

19 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) – SECOND SUPPLEMENTARY TARGET’S STATEMENT**

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

Galaxy Resources Limited (ACN 071 976 442) (**Galaxy**) 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 with ASIC and ASX:

- (a) a Target’s Statement on 22 June 2016; and
- (b) a First Supplementary Target’s Statement on 12 July 2016.

In accordance with section 647(3)(b) of the *Corporations Act 2001* (Cth), please find enclosed a copy of General Mining’s Second Supplementary Target’s Statement dated 19 July 2016.

Should shareholders of General Mining have any questions in relation to the Bid, they can call the dedicated information line on 1300 618 450 (toll free within Australia) or + 61 3 9415 4014 (international), Monday to Friday between 9.00am and 5.00pm (AEST).

Yours faithfully



Squire Patton Boggs (AU)

**GENERAL MINING CORPORATION LIMITED**  
**(ACN 125 721 075)**

**SECOND 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 Second 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 ASIC on 22 June 2016 and the First Supplementary Target's Statement lodged with the ASIC on 12 July 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.**

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**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 19 July 2016 (**Second Supplementary Target's Statement**). This Second 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**) and the First Supplementary Target's Statement lodged with the ASIC on 12 July 2016 (**First Supplementary Target's Statement**). Neither ASIC nor any of its officers take any responsibility for its contents.

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

## 1.2 Capitalised terms

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

# 2 MT CATTLIN PROJECT PRODUCTION UPDATE

General Mining together with its partner on the Mt Cattlin project, Galaxy, has announced that following maiden commissioning of the fines circuit at the project in March 2016, construction has continued and will now result in a significantly expanded processing facility at Mt Cattlin:

- Annual throughput (ore treated, tonnes) – 1,600,000
- Average annual LOM spodumene production (dry tonnes) – 160,000-240,000
- Peak spodumene recovery – 75%

This change has been driven by the substantial efficiency gains on offer to the project owners in installing a larger circuit, as well as the opportunity for Mt Cattlin to meet significant market demand for spodumene concentrate at a time of constrained supply into the China based lithium refining markets. First shipment from the enlarged circuit remains scheduled for September 2016, no delays to deliveries have been incurred due to the upgrading of capacity at Mt Cattlin.

General Mining and Galaxy will now have a substantially increased volume of both spodumene and tantalum concentrates to sell.

For full details are set out in General Mining's ASX announcement dated 19 July 2016, which is attached as Annexure 1.

# 3 OFFER PERIOD

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

#### 4 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. If General Mining Shareholders want the Offer to proceed they should **ACCEPT** the Offer.

#### 5 AUTHORISATION

This Second 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 19 July 2016

Signed for and on behalf of General Mining by:



**Mr Michael Fotios**  
Executive Chairman  
General Mining Corporation Limited

## **Annexure 1**

ASX ANNOUNCEMENT  
19 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:**  
\$0.76 per share

**Market Capitalisation:**  
AUD\$241.9M

**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](http://www.generalmining.com)

**Address:**  
89 Burswood Road  
Burswood WA 6100

**Telephone:**  
08 9227 1186

**Facsimile:**  
08 9227 8178

## MT CATTLIN UPDATE

### Highlights

- **Mt Cattlin capacity upgraded to 1.6Mtpa**
- **Maiden shipment confirmed for September 2016**

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### Background

General Mining Corporation Limited (ASX:GMM, "General Mining", "GMM" or the "Company"), together with its partner on the Mt Cattlin Project ("Project") Galaxy Resources Limited (ASX: GXY, "Galaxy") is hereby pleased to announce the following update on the recommissioning process at Mt Cattlin.

Mt Cattlin last operated from 2011 to mid-2012 under the stewardship of the previous Board and Management of Galaxy, with production statistics for the 6 months to 30 June 2012 including (see Galaxy 2012 Annual Report, p.11):

- Ore mined (tonnes) – 454,912
- Grade (Li<sub>2</sub>O%) – 1.22%
- Waste mined (BCM) – 925,505
- Ore treated (tonnes) – 453,004
- Grade (Li<sub>2</sub>O%) – 1.23%
- Spodumene produced (dry tonnes) – 54,047

On 12 October 2015, General Mining announced an independent review of its plan for the recommencement of production at Mt Cattlin based on the following parameters:

- Annual throughput (ore treated, tonnes) – 800,000
- Average annual LOM spodumene production (dry tonnes) – 111,000
- Peak spodumene yield – 75%

Following maiden commissioning of the fines circuit at the Project in March 2016, construction has continued and will now result in a significantly expanded processing capacity at Mt Cattlin:

- Annual throughput (ore treated, tonnes) – 1,600,000
- Average annual LOM spodumene production (dry tonnes) – 160,000-240,000
- Peak spodumene recovery – 75%

This change has been driven by the substantial efficiency gains on offer to the Project owners in installing a larger circuit, as well as the opportunity for Mt Cattlin to meet significant market demand for spodumene concentrate at a time of constrained supply into the China based lithium refining markets. First shipment from the enlarged circuit remains scheduled for September 2016, no delays to deliveries have been incurred due to the upgrading of capacity at Mt Cattlin.

Forecast Production Summary:

|                       | Previous GXY (est pa) | GMM Oct 2015 | GMM Jul 2016 |
|-----------------------|-----------------------|--------------|--------------|
| Throughput            | 909,824t              | 800,000t     | 1,600,000t   |
| Spodumene @ 50% yield | 108,054t              | 80,000t      | 160,000t     |
| Spodumene @ 75% yield | N/A                   | 120,000t     | 240,000t     |

### **Progress Update**

Mining and maiden commissioning of the fines circuit at the Project occurred in March 2016. After reaching the initial desired commissioning and production milestones, the Project went back into a construction phase to complete the refurbishment and upgrade of the coarse circuit, and to implement final changes to the significantly improved fines circuit.

The new circuit will:

- Reduce mica content below 5% of total mass in the finished concentrate (previously approx. 20%)
- Increase throughput design to an annualised run rate of 1.6Mtpa (previously assumed by GMM to be 800,000tpa)
- Increase yield from a historic 50% to approximately 75% by recovering both fine spodumene and coarse tantalum, as well as significantly reducing mica content
- Reduce operational costs per tonne through a number of efficiency gains

Over the last three months, mining of the ore grade TSF material has been largely completed (50kt ore remains in situ) and is currently stockpiled ready for use as feedstock in the fines circuit. The ROM pad currently holds 100,000t of blasted ore ready for crushing and feeding into the coarse circuit.

Key milestones during July to September 2016 include:

- Crushing of ROM ore stocks to commence during July
- Upgraded fines circuit to achieve targeted 1.6Mtpa throughput rate in early August
- Commissioning of the coarse circuit due to commence mid-August
- First shipment of spodumene concentrate confirmed for late September 2016

Post start up at a budgeted lithium yield of 50%, further optimisation will increase this to 75% by mid-2017. Previously scheduled for the beginning of 2017, peak metallurgical recovery across the 1.6Mtpa throughput will now occur in two phases with the final optimisation stage (flotation) subject to performance of the plant post commissioning.

#### **Market Update**

Further to the announcement made by the Company on 12 July 2016 (*"Offtake completed – 2<sup>nd</sup> prepayment received"*), GMM and GXY will now have a substantially increased volume of both spodumene and tantalum concentrates to sell.

Surplus 2016 production (above the committed 45,000t) is likely to be sold into the spot market, and discussions with both existing and new customers to date indicate very strong demand for both products for all of forecast 2017 production.

-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.*