

**Sustainability Report
Year to 30 June 2015**



Who are we?



Unity Mining Limited (ASX: UML) (“Unity” or “the Company”) is an Australian gold explorer and producer which owns and operates the Henty Gold Mine on the West Coast of Tasmania, the Dargues Gold Mine in New South Wales and the Kangaroo Flat Project in Victoria. Unity is also involved in gold exploration in West Africa through its investment in GoldStone Resources Limited.

The Company’s vision is to be a successful mid-tier gold mining company, operating multiple mines in a responsible manner and achieving strong financial returns. Our strategy is to discover, operate and acquire quality gold assets in Australasia to transform the Company into a mid-tier gold producer.

We will do this by:

- motivating and developing our people to maximise the performance of our existing activities;
- exploring directly and in partnership with others;
- developing, acquiring and investing in projects where we can add value; and
- demonstrating integrity and commitment in everything we do.

The Henty Gold Mine commenced underground mining in 1996 and is located in glaciated mountainous terrain in the upper Henty Valley on the West Coast of Tasmania.

The nearest main towns are Rosebery, 10 km to the north; Zeehan, 19 km to the west; and Queenstown, 23 km to the south.

The Henty Gold Mine has produced in excess of 1 million ounces of gold over a 19 year period.

The Dargues Gold Mine is located near Braidwood in NSW, approximately 60 km southeast of Canberra. The mine is located within an historical alluvial mining area that was discovered in the early 1800’s and which has produced over 1.2 million ounces of gold. Construction of the mine commenced in February 2013 with the construction of a 3.2km access road, Boxcut and mine infrastructure area. The mine is currently on care and maintenance.

The Kangaroo Flat Project is located on the urban fringe of Bendigo, in the suburb of Kangaroo Flat. Bendigo is a thriving rural city with a population of approximately 83,000 and is located 125 km northwest of Melbourne in the Central Victorian Goldfields. The Bendigo Goldfield is the second largest historical gold producing field in Australia (after Kalgoorlie’s Golden Mile) with historic production of 22 million ounces of gold from over a century of mining. The Kangaroo Flat Mine has been on care and maintenance since mining ceased in April 2011 and is now in the process of being rehabilitated.

This report reviews Unity Mining’s economic, social and environmental performance for the period 1 July 2014 to 30 June 2015. This report covers the activities at the Henty Gold Mine, the Dargues Gold Mine and the Kangaroo Flat Project during the reporting period.

The data generated for this report has been collated and analysed, and is publically disseminated with the objective of:

- informing stakeholders of management actions and strategies;
- assessing the Company’s progress against targets and objectives;
- facilitating benchmarking of performance;
- communicating performance with stakeholders;
- meeting legislative and corporate governance requirements; and
- maintaining the Company’s social licence to operate.

Transparent reporting of our performance forms an important part of our strategic commitment to sustainable development, and is aligned with our goal of being a respected mining company which operates according to a strong set of values.

For a full set of financial reports, please go to:
www.unitymining.com.au

Introduction

Welcome to Unity's 16th Annual Sustainability Report. This report is prepared each year to inform the community and other stakeholders of our activities and progress in the areas of safety, health, environment and community. Its aim is to provide a comprehensive review of our sustainability performance for the 2014 – 2015 financial year.

Unity is committed to operating in a safe and responsible manner, while respecting the health of our employees, and the environment and communities in which we operate.

One of our key corporate objectives is to work diligently to ensure we maintain and enhance our social licence within the communities in which we operate. We will continue to measure and monitor our performance and to work closely with the community, local government and state regulators.

Thank you for taking the time to read our 2015 Sustainability Report.

Health, Safety, Environment and Community Policy

Unity is committed to operating in a safe and responsible manner, respecting the health of our personnel, the environment and the communities in which we operate.

We are committed to the highest standards of personal, professional and ethical behaviour.

We will:

- Work with all personnel to eliminate unsafe conditions and acts from the workplace.
- Identify measurable objectives and targets that will drive the continuous improvement necessary to achieve an injury-free workplace.
- Identify, assess and manage risks to personnel, the local community and the environment.
- Continually improve our health, safety and environmental knowledge, skills and behaviours.
- Comply with applicable laws, regulations, standards, codes and other commitments to which the company subscribes.
- Ensure active involvement and open communication with all personnel in health, safety and environmental matters.
- Uphold fundamental human rights and respect the culture, values and heritage of people affected by our activities.
- Engage openly and honestly with people affected by our activities and take their views and concerns into account in our decision making.
- Set and achieve targets that promote the efficient use of natural resources and minimise the impact of our activities on the environment.



Enduring Value

As a signatory to Enduring Value, the Australian Minerals Industry Framework for Sustainable Development, Unity is focussed on continual improvement in environmental and social performance and maintaining a positive relationship with our community.

“The future of the Australian minerals industry is inseparable from the global pursuit of sustainable development. Through the integration of economic progress, responsible social development and effective environmental management, the industry is committed to contributing to the sustained growth and prosperity of current and future generations”.

– Minerals Council of Australia, 2004

For further information see www.minerals.org.au/enduringvalue.

Value Statement

Our primary aim is to build a great gold mining business for the benefit of everyone involved.

To do this we will:

- Strive for excellence in everything we do.
- Treat people with respect and dignity.
- Conduct ourselves honestly and ethically.

We are committed to:

- A rigorous risk based approach to safety.
- Being accountable for our actions and decisions.
- Delivering quality work.

We value:

- A culture that holds safety at its core.
- The community and environment in which we operate.
- Innovation and reliability from all personnel.



Health and Safety

Unity remains committed to a strong emphasis on health and safety at all its operations. Both the Kangaroo Flat Mine and Dargues Gold Mine recorded no lost time injuries for the reporting period, while the Henty Gold Mine recorded a slight increase in the total recordable injury frequency rate. We recognise there remains scope to further reduce injury rates, and ensure that employee behaviours are aligned to proactively identify hazards in the workplace and drive continual improvement in our safety performance.

At Henty Gold Mine, the Lost Time Injury Frequency Rate (LTIFR) for FY15 was 13.5 (12MMA). The total recordable injury frequency rate (TRIFR) was 30.3, compared to 28.3 in the previous reporting period.

The Dargues Gold Mine had no lost time injuries in this reporting period and now has had no lost time injuries for over two years.

The Kangaroo Flat Mine had no lost time injuries during the year, which is an improvement over the last reporting period where one lost time injury was recorded.

Emergency Preparedness

Emergency preparedness forms a critical part of ensuring the health and safety of employees at our operations. Unity Mining has invested heavily during this reporting period to provide up to date equipment and training in this area.

Henty Gold Mine operates an emergency response team, which currently has 10 members. Membership has been relatively stable for the past three years providing the resources and flexibility for a fully competent team to respond to any required situation. Henty Gold Mine is also a signatory to an Emergency Response Mutual Aid Agreement in the region, which enables the mines in the area to draw upon mine rescue team resources from other nearby mining operations in the unlikely event of an emergency. The Mutual Aid Agreement significantly strengthens each mine's emergency response capability and ensures that potentially problematic administrative matters associated with providing mutual aid do not unnecessarily complicate important response efforts.

The Dargues Gold Mine and Kangaroo Flat Project are both on care and maintenance and have no active emergency response teams.



Connecting with our Community



Unity proactively seeks community engagement opportunities with local communities to ensure accurate dissemination of information about our operations. In addition, we wish to establish an on-going dialogue with community members who have an interest in our activities. On-going support from local residents, organisations and community groups is highly valued as a critical component of our social licence to operate.

The Company aims to provide open and transparent communications with all stakeholders, and strives to always inform, involve and respond efficiently and effectively.

The Henty Gold Mine is situated in a relatively remote location, approximately 30 km south by road from Tullah township, 30 km north of Queenstown, and is adjacent to the Southwest Conservation Area on Tasmania's West Coast. While the mine doesn't have any near neighbours, the mine and its employees play a very important role in supporting the local community and local economy. Community endeavours Unity Mining employees have been involved in during this reporting period include:

- the West Coast Weed and Fire Management Group;
- the regional Mining Industry Environmental Network Group;
- Queenstown Heritage & Arts Festival; and
- Hydro Tasmania's regional consultation program.

The Dargues Gold Mine is located in close proximity to the towns of Majors Creek and Braidwood. To assist with open communication between the mine and the community a 24 hour, seven day a week information line is available for interested stakeholders to find out more about the mine and extensive information is maintained on the Company's website. The mine also operates the Dargues Reef Community Consultative Committee, with one of its primary aims being to "to act as a communication link between the Company, the community, interest groups and stakeholders in general".

During 2014/2015 an extensive community consultation program was undertaken in regards to a proposed modification to the Dargues Gold Mine's project approval. This consultation program involved:

- Community meetings;
- Regular email communications;
- Facebook, twitter and linkedin;
- Drop in information sessions; and
- Regular advertorials and advertisements in local newspapers.

The Kangaroo Flat Mine is located on the urban fringe of Bendigo and lies in close proximity to a high density residential area. As identified last year, due to significantly scaled back operations, Unity Mining undertook very few community engagement activities in Bendigo. Communications with community representatives continue as part of the half yearly Environmental Review Committee.

Supporting our Community



Henty Sponsorship and Environmental Fund

Unity Mining's Henty Gold Mine has been proactive in maintaining strong community ties with several towns on the West Coast of Tasmania, and enjoys a positive and mutually rewarding relationship with a number of schools, organisations and local community groups. During the reporting period, the mine contributed over \$15,000 in sponsorship to support local communities.

A major element of Henty Gold Mine's sponsorship program is supporting local schools such as St Josephs Queenstown, St Josephs Rosebery, Rosebery District High School and Zeehan Primary School. School sponsorship programs enable students to access better services and activities each year. Additional sponsorship activities undertaken during the reporting period include financial and in-kind support to local sporting associations, charities and annual events.

Sponsorship Fund recipients throughout this reporting period included:

- Rosebery Junior Football Club.
- Queenstown Anglers Club.
- Queenstown Golf Club.
- Zeehan Primary School.
- Zeehan Football Club.
- Zeehan Gem & Mineral Fair.
- Lake Burbury Picnic Committee.
- Queenstown and Rosebery Lions Clubs.
- St Joseph's School Queenstown.
- St Joseph's School Rosebery.
- Queenstown Hospital.
- Queenstown Hockey Association.
- Queenstown Heritage & Arts Festival.

- Tullah Badminton Club.
- Stella Maris Primary School, Burnie.
- Health West.
- School scholarships.

Dargues Gold Mine Sponsorship and Environmental Funds

The Dargues Gold Mine Sponsorship Fund provided over \$15,000 to local community events and organisations during 2014/2015:

Sponsorship Fund recipients throughout this reporting period included:

- The Braidwood Rugby League Club.
- Braidwood Cup.
- Braidwood Rodeo.

Kangaroo Flat Mine Sponsorship and Environmental Funds

The Kangaroo Flat Project Sponsorship Program was discontinued in 2012 as the site was moved to care and maintenance. However, since its inception the Sponsorship Fund has donated over \$79,000 to local community groups and organisations, while the Environment Fund has donated over \$85,000 to local community based environmental projects.

Both of these funds have been a longstanding and proud part of Unity's Kangaroo Flat Project.



Environmental Performance

Unity recognises that responsible environmental stewardship is essential to the long-term success of not only the Company but the industry as a whole. Through effective management practices and continual improvement, we aim to minimise our impact on the environment, make efficient use of natural resources and ensure that the footprint of our operations is as small as possible.

Environmental monitoring programs are in place at all mine sites. These programs focus on collecting and analysing data associated with surface water, noise, air, blasting, odour, soil, groundwater and rehabilitation. This data and the analysis carried out assist the Company determine its impact on the environment.

Rehabilitation plans have been developed for all operations to ensure that current and future activities meet agreed end of mine life environmental outcomes.

Henty Gold Mine is located adjacent to the cool temperate rainforest of the south-west conservation area on the West Coast of Tasmania and uses a comprehensive Environment Management System (EMS), aligned to ISO 14001, to drive continuous improvement initiatives at the site. The EMS ensures that environmental impacts are identified, risks are assessed and appropriately managed. During the reporting period three environmental non-compliances were reported at the Henty Gold Mine (down from nine the previous year). One reportable environmental incident occurred during the year. On January 8 2015, the mine dewatering pipeline ruptured adjacent to the Henty River, and untreated mine water was released. Sampling undertaken immediately following the incident and in the following days indicated that the impact was very minimal and of short duration. Immediately following the incident, a sample was taken both downstream and upstream of the point of entry to the Henty River. This sampling indicated an increase in contained iron (0.51 mg/L downstream compared to 0.31 mg/L upstream) and manganese (0.048 mg/L downstream compared to 0.024 mg/L upstream). Samples taken following the incident saw levels return to normal downstream (0.018 mg/L manganese and 0.31 mg/L iron).

The Dargues Gold Mine undertakes extensive monitoring of the environment within and surrounding the mine site. This monitoring includes a wide range of variables, however, is focused on areas that are most likely to be impacted by the mine's activities. Consistent with the approvals for the mine, this monitoring data is made publicly available and can be accessed by going to the company's website www.unitymining.com.au.

The Kangaroo Flat Project operations are located within regrowth box-ironbark forest, agricultural farmland and the urban development of the city of Bendigo. The Company respects the cultural significance of the Bendigo region for the Dja Dja Wurrung People and is a signatory to an Indigenous Land Use Agreement on Exploration Licence EL5035. During the reporting period no environmental non-compliances were reported at Kangaroo Flat Project.

MEASURING OUR PERFORMANCE – Henty Gold Mine

Henty Gold Mine Sustainability Measure	2012/2013	2013/2014	2014/2015
Safety Performance			
No. Lost Time Injuries (LTI)	5	1	4
Lost Time Injury Frequency Rate* (LTIFR)	11.5	2.6	13.5
No. Medically Referred Injuries (MRI=LTI+MTI)	15	11	9
Total Recordable Injury Frequency Rate* (TRIFR)	34.6	28.3	30.3
Environmental Monitoring Program			
Surface Water			
% Compliance	94.6	98.2	99.2
% Conformance	100	100	100
Ground Water			
% Conformance	100	100	100
Environmental Performance			
Environmental non-compliances	10	9	3
Surface water used for operations (ML)	N/A	34.9	33.7
Mine water used for operations (ML)	18.5	479.9	473.6
Mine water discharged to Henty River (ML)	424.98	207.7	166.9
TSF water discharged to Henty Canal (ML)	227.4	1,441.5	1,156.5
Land Disturbance (hectares)			
Total area of Mining Lease	1,980	1,980	1,980
Currently disturbed	54.5	54.5	54.5
Rehabilitated in reporting year	–	–	–
Total area rehabilitated	18	18	18
Waste			
Prescribed liquid waste for offsite treatment and reuse (m3)	78	143	148
Prescribed solid waste to landfill (m3)	351	166.5	130.5
Solid waste to landfill (m3)	2,149	601	467
Waste recycled (t)	149.4	109	150.2
Greenhouse Gas Emissions (tonnes CO2-e)			
Electricity (indirect)	7,790	8,756	8,296
Diesel (litres)	3,766	3,687	3,830
Other	–	18	17
Total	11,556	12,461	12,143
Operations			
No. HGM employees at year end	112	104	79
No. contractors (FTE) at year end	55	83	48
% Female HGM employees at year end	5	8	7.6
Gold produced (oz)	43,851	38,056	50,450
Ore processed (t)	278,105	240,297	264,041
Waste rock – to surface (t)	–	–	–
Waste rock – backfilled (t)	136,948	114,362	98,350
Expenditure (\$000's)			
Wages, salaries, contract employees, employee benefits, employee training	\$25,697	\$20,312	\$20,556
Supplies, consumables, capital expenditure	\$23,467	\$25,228	\$32,847
Taxes, tax credits, government royalties, fees and charges	\$2,949	\$1,511	\$3,818
External donations, non-employee education contributions, scholarships, health etc.	\$21	\$15	\$15
Exploration, underground development, diamond drilling	\$16,603	\$11,836	\$4,199
Total Expenditure	\$68,740	\$58,902	\$61,430

MEASURING OUR PERFORMANCE – Dargues Gold Mine

Sustainability Measure	2012/2013	2013/2014	2014/2015
Safety Performance			
No. Lost Time Injuries (LTI)	–	–	–
Lost Time Injury Frequency Rate* (LTIFR)	–	–	–
No. Medically Referred Injuries (MRI=LTI+MTI)	1	–	–
Total Recordable Injury Frequency Rate* (TRIFR)	–	–	–
Environmental Monitoring Program			
Air Quality Monitoring			
% Compliance	100	100	100
% Conformance	90	90	100
Noise Monitoring			
% Compliance	85	100	N/A
% Conformance	75	100	N/A
Blast Vibration Monitoring			
% Compliance	100	N/A	N/A
% Conformance	100	N/A	N/A
Surface Water Monitoring			
% Compliance	100	100	100
% Conformance	100	95	100
Groundwater Monitoring			
% Compliance	100	100	100
% Conformance	100	95	100
Odour Monitoring			
% Compliance	–	–	–
% Conformance	–	–	–
Aquatic Ecology Monitoring			
% Compliance	100	100	100
% Conformance	100	100	100
Flora Monitoring			
% Compliance	100	100	100
% Conformance	100	100	100
Fauna Monitoring			
% Compliance	100	100	100
% Conformance	100	100	100
Heavy Vehicle Movements			
% Compliance	80	100	100
% Conformance	100	100	100
Environmental Performance			
Environmental non-compliances	2	–	–
Potable Water Use (ML)	0.01	0.01	0.01
Mine water used for operations (ML)	N/A	N/A	N/A
Mine water to evaporation facilities (ML)	–	–	–
Land Disturbance (hectares)			
Total area of Mining Lease	317	317	317
Currently disturbed	17.2	17.5	17.5
Rehabilitated in reporting year	9.1	–	–
Total area rehabilitated	9.1	9.1	9.1

MEASURING OUR PERFORMANCE – Dargues Gold Mine

Sustainability Measure	2012/2013	2013/2014	2014/2015
Waste (m³)			
Prescribed liquid waste for offsite treatment and reuse	–	–	–
Prescribed solid waste to landfill	–	–	–
Solid waste to landfill	44	10	10
Waste recycled	14	2	2
Greenhouse Gas Emissions (tonnes CO²-e)			
Electricity (indirect)	–	–	–
Diesel	31	80	44
Other	–	–	–
Total	31	80	44
Operations			
No. DGM employees at year end	15	2	2
No. contractors (FTE) at year end	18	–	–
% Female DGM employees at year end	20	–	–
% Current employees recruited locally	47	100	100
Gold produced (oz)	–	–	–
Ore processed (t)	–	–	–
Waste rock – to surface (t)	–	–	–
Waste rock – backfilled (t)	–	–	–
Expenditure (\$000's)			
Wages, salaries, contract employees, employee benefits, employee training	\$505	\$1,677	\$481
Supplies, consumables, capital expenditure	\$10,364	\$10,906	\$1,686
Taxes, tax credits, government royalties, fees and charges	–	–	–
External donations, non-employee education contributions, scholarships, health etc	–	–	–
Exploration, underground development, diamond drilling	–	\$1,249	\$615
Total Expenditure	\$10,869	\$13,832	\$2,782

MEASURING OUR PERFORMANCE – Kangaroo Flat Mine

Kangaroo Flat Mine Sustainability Measure	2012/2013	2013/2014	2014/2015
Safety Performance			
No. Lost Time Injuries (LTI)	–	1	–
Lost Time Injury Frequency Rate* (LTIFR)	–	144	–
No. Medically Referred Injuries (MRI=LTI+MTI)	–	1	–
Total Recordable Injury Frequency Rate* (TRIFR)	–	144	–
Environmental Monitoring Program			
Air Quality Monitoring			
% Compliance	100	100	100
% Conformance	100	100	100
Noise Monitoring			
% Compliance	100	N/A	N/A
% Conformance	100	N/A	N/A
Water Tank Quality			
% Compliance (against NHMRC guideline)	100	100	100
% Conformance	100	100	100
Groundwater Monitoring			
% Compliance	100	100	100
% Conformance	100	100	100
Flora Monitoring			
% Compliance	100	100	100
% Conformance	100	100	100
Fauna Monitoring			
% Compliance	100	100	100
% Conformance	100	100	100
Environmental Performance			
Environmental non-compliances	–	–	–
Potable Water Use (ML)	–	–	–
Mine water used for operations (ML)	48.7	–	–
Mine water to evaporation facility (ML)	540.6	279.7	342.3
Land Disturbance (hectares)			
Total area	217	217	217
Currently disturbed	177	174	174
Rehabilitated in reporting year	–	3	–
Total area rehabilitated	40	43	43
Waste (m³)			
Prescribed liquid waste for offsite treatment and reuse	–	–	–
Prescribed solid waste to landfill	2	–	–
Solid waste to landfill	33	–	–
Waste recycled	17	–	–
Greenhouse Gas Emissions (tonnes CO²-e)			
Electricity (indirect)	1,855	544	510
Diesel	–	13	13
Other	–	–	–
Total	1,855	557	523

MEASURING OUR PERFORMANCE – Kangaroo Flat Mine

Kangaroo Flat Mine Sustainability Measure	2012/2013	2013/2014	2014/2015
Environmental Performance (continued)			
Operations			
No. KFM employees at year end	4	2	1
No. contractors (FTE) at year end	3	–	–
Gold produced (oz.)	–	–	–
% Female DGM employees at year end	0%	0%	0%
% Current employees recruited locally	100%	100%	100%
Ore processed (t)	100	–	–
Waste rock – to surface (t)	–	–	–
Waste rock – backfilled (t)	–	–	–
Expenditure (\$'000's)			
Wages, salaries, contract employees, employee benefits, employee training	\$872	\$633	\$354
Supplies, consumables, capital expenditure	\$3,179	\$1,480	\$569
Taxes, tax credits, government royalties, fees and charges	–	–	–
External donations, non-employee education contributions, scholarships, health etc.	–	–	–
Rehabilitation	–	\$137	\$73
Exploration, underground development, diamond drilling	\$38	\$6	\$9
Total Expenditure	\$4,089	\$2,256	\$1,005

This Sustainability Report covers the period from July 2014 to June 2015.

Please direct all enquiries to:
Unity Mining Limited
Level 10, 350 Collins Street
Melbourne, VIC 3000

info@unitymining.com.au

Copies of this Report are also available on our website at: www.unitymining.com.au

