

GENERAL MINING CORPORATION LIMITED

ACN 125 721 075

INFORMATION MEMORANDUM

including

NOTICE OF ANNUAL GENERAL MEETING, EXPLANATORY STATEMENT AND PROXY FORM

TO ASSIST SHAREHOLDERS IN THEIR CONSIDERATION OF RESOLUTIONS TO BE PUT AT THE
ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD AT
LEVEL 2, 50 KINGS PARK ROAD, WEST PERTH WA 6005
ON WEDNESDAY, 30 NOVEMBER 2011 AT 10.30AM WST

THIS DOCUMENT IS IMPORTANT

*If you do not understand this document or are in any doubt as to how to deal with this document, you should consult your
stockbroker, solicitor, accountant or other professional adviser immediately.*

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary
on +61 8 9227 1186*

FOR THOSE SHAREHOLDERS WHO HAVE ELECTED TO RECEIVE A PRINTED COPY
OF THE ANNUAL REPORT, THE 2011 ANNUAL REPORT ACCOMPANIES THIS
NOTICE. THE REPORT IS ALSO AVAILABLE ON THE COMPANY'S WEBSITE:

www.generalmining.com

GENERAL MINING CORPORATION LIMITED

ACN 125 721 075

NOTICE OF MEETING

Notice is hereby given that the Third Annual General Meeting of Shareholders will be held at Level 2, 50 Kings Park Road, West Perth WA 6005 on Wednesday, 30 November 2011 at 10.30am WST for the purpose of transacting the following business:-

ORDINARY BUSINESS

Accounts

To receive and consider the Financial Report for the financial period ended 30 June 2011.

1. **Resolution 1 Re-election of Director - Mr Robert Wanless**

To consider and if thought fit to pass the following resolution as an ordinary resolution:-

That, for all purposes, Mr Robert Wanless, who retires by rotation in accordance with Listing Rule 14.4 and clause 15.4 of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.

2. **Resolution 2 Adoption of Remuneration Report**

To consider and if thought fit to pass the following resolution as a non-binding resolution:-

That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the section of the report of the Directors in the 2011 Annual Report dealing with the remuneration of the Company's Directors and Senior Executive (**Remuneration Report**) be adopted.

NB. This resolution shall be determined as if it were an ordinary (majority) resolution, but under s250R(3) of the Corporations Act, the vote does not bind the Directors of the Company.

Voting Exclusion

In accordance with the Corporations Act 2001, the Company will disregard any votes cast on resolution 2 (in any capacity) by any key management personnel of the Company (as defined in section 9 of the Corporations Act) (**KMP**) whose remuneration are included in the Remuneration Report and any of their closely related parties (as defined in section 9 of the Corporations Act). However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by a chairperson of the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

If you are a KMP or a closely related party of KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as indicated above), you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. Members of KMP include Directors and certain senior executives.

3. **Resolution 3 Approval for Placement of Shares**

To consider and, if thought fit, to pass as an ordinary resolution the following:

That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the allotment and issue of up to 30,000,000 Shares to the persons, on the dates and on the terms outlined in the Exploratory Statement

Voting Exclusion

The Company will disregard any votes cast on this resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if the resolution is passed. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by a chairperson of the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides

4. Resolution 4 Authority to issue incentive options to employees

To consider and, if thought fit, to pass as an ordinary resolution the following:

That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Directors to issue 500,000 Incentive Options with an exercise price of \$0.20 expiring 31 August 2014 to the persons and on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion

The Company will disregard any votes cast on this resolution by any person who might obtain a benefit (other than a benefit solely in the capacity of a holder of ordinary shares) if the resolution is passed or an associate of that person, who may participate in the issue of Incentive Options and anyone who might obtain a benefit, (except a benefit solely in their capacity as holder of ordinary securities), if the resolution is passed.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by a chairperson of the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

SPECIAL BUSINESS

5. Authority to issue incentive options to Dr Boris Matveev

To consider and, if thought fit, to pass as an ordinary resolution the following:

That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the Directors to issue to Dr Boris Matveev, or his nominee, 1,500,000 Incentive Options with an exercise price of \$0.40 expiring 30 June 2013 on the terms and conditions outlined in the Explanatory Statement.

Voting Exclusion

The Company will disregard any votes cast on this resolution by Dr Matveev or any of his associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by a chairperson of the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

A vote must not be cast on this Resolution by a KMP, or a closely related party of a KMP, acting as proxy if their appointment does not specify the way the proxy is to vote on this Resolution. However, the Company will not disregard any proxy votes cast on that Resolution by a KMP if the KMP is the chairman of the Meeting acting as proxy and their appointment expressly authorised the proxy even though the Resolution is connected with the remuneration of the key management personnel for the Company.

If you are a KMP (other than the chair of the meeting acting as proxy or a closely related party of KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as indicated above), you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

6. Resolution 6 Amendment to Constitution

To consider and, if thought fit, to pass as a special resolution the following:

That in accordance with section 136 of the Corporations Act, the Company's Constitution be modified by inserting directly after the words "transfer of securities" at the end of Rule 6.3 (c), the words "except where a fee may be charged under the Listing Rules".

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- post to the Company; 65 Burswood Road, Burswood WA 6100 (PO Box 4424, Victoria Park WA 6979); or
- facsimile to the Company on facsimile number +61 8 9227 8178,

so that it is received not later than **10.30am (WST)** on Monday, 28 November 2011. **Proxy Forms received later than this time will be invalid.**

ENTITLEMENT TO ATTEND AND VOTE

The Company may specify a time, not more than 48 hours before the meeting, at which a "snap-shot" of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the meeting.

The Company's Directors have determined that all shares of the Company that are quoted on ASX at **4.00pm (WST)** on **Monday, 28 November 2011** shall, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the persons registered as holding the shares at that time.

Dated this 24th day of October 2011

By order of the Board of Directors

Karen E V Brown
Joint Company Secretary

EXPLANATORY STATEMENT

Introduction

This Explanatory Statement has been prepared for the information of Shareholders of the Company to better understand the resolutions to be put to the Annual General Meeting to be held on 30 November 2011 at 10.30am WST.

Accounts

The Corporations Act requires the financial statements and the reports of the Directors and Auditor be laid before the Annual General Meeting. There is no requirement for shareholders to approve those reports. However, in accordance with the Corporations Act, shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions or make comments about those reports. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the independent audit report.

Resolution 1 Re-election of Mr Robert Wanless

In accordance with clause 15.4 of the Company's Constitution and Listing Rule 14.4, at every annual general meeting, one third of the Directors for the time being must retire from office and are eligible for re-election. The Directors to retire are to be those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement. For this reason, Mr Wanless retires and approval is sought for his re-election.

Mr Wanless retires as a director of the Company in accordance with Listing Rule 14.4 and clause 15.4 of the Constitution and, being eligible, offers himself for re-election.

Mr Wanless was a founding director of the Company and was re-elected by shareholders at the 2009 Annual General Meeting.

He is a prospector and mining investor with 34 years mining experience. He was employed by Placer Exploration Limited as a professional prospector and exploration supervisor covering South East Asia and Australia including exploration at Laloki, Watut and Pleysumi (PNG) and throughout Western Australia. Since then he has embarked on all aspects of mineral exploration, assessment, acquisition, fieldwork, development and mining, mainly in Western Australia.

Mr Wanless has negotiated numerous mining related sale and joint venture agreements with international and Australian mining companies involving gold, base metals and industrial mineral properties. He managed the Alicia Gold Mine in Western Australia.

Mr Wanless is a past founding director of ASX listed Greenstone Resources NL (now Red 5 Limited) and a current founding director of ASX listed Galaxy Resources Ltd.

Mr Wanless is a non-executive Director and a member of the Audit and Remuneration Committees.

The Directors, with Mr Wanless abstaining, recommend Shareholders vote in favour of re-electing Mr Wanless as a Director.

Resolution 2 Adoption of the Remuneration Report

The Corporations Act requires listed companies to put a resolution to shareholders to adopt the Company's remuneration report. The Remuneration Report is set out on pages 12 to 18 of the 2011 Annual Report. This report describes the principles used to determine the nature and amount of remuneration and sets out the remuneration arrangements for each Director.

Shareholders will be given a reasonable opportunity for discussion of the Remuneration Report at the Annual General Meeting.

The vote on this resolution is advisory only and does not bind the Directors or the Company. Nevertheless, the outcome of the vote will be considered by the Remuneration and Nomination Committees when evaluating the remuneration arrangements of the Company.

Under recent reforms to the Corporations Act, if 25% or more of the vote on this resolution are against adopting the Remuneration Report, the Company will be required to consider the matter and report to Shareholders in the next Remuneration Report on what action (if any) has been taken in response to Shareholder concerns, or, if the Board does

not propose any action, the Board's reasons for not making any changes. The Board will take into account the outcome of the vote when considering the remuneration policy, even if it receives less than a 25% "no" vote.

In addition, the Corporations Act now sets out a 'two strikes' re-election process. Under the 'two strikes' re-election process, if the Company's remuneration report receives a 'no' vote of 25% or more of all votes cast at two consecutive annual general meetings (that is, 'two strikes'), a resolution (the 'spill resolution') must be put to the second annual general meeting, requiring Shareholders to vote on whether the Company must hold another general meeting (known as the 'spill meeting') to consider the appointment of all of the Directors who stand for re-appointment (other than the Managing Director). If the spill resolution is approved by a simple majority of 50% or more of the eligible votes cast, the 'spill meeting' must be held within 90 days of that second annual general meeting (unless none of the Directors, other than the Managing Director, stand for re-appointment). Further information will be provided on the 'spill resolution' and 'spill meeting' for any annual general meeting at which the Company may face a 'second strike'.

The Directors (excluding the key management personnel whose remuneration is included in the Remuneration Report and closely related parties of those key management personnel) unanimously recommend Shareholders vote in favour of adopting the Remuneration Report.

The Chairman intends to vote all available proxies in favour of adopting the Remuneration Report.

Resolution 3 Approval for Placement Shares

The Company proposes to issue up to 30,000,000 Shares on the terms set out below. The issue of Shares will be equal to approximately 49.53% of the Company's fully-diluted share capital assuming no further issues of securities by the Company (based on the number of Shares and Options on issue as at the date of this Notice of Meeting).

Listing Rule 7.1 provides generally that a company may not issue shares or options to subscribe for shares equal to more than 15% of the company's issued share capital in any 12 months without obtaining shareholder approval. Resolution 4 seeks this approval.

Information required by Listing Rule 7.3

- a) The maximum number of Shares that will be issued is 30,000,000. The Shares will be allotted and issued as soon as possible but, in any case, not later than 3 months after the date of Shareholder approval.
- b) The Shares will be issued at a price of at least 80% of the average market price of Shares, calculated over the last 5 days on which sales of Shares were recorded before the day on which the issue was made.
- c) The identity of the allottees is unknown at this stage; however, will be determined by the Company having regard to the level of demand for the Shares, the identification of investors with a long term commitment to the Company and other factors the Company may consider appropriate, and will not be related parties of the Company.
- d) The Shares to be issued are fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the existing Shares. The Company will apply to ASX for official quotation of the Shares.
- e) It is anticipated that the Shares will be allotted progressively; however, the exact dates of allotment are unknown at this stage.
- f) The Company intends to use the funds from the issue for following purposes:
 - a. costs of acquisition of new coal interests adjacent to the Company's existing licences at Uvs in Mongolia (as referred to in the Company's ASX announcements dated 27 September 2011 and 12 October 2011);
 - b. initial legal, technical, financial and regulatory due diligence on the acquisition;
 - c. further due diligence including carrying out exploration and evaluation programs (including drilling);
 - d. further exploration and evaluation of the Company's existing Mongolian and Australian projects; and
 - e. for general working capital.

The Board unanimously recommends that Shareholders vote in favour of Resolution 4 as it allows the Company to retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months.

Resolution 4 Authority to Issue Incentive Options to Employees

This resolution seeks shareholder approval under Listing Rule 7.1 to issue a total of 500,000 Incentive Options to employees of the Company and its subsidiary Golden Cross LLC and/or their respective nominees.

The Company has limited funds, most of which are allocated to specific exploration activities. As a result, the Board has chosen to issue Incentive Options to employees in recognition of their efforts and to encourage them to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company.

Under Listing Rule 7.1, the Company cannot (subject to certain exceptions) issue securities (including options) equal to more than 15% of the Company's issued capital in a 12 month period without shareholder approval. The effect of shareholder approval under Listing Rule 7.1 is that the options will not be counted as reducing the number of securities which the Company can issue in the future for the purposes of the 15% limit imposed by that rule.

Specific information required by ASX Listing Rule 7.3

For the purposes of Shareholder approval of the securities issue and the requirements of Listing Rule 7.3, information is provided as follows:

- 1) the Incentive Options are to be issued to the following employees:

Name	Number of options
Vitaly Agron, or his nominee	300,000
Enkhmaa Nergui, or her nominee	200,000

- 2) the maximum number of securities the Company can issue under Resolution 4 is 500,000 Incentive Options (and 500,000 ordinary fully paid shares on exercise);
- 3) The Company will issue the Incentive Options no later than 3 months after the date of the Meeting (or such longer period of time as ASX in its discretion allows);
- 4) the Incentive Options will be issued for no consideration and on the terms and conditions set out below;
- 5) upon exercise of the Incentive Options, the Shares will be issued on a one for one basis on the same terms as the Company's then existing Shares;
- 6) it is anticipated that the Incentive Options will be allotted progressively, however, the exact dates of allotment are unknown at this stage;
- 7) a voting exclusion statement is included in the Notice; and
- 8) no funds will be raised from the issue of the Incentive Options as they are being issued as an incentive to perform.

Terms and conditions of the options are:

- a) Each option entitles the holder to subscribe for one fully paid ordinary share in the Company.
- b) The options are exercisable at \$0.20 (**Exercise Price**).
- c) The options will expire 31 August 2014 (**Expiry Date**).
- d) The options may be exercised at any time between the respective the Issue Date and Expiry Date wholly or in part by delivering a duly completed form of notice of exercise together with payment of the relevant exercise moneys to the Company.
- e) The options are not transferable and no application will be made to Australian Securities Exchange (**ASX**) for quotation of the options. However, the Company will make application for official quotation of Shares issued on the exercise of the options.
- f) All shares issued upon exercise of the options will rank pari passu in all respects with the Company's then existing fully paid ordinary shares. The Company will apply for Official Quotation by ASX of all shares issued upon exercise of the options.
- g) There are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. However, the Company will send a notice to each holder of options at least six business days before the record date. This will give option holders the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue.
- h) If there is a bonus issue (**Bonus Issue**) to the holders of ordinary shares in the Company, the number of shares over which the option is exercisable will be increased by the number of shares which the holder would have received if the option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other shares of that class on issue as the date of issue of the Bonus Shares.

- i) There is no right to a change in the exercise price of the options or to the number of shares over which the options are exercisable in the event of a new issue of capital (other than a bonus issue) during the currency of the options.
- j) If prior to the expiry dates, there is a reorganisation of the issued capital of the Company, options are to be treated in the manner set out in the Listing Rules of ASX.

The Directors unanimously recommend Shareholders vote in favour of issuing the incentive options to employees.

The Chairman intends to vote all available proxies in favour of issuing the incentive options to employees.

Resolution 5 Authority to Issue Incentive Options to Dr Boris Matveev

Resolution 3 seeks Shareholder Approval pursuant to Listing Rule 10.11 for the issue of Incentive Options to Dr Boris Matveev as the incentive component of his contract of employment as managing director of General Mining Corporation Limited commencing 1 January 2011.

Dr Matveev currently receives the following remuneration package:

Salary package inclusive of all statutory entitlements (including superannuation) of \$227,700pa (from 1 July 2011 following annual review)

During the year ending 30 June 2011, and following shareholder approval at the Annual General Meeting held on 18 November 2010, Dr Matveev was issued 1,500,000 incentive options exercisable at 20 cents each on or before 30 June 2012. The Shareholder Approval being sought at this meeting is for the second tranche of Incentive Options to which Dr Matveev is entitled under the terms of the contract of employment.

In addition, Dr Matveev is entitled to reimbursement of all reasonable travelling, accommodation and other expenses that a director properly incurs in attending meetings of Directors or any committees of Directors, in attending meetings of Members and in connection with the business of the Company. Other than as set out in this Notice, Dr Matveev does not receive any other emoluments.

The Company is a small listed company, which has been exploring its potash, iron, gold, base metals and other metals and minerals prospects in Mongolia and Western Australia with the view to the eventual development and mining of mineral resources. The Company has limited funds, most of which are allocated to specific exploration activities. As a result, the Board has chosen to issue Incentive Options to Dr Matveev as a key component of his remuneration in order to attract and retain his services and to provide incentive linked to the performance of the Company.

There are no additional performance criteria on the Incentive Options as, given the speculative nature of the Company's activities and the small management team responsible for its running, it is considered the performance of Dr Matveev and the performance and value of the Company are closely related. As such, the Incentive Options issued will generally only be of benefit if Dr Matveev performs to the level whereby the value of the Company increases sufficiently to warrant exercising the Incentive Options.

Listing Rule 10.11 requires shareholder approval for the proposed issue of Incentive Options. Listing Rule 10.11 provides, subject to certain exceptions, that shareholder approval is required for any issue of securities by a listed company to a related party. As Dr Matveev is a related party of the Company and none of the exceptions contained in Listing Rule 10.12 apply, Shareholder approval is required in accordance with Listing Rule 10.11.

The Board considers that the grant of the Incentive Options constitute reasonable remuneration within the meaning of section 211 of the Corporations Act and therefore Shareholder approval has not been sought under Chapter 2E of the Corporations Act.

As Shareholder approval is being sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required.

Specific information required by ASX Listing Rule 10.13

For the purposes of Shareholder approval of the securities issue and the requirements of Listing Rule 10.13, information is provided as follows:

- 1) the Incentive Options are to be issued to Dr Boris Matveev, or his nominee;
- 2) the maximum number of securities the Company can issue under Resolution 3 is 1,500,000 Incentive Options;
- 3) The Company will issue the Incentive Options no later than 1 month after the date of the Meeting (or such longer period of time as ASX in its discretion allows);
- 4) the Incentive Options will be issued for no consideration accordingly no funds will be raised from the issue of the Incentive Options and any funds raised from the exercise of the Incentive Options will be used for general working capital purposes;
- 5) the Incentive Options will be issued to Dr Boris Matveev on the terms and conditions set out below;

- 6) a voting exclusion statement is included in the Notice.

Terms and conditions of the options are:

- a) Each option entitles the holder to subscribe for one fully paid ordinary share in the Company.
- b) The options are exercisable at \$0.40 (**Exercise Price**).
- c) The options will expire 30 June 2013 (**Expiry Date**).
- d) The options may be exercised at any time between the respective the Issue Date and Expiry Date wholly or in part by delivering a duly completed form of notice of exercise together with payment of the relevant exercise moneys to the Company.
- e) The options are not transferable and no application will be made to Australian Securities Exchange (**ASX**) for quotation of the options. However, the Company will make application for official quotation of Shares issued on the exercise of the options.
- f) All shares issued upon exercise of the options will rank pari passu in all respects with the Company's then existing fully paid ordinary shares. The Company will apply for Official Quotation by ASX of all shares issued upon exercise of the options.
- g) There are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. However, the Company will send a notice to each holder of options at least six business days before the record date. This will give option holders the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue.
- h) If there is a bonus issue (**Bonus Issue**) to the holders of ordinary shares in the Company, the number of shares over which the option is exercisable will be increased by the number of shares which the holder would have received if the option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other shares of that class on issue as the date of issue of the Bonus Shares.
- i) There is no right to a change in the exercise price of the options or to the number of shares over which the options are exercisable in the event of a new issue of capital (other than a bonus issue) during the currency of the options.
- j) If prior to the expiry dates, there is a reorganisation of the issued capital of the Company, options are to be treated in the manner set out in the Listing Rules of ASX.

Valuation

The Black and Scholes option pricing model (the "**B&S Model**") has been applied in providing valuation information in respect to the Options to be issued to Mr Beament.

The B&S Model is based on a number of assumptions, including an assumption that the Options being valued are American call options, in that they can be exercised on or before the expiry date (subject to the vesting conditions). In addition, the B&S Model assumes that there is a liquid market for the Options. Because the B&S Model assumes a liquid market, the amount calculated by the B&S Model represents a maximum theoretical value. In assessing the indicative fair value of the Options, no discount factors have been applied to take into account that the Options are unlisted.

The following values have been calculated for the Options using the B&S Model based on the following assumptions and variables:

Assumptions

- that the Options are American call options (i.e. they can be exercised at any time during the period);
- there are no transaction costs, Options and Shares are infinitely divisible, and information is available to all without cost;
- short selling is allowed without restriction or penalty;
- the risk free interest rate is known and constant throughout the duration of the option contract;
- the underlying Shares do not currently pay a dividend; and
- Share prices behave in a manner consistent with a random walk in continuous time.

Variables

- Share price of \$0.12 (based on the Company's closing share price on 11 October 2011)
- a risk free interest rate of 4.75% based on the Reserve Bank of Australia's cash rate;
- expiry date of 30 June 2013;
- exercise price of \$0.40; and
- discount of 30% for non-tradeable status of the share options.

Any change in the variables applied in the B&S Model between the date of the valuation and the date the Options are granted would have an impact on their value.

The Company believes that a volatility factor of 100% based on the Company's historical volatility is the most appropriate indicator of future price volatility. Applying the volatility factor of 100%, the indicative value of the Options proposed to be issued to the Director is as follows:

	Number of Options	Value per Option \$	Total value \$
Incentive Options	1,500,000	0.01841	27,615

The Directors (except Dr Matveev who has a material interest in the outcome) recommend Shareholders vote in favour of issuing the Incentive Options to Dr Matveev.

The Chairman intends to vote all available proxies in favour of issuing the incentive options to Dr Matveev.

Resolution 6 Amendment to Constitution

This resolution seeks Shareholder approval for an amendment to the Constitution in accordance with section 136 of the Corporations Act, which permits a company to modify its constitution by special resolution. A special resolution is a resolution that is passed by at least 75% of all votes cast by shareholders entitled to vote on the resolution.

The Company's share registry, Advanced Share Registry Limited, charges a fee to register paper-based transfers of Shares (ie "off-market" transfers). However, Rule 6.3(c) of the Constitution currently provides that the Company must not charge any fee on the transfer of securities, and accordingly, the Company is required to incur such charges on paper-based transfers itself.

ASX listing rule 8.14.1 allows a company to charge a reasonable fee for, amongst other things, registering paper-based transfers in registrable form. The Company wishes to amend its Constitution to align with the ASX listing rules so that, where a fee may be charged under the ASX listing rules, the Company may do so.

A copy of the amended Constitution, marked up to show the proposed change, is available on the Company website at www.generalmining.com. Copies may be obtained by emailing the Company Secretary at info@generalmining.com.

The Directors unanimously recommend that Shareholders vote in favour of this amendment to the Constitution.

GENERAL MINING CORPORATION LIMITED

Proxy Form

Shareholder name:
Shareholder address:

Appointment of Proxy

I/We being a shareholder/s of General Mining Corporation Limited and entitled to attend and vote hereby appoint

☐

The Chairman
of the meeting
(mark with an 'X')

OR

Write here the name of the person you are
appointing if this person is **someone other**
than the Chairman of the Meeting.

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting Members of General Mining Corporation Limited to be held in Level 2, 50 Kings Park Road, West Perth, WA on Wednesday, 30th day of November 2011 at 10.30am WST and at any adjournment of that meeting.

Important for Resolutions 2 and 5 – If the Chairman of the Meeting is your proxy or is appointed as your proxy by default

By marking this box, you are directing the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Resolutions 2 and 5 as set out below and in the Notice of Meeting. If you do not mark this box, and you have not directed your proxy how to vote on Resolutions 2 and 5, the Chairman of the Meeting will not cast your votes on Resolutions 2 and 5 and your votes will not be counted in computing the required majority if a poll is called on these Resolutions. If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman how to vote by either marking the individual resolution boxes below (for example if you wish to vote against or abstain from voting) or by marking the box (in which case the Chairman of the Meeting will vote in favour of Resolutions 2 and 5).

The Chairman of the Meeting intends to vote all available proxies in favour of Resolutions 2 and 5.

☐

I/we direct the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Resolutions 2 and 5 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my proxy even though Resolutions 2 and 5 are connected directly or indirectly with the remuneration of key management personnel.

Voting directions to your proxy – please mark ☒ to indicate your directions

Ordinary Business

- | | |
|--------------|---|
| Resolution 1 | Election of Director – Mr Robert Wanless |
| Resolution 2 | Adoption of Remuneration Report (non-binding) |
| Resolution 3 | Approval for Placement of Shares |
| Resolution 4 | Authority to issue Incentive Options to employees |

For Against Abstain*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Special Business

- | | |
|--------------|--|
| Resolution 5 | Authority to issue Incentive Options to Dr Boris Matveev |
| Resolution 6 | Amendment to Constitution |

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Appointment of a second proxy (see instructions overleaf)

If you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form

%

PLEASE SIGN HERE

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented

Individual or Shareholder 1

Sole Director and
Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

How to complete this Proxy Form

Your Name and Address

Please print your name and address as it appears on your holding statement and the Company's share register. If shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the Company.

Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Karen Brown on (08) 9227 1186 or you may photocopy this form.

To appoint a second proxy you must on each Proxy Form state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
Joint Holding: where the holding is in more than one name, all of the shareholders should sign.
Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies: where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a company secretary, a sole director can also sign alone. Otherwise this form must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place.
If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting i.e. no later than 10.00am WST on Monday, 28 November, 2011. Any Proxy Form received after that time will not be valid for the scheduled meeting.

This Proxy Form (and any Power of Attorney and/or second Proxy Form) may be sent or delivered to the Company's registered office:

In Person

65 Burswood Road
Burswood WA 6100

By Mail

c/- PO Box 4424
Victoria Park WA 6979

By Fax

Fax: +61 8 9227 8178