

12 November 2014

ASX Release

Unity Mining Limited
ABN 61 005 674 073

Corporate Details:

ASX Code: UML

Issued capital:
1133M ord. shares
21.7M 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 Beever
Gary Davison

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2014 AGM Chairman's Address

Ladies and Gentlemen, whilst Andrew will provide a more detailed update on the company's activities at the conclusion of the meeting, this morning I would like to make mention of a number of issues and events that are relevant and no doubt of interest to Unity shareholders.

Eighteen months ago Unity embarked on its growth path with the commencement of limited pre development works at the Dargues Gold Mine in NSW. At that time, the Dargues gold concentrate was planned to be processed at a facility in Parkes, NSW. As a result of a number of factors, including court proceedings initiated by a third party against the owner of the Parkes facility, we were unable to secure a clearly demonstrable gold processing path for the project. I note that those court proceedings have still not been resolved - more than 12 months later. The inevitable impact this had on the ability to finance the development of Dargues caused the Board to decide to suspend that work.

Behind the scenes there has been a considerable amount of work undertaken to provide a platform for rebuilding value in Unity.

As you will hear from Andrew later, yesterday we presented to the local community our plan to apply for the use of cyanide at the Dargues Gold Mine. Whilst it is technically feasible to transport and treat the concentrate offsite as was originally proposed, the safest and most economical solution is to do what virtually every gold mine in Australia does, and use cyanide to produce a gold dore at the mine.

Tony Davis, our Chief Operating Officer is behind this work, and this week has been in NSW talking to key stakeholders about our plans.

Tony and the Henty team have also done a sterling job in delivering significantly improved production and costs at Henty – now for a number of consecutive months since the challenging first quarter of calendar 2014. This outcome has underpinned our growing cash balance.

The announcement in July of the depletion of reserves at Henty was a difficult one for your Directors. Whilst everyone would like to see a mine continue forever, as we know, mineral resources are finite and have an end date. With the lessening of our resource to reserves conversion over a period of time, the Board was presented with a plan to recover the known and developed reserves, ensure that all employees would be paid their entitlements and to maximise the generation of free cash. As of today, we are on track to complete mine activities and gold production and have Henty on care and maintenance by late next year. Based on the plan that has now been implemented, Henty is expected to generate strong operating cashflow over the remainder of its reserve life.

We are working, and will continue to work, towards finding a means for the continued exploration of the substantial land package that

encompasses the Henty mine with a view to recommencing sustainable production.

Similarly at Bendigo, we continue to look for ways to maximise the opportunities to return some value, whilst minimising the downside cost and risks.

In the coming year, your Directors and the management team will be focussed on delivering the Henty plan and driving forward the development of Dargues.

In this current difficult market there will undoubtedly be opportunities for Unity to continue to pursue our intention to grow and diversify our gold production profile. At the end of September, Unity had \$11.9M cash at bank which is approximately the current market capitalisation of the company.

Recent gold price trading reminds us that we must ensure we maintain sufficient operating margins. We constantly scrutinise expenditures and commitments and as a consequence we have streamlined the operations at Henty this year, resulting in an improved operating cost environment. As a result of these measures we have seen a number of people leave the organisation and there will be a further reduction in our corporate staffing levels at the end of this year. I wish to thank all of those people for their professionalism and contribution and wish them well for their future endeavours.

We are continually committed to the safe and effective operation of the Company's assets and credit goes to all in ensuring that we maintain a safe working environment for all our people, particularly in challenging times.

In conclusion, I would like to thank my fellow Directors, Managing Director Andrew McIlwain, his management team and all Unity Mining employees and contractors for their efforts during the year. I would also like to thank shareholders and other stakeholders for their continued support.

Thank you. That concludes my address and I would now like to move onto the meeting proper.