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12 July 2016

Australian Securities Exchange
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

Our ref CPR:SGR:60-1557356

Dear Sir/Madam

OFF-MARKET TAKEOVER BID FOR GENERAL MINING CORPORATION LIMITED (ACN 125 721 075) – FIRST SUPPLEMENTARY TARGET'S STATEMENT

We act for General Mining Corporation Limited (ACN 125 721 075) (**General Mining**).

Galaxy Resources Limited (ACN 071 976 442) has made an off-market takeover bid for all of the issued shares in General Mining that it does not already own (**Bid**). In connection with the Bid, General Mining lodged a Target's Statement with ASIC and ASX on 22 June 2016.

In accordance with section 647(3)(b) of the *Corporations Act 2001* (Cth), please find enclosed a copy of General Mining's First Supplementary Target's Statement dated 12 July 2016.

If you have any questions, please contact Simon Rear of this office on simon.rear@squirepb.com or +61 8 9429 7483.

Yours faithfully

Squire Patton Boggs

Squire Patton Boggs (AU)

GENERAL MINING CORPORATION LIMITED

(ACN 125 721 075)

FIRST SUPPLEMENTARY TARGET'S STATEMENT

ACCEPT

Your Directors unanimously recommend that you ACCEPT the Takeover Bid from Galaxy Resources Limited in the absence of a Superior Proposal

This First Supplementary Target's Statement has been issued in relation to the off-market takeover bid made by Galaxy Resources Limited for all of the ordinary fully paid shares in General Mining Corporation Limited that it does not already own and supplements the Target's Statement lodged with the Australian Securities and Investments Commission on 22 June 2016.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT HOW TO DEAL WITH THIS DOCUMENT, YOU SHOULD CONTACT YOUR STOCKBROKER, FINANCIAL ADVISER OR LEGAL ADVISER IMMEDIATELY.

Legal adviser to General Mining

SQUIRE PATTON BOGGS

Financial adviser to General Mining

CANACCORD Genuity

1 IMPORTANT INFORMATION

1.1 Nature of this document

This document is a supplementary target's statement prepared by General Mining Corporation Limited ACN 125 721 075 (**General Mining**) under section 644 of the *Corporations Act 2001* (Cth) and dated 12 July 2016 (**First Supplementary Target's Statement**). This First Supplementary Target's Statement is prepared in relation to the off-market takeover bid by Galaxy Resources Limited (ACN 071 976 442) (**Galaxy**) for all the ordinary shares in General Mining that it does not own (**Offer**).

This document supplements, and should be read together with, the Target's Statement lodged by General Mining with the Australian Securities and Investments Commission (**ASIC**) on 22 June 2016 (**Original Target's Statement**). Neither ASIC nor any of its officers take any responsibility for its contents.

This First Supplementary Target's Statement prevails over the Original Target's Statement to the extent of any inconsistency

1.2 Capitalised terms

Capitalised terms used in this First Supplementary Target's Statement have the meaning given in Section 12 of the Original Target's Statement, unless the context otherwise requires.

2 SECOND DEFINITIVE OFFTAKE AGREEMENT

On 8 March 2016, General Mining announced a Sales and Distribution Agreement with Mitsubishi Corporation and two Chinese offtake parties for 100% of the spodumene production from Mt Cattlin. Formal documentation was completed with one of the offtake parties on 18 May 2016 for the sale of 30,000 tonnes of spodumene concentrate in 2016 at a price of USD$600/tonne, 50% payable in advance. The first USD$9 million pre-payment was received by General Mining on behalf of the joint venture in May 2016.

General Mining can now confirm that it has signed a second definitive offtake agreement with Mitsubishi Corporation and another Chinese offtake party for the sale of 15,000 tonnes of spodumene concentrate in 2016 at a price of USD$600/tonne, 50% payable in advance. GMM also confirms that it has received the USD$4.5 million pre-payment, as detailed in General Mining's ASX announcement dated 12 July 2016, which is attached as Annexure 1.

3 FIRST QUARTERLY PAYMENT UNDER ACQUISITION AND DEVELOPMENT AGREEMENT

General Mining can also confirm that it has now paid to Galaxy the first A$1.5 million quarterly instalment of the A$6 million per annum progress payment due on the Mt Cattlin Project, in accordance with the Acquisition and Development Agreement entered into with Galaxy.

4 OFFER PERIOD

The Offer will close at 5pm (WST) on Friday 29 July 2016 unless extended by Galaxy.

5 HOW TO ACCEPT THE OFFER

Section 1.4 of the Bidder's Statement and the relevant Acceptance Form that accompanies the Bidder's Statement contain details on how to accept the Offer made to you.

6 AUTHORISATION

This First Supplementary Target's Statement has been approved by a resolution passed by the Directors of General Mining. All Directors voted in favour of that resolution.

Dated 12 July 2016

Signed for and on behalf of General Mining by:

Mr Michael Fotios
Executive Chairman
General Mining Corporation Limited

Annexure 1

GENERAL MINING CORPORATION LTD

ASX ANNOUNCEMENT
12 July 2016

General Mining Corporation
ABN: 95 125 721 075

ASX Code: GMM

Issued Capital:
318,397,526 shares
15,000,000 unlisted options

Share Price:
$0.795 per share

Market Capitalisation:
AUD$253.1M

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

OFFTAKE COMPLETED
US$4.5 MILLION PREPAYMENT RECEIVED

Highlights

- **Second definitive offtake agreement signed between General Mining, Mitsubishi Corporation and Offtake Customer**
- **Agreement to supply 15,000 tonnes of lithium concentrate for calendar year 2016 and 60,000 tonnes for 2017**
- **US$4.5 million pre-payment received by General Mining on behalf of joint venture with Galaxy**
- **General Mining and Galaxy to sell additional 15,000 tonnes of planned 2016 production into spot market**
- **Initial 15,000 tonne spodumene concentrate shipment on schedule for September 2016**
- **Lithium carbonate pricing in China continues to be robust**
- **General Mining pays first joint venture instalment of A$1.5 million to Galaxy due 30 June 2016**

Corporate

General Mining Corporation Limited (ASX:GMM) ("General Mining") ("the Company") along with its Mt Cattlin project partner Galaxy Resources Limited (ASX:GXY) (GMM and GXY, together the " JV Partners") are pleased to announce that a second binding definitive agreement has been signed between another Chinese Offtake Customer, Mitsubishi Corporation and GMM. The final offtake agreement terms were as outlined in the binding Term Sheet announced 8 March 2016. The JV Partners have now banked a total of US$13.5 million in prepayments from these two customers and, in light of the continued robustness in lithium carbonate pricing since the original offtakes were negotiated, have also decided to retain 15,000 tonnes of 2016s forecast production for a potential spot or auction sale process later this year.

The Company has also now paid its first A$1.5 million quarterly instalment of the A$6 million per annum progress payment due on the Mt Cattlin Project, in accordance with the Acquisition and Development Agreement entered into with Galaxy Resources.

Offtake Agreement Details

On 8 March 2016, Galaxy and GMM announced the signing of term sheets with Offtake Customers in China for the sale of 60,000t of lithium concentrate at US$600/mt for 2016, and a volume commitment of 120,000t in 2017 with final pricing for 2017 to be confirmed in Q4 of 2016. The JV has now entered into definitive contracts for 45,000 tonnes for 2016, received 50% of the contract value as prepayments equal to US$13.5 million, and contracted a total of 120,000t of 2017 production, subject only to final pricing during Q4 2016.

-END-

Further inquiries:

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Forward-looking statements

This announcement 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.