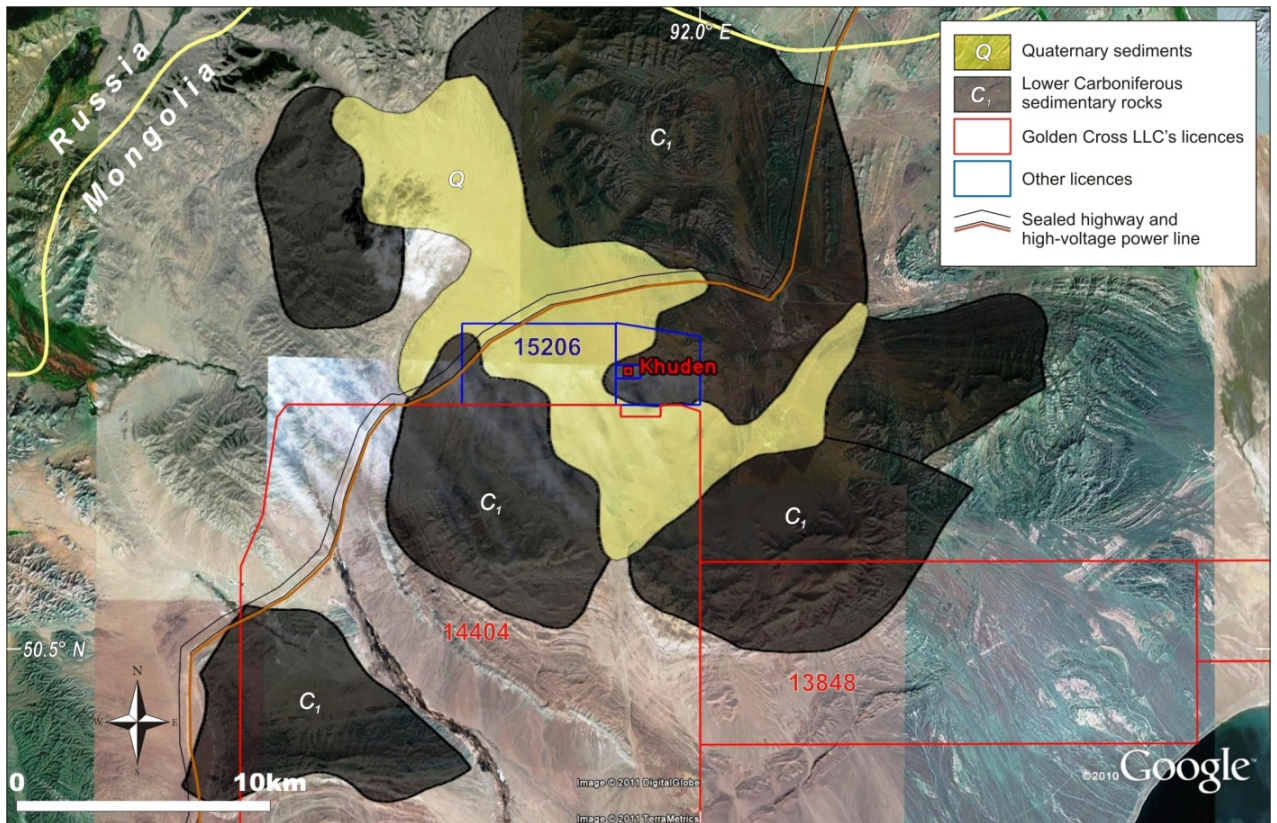


Figure 3: Carboniferous sedimentary geology and infrastructure around the Khuden Coal Deposit

A sealed highway and a high-voltage power line cross the Company's coal exploration area (Figure 3) that is ~200 km by highway from the Russian city of Kyzyl planned to be connected with the Trans-Siberian Railway by a new railroad in 2014. This coal exploration area is ~80 km by highway from the town of Ulaangom, the capital of the Mongolian Uvs Province, where the Mongolian Government plans to build a railroad connecting the north-west of the country with China by 2015 (Figure 1).

Potash exploration

Some rock salt, soda ash & gypsum deposits have been discovered within the Uvs Basin (Figure 2), and limited drilling at the northern periphery of the basin in the 1950-60s intersected shallow potash mineralisation in up to 600 m thick Devonian evaporates. These drilling results from the Russian part of the Uvs Nuur Basin about 30 km from the Company's exploration licences suggested prospectivity for potash deposits elsewhere within the Uvs Basin.

In the September quarter the Company completed 3 out of 6 drill holes planned for the 1st stage of deep potash exploratory drilling. No potash mineralisation was encountered in these first drill holes; however, only part of the Company's exploration ground has been tested so far and a very substantial tenement area remains to be explored for potash (Figure 2).

The Company maintains its belief in the prospectivity of the Uvs Basin for the discovery of a potash deposit and is considering various options to proceed with further potash exploration.

Khangai Project

(Base metals - GMM 100%)

The Company holds 5 granted exploration licences covering about 1,800 km² in the northwest of Mongolia along the Khangai Fault that forms the westernmost extension of the regional scale Mongol-Okhotsk suture zone extending in the east-northeast direction for over 3,000 km and hosting some major copper-nickel-PGE and copper porphyry deposits and prospects with the majority of known deposits occurring in Russia. The Company's licence areas were covered by various geological mapping and geochemical sampling programs in the 1960s and 1970s and include some known mineral occurrences.

In September – October 2011, the Company commissioned an independent Mongolian geological consulting firm to carry out field geological mapping and sampling to follow up on the 2010 remote sensing study and the Company's field reconnaissance. During the December quarter the Company received the consulting exploration report and sample assays.

The field work was focused on some known base metal mineral occurrences and alteration zones and major fault structures and their interpreted extensions as well as on some potential gold exploration targets identified in 2010. A total of 214 rock chip, 41 stream sediment and 14 water samples were collected and analysed at SGS

laboratories in Mongolia. Some recommendations have been provided on the further exploration at this project in 2012 that may include detailed geological and structural mapping and ground geophysical survey of some selected areas of interest.

Australia

Shoemaker Project

(Iron ore & manganese exploration - GMM 80% and Galaxy Resources Limited 20%)

As announced on 14 November 2011, the Company earned an additional 30% in the Shoemaker Joint Venture with Galaxy Resources Limited, by sole funding in excess of \$1,000,000 on the project within two years of commencement date. The Company now holds an 80% interest in the project.

Corporate

As announced on 31 January 2012, the Company is planning a two stage capital raising supported by Investmet Limited, an unlisted resource investment company. The proceeds of the proposed raisings will be used for the further exploration of the Company's existing projects, exploration of proposed new acquisitions and for general working capital.

About General Mining Corporation Ltd (ASX: GMM)

General Mining Corporation Ltd is a Western Australian company with a substantial portfolio of exploration properties in Mongolia and Western Australia. The Company is focused on bulk commodities, namely coal and potash at the Uvs Basin project in Mongolia, and iron ore at the Shoemaker project in Western Australia.

The Company also has some base metal and IOCG exploration properties in those countries.

Competent Person Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Boris Matveev, who is a Member of The Australian Institute of Geoscientists. Dr Matveev is a full-time employee 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Matveev consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.