

Unity Mining Limited  
ABN 61 005 674 073

**Corporate Details:**

ASX Code: UML

*Issued capital:*  
942M ord. shares  
13.8M unlisted Perf. Rights

*Substantial Shareholders:*  
LionGold Corp 117M (12.4%)

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

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## Key Points

- ◆ **HENTY:**
  - Quarterly production of 7250 oz at a cash cost of \$1380/oz
  - Read Zone drilling results include 0.4 m at 394 g/t and 1 m at 115 g/t gold
- ◆ **DARGUES:**
  - Technical studies and cost reduction programs continuing
  - Near-mine & regional exploration programs underway looking for analogues to Dargues mineralisation
- ◆ \$7.9M cash at bank, with an additional \$11.2M cash-backed performance bonds

## Summary

*Andrew McIlwain, Managing Director & CEO comment* "Corporately, Unity received strong support in the completion of its fully underwritten Shareholder Purchase Plan (SPP). Underwritten by Patersons Stockbroking, the SPP raised a net total of \$6.1m.

"Further to this, our largest shareholder, LionGold demonstrated their continued support with commitment to invest a further \$2.4m (payable in April 2014) to take their stake in the unity to 19.9%. LionGold has also entered into a voluntary escrow agreement for its original 92.6M share holding, providing further assurance of their long term intentions.

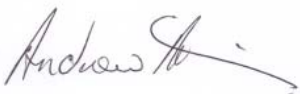
"The quarterly production result from our Henty operation improved only marginally from the previous quarter's performance with continued combined grade and tonnage challenges.

"Our exploration efforts continue to deliver enticing results with southern extensions to current working areas targeted from the recently completed 1950 Southern Exploration Drive.

"Cost control is a key focus of the group and importantly the previously reported significant reduction in costs at Henty has been sustained. An unfortunate component of this cost focus has included the necessary reduction in personnel across the group and it is important to ensure we maintain focus on delivering target outcomes.

"We continue to work on delivering a superior outcome for our Dargues Project. A key element in this is to verify the optimum processing solution. This includes clarification with the Victorian regulatory authorities of our Bendigo processing option, as well as exploring with third parties and NSW authorities various alternatives. Whilst frustrating not to be developing the Dargues Project, we continue to be confident of the Project's future.

"A very pleasing outcome this quarter has been Henty's achievement of 1 year free of Lost Time Injury. This is an outstanding achievement and a credit to all personnel to ensure that they achieve our committed objective of going home safely at the end of each day" said Mr McIlwain.



Andrew McIlwain  
Managing Director & CEO  
17 April 2014

## Production

- Henty Gold Mine produced 7250 oz at a cash cost \$1380/oz including royalties, with all-in sustaining cost (AISC) of \$1567/oz, (7227 oz gold at AISC of \$1885/oz in Dec 2013 quarter).

## Development

- Dargues site currently on care & maintenance. Technical studies and cost reduction programs continuing.

## Exploration

- Drilling at Henty continues to focus on identifying extensions to the mineralisation at Read and Darwin South.
- Best result at Read Zone include 0.4 m at 394 g/t and 1.0 m at 115 g/t gold.

## Corporate

- Gold sales were \$10.0 million during the quarter from the sale of 6886 oz gold at an average price of \$1447/oz.
- Cash at bank was \$7.9 million at 31 March 2014 (\$9.7 million at 31 December 2013).

## 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 developing 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. Recent exploration success has extended the mine life, and continued exploration on the significant near mine tenement package remains a key focus.

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. Project development was suspended in late 2013 pending optimisation of project development plans.

## OPERATIONS

### Safety

There were no lost time injuries, three restricted work injuries (RWI) and one medically treated injury (MTI) for the quarter ending March 30 2014. All of these incidents were relatively low in consequence and were of short duration in terms of impact.

Significant work has been undertaken to improve the Safety Management System at the Henty site, including implementation of a new document management system, roll out of updated inspection programs and significant update of procedures associated with critical risk areas.

Whilst no single initiative can be identified, the continued work outlined above has delivered the commendable achievement of 12 months Lost Time Injury free at the Henty operation.

### Henty Operations

	Mar 2014 Qtr	Dec 2013 Qtr	Year to Date 2013/14
<b>Henty Gold Mine</b>			
Ore mined (t)	53,805	59,072	176,686
Ore processed (t)	53,361	58,557	175,494
Grade (g/t gold)	4.6	4.1	5.0
Recovery (%)	91.4	92.5	92.8
Gold produced (oz)	7250	7227	26,084
Cash cost - pre royalty (A\$/oz)	1311	1462	1229
Cash cost - incl. royalty (A\$/oz)	1380	1498	1273
All-in Sustaining Cost (A\$/oz)	1567	1835	1538
Cash cost - incl. royalty (A\$/t)	187	185	189

*Note: Minor discrepancies may occur due to rounding*

## Mining

### Development

A total of 1051 m of underground mine development was completed during the March quarter (1103 m December 2013 qtr). The breakdown of this development was:

- infrastructure, access & waste development (446 m);
- Read Zone ore flat-backing (219 m);
- lower sill development of the Newton Zone (386 m).

Read Zone sill development, flat-backing & stoping delivered 7,047 tonnes of ore, with a further 5,496 tonnes of ore sourced from remnant Darwin South & Zone 15 long-hole stopes. A total of 41,261 tonnes of ore was produced from Newton sill development and stoping. Exploration and development drilling during the quarter focused on Read, Darwin South and Zone 96, with in-fill diamond drilling of the lower and upper portions of the Newton orebody.

As foreshadowed in the Company's ASX announcement of 18 March, the planned mining schedule for March was adversely impacted by a number of factors. Further detail is provided below; the combined effect delivered a reduction in expected gold production during the quarter. As a consequence of the March quarter result, the Company advises that the previous 40-50,000 ounce full-year gold production guidance will not be achieved, with current production forecasts indicating a revised full-year production result of 35-40,000 ounces.

### Read

The mineralised zones in Read are highly variable and pinch and swell both vertically and horizontally. In one lift, once accessed by development, an interpreted zone of the high grade was determined to be isolated and discontinuous and did not deliver the anticipated ounces.

### Newton

There were a number of main working areas scheduled for March in the Newton zone.

In general, mine activity scheduling and controls ensured that the target development was achieved in the areas forecast. A number of headings, where development was predicted to be in ore failed to deliver

the anticipated grades and consequently reduced tonnages were delivered to the processing plant from these sources.

During the quarter, much of the mining activities within the Newton Zone were carried out on the boundaries of the orebody, where the grade variability is at its greatest. It is expected that as development and stoping moves away from the boundaries, the reliability and predictability in respect of tonnes and grade will improve.

#### Processing

The milled head grade for the quarter averaged 4.6 g/t with 91.4% recovery. Total ore processed for the quarter was 53,361 tonnes for a total gold metal recovery of 7250 ounces and silver metal recovery of 8865 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 process flow sheets is well advanced.

## **EXPLORATION**

#### **Henty Mine Exploration**

Two underground drill rigs were active during the quarter targeting northern, up-dip and down-dip extensions of the Read Zone and southerly extensions of Darwin South. With the exploration results for drilling in January and February having been released to the market on 6 March 2014, the results listed here are only those drilling results received in March, which were primarily focused on testing for extensions to the Read Zone.

A table containing the coordinates for all holes drilled since the prior announcement is shown in Appendix A.

#### Read Zone

Extensional drilling of the Read Zone continued, focusing on the targets at the upper extent of the current resource boundary, with best results from this program of 0.4 m at 394 g/t and 1.0 m at 115 g/t gold. Importantly, both of these results are outside the current resource envelope and provide further encouragement that the interpreted boundary of Read Zone mineralisation will continue to grow.

#### **Dargues Mine Exploration**

Planning for an Induced Polarisation (IP) survey over the tenement close to Dargues Reef continued during the quarter. This survey will cover previously reported soil anomalies in the Doubloon and Battery Paddock areas and also the Shingle Hut Prospect where re-interpretation of existing magnetic data has identified an "arrowhead" combination of structures very similar to the magnetic signature at Dargues. It is anticipated that the IP survey will generate a number of drilling targets within 2 km of the Dargues resource.

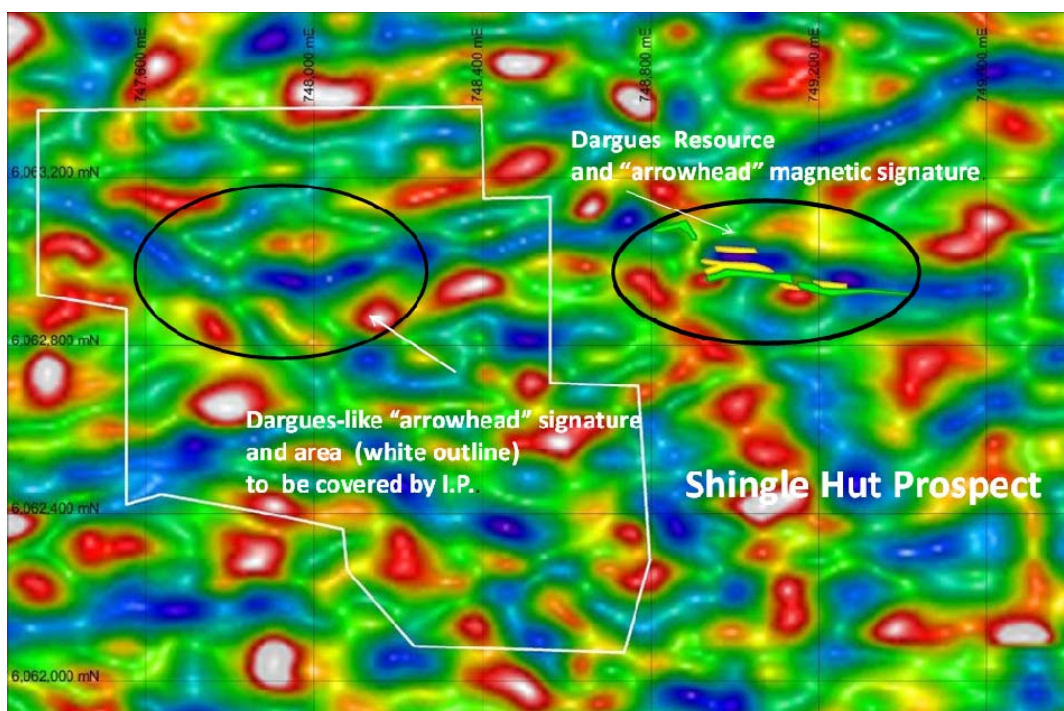


Figure 1. Map of Dargues & Shingle Hut areas showing the magnetic signature of the Dargues resource and a similar signature at Shingle Hut

### Regional NSW

Regional exploration activity continued in NSW during the quarter, with a considerable amount of mapping and extensive soil sampling was undertaken on the Company's tenements near Gundagai. Results from this will be received next quarter. Mapping has highlighted a mineralised set of structures at the Booth's Prospect. Definition of these structures will help target future drilling.

### GOLDSTONE RESOURCES

On 18 February 2014, Unity's 29.7% owned AIM-listed associate GoldStone Resources Ltd provided an update on progress at the GoldStone's Sangola project in Senegal, where it has a joint venture with Randgold Resources Ltd.

All assay results of the drilling program completed by Randgold on the Baraboye and Ibel prospects have been received. Best gold intercepts included 7 m at 1.5 g/t, including 1 m at 8.3 g/t, 6 m at 0.7 g/t including 1 m at 2.2 g/t and 11 m at 0.5 g/t, including 1 m at 1.9 g/t.

These results do not justify an immediate follow-up program and Randgold will now focus its exploration activities on the Gangara and Bandafassi prospects by undertaking geological mapping and lithological sampling to identify additional drill targets. The Gangara and Bandafassi prospects are of particular interest because they cover an area where Randgold, through its recently completed work program, identified a previously unknown extension of the MTZ structure which controlled the formation of Randgold's 3 million ounce Massawa gold deposit to the north-east.

Subsequent to quarter end, on 3 April 2014, GoldStone announced that it had received notice of termination from Randgold in relation to the GoldStone's joint venture with Randgold over the Sangola licence in Senegal. The notice period is 90 days and the Company does not expect Randgold to undertake any further work on the licence.

Further details are available on GoldStone's website: [www.goldstoneresources.com](http://www.goldstoneresources.com)

### CORPORATE

Gold sales were \$10.0 million during the quarter from the sale of 6886 oz gold at an average price of \$1447/oz.

Cash at bank was \$7.9 million at 31 March 2014 (\$9.7 million at 31 December 2013). The Company also has a further \$11.2 million cash-backed performance bonds for rehabilitation liabilities.

Major cash movements during the quarter related to negative mine operating result from Henty (\$2.0M), project development costs at Dargues Gold Mine (\$1.7M), Kangaroo Flat and Corporate expenses (\$1.3M), receipt of net funds from Share Purchase Plan \$6.1M and changes in working capital of (\$2.9M).

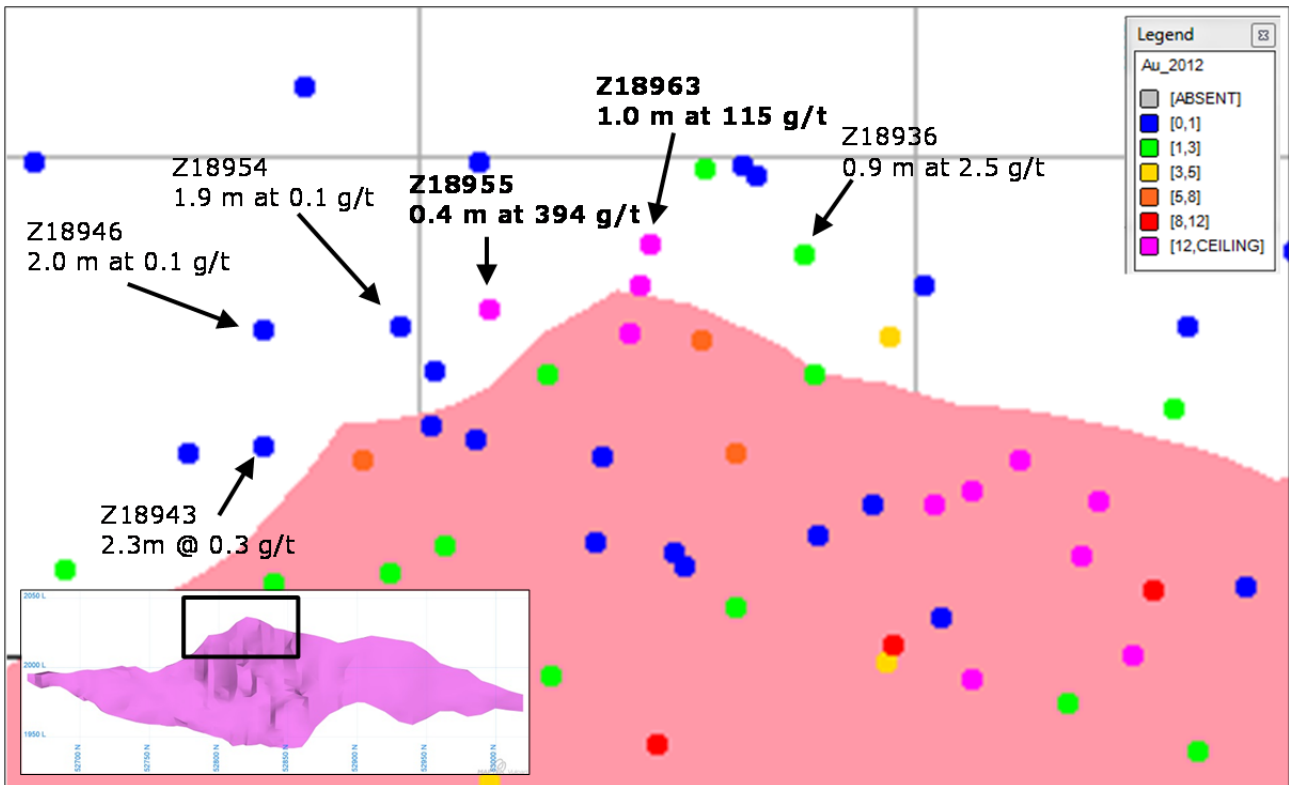
### Competent Person's Statement

*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 Matt Daly in relation to Ore Reserves at Henty, Rob McLean in relation to Ore Reserves at 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. Daly, 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. Daly, McLean, Collier, Hollinger and Lorrigan are 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 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Daly, 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 A

Long section showing recent Read Zone intercepts:



Location and gold assays for holes drilled (excluding grade control) at Henty Gold Mine since the previous market update on 6 March 2014

Hole No.	Zone	Total Depth (m)	East	North	RL	Dip	Azim	From (m)	To (m)	Width (m)	Au (g/t)
Z18919	Zone 96	149.7	19,794	55,253	2,306	-35	275	115.0	116.0	1.0	3.9
and								123.0	124.3	1.4	7.7
Z18921	READ	119.7	20,062	52,676	1,954	-49	256	82.6	84.9	2.3	0.3
Z18923	READ	76.6	20,085	52,625	1,956	6	262	50.0	54.0	4.0	0.2
Z18936	READ	75.6	20,064	52,846	2,022	16	264	68.0	68.9	0.9	2.5
Z18943	READ	72.6	20,068	52,788	2,015	6	266	52.2	54.4	2.3	0.3
Z18946	READ	71.3	20,068	52,789	2,015	17	269	59.5	61.5	2.0	0.1
Z18952	Darwin South	137.7	20,122	52,556	1,957	-42	74	127.1	127.8	0.7	6.5
Z18954	READ	74.3	20,067	52,808	2,018	14	260	58.9	60.7	1.9	0.1
Z18955	READ	74.8	20,067	52,808	2,019	16	270	58.5	58.9	0.4	394.0
Z18957	Darwin South	170.0	20,122	52,556	1,957	-53	67	132.0	133.0	1.0	2.0
Z18960	Darwin South	137.0	20,122	52,556	1,957	-25	85	110.6	113.0	2.5	0.1
Z18963	READ	77.7	20,066	52,823	2,021	20	270	62.0	63.0	1.0	115.0

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
<b>Sampling techniques</b>	<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
<b>Drilling techniques</b>	<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).
<b>Drill sample recovery</b>	<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.
<b>Logging</b>	<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).
<b>Sub-sampling techniques and sample preparation</b>	<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.
<b>Quality of assay data and laboratory tests</b>	<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.
<b>Verification of sampling and assaying</b>	<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.
<b>Location of data points</b>	<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.
<b>Data spacing and distribution</b>	<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 50 m of the deposit margins.
	<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.
<b>Orientation of data in relation to geological structure</b>	<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.
<b>Sample security</b>	<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.
<b>Audits or reviews</b>	<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.



## Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<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.
<b>Exploration done by other parties</b>	<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).
<b>Geology</b>	<i>Deposit type, geological setting and style of mineralisation.</i>	<p><b>Stratigraphy</b></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 phyric volcanics. Rocks to the east of the Henty Fault comprise quartz phyric volcanics of the Tyndall Group and siliciclastics of the Newton Creek Sandstone of the Owen Conglomerate. Dacitic volcanics 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 phyric volcanoclastic 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><b>Structure</b></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 with displacements of up to a few metres.</p> <p><b>Alteration</b></p>

Criteria	JORC Code explanation	Commentary
		<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 volcanics. The alteration occurs as an irregular pervasive flood of massive white or orange fine grained silica and albite, completely destroying original textures of the volcanics.</p> <p><b>Mineralisation</b> 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>
<p><b>Drill hole Information</b></p>	<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"> <li>o easting and northing of the drill hole collar</li> <li>o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>o dip and azimuth of the hole</li> <li>o down hole length and interception depth</li> </ul>	<p>Drill hole information is listed in the Appendix</p>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>o hole length.</li> </ul> <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>	
<b>Data aggregation methods</b>	<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.
<b>Relationship between mineralisation widths and intercept lengths</b>	<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.
<b>Diagrams</b>	<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.
<b>Balanced reporting</b>	<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.
<b>Other substantive exploration data</b>	<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 deleterious or contaminating substances.</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
<b>Further work</b>	<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. A 200 m long exploration drilling platform is being excavated at the southern part of the mine which will enable drilling of both Read and Darwin South extensions.
	<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.