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GENERAL MINING CORPORATION LIMITED

ABN 95 125 721 075

AND ITS CONTROLLED ENTITIES

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

GENERAL MINING CORPORATION LIMITED

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C O R P O R A T E D I R E C T O R Y

Directors

Michael Wright	Non-Executive Chairman
Craig Readhead	Non-Executive Director
Robert Wanless	Non-Executive Director
Michael Fotios	Non-Executive Director

Company Secretary

Lindsay Colless	Joint Company Secretary
Karen Brown	Joint Company Secretary

Registered Office - Australia

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Burswood WA 6100
Tel: (08) 9227 1186
Fax: (08) 9227 8178

Solicitors

Allion Legal
Level 2, Fortescue House
50 Kings Park Road
West Perth WA 6005

Auditors

Stantons International
Level 2, 1 Walker Avenue
West Perth, WA 6005
Tel: (08) 9481 3188
Fax (08) 9321 1204

Share Registry

Advanced Share Registry Limited
110 Stirling Highway
Nedlands WA 6009
Tel: (08) 9389 8033
Fax: (08) 9389 7871

Home Stock Exchange

Australian Securities Exchange
(ASX)
Exchange Plaza
2 The Esplanade
Perth WA 6000

ASX Code: GMM

GENERAL MINING CORPORATION LIMITED

DIRECTORS' REPORT

The directors present their financial report of General Mining Corporation Limited ("GMM or "the Company) and its controlled entity for the half-year ended 31 December 2014.

DIRECTORS

The following persons were directors of the Company during the whole of the half-year and up to the date of this report:

Michael Wright	(Non-Executive Chairman)
Robert Wanless	(Non-Executive Director)
Craig Readhead	(Non-Executive Director)
Michael Fotios	(Non-Executive Director)

REVIEW OF OPERATIONS

The consolidated entity incurred an operating loss after tax of \$457,068 (2013: loss after tax of \$420,821) for the half-year ended 31 December 2014. The primary activities during the period were exploration for mineral resources in Australia (and in Mongolia in previous periods).

GMM holds a number of mineral exploration titles in Western Australia.

Western Australia

Chesterfield

(Gold - GMM 100%)

A peer review of identified targets and proposed field activities was completed although no field activities were conducted during the period. Activities were focused on reporting requirements.

The three new tenements E51/1602, E51/1603, E51/1604 were granted on 10 November 2014 and exploration planning will commence.

Mt Success

(Gold - options to purchase 100%)

The option to acquire M58/72 and M58/356 expired in December 2014 but an offer to extend the option agreement has been received from the vendor and negotiations are progressing.

A peer review of identified targets and proposed field activities was conducted and an initial program of work and budget was created over the greater Mt Success project area.

Mercury Hill

(Gold - GMM 100%)

There was no activity on the Mercury Hill project during the half year but a peer review of identified targets and proposed field activities was previously completed. Activities focused on completion of annual technical reporting.

Shoemaker

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

The Shoemaker joint venture was dissolved during the quarter and the tenements formally surrendered.

Mongolia

No activities were carried out in Mongolia and the shutdown of the Mongolian subsidiary continued.

GENERAL MINING CORPORATION LIMITED

DIRECTORS' REPORT

REVIEW OF OPERATIONS (Continued)

Corporate

The Company entered into an agreement with Delta Resource Management Pty Ltd, a company associated with Director Michael Fotios, for the provision of an unsecured loan facility of up to \$150,000 to be used for working capital purposes. Under the terms of the facility, interest is chargeable at 8%. In accordance with the agreement, if the Company were to undertake an underwritten rights issue before 31 December 2014 (since extended to 30 June 2015), then the loan may be repaid from the proceeds of any such rights issue.

EVENTS OCCURRING AFTER REPORTING DATE

On 12 February 2015, an environmental security deposit of \$63,000 was cancelled and returned to the Company's bank account.

On 9 February 2015, the Company announced that it had entered into an agreement with Galaxy Resources Limited in relation to the Mt Cattlin Project ("Project") near Ravensthorpe in Western Australia ("Agreement"). Under the terms of the Agreement, in return for a non-refundable payment of \$50,000, GMM has the right to conduct 60 days exclusive due diligence on the Project. GMM will then have a further 90 days with the sole and exclusive right to determine whether the Company wishes to commence production at the project ("Development Period"). GMM will be solely responsible for all Project care & maintenance costs and all tenement maintenance costs during the Development Period. If GMM elects to proceed with development of the Project, it will have the sole and exclusive right to operate the Project for a period of three (3) years from making such decision ("Operations Period"). During the Operations Period, GMM will:

- conduct its operations at the Project at its sole discretion and cost;
- pay to Galaxy a lease fee of \$2,500,000 per annum (GST exclusive) in monthly instalments in advance and a 10% production royalty, payable quarterly to Galaxy, on the gross value of all minerals mined and sold by GMM (other than any spodumene produced, where revenues will be shared equally subject to the parties entering into a more detailed marketing agreement)
- receive 100% of all revenues from its high grade tantalum operations at the Project; and
- have the option to purchase a 100% legal and beneficial interest in the Project, at any time during the Operations Period, upon payment to Galaxy of \$30,000,000 (GST exclusive) less all production payments made to Galaxy up to the date of exercise of the purchase option.

If GMM exercises the option to purchase the Project, GMM will also pay to Galaxy a future 3% net smelter return (NSR) royalty on the value of all minerals mined and sold by GMM from the Project's existing resource base. Any new mineral resources delineated by GMM after acquisition of the Project will be subject to a lower 1% NSR royalty. The transaction is subject to all necessary shareholder and regulatory approvals.

On 13 February 2015 GMM made payment of \$50,000 to Galaxy Resources in accordance with the agreement described above.

On 18 February 2015, 18 million placement shares were issued at \$0.05 per share to raise \$900,000 (before costs).

No other matters or circumstances, not otherwise dealt with in the financial statements, have arisen since the end of the half financial year and to the date of this report which significantly affected or may significantly affect the operations of the economic entity, the results of the economic entity, or the state of affairs of the economic entity in the financial years subsequent to the half financial year ended 31 December 2014.

GENERAL MINING CORPORATION LIMITED

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration from Stantons International, as required under section 307C of the Corporations Act 2001 follows.

This report is made in accordance with a resolution of the directors.



Michael Fotios

Director

Signed at Perth on the 13th day of March 2015

13 March 2015

Board of Directors
General Mining Corporation Limited
89 Burswood Road
BURSWOOD WA 6100

Dear Sirs

RE: GENERAL MINING CORPORATION LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of General Mining Corporation Limited.

As Audit Director for the review of the financial statements of General Mining Corporation Limited for the half year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)

Samir Tirodkar
Director

GENERAL MINING CORPORATION LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2014

		Consolidated	
	Notes	31 December 2014 \$	31 December 2013 \$
Revenue from continuing operations		32,226	13,251
Expenses			
Administration fees		(21,628)	(23,822)
Legal fees		(5,948)	(2,811)
Directors' fees		(90,004)	(90,004)
Travel, accommodation and entertainment		-	(2,067)
Consulting and secretarial fees		(53,000)	(42,000)
Audit fees		(8,078)	(5,078)
Depreciation		(6,166)	(7,959)
Insurance		(352)	(1,051)
Rental costs		(10,501)	(21,269)
Staff costs		(31,875)	(62,250)
Movement in provision for employee entitlements		3,375	1,379
Write off or provision for exploration expenses		(262,023)	(145,122)
Other expenses from ordinary activities		(3,094)	(32,018)
Loss from ordinary activities before income tax		(457,068)	(420,821)
Income tax expense relating to ordinary activities		-	-
Loss from ordinary activities after income tax expense		(457,068)	(420,821)
Other comprehensive income for the half - year			
Items that will not be reclassified to profit or loss		-	-
Items that may be reclassified to profit or loss			
Translations of foreign subsidiaries		(83)	91,651
Total comprehensive loss for the half - year		(457,151)	(329,170)
Loss profit attributable to:			
Owners of the Company		(457,068)	(420,821)
Non-controlling interest		-	-
Loss for the half - year		(457,068)	(420,821)
Total comprehensive loss attributable to:			
Owners of the Company		(457,151)	(329,170)
Non-controlling interest		-	-
Total comprehensive loss for the half - year		(457,151)	(329,170)
Basic loss per share (per share)	7	(\$0.0034)	(\$0.0036)
Diluted loss per share (per share)		(\$0.0034)	(\$0.0036)

The accompanying notes form part of these financial statements

GENERAL MINING CORPORATION LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Notes	Consolidated 31 December 2014 \$	30 June 2014 \$
CURRENT ASSETS			
Cash and cash equivalents		8,777	77,705
Trade and other receivables		130,157	78,599
Other assets		63,000	63,000
TOTAL CURRENT ASSETS		201,934	219,304
NON CURRENT ASSETS			
Property, plant and equipment		5,199	11,365
Mineral exploration and evaluation expenditure	5	631,928	833,514
TOTAL NON CURRENT ASSETS		637,127	844,879
TOTAL ASSETS		839,061	1,064,183
CURRENT LIABILITIES			
Trade and other payables		847,457	633,545
Other current liabilities	8	21,109	-
Provisions		4,665	9,665
Other related party accruals		244	244
TOTAL CURRENT LIABILITIES		873,475	643,454
NON-CURRENT LIABILITIES			
Provisions		16,250	14,625
TOTAL NON-CURRENT LIABILITIES		16,250	14,625
TOTAL LIABILITIES		889,725	658,079
NET (LIABILITIES)/ASSETS		(50,664)	406,104
EQUITY			
Contributed equity	2	11,918,171	11,827,692
Reserves		589,269	679,448
Accumulated losses		(12,558,104)	(12,101,036)
TOTAL EQUITY		(50,664)	406,104

The accompanying notes form part of these financial statements

GENERAL MINING CORPORATION LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2014

	Contributed Equity	Accumulated Losses	Option Reserve	Foreign Exchange Translation Reserve	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2013	10,953,168	(11,383,348)	432,028	332,646	334,494
Total loss for the period	-	(420,821)	-	-	(420,821)
Other comprehensive income / (loss) for the period	-	-	-	91,651	91,651
Total comprehensive loss for the period	-	(420,821)	-	91,651	(329,170)
Transactions with owners in their capacity as owners:					
Contributions of equity net of transaction costs	696,222	-	-	-	696,222
Transfer from options reserve	178,302	-	(178,302)	-	-
Balance at 31 December 2013	11,827,692	(11,804,169)	253,726	424,297	701,546
	Contributed Equity	Accumulated Losses	Option Reserve	Foreign Exchange Translation Reserve	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2014	11,827,692	(12,101,036)	253,726	425,722	406,104
Total loss for the period	-	(457,068)	-	-	(457,068)
Other comprehensive income / (loss) for the period	-	-	-	(83)	(83)
Total comprehensive loss for the period	-	(457,068)	-	(83)	(457,151)
Transactions with owners in their capacity as owners:					
Exercise of options	383	-	-	-	383
Transfer from options reserve	90,096	-	(90,096)	-	-
Balance at 31 December 2014	11,918,171	(12,558,104)	163,630	425,639	(50,664)

The accompanying notes form part of these financial statements

GENERAL MINING CORPORATION LIMITED

CONSOLIDATED STATEMENT OF CASH FLOW

For the half-year ended 31 December 2014

	Consolidated	
	31 December 2014 \$	31 December 2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(32,351)	(187,966)
Interest received	276	1,181
Other income received	11,715	12,070
NET CASH USED IN OPERATING ACTIVITIES	(20,360)	(174,715)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on sale of property, plant and equipment	-	1,205
Payments for exploration expenditure	(48,951)	(118,889)
NET CASH USED IN INVESTING ACTIVITIES	(48,951)	(117,684)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	383	409,584
NET CASH INFLOW FROM FINANCING ACTIVITIES	383	409,584
NET INCREASE (DECREASE) IN CASH HELD	(68,928)	117,185
Cash at beginning of the financial period	77,705	96,831
CASH AT END OF THE FINANCIAL PERIOD	8,777	214,016

The accompanying notes form part of these financial statements

GENERAL MINING CORPORATION LIMITED

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2014

1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS

This general purpose financial report for the interim half-year reporting period ended 31 December 2014 has been prepared in accordance with Australian Accounting Standard AASB134: *Interim Financial Reporting* and the Corporations Act 2001.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by General Mining Corporation Limited and controlled entities during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The half-year financial report does not include full disclosures of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, position and financing activities of the consolidated entity as the full financial report.

(a) Basis of accounting

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The financial report covers the consolidated entity of General Mining Corporation Limited and controlled entity. General Mining Corporation Limited is a listed public company domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs, as modified by the revaluation of selected non-current assets for which the fair value basis of accounting has been applied.

GENERAL MINING CORPORATION LIMITED

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2014

1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS Continued

(b) *Going Concern*

As at 31 December 2014, the Group had total current liabilities of \$873,475, and had incurred a total comprehensive loss of \$457,151 for the period ended 31 December 2014, with a cash and cash equivalents balance of \$8,777. In the absence of the future capital raising noted below, current cash resources are not expected to be sufficient to meet forecast outgoings for a period at least 12 months from the date of this report.

These conditions indicate a material uncertainty that may cast significant doubt about the consolidated entity's and parent entity's ability to continue as a going concern.

The directors have prepared cash flow forecasts that indicate that the Company and Group will have cash surpluses for a period of at least 12 months from the date of this report. This forecast is dependent on the raising of funds by way of equity raisings in order for the Group to meet its exploration commitments and other costs.

Based on the cash flow forecasts and possible equity funding described above, the directors are satisfied that the going concern basis of preparation is appropriate. The financial report has therefore been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Should the consolidated entity and the parent be unable to continue as going concerns, they may be required to realise assets and extinguish liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the consolidated entity and the parent be unable to continue as a going concern.

The directors acknowledge that the Company will need to adopt further strategies to ensure that funding is maintained. This includes, but is not limited to, further capital funding, the sale, relinquishment or introduction of joint venture contributions on areas of interest held, and seeking other prospective projects.

(c) *Accounting policies*

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements. The Group has considered the implications of new and amended Accounting Standards that became applicable to the group after 1 July 2014 but determined that their application to the financial statements is either not relevant or not material.

GENERAL MINING CORPORATION LIMITED

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2014

2. CONTRIBUTED EQUITY

	Consolidated	
	31 December 2014 \$	30 June 2014 \$
a) Paid up capital	11,918,171	11,827,692
b) Movements	No of Shares	Paid-Up Capital \$
Balance 1 July 2014	134,310,160	11,827,692
Issued on exercise of options	3,833	383
Transfer from option reserve	-	90,096
Balance 31 December 2014	134,313,993	11,918,171

Options

As at 31 December 2014, there were 25,468,248 options over unissued shares; currently on issue with the following terms:

- i. Each option entitles the holder to subscribe for and be allotted one fully paid ordinary share in the company; and
- ii. The options will expire as follows:
 - 10,000,000 options exercisable at 12.5 cents each and expiring on the 31/03/15
 - 3,000,000 options exercisable at 8.9 cents each and expiring on the 31/03/15

The following free attached options will expire as follows:

- 5,801,582 options exercisable at 12.5 cents each and expiring on the 03/09/15*
- 3,333,333 options exercisable at 12.5 cents each and expiring on the 28/06/15
- 3,333,333 options exercisable at 12.5 cents each and expiring on the 13/07/15

* These options are listed on the Australian Securities Exchange.

Each option entitles the holder to be issued with one ordinary share in the capital of the parent entity subject to payment of the relevant price and satisfaction of applicable conditions (if any).

No person entitled to exercise the option had or has any right by virtue of the option of participate in any share issue of any other body corporate.

GENERAL MINING CORPORATION LIMITED

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2014

3. SEGMENT INFORMATION

Management have determined the operating segments based on the reports reviewed by the Board for corporate planning. The Board considers the business mainly from a geographical perspective and has identified 2 reportable segments.

Geographical segments

	Australia		Mongolia		Consolidated	
	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$
Segment Revenue	32,226	13,246	-	5	32,226	13,251
Sales to customers out-side the consolidated entity	-	-	-	-	-	-
Other revenues from customers outside the consolidated entity	-	-	-	-	-	-
Total segment revenue	32,226	13,246	-	5	32,226	13,251
Segment result	(456,809)	(264,387)	(259)	(156,434)	(457,068)	(420,821)
Unallocated expenses					-	-
Loss from ordinary activities before income tax expense					(457,068)	(420,821)
Segment assets						
- 31 December	812,574	1,122,791	218	18,560	812,792	1,141,351
Segment liabilities						
- 31 December	863,456	429,706	-	10,099	863,456	439,805

Business segments

The Company operates predominantly in only one business segment, being mineral exploration.

4. EVENTS SUBSEQUENT TO REPORTING DATE

On 12 February 2015, an environmental security deposit of \$63,000 was cancelled and returned to the Company's bank account.

On 9 February 2015, the Company announced that it had entered into an agreement ("Agreement") with Galaxy Resources Limited, and was granted the right to solely operate at the Mt Cattlin Project ("Project"). A summary of the significant terms of the Agreement is as follows:

- GMM will make a non-refundable payment to Galaxy of \$50,000 within 5 business days of entering into the agreement for the right to conduct sixty (60) days exclusive due diligence on the Project. This payment was made on 13th February 2015.
- GMM will then have for a further ninety (90) days the sole and exclusive right to determine whether GMM wishes to commence production at the Project. GMM will be solely responsible for all Project care & maintenance costs and all tenement maintenance costs during this period.
- If GMM elects to proceed with development at the Project, it will have the sole and exclusive right to operate for a period of three (3) years from making such decision ("Operations Period").

GENERAL MINING CORPORATION LIMITED

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2014

4. EVENTS SUBSEQUENT TO REPORTING DATE (continued)

During the Operations Period, GMM will:

- conduct its operations at the Project at its sole discretion and cost,
- pay to Galaxy a lease fee of \$2,500,000 per annum (GST exclusive) in monthly instalments in advance
- will pay a 10% production royalty, payable quarterly to Galaxy, on the gross value of all minerals mined and sold by GMM
- receive 100% of all revenues from its high grade tantalum operations at the Project, which GMM plans to commence within 6 months; and
- have the option to purchase a 100% legal and beneficial interest in the Project, at any time during the Operations Period, upon payment to Galaxy of \$30,000,000 (GST exclusive) less all production payments made to Galaxy up to the date of exercise of the purchase option.
- If GMM exercises the option to purchase the Project, GMM will also pay to Galaxy a future 3% net smelter return (NSR) royalty on the value of all minerals mined and sold by GMM from the Project's existing resource base. Any new mineral resources delineated by GMM after acquisition of the Project will be subject to a lower 1% NSR royalty.

On 13 February 2015 GMM made payment of \$50,000 to Galaxy Resources in accordance with the Agreement described above.

On 18 February 2015, 18 million placement shares were issued at \$0.05 per share to raise \$900,000 (before costs).

No other matters or circumstances, not otherwise dealt with in the financial statements, have arisen since the end of the half financial year and to the date of this report which significantly affected or may significantly affect the operations of the economic entity, the results of the economic entity, or the state of affairs of the economic entity in the financial years subsequent to the half financial year ended 31 December 2014.

GENERAL MINING CORPORATION LIMITED

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2014

5. MINERAL EXPLORATION AND EVALUATION EXPENDITURE

	31 Dec 2014	30 June 2014
	\$	\$
Balance brought forward	833,514	410,210
Expenditure capitalised during the period	60,437	615,149
Less exploration expenses written off	(2,606)	(91,970)
Less provided to profit or loss	(259,417)	(99,875)
Balance 31 December 2014	<u>631,928</u>	<u>833,514</u>

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the discovery of commercially viable resources. The Board of Directors have fully impaired the value of capitalised exploration expenditure in Mongolia as at 31 December 2014, however, they remain confident of the inherent value of the mineral exploration and evaluation expenditure assets and the ability to increase the value of these assets.

6. CONTINGENT LIABILITIES AND ASSETS

As a result of an agreement executed with Galaxy Resources after the half year end, the Company acquired the option to purchase the Mt Cattlin Project. If this option is exercised, the Company will incur certain liabilities as detailed under subsequent events Note 4.

There are no other contingent liabilities or assets at 31 December 2014.

7. LOSS PER SHARE

	Consolidated	
	2014	2013
	\$	\$
(a) Basic loss per share		
Loss attributable to the ordinary equity holders of the Company	<u>(0.0034)</u>	<u>(0.0036)</u>
(b) Loss used in calculating loss per share		
Loss attributable to the ordinary equity holders of the Company	<u>(457,151)</u>	<u>(420,821)</u>
(c) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares on issue used in calculation of basic loss per share	<u>134,312,548</u>	<u>115,453,976</u>
(d) Diluted loss per share		
Diluted loss per share is not materially different from basic loss per share and has therefore not been disclosed.		

GENERAL MINING CORPORATION LIMITED

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2014

8. OTHER CURRENT LIABILITIES

	31 Dec 2014	30 June 2014
	\$	\$
Balance brought forward	-	-
Loan funds received	21,109	-
Balance 31 December 2014	<u>21,109</u>	<u>-</u>

During the period the Company entered into an agreement with Delta Resource Management Pty Ltd, a company associated with Director Michael Fotios, for the provision of an unsecured loan facility of up to \$150,000 to be used for working capital purposes. Under the terms of the facility, interest is chargeable at 8%. In accordance with the agreement, if the Company were to undertake an underwritten rights issue before 31 December 2014, then the loan may be repaid from the proceeds of any such rights issue: this date has been extended to 30 June 2015.

GENERAL MINING CORPORATION LIMITED

DIRECTORS' DECLARATION

The directors of the company declare that:

- (a) The financial statements and notes set out on pages 5 to 16 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date, and;
- (b) In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Michael Fotios
Director

Signed at Perth on the 13th day of March 2015

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
GENERAL MINING CORPORATION LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of General Mining Corporation Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for General Mining Corporation Limited (the consolidated entity). The consolidated entity comprises both General Mining Corporation Limited (the Company) and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of General Mining Corporation Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of General Mining Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of General Mining Corporation Limited on 13 March 2015.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of General Mining Corporation Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Inherent Uncertainty Regarding Going Concern and Capitalised Mineral Exploration and Evaluation costs

Without qualification to the audit review conclusion expressed above, attention is drawn to the following matters.

As referred to in note 1(b) to the interim financial report, the half year report has been prepared on a going concern basis. At 31 December 2014 the consolidated entity had net liabilities of \$50,664, cash and cash equivalents of \$8,777 and net working capital deficiency of \$671,541. The Group had incurred a loss for the period ended 31 December 2014 of \$457,068. The ability of the Group to continue as a going concern and meet its planned exploration, administration, and other commitments is dependent upon the consolidated entity raising further working capital, and/or commencing profitable operations

As described in Note 5, the recoupment of costs carried forward in relation to the mineral exploration and evaluation expenditure is dependent on the successful development and commercial exploitation or the sale of the respective assets.

In the event that the consolidated entity cannot raise further equity or is not successful in commercially developing the area of interest or sale the assets at current book values or in excess thereof, the consolidated entity may not be able to meet its liabilities as and when they fall due and the realisable value of the consolidated entity's non-current assets may be significantly less than current book values.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International

Samir

Samir Tirodkar
Director

West Perth, Western Australia
13 March 2014