



# Merger of Cortona and Unity

## *Creating a Growing Australian Gold Business*

28 September 2012



# Forward Looking Statements

- *This presentation has been prepared by Unity Mining Limited and Cortona Resources Limited (“Companies”). The material contained in this presentation has been prepared for information purposes only, and is not an offer, invitation or recommendation for subscription or purchase of securities in either of the Companies.*
- *This presentation may contain certain forward-looking statements regarding (i) estimated resources and reserves, (ii) planned production and operating costs profiles, (iii) planned capital requirements and (iv) plans, strategies and corporate objectives. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Unity Mining Limited and Cortona Resources Limited. The forward-looking statements are inherently uncertain and may therefore differ materially from results ultimately achieved. External and other factors may impact the Companies and affect the forward-looking statements in this release since its preparation. Subject to applicable law and stock exchange listing rules, Unity Mining Limited and Cortona Resources Limited do not intend to publicly update any of the forward-looking statements or any assumptions on which any such forward-looking statement is made.*
- *The Companies estimate its Mineral Resources and Ore Reserves in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2004 Edition (“JORC Code”), which governs such disclosures by companies listed on the Australian Securities Exchange.*

# Cortona and Unity to Merge

Creating a  
diversified gold  
exploration,  
development  
and production  
company



- Dargues Reef development project and large tenement package located in New South Wales
  - Gold reserves of 233koz and resources of 327koz
  - Fully permitted and development ready
  - Expected average annual production of 50,000 oz at cash costs of ~\$700 per ounce over initial 5+ years mine life
  - In-mine, near-mine and regional exploration upside
- No debt, no hedging
- \$42 million credit approved bank facility

- Henty gold mine and processing plant and large tenement package in Tasmania
  - Gold reserves of 118koz and resources of 409koz<sup>1</sup>
  - FY13 production guidance range of 45,000-55,000 ounces
  - In-mine, near-mine and regional exploration upside
- 34% stake in GoldStone Resources Ltd (AIM-listed gold explorer) with highly prospective projects in Africa
- Forecast cash position of \$39 million as at 30 September 2012
- No debt, no hedging

Note: Refer to Competent Person's Statements in Appendix. For further information, including the full scheme implementation agreement, refer to ASX announcement of transaction

1. Excludes Unity's 34% interest in GoldStone resources



# Merger Highlights

- ✓ **Financial strength and management capabilities to accelerate growth of the merged company**
- ✓ **Strong and consistent gold production from the Henty Gold Mine, with Dargues Reef to provide production growth in near term**
- ✓ **Merged Company will have resources of >735koz and reserves of >350koz**
- ✓ **Low EV/resource oz of ~\$45/oz**
- ✓ **Combined cash position in excess of \$40 million<sup>1</sup> and cash flow from the Henty Gold Mine**
- ✓ **Exposure to highly prospective mineral provinces in Tasmania and New South Wales**
- ✓ **Improved access to capital markets**
- ✓ **Merged entity poised for growth**



1. 30 September 2012 forecast cash position, not including \$8 million of Unity rehabilitation bonds

# Transaction Summary

<b>Structure</b>	<ul style="list-style-type: none"> <li>▪ Merger by way of Scheme of Arrangement in Cortona (Unity is the surviving entity)</li> <li>▪ All scrip consideration: 0.734 Unity shares per 1 Cortona share</li> <li>▪ Unlisted Cortona options to be cancelled</li> </ul>
<b>Recommendations</b>	<ul style="list-style-type: none"> <li>▪ Unanimously recommended by Directors of Cortona<sup>1</sup></li> <li>▪ Unanimously supported by Directors of Unity</li> </ul>
<b>Statistics</b>	<ul style="list-style-type: none"> <li>▪ Pro forma market capitalisation of ~\$88 million<sup>2</sup></li> <li>▪ Pro forma enterprise value of ~\$33 million<sup>3</sup>, implying an enterprise value of ~\$45 per resource ounce</li> <li>▪ 702 million ordinary shares on issue in merged entity</li> <li>▪ Ownership: ~72% current Unity shareholders / ~28% current Cortona shareholders</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>▪ Approval of the Federal Court</li> <li>▪ More than 50% of Cortona shareholders and at least 75% of the shares voted in favour of the Scheme</li> <li>▪ Other customary conditions and regulatory approvals</li> </ul>
<b>Merged Company Details</b>	<ul style="list-style-type: none"> <li>▪ Unity Mining Limited, to be headquartered in Melbourne, Victoria</li> <li>▪ Board of Directors to consist of three Unity directors and two Cortona directors. Clive Jones (Cortona) to be Chairman, Andrew McIlwain (Unity) Managing Director</li> </ul>
<b>Indicative Timetable</b>	<ul style="list-style-type: none"> <li>▪ Scheme documentation to be sent to Cortona shareholders in November 2012</li> <li>▪ Cortona Scheme meeting in December 2012</li> <li>▪ Implementation anticipated in January 2013</li> </ul>

1. In the absence of superior proposal and subject to independent expert concluding the Scheme is in the best interests of Cortona shareholders

2. Based on share prices as at 27 September 2012 and forecast cash positions as at 30 September 2012

3. EV based on sum of Market capitalisation less cash (incl. rehab bonds) and less market value of investment in GoldStone Resources

# Strategic Rationale for the Merger

Unity's  
Henty Gold Mine,  
Operating  
Capability and  
Cash Holding

+

Cortona's  
Dargues Reef  
Gold Project

- ✓ Addresses funding risk relating to development of Dargues Reef through combination of Unity's cash holding and cash flows from Henty mine and Cortona's credit approved bank facility
- ✓ Allows near-term development of Dargues Reef, which is fully permitted and ready to start
- ✓ Combined production increases from around 50,000 ounces per annum to around 100,000 ounces per annum once Dargues Reef achieves full production
- ✓ Provides exposure to highly prospective mineral provinces in Tasmania and New South Wales and the financial flexibility to more aggressively explore the combined company's exploration interests
- ✓ Increases the market relevance and lays the foundation for a potential material re-rating of the merged company
- ✓ Unlocks potential synergies, including application of Unity's proven underground mining operational and development skills and potential use of components from Unity's Kangaroo Flat plant at Dargues Reef

# Benefits for All Shareholders

## Key Benefits to Cortona Shareholders

- ✓ Access to Unity's balance sheet and cashflow from Henty mine
- ✓ Immediate exposure to the strong gold price
- ✓ Ability to leverage off Unity's underground mining experience in the development of Dargues Reef
- ✓ Exposure to highly prospective exploration tenements in northwest Tasmania
- ✓ Exposure to West African gold sector through Unity's 34% investment in GoldStone Resources

## Key Benefits for Unity Shareholders

- ✓ Exposure to Dargues Reef Gold Project
  - low risk and low cost
  - development ready
  - significant in-mine and local exploration upside
- ✓ Exposure to Cortona's ~650km<sup>2</sup> Majors Creek tenement package in Lachlan Fold Belt, NSW
- ✓ Diversification of revenue sources once Dargues Reef Gold Project enters production

**Value unlocked for all shareholders**  
**Enhanced corporate profile**  
**Increased market relevance**  
**Solid platform for further growth**

# Merged Entity - Overview

Creating a diversified gold exploration, development and production company



**Pro Forma  
Merged Entity**

		<b>Henty</b>	<b>Dargues Reef</b>	
Flagship asset				
Status		In production	Development ready	
Gold resources	000's oz	409 <sup>1</sup>	327	736
Gold reserves	000's oz	118	233	351
Gold production p.a.	000's oz	FY13: 45-55	~50	100
Last share price (27 Sept)	cents	13.0	8.3	
Ordinary shares on issue	m	505	268	702
<b>Market capitalisation<sup>2</sup></b>	<b>\$m</b>	<b>65.7</b>	<b>22.3</b>	<b>88.0</b>
Cash (30 September 2012) <sup>3</sup>	\$m	39	2	41
Debt	\$m	-	-	-
<b>Enterprise value<sup>4</sup></b>	<b>\$m</b>	<b>12.7</b>	<b>20.3</b>	<b>33.0</b>

1. Includes Lakeside and excludes Unity's interest in GoldStone Resources Ltd

2. As at 27 September 2012

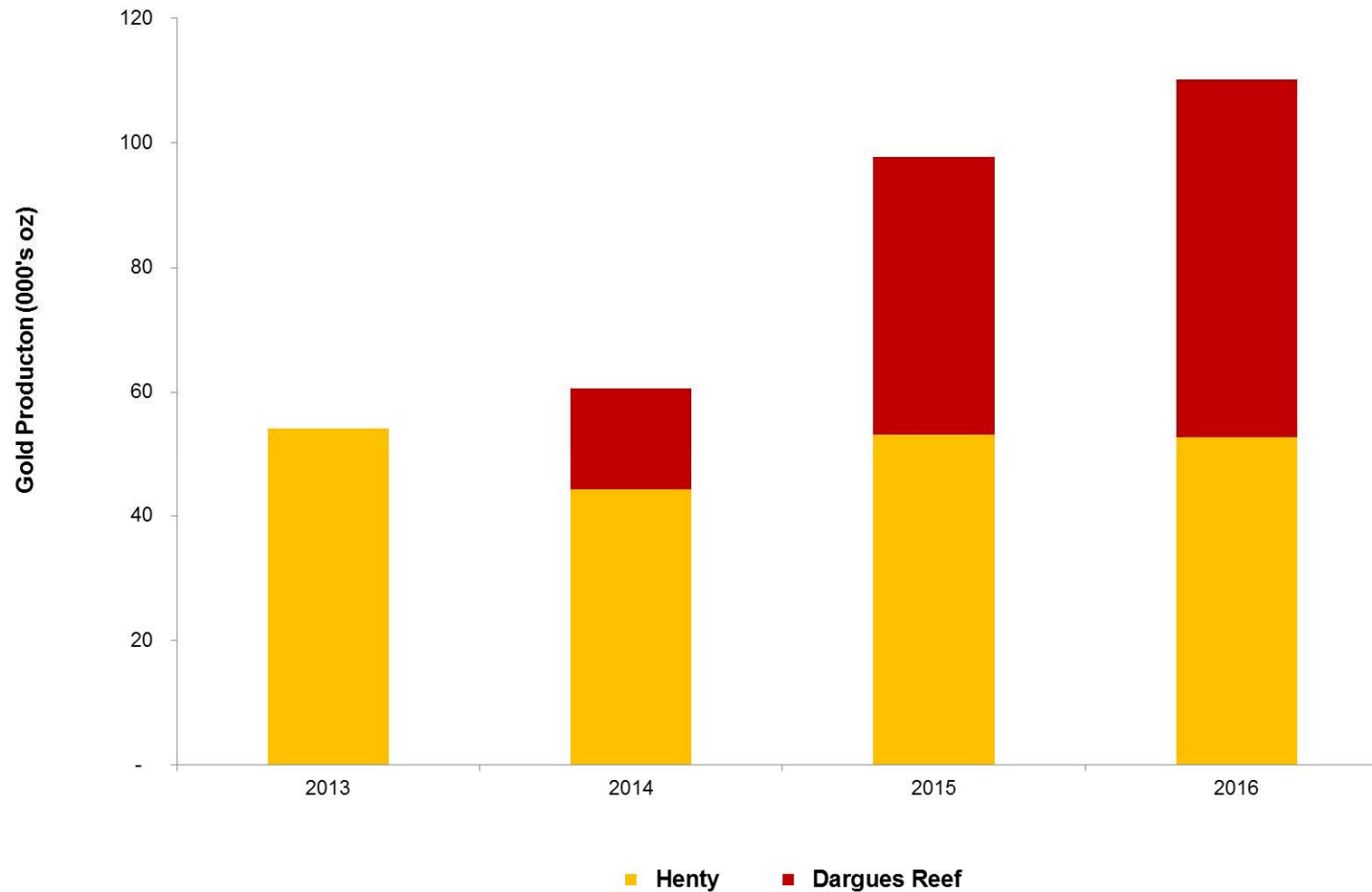
3. Forecast. Excludes \$8 million of Unity rehabilitation bonds

4. EV based on sum of Market Capitalisation less cash (incl. \$8M in rehab bonds) and less market value of investment in GoldStone Resources



# Merged Entity – Pro Forma Production Profile

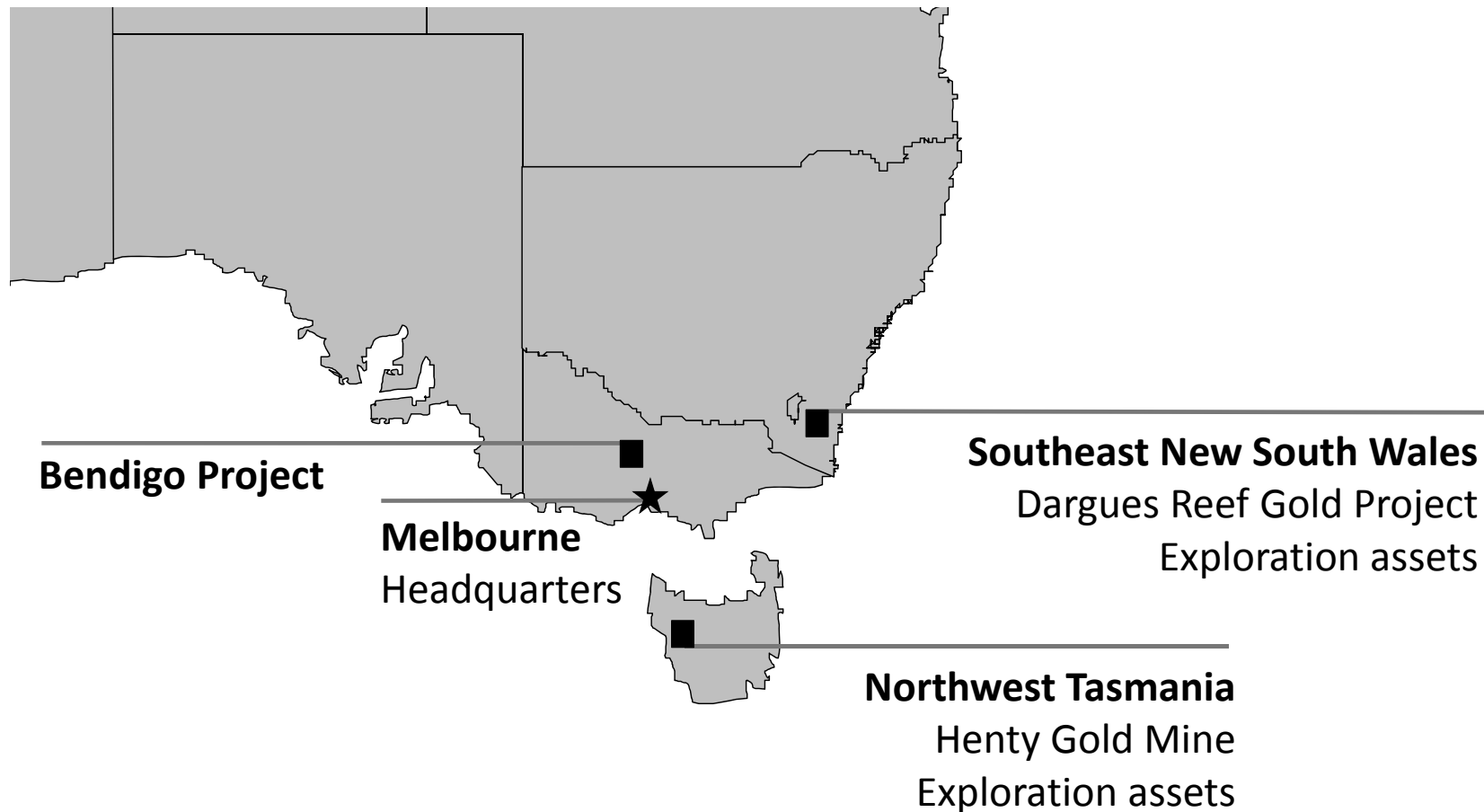
Diversified production from established mine and development project



\* Refer to the forecast qualifications which appear on the inside cover of this presentation

# Merged Entity – Key Assets

A focus on south-eastern Australia



# Merged Entity – Board of Directors

**Clive Jones**

*Non-Executive Chairman*



- Geologist with over 25 years' experience in the minerals industry
- Non-Executive Chairman and founding director of Cortona
- Joint Managing Director of Cazaly Resources Limited, Chairman of Corazon Mining Limited and Non-Executive Director of Bannerman Resources Limited

**Andrew McIlwain**

*Managing Director and Chief Executive Officer*



- Mining engineer with 25 years' experience in the mining industry
- Formerly at Mount Isa Mines Limited, Central Norseman Gold Corporation, WMC Resources and Lafayette Mining Limited
- Joined Unity in December 2011

**Peter van der Borgh**

*Executive Director*



- Geologist with over 23 years' experience in the minerals industry
- Managing Director and founding director of Cortona

**Ronnie Beevor**

*Non-Executive Director*



- Investment banker with vast experience in the natural resources industry
- Former head of investment banking at N M Rothschild & Sons (Australia) Limited between 1997 and 2002
- Joined the Unity board in November 2002

**David Ransom**

*Non-Executive Director*



- Geologist with 35 years' experience in the minerals industry
- Resource analyst and principal of Acorn Capital Limited, a Melbourne-based microcap investment manager
- Joined the Unity board in November 2007

# Unity - Overview

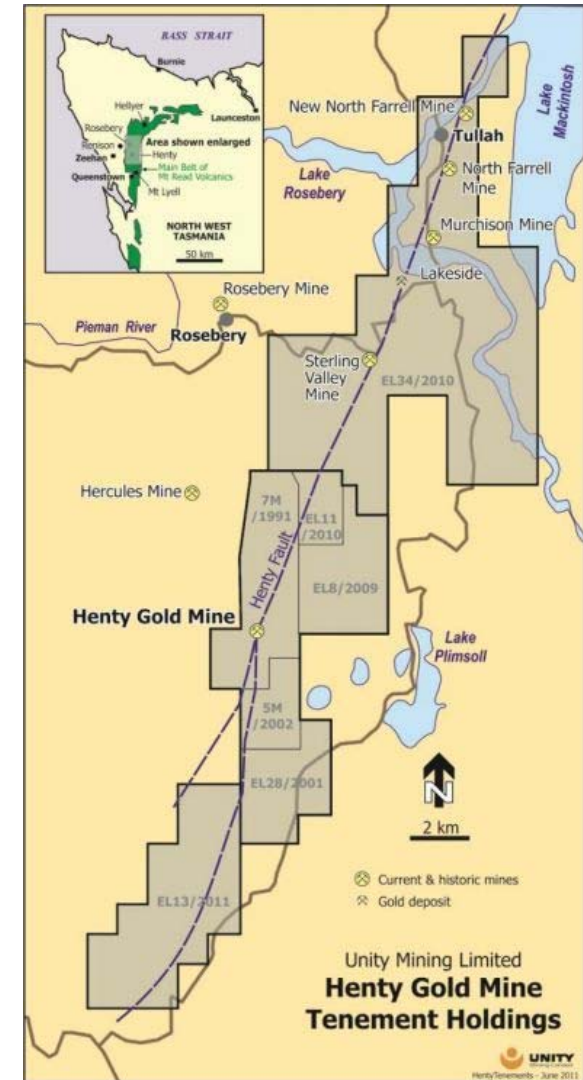
## An Australian Gold Producer and Explorer

<b>Flagship Asset: Henty Gold Mine</b>	<ul style="list-style-type: none"> <li>▪ Gold resources of 409,000 ounces and reserves of 118,000 ounces</li> <li>▪ Underground mine and CIL plant with annual production of ~50,000 ounces and ~5 years' mine life</li> </ul>
<b>Tasmanian Exploration</b>	<ul style="list-style-type: none"> <li>▪ Large and prospective tenement package covering a total of 421km<sup>2</sup> on the Mt Read Volcanic Belt in northwest Tasmania             <ul style="list-style-type: none"> <li>– Contiguous tenements along the Henty Fault</li> <li>– Ten Mile Creek</li> <li>– Firetower farm-in <sup>1</sup></li> </ul> </li> </ul>
<b>Bendigo Assets</b>	<ul style="list-style-type: none"> <li>▪ Bendigo exploration leases: farming out to Drummond Gold Limited ("Drummond")</li> <li>▪ Kangaroo Flat mine, plant and infrastructure: option agreement to sell to Catalyst Metals Limited ("Catalyst")</li> </ul>
<b>GoldStone Resources Ltd</b>	<ul style="list-style-type: none"> <li>▪ 34% stake in GoldStone Resources Ltd, an AIM-listed company with five gold exploration projects in Ghana, Senegal and Gabon</li> <li>▪ Resource of 502,000 ounces of gold at Homase/Akrokerry near Obuasi in Ghana</li> <li>▪ Market capitalisation of approximately \$18 million as at 26 September 2012<sup>2</sup></li> </ul>
<b>Cash and debt (30 September 2012)</b>	<ul style="list-style-type: none"> <li>▪ Forecast cash in bank of \$39 million and additional \$8 million held in rehabilitation bonds</li> <li>▪ No debt, no hedging</li> </ul>

1. Unity earning up to 75% of the Firetower Gold project by spending \$7m over 5.5 years  
 2. Based on a market capitalisation of GBP11.3 million and an exchange rate if GBP1.00 = AUD 1.56

# Henty Gold Mine

<b>Location and Ownership</b>	<ul style="list-style-type: none"> <li>Located on the west coast of Tasmania, 10km south of Rosebery</li> <li>Unity: 100%</li> </ul>
<b>Mining and Processing</b>	<ul style="list-style-type: none"> <li>Underground mine using longhole bench stoping, transverse open stoping and flatbacking (cut and fill) methods</li> <li>Conventional 300,000tpa CIL processing plant</li> </ul>
<b>History</b>	<ul style="list-style-type: none"> <li>In production since 1996 with annual gold production averaging 85,000 ounces at grades of 12.3g/t</li> <li>Acquired in July 2009 from Barrick with six months' mine life</li> <li>Unity steadily increased resources and reserves since acquisition</li> </ul>
<b>Resources and Reserves</b>	<ul style="list-style-type: none"> <li>Reserves Henty: 794kt @ 4.6 g/t for 118,000 ounces</li> <li>Resources Henty: 2.1Mt @ 5.1 g/t for 343,000 ounces</li> <li>Resources Lakeside: 750kt @ 2.8 g/t for 66,000 ounces</li> </ul>
<b>Production</b>	<ul style="list-style-type: none"> <li>FY12: 50,058 ounces at cash cost (pre royalties) of \$820 per ounce</li> <li>FY13: 45,000-55,000 ounces guidance range</li> <li>Mine life in excess of five years</li> </ul>
<b>Upside</b>	<ul style="list-style-type: none"> <li>In-mine, mainly at depth and to the south, as indicated by recent discovery of the high grade Read zone</li> <li>Exploration targets in close proximity to the mine, including resource at Lakeside</li> </ul>



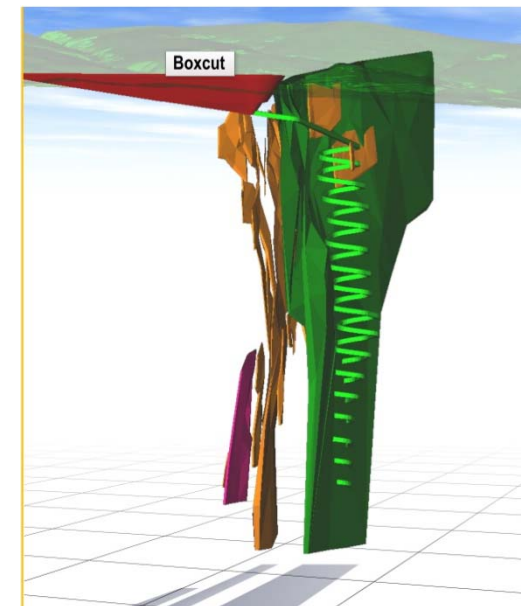
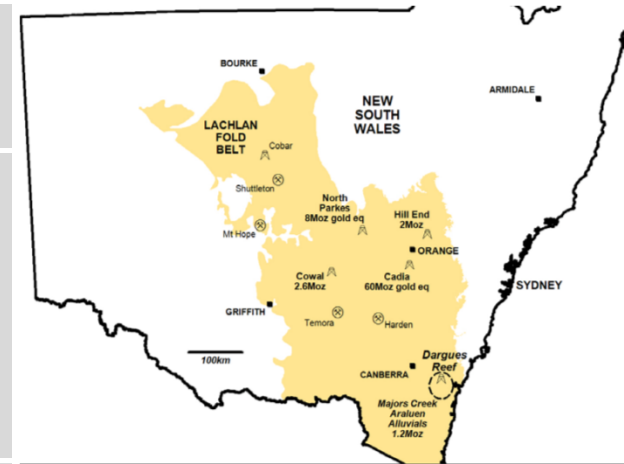
# Cortona - Overview

## Nearing production

<p><b>Flagship Asset: Dargues Reef Project</b></p>	<ul style="list-style-type: none"> <li>▪ Gold resources of 327,000 ounces and reserves of 233,000 ounces</li> <li>▪ Development project with planned underground mine, onsite concentrator including gravity circuit and off-site CIL plant</li> <li>▪ Expected average annual production of ~50,000 ounces over initial ~6 years' mine life</li> </ul>
<p><b>Local Exploration</b></p>	<ul style="list-style-type: none"> <li>▪ Significant upside potential at depth at the mine</li> <li>▪ Numerous targets within two kilometres of the mine             <ul style="list-style-type: none"> <li>– Ruby Lode</li> <li>– Chinaman's</li> <li>– Copper Ridge</li> </ul> </li> </ul>
<p><b>Regional Exploration</b></p>	<ul style="list-style-type: none"> <li>▪ Tenements covering ~650km<sup>2</sup> of highly prospective Lachlan Fold Belt             <ul style="list-style-type: none"> <li>– New gold and silver occurrence at Napoleon</li> <li>– Drill-ready targets identified</li> </ul> </li> </ul>
<p><b>Cash and Debt (30 September 2012)</b></p>	<ul style="list-style-type: none"> <li>▪ Forecast cash in bank of \$2 million</li> <li>▪ No debt, no hedging</li> <li>▪ \$42 million credit approved debt facility</li> </ul>

# Dargues Reef Development Project

<b>Location and Ownership</b>	<ul style="list-style-type: none"> <li>▪ Located in New South Wales, approx. 60km south-east of Canberra</li> <li>▪ Cortona: 100%</li> </ul>
<b>Mining and Processing</b>	<ul style="list-style-type: none"> <li>▪ Remarkable continuity of grade and mineralisation</li> <li>▪ Conventional top-down long-hole open stoping mining method</li> <li>▪ Onsite 330ktpa processing plant producing gravity gold and gold-silver pyrite concentrate and off-site CIL processing to produce doré</li> <li>▪ Pre-production capital and other costs of ~\$80 million</li> </ul>
<b>History</b>	<ul style="list-style-type: none"> <li>▪ Acquired by Cortona in July 2007</li> <li>▪ BFS completed in November 2010</li> </ul>
<b>Resources and Reserves</b>	<ul style="list-style-type: none"> <li>▪ Reserves: 1.4Mt @ 5.2 g/t<sup>1</sup> for 233,000 ounces</li> <li>▪ Resources: 1.6Mt @ 6.3 g/t for 327,000 ounces</li> </ul>
<b>Production</b>	<ul style="list-style-type: none"> <li>▪ Target average annual production of 50,000 ounces of gold at an estimated cash cost of ~\$700 per ounce</li> <li>▪ Initial life of mine of 5+ years to yield ~250,000 ounces of gold</li> </ul>
<b>Development Status</b>	<ul style="list-style-type: none"> <li>▪ Fully permitted and ready to start</li> <li>▪ Production to commence 13 months after start of construction</li> </ul>



1. Includes >25% dilution

# Indicative Timetable

Event	Date
Announcement of merger	28 September 2012
Scheme Documentation dispatched to Cortona shareholders	Mid-November 2012
Scheme meeting for Cortona shareholders	Late December 2012
Scheme implementation	January 2013



# Contacts

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<p><b>Stephen Cooper</b> Managing Director – Corporate Finance Grant Samuel Telephone: +61 3 9949 8800</p>	<p><b>Dale Bryan</b> Director – Corporate Finance Hartleys Limited Telephone: +61 8 9268 2829</p>
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<p><b>Ian Howarth</b> Collins Street Media Telephone: +61 407 822 319</p>	<p><b>Nicholas Read</b> Read Corporate Telephone: +61 8 9388 1474</p>

# Appendix

# Merged Entity – Resources and Reserves

## Mineral Resources – 30 June 2012

	Measured			Indicated			Inferred			Total		
	kt	Au g/t	Au koz	kt	Au g/t	Au koz	kt	Au g/t	Au koz	kt	Au g/t	Au koz
<b>Henty (100%)</b>	1,311	4.9	205	673	4.7	101	126	9.1	37	2,110	5.1	343
<b>Lakeside (100%)</b>							750	2.8	66	750	2.8	66
<b>Dargues Reef (100%)</b>	378	7.2	88	816	6.8	179	420	4.5	61	1,613	6.3	327
<b>Total</b>	<b>1,689</b>		<b>293</b>	<b>1,489</b>		<b>280</b>	<b>1,296</b>		<b>164</b>	<b>4,473</b>		<b>736</b>

## Ore Reserves – 30 June 2012

	Proved			Probable			Total		
	kt	Au g/t	Au koz	kt	Au g/t	Au koz	kt	Au g/t	Au koz
<b>Henty (100%)</b>	720	4.6	107	74	4.6	11	794	4.6	118
<b>Lakeside (100%)</b>									
<b>Dargues Reef (100%)</b>	476	5.3	81	913	5.2	152	1,389	5.2	233
<b>Total</b>	<b>1,196</b>		<b>188</b>	<b>987</b>		<b>163</b>	<b>2,183</b>		<b>351</b>

The Gold Reserves and Resources above exclude the indirect interest Unity has in the 502,000oz Mineral Resource of GoldStone Resources Limited, an AIM listed company in which Unity has a shareholding of 34%

# Competent Person's Statements - Cortona

## **Cortona Resources Limited**

*Information in this report relating to Mineral Resources has been completed by Mr. Aaron Green of Runge Ltd., who is a member of the Australasian Institute of Mining and Metallurgy. Mr. Green has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a 'competent person' under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Mr. Green consents to the inclusion of the data in the form and context in which it appears. The contents of this report that relate to geology and historical exploration are based on information compiled by Mr Peter van der Borgh, who is a Professional Geologist and Fellow of the Geological Society. He has sufficient experience relevant to the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a 'Competent Person' as defined in the 2004 Edition of the JORC Code. Mr. van der Borgh consents to the inclusion in this report of the matters compiled by him in the form and context in which they appear.*

*The information in this report that relates to Majors Creek – Dargues Reef Gold Project mining section ore reserves estimates is based on information compiled by Mr. Wayne Emslie who is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the mining method undertaken to qualify as a Competent Person as defined in the JORC Code (2004). Mr. Wayne Emslie is a full time employee of Mining Plus Pty Ltd and consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.*

# Competent Person's Statements - Unity

*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, 2004 Edition ("JORC Code"), which governs such disclosures by companies listed on the Australian Securities Exchange.*

## **Competent Person's Statement - Unity Mining**

*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 Matt Daly in relation to Ore Reserves, Raul Hollinger in relation to Mineral Resources and Angela Lorrigan in relation to Exploration Results. Daly, Hollinger and Lorrigan are Members of the Australasian Institute of Mining and Metallurgy, and Hollinger is a Member of the Australian Institute of Geoscientists. Daly, Hollinger and Lorrigan are a 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 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Daly, Hollinger 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.*

## **Competent Person's Statement - GoldStone Resources**

*Any information in this report that relates to exploration results, is based on information compiled by Dr Hendrik Schloeman, who is a Member of the South African Council for Natural Scientific Professions (a Recognised Overseas Professional Organisation ('ROPO') included in a list promulgated by the ASX from time to time) . Dr Schloeman is a full-time employee of GoldStone Resources Limited. Dr Schloeman has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'). Dr Schloeman consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*