



**General
Minerals
Corporation**

**1st Quarter Ended
March 31, 2007
(Unaudited)**

General Minerals Corporation

Consolidated Balance Sheets

As at March 31, 2007

(Unaudited - expressed in Canadian dollars)

	March 31, 2007 \$	December 31, 2006 \$
Assets		
Current assets		
Cash and cash equivalents	6,932,065	7,381,859
Prepays and other	238,302	245,485
	<u>7,170,367</u>	<u>7,627,344</u>
Investments (note 3)	5,074,000	-
Mining properties and equipment		
Mining claims and deferred exploration (note 4)	1,772,881	2,700,039
Reclamation deposit	19,308	19,308
Equipment (note 5)	60,741	90,163
Deferred share issue costs (note 6)	-	341,534
Intangibles	117,400	117,400
	<u>14,214,697</u>	<u>10,895,788</u>
Liabilities		
Current liabilities		
Accounts payable	164,270	536,031
Minority interest	37,934	44,221
	<u>202,204</u>	<u>580,252</u>
Shareholders' Equity		
Capital stock (note 7)	61,398,089	61,326,812
Contributed surplus (note 7)	871,354	879,306
Deficit	(50,087,906)	(51,890,582)
Accumulated comprehensive income	1,830,956	-
	<u>14,012,493</u>	<u>10,315,536</u>
	<u>14,214,697</u>	<u>10,895,788</u>

On Behalf of the Board



Michael Winn – Director



Terrence A. Lyons - Director

The accompanying notes are an integral part of these consolidated financial statements.

General Minerals Corporation

Consolidated Statements of Operations and Deficit

For the three months ended March 31, 2007

(Unaudited - expressed in Canadian dollars)

	March 31, 2007 \$	March 31, 2006 \$
General and administrative expenses		
Consulting	46,919	21,135
Directors' fees	17,000	16,000
Filing fees and transfer agent	32,921	28,841
Office and miscellaneous	49,552	54,873
Professional fees	88,787	77,526
Shareholder information	17,342	21,146
Stock-based compensation	-	22,173
Wages and benefits	65,885	71,028
	<u>(318,406)</u>	<u>(312,722)</u>
Other income (expense)		
Depreciation and amortization	(6,919)	(8,207)
Foreign currency loss (gain)	(20,001)	6,834
Gain on dilution from investment in South American Silver Corp. ("SASC") (note 3)	2,101,743	-
Interest and other income	75,882	71,032
Minority interest	6,287	24,437
Reconnaissance expense	(35,910)	(74,801)
	<u>1,802,676</u>	<u>(293,427)</u>
Net earnings (loss) for the period		
	<u>(51,890,582)</u>	<u>(51,245,878)</u>
Deficit - Beginning of period		
	<u>(50,087,906)</u>	<u>(51,539,305)</u>
Deficit - End of period		
	<u>0.19</u>	<u>(0.03)</u>
Basic and diluted earnings (loss) per share		
	<u>9,368,877</u>	<u>9,285,077</u>
Weighted average shares outstanding during the period		

The accompanying notes are an integral part of these consolidated financial statements.

General Minerals Corporation

Consolidated Statements of Cash Flows

For the three months ended March 31, 2007

(Unaudited - expressed in Canadian dollars)

	March 31, 2007 \$	March 31, 2006 \$
Cash flows from operating activities		
Net earnings (loss) for the period	1,802,676	(293,427)
Items not affecting cash		
Depreciation and amortization	6,919	8,207
Gain on dilution from investment in SASC	(2,101,743)	-
Minority interest	(6,287)	(24,437)
Stock-based compensation	-	22,173
	<u>(298,435)</u>	<u>(287,484)</u>
Changes in non-cash operating working capital		
Increase in prepaids and other	(125,093)	(23,922)
Increase (decrease) in accounts payable	269,567	(83,960)
	<u>(153,961)</u>	<u>(395,366)</u>
Cash flows from investing activities		
Deferred exploration expenditures	(251,822)	(228,149)
Property payments received for mining claims	31,166	57,518
Purchase of equipment	(2,468)	-
Net cash of SASC on deconsolidation	(136,034)	-
	<u>(359,158)</u>	<u>(170,631)</u>
Cash flows from financing activities		
Proceeds from issuance of capital stock	63,325	-
Decrease in cash and cash equivalents	(449,794)	(565,997)
Cash and cash equivalents - Beginning of period	7,381,859	8,406,907
Cash and cash equivalents - End of period	<u>6,932,065</u>	<u>7,840,910</u>
Supplemental cash flow information		
Common shares issued on exercise of stock options	7,952	-
Equipment relating to SASC	24,971	-
Mining claims relating to SASC	1,147,814	-
Share issue costs relating to SASC	473,810	-
Payables relating to SASC	(641,328)	-

The accompanying notes are an integral part of these consolidated financial statements.

General Minerals Corporation

Consolidated Statement of Comprehensive Income

For the three months ended March 31, 2007

(Unaudited - expressed in Canadian dollars)

	March 31, 2007 \$
Net earnings for the period before comprehensive income	1,802,676
Unrealized gains on available for sale investments (note 3)	<u>1,830,956</u>
Comprehensive income for the period	<u>3,633,632</u>
Accumulated comprehensive income – Beginning of period	-
Unrealized gains on available for sale investments (note 3)	<u>1,830,956</u>
Accumulated comprehensive income – End of period	<u>1,830,956</u>

The accompanying notes are an integral part of these consolidated financial statements.

General Minerals Corporation

Notes to the Consolidated Financial Statements

For the three months ended March 31, 2007

(Unaudited - expressed in Canadian dollars)

1. Organization and Nature of Operations

General Minerals Corporation (the “Company”) was incorporated under the Canada Business Corporations Act on August 19, 1994.

The Company’s principal activities are the acquisition, exploration and development of mineral properties. The principal countries where the Company is undertaking exploration activities include the United States, Mexico and Mongolia. Property interests in these countries are held through various wholly and majority owned subsidiaries.

The recoverability of amounts shown as mining claims and deferred exploration costs is dependent upon the discovery of economically recoverable reserves, the Company’s ability to obtain financing to develop the properties, and the ultimate realization of profits through future production or sale of properties. These and other uncertainties could adversely affect the future carrying value of mining properties and deferred exploration costs.

2. Significant Accounting Policies

These unaudited interim financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles, using the same accounting policies and methods as per the annual consolidated financial statements for the year ended December 31, 2006 with the following additions. They do not include all the disclosures required by generally accepted accounting principles, and should be read in conjunction with the most recent annual financial statements of the Company.

Adoption of new accounting standards

On January 1, 2007, the Company adopted two new accounting standards issued by the Canadian Institute of Chartered Accountants (“CICA”); Section 3855, “Financial instruments – recognition and measurement”, and Section 1530, “Comprehensive income”. These standards were adopted on a prospective basis and as such, prior periods have not been restated.

a) Financial instruments - recognition and measurement

CICA Handbook Section 3855 requires that all financial assets, except those classified as held to maturity and derivative financial instruments, must be measured at fair value. All financial liabilities must be measured at fair value when they are classified as held for trading; otherwise, they are measured at cost. Investments classified as available for sale are reported at fair market value (or mark to market) based on quoted market prices with unrealized gains or losses excluded from earnings and reported as other comprehensive income or loss. The Company’s investment in South American Silver Corp. (“SASC”) has been designated as available for sale.

General Minerals Corporation

Notes to the Consolidated Financial Statements

For the three months ended March 31, 2007

(Unaudited - expressed in Canadian dollars)

b) Comprehensive income

Under CICA Handbook Section 1530, comprehensive income is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in the statement of operations such as unrealized gains or losses on available-for-sale investments. Other comprehensive income includes the holding gains and losses from available for sale securities which are not included in net earnings (loss) until realized. The Company has included a statement of comprehensive earnings in its consolidated financial statements which adjusts for gains and losses on financial assets available for sale in the first quarter of 2007.

3. Investments

On February 19, 2007, the Company's wholly-owned subsidiary, SASC, completed its initial public offering of 34,000,000 common shares. The SASC shares were issued pursuant to a final prospectus dated February 7, 2007 at a price of \$0.50 per share, for total gross proceeds of \$17,000,000. SASC also granted the agents an option (exercisable within 30 days of closing) to purchase up to an additional 5,100,000 common shares at \$0.50 per common share for additional gross proceeds of \$2,550,000. The agents exercised this option, following which the Company's ownership in SASC is 8,600,000 common shares representing an 18% ownership interest.

The shares of SASC owned and controlled by the Company are subject to a regulatory escrow agreement and a lock-up agreement with the agents. The net effect of these escrow and lock-up agreements is that until August 19, 2007, unless the Company receives the consent of the agents, none of the shares of SASC owned by the Company can be sold. On August 19, 2007, 4,300,000 common shares will be released from the escrow and contractual restrictions, with 2,150,000 shares being released on each of February 19, 2008 and August 19, 2008.

As a result of this transaction, the Company has ceased to consolidate the accounts of SASC which included the Company's Bolivian and Chilean mining properties. The consolidated assets and liabilities of SASC as at February 19, 2007, the IPO date, can be summarized as follows:

Mining claims and deferred exploration	\$1,147,814
Equipment	24,971
Deferred share issue costs	473,810
Cash and cash equivalents	136,034
Current liabilities	(641,328)
Investment in SASC – 8,600,000 common shares at cost	1,141,301
Dilution gain	2,101,743
Accumulated unrealized holding gains	1,830,956
Carrying value at March 31, 2007 quoted value of \$0.59 per share	\$5,074,000

Investments classified as available for sale are reported at fair market value (or mark to market) based on quoted market prices with unrealized gains or losses excluded from earnings and reported as other comprehensive income or loss. The Company's investment in SASC has been designated as available for sale.

General Minerals Corporation

Notes to the Consolidated Financial Statements

For the three months ended March 31, 2007

(Unaudited - expressed in Canadian dollars)

4. Mining Claims and Deferred Exploration

	March 31, 2007	December 31, 2006
Bluebird, U.S.	\$171,017	\$171,017
Canasta Dorada, Mexico	204,730	134,708
Cerro Negro, Mexico	92,443	92,195
Dragoon, U.S.	215,119	215,083
Escalones, Chile a)	-	204,761
Gold Lake, U.S.	386,728	369,890
Laurani, Bolivia a)	-	462,925
Malku Khota, Bolivia a)	-	402,516
Markham Wash, U.S. b)	332,699	363,418
Monitor, U.S.	218,821	188,138
San Antonio, Mexico	52,568	-
Other *	98,756	95,388
	\$1,772,881	\$2,700,039

* These expenditures are in respect of several newly-acquired mineral properties.

- a) The Company's South American properties are held by SASC (note 3). During the period, the Company's interest in SASC was reduced to 18%; consequently the Company no longer consolidates the costs attributable to these properties in its accounts.
- b) The Company has entered into an option agreement with Teck Cominco American Incorporated (TCAI), a wholly owned subsidiary of Teck Cominco Limited, whereby TCAI can earn up to a 65% joint venture interest in the Markham Wash copper property located in Graham County, Arizona.

To complete its initial earn-in to 51%, TCAI must incur expenditures of US\$3,500,000 on the Markham Wash property within five years of February 27, 2006, of which US\$250,000 was a guaranteed commitment in the first year. Of this amount, TCAI incurred US\$223,490 in property expenditures and during the period, paid the amount of \$31,166 (US\$26,510) directly to the Company. Following its exercise of the option to earn an initial 51% interest, TCAI may elect to earn an addition 9% interest by expending US\$4,000,000 on the property over two years. Thereafter, TCAI may make a separate election to earn an additional 5% interest by funding a feasibility study.

5. Equipment

	March 31, 2007		Dec. 31, 2006	
	Cost	Accumulated amortization	Net book value	Net book value
Equipment	\$34,129	\$18,040	\$16,089	\$18,191
Computer hardware	82,144	70,065	12,079	12,474
Computer software	5,465	4,062	1,403	1,934
Vehicles	50,335	19,165	31,170	57,564
	\$172,073	\$111,332	\$60,741	\$90,163

General Minerals Corporation

Notes to the Consolidated Financial Statements

For the three months ended March 31, 2007

(Unaudited - expressed in Canadian dollars)

6. Deferred Share Issue Costs

	March 31, 2007	December 31, 2006
Deferred share issue costs	\$ -	\$341,534

On December 21, 2006, the Company's wholly owned subsidiary, SASC, filed a preliminary prospectus in connection with an initial public offering of its common shares in each of the Provinces of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba and Nova Scotia. In connection with this filing, the Company incurred legal, accounting, and filing fees of \$341,534 which were deferred. During the three months ended March 31, 2007, SASC completed its IPO and these costs were reimbursed to the Company and were charged to the share capital of SASC as share issue costs.

7. Capital Stock

	Number of Common Shares	Amount
Balance, December 31, 2006	9,335,077	\$61,326,812
Issuance of common shares on exercise of stock options	74,500	63,325
Fair value of exercised stock options	-	7,952
Balance, March 31, 2007	9,409,577	\$61,398,089

Stock options

During the period, the Company did not grant any stock options under the terms of its Stock Option Plan ("Plan"). The schedule of stock option activity under the Plan is as follows:

	Number of shares	Weighted average exercise price
Balance, December 31, 2006	895,500	\$1.69
Options exercised	(74,500)	0.85
Options expired	(2,500)	0.85
Balance, March 31, 2007	818,500	\$1.77

General Minerals Corporation
Notes to the Consolidated Financial Statements
For the three months ended March 31, 2007

(Unaudited - expressed in Canadian dollars)

The following table summarizes information about stock options outstanding as at March 31, 2007.

Options outstanding and exercisable			
Range of exercise price \$	Number of options outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price
1.25 to 1.85	731,500	2.2	\$1.43
1.86 to 2.75	10,000	3.3	2.20
4.01 to 5.00	77,000	3.7	4.97
1.25 to 5.00	818,500	2.4	1.77

During the three months ended March 31, 2007, the Company recorded \$nil (2006 - \$22,173) in stock-based compensation expense in respect of the vesting of stock options that were granted in 2005.

Share warrants

The schedule of warrant activity during the period is as follows:

	Number of shares	Weighted average exercise price
Balance, December 31, 2006 and March 31, 2007	2,018,000	\$1.86

The exercise price of these warrants increases to \$2.05 on June 25, 2007, and the warrants expire on June 25, 2008.

Contributed surplus

	Three months ended March 31, 2007	Three months ended March 31, 2006
Balance – Beginning of period	\$879,306	\$842,351
Stock-based compensation	-	22,173
Fair value of exercised stock options	(7,952)	-
Balance – End of period	\$871,354	\$864,524

General Minerals Corporation

Notes to the Consolidated Financial Statements

For the three months ended March 31, 2007

(Unaudited - expressed in Canadian dollars)

8. Related Party Transactions

- a) During the three months ended March 31, 2007, included in professional fees were legal fees totalling \$40,681 (March 31, 2006 - \$35,226) which were charged by a legal firm in which a director of the Company is a partner.
- b) During the three months ended March 31, 2007, consulting fees totalling \$52,517 (March 31, 2006 - \$47,671) were charged by officers of the Company. Of this amount, \$35,077 (March 31, 2006 - \$9,096) was charged to loss for the period and \$17,440 (March 31, 2006 - \$38,575) was deferred and included in property costs. As at March 31, 2007, prepaids and other included an amount of \$2,392 (December 31, 2006 - \$14,510) advanced to an officer of the Company.
- c) Included in accounts payable as at March 31, 2007 was \$60,464 (December 31, 2006 - \$217,844) payable to related parties.
- d) Included in prepaids and other as at March 31, 2007 was \$140,009 (December 31, 2006 - \$nil) due from SASC.
- e) Related party transactions are in the ordinary course of business, occurring on terms that are similar to those of transactions with unrelated parties, and therefore are measured at the exchange amount.

9. Segment Information

The Company's operations are limited to a single industry segment, being mineral exploration and development. Geographic segmented information as at March 31, 2007 and December 31, 2006 includes:

Identifiable Assets	March 31, 2007	December 31, 2006
Canada	\$12,082,740	\$7,737,715
United States	1,505,148	1,438,609
Bolivia	-	915,421
Chile	-	255,735
Caribbean	143,966	185,457
Mexico	449,448	329,591
Other	33,395	33,260
Total Assets	\$14,214,697	\$10,895,788

10. Commitment

The Company is committed under the terms of an office lease agreement that expires on April 30, 2010 for the following annual rent and estimated operating costs:

Year ending December 31	
2007	\$16,000
2008	22,100
2009	22,900
2010	7,700

General Minerals Corporation

Consolidated Schedule of Deferred Exploration Expenditures

For the three months ended March 31, 2007

(Unaudited - expressed in Canadian dollars)

	U.S. Properties \$	Bolivia Properties \$	Chile Properties \$	Mongolia Properties \$	Mexico Properties \$	Total \$
Balance at December 31, 2006	1,307,546	865,441	204,761	28,803	293,488	2,700,039
Land payments	25,555	59,456	-	-	29,158	114,169
Laboratory	2,564	-	-	-	-	2,564
Field supplies	1,937	2,023	-	-	686	4,646
Consulting and supervision	127	1,526	-	-	936	2,589
Geological consulting	12,577	13,873	585	-	52,147	79,182
Geophysical	1,623	-	-	-	2,028	3,651
Travel and accommodation	3,621	78	71	-	41,251	45,021
	48,004	76,956	656	-	126,206	251,822
Less:						
Property payment received	(31,166)	-	-	-	-	(31,166)
Transfer of costs to South American Silver Corp.	-	(942,397)	(205,417)	-	-	(1,147,814)
	16,838	(865,441)	(204,761)	-	126,206	(927,158)
Balance at March 31, 2007	1,324,384	-	-	28,803	419,694	1,772,881



General Minerals Corporation

880-580 Hornby Street
Vancouver, B.C. V6C 3B6

Phone: (604) 684-0693
Fax: (604) 684-0642
Web page: generalminerals.com