UNITY Mining Limited

Annual Report 2014

CORPORATE INFORMATION

Unity Mining Limited
ABN 61 005 674 073

Directors:
C Jones (Non-Executive Chairman)
A McIlwain (Managing Director & CEO)
R Beevor
G Davison

Company Secretary:
M Leydin

Senior Management Team
T Davis – Chief Operating Officer
B Stockdale – Chief Financial Officer
S Jones – General Manager – Henty Gold Mine
A Lorrigan – General Manager – Discovery & Growth
B Hill – General Manager – Markets & Strategy

Auditors:
Deloitte Touche Tohmatsu
Chartered Accountants
550 Bourke Street
Melbourne VIC 3000

Registered Office & Principal Place of Business:
Level 10
350 Collins Street
Melbourne VIC 3000

Telephone: +61 (0)3 8622 2300
Email: info@unitymining.com.au

Share Registry:
Boardroom Pty Ltd
Level 7, 207 Kent Street
Sydney NSW 2000
Telephone: (02) 9290 9600

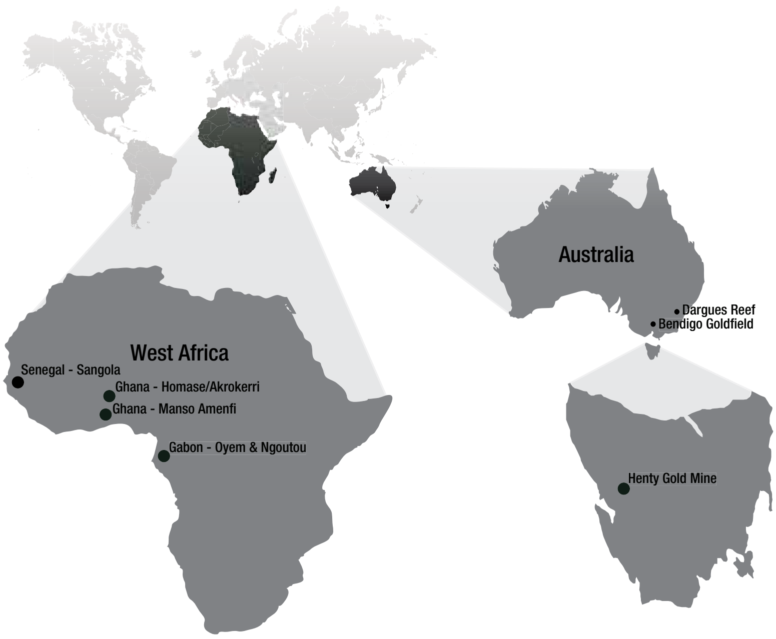
Shareholders' Enquiries:
Share Registry 1300 737 760
(enquiries@boardroomlimited.com.au)
Company Secretary +61 (0)3 8622 2300
info@unitymining.com.au

Stock Exchange:
ASX Limited (Code: UML)

Company Web Page:
http://www.unitymining.com.au

All references to $ are Australian dollars unless otherwise indicated.

CONTENTS



CORPORATE PROFILE

Unity Mining Limited (ASX: UML) ('Unity' or 'Company') is an Australian gold producer, developer and explorer which owns and operates the Henty Gold Mine on the West Coast of Tasmania and is progressing the development of the Dargues Gold Mine in New South Wales. Unity is also involved in gold exploration in West Africa through its investment in GoldStone Resources Limited ('GoldStone'). Unity holds tenure over the Bendigo Goldfield in Victoria where it is engaged in realising the value of its Kangaroo Flat gold plant and Bendigo exploration tenements.

The Henty Gold Mine has produced approximately 1.3 million ounces of gold over a 17 year period. Unity has owned and operated the Henty Gold Mine since July 2009. Unity recently announced a revised mine plan that will see Henty recover its remaining ore reserves then transition to care and maintenance in the second half of 2015.

The Dargues Gold Mine is located 60 km south-east of Canberra in Majors Creek near Braidwood. Majors Creek is the largest historic goldfield in NSW, historically producing more than 1.25 million ounces.

Strategy

The Company's goal is to be a profitable mid-tier gold mining company, operating multiple mines in a responsible manner and achieving strong financial returns. Our strategy is to discover, operate and acquire quality gold assets to transform the Company into a mid-tier gold producer. We will do this by:

- Motivating and developing our people to maximise the performance of our existing activities;
- Exploring directly and in partnership with others;
- Developing, acquiring and investing in projects where we can add value; and
- Demonstrating integrity and commitment in everything we do.

Key Company Assets

- 100% ownership of the Henty Gold Mine
  - Production of 38,067 oz gold in the 2014 financial year.
  - 1.3 million ounces of underground gold production from 1996 to date.
  - A revised mining strategy will see the recovery of known reserves and the orderly wind down to a care and maintenance basis toward the end of 2015.
- 100% ownership of Dargues Gold Mine
  - Targeting approximately 50,000 oz per annum gold production, with an initial 5 year mine life.
  - Strong exploration upside on highly prospective tenements covering the Braidwood Granodiorite and the Lachlan Fold Belt.
  - Boxcut, ROM Pad and site access road all completed. Further project development pending completion of technical studies to determine the optimal processing route and securing project funding.
- 31% shareholding in GoldStone
  - GoldStone is an AIM-listed West African gold exploration company with a highly prospective package of tenements in Ghana, Senegal and Gabon.
  - 600,000 oz gold resource at the Homase/Akrokerri project in Ghana.
  - New funding commitment secured from AIM-listed Stratex International (subject to GoldStone shareholder and regulatory approval), who have a proven track record of turning small to medium sized gold assets into cash generating enterprises.
- 100% ownership of the Bendigo Goldfield
  - Active sales program underway for the Bendigo Project, including all tenements, licences plant and infrastructure.
  - Expressions of interest also being sought for the acquisition of the standalone gold ore processing plant or major components.
  - Committed to meet obligations with progressive rehabilitation of the Kangaroo Flat Mine site underway.
- $6.8 million in cash at 30 June 2014.
- No corporate debt, no gold hedging.

LETTER FROM THE CHAIRMAN & CEO

Dear Fellow Shareholders,

The 2014 financial year has clearly been a difficult one for our company. Underperformance at Henty, particularly in the second and third quarters, and ongoing challenges to development of the Dargues project in NSW have seen us fall well short of the expectations set for ourselves and outlined to shareholders this time last year. This has been reflected in the steep decline in the company's share price over the same period. However, having developed and, in most cases, implemented detailed plans to address these issues, the company is now well placed to rebuild from what is a disappointingly low base and to now deliver increased shareholder value.

Generating cash at Henty

The underground Henty Gold Mine in Tasmania produced 38,067 gold ounces in the 2014 financial year, a decline of 13% on the previous year. The reduced production was due to a reduction in ore tonnes processed. This was generally due to the particularly challenging ground conditions encountered in the Newton Zone which led to a number of key stopes suffering unplanned dilution. Production from the Read Zone was considerably below plan as the continuity of grade ultimately differed to the original geological interpretation developed from diamond drilling. Whilst areas of very high grade were encountered, the lateral and vertical continuity was less than anticipated. Consequently, significantly fewer tonnes were sourced from the Read Zone than was initially expected.

In response to these challenges, the Company undertook a detailed review of the Henty Gold Mine's mineral inventory and life of mine production schedule. The purpose of the review was to ensure that there was a high degree of confidence in the Henty Ore Reserves and mining schedule and that the mine was capable of generating positive cash flows at current gold prices. As a result of that review, the Company announced on 7 July 2014 the best economic outcome for Unity shareholders was for the company to focus on maximising cash generation through the recovery of the remaining higher confidence and higher margin reserves. At currently scheduled mining rates, the Henty Gold Mine is expected to transition onto care and maintenance in late 2015.

Focus on sustainable cost reductions

In response to the lower gold price and production challenges at the Henty Gold Mine, a significant cost cutting program was undertaken across the Unity group during the 2014 financial year which resulted in the decrease in mining, processing and site administration costs and corporate overheads. With the Henty Gold Mine transitioning to care and maintenance over the next 12 – 15 months, manning levels will continue to be closely managed to reflect operational requirements.

The Board also resolved that, for a second consecutive year, there will be no salary increases or payments under the Short Term Incentive program. The Board also implemented a further reduction in Directors' fees.

Developing the Dargues Gold Mine for future growth

Development of the Dargues project was suspended in November 2013 in order to review processing and funding options.

Since then, a number of technical studies have been undertaken to review a comprehensive range of processing solutions with further optimisation of the mine layout and production schedule to reduce project capital and operating expenses and enhance the expected cashflows.

Earthworks and development activities continued at the Dargues Gold Mine until early December at which point the stabilised boxcut, ROM Pad, mine infrastructure area and the 3.2 km site access road were all complete, and the site was placed on care and maintenance.

The company remains committed to advancing the Dargues Gold Mine and expects to make further announcements about the preferred processing route and revised project metrics in the coming months.

Optionality in Africa while realising assets in Bendigo

Unity's holding in AIM-listed GoldStone provides continued exposure to the prolific gold belts of West Africa. Assuming GoldStone shareholders support the recently announced placement to Stratex International Plc, GoldStone will gain an experienced and well-funded shareholder with a proven track record of turning small to medium sized gold assets into cash generating enterprises. Whilst this placement will dilute Unity's shareholding, Goldstone will be in a far stronger position to develop its projects and Unity will retain optionality for the future.

At Kangaroo Flat in Bendigo, Unity has continued to seek new owners for its tenements, plant and equipment, in what has been a depressed market for trading gold assets. Nonetheless, the company has recently received expressions of interest from a number of parties and is continuing to evaluate opportunities to realise the latent value of these assets.

Financial performance and asset values

Lower gold production from the Henty Gold Mine and the fall in the gold price were responsible for a $9.872 million fall in revenue. The Company generated a gross trading loss of $7.159 million, which after non-cash impairment write-downs, interest, exploration, corporate and other expenses resulted in a total net loss of $52.097 million for the 2014 financial year. The non-cash impairment charges reflect the shortened mine life at the Henty Gold Mine and the suspension and deferral of development of the Dargues Gold Mine and the adoption of a revised project development plan.

Operating safely and in compliance

Safety remains a core value of Unity. Implementing strategies to identify and manage risks in our workplaces remains our highest priority. The 2014 financial year saw a continuation of the SafetyCircle program at the Henty Gold Mine and its introduction to the Dargues Gold Mine site as the program was embedded throughout the workforce. The Henty Gold Mine also introduced a new Health and Safety Management system to streamline the safety management and risk management process, which will be progressively deployed across the group.

In spite of the difficult year at the Henty Gold Mine, the team retained its sharp focus on operating safely. The lost time injury frequency rate (LTIFR) for the 2014 financial year was 2.6 (injuries per million man hours worked), and the total reportable injury frequency rate was 28.3. Both of these metrics were substantive improvements on the previous year and particularly pleasing was the significant reduction in LTIFR. Only one lost time injury was recorded for the year with the Henty Gold Mine site having achieved a record 440 days lost time injury free. The Dargues Gold Mine site delivered similarly strong safely results, with just one lost time injury for the year.

Outlook for the 2015 financial year

As a result of the decision to transition the mine onto care and maintenance, it is anticipated that the majority of the Henty Gold Mine workforce will be made redundant during 2014 and 2015. However, exploration drilling at the Henty Gold Mine remains ongoing and ultimately the Company will seek, subject to funding, to delineate additional reserves with the aim of bringing the Henty Gold Mine back into production.

Advancing the development options for the Dargues Gold Mine will continue throughout the 2015 financial year, with a range of activities to be undertaken with a view to securing an optimal gold processing path, completion of a revised definitive feasibility study and funding in order to recommence construction as soon as possible. The Company continues to maintain an exploration program in New South Wales, including tenements adjacent to the Dargues Gold Mine where numerous targets have been identified which have the potential to add near-term increases to mine life.

While the Unity Board and management are primarily focused on the existing portfolio of gold mining assets, the Company will also continue to seek new business opportunities that have potential to grow and diversify sources of production and increase shareholder value.

Thank you for your continuing support.

Chairman

Managing Director & CEO

HENTY GOLD MINE OPERATIONS

Summary

In parallel with a continuous drive to improve safety performance, this year's operational focus was to continue an aggressive exploration program and provide ore for processing from the Read, Newton, and Darwin South ore bodies.

Substantial development advance was achieved with 4348 metres completed for the year.

Significant exploration continued predominantly from underground specifically targeting areas within close proximity to existing mine infrastructure. A total of 39,424 metres of diamond drilling was completed. The high-grade Read Zone continued to evolve as a resource and the zone remains open as a target.

A total of 240,297 tonnes of ore was processed at a grade of 5.3 g/t gold to produce 38,067 ounces of gold at a cash operating cost of $1203/oz, including royalties of $39/oz.

Development

Underground development of 4348 metres was completed and comprised of 2644 metres of operating development, 935 metres of flatbacking and 769 metres of capital development.

The majority of the development (66%) was completed in the Newton zone where the focus was on establishing multiple level horizons for future stoping. Development also advanced in the Read zone with 26% of the metres being completed in this area. Minimal development was completed in Darwin South, Zone 15 and Tyndall.

Production

Total ore mined was 247,230 tonnes consisting of 135,895 tonnes from bench stoping, 33,193 tonnes from flatbacking and 78,142 tonnes from development.

The majority of stope tonnes were sourced from the Newton zone (74%). Darwin South contributed 18% of stoping tonnes and minor contributions were sourced from Zone 15 (3%) and Tyndall zone (5%) where some remnant stopes were mined. Stoping within the Newton zone focussed primarily on two discrete zones (a footwall zone and a hangingwall zone). Ground conditions were challenging as the zone of alteration was particularly faulted with many stopes suffering dilution. Stope geometries were reviewed in conjunction with drill and blast practices in order to improve stope performance.

Production from the Read zone was intermittent as the continuity of grade tended to vary from the original interpretation from the diamond drilling. Whilst areas of very high grade were encountered, the lateral and vertical extent of those ore zones was typically minimal. Consequently significantly less tonnes were sourced from the Read zone than was initially expected.

The experience gained throughout the 2014 financial year in both the Read and Newton zone has been applied to the 2015 financial year production plan and schedule resulting in the development of a robust, high confidence mining plan for the forthcoming year.

The processing plant operated on a 24 hour, 7 day week basis with shutdowns for scheduled maintenance. Total gold production was 38,067 ounces as detailed in the following table.

	Period ending 30 June 2014	Period ending 30 June 2013
Tonnes mined	247,230	276,626
Tonnes processed	240,297	278,105
Grade (g/t gold)	5.3	5.3
Recovery (%)	93.4	93.1
Gold produced (oz)	38,067	43,851
Cash operating cost (A$/oz) – excl. royalties	1164	1047
Cash operating cost (A$/oz) – incl. royalties	1203	1114
All-In Sustaining cost (A$/oz)	1438	1426
Cash operating cost (A$/t)	191	176

Exploration

Exploration was focussed on targets accessible from within the mine and on the Firetower Project in northern Tasmania.

Near Mine Targets

Underground drilling identified additional resources in the Darwin South and Read Zones. A structural model, based on re-logging of old diamond holes and underground mapping was generated. Analysis undertaken using this model identified a displaced extension to the South Darwin Zone which has been designated the Tear-Away Zone.

The Tear-Away extension of the Darwin South Zone is dragged into the fault that causes this off-set. Drilling of one hole to test the concept intersected alteration in the off-set Darwin South position. Although the alteration was not gold-bearing, this has opened up a new area for exploration south of Darwin South.

Regional Targets

Unity holds a 135 sq km, contiguous package of tenements in the vicinity of the Henty Gold Mine. This includes the Henty Gold Mine Mining Leases. These tenements are centred on the Henty Fault, which is thought to be a major control on gold mineralisation. Other controls are the Great Lyell Fault and subsidiary structures and an altered package of Cambrian Volcanics, and these, or their correlates also occur within the tenements.

In addition to ground around the Henty Gold Mine, Unity has entered into an agreement with Greatland Pty Ltd over 264 sq km of tenements located 35 km south of Devonport. These tenements cover an area which bears a strong geological resemblance to the Henty Gold Mine region. Shallow gold mineralisation has previously been drilled in the area.

Henty Gold Mine region

The focus of exploration was on two types of target:

1. Testing for extensions of the Henty Gold Mine mineralisation, north and south of the mine.
2. Identifying and testing targets to the north of Henty Gold Mine, where the geology is analogous to Henty Gold Mine, i.e. where there is a similar configuration of rock types and structure adjacent to the Henty Fault.

In the first category, soil sampling and mapping were undertaken on EL 28/2001. This successfully traced the South Darwin host rocks to the south, although they are shown to be displaced across NE-SW trending structures.

In the second category, extensive mapping and sampling was completed in the Red Hills and Moxon Saddle areas. This has served to define a new target in the area where Henty-like host rocks come close to the Henty Fault. Anomalous gold and copper rock chips were returned from this area.

Firetower

In October 2011 Unity entered into an agreement with an AIM-listed company, Greatland Pty Ltd. The agreement refers to four tenements in Northern Tasmania, collectively known as "The Firetower Project".

Gold mineralisation at the Firetower deposit is associated with widespread alteration of volcaniclastic rocks. Alteration is dominated by silica, sericite, carbonate, and pyrite. To date, gold mineralisation has been defined over a strike length of 400 m and has a width of up to 80 m. Previous drilling intersected gold grades of up to 30 g/t over a one metre interval.

The terms of the agreement allow Unity to earn up to 75% in the tenements, for the expenditure of $7 million, in two stages, over five and a half years. The first stage requires expenditure of $2 million over two and a half years, following a minimum expenditure of $200,000. The latter milestone was exceeded during the year.

Work on this project consisted of follow-up on the gold and copper mineralisation intersected in FTD 38 in the Firetower West area and reported last year.

An IP survey indicated a large and coherent chargeability anomaly, co-incident with a broad magnetic anomaly and a copper in soil anomaly. Drill testing of the target was underway at the end of this reporting period.

DARGUES GOLD MINE

Development

Development of the Dargues project was suspended in November 2013 in order to review processing and funding options.

All contractors were demobilised at the end of December 2013 and a small team of personnel remain on site as the project transitioned into care maintenance.

At the time the project development was suspended, the site access road, ROM pad and box cut had all been completed. All necessary water catchments and sediment and erosion control structures were also in place to ensure the site remains stable during the care and maintenance phase.

During this period of care of maintenance a number of technical studies will be undertaken to review alternate processing solutions and further optimisation of the mine layout and production schedule.

Near-mine Exploration

Steady progress was made on the area around the Dargues Gold Mine.

A diamond drilling program at Dargues concluded in December, with seven holes completed. The program tested parts of Ruby Lode, with some holes extended into the deepest part of Dargues Main Lode. One of these holes (DREX330) encountered high grade mineralisation down plunge of the Dargues Main Lode mineralisation. This result is extremely encouraging as it adds to confidence in the persistence and quality of the Dargues Main Lode at depth and potential for mine life extension.

Re-interpretation of the regional magnetics identified Dargues-like structures. These areas were then followed-up with soil geochemistry, followed by I.P. surveys to define drilling targets. This work is still in progress but promising targets are emerging to the east of Dargues (Doubloon) and to the south of the Dargues Gold Mine (Scotchman's Gully).

Regional NSW Exploration

In addition to the ground holding around the Dargues Gold Mine, Unity holds other ground in NSW. Of particular note is the Booth's Reward tenement near Gundagai, where historic diamond drilling intersected 10 m at 3.51 g/t in BRDD013 which included 2 m at 13.29 g/t gold, 1 m at 25.3 g/t (containing visible gold) and 2 m at 3.96 g/t gold.

Soil sampling on these tenements has identified two structures that appear to be controlling mineralisation. These are oriented NE-SW and are at a high angle to the main strike direction, which means they have not been adequately tested. Planning is in progress to drill test these structures in October 2014.

BENDIGO PROJECT

The Kangaroo Flat Mine remained on care and maintenance throughout the period.

The Company has been seeking expressions of interest for the sale of all, or a substantial part, of its Bendigo assets, including the Kangaroo Flat Mine gold ore processing plant.

GOLDSTONE RESOURCES (31% OWNED BY UNITY)

Summary

GoldStone Resources Limited (GoldStone) is an AIM-listed exploration company based in South Africa with exploration skills focused on gold in West and Central Africa. GoldStone's projects are located in Ghana, Senegal and Gabon, and range from grassroots to advanced exploration. Unity Mining holds a 31% equity interest in GoldStone, and has two board seats.

GoldStone completed two capital raisings during the financial year. On 26 July 2013, GoldStone announced that it has conditionally raised £359,477 before expenses through a placing of new ordinary shares at a price of 1p per share. Unity participated in this placement to retain its equity position at 33.4%. On 23 September 2013, GoldStone announced a further share placement to raise £500,000 (before expenses) through a placing of new ordinary shares at a price of 1.5p per share. Unity did not participate in this second placement and was consequently diluted to its current 31% stake in GoldStone.

RESOURCES AND RESERVES STATEMENT

The following statement of Mineral Resources and Ore Reserves conforms to the Australasian Code for Reporting Exploration, Mineral Resources and Ore Reserves (JORC code) 2012 Edition. Minor discrepancies may occur due to rounding to appropriate significant figures.

Mineral Resources

Mineral Resources Estimate at 28 February 2014

	Measured			Indicated			Inferrred			Total		
	kt	g/t gold	koz	kt	g/t gold	koz	kt	g/t gold	koz	kt	g/t gold	koz
Henty	976	4.8	150	556	4.9	88	284	4.8	44	1817	4.8	282
Dargues	378	7.2	88	818	6.8	179	420	4.5	61	1616	6.3	327

Ore Reserves

The Ore Reserves are a subset of Mineral Resources. All tonnages reported are dry metric tonnes. Minor discrepancies may occur due to rounding to appropriate significant figures.

Ore Reserves Estimate at 28 February 2014

	Proved			Probable			Total		
	kt	g/t gold	koz	kt	g/t gold	koz	kt	g/t gold	koz
Henty	290	5.0	47	138	5.8	26	428	5.3	72
Dargues	476	5.3	81	913	5.2	152	1389	5.2	233

Competent Persons' Statement

Any information in this public report that relates to Ore Reserves, Mineral Resources or Exploration Results is based on, and accurately reflects, information compiled by Rob Mclean in relation to Ore Reserves at Henty Gold Mine and Dargues Gold Mine, Raul Hollinger in relation to Mineral Resources at Henty Gold Mine, John Collier in relation to Mineral Resources at Dargues Gold Mine and Angela Lorrigan in relation to Exploration Results. McLean, Hollinger and Lorrigan are Members of the Australasian Institute of Mining and Metallurgy, and Lorrigan, Collier and Hollinger are Members of the Australian Institute of Geoscientists. McLean, Collier, Hollinger and Lorrigan are or were at the time of preparing the reports full time employees of the Company and have more than five years' experience in the style of mineralisation and type of deposit under consideration and to the activity which they undertaking to qualify as Competent Persons as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. McLean, Hollinger, Collier and Lorrigan have given prior written consent, where required, to the inclusion in this report of the matters based on their respective information, where applicable, in the form and context in which it appears.

LICENCE TO OPERATE

Unity is a signatory to Enduring Value – the Australian Minerals Industry Framework for Sustainable Development. The Company produces an annual Sustainability Report, detailing environmental performance and key health, safety, environment and community activities and initiatives. The latest report is available at the Company's web site: www.unitymining.com.au under "Community".

Health and Safety

Unity is committed to operating in a safe and responsible manner, respecting the health and safety of our employees, the environment and the communities in which we operate.

The 2014 financial year saw a continuation of the SafetyCircle program at the Henty Gold Mine as the program was embedded throughout the workforce. The mine also introduced a new Health and Safety Management system called InControl. InControl is a retail health and safety (OHS) management software system that helps streamline the safety management and risk management process. InControl includes corrective actions, email notifications and escalations, risk and compliance management. It also includes observations, inspections, meetings, audits, injury management and supports the full range of health and safety management activities.

The system was introduced in November 2013 and is now the sole Health and Safety management system throughout the entire business.

Unity reports its performance metric reporting in line with the International Council on Mining & Metals (ICMM) Health and Safety Performance Indicator Definitions.

Across the Group there were three lost time injuries, with the full-year result of a LTIFR of 6.7 and a TRIFR of 29.1.

Environment

The Company's activities are designed and operated to minimise impacts on the environment and surrounding communities.

Comprehensive environmental monitoring programs are in place at both mine sites which focus on collecting and assessing data associated with operations such as water quality, noise, air quality, blast vibration, odour, soil, groundwater and rehabilitation.

The Henty Gold Mine is located adjacent to the cool temperate rainforest of the South-West Conservation Area on the West Coast of Tasmania.

The Dargues Gold Mine is located on rolling pasture covered hills and remnant Ribbon Gum forests on the western slopes of the Great Dividing Range near the township of Majors Creek.

During the year Big Island Mining Pty Ltd ('BIM'), a wholly-owned subsidiary of Unity, was prosecuted in the Land and Environment Court of NSW by the NSW EPA for three offences relating to the discharge of sediment laden waters at the Dargues Gold Mine following a number of heavy rain events in late February and early March 2013. BIM pleaded guilty to all three charges and was ordered to pay $103,000 to the Upper Deua Catchment Landcare Group Inc. to be used for Riparian health works in and around Araluen Creek. BIM's contribution to the funding of the Riparian health works in and around Araluen Creek is part of a penalty imposed on it by the Land and Environment Court of NSW after it was convicted of offences against s. 120(1) (water pollution) of the Protection of the Environment Operations Act 1997(NSW). BIM was also ordered to pay an agreed sum of $93,000 to reimburse the NSW EPA for its investigation and legal costs.

The Kangaroo Flat Mine is located within regrowth box-ironbark forest, agricultural farmland and the urban environment of the city of Bendigo in central Victoria.

Community

The Company engages openly and honestly with people affected by its operations, and takes their views and concerns into account in decision making.

The Henty Gold Mine is located 30 km north of Queenstown on the West Coast of Tasmania. The mine has approximately 150 employees and full-time contractors, and is an important employer and economic contributor to communities on Tasmania's West Coast. The Company has a proactive approach towards informing stakeholders and contributing to local community initiatives.

The Dargues Gold Mine is located approximately 60 km southeast of Canberra, 13 km south of Braidwood and immediately north of the village of Majors Creek. Development of the project commenced in February 2013 and will comprise an underground gold mine (decline), a run-of-mine (ROM) Pad, temporary waste rock emplacement, crushing facility, gold processing plant, tailings storage facility and associated infrastructure. When operating at full production rate, the mine is expected to directly employ around 120 people, with further positive economic benefits to the region. The Company has established the Dargues Reef Community Consultative Committee as key mechanism for the Company to engage and liaise with the local community, the Council and other stakeholders so that all views are heard.

The Kangaroo Flat Mine surface infrastructure is located on the outskirts of Bendigo, a thriving rural city of approximately 100,000 people, some two hours by road from Melbourne, the capital of Victoria. The mine site, which is currently on care and maintenance, is located close to a highly urbanised area and considerable efforts are made to secure community support for ongoing activities. The Company will continue to engage with stakeholders in relation to the Company's ongoing activities.

CORPORATE GOVERNANCE STATEMENT

Under ASX Listing Rules, companies are required to provide a statement in their annual report disclosing the extent to which they have followed the Recommendations of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations with 2010 Amendments 2nd Edition, in the reporting period. A summary and discussion of the Company's Corporate Governance practices is set out below. The governance charters and policies are provided on the Company's website under the "Company – Corporate Governance" section at www.unitymining.com.au.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1 – Establish functions reserved for the Board and for Senior Management.

The Board has adopted a Charter which defines the framework of rules, systems and processes by which authority is exercised and controlled within the Company (the Charter is publicly available on the website). The expectations of Directors are outlined in a formal Letter of Appointment which details the term of appointment, fees, power and duties and other information pertinent to their roles. In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company.

Responsibility for the day-to-day management of the Company and its operations is delegated to senior executive management as defined in the Board Charter.

Recommendation 1.2 – Disclose the process for evaluation of senior executives.

The appraisal of senior executives assesses the achievement of the individual's stated objectives and the behaviour and attitude displayed in achieving those goals. Overall performance is ranked numerically by the senior executive's supervisor and is reviewed by the supervisor's direct report.

Recommendation 1.3 – Include all required information indicated in the Guide.

(i) There are no departures from Recommendations 1.1, 1.2 or 1.3.

(ii) Performance evaluations for senior management have taken place in the reporting period, as detailed in Recommendation 1.2.

Principle 2: Structure the Board to add value

Recommendation 2.1 – Majority of the Board should be independent directors.

The majority of the Board are independent Directors who provide an appropriate mix of business and specialist skills and qualifications.

In considering materiality, the Board considers quantitative and qualitative factors that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgment. With regards to quantitative factors, the Board is guided by AASB 1031 which presumes a transaction to be immaterial if it is equal to or less than 5% of the relevant base amount. Whereas it is presumed to be material (unless evidenced to the contrary) if it is equal to or greater than 10% of the base amount. The base amount may be any relevant number, such as market capitalisation, annual revenue or expenditure.

In determining qualitative factors, the Board will primarily consider whether or not the nature of the director's interest would have the capacity to influence the vote of that director upon the decision being made, bearing in mind that the conflict of interest must be of a real or substantial kind. Such considerations can focus on financial relationships or supply relationships.

In accordance with this definition, the Board has three (C Jones, R Beevor, and G Davison) out of a total of four Directors who are deemed to be independent Directors.

Recommendation 2.2 – The Chairman should be an independent director.

The Chair, C Jones, is considered by the Board to be an independent non-executive Director.

Recommendation 2.3 – The Chairman and the CEO should not be the same person.

The duties of Chairman and CEO are separated and each position is held by a different incumbent.

Recommendation 2.4 – Board should establish a nomination committee.

The Board has established a Remuneration & Nomination Committee. The Committee consists of three independent non-executive Directors: R Beevor (Chairman), C Jones and G Davison. The roles and responsibilities of the Remuneration & Nomination Committee are detailed in the Remuneration and

CORPORATE GOVERNANCE STATEMENT

Nomination Committee Charter and are publicly available on the website. The qualifications of the Directors and the number of meetings held are detailed in the Directors' Report.

Recommendation 2.5- Disclose the process for evaluation of the Board.

The Board conducts periodic evaluations of its own performance, as a whole, the performance of its committees and of individual Directors. Performance is reviewed against a range of appropriate measures such as the Board's role in strategy and planning, corporate governance, effectiveness of meetings, effectiveness of management information, compliance, performance against stated objectives and behaviour and code of conduct. The objective of this evaluation is to provide best practice corporate governance to the Company.

Recommendation 2.6 - Include all required information indicated in the Guide.

(i) Details of the skills, experience and expertise of each Director are detailed in the Directors' Report.

(ii) The names of independent Directors and discussion of the materiality threshold is contained in Recommendation 2.1.

(iii) The Board has considered the various relationships between Directors and the Company which may affect independence. There are no relationships which affect the independent judgement of non-executive Directors.

(iv) Circumstances may arise where Directors need professional advice in the furtherance of their duties. There are procedures in place, agreed by the Chairman, for Directors to seek independent professional advice at the Company's expense.

(v) The term in office held by each Director at the date of this report is as follows: C Jones one year and seven months, R Beevor eleven years nine months, G Davison twelve months and A McIlwain two years nine months.

(vi) The names of members of the Remuneration & Nomination Committee are included in Recommendation 2.4.

(vii) The Board performance evaluation is discussed in Recommendation 2.5.

(viii) There are no departures from Recommendations 2.1, 2.2, 2.3, 2.4, 2.5 or 2.6.

Principle 3: Promote ethical and responsible decision making

Recommendation 3.1 – Establish and disclose a code of conduct.

Management has established a Values and Code of Conduct Policy which has been endorsed by the Board. All new employees and Directors are required to formally adopt the Company's Values and Code of Conduct as a pre-condition of employment or appointment.

Recommendation 3.2 – Establish and disclose a policy on diversity.

Unity Mining recognises the value of a diverse workforce and believes that diversity supports all employees reaching their full potential, improves business decisions and business results, increases stakeholder satisfaction and promotes realisation of the company vision. Diversity also encompasses a large range of factors and is not restricted to issues of gender or race. The Company is increasingly employing a cross-section of people in various categories at its operations.

Unity is committed to ensuring that emphasis is maintained on developing the skills of our local workforce. All employees, whether part time, full time or temporary, will be treated fairly and with equal consideration of their merits. We will actively manage diversity, finding ways of utilising the differences that exist, in order to improve our business. This requires that we actively and flexibly seek to accommodate the unique needs of many different employees.

Selection for employment, promotion, training or any other benefit is on the basis of aptitude and ability. All employees will be helped and encouraged to develop their full potential and the talents and resources of the workforce will be fully utilised to maximise the efficiency of the organisation.

Above all, we are committed to ensuring that all employees are treated with respect, dignity and equal opportunity in respect to employment and employment conditions.

The Group is committed to supporting employees and managers in the achievement of a diverse workplace. Due to the broad nature of diversity, the Company does not believe that prescribed diversity targets are appropriate for a company at this stage of its development.

Recommendation 3.3 - Disclose the measurable objectives for achieving gender diversity

As discussed in Recommendation 3.2 the Company has not established diversity targets.

Recommendation 3.4 - disclose the proportion of women employees in the organisation

Percentage of women on the Board: 0%

Percentage of women in Senior Management: 29%

Percentage of women in entire organisation: 9%

Recommendation 3.5 - Include all required information indicated in the Guide.

(i) There are no departures from Recommendations 3.1, 3.4 and 3.5.

(ii) Explanations have been provided for the departures from Recommendations 3.2 and 3.3.

(iii) The Values and Code of Conduct Policy is publicly available on the Company's website.

(iv) The Share Trading Policy is publicly available on the Company's website.

Principle 4: Safeguard integrity in financial reporting

Recommendation 4.1 – The Board should establish an audit committee.

The Board has established and operates an Audit & Risk Management Committee.

The committee comprises three independent non-executive Directors: R Beevor (Chairman), C Jones and G Davison. The Committee's key responsibilities are to supervise the audit function; oversee the preparation of financial statements; and ensure management has designed and implemented an appropriate risk management and internal control system to manage the Company's material financial and commercial risks.

Recommendation 4.2 – Structure the Audit Committee to consist of independent directors.

The Audit & Risk Management Committee consists only of independent non-executive Directors (see Recommendation 4.1 for details of membership). The Chairman is an independent Director and is not the Chairman of the Board. The Committee has three members with a quorum of two.

Recommendation 4.3 – Audit committee should have a formal charter.

The Audit & Risk Management Committee has a formal Charter which defines the objectives of the Committee, membership, responsibilities and functions and relationship with the external auditor.

Recommendation 4.4 - Include all required information indicated in the Guide.

(i) The members of the Audit & Risk Management Committee are listed in Recommendation 4.1. The details of the skills and experience of each member and their attendance at meetings is contained in the Directors' Report.

(ii) The number of Audit & Risk Management Committee meetings held is contained in the Directors' Report.

(iii) There are no departures from Recommendations 4.1, 4.2, 4.3 or 4.4.

(iv) The Audit & Risk Management Committee Charter is publicly available on the Company's website.

(v) Procedures on selection and appointment of external auditor and rotation of the external audit engagement partners are publicly disclosed in the External Auditor Policy on the Company's website.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1 – Establish a policy on ASX Listing Rule disclosure requirements.

Unity is committed to providing relevant up to date information to its shareholders and the broader investment community in accordance with the continuous disclosure requirements under ASX Listing Rules and the Corporations Act. The Company has established a Continuous Disclosure Policy that ensures information considered material is immediately lodged with ASX.

Recommendation 5.2 – Include all required information indicated in the Guide.

(i) There are no departures from Recommendations 5.1 or 5.2.

(ii) The Continuous Disclosure Policy is publicly available on the Company's website.

CORPORATE GOVERNANCE STATEMENT (continued)

Principle 6: Respect the rights of shareholders

Recommendation 6.1 - Design a communication policy for promoting effective communication.

The Company has established an Investor Communication Policy which outlines the activities undertaken to ensure shareholders are provided with relevant and timely information. Information is communicated to investors through the Company's quarterly and annual reports, half-year and full year results, announcements, formal ASX disclosures, and the Annual General Meeting. The Company maintains a detailed website which contains significant current and historical information. An email-based mailing list subscription service is offered on the website to interested parties who would like to receive notification of ASX releases. Shareholders are also encouraged to attend the Annual General Meeting and use the opportunity to ask questions of Directors and Management. The external auditor attends the meeting and is available to answer relevant questions.

Recommendation 6.2 - Include all required information indicated in the Guide.

(i) There are no departures from Recommendations 6.1 or 6.2.

(ii) The Communication Policy is publicly available on the Company's website.

Principle 7: Recognise and manage risk

Recommendation 7.1 – Establish policies for risk oversight and management.

The Company has developed a Risk Management Policy which details the Company's attitude to risk and risk management. The oversight of financial and commercial risk is predominantly the domain of the Audit & Risk Management Committee. The oversight of health, safety and environment risk is the domain of the Health, Safety & Environment Committee. This Committee consists of G Davison (Chairman), C Jones and R Beevor. The Committee reviews the Company's performance against a range of safety and environment targets. Particular attention is applied to assessing key risks, including geotechnical conditions, fire, site security, environmental discharges and licence to operate. Audits of the Company's compliance with key Health, Safety and Environment legislation are conducted.

The link between the two committees is maintained by ensuring that the Chairman of the Audit and Risk Management Committee is also a member of the Health, Safety & Environment Committee.

Recommendation 7.2 – Management is required to design and implement risk management.

The Board has responsibility for assessing the effectiveness of the Company's risk management system for mitigation of material business risk. The Board requests an annual sign-off from the Managing Director & CEO and the Chief Financial Officer to confirm that they have established and maintained an adequate risk management and internal control system to manage the Company's material business risks; and that material risks are being managed appropriately. This sign-off prompts a thorough annual review of the risk management and internal control system.

Recommendation 7.3 – Management to assure integrity of financial reports to the Board.

Written declarations are provided each year by the Managing Director & CEO and the Chief Financial Officer to the Board, stating that the Company's financial reports are based on a sound system of risk management and internal control and that the system is operating effectively in all material aspects in relation to financial reporting risk.

Recommendation 7.4 - Include all required information indicated in the Guide.

(i) There are no departures from Recommendations 7.1, 7.2, 7.3 or 7.4.

(ii) The Board has received written declarations under Recommendation 7.2.

(iii) The Board has received written declarations under Recommendation 7.3.

(iv) The Risk Management Policy is publicly available on the Company website.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1 – Board should establish a remuneration committee.

The Board has established a Remuneration & Nomination Committee. The Committee consists of three independent non-executive Directors: R Beevor (Chairman), C Jones and G Davison. In relation to its remuneration responsibilities, the Committee reviews and makes recommendations to the Board on remuneration and performance frameworks involving employees and Directors which support the achievement of short and long term business goals. The Committee establishes criteria for remuneration arrangements for senior executives including the Managing Director and reviews and approves the general remuneration framework for all other employees. Further details are contained in the Directors' Report.

Recommendation 8.2 – The structure of non-executive directors' remuneration should be clearly distinguished from executive directors and management.

Non-executive Directors are remunerated differently to the executive Director and management. In particular, non-executive Directors do not participate in any equity-based remuneration schemes in which the executive Director and management may be entitled to participate.

The total annual remuneration paid to Non-executive Directors may not exceed the limit set by the shareholders at an annual general meeting (currently $500,000). The remuneration of Non-executive Directors comprises fixed Board and Committee fees, plus statutory superannuation payments.

The remuneration of the executive Director, executive officers and key management personnel of the Company consists of fixed and variable remuneration. Further details on remuneration are set out in the Directors' Report.

Recommendation 8.3 – Include all required information indicated in the Guide.

(i) The members of the Remuneration & Nomination Committee are included in Recommendation 8.1, and their attendance at meetings is contained in the Directors' Report.

(ii) There are no schemes for retirement benefits of Non-executive Directors, other than statutory superannuation.

(iii) There are no departures from Recommendations 8.1, 8.2 or 8.3.

(iv) The Remuneration & Nomination Committee Charter is publicly available on the Company website.

(v) Employees who receive performance rights as part of their remuneration must not dispose of, grant any security interest over, or otherwise deal with them so as to limit any exposure to losses that would result from share price decreases.

DIRECTORS' REPORT

The Directors of Unity Mining Limited ('Unity' or 'Company') present their report together with the financial report for the year ended 30 June 2014.

Directors

The names and relevant details of Directors of the Company in office during or since the end of the financial year are as follows:

Directors

Clive Jones
B.App.Sc (Geol), M.AusIMM Non-Executive Chairman
Mr Jones has been involved in the minerals industry for 25 years and has worked on the exploration for and development of projects covering a range of commodities including gold, base metals, uranium, mineral sands, iron ore and industrial minerals both in Australia and overseas. His experience covers both corporate and technical roles at senior management level. Mr Jones is currently Joint-Managing Director of Cazaly Resources Ltd, a Non-Executive Director of Bannerman Resources Ltd and is Non-Executive Chairman of Corazon Mining Limited. All of these companies are currently listed on the Australian Stock Exchange whilst Bannerman is also jointly listed on the Toronto and Namibian Stock Exchanges. He joined the Board in January 2013 as Non-Executive Chairman and is also a member of the Company's Remuneration & Nomination Committee, Health, Safety and Environment Committee and Audit & Risk Committee.

Andrew McIlwain
BEng (Mining), MAusIMM
Managing Director and CEO
Mr McIlwain has over 25 years experience in the mining industry. He is a qualified mining engineer and has held operational, technical, senior management and executive roles within Mount Isa Mines Limited, Central Norseman Gold Corporation, WMC Resources and Lafayette Mining Limited. More recently, as an independent consultant, he worked with Oxiana, Heemskirk and Tusker Gold focusing on corporate transactions. He is also Non-Executive Director and Independent Chairman of ASX-listed Emmerson Resources Limited and a Non-Executive Director of Kidman Resources Limited. He joined the Board as Managing Director and CEO in December 2011. He is a Non-Executive Director of associate GoldStone Resources Limited.

Ronnie Beevor
BA (Hons)
Non–Executive Director
Mr Beevor is an investment banker and was Head of Investment Banking at N M Rothschild & Sons (Australia) Limited between 1997 and 2002. He has had extensive involvement with the natural resources industry, both in Australia and internationally. Mr Beevor is Chairman of Bannerman Resources Limited and EMED Mining Public Limited and a Director of Riversdale Resources Limited and Wolf Minerals Ltd. Mr Beevor is a Senior Advisor to Standard Chartered Bank (Gryphon Partners). He joined the Board in November 2002 and is Chairman of the Company's Audit & Risk Committee and Remuneration & Nomination Committee and a member of the Health, Safety and Environment Committee.

Gary Davison
Dip Min Eng., MSc (MEE), FAusIMM
Non-Executive Director
Mr Davison is a highly experienced Mining Engineer with over 35 years worldwide experience in the mining industry and is the Managing Director of the mining consultancy, Mining One Pty. Ltd. He has worked for a variety of clients, worldwide, demonstrating success in mining operations especially in difficult cost environments. He was a Non-Executive Director of Lightning Nickel Pty. Ltd., the nickel operating arm of Independence Group NL, from 2004 to 2012, and is a Non-Executive Director of Kasbah Resources Ltd. He joined the Board in September 2013 and is also a member of the Company's Audit & Risk Committee and Chairman of the Company's Health, Safety and Environment Committee.

Directors who Resigned During the Year

David Ransom
BSc (Hons), PhD
Non-Executive Director
Mr Ransom is a resource analyst and principal of Acorn Capital Limited, a Melbourne-based microcap investment manager. He is a geologist with a BSc from Sydney University and a PhD from the Australian National University, and has over 35 years experience in the minerals industry. He has held various long term directorships in the resources sector, including Triako Resources Limited and TSX Venture Exchange listed Solomon Resources Limited. He joined the Board in November 2007 and was a member of the Company's Audit & Risk Committee, Remuneration & Nomination Committee and Health, Safety and Environment Committee.

Company Secretary

Melanie Leydin
Company Secretary
Ms Leydin has 20 years experience in the accounting profession and is a director and Company Secretary for a number of oil and gas, junior mining and exploration entities listed on the Australian Stock Exchange.

Officers
The names and roles of other Officers of the Company during the year are disclosed in the Remuneration Report on page 24 of this report.

Directors' Meetings

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by Directors (while they were a Director or committee member).

Directors	Board of Directors		Remuneration & Nomination Committee		Audit & Risk Management Committee		HSE & Security Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
C Jones	16	16	4	4	1	1	2	2
A McIlwain	16	16	-	-	-	-	-	-
R Beevor	16	14	4	4	3	3	-	-
G Davison	12	10	-	-	2	2	2	2
D Ransom	16	14	4	4	3	3	2	2

Principal Activities

The principal activities of the Company and Consolidated Entity during the financial year were:

- Gold production and exploration at the Henty Gold Mine in Tasmania;
- Progressing the development of the Dargues Gold Mine in New South Wales;
- Care and maintenance of the Kangaroo Flat Gold Mine in Bendigo, Victoria; and
- Indirect exposure to gold exploration in West Africa through an investment in AIM listed GoldStone Resources Limited ('GoldStone').

Review of Operations

The key activities in the 2014 financial year were gold production and exploration at the Company's Henty Gold Mine and progressing the development of the Dargues Gold Mine.

<u>Henty Gold Mine</u>

Gold production during the 2014 financial year of 38,067 ounces was down 13% compared to the 2013 financial year (43,851 ounces). The decrease in gold production was primarily the result of a reduction in ore tonnes mined and processed throughout the year. Ore tonnes processed were 240,297 compared to 278,105 in the 2013 financial year. The average head grade was 5.3 g/t, consistent with the previous year. As a result of the reduction in production, and in spite of the successful implementation of a number of significant cost reduction measures, cash operating costs increased from A$1114/oz to A$1203/oz.

In the 2014 financial year, key mine activities at the Henty Gold Mine included underground development of 4348 metres (FY13 4541 metres), ore mining of 247,230 tonnes (FY13 276,626 tonnes) and resource definition and exploration drilling of 39,423 metres (FY13 35,185 metres). Resource definition and exploration expenditure at Henty Gold Mine in 2013 was $7.8 million (FY13 $8.9 million).

Strategies and Prospects for future financial years

The Company's strategy for the Henty Gold Mine is to focus on cash maximisation from the extraction of the mine's remaining reserves by 2015 H2. It is anticipated that the Henty Gold Mine will then go on care and maintenance, but ultimately the Company will seek, subject to funding, to delineate additional reserves with the aim of bringing the Henty Gold Mine back into production.

DIRECTORS' REPORT *continued*

From a risk management perspective, volatility of the gold price poses the primary risk to the future financial performance of the Henty Gold Mine.

<u>Dargues Gold Mine</u>

Pre-construction activities continued at the Dargues Gold Mine during the 2014 financial year. The 3.2 km site access road was completed as well as excavation and ground support of the boxcut and ROM pad earthworks. In November 2013 the Company announced the temporary suspension of the development of the Dargues Gold Mine in order to review processing and funding options. Technical studies and funding discussions remain ongoing.

Strategies and Prospects for future financial years

The Company's main focus for the Dargues Gold Mine is to recommence development of the mine during 2015 subject to completion of technical studies, securing an optimal processing route and funding.

From a risk management perspective, volatility of the gold price poses the primary risk to the future financial performance of the Dargues Gold Mine.

<u>Kangaroo Flat Mine</u>

There was no gold production from the Kangaroo Flat Mine in the 2014 financial year as the mine remained on care and maintenance throughout the period.

The Company has been seeking expressions of interest for the sale of all its Bendigo assets, including the Kangaroo Flat Mine processing plant.

Strategies and Prospects for future financial years

The Company's main focus for the Kangaroo Flat Mine is to sell all, or a substantial part of, the asset should an appropriate offer be presented by an interested party.

Given that the Kangaroo Flat Mine does not form a material part of the Company's assets and strategy, the risks associated with it are minimal. The Kangaroo Flat Mine was placed into care and maintenance in the 2012 financial year. Progressive rehabilitation of non-critical areas is underway.

<u>GoldStone Investment</u>

Unity's equity holding in GoldStone was diluted to 31% during the 2014 financial year as a result of two share placements and the issuing of shares to GoldStone executives in lieu of salary. In April 2014, GoldStone announced that it received notice of termination from Randgold Resources (Senegal) Limited ('Randgold') in relation to GoldStone's joint venture with Randgold over the Sangola license in Senegal. Exploration was undertaken by GoldStone on the Manso Amenfi project, located on the Ashanti Gold Belt in Ghana, with initial results from the trenching program yielding wide zones of gold mineralisation.

In July 2014 GoldStone announced a proposed subscription for shares by AIM-listed Stratex International Plc ('Stratex') to raise gross proceeds of £1.250 million. The conditional share subscription represents approximately 33.4% of the enlarged issued share capital of GoldStone. If the subscription proceeds as planned, Unity's ownership of GoldStone will be diluted to approximately 19.3%. Stratex will also be issued warrants to subscribe for additional shares. If exercised, these warrants would allow Stratex to increase its stake in GoldStone to just over 50%, at which point Unity would hold approximately 14.5% of GoldStone's enlarged share capital. The proposed subscription is subject to GoldStone shareholder approval and certain waivers from the UK Panel on Takeovers and Mergers.

Strategies and Prospects for future financial years

The Company's present strategy in relation to this this asset is to retain its investment position going forward.

Financial Position

The capital structure of the Company was subject to the following changes during the year:

- The issue of 239,602,537 ordinary shares via an underwritten share purchase plan ('SPP') and placement in March 2014 to raise gross proceeds of $6.469 million. The SPP issue price was 2.7 cents per share which was a 17.5% discount to the average price of Unity's shares during the 5 days immediately prior to and including the closing date on 11 March 2014.
- The issue of a total of 191,522,364 ordinary shares to Moly Mines Limited as consideration for the deferred settlement of a royalty due on the Dargues Gold Mine.
- Under the Long Term Incentive Plan ('LTIP') in place for Key Management Personnel, 9,545,418 performance rights were issued during the year. A total of 3,744,256 rights lapsed as a result of the termination of employment of a number of Key Management Personnel. As at 30 June 2014 a total of 14,612,058 performance rights were on issue with conversion to ordinary shares contingent on the achievement of performance hurdles over a three year performance period.

DIRECTORS' REPORT *continued*

Other key matters of note on the Consolidated Entity's financial position at balance date included the following:

- The Company reported a cash position of $6.783 million as at 30 June 2014;
- Cashflow from operations for the 2014 financial year was $1.656 million, with $27.675 million invested back into the business;
- An Impairment write-down of $0.146 million was recorded in relation to the Company's investment in GoldStone; and
- Impairment write-downs of $7.195 million and $18.930 million were recorded in relation to mine property, plant and equipment assets at the Henty Gold Mine and Dargues Gold Mine respectively.

The impairment write-down of $7.195 million recorded at Henty Gold Mine was mainly due to a review of the mineral inventory and life of mine production schedule which resulted in a significant reduction in the expected reserve life of the operation. The $18.930 million impairment charged against Dargues Gold Mine during the 2014 financial year was largely the result of the suspension and deferral of development of the project and the adoption of a revised project development plan.

State of Affairs

Cashflow from operating activities was $1.656 million during the 2014 financial year with $9.011 million invested in exploration, $17.046 million in mine development and $1.818 million paid to Moly Mines Limited as consideration for the deferred settlement of a royalty due on the Dargues Gold Mine. Other material cashflows in the year included $0.754 million for repayment of lease liabilities and a $6.086 million net inflow from the issue of shares. The Company's closing cash position at 30 June 2014 was $6.783 million.

The Company generated a gross trading loss of $7.159 million, which after non-cash impairment write-downs, interest, exploration, corporate and other expenses resulted in a total net loss of $52.097 million for the 2014 financial year.

The $9.872 million decrease in revenue relative to the prior period was mainly a result of the lower average gold price for the year and a fall in gold production as a result of lower ore tonnes processed at the Henty Gold Mine. The increase in exploration expense was mainly due to an increased rate of exploration expenditure being written off at the Henty Gold Mine.

In response to the lower gold price and production challenges at the Henty Gold Mine, a significant cost cutting program was undertaken across the Unity group during the 2014 financial year which resulted in the decrease in mining, processing and site administration costs at Henty Gold Mine and corporate costs.

The state of the Company's affairs is disclosed in detail in the Financial Statements and the notes thereto.

Other than noted above and in the Future Developments section below, no significant changes in the state of affairs of the Company occurred during or since the end of the financial year.

Future Developments

As a result of the Henty Gold Mine's operational performance during the first quarter of 2014, the Company undertook a detailed review of Henty's mineral inventory and life of mine production schedule. The purpose of the review was to ensure that there is a high degree of confidence in the Henty Ore Reserves and mining schedule and that the mine is capable of generating positive cash flows at current gold prices. As a result of that review, the Company announced in July 2014 that it had been determined that the best economic outcome for shareholders is to focus on maximising cash generation through the recovery of the remaining higher confidence and higher margin reserves. Accordingly, at currently scheduled mining rates, the Henty Gold Mine is expected to have substantially mined these reserves, and will transition onto a care and maintenance basis, in late 2015.

Exploration drilling at the Henty Gold Mine remains ongoing and ultimately the Company will seek, subject to funding, to delineate additional reserves with the aim of bringing the Henty Gold Mine back into production.

As a result of the decision to transition the mine onto care and maintenance, it is anticipated that the majority of the Henty Gold Mine workforce will be made redundant during 2014 and 2015.

Advancing the development of the Dargues Gold Mine will continue throughout the 2015 financial year, with a range of activities to be undertaken with a view to securing an optimal gold processing path, completion of a revised definitive feasibility study and funding in order to recommence construction as soon as possible. The Company continues to maintain an exploration program in New South Wales, including tenements adjacent to the Dargues Gold Mine where numerous targets have been identified which have the potential to add near-term increases to mine life.

While the Unity board and management are primarily focused on the existing portfolio of gold mining assets, the Company will also continue to seek new business opportunities that have potential to grow and diversify sources of production and increase shareholder value.

Subsequent Events

Henty Gold Mine
On 07 July 2014 the Company announced that a detailed review of the Henty Gold Mine mineral inventory and mine life had been undertaken.

From the outcome of that review, the Company has determined that the best economic outcome for Unity shareholders is to focus on maximising cash generation through the recovery of the remaining higher confidence and higher margin reserves. Accordingly, at currently scheduled mining rates, Henty is expected to have substantially mined these reserves and will transition onto a care and maintenance basis in late 2015.

GoldStone
In July 2014 GoldStone announced a proposed subscription for shares by AIM-listed Stratex International Plc ('Stratex') to raise gross proceeds of £1.250 million. The conditional share subscription represents approximately 33.4% of the enlarged issued share capital of GoldStone. If the subscription proceeds as planned, Unity's ownership of GoldStone will be diluted to approximately 19.3%. Unity has also agreed to reduce its representation on the GoldStone board from two directors to one upon completion of the share issue to Stratex. As such, if the share subscription proceeds as planned, Unity may no longer be in a position to exert significant influence on the decisions of GoldStone, and may therefore cease equity accounting for the Company's investment in GoldStone. As part of the proposed share subscription transaction, Stratex will also be issued warrants to subscribe for additional shares. If exercised, these warrants would allow Stratex to increase its stake in GoldStone to just over 50%, at which point Unity would hold approximately 14.5% of GoldStone's enlarged share capital. The proposed transaction is subject to GoldStone shareholder approval and certain waivers from the UK Panel on Takeovers and Mergers.

Directors' Shareholdings

Particulars of Ordinary Shares and Performance Rights to purchase or receive Ordinary Shares in the Company, in which Directors have a relevant interest at the date of this report, are as follows:

Director	Ordinary Shares	Performance Rights
C Jones	2,453,634	-
A McIlwain[(1)]	949,586	3,999,999
R Beevor	842,492	-
G Davison	-	-

[(1)] Refer to the remuneration report contained within the Directors' Report for full details of the Performance Rights.

Directorships of Other Listed Companies

Directorships of other listed companies held by Directors in the 3 years immediately before the end of the financial year were for R Beevor, EMED Mining Public Limited (AIM/TSX) from November 2004 to date, Bannerman Resources Limited (ASX/TSX) from July 2009 to date, Rey Resources Limited from August 2010 to November 2012, Talison Lithium Limited (TSX) from August 2010 to March 2013, Ampella Mining Limited from July 2011 to March 2014, Bullabulling Gold Limited from July 2012 to August 2014 and Wolf Minerals Limited from October 2013 to date; for A McIlwain, Emmerson Resources Ltd from February 2007 to date, Verus Investments Ltd from May 2008 to November 2011, Kidman Resources Ltd October 2011 to date and Goldstone Resources Limited December 2011 to date; for C Jones, Cazaly Resources Limited from September 2003 to date, Bannerman Resources Limited from January 2007 to date, Corazon Mining Limited from February 2005 to date and Cortona Resources Limited from January 2006 to January 2013; and for G Davison, Kasbah Resources Limited from March 2011 to date.

Performance Rights

Under the Company's 2010 long term incentive plan, A McIlwain has been granted a maximum of 3,999,999 conditional Performance Rights. The Performance Rights were issued in three tranches from 2011 to 2014. The introduction of the 2010 long term incentive plan was approved by shareholders at the company's 2012 Annual General Meeting.

In FY13 members of the company's senior management team were invited to participate in the 2010 long term incentive plan.

The Performance Rights provide the opportunity to receive fully paid ordinary shares for nil cost, contingent on achieving a performance hurdle over a three year performance period.

Refer to the Remuneration Report contained within the Directors' Report and to Note 22 to the financial statements for full details of the Performance Rights.

DIRECTORS' REPORT *continued*

Indemnification

The Company has entered into a Deed of Access, Insurance and Indemnity with each of the Directors and Officers to indemnify each Director and Officer to the extent permitted by law against certain liabilities and legal costs incurred whilst acting in his or her capacity as a Director or Officer.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 29.

Non-audit Services

During the year the Company did not engage the services of its external auditor Deloitte Touche Tohmatsu to provide any non-audit services.

Environmental Performance

The Company aims to conduct its operations within the ambit of regulatory requirements, standards and codes of practice particularly those relating to noise, air quality, blast vibration, odour and water treatment, and in line with current community expectations for responsible and sustainable practice.

During the 2014 financial year, limits prescribed as part of the environmental monitoring program were exceeded at the Henty Gold Mine on 9 occasions. The exceedances related to water quality. In all cases, investigations were carried out and corrective actions taken to prevent recurrence. The Tasmanian Environment Protection Agency ('EPA) issued the Henty Gold Mine with an environmental infringement notice for $650 following a chemical spill at the mine on 22 May 2014. No exceedances of relevant limits were detected at the Dargues Gold Mine.

During the year Big Island Mining Pty Ltd ('BIM') was prosecuted in the Land and Environment Court of NSW by the NSW EPA for three offences relating to the discharge of sediment laden waters at the Dargues Gold Mine following a number of heavy rain events in late February and early March 2013. BIM pleaded guilty to all three charges and was ordered to pay $103,000 to the Upper Deua Catchment Landcare Group Inc. to be used for Riparian health works in and around Araluen Creek. BIM's contribution to the funding of the Riparian health works in and around Araluen Creek is part of a penalty imposed on it by the Land and Environment Court of NSW after it was convicted of offences against s. 120(1) (water pollution) of the Protection of the Environment Operations Act 1997(NSW). BIM was also ordered to pay an agreed sum of $93,000 to reimburse the NSW EPA for its investigation and legal costs.

Dividend

In respect of the financial year ended 30 June 2014, no dividend has been paid or declared and no recommendation is made as to dividends.

Rounding of Amounts

The Company is a Company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated. All amounts are presented in Australian dollars, unless otherwise noted.

Remuneration Report – Audited

It is the Board's policy that remuneration packages reflect market conditions and the duties and responsibilities of the positions. The remuneration packages also recognise and reward performance, and provide an incentive to pursue the long term growth objectives of the Company within an appropriate control framework.

Non-Executive Directors

Non-executive Directors' fees reflect the responsibilities and demands made of the Directors. Guidance is obtained as required from independent industry surveys and other sources to ensure that Directors' fees are appropriate and in line with the market. The Chairman's fees reflect the additional responsibilities of the role and are based on comparative positions in the industry.

In response to the lower gold price and production challenges at the Henty Gold Mine, a significant cost cutting program was undertaken across the Unity group during the 2014 financial year. As part of this program a 15% reduction in Directors' fees was implemented effective 1 October 2013. As at 30 June 2014 the fee for Non-executive Directors was $51,000 and $127,500 for the Chairman. Board sub-committee fees were paid to Non-executive Directors, with the Chairman of each committee receiving $6,800 and each member receiving $3,400.

Effective 1 July 2014, a further cut to Director's fees was implemented. For the 2015 financial year the Board fee for Non-executive Directors is $40,000 and $100,000 for the Chairman. Fees are no longer paid to general members of Board sub-committees, however, a fee of $3,000 per annum is paid to the Chairman of each Board subcommittee.

Remuneration Report – Audited *continued*

Statutory superannuation contributions are also paid on Board and Committee fees. The maximum total Directors' fee pool approved by shareholders which may be paid by the Company to all the non-executive Directors is $500,000 per year.

Company Executives

Executive Officers of the Company as at 30 June 2014 are the Managing Director & CEO, the Chief Financial Officer and the Chief Operating Officer. Other Key Management Personnel ('KMP') of the Company are the General Manager Henty Gold Mine, General Manager – Discovery & Growth and General Manager – Markets & Strategy.

The Company's remuneration arrangements have been designed to maintain alignment with the shareholders' interests (both short term and long term) and to ensure remuneration remains competitive. This is to enable the Company to retain and attract talented people, who are vital to delivering a sustainable and prosperous future, and therefore achieve its strategic objectives and maximise shareholder value.

The remuneration structure for Executive Officers and Other Key Management Personnel comprises fixed and variable remuneration. Fixed remuneration includes base salary, superannuation and any applicable fringe benefits. Variable remuneration includes short term and long term incentive payments which are typically cash and/or share-based and contingent on achieving share price and / or performance hurdles.

In response to the lower gold price and production challenges at the Henty Gold Mine, a significant cost cutting program was undertaken across the Unity group during the 2014 financial year. As part of this program, the fixed remuneration of the Managing Director and CEO was reduced by 15% effective 1 October 2013. In light of current market conditions and the desire of the Board to further the Company's cost cutting initiatives, the Board resolved not to grant any increase to the fixed annual remuneration of the Executive Officers and KMP's for the 2015 financial year. No short term incentive payments were awarded for the 2014 financial year (2013: nil). The Board and Remuneration and
Nomination Committee did not consider it necessary to engage external remuneration consultants to assist with the determination of remuneration for 2014.

The Composition of the Remuneration & Nomination Committee is such that all members are non-executive directors of the Company, satisfying the Board of Directors that the remuneration recommendations made by the Committee are well informed and free from any bias or undue influence.

Long Term Incentive Plans

An Executive Long Term Incentive Plan ('LTIP') was introduced during the 2011 financial year for the Managing Director & CEO and the Chief Financial Officer. During the 2013 financial year participation in this plan was extended to other members of the senior management team. Under the LTIP the Company will make annual grants to Executive Officers and KMP of conditional Performance Rights to receive Ordinary Fully Paid Shares in the Company by way of issue for nil cost. The vesting of Performance Rights is contingent on the Company achieving performance hurdles over a three year performance period.

The at risk value of the annual grant of Performance Rights, over the three year plan will represent 30% of the Executive Officers' and KMP's total fixed remuneration. The actual number of Performance Rights granted each year is calculated by dividing 30% of each person's total fixed remuneration by the Volume Weighted Average Price (VWAP) of the Company Shares in the one-month preceding the grant date. The maximum number of performance rights that can be issued under the plan are as follows:

- Managing Director & CEO 3,999,999 Performance Rights;
- Chief Financial Officer 3,724,950 Performance Rights;
- Chief Operating Officer 5,244,231 Performance Rights;
- General Manager - Henty Gold Mine 4,465,020 Performance Rights;
- General Manager – Discovery & Growth 2,343,951 Performance Rights;
- General Manager – Markets & Strategy 1,945,925 Performance Rights;

Remuneration Report – Audited *continued*

The LTIP was approved by shareholders at the 2012 Annual General Meeting.

The number of Performance Rights issued to Executive Officers and KMP during the year ended 30 June 2014 was as follows;

Director	Number of Performance Rights Issued 2013-14	Balance 30 June 2014
Managing Director & CEO	1,623,035	3,999,999
Chief Financial Officer	1,144,378	1,144,378
Chief Operating Officer	1,611,131	1,611,131
General Manager – Henty Gold Mine	3,093,278	4,465,020
General Manager – Discovery & Growth	1,088,555	1,808,663
General Manager – Markets & Strategy	985,041	1,582,867
Total	**9,545,418**	**14,612,058**

The Performance Rights will not vest until the Performance Date and Performance Hurdle have been achieved. The Performance Date is set at three years from the date of each grant.

In addition to the performance period of three years, the vesting of Performance Rights is subject to performance hurdles which, if not satisfied at the Performance Date, will cause the entitlements to lapse unless the Remuneration & Nomination Committee decide exceptional circumstances justify the reduction or waiver, in whole or in part, of the performance hurdles. There is no ability to re-test whether or not the performance hurdle or hurdles have been satisfied after the performance period has ended.

The number of Performance Rights that vest is determined by assessing the performance of the Company, as measured by Total Shareholder Return ('TSR') at the Performance Date relative to a comparator group of Companies (the 'Performance Hurdle'). The volume weighted average price ('VWAP') of the Company Shares in the month preceding the Performance Date compared to the VWAP of the Company shares in the month preceding the grant date, will be used in calculating TSR over the three year period. The TSR incorporates capital returns as well as dividends notionally reinvested and is considered the most appropriate means of measuring Company performance.

The broad comparator group against which Company performance is compared is the group of companies which comprises the S&P/ASX All Ords Gold sub-industry index. The average index level in the month preceding the Performance Date compared to the average index level in the month preceding the grant date will be used in calculating the comparator group performance over the three-year period.

Performance Rights will only convert to Shares upon the Performance Date being reached if the Company's TSR is at least equal to the median of the comparator group performance. The entire annual allocation will convert if Company TSR is at the 75th percentile or higher than the comparator group performance. The detailed breakdown of the relationship between Company performance and the conversion of Performance Rights is:

- Zero percent converting if the Company TSR performance is below the median performance of the comparator group.
- 50 percent converting if the Company TSR performance is at the median performance of the comparator group.
- 100 per cent converting if the Company TSR performance is at or above the 75th percentile performance of the comparator group.
- Straight line pro-rata conversion between the median and 75th percentile performance.

In addition to the performance period and performance hurdle, the vesting of Performance Rights is subject to the continuing employment of the Executive Officers and Key Management Personnel. Performance Rights will generally lapse on an Executive Officer's or Key Management Personnel's resignation or dismissal.

Short Term Incentive Plan

A short term incentive ('STI') plan was introduced during the 2011 financial year for Executive Officers and KMP. Under the STI plan the Company may provide an annual cash bonus up to a maximum percentage of an executive's base salary if individual key performance indicators are achieved. The applicable STI plan percentages are 35% for the Managing Director and CEO, 30% for the COO, 25% for the CFO and 20% for other KMP's.

The remuneration table on page 25 details the actual STI payments that were earned by the Executive Officers and KMP's in the 2014 financial year.

Remuneration Report – Audited continued

Prohibited Actions

Executive Officers and Other KMP who receive part of their remuneration in securities of the Company are prohibited from trading in any form of derivative that limits their exposure to losses that would result from share price decreases.

Recent Performance

The Total Shareholder Return (TSR) of Unity Shares is measured as the movement in share price from the start to the end of each financial year as well as dividends notionally reinvested. The TSR has been volatile over the past five years reflecting the various stages of the Company's evolving strategy and the volatility of the Gold price. The TSR for FY10 was negative 29% despite successful growth in production with the Henty acquisition and continued production from Kangaroo Flat. The TSR for FY11 was negative 45% during a period of reduced production at the Kangaroo Flat Mine and continued production at the Henty Gold Mine along with an increased exposure to West Africa via GoldStone. Despite volatile equity markets in FY12 the TSR was positive 19% due to a strong production result from the Henty Gold Mine. During FY13 the TSR was negative 41% due to a lower than expected gold price throughout the year and continuing tough market conditions. In FY14 the Company TSR was negative 86% due to tough market conditions and production issues at the Henty Gold Mine.

Relationship between remuneration policy and company performance

	30/6/2014 $'000	30/6/2013 $'000	30/6/2012 $'000	30/6/2011 $'000	30/6/2010 $'000
Share price at start of year	$0.07	$0.12	$0.10	$0.19	$0.28
Share price at end of year	$0.01	$0.07	$0.12	$0.10	$0.19
Interim dividend	-	-	-	-	-
Final dividend	-	-	-	-	0.5cps
Basic earnings per share	(6.6)cps	(4.5)cps	2.5cps	(1.0)cps	2.2cps
Diluted earnings per share	(6.6)cps	(4.5)cps	2.5cps	(1.0)cps	2.2cps

Director and Executive Details

The Directors, Executive Officers and Other Key Management Personnel of Unity Mining Limited during the financial year were:

Directors (Current)

- Clive Jones (Non-executive Chairman)
- Andrew McIlwain (Managing Director & CEO)
- Ronnie Beevor (Non-executive)
- Gary Davison (Non-executive – appointed 13 September 2013)

Directors (Former)

- David Ransom (Resigned on 30 June 2014 – Non-Executive)

Executive Officers (Current)

- Tony Davis (Chief Operating Officer – appointed 29 July 2013)
- Ben Stockdale (Chief Financial Officer – appointed 14 October 2013)

Executive Officers (Former)

- Bill Geier (Resigned on 30 November 2013 - Chief Financial Officer)

Key Management Personnel

- Ben Hill (General Manager – Markets & Strategy)
- Scott Jones (General Manager - Henty Gold Mine)
- Angela Lorrigan (General Manager – Discovery & Growth)

Key Management Personnel (Former)

- Matt Daly (Resigned on 28 March 2014 - General Manager - Henty Gold Mine)

Director and Executive Remuneration

The following tables disclose the compensation of the Directors, Executive Officers and Other KMP of the Company.

Remuneration Report – Audited *continued*

	Year	Short-term Employee Benefits			Post Employment	Termination Benefits	Share-based Payment
		Salary & fees	Non-monetary[1]	Other Short term Incentives	Superannuation		Performance rights expense
		$	$	$	$	$	$
Current Directors							
C Jones[2]	2014	142,225	-	-	13,156	-	-
	2013	80,283	-	-	7,225	-	-
A McIlwain	2014	410,625	5,384	-	37,983	-	67,419[3]
	2013	450,000	5,796	-	40,500	-	44,951[3]
R Beevor	2014	68,450	-	-	6,332	-	-
	2013	80,000	-	-	7,200	-	-
G Davison[4]	2014	47,479	-	-	4,392	-	-
	2013	-	-	-	-	-	-
Directors (Former)							
D Ransom[5]	2014	64,800	-	-	5,994	-	-
	2013	72,000	-	-	6,480	-	-
P McCarthy[5a]	2013	83,522	-	-	12,403	-	-
P Van Der Borgh[6]	2013	110,847	-	-	4,425	412,096[7]	-

	Year	Short-term Employee Benefits			Post Employment	Termination Benefits[15]	Share-based Payment
		Salary & fees	Non-monetary[1]	Other Short term Incentives	Superannuation		Performance rights expense
		$	$	$	$	$	$
Other Executive Officer & Key Management Personnel (Current)							
T Davis[8]	2014	330,628	1,984	-	24,039	-	21,357[3]
	2013	-	-	-	-	-	-
B Hill	2014	189,617	31,521	-	17,540	-	26,627[3]
	2013	173,756	31,426	-	15,638	-	11,377[3]
S Jones[9]	2014	310,000	2,418	-	28,675	-	22,296[3]
	2013	31,795	-	-	2,862	-	-
A Lorrigan	2014	235,639	1,414	-	21,207	-	30,793[3]
	2013	231,898	1,391	-	20,871	-	13,704[3]
B Stockdale[10]	2014	179,348	1,076	-	16,590	-	9,782[3]
	2013	-	-	-	-	-	-
Other Executive Officer & Key Management Personnel (Former)							
M Daly[11]	2014	299,091	26,029	-	31,878	109,539[12]	-
	2013	315,984	26,029	-	20,747	-	17,153[3]
B Geier[13]	2014	140,580	1,046	-	15,852	78,443[14]	-
	2013	261,468	2,070	-	23,532	-	24,480[3]

Remuneration Report – Audited *continued*

(1) Non-monetary benefits include the provision of motor cars, car parking, salary continuance insurance, health insurance and fringe benefit taxation where applicable.

(2) C Jones (Non-Executive Chairman) commenced employment on 10 January 2013.

(3) Performance Rights (refer to Long Term Incentive Plans section above for further details).

(4) G Davison (Non-Executive Director) commenced employment on 13 September 2013.

(5) D Ransom (Former Non-Executive Director) resigned on 30 June 2014.

(5a) P McCarthy (Former Non-Executive Chairman) resigned on 10 January 2013.

(6) P Van Der Borgh (Former Executive Director) was appointed on 10 January 2013 and resigned as an Executive Director on 12 April 2013.

(7) P Van Der Borgh (Former Executive Director) termination benefits represent fifteen months remuneration.

(8) T Davis (Chief Operating Officer) commenced employment on 29 July 2013.

(9) S Jones (General Manager – Henty Gold Mine) commenced employment on 20 May 2013.

(10) B Stockdale (Chief Financial Officer) commenced employment on 14 October 2013.

(11) M Daly (Former General Manager – Henty Gold Mine) resigned on 28 March 2014.

(12) M Daly (Former General Manager – Henty Gold Mine) termination benefits represent four months remuneration.

(13) B Geier (Former Chief Financial Officer) resigned on 30 November 2013.

(14) B Geier (Former Chief Financial Officer) termination benefits represent three months remuneration.

(15) Termination benefits represent the contractual entitlements paid to the Key Management Person in accordance with the provisions contained in their employment contract.

The expected increase in the cost of accumulating annual and long service leave during the reporting period as a result of the change in the unused entitlements is $18,221 for A McIlwain, $16,067 for T Davis, $10,218 for B Hill, $2,716 for A Lorrigan, $12,215 for B Stockdale and $14,264 for S Jones.

Company Executive and Other Key Management Personnel Contracts

Name	Term of Contract	Notice Period	Termination Benefit
A McIlwain	Permanent – ongoing until notice has been given by either party	Six months notice by the Company. Company may elect to make payment in lieu of notice. No notice requirements for termination by Company for cause. Three months notice by the employee	Accrued entitlements.
S Jones	Permanent – ongoing until notice has been given by either party	Three months notice by the Company. Company may elect to make payment in lieu of notice. No notice requirements for termination by Company for cause. Three months notice by the employee.	Accrued entitlements.
T Davis B Hill A Lorrigan B Stockdale	Permanent – ongoing until notice has been given by either party	Six months notice by the Company. Company may elect to make payment in lieu of notice. No notice requirements for termination by Company for cause. Three months notice by the employee	Accrued entitlements. Six months base salary in the event of redundancy.

Remuneration Report – Audited *continued*

Value of Performance Rights Issued to Directors, Executive Officers and Other Key Management Personnel

The following table discloses the value of Performance Rights granted, exercised and lapsed during the year.

	Performance Rights			Amortised value of equity securities in remuneration for the year	Percentage of total remuneration for the year that consists of Performance Rights
	Number Granted	Number Lapsed	Value at grant date		
			$	$	%
Directors	-	-	-	-	-
C Jones	-	-	-	-	-
A McIlwain	1,623,035	-	81,152	67,419	12.9
R Beevor	-	-	-	-	-
G Davison	-	-	-	-	-
D Ransom	-	-	-	-	-
Other Executive Officer & Key Management Personnel					
M Daly	-	-	-	-	-
T Davis	1,611,131	-	116,001	21,357	5.6
B Geier	-	-	-	-	-
B Hill	985,041	-	77,818	26,627	10.0
S Jones	3,093,278	-	49,492	22,296	6.1
A Lorrigan	1,088,555	-	85,996	30,793	10.6
B Stockdale	1,144,378	-	68,663	9,782	4.7

During the financial year, the following share-based payment arrangements were in existence:

Performance Right series	Number	Grant date	Expiry date	Exercise price	Grant date share price	Fair value at grant date
2012 Grant (2010 LTIP)	1,228,297	02/12/11	02/12/14	Nil	$0.11	$0.07
2013 Grant (2010 LTIP)	1,317,934	01/09/12	01/09/15	Nil	$0.11	$0.07
2013 Grant (2010 LTIP)	1,148,667	02/12/12	02/12/15	Nil	$0.12	$0.07
2013 Grant (2010 LTIP)	1,371,742	27/05/13	27/05/16	Nil	$0.07	$0.04
2014 Grant (2010 LTIP)	1,611,131	29/07/13	29/07/16	Nil	$0.07	$0.04
2014 Grant (2010 LTIP)	2,073,596	01/09/13	01/09/16	Nil	$0.08	$0.05
2014 Grant (2010 LTIP)	1,144,378	14/10/13	14/10/16	Nil	$0.06	$0.03
2014 Grant (2010 LTIP)	1,623,035	02/12/13	02/12/16	Nil	$0.05	$0.03
2014 Grant (2010 LTIP)	3,093,278	27/05/14	27/05/17	Nil	$0.014	$0.008
Total	**14,612,058**					

The total value of the Performance Rights granted, exercised and lapsed are calculated based on the following:

- Fair value of the Performance Rights at grant date multiplied by the number of Performance Rights granted during the year; plus
- Fair value of the Performance Rights at the time they were exercised multiplied by the number of Performance Rights exercised during the year; and

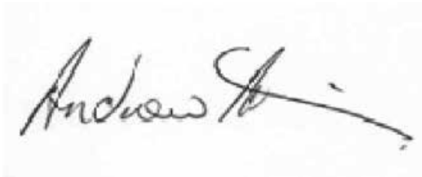
Remuneration Report – Audited *continued*

- Fair value of the Performance Rights at the time of lapse multiplied by the number of Performance Rights lapsed during the year.

The value of the Performance Rights included in remuneration for the year is based on the fair value determined at grant date and is recognised in remuneration on a proportionate basis over the vesting period.

Signed in accordance with a resolution of Directors made pursuant to Section 298(2) of the Corporations Act 2001.

Clive Jones
Chairman



Andrew McIlwain
Managing Director & CEO

27 August 2014

Deloitte.

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

550 Bourke Street
Melbourne VIC 3000
GPO Box 78
Melbourne VIC 3001 Australia

DX: 111
Tel: +61 (0) 3 9671 7000
Fax: +61 (0) 3 9671 7001
www.deloitte.com.au

The Board of Directors
Unity Mining Limited
Level 10, 350 Collins Street
Melbourne VIC 3000

27 August 2014

Dear Board Members

Unity Mining 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 Unity Mining Limited.

As lead audit partner for the audit of the financial statements of Unity Mining Limited for the financial year ended 30 June 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 audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Craig Bryan
Partner
Chartered Accountants

UNITY MINING LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2014

	Note	Consolidated 2014 $'000	Consolidated 2013 $'000
SALES REVENUE	23	**54,858**	**64,730**
COST OF SALES			
Costs of mining, processing and site administration		(44,559)	(46,799)
Depreciation and amortisation		(17,458)	(14,032)
TOTAL COST OF SALES		**(62,017)**	**(60,831)**
GROSS PROFIT/(LOSS)		**(7,159)**	**3,899**
Interest and other revenue	23	813	1,621
Exploration expenses		(13,559)	(4,493)
Corporate expenses		(4,821)	(7,047)
Finance costs	25	(49)	(140)
Share of loss of associates	12	(380)	(1,044)
Net loss arising on financial assets designated as at fair value through profit and loss		-	(59)
Impairment expense – investment in associate	12	(146)	(4,826)
Impairment expense – mine property, plant and equipment	14	(26,125)	(14,500)
Net value gain/(loss) on financial asset held for trading	26	-	(255)
		(51,426)	(26,844)
Income tax expense	29	-	-
Profit/(loss) for the year from continuing operations		(51,426)	(26,844)
Discontinued operations			
Profit/(loss) for the year from discontinued operations	24	(671)	447
PROFIT/(LOSS) AFTER TAX		**(52,097)**	**(26,397)**
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**(52,097)**	**(26,397)**
EARNINGS PER SHARE:			
Basic and Diluted Loss Per Share in cents	30	(6.6)	(4.5)

Notes to the financial statements are included on pages 34 to 64.

UNITY MINING LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	Note	Consolidated 2014 $'000	Consolidated 2013 $'000
CURRENT ASSETS			
Cash	4	6,783	27,711
Receivables	5	2,708	2,703
Inventories	6	6,947	5,853
Prepayments	7	215	504
Other financial assets	8	5,653	5,546
		22,306	42,317
Assets classified as held for sale	9	5,317	5,317
TOTAL CURRENT ASSETS		27,623	47,634
NON CURRENT ASSETS			
Investment in associates	12	1,473	1,798
Other financial assets	13	5,851	5,919
Mine property, plant & equipment	14	29,587	52,984
Exploration and evaluation	14	1,231	7,573
TOTAL NON CURRENT ASSETS		38,142	68,274
TOTAL ASSETS		**65,765**	**115,908**
CURRENT LIABILITIES			
Payables	15	8,994	15,348
Interest bearing liabilities	16	309	811
Provisions	17	3,862	3,895
		13,165	20,054
Liabilities directly associated with assets classified as held for sale	9	5,710	6,009
TOTAL CURRENT LIABILITIES		18,875	26,063
NON CURRENT LIABILITIES			
Interest bearing liabilities	16	77	330
Provisions	17	3,412	2,913
TOTAL NON CURRENT LIABILITIES		3,489	3,243
TOTAL LIABILITIES		**22,364**	**29,306**
NET ASSETS		**43,401**	**86,602**
EQUITY			
Issued capital	20	456,031	447,263
Reserves	21	1,928	1,800
Accumulated losses		(414,558)	(362,461)
TOTAL EQUITY		**43,401**	**86,602**

Notes to the financial statements are included on pages 34 to 64.

UNITY MINING LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2014

	Note	Consolidated 2014 $'000	Consolidated 2013 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		60,759	65,748
Interest and other revenue received		1,003	4,396
Payments to suppliers and employees		(60,057)	(61,485)
Interest paid		(49)	(140)
Net cash provided by operating activities	28	1,656	8,519
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for mine property, plant & equipment and exploration & evaluation		(27,675)	(22,220)
Payment for investment in associate		(202)	-
Payment for held-to-maturity investments		-	(3,107)
Proceeds of financial assets		(39)	374
Proceeds from business combination	35	-	907
Net cash used in investing activities		(27,916)	(24,046)
CASH FLOWS FROM FINANCING ACTIVITIES			
Buyback of ordinary shares		-	(96)
Proceeds from share issue		6,474	-
Payments for capital raising costs		(388)	-
Repayment of lease liabilities		(754)	(1,042)
Net cash used in financing activities		5,332	(1,138)
Net increase / (decrease) in cash held		(20,928)	(16,665)
Cash at the beginning of the Financial Year		27,711	44,376
CASH AT END OF THE FINANCIAL YEAR	4	**6,783**	**27,711**

Notes to the financial statements are included on pages 34 to 64.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2014

	Note	Consolidated Share Capital $'000	Reserves $'000	Accumulated Losses $'000	Total $'000
Balance at 30 June 2013		**447,263**	**1,800**	**(362,461)**	**86,602**
Changes in Equity					
Loss for the period		-	-	(52,097)	(52,097)
Total comprehensive income for the period		-	-	(52,097)	(52,097)
Issue of share capital	20	9,156	-	-	9,136
Share issue costs	20	(388)	-	-	(368)
Recognition of share based payments	21	-	128	-	128
Balance at 30 June 2014		**456,031**	**1,928**	**(414,558)**	**43,401**

	Note	Consolidated Share Capital $'000	Reserves $'000	Accumulated Losses $'000	Total $'000
Balance at 30 June 2012		**422,766**	**1,772**	**(336,064)**	**88,474**
Changes in Equity					
Loss for the period		-	-	(26,397)	(26,397)
Total comprehensive income for the period		-	-	(26,397)	(26,397)
Buyback of ordinary shares	20	(96)	-	-	(96)
Issue of share capital	20	24,593	-	-	24,593
Recognition of share based payments	21	-	28	-	28
Balance at 30 June 2013		**447,263**	**1,800**	**(362,461)**	**86,602**

Notes to the financial statements are included on pages 34 to 64.

1 GENERAL INFORMATION

Unity Mining Limited ('Unity' or the 'Company') is a limited company incorporated in Australia. The principal activities of the Company and its subsidiaries, is gold mining and exploration in Tasmania and New South Wales. The Company is also involved in gold exploration in West Africa as a result of its investment in GoldStone Resources Limited. The Consolidated Entity is represented by the Company, its subsidiaries and its investment in GoldStone Resources.

2 ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in any material changes to the company's accounting policies or application of those policies.

Standards and Interpretations issued not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards[1]	1 January 2017	30 June 2018
AASB 1031 'Materiality' (2013)	1 January 2014	30 June 2015
AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'	1 January 2014	30 June 2015
AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'	1 January 2014	30 June 2015
AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting'	1 January 2014	30 June 2015
AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities'	1 January 2014	30 June 2015
AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments'	1 January 2014	30 June 2015
INT 21 'Levies'	1 January 2014	30 June 2015
AASB 2014-1 'Amendments to Australian Accounting Standards' - Part A: 'Annual Improvements 2010–2012 and 2011–2013 Cycles' - Part B: 'Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)' - Part C: 'Materiality'	1 July 2014	30 June 2015
AASB 2014-1 'Amendments to Australian Accounting Standards' – Part D: 'Consequential Amendments arising from AASB 14'	1 January 2016	30 June 2017
AASB 2014-1 'Amendments to Australian Accounting Standards' – Part E: 'Financial Instruments'	1 January 2015	30 June 2016
AASB 14 'Regulatory Deferral Accounts'	1 January 2016	30 June 2017

2 ADOPTION OF NEW AND REVISED STANDARDS *continued*

The AASB has issued the following versions of AASB 9 and the relevant amending standards;

AASB 9 'Financial Instruments' (December 2009), AASB 2009-11 'Amendments to Australian Accounting Standards arising from AASB 9', AASB 2012-6 'Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures'

AASB 9 'Financial Instruments' (December 2010), AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)', AASB 2012-6 'Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosure'.

In December 2013 the AASB issued AASB 2013-9 'Amendment to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments', Part C – Financial Instruments. This amending standard has amended the mandatory effective date of AASB 9 to 1 January 2017. For annual reporting periods beginning before 1 January 2017, an entity may early adopt either AASB 9 (December 2009) or AASB 9 (December 2010) and the relevant amending standards.

At the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were also in issue but not yet effective, although Australian equivalent Standards and Interpretations have not yet been issued.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)	1 January 2016	30 June 2017
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	1 January 2016	30 June 2017
IFRS 15 'Revenue from Contracts with Customers'	1 January 2017	30 June 2018

3 SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Company. For the purposes of preparing the consolidated financial statements, the Consolidated Entity is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Consolidated Entity comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the Directors on 27 August 2014.

Basis of Preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets. Historical cost is based on the fair values of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 2 or value in use in AASB 136.

3 SIGNIFICANT ACCOUNTING POLICIES *continued*

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company is a Company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated. All amounts are presented in Australian dollars, unless otherwise noted.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Consolidated Entity's accounting policies, which are described below, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the current and future periods.

Key Sources of estimation uncertainty
The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment
The Company has adopted a fair value less cost to sell basis for estimating the recoverable amount of its cash generating units. In estimating the fair value of its cash generating units the Company uses the income approach to convert future cashflows to a present value which forms the basis of the cash generating units recoverable amount.

The carrying amount of mine property, plant and equipment and exploration and evaluation asset at 30 June 2014 was $30.818 million (2013: $60.557 million) after an impairment loss of $26.125 million was recognised during 2014 (2013: $14.500 million).

Details of the impairment loss calculation are set out in Note 14.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income form the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Consolidated Entity.

Significant Accounting Policies

(a) **Cash -** Cash includes cash on hand and in banks, and investments in money market instruments. Instruments comprise highly liquid short term bank bills with a credit rating of BBB or higher invested in Australian banks.

(b) **Other Financial Assets -** The Company has financial investments in the form of short term bank deposits that are usually short dated and held to maturity in the normal course of business. The investments are recorded at amortised cost.

Financial assets at Fair Value Through Profit or Loss ('FVTPL')
Financial assets are classified as FVTPL when the financial asset is either held for trading or it is designated as at FVTPL (refer note 8).

A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instrument that the Company manages together and has a recent actual pattern of short-term profit-taking; or

3 SIGNIFICANT ACCOUNTING POLICIES *continued*

- It is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item.

Held-to-maturity investments
Bills of exchange and debentures with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Loans and receivables
Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets
Financial assets other than those at Fair Value Through Profit or Loss 'FVTPL' , are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

(c) **Exploration and Evaluation -** Costs arising from exploration and evaluation related to an area of interest are expensed as incurred, except when an area reaches the stage of evaluation that such expenditure is considered to be capable of being recouped through successful development, or at the reporting date the exploration and evaluation activities in the area of interest have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable resources. Costs that are not expensed as incurred are capitalised as Exploration and Evaluation Assets. Once the commercial viability of the extraction of mineral reserves in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are reclassified to mine property within mine property, plant and equipment.

(d) **Mine Property, Plant and Equipment –** Mine property assets includes costs transferred from exploration and evaluation assets once commercial viability of an area of interest are demonstrable, and also includes subsequent costs to develop the mine to the production phase. The costs of mine development are capitalised to the extent that these costs are expected to be recouped through commercially viable extraction of resources. Costs arising from mine development are depreciated according to the depreciation accounting policy. Mine property, plant and equipment are stated at cost less accumulated depreciation and impairment.

In a business combination, the difference between the fair value of purchase price and the fair value of the acquired net assets at the date of acquisition is an intangible mine property asset classified as tangible. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets is recognised in the statement of comprehensive income in the expense category consistent with the function of the intangible asset.

(e) **Depreciation -** Depreciation is provided on all mine property, plant and equipment, with the exception of freehold land, so as to write off the value of the assets to residual value over their estimated useful lives. Mine development costs are written off on a units of production basis for the units recovered from an area of interest or from the expected units from the entire mine life. Property, plant and equipment costs are written off on a unit of production basis from the expected units from the entire mine life or between 2 and 25 years on a straight line basis.

3 SIGNIFICANT ACCOUNTING POLICIES *continued*

(f) **Impairment of Assets** - At the end of each reporting period the Company reviews assets with the objective of ensuring that the assets are carried at no more than their recoverable amount. The recoverable amount of an asset or cash generating unit ('CGU') is defined as the higher of its fair value less costs to sell and its value in use. If the recoverable amount of the CGU is estimated to be less than its carrying value, the carrying value of the CGU will be reduced to its recoverable amount. An impairment loss will be recognised in the income statement. Reversal of previously recognised asset impairment will be considered when the recoverable amount can be shown to be greater than the carrying value.

(g) **Rehabilitation Provision -** The net present value of the expected future cost of restoration works is provided for at the time the Company performs activities that necessitate rehabilitation works. If the rehabilitation is associated with exploration and evaluation activities, the expected costs are expensed and, if the works are associated with mine development activities, the expected costs are added to the asset value and depreciated.

The rehabilitation provision will be reviewed at each reporting period to take account of changes in the time value of money (recognised as an expense in the income statement and an increase in provision), and additional disturbances or changes in rehabilitation costs for mine development (recognised as additions or changes to the corresponding asset and rehabilitation liability). Long dated Government fixed coupon rates are used to discount the projected expenditure back to a net present value.

(h) **Payables -** Trade payables and other accounts payable are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

Payables are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item.

Payables are derecognised when, and only when, the obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(i) **Inventory -**

i) Gold and ore stocks - gold in ore stockpiles, in the process of being recovered, or in unshipped doré bars are valued at the lower of cost and net realisable value, provided that the amount of gold can be physically measured or reliably estimated. Cost represents the weighted average cost and includes direct costs and an appropriate proportion of fixed and variable direct costs and an appropriate proportion of fixed and variable direct overhead expenditure, including depreciation and amortisation.

ii) Consumables and spare parts - costs for consumables and spare parts are valued at the lower of cost and net realisable value on a first in first out basis.

(j) **Income Tax -**

i) Current Tax – is calculated by reference to the amount of income tax payable or recoverable at the applicable tax rates in respect of the taxable profit or tax loss for the period. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

ii) Deferred Tax – is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred deductible temporary differences or unused tax losses can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities, which effect either the taxable income or accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities

3 SIGNIFICANT ACCOUNTING POLICIES *continued*

and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and Deferred Tax for the Period – is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

Tax Consolidated Group
The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 01 July 2012 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Unity Mining Limited. The members of the tax consolidated group are identified in Note 29. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the consolidated financial statements. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

No tax funding arrangement and tax-sharing agreement has been entered into at this stage given that no members of the group are recording taxable profits.

(k) **Share Based Payments** - Equity-settled share-based payments are measured at fair value at the date of grant by use of the Black-Scholes option pricing model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Company's estimate of Shares that will ultimately vest. Further details on how the fair value has been determined can be found in Note 22.

(l) **Goods and Services Tax -** Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority, it is then recognised as part of the cost of acquisition of an asset or as part of an item of expense, or for receivables and payables which are recognised inclusive of GST. The net amount of GST recoverable from the taxation authority is included in receivables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(m) **Employee Benefits -** Provision is made for benefits accruing to employees in respect of annual and long service leave when it is probable that settlement will be required and they are capable of being measured reliably. Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to reporting date.

(n) **Transaction Costs on the Issue of Equity Instruments -** Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

(o) **Receivables -** Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

(p) **Revenue Recognition –**

i) Interest revenue – interest from investments is recognised on an accrual basis.

ii) Gold sales – revenue from the sale of gold is recognised when the significant risks and rewards of ownership have transferred to the buyer and no further processing is required by the Company, the quantity of the gold has been determined with reasonable accuracy, the price is determinable, and collection has occurred.

iii) Other revenue – Revenue from the sale of miscellaneous items is recognised when title has passed from the Company in accordance with the sale contract.

(q) **Leased Assets –** Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the

3 SIGNIFICANT ACCOUNTING POLICIES *continued*

minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as an interest bearing liability. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are charged directly against income. Finance leased assets are amortised on a units of production basis over the estimated useful life of the asset.

(r) **Business combinations -** Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Consolidated Entity in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant Standards. Changes in the fair value of contingent consideration classified as equity are not recognised. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3(2008) are recognised at their fair value at the acquisition date, except that liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 119 Employee Benefits respectively.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Consolidated Entity reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Consolidated Entity obtains complete information about facts and circumstances that existed as of the acquisition date, subject to a maximum of one year.

(s) **Investments in associates -** An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in associates are incorporated in these financial statements, using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Company's share of the net assets of the associate, less any

impairment in the value of individual investments. Losses of an associate in excess of the Company's interest in that associate (which includes any long-term interest that, in substance, form part of the Company's net investment in the associate) are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

When the Company transacts with an associate of the Company, profits and losses are eliminated to the extent of the Company's interest in the relevant associate.

The requirements of AASB 139 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Company's investment in an associate. In applying the requirements of AASB 139 the Company assesses the carrying value of the investment against its market value based on the volume weighted average share price for the preceding 6 months. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with AASB 136 'Impairment of Assets' as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

(t) **Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Assets associated with the Kangaroo Flat mine are classified as assets held for sale as Unity has been and will continue to actively market the assets for sale. Rehabilitation provisions associated with the Kangaroo Flat mine assets are classified as liabilities directly associated with assets classified as held for sale.

3 SIGNIFICANT ACCOUNTING POLICIES *continued*

(u) **Segment reporting**

The Consolidated Entity operates within the gold mining industry in Australia. The Henty Gold mine is the only operating site, with construction on the Dargues Gold Mine currently suspended and the Kangaroo Flat mine in care and maintenance phase. It has been determined that three separate identifiable segments exist in the Consolidated Entity being Henty Gold Mine, Dargues Gold Mine and Corporate / Other. Refer to Note 36 for further details.

The Consolidated Entity sells 100% of its Gold and Silver to the one customer.

(v) **Going concern**

The consolidated financial report has 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.

As at 30 June 2014 the Consolidated Entity had A$6.783 million of available cash (June 2013: $27.711 million).

The Consolidated Entity's available cash reserves were materially reduced during the 2014 financial year as a result of the following:

- significant development expenditure at Dargues Gold Mine;
- investment in exploration and capital development at the Henty Gold Mine;
- poor operating performance of the Henty Gold Mine; and,
- payment of $1.818 million to Moly Mines Limited as part of a renegotiation of a royalty agreement relating to Dargues Gold Mine.

In response to the lower gold price and operational challenges at the Henty Gold Mine, a significant cost cutting program was undertaken across the Unity group during the 2014 financial year which resulted in a decrease in mining, processing, site administration and corporate costs.

As a result of the Henty Gold Mine's production performance during the first quarter of 2014, the Company also undertook a detailed review of Henty's mineral inventory and life of mine production schedule. The purpose of the review was to ensure that there is a high degree of confidence in the Henty Gold Mine Ore Reserves and mining schedule and that the mine is capable of generating positive cash flows at current gold prices. As a result of that review, the Company announced in July 2014 that it had been determined that the best economic outcome for shareholders is to focus on maximising cash generation through the recovery of the remaining higher confidence and higher margin reserves. Accordingly, at currently scheduled mining rates, the Henty Gold Mine is expected to have substantially mined these reserves and will transition onto a care and maintenance basis in late 2015.

In March 2014 the Company concluded the issue of 239,602,537 ordinary shares via an underwritten share purchase plan ('SPP') and placement in March 2014 to raise gross proceeds of $6.469 million. The SPP issue price was 2.7 cents per share which was a 17.5% discount to the average price of Unity's shares during the 5 days immediately prior to and including the closing date on 11 March 2014.

In light of the material reduction in available cash reserves, primarily resulting from development expenditure at the Dargues Gold Mine (which is now on care and maintenance), the Consolidated Entity is now heavily dependent on the ongoing performance of a single operating unit (Henty Gold Mine) for generation of cash to fund the business. The forecast performance of the Henty Gold Mine is subject to a number of risk factors including the potential for adverse movements in the gold price and operational risks which may adversely impact on gold production and operating expenditure. Once the current reserves of the Henty Gold Mine are exhausted and if the Henty Gold Mine fails to perform as forecast, additional funding will be required.

The Directors are satisfied with the Consolidated Entity's current financing position and are of the view that the continued application of the going concern basis of accounting is appropriate due to the following factors:

- The Board has reviewed the Consolidated Entity's cashflow requirements and is satisfied that adequate support is in place to meet the Consolidated Entity's planned activities for at least twelve months from the date of this report;
- In the event that forecast cashflows are not achieved, the Company has the ability to raise additional funds;
- The ability of the Consolidated Entity to scale back certain activities if required; and
- The Consolidated Entity retains the ability, if required, to wholly or in part dispose of interests in mineral exploration and development assets.

In the event that the Company and the Consolidated Entity are unsuccessful in the matters set out above, there is material uncertainty whether the Company and the Consolidated entity will continue as going concerns and therefore whether they will realise their assets and discharge their liabilities in the normal course of business and at the amounts stated in the financial report.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the Company and the Consolidated Entity not continue as going concerns.

4 CASH

	Consolidated	
	2014 $'000	2013 $'000
Cash at bank	6,783	1,822
Bank instruments (term deposits, bills and negotiable instruments)	-	25,889
	6,783	**27,711**

Cash and Bank instruments have been purchased to yield interest at rates ranging from 2.45% to 4.10% with a weighted average interest rate of 3.34% (2013: 3.59%). Due to the nature of the investments and the maturity profile of less than 90 days, the Company's exposure to interest rate risk is considered to be low. Investments are only made with Australian banks with a Standard & Poors long term rating of BBB or higher. A change of 50 basis points in the weighted average interest rate throughout the reporting period would have increased (decreased) the net loss for the period by $96,370 (2013 net profit by: $197,000) and cash holdings would increase or decrease by $96,370 (2013: $197,000). Included in the cash holdings used to calculate the variances associated with movements in interest rates is the $11,504,000 (2013: $11,171,000) bank term deposits held to cash back environmental performance bonds that are classified as Other Financial Assets (see Notes 8 & 13).

The investment profile provides access to funds to meet cash drawdown requirements and it is anticipated that all of the instruments will be held to maturity at which time their face value will be realised. The net fair value approximates the carrying value of these instruments.

	Consolidated	
	2014 $'000	2013 $'000
5 RECEIVABLES		
Trade receivables	2,662	2,467
Interest receivable	46	236
	2,708	**2,703**

The credit period on accounts receivable is less than 60 days, and consequently no interest charges are applied. The Company has a history of 100% collection of accounts receivable amounts, and therefore no provision for doubtful debts is provided. Interest receivable is always received on the maturity of the investment security.

6 INVENTORIES

Stores of consumables and spare parts at cost	3,288	2,989
Gold and ore stocks	3,659	2,864
	6,947	**5,853**

7 PREPAYMENTS

Prepayments – insurance	**215**	**504**

8 OTHER FINANCIAL ASSETS (current)

Bank term deposits[(1)]	**5,653**	**5,546**

[(1)] Bank Term Deposits totalling $5,446,000 (2013: $5,446,000) have been used as security for environmental rehabilitation commitments associated with the Kangaroo Flat Mine. These term deposits are shown as current as they are associated with the Kangaroo Flat Mine which is classified as assets held for sale (see Note 9).

Additional bank deposits of $207,000 (2013: $50,000) are held in relation to exploration licenses at Dargues Gold Mine and $Nil (2013: $50,000) for security on an office lease in Orange.

9 ASSETS CLASSIFIED AS HELD FOR SALE

Inventories	309	309
Mine property	480	480
Plant & equipment [(1)]	4,528	4,528
	5,317	**5,317**
Liabilities associated with assets held for sale [(2)]	**5,710**	**6,009**

[(1)] The 600,000 tonne per annum Kangaroo Flat gold ore processing plant represents the majority of the plant & equipment carrying value.

[(2)] The liabilities reflect the rehabilitation provisions associated with the Kangaroo Flat mine. Bank guarantees totalling $5,446,000 (2013: $5,446,000) have been lodged for rehabilitation obligations with the Victorian Minister for Natural Resources and Energy. The Company has provided term deposits of $5,446,000 (2013: $5,446,000) as security for these bank guarantees. (See Note 8)

Unity continues to seek expressions of interest for the sale of its entire Bendigo asset. The Company has determined that applying the proceeds from a sale of the Bendigo assets towards the Dargues Gold Mine and/or Henty Gold Mine would provide a more favourable outcome for shareholders.

10 PARENT ENTITY

Unity Mining Limited is the Parent Entity of the Consolidated Entity. Unity Mining Limited is party to a Deed of Cross Guarantee with all subsidiaries under which each company guarantees the debts of the others (see Note 11). Details of contingent liabilities of the Parent Entity are contained in Note 33. The Parent Entity has contractual commitments at 30 June 2014 to the value of $1,475,000 (2013: $2,138,000) as per Note 31.

Summarised financial information in respect of the Parent Entity is set out below.

	Year ended 30 June 2014 $'000	Year ended 30 June 2013 $'000
Profit/(loss) for the year	(74,756)	(26,259)
Total comprehensive income for the year	**(74,756)**	**(26,259)**

	Parent Entity	
	2014 $'000	2013 $'000
Assets & Liabilities		
Current assets	27,165	46,737
Non-current assets	20,724	68,898
Total assets	47,889	115,635
Current liabilities	8,392	25,592
Non-current liabilities	17,877	2,564
Total liabilities	26,269	28,156
Net assets	**21,620**	**87,479**
Shareholders' equity		
Issued capital	456,031	447,263
Reserves	1,928	1,800
Accumulated losses	(436,339)	(361,584)
Total equity	**21,620**	**87,479**

10 PARENT ENTITY *Continued*

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

	Parent Entity	
	2014 $'000	2013 $'000
Guarantee provided under the deed of cross guarantee [(1)]	5,597	10,488

[(1)] Unity Mining Limited has entered into a deed of cross guarantee with all wholly-owned subsidiaries (Refer Note 11).

Contingent Liabilities and Commitments for the acquisition of property, plant and equipment by the parent entity

The parent entity had no contingent liabilities or commitments for the acquisition of property, plant and equipment at balance date.

11 SUBSIDIARIES

Details of the Company's subsidiaries at 30 June 2014 are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held	
			2014	2013
Henty Gold Limited	Provision of employee and property services	Australia	100%	100%
Big Island Mining Pty Ltd	Gold Mining	Australia	100%	100%
Dargues Gold Pty Ltd	Provision of employee and property services	Australia	100%	100%
Wombola Gold Pty Ltd	Dormant	Australia	100%	100%
Bendigo Mining Pty Ltd	Dormant	Australia	100%	100%

During the 2013 financial year the Company acquired three new wholly-owned subsidiaries through the successful merger with ASX-listed Cortona Resources Limited, owner of the Dargues Gold Mine in New South Wales.

The principal activities of the subsidiaries acquired are as follows;
- Big Island Mining Pty Ltd – Holder of the Mining assets and licenses and developer of the Dargues Gold Mine;
- Dargues Gold Mine Pty Ltd – Provides employee and property services to the Dargues Gold Mine;
- Wombola Gold Pty Ltd – Dormant Company

In addition to the above, Henty Gold Limited remained a subsidiary of the Company throughout the year providing employee and property services to the Henty Gold Mine. Henty Gold Limited (formerly Barrick Henty Limited) was effectively acquired on 1 July 2009.

Unity Mining Limited and all listed subsidiaries are parties to a Deed of Cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the subsidiary company's have been relieved from the requirement to prepare a financial report and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

The consolidated statement of profit or loss and other comprehensive income and statement of financial position on pages 30 and 31 of these financial statements are the statements of the entities party to the deed of cross guarantee.

12 INVESTMENT IN ASSOCIATES

Details of the Consolidated Entity's associates are as follows:

Name of Associate	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held	
			2014	2013
GoldStone Resources Limited	West African gold exploration	Jersey and South Africa	31%	34%

The associate is accounted for using the equity method in these consolidated financial statements.

Unity entered into a Strategic Alliance Agreement ('Alliance') with GoldStone Resources Limited ('GoldStone') on 7 May 2010. Under the Alliance, Unity acquired a 20% shareholding in GoldStone with attaching warrants.

On 7 May 2010, GoldStone placed 32,704,166 shares to Unity at an issue price of 6.5 pence a share for an investment of £2.13 million (A$3.59 million). Unity also received two tranches of warrants which accompany the initial share subscription being each issued on a 1 for 3 basis.

On 16 June 2010, Unity acquired a further 11,785,000 shares in GoldStone at an issue price of 3.5 pence a share for an investment of £0.41 million (A$0.71 million) as part of a share placement program. During the 2010/11 financial year, Unity acquired a further 29,925,000 shares in GoldStone at an average issue price of 8.3 pence a share for an investment of £2.49 million (A$4.0 million).

Unity invested approximately £1.66 million (A$2.6 million) in a placement at an issue price of 5 pence a share to maintain a 34% interest in GoldStone in December 2011.

On 29 July 2013 Unity invested an additional £0.12 million (A$0.2 million) in a placement at an issue price of 1 pence to maintain their 34% interest in GoldStone. Subsequent to this, GoldStone undertook another share placement in which Unity did not participate. The result of which was a dilution in Unity's holding in GoldStone to 31%.

As a result of GoldStone's declining share price throughout the year, providing evidence of a potential impairment issue, management assessed the recoverable amount of the Consolidated Entity's investment in GoldStone against its carrying amount at 30 June 2014. Recoverable amount was determined on a fair value less cost to sell basis based on the current market value of the investment. This was assessed as being 0.68 pence per share based on the closing share price of GoldStone at 30 June 2014. Consequently, an impairment loss of AUD$0.1 million was recorded against the carrying value of the Consolidated Entity's investment in GoldStone.

The Consolidated Entity's investment in GoldStone forms part of the Corporate / Other segment for reporting purposes (Refer to Note 36).

Summarised financial information in respect of the Consolidated Entity's associate is set out below.

	2014 $'000	2013 $'000
Total assets of associate	373	293
Total liabilities of associate	(31)	(19)
Net assets of associate	342	274
Initial cost of investment in associate	11,046	10,845
Consolidated Entity's share of loss of associate	(4,601)	(4,221)
Impairment write-down recorded on investment	(4,972)	(4,826)
Consolidated Entity's carrying amount of investment in associate	**1,473**	**1,798**

12 INVESTMENT IN ASSOCIATES *Continued*

	2014 $'000	2013 $'000
Consolidated Entity's share of revenue of associate	23	46
Consolidated Entity's share of expenses of associate	(403)	(3,032)
Consolidated Entity's share of loss of associate	(380)	(1,044)

	Consolidated 2014 $'000	Consolidated 2013 $'000
13 OTHER FINANCIAL ASSETS (non-current)		
Bank term deposits – non current asset [1]	**5,851**	**5,919**

[1] Bank Term Deposits to the value of $5,851,000 (2012: $5,919,000) have been provided as security for the following:

- Environmental rehabilitation commitments of $2,585,000 (2013: $2,585,000) with the Tasmanian Minister for Natural Resources and Energy;
- Environmental rehabilitation commitments of $2,660,000 (2013: $2,660,000) being lodged with Industry and Investment NSW in 2013;
- Conservation bond of $448,000 (2013: $448,000) being lodged with NSW Department of Planning and Infrastructure in relation to the development of the Dargues Gold Mine;
- Corporate office lease commitments of $46,000 (2013: $32,000) (see Note 16); and
- Exploration licenses for the Dargues Gold Mine of $112,000 (2013: $194,000).

14 MINE PROPERTY, PLANT & EQUIPMENT and EXPLORATION & EVALUATION (AT COST)

2014	Consolidated Mine Property $'000	Plant & equipment $'000	Exploration & Evaluation $'000	Total $'000
Gross Carrying Amount				
Balance at 30 June 2013	93,526	22,412	7,573	123,511
Transfers	3,268	-	(3,268)	-
Additions [1]	16,580	466	9,011	26,057
Disposals	-	-	-	-
Write-offs	-	-	(12,085)	(12,085)
Balance at 30 June 2014	113,374	22,878	1,231	137,483
Accumulated Depreciation/Amortisation and Impairment				
Balance at 30 June 2013	(46,008)	(16,946)	-	(62,954)
Transfers	-	-	-	-
Disposals	-	-	-	-
Depreciation expense	(16,172)	(1,414)	-	(17,586)
Impairment losses recognised in profit or loss	(26,125)	-	-	(26,125)
Balance at 30 June 2014	(88,305)	(18,360)	-	(106,665)
Net Book Value				
As at 30 June 2013	47,518	5,466	7,573	60,557
As at 30 June 2014	**25,069**	**4,518**	**1,231**	**30,818**

14 MINE PROPERTY, PLANT & EQUIPMENT and EXPLORATION & EVALUATION (AT COST) *Continued*

(1) Included in the Consolidated Entity plant and equipment at 30 June 2013 are assets under finance leases with a net book value of $789,382 (2013: $3,106,000).

Impairment testing for CGU's

During the year, the Company carried out a review of the recoverable amount of its mine property, plant and equipment relating to two of the Company's identifiable cash generating units ('CGU'), Henty Gold Mine and Dargues Gold Mine.

In assessing whether an impairment adjustment is required for the carrying value of an asset, its carrying value is compared with its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. The Company has used a fair value less cost to sell approach with Level 3 fair value based inputs used in estimating fair value by converting future cashflows to a present value to determine recoverable amount.

Impairment valuation technique and significant observable inputs

The Company estimates the fair value less cost to sell of its CGU's using the income approach which converts future cashflows to a present value. The projected cashflows of the Company's CGU's are for a period that represents management's estimates of mine life.

The calculation of fair value less cost to sell under the income approach is sensitive to a number of key assumptions, including short and long term commodity prices, foreign exchange rates, production volumes, capital expenditure, operating costs and discount rates. These assumptions can change over short periods of time which can have a significant impact on the carrying value of assets.

The future cashflows are adjusted for risks specific to the asset and discounted using a pre-tax discount rate of 10% (2013: 10%). The discount rate is derived from the Company's estimated post-tax weighted average cost of capital.

Impairment losses recognised during the year

As a result of Impairment testing carried out on the Company's identifiable CGU's it was determined that the book value of both Dargues Gold Mine and Henty Gold Mine assets exceeded their recoverable amount. Accordingly, an impairment loss totalling $26.125 million (2013: $14.500 million) was recorded against the book value of the CGUs' assets and recognised in the statement of profit or loss and other comprehensive income. The circumstances leading to the write-downs were a shortened Mine life for the Henty Gold Mine and the continuation of the Dargues Gold Mine in care and maintenance, deferring cashflows to the future for the Dargues Gold Mine CGU.

Sensitivity of Key Inputs

Key inputs into management's determination of the fair value less cost to sell model for determining the recoverable amount of the Company's CGU's are as follows;

Henty Gold Mine

- *Gold Price* – An increase of 10% in the gold price used in determining the fair value less costs to sell of the Henty Gold Mine CGU would have resulted in an increase in recoverable amount of $5.509 million, reducing the impairment write down by the same amount. A decrease of 10% in the gold price would have resulted in a decrease in recoverable amount by $5.695 million, increasing the required impairment write down by the same amount.

- *Discount Rate* – An increase of 10% in the discount rate used in determining the fair value less costs to sell of the Henty Gold Mine CGU would have resulted in a decrease of $0.040 million in recoverable amount, increasing the required impairment charge by the same amount. A decrease of 10% in the discount rate would have resulted in the opposite effect.

Dargues Gold Mine

- *Gold Price* – An increase of 10% in the gold price used in determining the fair value less costs to sell of the Dargues Gold Mine CGU would have resulted in an increase in recoverable amount of $19.530 million, reducing the impairment write down to nil. A decrease of 10% in the gold price would have resulted in a decrease in recoverable amount by $21.033 million, increasing the required impairment write down by the same amount.

- *Discount Rate* – An increase of 10% in the discount rate used in determining the fair value less costs to sell of the Dargues Gold Mine CGU would have resulted in a decrease of $3.415 million in recoverable amount, 14 MINE PROPERTY, PLANT & EQUIPMENT and EXPLORATION & EVALUATION (AT COST) *Continued*

increasing the required impairment charge by the same amount. A decrease of 10% in the discount rate would have resulted in an increase of $3.642 million in recoverable amount and reduced the impairment by the same amount.

	Consolidated			
2013	Mine Property $'000	Plant & equipment $'000	Exploration & Evaluation $'000	Total $'000
Gross Carrying Amount				
Balance at 30 June 2012	47,000	20,703	5,298	73,001
Transfers	2,502	72	(2,502)	72
Acquisitions through business combinations	27,633	5		27,638
Additions [2]	16,391	1,632	8,907	26,930
Disposals	-	-	-	-
Write-offs	-	-	(4,130)	(4,130)
Balance at 30 June 2013	93,526	22,412	7,573	123,511
Accumulated Depreciation/Amortisation and Impairment				
Balance at 30 June 2012	(18,964)	(15,401)	-	(34,365)
Transfers	-	(2)		(2)
Disposals	-	-	-	-
Depreciation expense	(12,544)	(1,543)	-	(14,087)
Impairment losses recognised in profit or loss	(14,500)	-	-	(14,500)
Balance at 30 June 2013	(46,008)	(16,946)	-	(62,954)
Net Book Value				
As at 30 June 2012	28,036	5,302	5,298	38,636
As at 30 June 2013	**47,518**	**5,466**	**7,573**	**60,557**

[2] Included in the Consolidated Entity plant and equipment at 30 June 2013 are assets under finance leases with a net book value of $3,106,000 (2012: $3,689,000).

	Consolidated	
	2014 $'000	2013 $'000
15 PAYABLES		
Unsecured trade creditors	**8,994**	**15,348**

The Company's payment policy and system ensures that all creditors are paid within payment terms, and consequently no discounts or penalty payments arise.

	Consolidated 2014 $'000	Consolidated 2013 $'000
16 INTEREST BEARING LIABILITIES		
Finance lease liabilities[1] (Note 32) – Current	309	811
Finance lease liabilities[1] (Note 32) – Non-Current	77	330
	386	**1,141**
Disclosed in the financial statements as:		
Current interest bearing liabilities	309	811
Non-current interest bearing liabilities	77	330
	386	**1,141**

[1] Secured by the assets leased. The leases are fixed interest rate debt with repayment periods not exceeding 5 years. The current annual weighted average effective interest rate on the finance lease liabilities is 8.12% (2013: 8.34%).

17 PROVISIONS

	Consolidated 2014 $'000	Consolidated 2013 $'000
Current:		
- Employee benefits - annual leave	1,754	1,767
- long service leave	2,108	2,128
	3,862	3,895
Non-current:		
- Employee benefits - long service leave	101	174
- Rehabilitation provision [1]	3,311	2,739
	3,412	2,913
	7,274	**6,808**

[1] Net present value of the estimated future rehabilitation cost of the current disturbance at the Henty Gold Mine and Dargues Gold Mine. Bank guarantees totalling $5,692,000 (2013: $5,692,000) have been lodged for rehabilitation obligations. The Company has used term deposits of $5,692,000 (2013: $5,692,000) as security for these bank guarantees.

18 PROVISIONS - MOVEMENT

	Consolidated		
	Employee benefits $'000	Rehabilitation $'000	Total $'000
Balance at 30 June 2013	4,069	2,739	6,808
Additional provisions recognised	3,048	541	3,589
Unwinding of discount and effect of changes in the discount rate	-	31	31
Payments made	(3,154)	-	(3,154)
Balance at 30 June 2014	**3,963**	**3,311**	**7,274**
Current (see Note 17)	3,862	-	3,862
Non-current (see Note 17)	101	3,311	3,412
Balance at 30 June 2014	**3,963**	**3,311**	**7,274**

19 FINANCIAL INSTRUMENTS

Overview – The Company has exposure to various risks from the use of financial instruments. The Company's principal financial instruments comprise receivables, payables, cash, other financial assets and financial liabilities. This note presents information about the Company's exposure to risk from the use of financial instruments. Further quantitative disclosures are included throughout this financial report.

Categories of financial instruments

	Consolidated	
	2014 $'000	2013 $'000
Financial assets		
Cash and bank balances (including cash and bank balances in a disposal group held for sale)	6,783	27,711
Fair value through profit or loss (FVTPL)		
Held for trading	-	-
Designated as at FVTPL	-	-
Held-to-Maturity investments	11,504	11,465
Loans and receivables (including trade receivables balance in a disposal group held for sale)	2,708	2,703
Available-for-sale financial assets	-	-
Financial liabilities		
Fair value through profit or loss (FVTPL)		
Amortised cost	9,380	16,489

(a) **Financial Risk Management** – Financial risks including credit risk, liquidity risk, and market risk (interest rate risk, commodity risk and foreign currency risk) are managed such to maintain an optimal capital structure. The Company does not enter into derivative transactions to manage financial risks. In the current period, the Company's financial risk arises principally from cash financial assets. The Company invests its cash to obtain market interest rates. The Company manages its treasury services in-house in accordance with the Company's investment policy. The objective of the investment policy is to provide appropriate security of capital, market competitive returns, and access to funds, by investing in a restricted range of prime quality, short and medium term securities. Investments are only made with selected Australian counterparties with a Standard & Poors long term rating BBB or higher. The investment policy also provides for strict counterparty exposure according to the level of funds under management. Adherence to the investment policy is monitored on a monthly basis.

(b) **Credit Risk Management –** Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the

19 FINANCIAL INSTRUMENTS *CONTINUED*

Company's investment of its cash balances. Credit risk exposure on Company receivables is not considered significant as the Company invests in Australian counterparties with a Standard & Poors long term rating of BBB or higher.

The Company only deals with the one customer however the credit risk associated with default is managed by the fact that the Company doesn't deal on credit terms.

The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets. The carrying amount of the receivable is the maximum exposure to credit risk.

(c) **Liquidity Risk Management –** Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by maintaining adequate cash reserves and borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

		Consolidated				
	Weighted average effective interest rate %	Less than 1 month $'000	1-3 months $'000	3 months to 1 year $'000	1-5 years $'000	5+ years $'000
2014						
Payables	-	8,994	-	-	-	-
Interest bearing liabilities	8.12	25	50	234	77	-
		9,019	50	234	77	-
2013						
Payables	-	15,348	-	-	-	-
Interest bearing liabilities	8.34	96	175	517	352	-
		15,444	175	517	352	-

(d) **Market risk –** Market risk is the risk that changes in market prices, such as commodity prices and interest rates will affect the Company's income. The Company has a policy of maintaining full exposure to changes in key market variables being gold price and interest rates. The Company does not undertake gold forward selling and hence is exposed to commodity price risk. The Company is exposed to interest rate risk arising from its cash and other financial assets held in the form of bank term deposits and bank bills. The Company regularly reassesses market conditions and market risks so as to optimise return on capital. There has been no material change to the company's exposure to market risks or the manner in which it manages and measures the risk from the previous financial reporting period.

(e) **Capital Risk Management –** The Company has equity financed the majority of all historical expenditure. The capital structure consists of cash, other financial assets, financial liabilities and equity attributable to equity holders as disclosed in Notes 4, 8, 13, 16, 20 and 22 respectively. The Company is not subject to externally imposed capital requirements.

(f) **Fair value of financial instruments –** The fair values of cash with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices. Cash includes bank instruments as per Note 4. Trade receivables, payables and financial liabilities have been excluded from the table below as the fair values of these financial assets and liabilities are the same as the recorded carrying value.

The fair value of non-cash related financial assets held by the Company are determined with reference to a 3 level hierarchy based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

19 FINANCIAL INSTRUMENTS *Continued*

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of cash and other financial assets together with the carrying amounts shown in the balance sheet are as follows:

	Consolidated			
	Carrying Amount 2014 $'000	Fair Value 2014 $'000	Carrying Amount 2013 $'000	Fair Value 2013 $'000
Cash	6,783	6,783	27,711	27,711
Other financial assets – Held-to-maturity[1]	11,504	11,504	11,465	11,465
	18,287	18,287	39,176	39,176

[1] Other financial asset – Held-to-maturity represent term deposits held by the Company as security against rehabilitation and property lease obligations.

20 ISSUED CAPITAL

	Consolidated	
	2014 Shares	2013 Shares
Movement for the year:		
Balance at beginning of year	701,997,809	506,120,467
Ordinary share issues[1] [2]	431,124,902	196,747,303
Buyback of ordinary shares[3]	-	(869,961)
Balance at End of Year	**1,133,122,711**	**701,997,809**

	Consolidated	
	2014 $'000	2013 $'000
1,133,122,711 fully paid ordinary shares	456,031	447,263
(30 June 2013: 701,997,809)		

[1]Shares were issued to shareholders as part of a Share Purchase Plan undertaken by the Company during the year. Under the plan existing shareholders were provided the opportunity to apply for up to $15,000 in additional shares at a 17.5% discount on the average price of Unity shares in the 5 days preceding the closing date for the Share Purchase Plan. In total 239,602,537 new shares were issued as part of the Share Purchase Plan.

[2]In addition to shares issued under the Share Purchase Plan, 191,522,365 shares with a total value of $2.676 million were issued to Moly Mines Limited during the year in order to settle Royalty obligations associated with the Dargues Gold Mine.

[3]Ordinary shares purchased by Unity during July 2012 as part of the on-market share buy-back program. On 1 March 2013 the company announced the completion of the share buy-back program with a total of 7.4 million shares being purchased over the 12 month period.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

21 RESERVES

	Consolidated	
	2014 $'000	2013 $'000
Equity Compensation Reserve		
Balance at beginning of financial year	1,800	1,772
Share-based payment expense(1)	128	28
Balance at End of the Financial Year	**1,928**	**1,800**

(1) The net Share-based payments expense includes a write-back of $68,000 in relation to prior period performance rights expense as well as the current year expense of $196,000.

The Share Rights and Performance Rights expense incurred during the 2014 and 2013 financial years relates to the fair value of Share Rights and Performance Rights as determined at grant date and expensed over the vesting period (see Note 22). Amounts are transferred out of the reserve and into issued capital when the options are exercised or when shares are issued for the Performance Rights or Share Rights.

22 PERFORMANCE RIGHTS PLANS

Performance Rights

An Executive Long Term Incentive Plan ('LTIP') was introduced during the 2011 financial year for the Managing Director & CEO and the Chief Financial Officer. During the 2013 financial year participation in this plan was extended to other members of the senior management team.

Under the LTIP the Company made and will make annual grants to Executive Officers and KMP's of conditional Performance Rights to receive Ordinary Fully Paid Shares in the Company by way of issue for nil cost. The vesting of Performance Rights is contingent on the Company achieving a performance hurdle over a three year performance period. Refer to the remuneration report section of the Directors' Report for further details on the 2010 LTIP.

The following Performance Rights were in existence during the current year:

Performance Right series	Number	Grant date	Expiry date	Exercise price	Grant date share price	Fair value at grant date
2012 Grant (2010 LTIP)	1,228,297	02/12/11	02/12/14	Nil	$0.11	$0.07
2013 Grant (2010 LTIP)	1,317,934	01/09/12	01/09/15	Nil	$0.11	$0.07
2013 Grant (2010 LTIP)	1,148,667	02/12/12	02/12/15	Nil	$0.12	$0.07
2013 Grant (2010 LTIP)	1,371,742	27/05/13	27/05/16	Nil	$0.07	$0.04
2014 Grant (2010 LTIP)	1,611,131	29/07/13	29/07/16	Nil	$0.07	$0.04
2014 Grant (2010 LTIP)	2,073,596	01/09/13	01/09/16	Nil	$0.08	$0.05
2014 Grant (2010 LTIP)	1,144,378	14/10/13	14/10/16	Nil	$0.06	$0.03
2014 Grant (2010 LTIP)	1,623,035	02/12/13	02/12/16	Nil	$0.05	$0.03
2014 Grant (2010 LTIP)	3,093,278	27/05/14	27/05/17	Nil	$0.014	$0.008
Total	**14,612,058**					

2010 LTIP: On 02/12/2013 1,623,035 performance rights were granted to Mr A McIlwain, the Company Managing Director & CEO at a share price of $0.05 and estimated fair value of $0.03 based on a 40% discount for the market based performance hurdles. These performance rights are in addition to those granted in the 2012 and 2013 financial years and were approved by shareholders at the Company's 2012 Annual General Meeting.

In addition to the above the following performance right grants were granted to members of the Company's senior management team;

- On 29/07/13 1,611,131 performance rights were issued at a share price of $0.07 and estimated fair value of $0.04
- On 01/09/13 2,073,596 performance rights were issued at a share price of $0.08 and estimated fair value $0.05
- On 14/10/13 1,144,378 performance rights were issued at a share price of $0.06 and estimated fair value $0.03
- On 27/05/14 3,093,278 performance rights were issued at a share price of $0.014 and estimated fair value $0.008

22 PERFORMANCE RIGHTS PLANS Continued

In addition to performance rights issued during the year, 2,320,670 performance rights were cancelled as a result of members of the Company's senior management team departing the Company.

Fair Value Calculations

The fair value of Performance Rights, comprising the rights over unissued Shares, has been determined at the grant date with regard to estimated volatility, risk-free interest rate, life of the Performance Rights, exercise price, and the performance hurdles.

Reconciliation of Outstanding Performance Rights

The following reconciles the outstanding Performance Rights granted under the Unity Mining 2010 Executive Long Term Incentive Plans at the beginning and end of the financial year:

Employee Performance Rights	2014 Number of Performance Rights	2014 Weighted average exercise Price	2013 Number of Performance Rights	2013 Weighted average exercise price
Balance at beginning of the financial year	7,387,310	Nil	1,976,982	Nil
Granted during the financial year	10,969,004	Nil	5,410,328	Nil
Exercised during the financial year	-	Nil	-	Nil
Cancelled during the financial year	(3,744,256)	Nil	-	Nil
Balance at the End of the Financial Year	**14,612,058**	Nil	**7,387,310**	Nil
Exercisable at the End of the Financial Year	-		**-**	-

Performance Rights carry no rights to dividends or voting.

Recognition of Share Based Payments Expense

The total value of Performance Rights included in remuneration for the year is calculated in accordance with Accounting Standard AASB 2 'Share-based Payment'. The Standard requires the value of the Performance Rights to be determined at grant date and to be recognised as an expense in the profit & loss component of the statement of comprehensive income over the vesting period. Consequently a Performance Rights expense of $128,000 was incurred during the 2014 financial year (2013: $28,000).

23 PROFIT FROM CONTINUING OPERATIONS

	Consolidated	
	2014 $'000	2013 $'000
Profit/(Loss) from ordinary activities before income tax expense includes the following items of revenue and expense:		
(a) **Operating Revenue**		
Gold sales	54,296	64,104
Silver sales	562	626
	54,858	64,730
(b) **Interest and Other Revenue**		
Interest received	680	1,470
Other revenue	133	151
	813	1,621
(c) **Expenses**		
i) Depreciation expense (included in cost of sales, exploration expense, discontinued operations and WIP)	17,458	14,032
ii) Impairment losses		
Impairment loss recognised on mine property, plant and equipment	26,125	14,500
Impairment loss recognised on investment in associate	146	4,826
iii) Employee benefits:		
Superannuation contributions	1,370	1,310
Equity-settled share-based payments	128	28
Transfer to provision for employee entitlements:		
Annual leave	1,603	1,712
Long service leave	400	398
Salary and wages and other employee benefits	14,815	14,566
Total employee benefits	18,316	18,014

24 DISCONTINUED OPERATIONS

The Kangaroo Flat Mine was placed on a care and maintenance status at the commencement of the FY12 period. Unity continues to actively pursue the sale of its Bendigo assets.

24 DISCONTINUED OPERATIONS *Continued*

Analysis of profit/(loss) for the year from discontinued operations.

The results of the discontinued operations included in the consolidated statement of comprehensive income are set out below. The profit and cash flows from discontinued operations include those operations classified as discontinued in the current year.

	2014 $'000	2013 $'000
Profit for the year from discontinued operations		
Sales Revenue	-	-
Cost of sales		
Mining, processing and site administration	-	-
Depreciation and amortisation	-	-
Total cost of sales	**-**	**-**
Gross profit	**-**	**-**
Other revenue	330	2,650
Care & maintenance costs	(1,001)	(2,203)
Impairment of assets		-
Profit/(loss) before tax	(671)	447
Income tax expense	-	-
Profit/(loss) for the year from discontinued operations	(671)	447
Cash flows from discontinued operations		
Net cash inflows/(outflows) from operating activities	(1,065)	273
Net cash inflows/ from investing activities	-	-
Net cash inflows/(outflows) from financing activities	-	-
Net cash inflows/(outflows)	(1,065)	273

The Kangaroo Flat Mine has been classified and accounted for at 30 June 2014 as assets held for sale (see note 9).

The Kangaroo Flat Mine generated other revenue of $0.3 million for the year ended 30 June 2014 as a result of the finalisation of the joint venture project with Octagonal Resources Limited.

25 FINANCE COSTS

	Consolidated 2014 $'000	2013 $'000
Finance lease interest	49	140
	49	**140**

The current weighted average effective interest rate on the finance lease liabilities is 8.12% (2013: 8.34%).

26 NET VALUE GAIN/(LOSS) ON FINANCIAL ASSET HELD FOR TRADING

	Consolidated	
	2014 $'000	2013 $'000
Gain/(loss) on financial asset held for trading[1]	**-**	**(255)**

[1] The loss on financial assets held for trading relates to the disposal of the shares issued to the Company by Catalyst Metals Limited in connection with the option agreement for the purchase of Kangaroo Flat. The agreement was terminated during FY13.

27 REMUNERATION OF AUDITORS

	Consolidated	
	2014 $	2013 $
Audit or review of the financial reports	103,500	98,000
Other audit services	1,000	4,000
Non-audit services (taxation)	-	10,000
	104,500	**112,000**

The auditor of the Consolidated Entity is Deloitte Touche Tohmatsu.

28 NOTES TO THE STATEMENT OF CASH FLOWS

	Consolidated	
	2014 $'000	2013 $'000
(a) **Reconciliation of Loss After Income Tax to Net Cash Provided by Operating Activities**		
Profit/(Loss) after income tax	(52,097)	(26,397)
Depreciation and amortisation	17,516	14,190
Performance and share right expense	128	28
Share of loss of associate	380	1,044
Impairment expense – investment in associate	146	4,826
Impairment expense – mine property, plant and equipment	26,125	14,500
Write-Off Exploration Costs	12,085	-
Movement in Rehabilitation Provision	(130)	-
Net gain/(loss) arising on financial assets designated as at FVTPL	-	59
(Profit)/Loss on sale of investments	-	255
	4,153	8,505
Increases/(Decreases) in working capital:		
Receivables	(5)	1,100
Other Financial Assets		-
Inventories	(1,094)	(1,913)
Other assets	289	63
Payables	(1,581)	464
Provisions	(106)	300
Net cash by Operating Activities	**1,656**	**8,519**

28 NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

(b) **Non–Cash Financing and Investing Activities**

During the 2014 financial year a motor vehicle was acquired for $43,000 under finance lease (2013: $60,000). The acquisition will be reflected in the cash flow statement over the term of the finance lease via lease repayments.

29 INCOME TAX

The prima facie income tax expense on pre-tax accounting profits is reconciled to the income tax expense in the financial statements as follows:

	Consolidated	
	2014 $'000	2013 $'000
Income Tax Recognised in Profit		
Loss from ordinary activities	(52,097)	(26,397)
Income tax benefit calculated at 30% of profit from ordinary activities	(15,629)	(7,919)
Add tax effect of permanent differences:		
Non-deductible items	103	130
Loss on mine property, plant and equipment	-	-
Loss on financial assets and capital raising expenses	190	1,853
Income tax benefit attributable to operating profit	(15,336)	(5,936)
Under provision in previous year	(28)	250
Effect of deductible items not expensed in determining taxable profit	6,737	4,296
Current year tax losses not brought to account as a DTA	8,687	1,390
Income Tax Expense/(Benefit) Recognised in Profit/(Loss)	-	-
Future income tax benefits attributable to tax losses and timing differences not brought to account as a deferred tax asset. (1)	**100,867**	**92,238**

(1) The deferred tax asset is not recognised due to the uncertainty of timing in relation to when taxable profits will be derived.

Unrecognised taxable temporary differences associated with investments

Unity Mining Limited calculates deferred taxes in relation to investments within tax-consolidated groups using the 'change in tax status' view. Under this view, an entity leaving a tax-consolidated group would be considered a voluntary change in tax status, i.e. the entity no longer is taxed as part of the tax-consolidated group, but is taxed either as a stand-alone taxpayer, or alternatively as part of another tax-consolidated group (with different reset tax values).

This view results in no deferred tax being recognised until such time as an entity leaves the tax-consolidated group. Whilst the entity was a member of the group, the investment would be considered to have no tax consequences because all transactions and balances between entities in the tax-consolidated group are ignored for tax purposes.

This approach is consistent with the option of treating the pre-implementation effects of tax consolidation as a change in tax status.

Tax Consolidation

Effective 01 July 2012 the Company and its wholly-owned Australian subsidiary Henty Gold Limited formed a tax-consolidated group. On 23 January 2013, Dargues Gold Mine Pty Ltd, Wombola Gold Pty Ltd and Big Island Mining Pty Ltd joined the tax-consolidated group resulting from the company's successful merger with Cortona Resources Limited. The head entity within the tax-consolidated group is Unity Mining Limited.

The Consolidated entity received acknowledgement from the Australian Taxation Office on 28 June 2013 that the formation of the tax consolidated group as described above had been approved. No tax funding / sharing agreement has been determined at balance date. Due to the fact that only the head entity of the tax consolidated group is currently recording profits/losses, no contributions / distributions were recognised on tax consolidation in FY14. Tax

29 INCOME TAX *Continued*

funding / sharing arrangements and policies for tax contributions and distributions between Group members will be determined in FY15.

30 EARNINGS PER SHARE

	Consolidated 2014	2013
Basic and diluted profit/(loss) per share		
From continuing operations	(6.6) cents	(4.5) cents
From discontinued operations	0.0 cents	0.0 cents
	(6.6) cents	(4.5) cents

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted profit/(loss) per share are as follows:

	2014 $'000	2013 $'000
Net profit/(loss)	(52,097)	(26,397)

	2014 No.	2013 No.
Weighted average number of Ordinary Shares	790,889,067	591,015,237

31 COMMITMENTS FOR EXPENDITURE

	Consolidated 2014 $'000	2013 $'000
(a) **Operating Expenditure**		
Not later than 1 year	1,475	2,138
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
	1,475	**2,138**
(b) **Capital Expenditure**		
Not later than 1 year	537	5,179
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
	537	**5,179**

(c) **Lease Commitments**

Finance lease liability commitments are disclosed in Note 32 to the financial statements.

32 LEASES

Finance Leases

Finance leases relate to mining equipment and motor vehicles with lease terms of 4 and 5 years. The Company will receive title to the equipment after the final lease payments are made. The Company's obligation under finance leases are secured by the lessor's title to the leased assets.

	Consolidated			
	Future lease payments		Present value of future lease payments	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
No later than 1 year	326	843	309	811
Later than 1 year and not later than 5 years	80	372	77	330
Later than five years	-	-	-	-
Future lease payments [1]	406	1,215	386	1,141
Less future finance costs	(20)	(74)	-	-
Present value of lease payments	386	1,141	386	1,141
Included in the financial statements as (Note 16)				
Current interest bearing liabilities			309	811
Non-current interest bearing liabilities			77	330
			386	1,141

[1] Future lease payments include the aggregate of all lease payments.

The fair value of the finance lease liabilities is approximately equal to their carrying amount.

33 CONTINGENT LIABILITIES

Nil (2012: Nil)

34 RELATED PARTY DISCLOSURES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Other Transactions with Related Parties

Unity participated in a share placement with GoldStone during the 2014 financial year. Refer to note 12 for details.

Non-Executive Director, Gary Davison, is the Managing Director of Mining One Pty Ltd ('Mining One'). During the 2014 financial year $159,000 of consultancy fees were incurred by the consolidated entity or are outstanding at the end of the financial year to Mining One for consultancy work provided. Consultancy fees are paid based on a commercial rate commensurate with the services provided.

35 BUSINESS COMBINATIONS

Merger with Cortona Resources Limited

Effective 16 January 2013 the Company acquired 100% of the issued share capital of Cortona Resources Limited ('Cortona') together with the net operating assets of Cortona through the implementation of a scheme of arrangement. The final consideration totalling $24.6 million comprised 196,747,303 shares in the Company based on the spot price on the day of issue being $0.125. Acquisition-related costs amounting to $2.2 million have been excluded from the consideration transferred and have been recognised as an expense in the Statement of Profit and Loss and Other Comprehensive Income in the 2013 year, within the corporate expenditure line item. This transaction has been accounted for as a business combination in accordance with AASB 3 Business Combinations (revised) ('AASB 3').

Cortona was acquired to diversify the Consolidated Entity's portfolio of mining assets and continue the expansion of the Consolidated Entity's activities.

Assets acquired and liabilities assumed at the date of acquisition

	Values recognised on acquisition $'000
Cash	907
Receivables	99*
Other assets	59
Other financial assets	350
Mine property, plant and equipment	1,517
Mineral right	26,121
Trade, other payables and current provisions	(4,460)
Net identifiable assets and liabilities	**24,593**

*Receivable amount recognised on acquisition approximated fair value at the date of acquisition. This represented the best estimate of the contractual cashflows expected to be collected by the Consolidated Entity. Subsequent to the date of acquisition the gross contractual cashflows receivable at acquisition date were received by the Consolidated Entity.

For tax purposes, the tax values of Cortona's assets are required to be reset based on market values of the assets. At the date of finalisation of these consolidated financial statements, the necessary market valuations and other calculations had not been finalised and they have only been provisionally determined based on directors' best estimate of the likely tax values.

Mineral right arising on acquisition

The mineral right arising on acquisition was $26.1 million. Subsequent to the initial recognition, the mineral right was impaired to $19.0 million in FY13 and impaired down to a nil book value in FY14. Refer to note 14 for further details on this impairment.

A mineral right arose in the acquisition of Cortona because the cost of the combination included a premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development. These benefits are not recognised separately from the mineral right because they do not meet the recognition criteria for identifiable intangible assets.

None of the mineral rights arising on this acquisition are expected to be deductible for tax purposes.

Impact of merger on the results of the Consolidated Entity

Included in the FY13 operating loss for the year was $29,000 attributable to expenditure incurred by Big Island Mining Pty Ltd. In addition to this in FY13 an impairment expense of $7.100 million was recognised in relation to the mineral right asset held in Big Island Mining Pty Ltd.

35 BUSINESS COMBINATIONS *Continued*

Had the business combination been effected 01 July 2012, the revenue of the Consolidated Entity from continuing operations would have been unchanged, and the loss for the year from continuing operations would have been $28.3 million. The directors of the Consolidated Entity consider the 'pro-forma' numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

In determining the 'pro-forma' revenue and profit of the Consolidated Entity, had Cortona been acquired at the beginning of the current year, the directors have relied on actual financial results of Cortona up until the date of acquisition combined with financial results post acquisition.

There was no impact on the operating loss of the Consolidated Entity from any other subsidiary purchased during the year.

36 SEGMENT INFORMATION

The Consolidated Entity's operating segments are based on internal management reports that are reviewed and used by the Consolidated Entity's senior management and Board (the chief operating decision-makers) in assessing performance. The operating segments represent the Consolidated Entity's operating mines and projects, which are organised and managed according to their location. No operating segments have been aggregated in arriving at the reportable segment of the Company.

The Consolidated Entity's reportable segments are:

- Henty Gold Mine, Tasmania
- Dargues Gold Mine, New South Wales
- Corporate/Other

	Henty Gold Mine		**Dargues Gold Mine**		**Corporate / Other**		**Total Group**	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
External sales revenue	54,858	64,730	-	-	-	-	54,858	64,730
EBITDA	(9,469)	6,113	(19,895)	(7,129)	(5,848)	(12,536)	(35,212)	(13,552)
Depreciation and amortisation	(17,488)	(14,050)	-	-	(28)	(120)	(17,516)	(14,170)
EBIT (Segment result)	(26,957)	(7,937)	(19,895)	(7,129)	(5,876)	(12,656)	(52,728)	(27,722)
Finance income	-	-	-	-	680	1,465	680	1,465
Finance costs	-	-	-	-	(49)	(140)	(49)	(140)
Loss before income tax	**(26,957)**	**(7,937)**	**(19,895)**	**(7,129)**	**(5,245)**	**(11,331)**	**(52,097)**	**(26,397)**
Other information								
Segment assets	19,532	42,822	26,827	33,198	19,406	39,887	65,765	115,907
Segment liabilities	14,205	15,541	1,525	6,589	6,634	7,176	22,364	29,306

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2013: nil).

The accounting policies of the reportable segments are the same as the Consolidated Entity's accounting policies described in note 3. Segment profit represents the profit before tax earned by each segment without allocation of central administration costs and Directors' salaries, share of profits of associates, investment income and finance costs. This is the measure reported to the chief operating decision makers for the purpose of resource allocation and assessment of segment performance.

36 SEGMENT INFORMATION *Continued*

Other Segment Information

	Depreciation and amortisation		Additions to non-current assets	
	Year ended 30/06/14	Year ended 30/06/13	Year ended 30/06/14	Year ended 30/06/13
	$'000	$'000	$'000	$'000
Henty Gold Mine	17,488	14,050	12,009	14,244
Dargues Gold Mine	70	20	13,974	36,144
Corporate / Other	28	120	74	50
	17,586	14,190	26,057	50,438

In addition to the depreciation and amortisation reported above, impairment losses of $7.195 million (2013: $3.041 million) and $18.930 million (2013: $11.459 million) were recognised in respect of mine property, plant and equipment and mineral rights, respectively. These impairment losses were attributable to the following reportable segments.

	Year ended 30/06/14	Year ended 30/06/13
	$'000	$'000
Impairment losses recognised for the year in respect		
of mine property, plant and equipment		
Henty Gold Mine	7,195	3,041
Dargues Gold Mine	-	-
Corporate / Other	-	-
	7,195	3,041
Impairment losses recognised for the year in respect		
of Mineral Right		
Henty Gold Mine	-	4,359
Dargues Gold Mine	18,930	7,100
Corporate / Other	-	-
	18,930	11,459

36 SEGMENT INFORMATION *Continued*

Revenue from major products and services

The following is an analysis of the Consolidated Entity's revenue from continuing operations from its major products and services.

	Year ended 30/06/14	Year ended 30/06/13
	$'000	$'000
Gold Sales	54,296	64,104
Silver Sales	562	626
	54,858	64,730

Geographical Information

The Consolidated Entity's revenue from continuing operations from its one external customer by location of operations and information about its non-current assets* by location of assets are detailed below.

	Revenue from external customers		Non-current assets*	
	Year ended 30/06/14	Year ended 30/06/13	Year ended 30/06/14	Year ended 30/06/13
	$'000	$'000	$'000	$'000
Tasmania	54,858	64,730	10,078	34,015
New South Wales	-	-	26,376	32,325
Victoria	-	-	1,688	1,934
	54,858	64,730	38,142	68,274

*Non-current assets exclude non-current assets classified as held for sale.

Information about major customers

All Gold sales are made to the one customer being Perth Mint.

37 EVENTS AFTER THE REPORTING PERIOD

Henty Gold Mine
On 07 July 2014 the Company announced that a detailed review of the Henty Gold Mine mineral inventory and mine life had been undertaken.

From the outcome of that review, the Company has determined that the best economic outcome for Unity shareholders is to focus on maximising cash generation through the recovery of the remaining higher confidence and higher margin reserves. Accordingly, at currently scheduled mining rates, Henty Gold Mine is expected to have substantially mined these reserves and will transition onto a care and maintenance basis in late 2015.

GoldStone
In July 2014 GoldStone announced a proposed subscription for shares by AIM-listed Stratex International Plc ('Stratex') to raise gross proceeds of £1.25 million. The proposed subscription is subject to GoldStone shareholder approval and certain waivers from the UK Panel on Takeovers and Mergers. The conditional share subscription represents approximately 33.4% of the enlarged issued share capital of GoldStone. If the subscription proceeds as planned, Unity's ownership of GoldStone will be diluted to approximately 19.3%. Unity has also agreed to reduce its representation on the GoldStone board from two directors to one upon completion of the share issue to GoldStone. As such, if the share subscription proceeds as planned, Unity may no longer be in a position to exert significant influence on the decisions of GoldStone, and may therefore cease equity accounting for the Company's investment in GoldStone. As part of the proposed share subscription transaction, Stratex will also be issued warrants to subscribe for additional shares. If exercised, these warrants would allow Stratex to increase its stake in GoldStone to just over 50%, at which point Unity would hold approximately 14.5% of GoldStone's enlarged share capital. The proposed transaction is subject to GoldStone shareholder approval and certain waivers from the UK Panel on Takeovers and Mergers.

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2014

The Directors declare that:

1) a) The financial report of the Consolidated Entity, and the additional disclosures included in the Directors' Report designated as audited are in accordance with the Corporations Act 2001, including:

   i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2014 and of the Consolidated Entity's performance for the year ended on that date;

   ii) complying with Accounting Standards and Corporations Regulations 2001;

   b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

   c) In the Directors' opinion, the financial statement and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in Note 3 to the financial statements.

2) This declaration has been made after receiving the declarations required to be made to Directors in accordance with section 295A of the Corporations Act 2001 for the financial year-ended 30 June 2014.

At the date of this declaration, the Company is within the class of companies affected by ASIC Class Order 98/1418. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the Directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the ASIC Class Order applies, as detailed in Note 10 to the financial statements will, as a group, be able to meet any obligation or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of Directors made pursuant to Section 295(5) of the Corporations Act 2001.

Clive Jones
Chairman

Andrew McIlwain
Managing Director & CEO

27 August 2014

Deloitte.

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

550 Bourke Street
Melbourne VIC 3000
GPO Box 78
Melbourne VIC 3001 Australia

DX: 111
Tel: +61 (0) 3 9671 7000
Fax: +61 (0) 3 9671 7001
www.deloitte.com.au

Independent Auditor's Report to the members of Unity Mining Limited

Report on the Financial Report

We have audited the accompanying financial report of Unity Mining Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 30 to 65.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 3, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the company's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Unity Mining Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion
In our opinion:

(a) the financial report of Unity Mining Limited is in accordance with the *Corporations Act 2001*, including:

 (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

 (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 3.

Emphasis of matter
Without modifying our opinion, we draw attention to Note 3(v) in the financial report, which indicates that Unity Mining Limited incurred a net loss of $52,097,000 during the year ended 30 June 2014 and incurred a gross loss of $7,354,000. These conditions, along with other matters as set forth in Note 3(v), indicate the existence of a material uncertainty that may cast significant doubt about the Company's and Consolidated Entity's ability to continue as a going concern and therefore, the Company and Consolidated Entity may be unable to realise their assets and discharge their liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 21 to 28 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Unity Mining Limited for the year ended 30 June 2014, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

Craig Bryan
Partner
Chartered Accountants
Melbourne, 27 August 2014

SHAREHOLDER INFORMATION

Shareholdings

At 27 August 2014 the issued share capital of the Company was held as follows:

a) Size of Shareholding

Size of Shareholding	Number of Ordinary Shareholders
1 – 1,000	676
1,001 – 5,000	2,177
5,001 – 10,000	1,820
10,001 – 100,000	3,142
100,001 and over	1,048
Total number of shareholders	8,857

b) Number of shareholders with holdings of less than a marketable parcel - $500 (50,000 Shares) 7,129

c) As at 27 August 2014 the register of substantial shareholders disclosed the following information:

Holders giving notice	Date of notice	Ordinary Shares as at date of notice	% Holding as at date of notice
Moly Mines Limited	10.6.14	195,525,067	17.34
Liongold Corp Ltd	20.3.14	117,087,959	12.4

d) Of the issued ordinary capital, 46.92% was held by or on behalf of the 20 largest shareholders.

e) All Shares carry voting rights of one vote per share.

List of Mining Tenements

Name	Location	Interest	Name	Location	Interest	Name	Location	Interest
MIN 5344	Bendigo	100%	ML 7M/1991	Tasmania	100%	EL 6003	NSW	100%
MIN 4878	Bendigo	100%	ML 7M/2006	Tasmania	100%	EL 6462	NSW	100%
EL 3327	Outer Bendigo	100%	ML 5M/2002	Tasmania	100%	EL 6548	NSW	100%
EL 5035	Outer Bendigo	100%	EL 28/2001	Tasmania	100%	ML 1675	NSW	100%
MIN 5364	Bendigo	100%	EL 8/2009	Tasmania	100%	EL 6012	NSW	100%
			EL 11/2010	Tasmania	100%	EL 6445	NSW	100%
			EL 13/2011	Tasmania	100%	EL 6880	NSW	100%
						EL 8243	NSW	100%
						EL 8244	NSW	100%

Shareholder Information

Top 20 Holders as at 27 August 2014:	**Ordinary Shares**	**%**
MOLY MINES LIMITED	196,525,067	17.34
DMG & PARTNERS SECURITIES PTE LTD <CLIENTS A/C>	92,653,515	8.18
CITICORP NOMINEES PTY LIMITED	40,777,124	3.60
J P MORGAN NOMINEES AUSTRALIA LIMITED	40,062,730	3.54
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	24,711,732	2.18
LIONGOLD CORP LTD	24,444,444	2.16
AU MINING LIMITED	22,000,000	1.94
GKM CORPORATION PTY LTD <GKM SUPER FUND A/C>	15,900,000	1.40
MR GEOFFREY KNIGHT MORGAN <G&M MORGAN INVESTMENTS A/C>	13,790,000	1.22
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	8,656,435	0.76
LUJETA PTY LTD <THE MARGARET ACCOUNT>	8,089,107	0.71
TIERRA DE SUENOS SA	7,665,129	0.68
MR MARK ANDREW TKOCZ	7,000,000	0.62
CARLOWEN PTY LTD <CARLOWEN UNIT A/C>	5,242,859	0.46
MR SPYROS DROUSIOTIS	4,500,000	0.40
EXPO PAINTS PTY LTD <SUPERANNUATION FUND A/C>	4,000,000	0.35
OSSART HOLDINGS PTY LTD <THE OT FAMILY A/C>	4,000,000	0.35
ACEMAC PTY LIMITED <MAC SUPER A/C>	3,945,557	0.35
CERAMIC OXIDE FABRICATORS PTY LTD	3,892,508	0.34
MR STEVEN RAJKI & MRS ROSALIE JANE RAJKI	3,805,556	0.34
Total	**531,661,763**	**46.92**
Total issued ordinary share capital	**1,133,122,711**	

UNITY
Mining Limited