

Unity Mining Limited
 ABN 61 005 674 073

Corporate Details:

ASX Code: UML

Issued capital:
 1133M ord. shares
 19.1M unlisted Perf. Rights

Substantial Shareholders:
 Moly Mines Ltd 196.5M (17.3%)
 LionGold Corp 117.1M (10.3%)

Directors:
 Non-Executive Chairman:
 Clive Jones
 Managing Director:
 Andrew McIlwain
 Non-Executive Directors:
 Ronnie Beevor
 Gary Davison

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Andrew McIlwain
 Managing Director & CEO
 13 October 2014

Key Points

- ◆ **HENTY:**
 - Continued strong operational performance at Henty with quarterly production of 12,832 oz gold at a cash operating cost of \$976/oz - considerably ahead of plan
- ◆ **DARGUES:**
 - Technical studies of alternate processing options nearing completion with results expected in December quarter
- ◆ Cash building with \$11.9M cash at bank and an additional \$9.3M in cash-backed performance bonds

Summary

Andrew McIlwain, Managing Director & CEO comment "As we flagged recently, Henty has continued to deliver a consistent strong production performance, building on the significant turnaround in its operating results achieved last quarter. Importantly, these results have seen substantial cash build over the quarter and see us considerably ahead of plan on most operating metrics.

"Grade performance from Read Zone continues to impress, with much of the outperformance during the quarter attributable to higher than forecast recovered grade from the Read mining blocks. Significantly, the mining schedule sees Read remain an important contributor to production in the December quarter.

"In conjunction with the grade control drilling at South Darwin, which has increased the grade and ounces expected to be recovered when this area is mined, our robust mining schedule means we remain optimistic of sustaining the improved production and operating cost performance " said Mr McIlwain.

Production

- Henty Gold Mine produced 12,832 oz at a cash cost \$976/oz including royalties, with all-in sustaining cost (AISC) of \$1028/oz, (11,983 oz gold at a cash cost of \$988/oz and AISC of \$1123/oz in previous quarter).

Development

- Dargues project currently on care & maintenance. Results of detailed technical studies and cost reduction investigations expected in next quarter.

Exploration

- Drilling at Henty continues to focus on identifying extensions to the mineralisation at Read Zone, Darwin South and the Zone 15 "noodle".
- Best result at the Zone 15 "noodle" was 0.75 m (down hole) at 100.85 g/t gold

Corporate

- Gold sales were \$20.2 million during the quarter from the sale of 14,586 oz gold at an average price of \$1383/oz.
- Cash at bank was \$11.9 million at 30 September 2014 (\$6.8 million at 30 June 2014)

BACKGROUND

Unity Mining Limited (ASX:UML) is an Australian gold producer, developer and explorer which owns and operates the Henty Gold Mine on the West Coast of Tasmania and is working to develop 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. 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 about 1.3 million ounces of gold over a 17 year period. Unity Mining has owned and operated Henty 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.

OPERATIONS

Safety

The September quarter saw a rise in the frequency and severity of injuries at Henty, with one medically treated injury (MTI), one restricted work injury (RWI) and two lost time injuries (LTI) reported. In all cases, detailed investigations have been undertaken and steps implemented to avoid reoccurrence.

There were no environmental incidents for the quarter.

Henty Operations

	Sep 2014 Qtr	Jun 2014 Qtr	Year to Date 2014/15
Henty Gold Mine			
Ore mined (t)	65,898	70,544	65,898
Ore processed (t)	66,537	64,803	66,537
Grade (g/t gold)	6.4	6.1	6.4
Recovery (%)	94.3	94.1	94.3
Gold produced (oz)	12,832	11,983	12,832
Cash cost - incl. royalty (A\$/oz)	976	988	976
All-in Sustaining Cost (A\$/oz)	1028	1123	1028
Cash cost - incl. royalty (A\$/t)	188	183	188

Note: Minor discrepancies may occur due to rounding

Mining

Development

A total of 991 m of underground mine development was completed during the September quarter (964 m June 2014 qtr). The breakdown of this development was:

- Newton Zone development (217 m);
- Read Zone ore flat-backing & sill development (243 m);
- Darwin south sill development (531 m)

A total of 65,898 tonnes of ore was produced from Henty. Read Zone sill development and flat-backing delivered 5215 tonnes of ore, with a further 5594 tonnes of ore from Darwin South development. Newton Zone development and stoping produced 55,089 tonnes.

Exploration and development drilling during the quarter focused on Read, Darwin South, Darwin South Extension and Newton.

Read

Read Zone produced 8% of the September quarter's ore tonnes and 46% of the ounces.

The mineralised zones in Read are highly variable and pinch and swell both vertically and horizontally. Grade control drilling and development confirmed a continuous zone of very high grade ore that delivered more ounces than anticipated.

Newton

Newton Zone produced 84% of the September quarter's ore tonnes. A consistent focus on mine activity scheduling and controls ensured that the target development and production was achieved in the areas forecast.

During the quarter, mining continued at the edges of the Newton Zone ore body and completion of the bottom level of Newton. Reliability and predictability of grade is increasing as we retreat towards the centre of the Newton ore zone.

Darwin South

Work in Darwin South was focused on sill development in preparation for stoping.

Processing

The milled head grade for the quarter averaged 6.4 g/t with 94.3% recovery. Total ore processed for the quarter was 66,537 tonnes for a total gold metal recovery of 12,832 ounces and silver metal recovery of 4846 ounces.

Dargues Gold Mine development

Work is continuing with the review of key elements of the Dargues project to identify project optimisation and de-risking opportunities. Engineering design work investigating alternative processing options for the gold concentrate is nearing completion and the company expects to provide further details on the outcomes of this work in the December quarter.

EXPLORATION

Henty Mine Exploration

A total of 2753 m of drilling was completed at Henty during the quarter. Most of this was in the development (targeting extensions of known Resources) or grade control categories. One long exploration hole was drilled which intersected a faulted "off-set" of the Darwin South Zone and an extension of the Read Zone, however no significant gold was reported from either section of the hole. Nonetheless, the intersection of both Darwin South and Read alteration zones is encouraging as it demonstrates that both the zones remain open to the south.

The alteration in the South Darwin "off-set" appears to be related to higher-temperature and more acidic fluid environment than the conventional Henty alteration. A review of the alteration distribution is in progress.

Early indications are that there is a target up-dip of this recent hole. In the Read Zone, the alteration is the same as elsewhere in the weakly-mineralised parts of the Read and included a 1 m (down hole) intercept of 0.3 g/t gold. The hole extends the Read envelope to the south and enhances the probability of finding additional high grade lodes to the south of the known Read resource.

In the development drilling, one new intercept was made into the "noodle", below and in the Footwall of Zone 15. This intercept was 0.75 m (down hole) at 100.85 g/t gold in drill hole Z19017. A long section showing the location of this hole is shown in Appendix 1.

Other high grade intercepts were encountered in holes drilled into the southern part of Darwin South (an area known as the "Tear Away" Zone). The best of these were:

- Z 19032 6.05 m at 12.4 g/t gold; and
- Z 19033 12.2 m at 6.7 g/t gold

Note: all intervals quoted are "down hole"

A long section showing the location of these holes is shown in Appendix 1.

In the grade control drilling, three holes targeting lower confidence areas of the Indicated Resource in the South Darwin Zone returned the following:

- Z 19069 3.05 m at 149 g/t gold;
- Z19070 3.9 m at 14.2 g/t gold; and
- Z17072 7.75 m at 110 g/t gold.

Note: all intervals quoted are "down hole"

This infill drilling has increased the grade and therefore the ounces expected to be recovered from this area when mined.

The location and results of all holes (in all categories) drilled during the quarter are given in Appendix 1.

Regional Tasmania

Final results were received for the Firetower West drill hole FTD 43. The best interval was as follows:

12 m at 0.6% Cu; 0.1g/t Au from 292-304 m – including:

- 1 m at 1.33% Cu; 0.17g/t Au from 292-293 m; and
- 1 m at 1.17% Cu; 0.22 g/t Au from 302-304 m.

The best gold and copper occur on the margins of the magnetite body, which is extensive. The main chargeability anomaly appears to be caused by extensive haematite alteration. Any future work in this area should concentrate on exploring the edges of the magnetic anomalies. The location of the hole is shown in Appendix 1.

Dargues Mine Exploration

Interpretation of the recently completed Induced Polarisation (IP) survey over the tenement close to Dargues Reef has outlined a new, untested chargeability/resistivity anomaly in an area of anomalous gold in soils on the northern side of Copper Ridge. This bears a resemblance to the Dargues signature and is considered a highly prospective drill target. The location of this survey and the new anomaly is shown in figure 4 of Appendix 1.

As part of a cooperative project with the Geological Survey of NSW, core from three diamond drill holes at the Dargues project was selected for scanning on the Government's Hy-logger machine. The three holes selected form a type-section through the Dargues Reef deposit. The Hy-logger scans will reveal the mineral zoning around the deposit and help to determine whether future exploration drill holes are within the halo and possibly, how far they are from mineralisation. The core samples from the first two holes have been scanned with results pending, with the final sample to be scanned during this quarter.

Regional NSW

A seven hole drill program is scheduled to commence this quarter on EL6012 around the historic mining area of Booth's Reward.

GOLDSTONE RESOURCES

On 21 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 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.

Further details are available on GoldStone's website: www.goldstoneresources.com

CORPORATE

Gold sales were \$20.2 million during the quarter from the sale of 14,586 oz gold at an average price of \$1383/oz.

Cash at bank was \$11.9 million at 30 September 2014 (\$6.8 million at 30 June 2014). The Company also has a further \$9.3 million cash-backed performance bonds for rehabilitation liabilities.

Major cash movements during the quarter related to positive mine operating cashflow from Henty of \$6.2M, project development costs at Dargues Gold Mine (\$0.2M), Kangaroo Flat and Corporate expenses (\$1.4M), changes in bonds of \$1.9M and changes in working capital of (\$1.4M).

Competent Person's Statement

The Company estimates its Mineral Resources and Ore Reserves in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition ("JORC Code"), which governs such disclosures by companies listed on the Australian Securities Exchange.

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 and Dargues, Raul Hollinger in relation to Mineral Resources at Henty, John Collier in relation to Mineral Resources at Dargues 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 are 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.

Appendix 1 Location of drilling (Henty) and I.P. survey (Dargues Reef).

Henty Mine Long Section

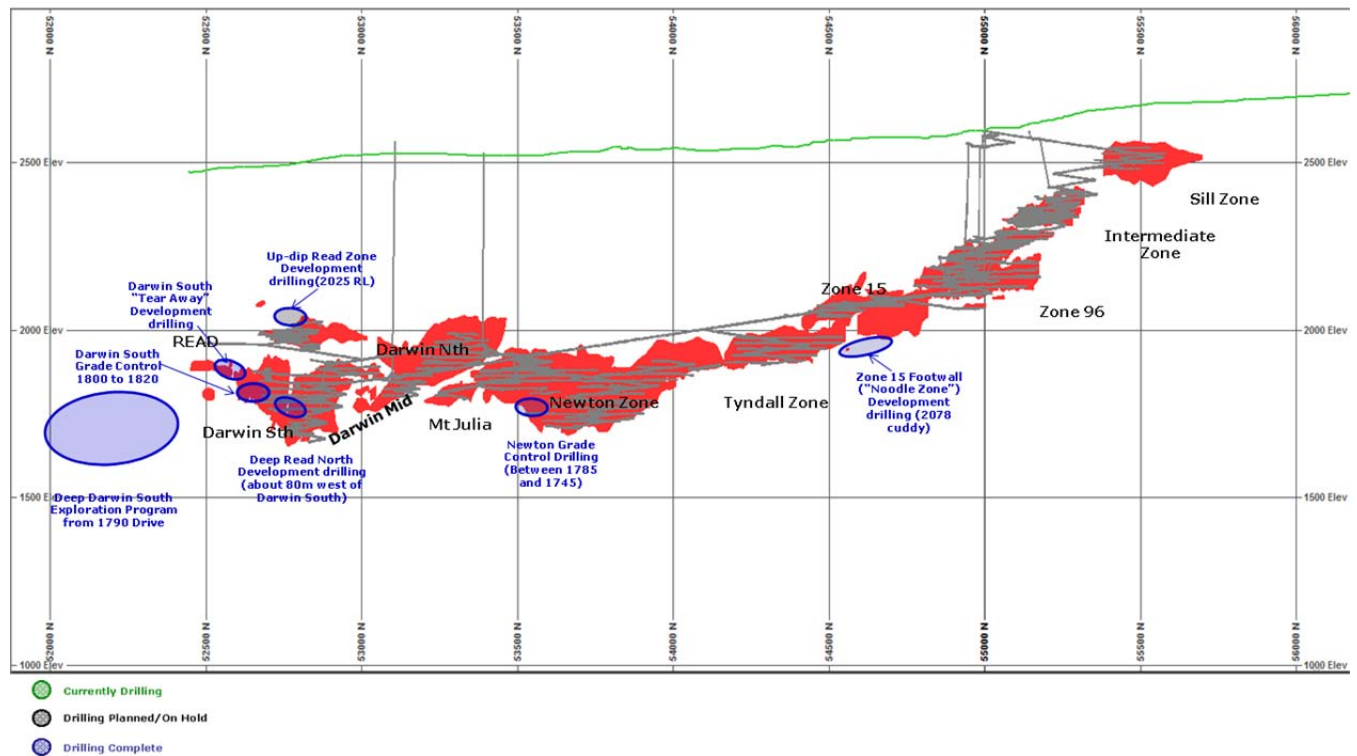


Figure 1. Long section of Henty Mine showing areas drilled during the quarter.

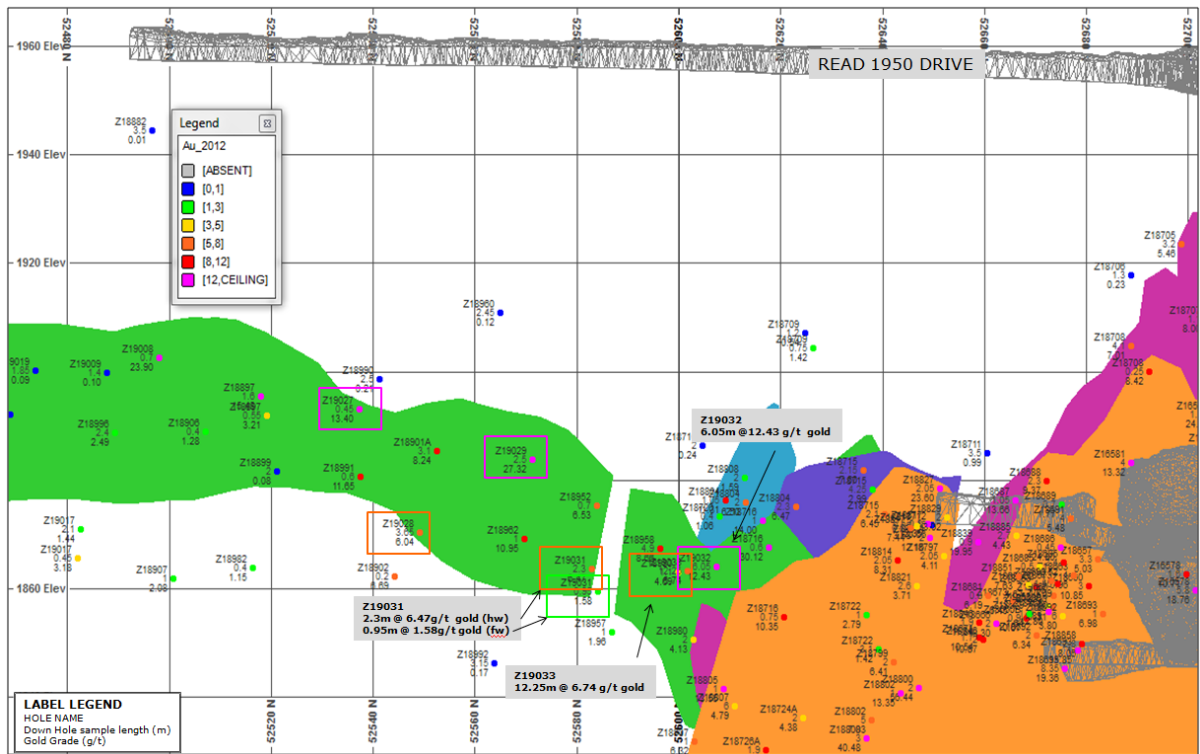


Figure 2. Long section showing the location of drilling in the Darwin South ("Tear Away " Zone)

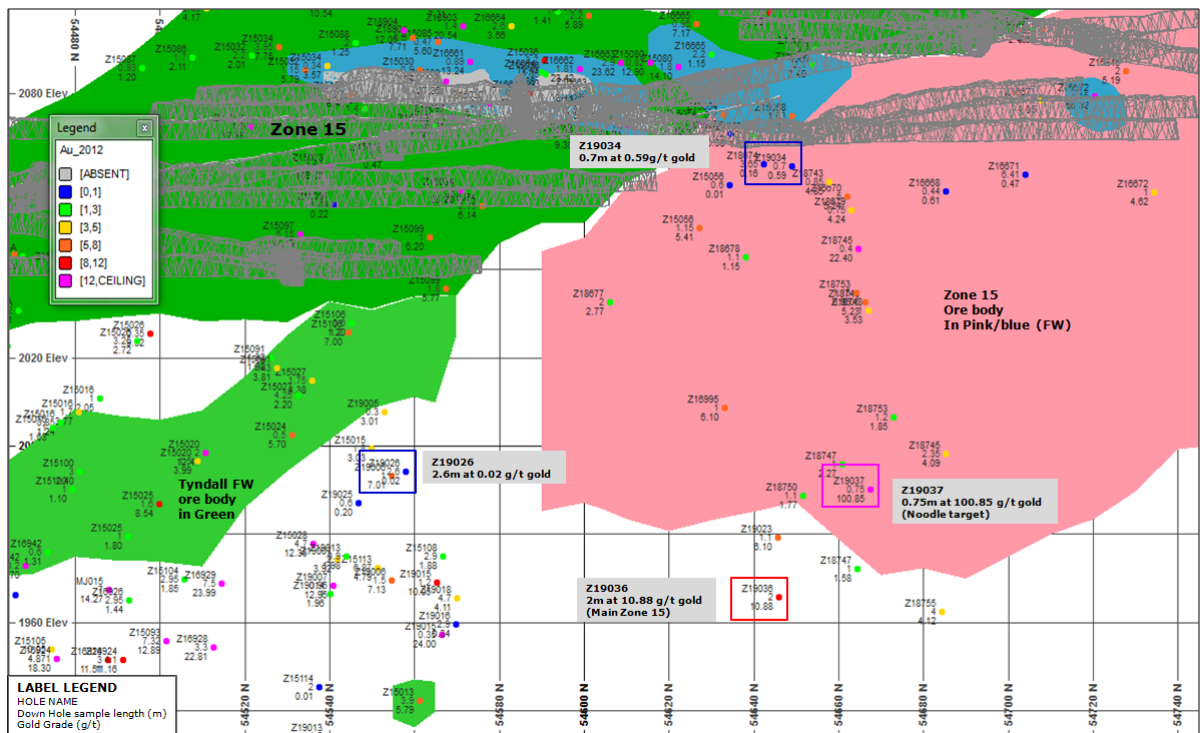


Figure 3. Long section showing the location of the "Noodle" intersection.

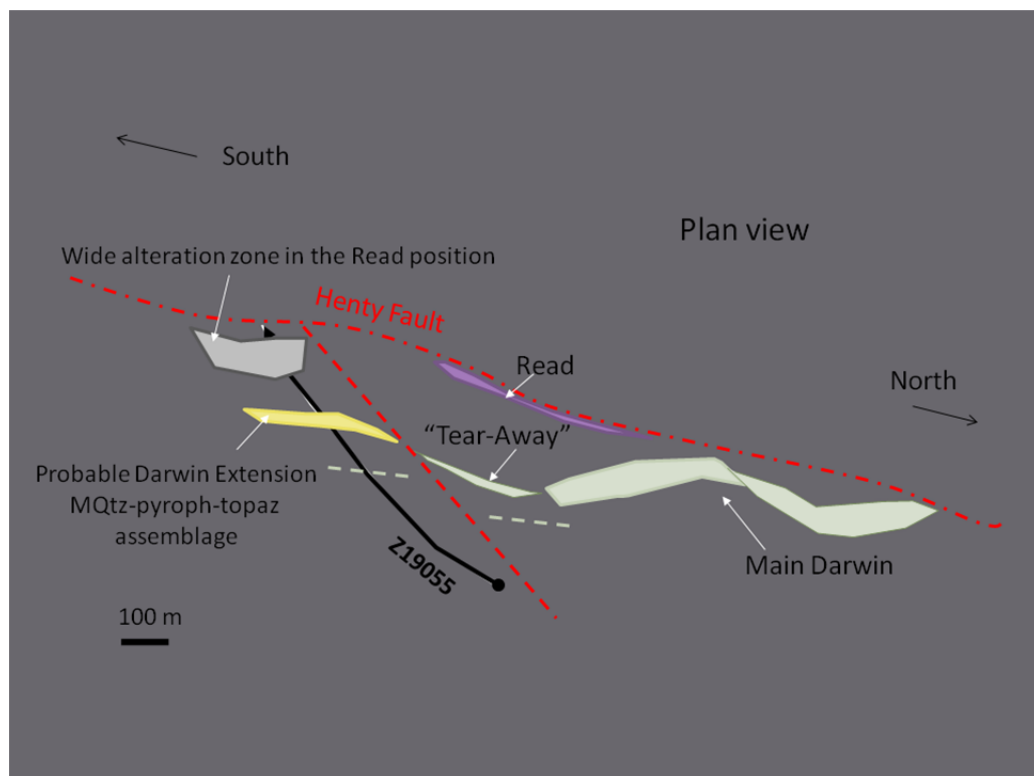


Figure 4 Plan view of underground exploration hole Z19055.

HOLE ID	INTERSECTION COORDINATES			Co-ordinate System (incl. Azi)	Dip	Azimuth	Total Depth	Target
	NORTH	EAST	RL					
Z19055	52693.87	20281.78	1795.7	Henty Mine Grid	-22	187.6	725.7	Darwin South Off-set
FTD 43	5406606	442857	520.4	MGA 94	54	315.5	410	Firetower West Mag/I.P. anomaly

Henty Gold Mine											
Exploration Diamond Drilling - Intersection Details											
DRILL PROGR AM #	DRILL CUDDY	HOLE_ID	INTERSECTION COORDINATES			FROM	TO	LENG TH (m)	Au g/t	ORE ZONE	COMMENTS
			NORTH	EAST	RL						
DDP219	1790	Z19055	52342.1	20206.0	1685.0	373.9	380.3	6.4	0.01	Darwin South	No significant intersection
DDP219	1790	Z19055	52097.3	20117.1	1658.3	640.0	641.0	1.0	0.35	Read	Secondary target area

Henty Gold Mine											
Development Diamond Drilling - Intersection Details											
DRILL PROGRA M #	DRILL CUDD Y	HOLE_ID	INTERSECTION COORDINATES			FROM	TO	LENG TH (m)	Au g/t	ORE ZONE	COMMENTS
			NORTH	EAST	RL						
DDP212	2070	Z19026	54558.2	19775.4	1993.8	70.9	73.5	2.6	0.02	Zone 15	No Significant intersection
DDP211	2078	Z19034	54649.3	19779.0	2063.2	16.45	17.15	0.7	0.59	Zone 15	No Significant intersection
DDP204	1950	Z19027	52537.5	20221.3	1893.0	109.15	109.6	0.45	13.4	Darwin South	
DDP204	1950	Z19028	52549.5	20215.9	1869.2	118.7	122.3 5	3.65	6.04	Darwin South	
DDP204	1950	Z19029	52571.5	20218.1	1883.7	120.9	123.4	2.5	27.32	Darwin South	
DDP204	1950	Z19031	52583.2	20207.0	1863.4	128.2	130.5	2.3	6.47	Darwin South	Hanging wall
DDP204	1950	Z19031	52848.5	20211.3	1859.0	134.65	135.6	0.95	1.58	Darwin South	Foot wall
DDP204	1950	Z19032	52607.4	20207.9	1864.1	134.0	140.0 5	6.05	12.43	Darwin South	including 1.7m at 20.8 g/t gold
DDP204	1950	Z19033	52601.6	20210.5	1863.6	131.3	143.5 5	12.25	6.74	Darwin South	including 1.3m at 22.3 g/t gold

Development Diamond Drilling - Intersection Details											
DRILL PROGRA M #	DRILL CUDD Y	HOLE_ID	INTERSECTION COORDINATES			FROM	TO	LENG TH (m)	Au g/t	ORE ZONE	COMMENTS
			NORTH	EAST	RL						
DDP211	2078	Z19037	54667.6	19733.7	1989.9	103.9	104.6 5	0.75	100.85	Zone 15	Footwall "Noodle" (includes 0.35m at 214 g/t gold)
DDP211	2078	Z19036	54646.2	19695.9	1965.5	143.5	145.5 0	2.0	10.88	Zone 15	Main Zone 15 Orebody
DDP223	1853	Z19057	52719.6	19971	1844.9	99.45	100.0	0.55	6.82	Read	Deep Read
DDP223	1853	Z19058	52721.7	19973	1856.4	95.75	96.6	0.85	0.12	Read	No significant intersection
DDP223	1853	Z19060	52705.9	19978.0	1844.0	97.85	101.5	3.65	2.04	Read	Deep Read
DDP223	1853	Z19059	52718.9	19969.8	1836.1	102.3	103.2	0.9	0.24	Read	No significant intersection
DDP223	1853	Z19056	52690.2	19984.5	1860.6	101.65	104	2.35	1.33	Read Zone	

Henty Gold Mine											
Grade Control Diamond Drilling - Intersection Details											
DRILL PROGR AM #	DRILL CUDDY	HOLE_ID	INTERSECTION COORDINATES			FROM	TO	LENG TH (m)	Au g/t	ORE ZONE	COMMENTS
			NORTH	EAST	RL						
DDP214	1725	Z19049	53771.7	19738.6	1736.4	6.6	7.3	0.7	398.0	Newton Zone	Hole was re assayed
DDP221	1735	Z19051	53634.4	19749.5	1755.6	94.0	96.0	2.0	5.33	Newton Zone	Mt Julia
DDP221	1735	Z19051	53635.6	19742.4	1757.0	102.2	103.0	0.8	5.51	Newton Zone	Hangingwall mineralisatio n
DDP221	1735	Z19052	53653.0	19745.1	1755.7	94.0	100.9	6.9	8.87	Newton Zone	Hangingwall mineralisatio n
DDP214	1745	Z19053	53526.0	19750.0	1753.2	13.6	17.0	3.4	4.63	Mt Julia	
DDP214	1745	Z19054	53514.0	19751.6	1753.8	16.8	17.8	1.0	0.88	Mt Julia	No significant intersection
DDP225	1861	Z19061	53600.7	19760.9	1774.5	130.35	134.0	3.65	5.74	Newton Zone	Footwall mineralisatio n
DDP225	1861	Z19061	53596.7	19756.8	1769.5	139.4	140.0	0.6	48.4	Newton Zone	Hangingwall mineralisatio n
DDP225	1861	Z19062	53590.4	19766.8	1778.4	136.55	137.0	0.45	6.35	Newton Zone	Footwall mineralisatio n
DDP225	1861	Z19062	53587.8	19764.6	1775.6	139.0	142.4	3.4	2.36	Newton Zone	Footwall mineralisatio n
DDP225	1861	Z19063	53597.6	19762.2	1795.2	120.0	121.0	1.0	5.94	Newton Zone	Footwall mineralisatio n
DDP225	1861	Z19063	53593.0	19757.7	1791.1	127.7	129.0	1.3	9.06	Newton Zone	Hangingwall mineralisatio n
DDP225	1861	Z19063	53590.3	19755.1	1788.6	132.25	133.0	0.75	8.64	Newton Zone	Hangingwall mineralisatio n
DDP225	1861	Z19061	53600.7	19760.9	1774.5	130.35	134.0	3.65	5.74	Newton Zone	Footwall mineralisatio n

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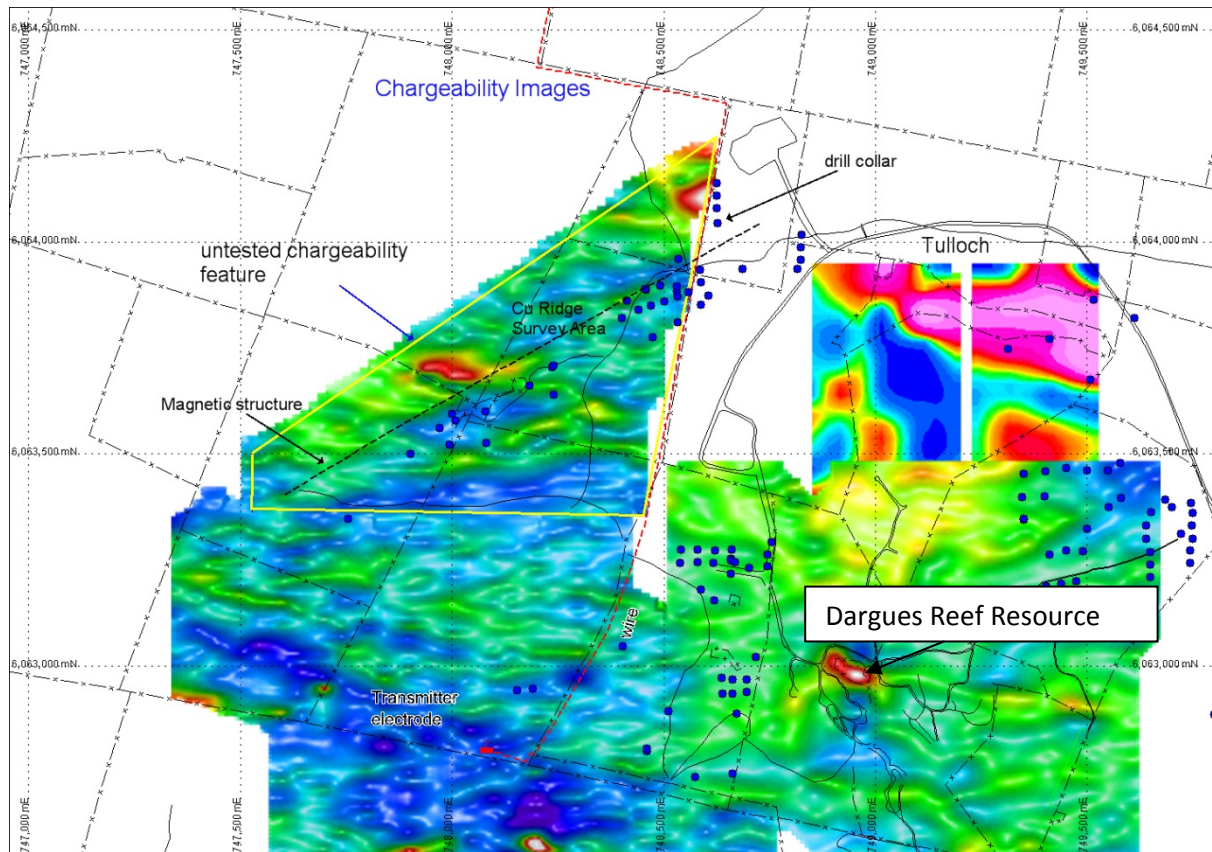


Figure 5. Location of the I.P. survey and untested I.P. anomaly at Copper Ridge.

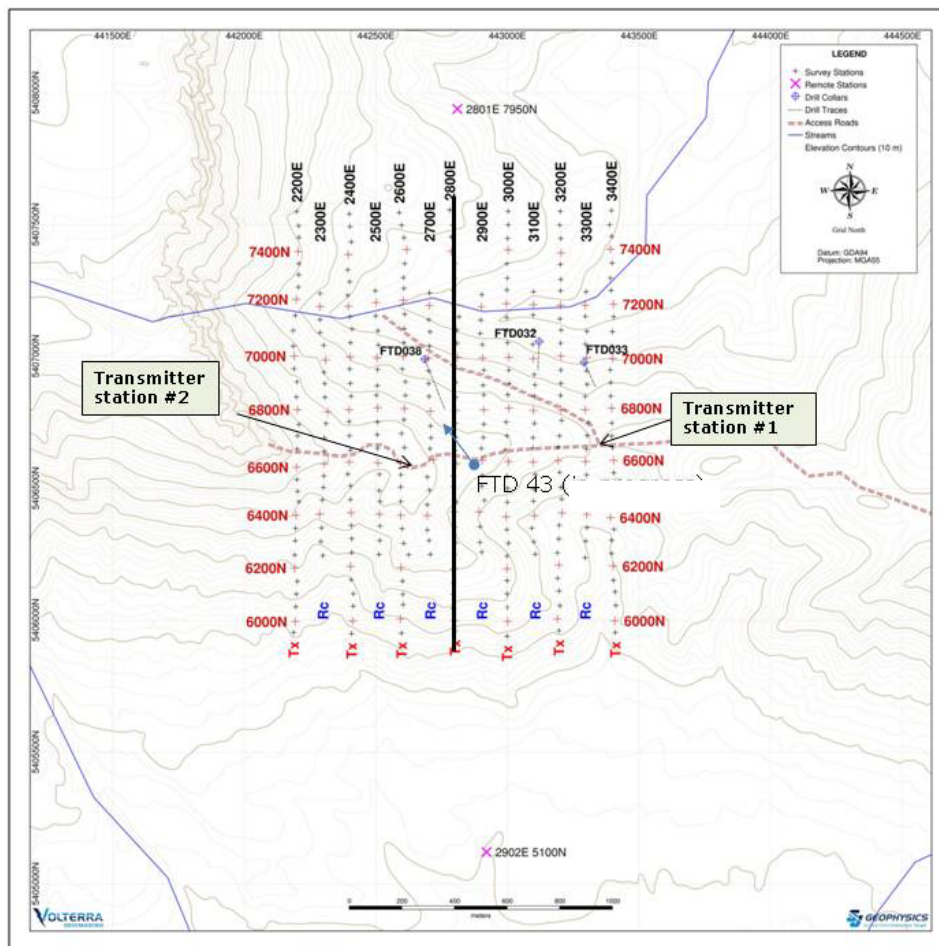


Figure 6. Plan of FTD 43, N-S section line shown in bold black.

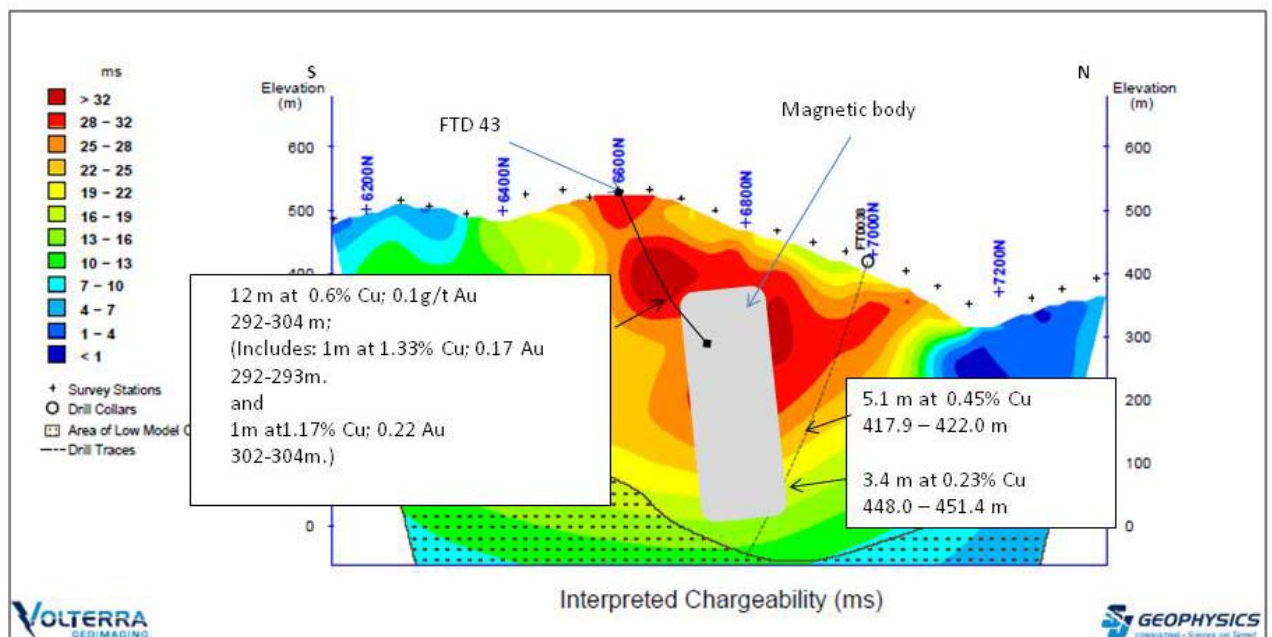


Figure 7. N-S Cross section through FTD 43.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	Where diamond drilling data are insufficient the use of face samples may be used. Underground faces samples are chip sampled where required.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	Recent drillhole collars have been accurately surveyed in the local mine grid by qualified underground surveyors who are company employees.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i>	Sample widths are between 0.2 and 1.2 metres in width and are sampled to geological boundaries. The majority of diamond drillholes have been downhole surveyed using Eastman camera or Gyro instruments. Diamond holes were originally surveyed every 30m or 50m by single shot Eastman camera
Drilling techniques	<i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	Underground mobile diamond drill rigs produce core of either conventional LTK 60 (43.9mm core) or wireline NQ2 (50.8mm core).
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	Where core loss occurs in drill core the interval is recorded as a zero percent recovered interval and therefore no sampling is conducted or assigned to the interval. Sampled intervals are therefore not affected with core loss.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	Recovery of drill core is maximised through effective drill hole conditioning with mud programs.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	Mineralisation is predominant in the more competent quartz-rich rock therefore core loss does not bias in the sampling.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	Drill core is brought from underground to the Surface Core Shed facility by the drilling contractor. UML technical staff place core trays on roller racks for the recovery stage where core is placed together and metre depths are marked on the core.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	Drill holes are logged via LogChief software which uses site specific rock codes for rock types.

Criteria	JORC Code explanation	Commentary
	<i>The total length and percentage of the relevant intersections logged.</i>	All holes are logged in entirety. Drill logs are exported from LogChief into Datashed (Geological Database).
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	All drill core that contains quartz, sericitic or pyritic alteration are sampled for assay including at least 5 metres either side.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	Most drill core that is to be sampled is cut in half utilising the Almonte automatic core saw.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Some grade control drill core is whole core sampled.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	A QAQC regime involves the submission of one blank sample (rock containing no gold) for every batch or one blank sample for every 25 samples. A low, medium and high range certified gold standard is also submitted for every batch. QAQC standards are also used in-house by the laboratory and reported monthly. UML completes QAQC reports monthly using the QAQCR software from Maxwell.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	Sampling of drill core is to industry standard and is representative of the in situ material.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Sample sizes are appropriate to the material being sampled.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	All samples were assayed using fire assay technique with atomic absorption finish (AU-AA25). Upper limit samples (>100 grams per tonne gold) are re-analysed using the ALS dilution method (Au-DIL). Multi element analysis is done by Aqua Regia Digestion (ICP41) and an AAS finish (OG46) is used if upper limits are reached.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	Geophysical tools were not used to determine gold (or other element) grades.
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	One blank is submitted for every 25 samples with at least one in every batch submitted to the laboratory. Blanks are also added to the sample set at the end of a suspected ore interval. One standard is to be submitted for every 20 samples with at least three in every batch, representing below cut-off, average grade and high grade. Standard samples to be used at Henty are sourced from Rocklabs and come as 50g sachets of powder.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Significant intersections are not checked by an independent company or personnel however they are checked on a quarterly basis at a corporate level.
	<i>The use of twinned holes.</i>	The twinning of holes is not considered a worthwhile exercise in general due to the variable nature of the ore system. Therefore it is not a standard practice at Henty. Drill holes that end up close to one another confirm the variable gold distribution.

Criteria	JORC Code explanation	Commentary
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Drill hole data goes through a series of validation steps including logging, core photography, assay data processing including QAQC checks. All drill hole data is stored in DataShed (SQL database) which is maintained on the site server. DataShed is managed by Maxwell who conducts routine database audits.
	<i>Discuss any adjustment to assay data.</i>	Assay data is not adjusted in any way.
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	All drill hole collars are surveyed (including dip and azimuth by a qualified surveyor). Down hole surveying has historically been conducted using a single-shot or multi-shot camera. As of May 2013 drill holes have been surveyed with a Reflex Gyro. This has allowed more precise drill hole path predictions due to the removal of any magnetic interference as caused by magnetic minerals or steel used in ground support. All mine workings are surveyed by a qualified surveyor. Where drill holes are developed into by mine workings the positions are surveyed to determine the accuracy of drill hole predictions. If these drill holes are believed to be inaccurate in positioning they are corrected in the database.
	<i>Specification of the grid system used.</i>	A local mine grid is utilised which is 20°58'53" west of True North.
	<i>Quality and adequacy of topographic control.</i>	The topography was generated using LIDAR data.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Drill spacing is between 15 m and 30 m for the majority of the deposit. Exploration results mostly occur within 100 m of the deposit margins and Development drilling is within 50m of the nearest drillhole..
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	The data spacing and the distribution is sufficient to determine geological and grade continuity as determined by the JORC code 2012.
	<i>Whether sample compositing has been applied.</i>	A composite length of 1m was selected after analysis of the sample lengths.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	The drill orientation is highly variable within the deposit but most intersections are at high angles tending towards perpendicular to the dip and strike of the mineralisation.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	There are no known biases caused by the orientation of the drill holes.
Sample security	<i>The measures taken to ensure sample security.</i>	Drill core was kept on site and sampling and dispatch of samples were conducted as per on-site procedures. Transport of samples from site to the laboratory was by an employee of ALS Burnie. Pulps used for multi-element analysis were air freighted to Townsville.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques</i>	The sampling method was changed from Leachwell to Fire assay in February 2012 when ALS took on the analytical contract. An in-house review indicated that fire assay would have the advantage of being a total gold estimation method rather than partial such as Leachwell.

Criteria	JORC Code explanation	Commentary
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Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	<p>The Henty deposit is located wholly within 7M/1991 and 5M/2002. These licences are 100% owned by Unity Mining.</p> <p>Mineral Resources Tasmania receives 1.9% of Nett sales plus a profit component. Barrick receives \$10 per ounce gold for ore mined below 1700 m. Franco-Nevada receives 1% on all gold ounces produced plus 10% of gold ounces north of Newton including part thereof.</p>
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	The tenements are in good standing.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Other companies to have held the project include Barrick Ltd, Placer Dome Asia Pacific, Aurion Gold, Goldfields Exploration Pty Ltd (Tasmania), Delta Gold N.L. and RGC (ex Mt. Lyell Mining and Railway Company).
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	<p>Stratigraphy</p> <p>The Henty mine lease covers rocks of the Central Volcanic Sequences, the Henty Fault Sequences, and Tyndall Group rocks of the Mount Read Volcanics and the overlying Owen Conglomerate. Near the mine, the Henty Fault splays into the North and South Henty Faults, dividing the geology into segments to the east and west of the faults, and a package between the splays. Gold mineralisation is hosted in Tyndall Group rocks to the east of the Henty Fault.</p> <p>The Henty Fault Sequences lie between the North and South Henty Faults and comprise carbonaceous black shales, mafic to ultramafic volcanics, and quartz phyrlic volcaniclastics. Rocks to the east of the Henty Fault comprise quartz phyrlic volcanics of the Tyndall Group and siliciclastics of the Newton Creek Sandstone of the Owen Conglomerate. Dacitic volcaniclastics and lavas that may be part of the Central Volcanic Sequences also occur east of the Henty Fault in the southern area of the lease.</p> <p>In the mine area, the Lynchford Member comprises green to red, massive coarse grained crystal-rich feldspar phyrlic volcaniclastic sandstone with lesser siltstones and matrix supported lithic breccias and minor interbedded cherts and cream, pink, or purple carbonates. Original textures are still discernible despite subsequent hydrothermal alteration and deformation.</p> <p>Structure</p> <p>The Henty orebodies are hosted east of the Henty Fault on the steeply west dipping overturned western limb of a shallowly south plunging asymmetric syncline trending into the Henty Fault. The orebodies plunge at 45° to the south between the Sill Zone and Zone 96, and shallow at depth towards Mt. Julia.</p> <p>The structure of the Henty Gold Mine is dominated by the Henty Fault Zone which dips at 70/290. The orebodies are disrupted by numerous north-south trending, steeply west dipping brittle-ductile faults</p>

Criteria	JORC Code explanation	Commentary
		<p>with displacements of up to a few metres.</p> <p>Alteration</p> <p>Nearly all of the stratigraphic units of the Tyndall Group present at the Henty Gold Mine have undergone hydrothermal alteration. The most intense quartz-sericite-sulphide alteration and gold mineralisation has affected the Lynchford Member of the Comstock Formation, adjacent to the Henty Fault, and is referred to as "A-Zone" type alteration. A Zone alteration types include MA, MZ, MV, MQ, MP, and CB. The main mineralised zone comprises MQ, MV, and MZ.</p> <p>From west to east, the alteration types are as follows:</p> <p><i>MZ (quartz-sericite-sulphide schist)</i>- is a black, fine grained, sheared and brecciated rock containing quartz, sericite, pyrite, local carbonate, and minor chlorite, feldspar, chalcopyrite, sphalerite, and galena. MZ is volumetrically the most abundant alteration type in the mineralised zone and is present stratigraphically above and below the MQ and MV alteration types.</p> <p><i>MV (quartz-sericite-carbonate-sulphide schist)</i>- is a yellow-green, fine grained, highly foliated rock containing quartz, sericite, pyrite, and local carbonate and minor chlorite, feldspar, chalcopyrite, sphalerite, and galena and rare purple fluorite. MV is the second most volumetrically abundant alteration type in the mineralised zone, followed by MQ and MP.</p> <p><i>MQ (massive quartz-sulphide-gold)</i> - is a grey, cream, or pink massive to recrystallised brecciated quartz rock with minor muscovite, sericite, pyrite, carbonate, and chalcopyrite, with lesser galena and sphalerite, and rare gold and bismuth metal.</p> <p><i>MP (massive pyrite-carbonate-quartz±gold)</i> - is a bronze-black massive pyritic rock containing 40 to 80% pyrite with interstitial carbonate and quartz.</p> <p><i>CB (massive carbonate)</i> - The CB alteration type forms the hangingwall of A Zone type alteration and occurs as white to pink laterally discontinuous lenses.</p> <p><i>AS (albite-silica alteration)</i> - occurs to the east of the A Zone alteration and overprints volcanoclastics. The alteration occurs as an irregular pervasive flood of massive white or orange fine grained silica and albite, completely destroying original textures of the volcanoclastics.</p> <p>Mineralisation</p> <p>Gold at the Henty Mine is present as both free gold and gold-rich electrum associated with chalcopyrite and galena in the main mineralised zone (MQ, MV, MZ).</p>
Drill hole Information	<p>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</p> <ul style="list-style-type: none"> o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) 	<p>The x, y and z co-ordinate of each drill hole intercept for grade control and Development holes is quoted in the tables in Appendix 1. Collar and survey information is provided for exploration holes.</p>

Criteria	JORC Code explanation	Commentary
	<p>of the drill hole collar</p> <ul style="list-style-type: none"> o dip and azimuth of the hole o down hole length and interception depth o hole length. <p>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</p>	
Data aggregation methods	<p>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</p>	All intersection grades have been length weighted.
	<p>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p>	Small high grade results within a broader mineralised zone have been reported as included intervals.
	<p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	No metal equivalents have been used in estimations or reporting.
Relationship between mineralisation widths and intercept lengths	<p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</p> <p>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</p>	The Henty deposit is predominantly west dipping that plunges at a shallow angle to the south. Drill holes are predominantly drilled from the mining footwall of the mineralisation from underground development. Drill holes are drilled to intercept mineralisation perpendicularly where possible.
Diagrams	<p>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</p>	See Diagram.
Balanced reporting	<p>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</p>	The results of all outstanding drillholes have been reported.
Other substantive exploration data	<p>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential</p>	An in-situ bulk density of 2.8 based on 102 samples collected from ROM pad and underground development was used in the estimation.

Criteria	JORC Code explanation	Commentary
	<i>deleterious or contaminating substances.</i>	
Further work	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	Ongoing drilling programs will test extensions of known mineralisation and within mineralised portions considered to be insufficiently drilled.
	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	See diagram.