

29 November 2013

ASX Release

Unity Mining Limited  
ABN 61 005 674 073

## Unity Mining Corporate Update

### **Corporate Details:**

ASX Code: UML

*Issued capital:*  
702M ord. shares  
12.2M unlisted Perf. Rights

*Substantial Shareholders:*  
LionGold Corp 92.6M (13.2%)

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

### **Contact Details:**

Unity Mining Limited  
Level 10  
350 Collins St  
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

Unity Mining Limited (ASX:UML) today announces a temporary halt to development of its Dargues gold project in NSW pending completion of technical optimisation studies and funding discussions.

At Dargues in central NSW, construction of the 3.2km access road and infrastructure earthworks have been completed, with final excavation and ground support of the box cut to be completed before year end in readiness for commencement of underground mining.

Unity is continuing to review processing and funding options for Dargues and has delayed further development of the Project until this review is complete in the first half of 2014.

At Henty, located on the West Coast of Tasmania, the company forecasts cash generation from its underground operations in the second half, with improving production rates from the higher grade Read Zone (reserve grade 12 g/t) anticipated to provide a boost to overall headgrade. Exploration drilling targeting extensions to the Read and Darwin South zones is also ongoing from the recently completed Southern Exploration Drive.

Unity Managing Director Andrew McIlwain said today "With an increase in the number of production headings in the high grade Read Zone, combined with the recently announced cost reduction initiatives, we are forecasting Henty to generate positive cashflow during 2013-14 and we continue to invest in the order of \$6 million p.a. in development and exploration activities in Tasmania building on our successful track record of delineating additional resources and reserves.

"At Dargues, in light of the sustained fall in the gold price and equities markets, we have decided it is opportune to re-optimize our development and funding options given the number of asset sales and processing options currently before us, including the possible sale of our Bendigo assets, which could reshape the project financing requirements for Dargues.

"Our mandate with the Commonwealth Bank of Australia to provide project finance remains in place and we would anticipate formal credit approvals in early 2014. Once we have finalised the best financing option and the optimum development and processing route we will be in the best position to commence plant construction and underground access development.

Unity Chairman Clive Jones noted "Whilst we are keen to see Unity prosper in the gold space, we must ensure that the Dargues project is developed to achieve the best possible outcome. The temporary halt to development at Dargues will give us time to ensure that optimal processing and funding outcomes are in place to maximise shareholder returns.

"Since the merger with Cortona earlier this year, the team at Dargues have achieved a tremendous result in bringing the project to its current status, despite the challenging environmental and regulatory environment. This bodes well for a simple and rapid restart of development activities when that decision is made" said Mr Jones.

Mr McIlwain concluded "Dargues remains a very valuable asset with a lower cost profile to Henty, which itself is projected to deliver positive cashflow despite sharply lower gold prices. Additionally, we have every confidence that the mine

life at Dargues will extend beyond the current planned 5 years. Given the number of gold process plants and assets now up for sale in Australia, and softening contractor rates, we will take the opportunity to spend some more time optimising the development options for Dargues in parallel with our finance discussions in order to maximise shareholder value."

***For further information please contact:***

**Andrew McIlwain**

Managing Director  
Unity Mining Limited  
Telephone: (+613) 8622 2300

***For Media Enquires:***

**Simon Jemison**

Collins Street Media  
Telephone: (+61) 408 004 848