

13 October 2015

ASX Release

**Unity Mining Limited**  
**ABN 61 005 674 073**

## Corporate Update

### **Corporate Details:**

ASX Code: UML

#### **Issued capital:**

1140M ord. shares  
9.58M unlisted Perf. Rights

#### **Substantial Shareholders:**

Diversified Minerals Pty Ltd  
159.1M (13.69%)

#### **Directors:**

Non-Executive Chairman:  
Clive Jones

Acting Managing Director:  
Frank Terranova

Non-Executive Directors:  
Ronnie Beevor  
Gary Davison

### **Contact Details:**

Unity Mining Limited  
Level 10  
350 Collins Street  
Melbourne  
Victoria 3000  
Australia

Tel: +61 (0)3 8622 2300  
Fax: +61 (0)3 8622 2399

Email:  
Info@unitymining.com.au

Website:  
www.unitymining.com.au

### **Strategic Review**

Unity Mining Limited (“Unity” or “the Company”) has recently received approaches from a number of parties expressing interest in various asset transactions and other strategic initiatives. Based on these approaches, the Unity Board has decided to conduct a full strategic review of each of Unity’s assets and operations to examine all options to maximise shareholder value.

The Unity Board has appointed Grant Samuel as the Company’s lead financial advisor, and Jett Capital Advisors LLC to assist the Board with the strategic review and associated activities.

Unity Chairman Clive Jones stated “This approach is consistent with our statements and intentions in our 12 June 2015 Corporate Update. The focus of Unity is to explore all options to unlock value for shareholders in the near to medium term”.

### **Recent Events**

Since the 12 June 2015 update, Unity has been focused on progressing a number of initiatives.

With regards to the Henty Gold Mine Project, production remains scheduled to conclude in late calendar 2015 (as previously advised) with the mine then transitioning to a care and maintenance phase whilst additional exploration is undertaken.

Drilling under the exploration joint venture program with the PYBAR group continues and further updates will be provided as exploration results become available. PYBAR are also currently in the process of mobilising a third rig to the Henty site to supplement the two drilling rigs already working on a 24/7 roster as part of the joint venture program.

For the quarter ended 30 September 2015, 7,558 oz of gold was produced (approximately 11% ahead of budget) with full details to be released in the September Quarterly release due for release later this month.

At 30 September 2015, Unity had combined cash and gold in transit of approximately \$AUD 23 million (following the return of capital completed during the quarter in the amount of approximately \$6 million).

At the corporate level, over this period, Diversified Minerals Pty Ltd (a member of the PYBAR group) has increased its shareholding from an initial holding in May 2015 of 5.7% to its current holding of 13.69%.

In September 2015, Unity shareholders received a \$0.005 (half a cent) per share capital return and the Company successfully concluded an Unmarketable Parcel Program which saw total Unity shareholders numbers decrease by approximately 4,000 shareholders (representing less than 3% of the Company's issued shares) with a resultant annual cost saving of the order of \$275,000.

With respect to the Dargues Gold Mine Project, Unity withdrew its application for on-site cyanide processing at Dargues and is well advanced in discussions with various counterparts relating to a variety of off-site processing alternatives. Equally, the Unity team is continuing to enhance the Bankable Feasibility Study in identifying further reductions in overall capital and operating cost requirements.

The Company also announced on 17 September 2015 an asset sale agreement for all of its Bendigo mining assets (tenements, licences, plant and stores inventories) to GBM Gold Limited (ASX: GBM). The sale will result in a total return of \$5.73m over time to the Company.

Chairman Clive Jones added, "With the above initiatives and recent changes to the Board and management, it is clear the Company is in a period of transition and we are taking the opportunity to fully assess our position".

Acting Managing Director Frank Terranova stated :

"A disciplined approach to capital allocation is critical for Unity particularly in this transition period. Unity's objective is to ensure that value is not only preserved but enhanced as the company enters a period where current production and revenue will soon cease".

Mr Terranova added "The Dargues Gold Project remains one of the better-undeveloped gold projects in Australia. Near term production assets with a JORC reserve of approximately 233,000 oz (see Unity announcement to ASX dated 11 September 2015) and further exploration upside are valuable. We have been assessing a number of processing alternatives and are pleased with the progress being made on that front".

### **Board Composition**

Previously Unity announced that Mr Clive Jones and Mr Ronnie Beevor would be retiring from the Unity Board at or prior to the Annual General Meeting to be held on 18 November 2015. A formal search and selection process to source a suitably qualified Non-Executive Director has begun and is progressing.

To ensure that, should the selection process not be concluded by the time of the Annual General Meeting, the Board will remain appropriately formed, Mr Clive Jones has agreed to nominate for re-election to the Board in the Notice of Meeting which will shortly be sent to shareholders. In the event that the selection process is concluded ahead of the Annual General Meeting, then Mr. Jones' nomination for re-election may be withdrawn.

### **For further information, contact :**

Frank Terranova  
Acting Managing Director  
[FTerranova@unitymining.com.au](mailto:FTerranova@unitymining.com.au)  
+61 3 8622 2300

Kerry Parker  
Chief Financial Officer  
[KParker@unitymining.com.au](mailto:KParker@unitymining.com.au)  
+61 3 8622 2300

Craig Chipperfield  
Grant Samuel  
[cchipperfield@grantsamuel.com.au](mailto:cchipperfield@grantsamuel.com.au)  
+61 3 9949 8814

Samuel Grauer  
Jett Capital Advisors LLC  
[sq@jettcapital.com](mailto:sq@jettcapital.com)  
+1 212 616 0425