

UPDATE ON OFFTAKE AGREEMENTS

- **Offtake agreements announced Tuesday 8 March will settle through Mitsubishi Corporation**
- **Mitsubishi are GMM's Sale & Distribution partner, as announced to the ASX 28 October 2015**
- **Mitsubishi to formalise full length agreements (based on signed binding term sheets announced 8 March 2016) between GMM and end customers**

On 28 October 2015, General Mining (ASX:GMM) and its Mt Cattlin partner Galaxy Resources (ASX:GXY) announced the signing of its Sale & Distribution Agreement with Tokyo based Mitsubishi Corporation. The key elements of this agreement include:

- Mitsubishi has the right to market up to 100% of Mt Cattlin spodumene concentrate production into China, Vietnam, South Korea and Taiwan
- This is an exclusive agreement, Mitsubishi cannot market battery grade spodumene concentrate from any source other than Mt Cattlin into those four countries
- Mitsubishi will be paid a sales commission on any spodumene sales agreed with customers in those four countries
- General Mining will be paid by A1 rated Mitsubishi Corporation within 14 days of any concentrate being loaded at a WA based port for the first 9 months of the operation, and 30 days thereafter
- Mitsubishi are then in turn responsible for collecting receipt of funds from any customers based in those four countries
- For clarity, the prepayment amount announced 8 March 2016 will be 100% received by the 50/50 Mt Cattlin partners (GMM and GXY) as revenue, with Mitsubishi's commission being paid out of the outstanding balance upon shipment
- Mitsubishi are also taking the lead role on finalizing the full length sales agreements that will be based upon the legally binding term sheets signed between GMM and the China based customers, as announced 8 March 2016

It is anticipated that any future offtake announcements will complete under this same structure, with Mitsubishi in place as GMMs exclusive selling and settlement agent. This arrangement offers GMM tremendous market reach and financial security, whilst providing a level of sensitivity regarding commercial arrangements sufficient for the industrial minerals market.

-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