



UNITY
Mining Limited



CORPORATE INFORMATION

Unity Mining Limited

ABN 61 005 674 073

Directors:

C Jones (Non-Executive Chairman)
F Terranova (Acting Managing Director
from 30 September 2015)
R Beevor
G Davison
A McIlwain (until 30 September 2015)

Company Secretary:

M Leydin

Senior Management Team

K Parker – Chief Financial Officer
R McLean – General Manager Operations
A Lorrigan – General Manager – Discovery & Growth

Auditors:

Deloitte Touche Tohmatsu
Chartered Accountants
550 Bourke Street
Melbourne VIC 3000

Registered Office & Principal Place of Business:

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Share Registry:

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Shareholders' Enquiries:

Share Registry 1300 737 760
(enquiries@boardroomlimited.com.au)
Company Secretary +61 (0)3 8622 2300
info@unitymining.com.au

Stock Exchange:

ASX Limited (Code: UML)

Company Web Page:

<http://www.unitymining.com.au>

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CORPORATE PROFILE

Unity Mining Limited (ASX:UML) ('Unity' or 'Company') is an Australian gold producer, developer and explorer which owns and operates the Henty Gold Mine on the West Coast of Tasmania and is progressing the development of the Dargues Reef Gold Mine in New South Wales. Unity is also involved in gold exploration in West Africa through its investment in AIM listed GoldStone Resources Limited ('GoldStone'). 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 approximately 1.3 million ounces of gold over an 18 year period. Unity has owned and operated the Henty Gold Mine since July 2009. During the 2015 financial year, Unity announced that the Henty Gold Mine would transition to care and maintenance at the end of November 2015.

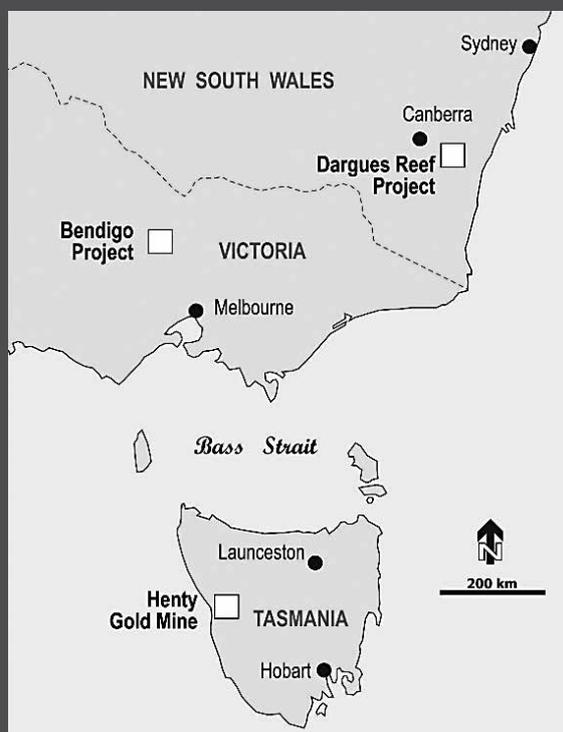
On 27 April 2015 the Company announced the execution of a landmark Farm-In-Agreement that will see up to \$5 million spent on Henty mine exploration over an 18 month period. Under the agreement, Diversified Minerals Pty Ltd, a 100% owned subsidiary of the PYBAR Group, committed to funding a 3 stage drilling program focussed on resource delineation with a view to recommencing sustainable production from the Henty Gold Mine.

The Dargues Gold Mine Project is located 60 km south-east of Canberra in Majors Creek near Braidwood. Majors Creek is the largest historic alluvial goldfield in NSW, historically producing more than 1.25 million ounces.

Strategy

The Company's goal is to be a profitable mid-tier gold mining company, operating multiple mines in a responsible manner and achieving strong financial and shareholder returns. Our strategy is to discover, operate and acquire quality gold assets 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 create value; and
- Demonstrating integrity and commitment in everything we do.



Company Assets

- \$31.4 million in cash and gold in transit at 30 June 2015.
- 100% ownership of the Henty Gold Mine:
 - Production of 50,450 oz gold in the 2015 financial year;
 - Approximately 1.3 million ounces of underground gold production from 1996 to date;
 - Transition to care and maintenance in late calendar 2015; and
 - Exploration drilling through the PYBAR Farm-In-Agreement.

The Company's short-term strategy for the Henty Gold Mine is cash maximisation from the extraction of remaining reserves prior to the mine going on care and maintenance in Q4, 2015 calendar year.

Exploration drilling through the PYBAR Farm-In-Agreement will continue over the next 18 months with the focus squarely on resource delineation with a view to recommencing production at the Henty Gold Mine at a future point in time.

CORPORATE PROFILE (continued)

- 100% ownership of Dargues Gold Mine:
 - Reserves and resources that support approximately 50,000 oz per annum gold production, with an initial 5 year mine life;
 - Strong exploration upside on highly prospective tenements covering the Braidwood Granodiorite and the Lachlan Fold Belt;
 - Boxcut, ROM Pad and site access road all completed;
 - During FY 2015 Modification 3 was submitted to allow for cyanide processing on site. This was subsequently withdrawn in September 2015; and
 - Further project development pending finalisation of technical studies to determine the optimal processing route and securing project funding.

The Company's main focus for the Dargues Gold Mine is to recommence development of the mine pending the outcome of a proposed modification to the existing project plan which has been lodged with the NSW Department of Planning and Environment.

- 19.2% shareholding in GoldStone:
 - GoldStone is an AIM-listed West African gold exploration company with a highly prospective package of tenements in Ghana, Senegal and Gabon;
 - 600,000 oz gold resource at the Homase/Akrokerri project in Ghana; and
 - New funding secured from AIM-listed Stratex International, who have a proven track record of turning small to medium sized gold assets into cash generating enterprises.

The Company's present strategy in relation to this asset is to divest its investment position going forward, as the asset is non-core to Unity.

- 100% ownership of the Bendigo Goldfield:
 - Active sales program underway for the Bendigo Project, including all tenements, licences plant and infrastructure;
 - Expressions of interest also being sought for the acquisition of the tenements, standalone gold ore processing plant or major components; and
 - Committed to meet obligations with progressive rehabilitation of the Kangaroo Flat Mine site underway.

The Company's main focus for the Kangaroo Flat Mine is to sell all, or a substantial part of, the asset should an appropriate offer be presented by an interested party.

Senior Management Team

- Frank Terranova – Acting Managing Director (from 30/9/15)
- Kerry Parker – Chief Financial Officer
- Melanie Leydin – Company Secretary
- Angela Lorrigan – General Manager – Discovery and Growth
- Rob McLean – General Manager Operations



Photo: Paul Rouse (PYBAR), Andrew McIlwain (Unity) and Clive Jones (Unity).

LETTER FROM THE CHAIRMAN



Dear Fellow Shareholders

Set against the backdrop of softening commodity prices and investor sentiment, as flagged in last year's report, a variety of detailed plans were implemented to address these issues and I am pleased to report that the company has recovered and is now well placed to further deliver increased shareholder value.

The 2015 financial year has been a turnaround year for our company. Both production and cost performance at Henty have exceeded expectations and this, with a rigorous focus on cost control across the business, has seen a significant improvement in the financial performance of the company.

Late in calendar 2014, we made a decision to revisit the existing approvals for the development of the Dargues project in NSW. Understanding that this would be challenging given the previous approvals process and commitments, an extensive community engagement process was implemented in an effort to see this modification application succeed.

Key to Unity's prosperity going forward will be the commencement of development at the Dargues Project and the delivery of exploration success under the Farm-In Agreement with the PYBAR Group at Henty.

Generating cash at Henty

During the 2015 financial year, the Henty Gold Mine in Tasmania produced 50,450 gold ounces, an increase of 33% on the previous year. The increased production was primarily due to both the improved ground control techniques and mine planning and scheduling that was introduced enabling a substantially improved mine production result – both in tonnes and grade.

The particularly challenging ground conditions that had been encountered in the previous year were mitigated by focussed geotechnical expertise, which facilitated an improved delivery of mine plans. Sustained ore production from the mine – predominantly from Newton, Read and Darwin South zones - provided the opportunity for the feed to the process plant to be blended, thereby providing a more uniform processed ore grade and consequently improved overall recoveries.

As was announced in July 2014 the Company instigated a plan to maximise cash generation through the recovery of the remaining higher confidence and higher margin reserves. Whilst there has been some additional ore identified and mined, facilitating the generation of additional revenue, the Henty Gold Mine is on track as planned to transition onto care and maintenance in late 2015.

Focus on sustainable cost reductions

In response to the anticipated lower gold price environment and challenging equity markets, the focussed cost reduction program continued to be vigorously pursued across the Unity group during the 2015 financial year. Further reduction in mining, processing and site administration costs and corporate overheads were achieved.

Supporting this, the company has seen an “across the sector” reduction in salaries and the costs associated with the provision of goods and services. These reductions bode well for the anticipated reduction in capital and operating costs for the Dargues Project.

Maintaining this focus the Board also resolved that, for the third consecutive year, there will be no increase to salaries. The Board also accepted the further voluntary reduction in the Managing Director's salary.

LETTER FROM THE CHAIRMAN (continued)

Positioning the Dargues and Henty Gold Mines for future growth

Initial development of the main access and box-cut at the Dargues project was completed in late 2013. The subsequent detailed review to deliver the optimum project outcomes focussed on the mining, processing and funding options.

The technical studies reviewed a comprehensive range of processing solutions and mine optimisation, resulting in the decision to seek to amend a number of elements of the existing approvals at Dargues Gold Mine. Primary to these changes was the desired ability to complete gold processing using conventional cyanide extraction on-site.

During September 2015, Unity announced that it was withdrawing those changes that it was seeking relating to on-site cyanide processing. Unity is confident of receiving approval for the remaining elements in the coming weeks.

The company remains committed to advancing the Dargues Gold Mine and will ensure that its development is consistent with the company's objectives of ensuring that all stakeholders are treated respectfully and that we pursue excellence in every aspect of our business.

At Henty, in early calendar 2015 the Company executed a landmark agreement with the PYBAR Group of companies to undertake up to \$5m of exploration development and earn up to a 50% equity ownership in the Henty Gold Mine's assets.

The Henty mine remains a strategic and highly prospective asset to the Company and Unity's goal is to work closely with the PYBAR Group on the comprehensive in-mine exploration programme. Early success in this exploration program has been encouraging with the ultimate objective of delineating sufficient reserves and resources to restart production.

Optionality in Africa and realising value from Bendigo assets

In October 2014, GoldStone shareholders approved a placement to Stratex International Plc, enabling GoldStone to gain an experienced and well-funded shareholder with a proven track record of turning small to medium sized gold assets into cash generating enterprises. Whilst this placement diluted Unity's shareholding to around 19%, GoldStone is in an improved position to advance its prospects.

Unity has continued to seek to realise value from its Kangaroo Flat assets in Bendigo. Numerous parties have expressed interest in both the tenements and the plant and equipment. Discussions in this regard are continuing and the Board are confident in realising the latent value of these assets.

Financial performance and asset values

Higher gold production from the Henty Gold Mine and the improved average gold price for the financial year, resulted in a \$22.7 million – or a 42% increase in revenue. The Company generated a gross profit from mining operations of \$23.4 million, which after interest, exploration, corporate and other non-cash expenses resulted in a small total net loss of \$0.6 million for the 2015 financial year. The non-cash impairment charges reflect the delayed commencement of the development of the Dargues Gold Mine and the taking up of redundancy costs associated with the planned closure of the Henty Gold Mine in November 2015.

Operating safely and in compliance

The health and safety of our employees and contractors remains a core value of Unity. Implementing strategies to identify and manage risks in our workplaces remains our highest priority. The 2015 financial year saw the continued engagement through the SafetyCircle program at the Henty Gold Mine.

In the environment of the challenging year at the Henty Gold Mine, managing both the transition to closure and the geotechnical issues within the mine, the team retained an unrelenting focus on operating safely. Whilst no serious debilitating injuries occurred, unfortunately the lost time injury frequency rate (LTIFR) for the 2015 financial year was 12.8 (injuries per million man hours worked), and the total reportable injury frequency rate was 28. Both of these metrics reflected deterioration from the previous year.

Board and management changes

On 8 September 2015, Andrew McIlwain advised the Unity Board that he would be stepping down from his position as Managing Director and Chief Executive Officer with effect from 30 September 2015.

Unity has made a number of significant achievements during Andrew's tenure, which include:

- The strong production and operational performance of the Henty Gold Mine Project in Western Tasmania;
- The significant recent turn-around in the Company's financial position, to the strong position where it is today, with cash holdings of approximately \$30 million;
- The acquisition of the Dargues Gold Mine Project for Unity, via its merger with ASX Listed Cortona Resources in 2013; and
- The securing of the strategic joint venture partnership with the PYBAR group in early 2015, along with PYBAR securing an approximate 12% equity stake in Unity.

The Unity Board expresses its sincere thanks to Andrew for all of his hard work, efforts and achievements during his 4 year tenure as Unity's Managing Director and Chief Executive Officer, in particular for his significant efforts in getting Unity to its current strong financial position.

Following the significant turnaround in Unity's financial performance to its strong cash position today, and given the changing roles in management and recent changes in composition of the Unity share register, both myself and Ronnie Beevor have advised the Board of our intention to retire from the Unity Board at or prior to the Company's AGM which will be held on 18 November 2015. An external search has commenced for all of the positions and a further announcement will be made in the coming weeks as these appointments are progressed.

Outlook for the 2016 financial year

As the Henty Gold Mine transitions to care and maintenance, the unwavering focus will remain on cost control. The majority of the Henty Gold Mine workforce will be made redundant by December 2015, with sufficient staff retained to support the PYBAR exploration drill program and the care and maintenance program.

Summer of 2015/16 will see a significant regional exploration program undertaken across the Henty exploration tenements. The often noted Tyndall Creek prospect will be drilled this year.

The Company will also focus on advancing the commencement of development at the Dargues Project.

While the Unity Board and management are primarily focused on the existing portfolio of gold mining assets, the Company will continue to seek new business opportunities that have potential to grow and diversify sources of production and increase shareholder value.

Thank you for your continuing support.



Clive Jones
Chairman

HENTY GOLD MINE OPERATIONS

Background and History

The Henty Gold Mine is an underground gold mine that commenced operation in 1996 and is located in glaciated mountainous terrain in the upper Henty Valley on the West Coast of Tasmania, adjacent to the Southwest Conservation Area. The nearest main towns are Rosebery, 10 kilometres to the north, Zeehan, 19 kilometres to the west and Queenstown, 23 kilometres to the south.

Henty lies within the mineral rich Mt. Read Volcanic Belt in Western Tasmania that hosts the Hellyer, Que River, Rosebery, Hercules and Mount Lyell base metal deposits. The eastern side of the belt is dominated by the Henty Fault which runs north-east for over 60 kilometres between Mount Charter and Mount Read. The Henty operation is based on a series of structurally complex high-grade zones of gold mineralisation that occur within a package of highly altered volcanic rock adjacent to the Henty Fault.

Access from surface to the series of orebodies at Henty is via shaft and decline, linked to a common portal exit. Mining methods used at Henty vary according to the ore body geometry and geotechnical characteristics of the ore body and host rock. The main mining methods are longhole bench stoping, transverse open stoping and flatbacking (cut and fill). Stopes are filled with either paste fill or mullock.

The process plant has an annual plant capacity of 300,000 tonnes per year and utilises a static grizzly, SAG mill, gravity circuit and conventional CIL plant.

Summary of 2015 Operations

This year's business plan was aimed at minimising operating costs by only completing essential development and infill drilling to allow the mining of the defined reserves in Newton, Darwin South and Read zones.

Exploration

Limited infill drilling was completed in Read, Newton and Darwin South zones during the year with drilling suspended in September 2014.

HMR commenced drilling onsite in June 2015 as part of the PYBAR JV agreement and commenced drilling in the Read and Darwin South zones.

A total of 264,041 tonnes of ore was processed at a grade of 6.3 g/t gold to produce 50,450 ounces of gold at a cash operating cost of \$870/oz, including royalties of \$69/oz.

Development

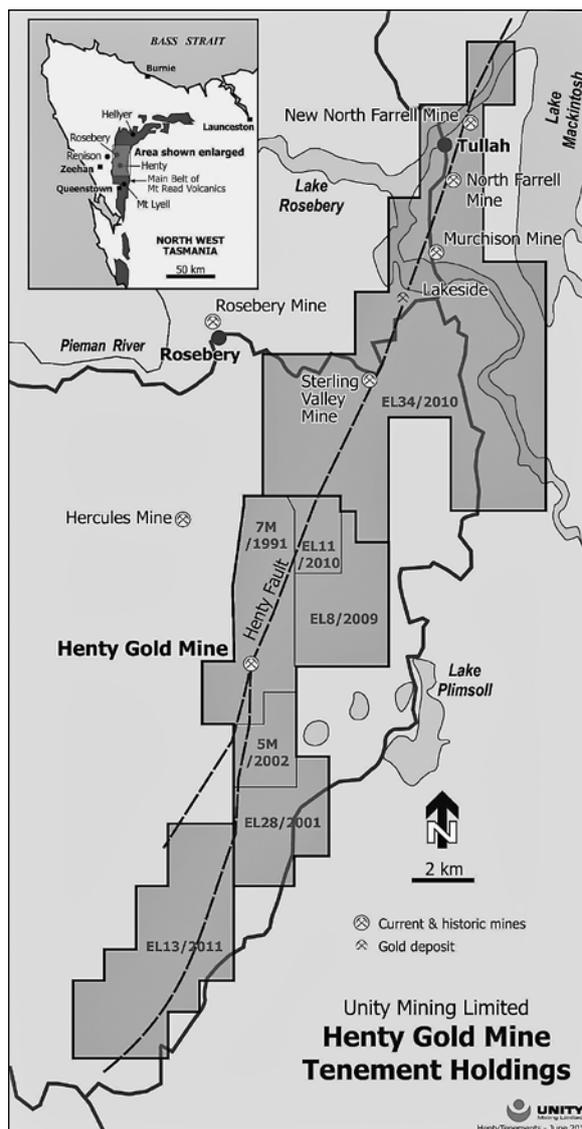
Underground development of 2,176 metres was completed.

The majority of the development (60%) was completed in Darwin South and 22% in Newton where the focus was on establishing multiple level horizons for future stoping.

Development also advanced in the Read zone with 18% of the metres being completed in this area.

Production

Total ore mined was 268,147 tonnes consisting of 196,391 tonnes from bench stoping, 12,361 tonnes from flat backing and 59,395 tonnes from development.



The majority of stope tonnes were sourced from the Newton zone (74%). Darwin South contributed 23% of stoping tonnes and minor contributions were sourced from Read (3%).

Stoping within the Newton zone focussed primarily on two discrete zones (a footwall zone and a hangingwall zone). Ground conditions were challenging as the zone of alteration was subject to considerable deformation as stoping advanced.

The processing plant operated on a 24 hour, 7 day week basis with shutdowns for scheduled maintenance.

Total gold production was 50,450 ounces as detailed in the following table.

	30 June 2015	30 June 2014
Tonnes mined	268,147	247,230
Tonnes processed	264,041	240,297
Grade (g/t gold)	6.3	5.3
Recovery (%)	93.8	93.4
Gold produced (oz)	50,450	38,067
Cash operating cost (A\$/oz) – excl. royalties	801	1164
Cash operating cost (A\$/oz) – incl. royalties	870	1203
All-In Sustaining cost (A\$/oz)	891	1438
Cash operating cost (A\$/t)	166	191

Exploration

1. Tasmania

Exploration at Henty was focussed on targets accessible from inside the mine.

Near Mine Targets

Underground drilling had previously located high grade mineralisation in the South Darwin area. On 4 June 2015 the drilling program funded by Diversified Minerals Ltd as part of a Farm-In Arrangement commenced and drilling continues and has recently identified new mineralisation in the Darwin South Zone.

Regional Targets

Unity holds a 135 sq km package of contiguous tenements in the vicinity of Henty Mine. This includes the Henty Mine Leases. These tenements are centred on the Henty Fault, which is thought to be a major control on gold mineralisation. Other controls are the Great Lyell Fault and subsidiary structures and

an altered package of Cambrian Volcanics. These, or their correlates, also occur within the tenements, all of which are considered prospective for Henty-style mineralisation.

There was no drilling on these tenements during the year.

Firetower

Unity discontinued a Farm-In Arrangement over the Firetower Project with Greatland Pty. Ltd. in June 2015.

2. New South Wales

Near-mine Exploration

Exploration was limited to interpretation of soil sampling and I.P. electrical geophysics data collected at the end of FY 2014.

Regional NSW Exploration

In addition to the ground holding around Dargues, Unity holds other ground in NSW. Of particular note is the “Booth’s Reward” tenement near Gundagai. A drilling program of 6 holes was completed on this tenement in November 2014. A gold-bearing structure was identified. The best intersection was in BRRC 16, being 20 m at 2 g/t Au, from 73-93 m, including **3 m at 6.6 g/t Au**, from 73-76 m and **1 m at 12.5 g/t Au**, from 92-93m.

PYBAR

PYBAR

On 27 April 2015, Unity announced the execution of a landmark Farm-In Agreement that will see up to \$5 million spent on Henty mine exploration over an 18 month period.

Under the Agreement, Diversified Minerals Pty Ltd (Diversified Minerals) - a 100% owned subsidiary of the PYBAR Group (PYBAR) - will fund a comprehensive 3 stage drilling program focussed on resource delineation with a view to recommencing sustainable production.

Anticipated to include approximately 40,000-50,000 metres of underground drilling, the Agreement allows Diversified Minerals to earn up to 50% Joint Venture ownership in the Henty Mine.

The drilling program will be undertaken by a PYBAR Group company focussed on using locally based employees.

The Agreement signed with the PYBAR group establishes the next phase of Henty's long and successful production history. Unity, with its strong cash reserves will focus on the development of its 100% owned NSW Dargues Gold Project and other corporate opportunities, whilst the PYBAR group will sole fund the exploration program at Henty over an 18 month period aimed at defining resources and reserves for a future restart of sustainable production at Henty.

About PYBAR

Delivering expert capability without the complexity, the PYBAR group includes a number of specialty companies and divisions, comprising of underground mining contractor - PYBAR Mining Services with divisions in raiseboring, production drilling, cablebolting and shotcreting, mining electrical - JT Mining Electrical Contractors, Mine Services and HMR Drilling services - exploration drilling contractor. These entities operate as individual or an internally co-ordinated complete service.

PYBAR's expertise – in collaboration with their clients – provides more profitable approaches to mining projects, new ways to overcome problems and ensuring optimal equipment utilisation with safety as a number one focus.

What makes the PYBAR Group unique is a combination of flexibility, speed and mining know-how that is backed by significant resourcing, established infrastructure and an Australia-wide project network in NSW, QLD, WA, VIC and SA.

PYBAR employs 800+ people across 14 mining projects supported by a fleet of over 300 pieces of mining machinery & equipment.

PYBAR's size and rapid growth over just 21 years is testament to its performance driven team.



Photo: Aerial Photo – Henty Gold Mine

DARGUES GOLD MINE

Background and History

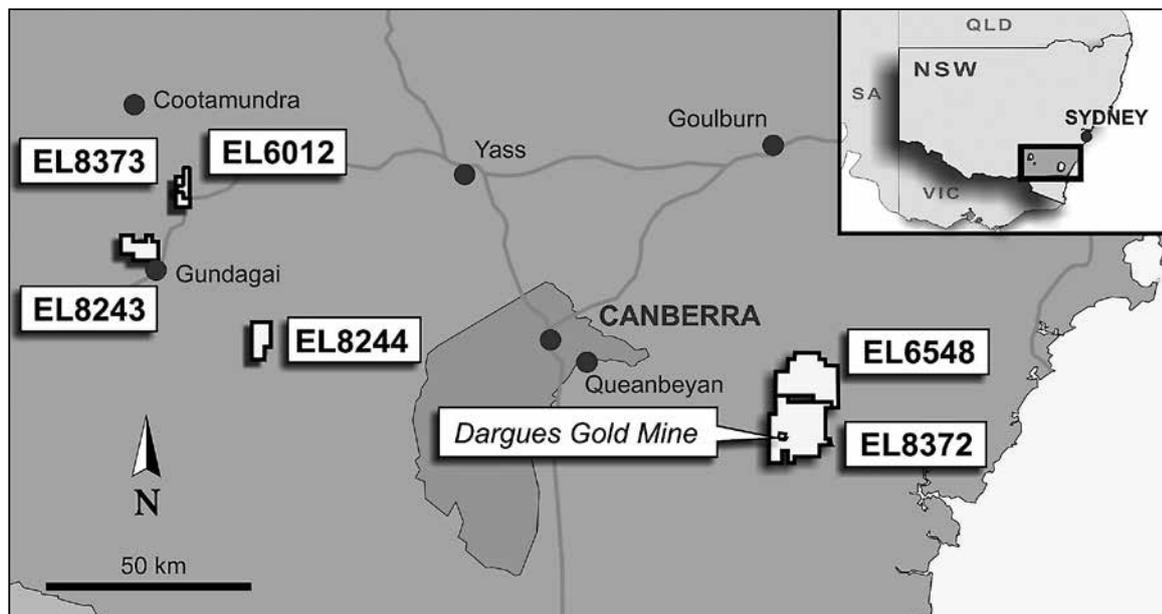
The Dargues Gold Mine is located approximately 60km southeast of Canberra, 13km south of Braidwood and immediately north of the village of Majors Creek. The Dargues Reef ore body was originally discovered in the early 1870's by Mr. James Dargue. Mining over the next 20 years consisted of sinking the Main Shaft and development of a small open cut. Additional shafts were excavated between 1870 and 1891 and then again between 1914 and 1916 by various parties. Historic gold production from Dargues Reef is estimated at a minimal 2,000 tonnes at a grade of 14 g/t of gold.

Since 2004, in excess of 340 holes have been drilled at Dargues Reef. The identified resources and reserves within the Project were last updated in June 2010, and stand at 1.615Mt @ 6.3g/t Au (327,300 oz of gold). A scoping study confirmed that the project is cash positive at a gold price of \$1,150/oz and an average grade of 6g/t Au. The study concluded that the Project would support a viable underground mining operation. Since the initial study a Definitive Feasibility Study and an Environmental Assessment has been conducted and the potential for an even more robust project identified.

The Dargues Gold Mine Project will comprise an underground gold mine (decline), a run-of-mine (ROM) Pad, temporary waste rock emplacement, crushing facility, gold processing plant, tailings storage facility and associated infrastructure.

Project Credentials

- Fully approved, ready to develop – cyanide offsite
- Resources: 1.6Mt at 6.3g/t for 327 koz gold
- Reserves: 1.4Mt at 5.2g/t for 233 koz gold
- Underground – ~50,000oz gold pa, 5 year mine life
- Estimated cost to complete – ~\$60M
- Estimated cash operating cost of \$800/oz
- Deposit remains open at depth, near mine & regional exploration upside
- Application to modify existing project approvals
 - Environmental Assessment Exhibition Period – now closed
 - Modifications relating to cyanide processing on-site were withdrawn in September 2015
 - Alternate sites for processing currently being assessed



BENDIGO PROJECT

The Kangaroo Flat Mine remained on care and maintenance throughout the period.

There has been no gold production from the Kangaroo Flat Mine since the suspension of production in the 2011 year, with the mine remaining on full care and maintenance.

The Company’s main focus for the Kangaroo Flat Mine is to sell all, or a substantial part of, the asset should an appropriate offer be presented by an interested party.

The Company has been actively and aggressively pursuing interested parties surrounding the potential sale of all of the Bendigo assets, including the Kangaroo Flat Mine processing plant.



GOLDSTONE RESOURCES

GoldStone Resources Limited (GoldStone) is an AIM-listed exploration company based in South Africa with exploration skills focused on gold in West and Central Africa.

GoldStone’s projects are located in Ghana, Senegal and Gabon, and range from grassroots to advanced exploration, with the Homase project hosting in excess of 600,000 ounces of gold.

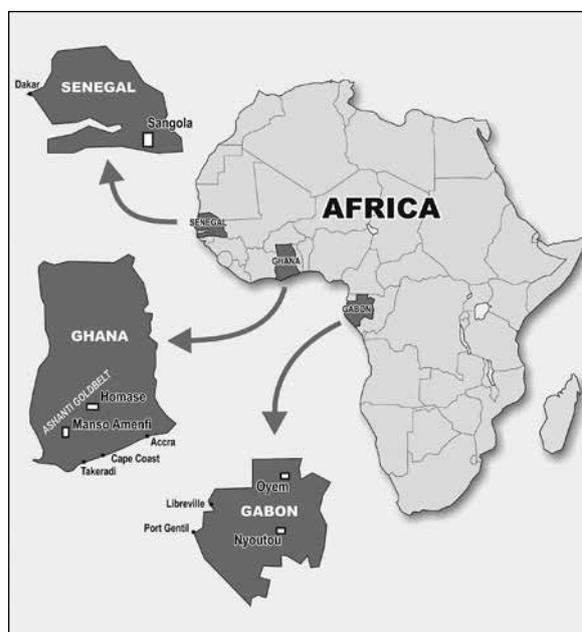
Unity Mining holds a 19.2% equity interest in GoldStone (approximately 31% at 30 June 2014), and has one board seat.

Unity’s equity holding in GoldStone was diluted to 19.2% during the period following a £1.250 (\$AUD \$2.268) million share subscription by AIM-listed Stratex International Plc.

The Company’s present strategy in relation to this asset is to divest its investment position going forward, as the asset is non-core to Unity.

Goldstone’s key assets comprise:

- Ghana
 - Homase/Akrokerry
602,000 oz resource near Obuasi
 - Manso Amenfi
Gold anomalies identified
- Senegal
 - Sangola
JV signed with Randgold
- Gabon
 - Oyem & Ngoutou
Two >10 km long gold anomalies



RESOURCES AND RESERVES STATEMENT

The following statement of Mineral Resources and Ore Reserves conforms to the Australasian code for Reporting Exploration, Mineral Resources and Ore Reserves (JORC code) 2012 Edition. All tonnages reported are dry metric tonnes. Minor discrepancies may occur due to rounding to appropriate significant figures.

Mineral Resources

Mineral Resources Estimate at 30 June 2015

	Measured			Indicated			Inferred			Total		
	kt	g/t gold	koz	kt	g/t gold	koz	kt	g/t gold	koz	kt	g/t gold	koz
Henty	846	4.6	125	423	4.3	58	297	5.0	48	1565	4.6	231
Dargues	378	7.2	88	818	6.8	179	420	4.5	61	1616	6.3	327

Ore Reserves

The Ore Reserves are a subset of Mineral Resources.

Ore Reserves Estimate at 30 June 2015

	Proved			Probable			Total		
	kt	g/t gold	koz	kt	g/t gold	koz	kt	g/t gold	koz
Henty	55	4.9	8	10	5.2	2	65	5.0	10
Dargues	476	5.3	81	913	5.2	152	1389	5.2	233

Competent Persons' Statement

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 Rob McLean in relation to Ore Reserves at Henty and 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. 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. McLean, Collier and Lorrigan are or were at the time of preparing the reports 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 are 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. Hollinger is an independent geologist employed by the Company and has more than five years' experience in 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 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. 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.

LICENCE TO OPERATE

Unity is a signatory to Enduring Value – the Australian Minerals Industry Framework for Sustainable Development. The Company produces an annual Sustainability Report, detailing environmental performance and key health, safety, environment and community activities and initiatives. The latest report is available at the Company’s web site: www.unitymining.com.au under the “Community” tab.

Health and Safety

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

The 2015 financial year saw a continuation of the SafetyCircle program at the Henty Gold Mine as the program was embedded throughout the workforce. The mine also continued with the operation InControl. InControl is a retail Health and Safety (OHS) management software system that helps streamline the safety management and risk management process. InControl includes corrective actions, email notifications and escalations, and risk and compliance management. It also includes observations, inspections, meetings, audits, injury management and supports the full range of health and safety management activities.

The system was introduced in November 2013 and is now the sole Health and Safety management system throughout the entire business.

Unity reports its performance metric reporting in line with the International Council on Mining & Metals (ICMM) Health and Safety Performance Indicator Definitions.

Across the Group there were three lost time injuries, with the full- year result of a LTIFR of 12.8 and a TRIFR of 28.

Environment

The Company’s activities are designed and operated to minimise impacts on the environment and surrounding communities.

Comprehensive environmental monitoring programs are in place at all mine sites which focus on collecting and assessing data associated with operations such as water quality, noise, air quality, blast vibration, odour, soil, groundwater and rehabilitation.

Unity is a signatory to the International Cyanide Management Code.

The Henty Gold Mine is located adjacent to the cool temperate rainforest of the South-West Conservation Area on the West Coast of Tasmania.

The Dargues Gold Mine is located on rolling pasture covered hills and remnant Ribbon Gum forests on the western slopes of the Great Dividing Range near the township of Majors Creek.

The Kangaroo Flat Mine is located within regrowth box-ironbark forest, agricultural farmland and the urban environment of the city of Bendigo in central Victoria.

Community

The Company engages openly and honestly with people affected by its operations, and takes their views and concerns into account in decision making.

The Henty Gold Mine is located 30 km north of Queenstown on the West Coast of Tasmania. At full operating capacity, the mine has approximately 150 employees and full-time contractors, and is an important employer and economic contributor to communities on Tasmania’s West Coast. The Company has a proactive approach towards informing stakeholders and contributing to local community initiatives.

The Dargues Gold Mine is located approximately 60km southeast of Canberra, 13km south of Braidwood and immediately north of the village of Majors Creek. Development of the project commenced in February 2013 and will comprise an underground gold mine (decline), a run-of-mine (ROM) Pad, temporary waste rock emplacement, crushing facility, gold processing plant, tailings storage facility and associated infrastructure. When operating at full production rate, the mine is expected to directly employ around 120 people, with further positive economic benefits to the region. The Company has established the Dargues Reef Community Consultative Committee as the key mechanism for the Company to engage and liaise with the local community, the Council and other stakeholders so that all views are heard.

Support is provided to numerous local community, sporting and cultural groups.

The Kangaroo Flat Mine surface infrastructure is located on the outskirts of Bendigo, a thriving rural city of approximately 100,000 people, some two hours by road from Melbourne, the capital of Victoria. The mine site, which is currently on care and maintenance, is located close to a highly urbanised area and considerable efforts are made to ensure community support for planned activities. The Company will continue to engage with stakeholders in relation to the Company’s ongoing activities.

DIRECTORS' REPORT

The Directors of Unity Mining Limited ('Unity' or 'Company') present their report together with the financial report for the year ended 30 June 2015.

Directors

The names and relevant details of Directors of the Company in office during or since the end of the financial year are as follows:

Directors

Clive Jones

B.App.Sc (Geol), M.AusIMM

Non-Executive Chairman

Mr Jones has been involved in the minerals industry for 25 years and has worked on the exploration for and development of projects covering a range of commodities including gold, base metals, uranium, mineral sands, iron ore and industrial minerals both in Australia and overseas. His experience covers both corporate and technical roles at senior management level. Mr Jones is currently Joint-Managing Director of Cazaly Resources Ltd, a Non-Executive Director of Bannerman Resources Ltd and is the Non-Executive Chairman of Corazon Mining Limited. All of these companies are currently listed on the Australian Stock Exchange whilst Bannerman is also jointly listed on the Toronto and Namibian Stock Exchanges. He joined the Board in January 2013 as Non-Executive Chairman and is also a member of the Company's Remuneration & Nomination Committee, Health, Safety and Environment Committee and Audit & Risk Management Committee.

Andrew McIlwain

BEng (Mining), MAusIMM

Managing Director and CEO

Mr McIlwain has over 25 years' experience in the mining industry. He is a qualified mining engineer and has held operational, technical, senior management and executive roles within Mount Isa Mines Limited, Central Norseman Gold Corporation and WMC Resources. More recently, as an independent consultant, he worked with Oxiana, Heemskirk and Tusker Gold focusing on corporate transactions. He is also Non-Executive Director and Independent Chairman of ASX-listed Emmerson Resources Limited. He joined the Unity Board as Managing Director and CEO in December 2011. He is a Non-Executive Director of AIM listed GoldStone Resources Limited.

Ronnie Beever

BA (Hons)

Non-Executive Director

Mr Beever is an investment banker and was Head of Investment Banking at N M Rothschild & Sons (Australia) Limited between 1997 and 2002. He has had extensive involvement with the natural resources industry, both in Australia and internationally. Mr Beever is Chairman of Bannerman Resources Limited and a Director of Riversdale Resources Limited and Wolf Minerals Ltd. He joined the Board in November 2002 and is Chairman of the Company's Audit & Risk Management Committee and Remuneration & Nomination Committee.

Gary Davison

Dip Min Eng., MSc (MEE), FAusIMM

Non-Executive Director

Mr Davison is a highly experienced Mining Engineer with over 35 years worldwide experience in the mining industry and is the Managing Director of the mining consultancy, Mining One Pty Ltd. He has worked for a variety of clients, worldwide, demonstrating success in mining operations especially in difficult cost environments. He was a Non-Executive Director of Lightning Nickel Pty Ltd, the nickel operating arm of Independence Group NL, from 2004 to 2012, and until recently was a Non-Executive Director of Kasbah Resources Ltd. He joined the Unity Board in September 2013 and is also a member of the Company's Audit & Risk Management Committee, Remuneration & Nomination Committee and Chairman of the Company's Health, Safety and Environment Committee.

Frank Terranova

B.Com FCA

Non-Executive Director

Mr. Terranova has extensive global experience in corporate finance and executive management. He held senior roles in a number of organisations including Normandy Mining Limited and Queensland Cotton Limited. He later became Chief Financial Officer and ultimately Managing Director of Allied Gold PLC which was subsequently acquired by St Barbara Limited in 2012. He was Managing Director of Polymetals Mining Limited and led its transformation through a merger with Southern Cross Goldfields Limited in 2013 and oversaw the combined group's growth and recapitalisation program. He joined the Board in May 2015 and is also currently Non-Executive Chairman of Taruga Gold Limited and Chesser Resources Limited. Mr. Terranova is a Fellow of the Institute of Chartered Accountants of Australia and New Zealand.

DIRECTORS' REPORT *continued*

Company Secretary

Melanie Leydin

Company Secretary

Ms Leydin has 20 years' experience in the accounting profession and is a director and Company Secretary for a number of oil and gas, junior mining and exploration entities listed on the Australian Stock Exchange.

Officers

The names and roles of other Officers of the Company during the year are disclosed in the Remuneration Report on page 23 of this report.

Directors' Meetings

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by Directors (while they were a Director or committee member).

Directors	Board of Directors		Remuneration & Nomination Committee		Audit & Risk Management Committee		Health Safety & Environment Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
C Jones	8	8	4	4	3	3	2	2
A McIlwain	8	8	-	-	-	-	-	-
R Beevor	8	8	4	4	3	3	-	-
G Davison	8	7	4	4	3	3	2	2
F Terranova	1	1	-	-	-	-	-	-

Principal Activities

The principal activities of the Company and Consolidated Entity during the financial year were:

- Gold production at the Henty Gold Mine in Tasmania;
- Care and maintenance of the Dargues Gold Mine in New South Wales, as well as refinement and lodgement of changes to proposed Mine plan;
- Care and maintenance of the Kangaroo Flat Gold Mine in Bendigo, Victoria;
- Indirect exposure to gold exploration in West Africa through an investment in AIM listed GoldStone Resources Limited ('GoldStone'); and
- Review and consideration of other Gold investment opportunities within the sector.

Review of Operations

The key activities in the 2015 financial year were gold production at the Company's Henty Gold Mine and the review and development of a variation to the existing planning approvals for the Dargues Gold Mine to incorporate cyanide leaching on-site.

Henty Gold Mine

Gold production during the 2015 financial year of 50,450 ounces was up 33% compared to the 2014 financial year (38,067 ounces). The increase in gold production was primarily the result of an increase in ore tonnes mined and processed throughout the year. Additional tonnes mined from the high grade Read Zone also contributed to a higher average head grade of 6.34g/t (2014: 5.30g/t) being achieved. Ore tonnes processed were 264,041 compared to 240,297 in the 2014 financial year. As a result of a full cost review at the Henty Gold Mine, and consequently a significant reduction in operating costs from the implementation of cost reduction measures, cash operating costs decreased significantly from A\$1,203/oz to A\$870/oz.

In the 2015 financial year, key mine activities at the Henty Gold Mine included underground development of 2,354 metres (FY14 4,348 metres) and ore mining of 268,147 tonnes (FY14 247,230 tonnes).

PYBAR Farm-In Agreement

On 27 April 2015 the Company announced the execution of a landmark Farm-In-Agreement that will see up to \$5 million spent on Henty mine exploration over an 18 month period.

DIRECTORS' REPORT *continued*

Under the agreement, Diversified Minerals Pty Ltd, a 100% owned subsidiary of PYBAR Group, committed to funding a 3 stage drilling program focused on resource delineation with a view to recommencing sustainable production from the Henty Gold Mine.

Strategies and Prospects for future financial years

The Company's short-term strategy for the Henty Gold Mine is cash maximisation from the extraction of remaining reserves prior to the mine going on care and maintenance in Q4, 2015 calendar year. Exploration drilling through the PYBAR Farm-In-Agreement will continue over the next 12 months with the focus squarely on resource delineation with a view to recommencing production at the Henty Gold Mine at a future point in time.

From a risk management perspective, volatility of the gold price poses the primary risk to the short-term financial performance of the Henty Gold Mine over the remaining Life of Mine.

Dargues Gold Mine

On 29 November 2013 the Company announced a temporary halt to the development of the Dargues Gold project in NSW pending the completion of additional technical and optimisation studies. This work was aimed at reducing the development and operating costs associated with the project, and securing project funding. During the year, work continued in reviewing key elements of the Dargues project to identify project optimisation and de-risking opportunities. The results of the review identified a clear benefit being delivered if full metallurgical processing and gold recovery was to be conducted on site at Dargues.

The proposed introduction of conducting all metallurgical processing on site created the need to vary existing project planning approvals and conditions to accommodate the addition of cyanide leaching. The preparation of the required Environmental Assessment, including substantial community engagement, was completed with the application to vary the existing project plan for the Dargues Gold Mine being lodged with the NSW Department of Planning and Environment. On 15 July 2015 the Environmental Assessment of the modifications to the Dargues Gold Mine project plan were opened on public exhibition.

Strategies and Prospects for future financial years

The Company's main focus for the Dargues Gold Mine is to recommence development of the mine pending the outcome of proposed modification to the existing project plan which have been lodged with the NSW Department of Planning and Environment.

From a risk management perspective, obtaining the necessary funding for the project and the approval of proposed modifications to the existing project plan pose the primary risk to the future financial performance of the Dargues Gold Mine.

Kangaroo Flat Mine

There was no gold production from the Kangaroo Flat Mine in the 2015 financial year, with the mine remaining on full care and maintenance throughout the period.

The Company has been actively and aggressively pursuing interested parties surrounding the potential sale of all of the Bendigo assets, including the Kangaroo Flat Mine processing plant.

Strategies and Prospects for future financial years

The Company's main focus for the Kangaroo Flat Mine is to sell all, or a substantial part of the asset, should an appropriate offer be presented by an interested party.

Given that the Kangaroo Flat Mine does not form a material part of the Company's assets and strategy, the risks associated with it are minimal. The Kangaroo Flat Mine was placed into care and maintenance in the 2012 financial year. Progressive rehabilitation of non-critical areas is underway.

GoldStone Investment

Unity's equity holding in GoldStone was diluted to 19.2% during the period following a £1.250 (AUD 2.268) million share subscription by AIM-listed Stratex International Plc. As a consequence of this, and a corresponding reduction in Unity's representation on the GoldStone Board, the Company ceased recognising its investment as an "Investment in Associated Entities". The Company has accounted for its remaining 19.2% interest in GoldStone as an Available-For-Sale Financial Asset measured at fair value based on the spot price of GoldStone shares at 30 June 2015.

Strategies and Prospects for future financial years

The Company's present strategy in relation to this asset is to divest its investment position going forward, as the asset is non-core to Unity.

DIRECTORS' REPORT *continued*

Financial Position

The capital structure of the Company was subject to the following changes during the year:

- The issue of 7,190,155 ordinary shares to Executive management on redundancy as part of an accelerated event under the terms of the Company's 2010 Long Term Incentive Plan ("LTIP").
- Under the 2010 LTIP in place for Key Management Personnel, 7,112,018 performance rights were issued during the year. A total of 2,580,572 rights lapsed as a result of the termination of employment of Key Management personnel, with 1,228,297 unvested rights also expiring during the year. As at 30 June 2015 a total of 9,580,674 performance rights were on issue with conversion to ordinary shares contingent on the achievement of performance hurdles over a three year performance period.

Other key matters of note on the Consolidated Entity's financial position at balance date or operating performance for the period included the following:

- The Company reported a cash position of \$28.461 million as at 30 June 2015;
- Cashflow from operations for the 2015 financial year was \$21.562 million, with \$1.796 million invested back into the business;
- An Impairment write-down of \$0.785 million was recorded in relation to the Company's investment in GoldStone;
- An Impairment write-down of \$2.465 million was recorded in relation to mine property, plant and equipment assets at the Dargues Gold Mine;
- An Impairment write-down of \$5.220 million was recorded in relation to the carrying value of Kangaroo Flat assets;
- A provision for Stock obsolescence of \$2.056 million was raised in relation to Henty stores inventory; and
- A Redundancy provision of \$5.139 million was recorded, associated with the transition of the Henty Gold Mine to care and maintenance in H2 2015 calendar year.

The impairment write-down of \$2.465 million recorded at Dargues Gold Mine was the result of the suspension and deferral of development of the project and the adoption of a revised project development plan.

State of Affairs

Cashflow from operating activities was \$21.562 million during the 2015 financial year, with \$1.796 million invested in mine development. Other material cashflows in the year included \$0.309 million for repayment of lease liabilities and a \$1.939 million net inflow from the return of rehabilitation bonds. The Company's closing cash position at 30 June 2015 was \$28.461 million.

The Company generated a gross trading profit of \$23.449 million, which after non-cash impairment write-downs, interest, exploration, corporate and other expenses resulted in a total net loss of \$0.565 million for the 2015 financial year. After adjustments to other comprehensive income, total comprehensive loss for the year was \$0.487 million.

The \$22.721 million increase in revenue relative to the prior period was the result of a significant increase in gold production for the year stemming from higher ore tonnes processed at the Henty Gold Mine and an overall increase in head grade.

The Company continued its significant cost cutting program during the 2015 year which positively impacted the cash cost of the Henty Gold Mine.

The state of the Company's affairs is disclosed in detail in the Financial Statements and the notes thereto.

Other than noted above, in the Future Developments section below and in the Subsequent Events section, no significant changes in the state of affairs of the Company occurred during or since the end of the financial year.

Future Developments

The Company's short-term strategy for the Henty Gold Mine is cash maximisation from the extraction of remaining reserves prior to the mine going on care and maintenance in Q4, 2015 calendar year.

Exploration drilling through the PYBAR Farm-In-Agreement at Henty will continue over the next 12 months with the focus squarely on resource delineation with a view to recommencing production at the Henty Gold Mine at a future point in time.

Advancing the development of the Dargues Gold Mine will continue throughout the 2015-16 financial year, with a range of activities to be undertaken with a view to securing an optimal gold processing path, completion of a revised definitive feasibility study and funding in order to recommence construction as soon as possible. The Company continues to maintain an exploration program in New South Wales, including tenements adjacent to the Dargues Gold Mine where numerous targets have been identified which have the potential to add near-term increases to mine life.

DIRECTORS' REPORT *continued*

The Company's main focus for the Dargues Gold Mine is to recommence development of the mine pending the outcome of proposed modification to the existing project plan which has been lodged with the NSW Department of Planning and Environment.

The Company's main focus for the Kangaroo Flat Mine is to sell all, or a substantial part of the asset, should an appropriate offer be presented by an interested party.

While the Unity board and management are primarily focused on the existing portfolio of gold mining assets, the Company will also continue to seek new business opportunities that have potential to grow and diversify sources of production and increase shareholder value.

Subsequent Events

Subsequent to the end of the financial year, but prior to the date of this report, the following additional matters or events have arisen:

A Notice of General Meeting

On 27 July 2015 Unity announced that a General Meeting of Shareholders will be held on 31 August 2015, to consider three general resolutions to be put to shareholders. The first of these three resolutions relates to a proposed Return of Capital in the amount of \$0.005 (0.5 cents) per share (see below). The remaining two resolutions relate to the proposed implementation of an Executive Incentive Plan for Directors, Managing Director, and other key Executive and Management personnel, and the proposed grant of 18,752,654 Options to Mr Andrew McIlwain (Managing Director and Chief Executive Officer of the Company).

B Return of Capital

On 27 July 2015 Unity announced a proposed Return of Capital to all shareholders on the register as of Friday 4 September 2015. The proposed Return of Capital is in the amount of \$0.005 (0.5 cents) per share. A total amount of \$5,701,564 will be returned to shareholders (exclusive of costs associated with the Return of Capital).

In light of Unity's strategic intent, the Directors have recently completed a detailed assessment of Unity's short to medium term capital requirements. Subject to any unforeseen events, the Directors believe that Unity has more than sufficient capital to progress its strategic objectives in the near term.

Compared to many other companies within the sector, Unity is well placed to balance the need for appropriate capital management whilst continuing to assess the best way forward for growth.

The capital management program is an ongoing assessment and judgment call by the Board. The ability to consider the proposed return of capital reflects the efforts of the management team in turning around the company and delivering the financial performance seen from Henty over the last 12 months. The Directors will continue to formally review Unity's capital requirements on a periodic basis in order to determine the best use of capital as the Company progresses.

C Unmarketable Parcel Sale Program

On 3 August 2015 Unity announced an Unmarketable Parcel Sale Program to provide smaller shareholders with an opportunity to sell their shareholding in Unity without incurring brokerage or handling costs.

This program is open to Australian and New Zealand registered shareholders who at 7 pm on 30 July 2015 held fully-paid ordinary shares in Unity with a value of less than \$500. The program closes at 5 pm on 18 September 2015.

The Unmarketable Parcel Sale Program is being conducted to enable Unity to substantially reduce the administrative cost of managing small shareholdings and it will also enable investors with small holdings, who may find it difficult or expensive to dispose of those shares through normal means, to dispose of their small holdings in a cost effective manner.

Unity will bear all brokerage and handling fees related to sales under this program.

Affected shareholders have the option of selling their shareholdings under the Unmarketable Parcel Sale Program, or retaining their shares.

DIRECTORS' REPORT *continued*

Directors' Shareholdings

Particulars of Ordinary Shares and Performance Rights to purchase or receive Ordinary Shares in the Company, in which Directors have a relevant interest at the date of this report, are as follows:

Director	Ordinary Shares	Performance Rights
C Jones	2,453,634	-
A McIlwain ⁽¹⁾	1,649,586	2,771,702
R Beevor	842,492	-
G Davison	310,195	-
F Terranova	23,975,000	-

⁽¹⁾ Refer to the remuneration report contained within the Directors' Report for full details of the Performance Rights.

Directorships of Other Listed Companies

Directorships of other listed companies held by Directors in the 3 years immediately before the end of the financial year were as follows:

Director	Company	Period
Clive Jones (Chairman)	Cazaly Resources Limited	September 2013 – to date
	Bannerman Resources Limited (ASX/TSX)	August 2008 – to date
	Corazon Mining Limited	January 2009 – to date
	Cortona Resources Limited	January 2006 to January 2013
Andrew McIlwain (Managing Director & CEO)	Emmerson Resources Limited	February 2007 – to date
	Kidman Resources Limited	October 2011 – October 2014
	GoldStone Resources Limited	December 2011 – to date
Ronnie Beevor	EMED Mining Public Limited (ASX/TSX)	November 2004 to December 2014
	Bannerman Resources Limited (ASX/TSX)	July 2009 – to date
	Rey Resources Limited	August 2010 to November 2012
	Talison Lithium Limited (TSX)	August 2010 to March 2013
	Ampella Mining Limited	July 2011 to March 2014
	Bullabulling Gold Limited	July 2012 to August 2014
	Wolf Minerals Limited	October 2013 – to date
Gary Davison	Kasbah Resources Limited	March 2011 to June 2015
Frank Terranova	Taruga Gold Limited	September 2013 - to date
	Chesser Resources Limited	February 2015 – to date
	Polymetals Mining Limited	February 2013 to August 2013
	Southern Cross Goldfields Limited	August 2013 to September 2014
	Allied Gold Plc	December 2008 to August 2012

DIRECTORS' REPORT *continued*

Performance Rights

Under the Company's 2010 long term incentive plan, Andrew McIlwain has been granted a maximum of 3,999,999 conditional Performance Rights. The Performance Rights were issued in three tranches from 2011 to 2014. The introduction of the 2010 long term incentive plan was approved by shareholders at the company's 2012 Annual General Meeting.

In FY13 members of the company's senior management team were invited to participate in the 2010 long term incentive plan.

The Performance Rights provide the opportunity to receive fully paid ordinary shares for nil cost, contingent on achieving a performance hurdle over a three year performance period.

Refer to the Remuneration Report contained within the Directors' Report and to Note 22 to the financial statements for full details of the Performance Rights.

Indemnification

The Company has entered into a Deed of Access, Insurance and Indemnity with each of the Directors and Officers to indemnify each Director and Officer to the extent permitted by law against certain liabilities and legal costs incurred whilst acting in his or her capacity as a Director or Officer.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 29.

Non-audit Services

During the year the Company did not engage the services of its external auditor Deloitte Touche Tohmatsu to provide any material non-audit services.

Environmental Performance

The Company aims to conduct its operations within the ambit of regulatory requirements, standards and codes of practice particularly those relating to noise, air quality, blast vibration, odour and water treatment, and in line with current community expectations for responsible and sustainable practice.

During the 2015 financial year, one reportable environmental incident occurred at the Henty Gold Mine. A join in the mine dewatering pipeline failed adjacent to the Henty River and some 180 kL of untreated mine water was released. Samples taken upstream and downstream at the time of the incident indicated a minor increase in total iron and manganese downstream of the release compared to downstream, overall the impact was minor and of very short duration. There has been no regulatory response or action in relation to this incident.

During the reported period, limits prescribed as part of the environmental monitoring program at Henty were exceeded on 2 occasions, both of which were related to low water levels during the summer period.

No exceedances of relevant limits were detected at the Dargues Gold Mine.

Dividend

In respect of the financial year ended 30 June 2015, no dividend has been paid or declared and no recommendation is made as to dividends.

Rounding of Amounts

The Company is a company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated. All amounts are presented in Australian dollars, unless otherwise noted.

Remuneration Report – Audited

It is the Board's policy that remuneration packages reflect market conditions and the duties and responsibilities of the positions. The remuneration packages also recognise and reward performance, and provide an incentive to pursue the long term growth objectives of the Company within an appropriate control framework.

DIRECTORS' REPORT *continued*

Remuneration Report – Audited *continued*

Non-Executive Directors

Non-executive Directors' fees reflect the responsibilities and demands made of the Directors. Guidance is obtained as required from independent industry surveys and other sources to ensure that Directors' fees are appropriate and in line with the market. The Chairman's fees reflect the additional responsibilities of the role and are based on comparative positions in the industry.

Effective 1 July 2014, in connection with the Company's on-going cost cutting program a further cut to Director's fees was implemented. The Board fees for the 2015 financial year have remained at these reduced levels, with the Board fee for Non-executive Directors being \$40,000 and \$100,000 for the Chairman. Fees are no longer paid to general members of Board sub-committees, however, a fee of \$3,000 per annum is paid to the Chairman of each Board subcommittee.

Statutory superannuation contributions are also paid on Board and Committee fees. The maximum total Directors' fee pool approved by shareholders which may be paid by the Company to all the non-executive Directors is \$500,000 per year.

Company Executives

Executive Officers of the Company as at 30 June 2015 are the Managing Director and CEO and the Chief Financial Officer. Other Key Management Personnel of the Company are the General Manager Henty Gold Mine and General Manager – Discovery & Growth.

The Company's remuneration arrangements have been designed to maintain alignment with the shareholders' interests (both short term and long term) and to ensure remuneration remains competitive. This is to enable the Company to retain and attract talented people, who are vital to delivering a sustainable and prosperous future, and therefore achieve its strategic objectives and maximise shareholder value.

The remuneration structure for Executive Officers and Other Key Management Personnel comprises fixed and variable remuneration. Fixed remuneration includes base salary, superannuation and any applicable fringe benefits. Variable remuneration includes short term and long term incentive payments which are typically cash and/or share-based and contingent on achieving share price and/or performance hurdles.

The cost cutting program undertaken across the Unity group continued in the current year with the fixed remuneration of the Managing Director and CEO being reduced by a further 10% effective 1 August 2015. This reduction is on top of the 15% reduction taken in FY14. In light of current market conditions and the desire of the Board to further the Company's cost cutting initiatives, the Board resolved not to grant any increase to the fixed annual remuneration of the Executive Officers and Key Management Personnel for the 2015 financial year.

Given the various cost reduction initiatives implemented by the Board during the year under review, the Board and Remuneration and Nomination Committee did not consider it necessary to engage external remuneration consultants to assist with the determination of remuneration for 2015.

The composition of the Remuneration & Nomination Committee is such that all members are non-executive directors of the Company, satisfying the Board of Directors that the remuneration recommendations made by the Committee are well informed and free from any bias or undue influence.

Long Term Incentive Plans

An Executive Long Term Incentive Plan ('LTIP') was introduced during the 2011 financial year for the Managing Director & CEO and the Chief Financial Officer. During the 2013 financial year, participation in this plan was extended to other members of the senior management team. Under the LTIP the Company has made annual grants to Executive Officers and Key Management Personnel of conditional Performance Rights to receive Ordinary Fully Paid Shares in the Company by way of issue for nil cost. The vesting of Performance Rights is contingent on the Company achieving performance hurdles over a three year performance period.

The 'at risk' value of the annual grant of Performance Rights, over the three year plan has represented 30% of the Executive Officers' and Key Management Personnel's total fixed remuneration. The actual number of Performance Rights granted each year was calculated by dividing 30% of each person's total fixed remuneration by the Volume Weighted Average Price (VWAP) of the Company Shares in the one-month preceding the grant date. The maximum number of performance rights that have been issued under the plan are as follows:

• A McIlwain	3,999,999 Performance Rights;	
• B Stockdale	3,724,950 Performance Rights	(resigned during FY2015)
• T Davis	5,244,231 Performance Rights	(redundant during FY2015)
• S Jones	4,465,020 Performance Rights;	
• A Lorrigan	2,343,951 Performance Rights;	
• B Hill	1,945,925 Performance Rights;	(redundant during FY2015)

The LTIP was approved by shareholders at the 2012 Annual General Meeting.

DIRECTORS' REPORT *continued*

Remuneration Report – Audited *continued*

The number of Performance Rights issued to Executive Officers and Key Management Personnel during the year ended 30 June 2015 was as follows;

Director/Key Management Personnel	Number of Performance Rights Issued 2014-15	Balance 30 June 2015
A McIlwain	-	2,771,702
B Stockdale ⁽¹⁾	2,580,572	-
T Davis ⁽²⁾	3,633,100	-
S Jones	-	4,465,020
A Lorrigan	535,289	2,343,952
B Hill ⁽²⁾	363,057	-
Total	7,112,018	9,580,674

⁽¹⁾ Outstanding Performance Rights lapsed on termination of employment due to resignation.

⁽²⁾ Outstanding Performance Rights were converted to fully-paid ordinary shares on termination of employment due to redundancy, in accordance with the Company's LTIP.

The Performance Rights will not vest until the Performance Date and Performance Hurdle have been achieved. The Performance Date is set at three years from the date of each grant.

In addition to the performance period of three years, the vesting of Performance Rights is subject to performance hurdles which, if not satisfied at the Performance Date, will cause the entitlements to lapse unless the Remuneration & Nomination Committee decide exceptional circumstances justify the reduction or waiver, in whole or in part, of the performance hurdles. There is no ability to re-test whether or not the performance hurdle or hurdles have been satisfied after the performance period has ended.

The number of Performance Rights that vest is determined by assessing the performance of the Company, as measured by Total Shareholder Return ('TSR') at the Performance Date relative to a comparator group of Companies (the 'Performance Hurdle'). The volume weighted average price ('VWAP') of the Company Shares in the month preceding the Performance Date compared to the VWAP of the Company shares in the month preceding the grant date, will be used in calculating TSR over the three year period. The TSR incorporates capital returns as well as dividends notionally reinvested and is considered the most appropriate means of measuring Company performance.

The broad comparator group against which Company performance is compared is the S&P/ASX All Ords Gold sub-industry index. The average index level in the month preceding the Performance Date compared to the average index level in the month preceding the grant date will be used in calculating the comparator group performance over the three-year period.

Performance Rights will only convert to Shares upon the Performance Date being reached if the Company's TSR is at least equal to the median of the comparator group performance. The entire annual allocation will convert if Company TSR is at the 75th percentile or higher than the comparator group performance. The detailed breakdown of the relationship between Company performance and the conversion of Performance Rights is:

- Zero percent converting if the Company TSR performance is below the median performance of the comparator group.
- 50 percent converting if the Company TSR performance is at the median performance of the comparator group.
- 100 per cent converting if the Company TSR performance is at or above the 75th percentile performance of the comparator group.
- Straight line pro-rata conversion between the median and 75th percentile performance.

In addition to the performance period and performance hurdle, the vesting of Performance Rights is subject to the continuing employment of the Executive Officers and Key Management Personnel. Performance Rights will generally lapse on an Executive Officer's or Key Management Personnel resignation or dismissal.

On 12 June 2015, the Company announced that it was considering a revamped long-term equity incentive plan as part of recalibrating the mix of remuneration for its executive team.

The Company's Directors believe an Executive Incentive Plan ("EIP") will form an important part of a comprehensive remuneration strategy for the Company's employees, aligning their interests with those of Shareholders by linking their overall total rewards to the long term success of the Company and its financial performance.

DIRECTORS' REPORT *continued*

Remuneration Report – Audited *continued*

The proposed introduction of the EIP for FY16 has been included in the Notice of Meeting ahead of the 31 August 2015 General Meeting. If approved, the EIP will replace the company's current LTIP with the Board resolving that no further Performance Rights will be granted to Executive Officers or Key Management Personnel under the LTIP.

Short Term Incentive Plan

A short term incentive ('STI') plan was introduced during the 2011 financial year for Executive Officers and Key Management Personnel. Under the STI plan the Company may provide an annual cash bonus up to a maximum percentage of an executive's base salary if individual key performance indicators are achieved. The applicable STI plan percentages are 35% for the Managing Director and CEO, 25% for the CFO and 20% for other Key Management Personnel.

The remuneration table on page 23 details the actual STI payments that were earned by the Executive Officers and Key Management Personnel in the 2015 financial year.

Prohibited Actions

Executive Officers and other Key Management Personnel who receive part of their remuneration in securities of the Company are prohibited from trading in any form of derivative that limits their exposure to losses that would result from share price decreases.

Recent Performance

The Total Shareholder Return (TSR) of Unity Shares is measured as the movement in share price from the start to the end of each financial year as well as dividends notionally reinvested. The TSR has been volatile over the past five years reflecting the various stages of the Company's evolving strategy and the volatility of the Gold price. TSR for FY11 was negative 45% during a period of reduced production at the Kangaroo Flat Mine and continued production at the Henty Gold Mine along with an increased exposure to West Africa via GoldStone. Despite volatile equity markets in FY12 the TSR was positive 19% due to a strong production result from the Henty Gold Mine. During FY13 the TSR was negative 41% due to a lower than expected gold price throughout the year and continuing tough market conditions. In FY14 the Company TSR was negative 86% due to tough market conditions and production issues at the Henty Gold Mine. In FY15 the Company TSR was positive 150% due to strong production results at Henty, generating significant cashflow for the Group, as well as a corporate agreement being struck to enable continued Exploration in Tasmania.

Relationship between remuneration policy and company performance

The tables below set out summary information about the consolidated entity's earnings and movements in shareholder wealth for the five years to 30 June 2015:

	30/6/2015	30/6/2014	30/6/2013	30/6/2012	30/6/2011
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	77,579	54,858	64,730	80,805	50,778
Net profit/(loss) before tax	(565)	(52,097)	(26,397)	12,875	(5,314)
Net profit/(loss) after tax	(565)	(52,097)	(26,397)	12,875	(5,314)

	30/6/2015	30/6/2014	30/6/2013	30/6/2012	30/6/2011
		\$'000	\$'000	\$'000	\$'000
Share price at start of year	\$0.01	\$0.07	\$0.12	\$0.10	\$0.19
Share price at end of year	\$0.02	\$0.01	\$0.07	\$0.12	\$0.10
Interim dividend	-	-	-	-	-
Final dividend	-	-	-	-	-
Basic earnings per share	(0.05)cps	(6.6)cps	(4.5)cps	2.5cps	(1.0)cps
Diluted earnings per share	(0.05)cps	(6.6)cps	(4.5)cps	2.5cps	(1.0)cps

Director and Executive Details

The Directors, Executive Officers and other Key Management Personnel of Unity Mining Limited during the financial year were:

Directors (Current)

- Clive Jones (Non-executive Chairman)
- Andrew McIlwain (Managing Director & CEO)

DIRECTORS' REPORT *continued*

Remuneration Report – Audited *continued*

- Ronnie Beevor (Non-executive)
- Gary Davison (Non-executive)
- Frank Terranova (Non-executive - appointed 25 May 2015)

Directors (Former)

- David Ransom (Non-executive)

Executive Officers (Current)

- Kerry Parker (Chief Financial Officer – appointed 11 May 2015)

Executive Officers (Former)

- Tony Davis (Chief Operating Officer – resigned 27 December 2014)
- Ben Stockdale (Chief Financial Officer – resigned 23 January 2015)

Key Management Personnel (Current)

- Scott Jones (General Manager - Henty Gold Mine)
- Angela Lorrigan (General Manager – Discovery & Growth)

Key Management Personnel (Former)

- Ben Hill (General Manager – Markets & Strategy – resigned 27 December 2014)

Director and Executive Remuneration

The following tables disclose the compensation of the Directors, Executive Officers and Key Management Personnel of the Company.

	Year	Short-term Employee Benefits			Post Employment	Termination Benefits	Share-based Payment	Total
		Salary & fees	Non-monetary ⁽¹⁾	Other Short term Incentives	Superannuation		Performance rights expense ⁽²⁾	
		\$	\$	\$	\$	\$	\$	\$
Current Directors								
C Jones	2015	100,000	-	-	9,500	-	-	109,500
	2014	142,225	-	-	13,156	-	-	155,381
A McIlwain	2015	385,199	7,285	105,987	35,000	-	58,646	592,117
	2014	410,625	5,384	-	37,983	-	67,419	521,411
R Beevor	2015	46,000	-	-	4,370	-	-	50,370
	2014	68,450	-	-	6,332	-	-	74,782
G Davison	2015	43,000	-	-	4,085	-	-	47,085
	2014	47,479 ⁽³⁾	-	-	4,392	-	-	51,871
F Terranova ⁽⁴⁾	2015	4,409	-	-	408	-	-	4,817
	2014	-	-	-	-	-	-	-
Directors (Former)								
D Ransom ⁽⁵⁾	2015	-	-	-	-	-	-	-
	2014	64,800	-	-	5,994	-	-	70,794

DIRECTORS' REPORT *continued*

Remuneration Report – Audited *continued*

	Year	Short-term Employee Benefits			Post Employment	Termination Benefits ⁽¹⁵⁾	Share-based Payment	Total
		Salary & fees	Non-monetary ⁽¹⁾	Other Short term Incentives	Superannuation		Performance rights expense ⁽²⁾	
		\$	\$	\$	\$	\$	\$	\$
Other Executive Officer & Key Management Personnel (Current)								
K Parker ⁽⁶⁾	2015	34,947	-	-	3,320	-	-	38,267
	2014	-	-	-	-	-	-	-
S Jones	2015	310,000	2,418	37,200	29,450	-	29,377	408,445
	2014	310,000	2,418	-	28,675	-	22,296	363,389
A Lorrigan	2015	232,119	1,597	13,372	34,096	-	34,559	315,743
	2014	235,639	1,414	-	21,207	-	30,793	289,053
Other Executive Officer & Key Management Personnel (Former)								
B Stockdale ⁽⁷⁾	2015	140,558	821	-	13,353	7,295	(9,782)	152,245
	2014	179,348	1,076	-	16,590	-	9,782	206,796
T Davis ⁽⁸⁾	2015	171,239	1,125	-	16,204	195,413 ⁽⁹⁾	124,004	507,985
	2014	330,628	1,984	-	24,039	-	21,357	378,008
B Hill ⁽¹⁰⁾	2015	92,771	19,395	-	8,813	141,545 ⁽¹¹⁾	86,496	349,020
	2014	189,617	31,521	-	17,540	-	26,627	265,305
M Daly ⁽¹²⁾	2015	-	-	-	-	-	-	-
	2014	299,091	26,029	-	31,878	109,539 ⁽¹³⁾	-	466,537
B Geier ⁽¹⁴⁾	2015	-	-	-	-	-	-	-
	2014	140,580	1,046	-	15,852	78,443 ⁽¹⁵⁾	-	235,921

(1) Non-monetary benefits include the provision of motor cars, car parking, salary continuance insurance, health insurance and fringe benefit taxation where applicable.

(2) Performance Rights (refer to Long Term Incentive Plans section above for further details).

(3) G Davison (Non-Executive Director) commenced as a Non-Executive Director on 13 September 2013 and therefore 2014 fees don't represent a full 12 month period.

(4) F Terranova (Non-Executive Director) commenced as a Non-Executive Director on 25 May 2015.

(5) D Ransom (Former Non-Executive Director) resigned on 30 June 2014.

(6) K Parker (Chief Financial Officer) commenced employment on 11 May 2015.

(7) B Stockdale (Former Chief Financial Officer) resigned on 23 January 2015.

(8) T Davis (Former Chief Operating Officer) terminated due to redundancy on 27 December 2015.

(9) T Davis (Former Chief Operating Officer) termination benefits represent six months remuneration.

(10) B Hill (Former General Manager – Markets & Strategy) terminated due to redundancy on 27 December 2015.

(11) B Hill (Former General Manager – Markets & Strategy) termination benefits represent six months remuneration.

(12) M Daly (Former General Manager – Henty Gold Mine) resigned on 28 March 2014.

(13) M Daly (Former General Manager – Henty Gold Mine) termination benefits represent four months remuneration.

(14) B Geier (Former Chief Financial Officer) resigned on 30 November 2013.

(15) B Geier (Former Chief Financial Officer) termination benefits represent three months remuneration.

(16) Termination benefits represent the contractual entitlements paid to the Key Management Person in accordance with the provisions contained in their employment contract.

DIRECTORS' REPORT *continued*

Remuneration Report – Audited *continued*

The relative proportions of those elements of remuneration of key management personnel that are linked to performance:

	Fixed Remuneration		Remuneration linked to performance	
	2015	2014	2015	2014
Current Directors				
C Jones	100%	100%	-	-
A McIlwain	72.2%	87.1%	27.8%	12.9%
R Beevor	100%	100%	-	-
G Davison	100%	100%	-	-
F Terranova	100%	-	-	-
Directors (Former)				
D Ransom	-	100%	-	-
Other Executive Officer & Key Management Personnel (Current)				
K Parker	100%	-	-	-
S Jones	83.7%	93.9%	16.3%	6.1%
A Lorrigan	84.8%	89.4%	15.2%	10.6%
Other Executive Officer & Key Management Personnel (Former)				
B Stockdale	95.3%	95.3%	4.7%	4.7%
T Davis	75.6%	94.4%	24.4%	5.6%
B Hill	75.2%	90.0%	24.8%	10.0%
M Daly	-	100%	-	-
B Geier	-	100%	-	-

No Key Management Personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

The expected increase in the cost of accumulating annual and long service leave during the reporting period as a result of the change in the unused entitlements is (\$9,828) for A McIlwain, \$2,716 for A Lorrigan, \$3,753 for K Parker and \$1,497 for S Jones.

DIRECTORS' REPORT *continued*

Remuneration Report – Audited *continued*

Company Executive and other Key Management Personnel Contracts

Name	Term of Contract	Notice Period	Termination Benefit
A McIlwain	Permanent – ongoing until notice has been given by either party	Six months notice by the Company. Company may elect to make payment in lieu of notice. No notice requirements for termination by Company for cause. Three months notice by the employee	Accrued entitlements.
K Parker	Six month Contract	Two months notice by the Company. Company may elect to make payment in lieu of notice. No notice requirements for termination by Company for cause. One months notice by the employee	Accrued entitlements.
S Jones	Permanent – ongoing until notice has been given by either party	Three months notice by the Company. Company may elect to make payment in lieu of notice. No notice requirements for termination by Company for cause. Three months' notice by the employee.	Accrued entitlements.
A Lorrigan	Permanent – ongoing until notice has been given by either party	Six months notice by the Company. Company may elect to make payment in lieu of notice. No notice requirements for termination by Company for cause. Three months notice by the employee	Accrued entitlements. Six months base salary in the event of redundancy.

DIRECTORS' REPORT *continued*

Remuneration Report – Audited *continued*

Value of Performance Rights Issued to Directors, Executive Officers and Other Key Management Personnel

The following table discloses the value of Performance Rights granted, exercised and lapsed during the year.

	Performance Rights			Amortised value of equity securities in remuneration for the year	Percentage of total remuneration for the year that consists of Performance Rights
	Number Granted	Number Lapsed	Value at grant date		
			\$	\$	%
Directors	-	-	-	-	-
C Jones	-	-	-	-	-
A McIlwain	-	1,228,297	-	58,646	9.9
R Beevor	-	-	-	-	-
G Davison	-	-	-	-	-
F Terranova	-	-	-	-	-
Other Executive Officer & Key Management Personnel					
K Parker	-	-	-	-	-
B Stockdale	2,580,572	3,724,950	25,806	7,983	4.9
T Davis	3,633,100	-	43,597	124,004	24.4
B Hill	363,057	-	3,268	86,496	24.8
S Jones	-	-	-	29,377	7.2
A Lorrigan	535,289	-	4,817	34,559	9.7

During the financial year, the following share-based payment arrangements were in existence:

Performance Right series	Number	Grant date	Expiry date	Exercise price	Grant date share price	Fair value at grant date
2013 Grant (2010 LTIP)	720,108	01/09/12	01/09/15	Nil	\$0.11	\$0.07
2013 Grant (2010 LTIP)	1,148,667	02/12/12	02/12/15	Nil	\$0.12	\$0.07
2013 Grant (2010 LTIP)	1,371,742	27/05/13	27/05/16	Nil	\$0.07	\$0.04
2014 Grant (2010 LTIP)	1,088,555	01/09/13	01/09/16	Nil	\$0.08	\$0.05
2014 Grant (2010 LTIP)	1,623,035	02/12/13	02/12/16	Nil	\$0.05	\$0.03
2014 Grant (2010 LTIP)	3,093,278	27/05/14	27/05/17	Nil	\$0.014	\$0.008
2015 Grant (2010 LTIP)	535,289	01/09/14	01/09/17	Nil	\$0.009	\$0.0054
Total	9,580,674					

The total value of the Performance Rights granted, exercised and lapsed are calculated based on the following:

- Fair value of the Performance Rights at grant date multiplied by the number of Performance Rights granted during the year; plus
- Fair value of the Performance Rights at the time they were exercised multiplied by the number of Performance Rights exercised during the year; and
- Fair value of the Performance Rights at the time of lapse multiplied by the number of Performance Rights lapsed during the year.

DIRECTORS' REPORT *continued*

Remuneration Report – Audited *continued*

The value of the Performance Rights included in remuneration for the year is based on the fair value determined at grant date and is recognised in remuneration on a proportionate basis over the vesting period.

Other Transactions with Related Parties

Non-Executive Director, Gary Davison, is the Managing Director of Mining One Pty Ltd ('Mining One'). During the 2015 financial year \$211,000 (2014: \$159,000) of consultancy fees were incurred by the consolidated entity or are outstanding at the end of the financial year to Mining One for consultancy work provided. Consultancy fees are paid based on a commercial rate commensurate with the services provided.

	Consolidated	
	2015	2014

Consolidated loss includes the following expenses arising from transactions with key management personnel of the Consolidated Entity or their related parties:

Mine Geotechnical consultancy fees	<u>211,000</u>	<u>159,000</u>
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Signed in accordance with a resolution of Directors made pursuant to Section 298(2) of the Corporations Act 2001.



Clive Jones
Chairman

26 August 2015



Andrew McIlwain
Managing Director & CEO

The Board of Directors
Unity Mining Limited
Level 10, 350 Collins Street
Melbourne VIC 3000

26 August 2015

Dear Board Members

Unity Mining Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Unity Mining Limited.

As lead audit partner for the audit of the financial statements of Unity Mining Limited for the financial year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Craig Bryan
Partner
Chartered Accountants

UNITY MINING LIMITED
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME**
 FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated	
		2015 \$'000	2014 \$'000
SALES REVENUE	23	77,579	54,858
COST OF SALES			
Costs of mining, processing and site administration		(49,014)	(44,559)
Depreciation and amortisation		(5,116)	(17,458)
TOTAL COST OF SALES		(54,130)	(62,017)
GROSS PROFIT/(LOSS)		23,449	(7,159)
Interest and other revenue	23	695	813
Exploration expenses		(1,799)	(13,559)
Corporate expenses		(5,185)	(4,821)
Legal settlement claim		(1,782)	-
Finance costs	25	(14)	(49)
Employee Redundancy expenses		(6,839)	-
Share of loss of associate	12	(118)	(380)
Impairment expense – financial assets	23	(785)	-
Impairment expense – investment in associate	23	-	(146)
Impairment expense – mine property, plant and equipment	14	(2,465)	(26,125)
Loss on sale of assets		(252)	-
PROFIT/(LOSS) BEFORE TAX		4,905	(51,426)
Income tax expense	28	-	-
Profit/(loss) for the year from continuing operations		4,905	(51,426)
Discontinued operations			
Profit/(loss) for the year from discontinued operations	24	(5,470)	(671)
PROFIT/(LOSS) AFTER TAX		(565)	(52,097)
Other comprehensive income		78	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		(487)	(52,097)
EARNINGS PER SHARE:			
<u>From Continuing and Discontinued Operations</u>			
Basic and Diluted Loss Per Share in cents	29	(0.05)	(6.6)
<u>From Continuing Operations</u>			
Basic and Diluted Loss Per Share in cents	29	0.4	(6.6)

Notes to the financial statements are included on pages 34 to 66.

UNITY MINING LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	Consolidated	
		2015 \$'000	2014 \$'000
CURRENT ASSETS			
Cash	4	28,461	6,783
Receivables	5	3,430	2,708
Inventories	6	2,789	6,947
Prepayments	7	356	215
Other financial assets	8	6,306	5,653
		<u>41,342</u>	<u>22,306</u>
Assets classified as held for sale	9	-	5,317
TOTAL CURRENT ASSETS		<u>41,342</u>	<u>27,623</u>
NON CURRENT ASSETS			
Investment in associate	12	-	1,473
Other financial assets	13	3,966	5,851
Mine property, plant & equipment	14	23,471	29,587
Exploration and evaluation	14	-	1,231
TOTAL NON CURRENT ASSETS		<u>27,437</u>	<u>38,142</u>
TOTAL ASSETS		<u>68,779</u>	<u>65,765</u>
CURRENT LIABILITIES			
Payables	15	7,988	8,994
Interest bearing liabilities	16	50	309
Provisions	17	8,386	3,862
		<u>16,424</u>	<u>13,165</u>
Liabilities directly associated with assets classified as held for sale	9	5,710	5,710
TOTAL CURRENT LIABILITIES		<u>22,134</u>	<u>18,875</u>
NON CURRENT LIABILITIES			
Interest bearing liabilities	16	27	77
Provisions	17	3,381	3,412
TOTAL NON CURRENT LIABILITIES		<u>3,408</u>	<u>3,489</u>
TOTAL LIABILITIES		<u>25,542</u>	<u>22,364</u>
NET ASSETS		<u>43,237</u>	<u>43,401</u>
EQUITY			
Issued capital	20	456,074	456,031
Reserves	21	2,286	1,928
Accumulated losses		(415,123)	(414,558)
TOTAL EQUITY		<u>43,237</u>	<u>43,401</u>

Notes to the financial statements are included on pages 34 to 66.

UNITY MINING LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated	
		2015 \$'000	2014 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		82,501	60,759
Interest and other revenue received		659	1,003
Payments to suppliers and employees		(61,584)	(60,057)
Interest paid		(14)	(49)
Net cash provided by operating activities	27	<u>21,562</u>	<u>1,656</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for mine property, plant & equipment and exploration & evaluation		(1,796)	(27,675)
Payment for investment in associate		-	(202)
Payment for held-to-maturity investments		(61)	-
Proceeds from financial assets		1,939	(39)
Proceeds from sale of assets		343	-
Net cash provided by/(used in) investing activities		<u>425</u>	<u>(27,916)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue		-	6,474
Payments for capital raising costs		-	(388)
Repayment of lease liabilities		(309)	(754)
Net cash (used in)/provided by financing activities		<u>(309)</u>	<u>5,332</u>
Net increase/(decrease) in cash held		21,678	(20,928)
Cash at the beginning of the Financial Year		6,783	27,711
CASH AT THE END OF THE FINANCIAL YEAR	4	<u>28,461</u>	<u>6,783</u>

Notes to the financial statements are included on pages 34 to 66.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

		Consolidated			
	Note	Share Capital \$'000	Reserves \$'000	Accumulated Losses \$'000	Total \$'000
Balance at 30 June 2014		456,031	1,928	(414,558)	43,401
<u>Changes in Equity</u>					
Loss for the period		-	-	(565)	(565)
Other comprehensive income for the period	21	-	78	-	78
Total comprehensive income for the period		-	78	(565)	(487)
Issue of share capital	20	43	(43)	-	-
Recognition of share based payments	21	-	323	-	323
Balance at 30 June 2015		456,074	2,286	(415,123)	43,237

		Consolidated			
	Note	Share Capital \$'000	Reserves \$'000	Accumulated Losses \$'000	Total \$'000
Balance at 30 June 2013		447,263	1,800	(362,461)	86,602
<u>Changes in Equity</u>					
Loss for the period		-	-	(52,097)	(52,097)
Total comprehensive income for the period		-	-	(52,097)	(52,097)
Buyback of ordinary shares	20	9,156	-	-	9,156
Issue of share capital	20	(388)	-	-	(388)
Recognition of share based payments	21	-	128	-	128
Balance at 30 June 2014		456,031	1,928	(414,558)	43,401

Notes to the financial statements are included on pages 34 to 66.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

1 GENERAL INFORMATION

Unity Mining Limited ('Unity' or the 'Company') is a limited company incorporated in Australia. The principal activities of the Company and its subsidiaries, is gold mining and exploration in Tasmania and New South Wales. The Company is also involved in gold exploration in West Africa as a result of its investment in GoldStone Resources Limited. The Consolidated Entity is represented by the Company, its subsidiaries and its investment in GoldStone Resources.

2 ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in any material changes to the company's accounting policies or application of those policies.

Standards and Interpretations issued not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards ¹	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-15 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2017	30 June 2018
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	30 June 2017
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2014-6 'Amendments to Australian Accounting Standards – Agriculture: Bearer Plants'	1 January 2016	30 June 2017
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'	1 January 2016	30 June 2017
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016
AASB 2015-4 'Amendments to Australian Accounting Standards – Financial Reporting Requirements from Australian Groups with a Foreign Parent'	1 July 2015	30 June 2016
AASB 2015-5 'Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception'	1 January 2016	30 June 2017

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

2 ADOPTION OF NEW AND REVISED STANDARDS *continued*

¹The AASB has issued the following versions of AASB 9;

AASB 9 'Financial Instruments' (December 2009) and the relevant amending standard;

AASB 9 'Financial Instruments' (December 2010) and the relevant amending standards;

AASB 2013-9 'Amendment to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments', Part C – Financial Instruments.

AASB 9 'Financial Instruments' (December 2014) and the relevant amending standards

All the standards have an effective date of annual reporting periods beginning on or after 1 January 2018. Either AASB 9 (December 2009) or AASB 9 (December 2010) can be early adopted if the initial application date is before 1 February 2015. After this date only AASB 9 (December 2014) can be early adopted.

3 SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Company. For the purposes of preparing the consolidated financial statements, the Consolidated Entity is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Consolidated Entity comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the Directors on 26 August 2015.

Basis of Preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise stated.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Consolidated Entity takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 102 'Inventories' or value in use in AASB 136 'Impairment of Assets'.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company is a company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

3 SIGNIFICANT ACCOUNTING POLICIES *continued*

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Consolidated Entity's accounting policies, which are described below, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the current and future periods.

Key Sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment

The Consolidated entity has adopted a fair value less cost of disposal basis for estimating the recoverable amount of its cash generating units. In estimating the fair value of its cash generating units the Company uses the income approach to convert future cashflows to a present value which forms the basis of the cash generating units recoverable amount.

The carrying amount of mine property, plant and equipment and exploration and evaluation asset at 30 June 2015 was \$23.471 million (2014: \$30.818 million) after an impairment loss of \$2.465 million was recognised during 2015 (2014: \$26.125 million).

Details of the impairment loss calculation are set out in Note 14.

Rehabilitation Provision

The Consolidated entity estimates the net present value of expected future cost of restoration works associated with exploration and evaluation activity and mine development activities each reporting date.

The rehabilitation provision will be reviewed at each reporting period to take account of changes in the time value of money (recognised as an expense in the income statement and an increase in provision), and additional disturbances or changes in rehabilitation costs for mine development (recognised as additions or changes to the corresponding asset and rehabilitation liability). Long dated Government fixed coupon rates are used to discount the projected expenditure back to a net present value.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and

Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

3 SIGNIFICANT ACCOUNTING POLICIES *continued*

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Consolidated Entity's accounting policies.

All intragroup assets and liabilities, equity, income and expenses and cash flows relating to transactions between members of the Consolidated Entity are eliminated in full on consolidation.

Changes in the Consolidated Entity's ownership interests in existing subsidiaries

Changes in the Consolidated Entity ownership interests in subsidiaries that do not result in the Consolidated Entity losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Consolidated Entity's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Consolidated Entity loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Consolidated Entity had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition of an investment in an associate or a joint venture.

Significant Accounting Policies

- (a) **Cash** - Cash includes cash on hand and in banks, and investments in money market instruments. Instruments comprise highly liquid short term bank bills with a credit rating of BBB or higher invested in Australian banks.
- (b) **Other Financial Assets** - The Company has financial investments in the form of short term bank deposits that are usually short dated and held to maturity in the normal course of business. The investments are recorded at amortised cost.

Financial Instruments – Financial assets and financial liabilities are recognised when the Consolidated Entity becomes a party to the contractual provisions of the instrument.

Financial Assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS financial assets) and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Held-to-maturity investments

Bills of exchange and debentures with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Available for Sale "AFS" financial assets

Listed shares held by the Consolidated Entity that are traded in an active market are classified as AFS and are stated at fair value. Fair value is determined in the manner described in note 19. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in investments revaluation reserve, with the exception of impairment losses, interest calculating using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is classified to profit or loss.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

3 SIGNIFICANT ACCOUNTING POLICIES *continued*

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Impairment of financial assets

Financial assets, other than those at FVTPL are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity instruments, including listed or unlisted shares, objective evidence of impairment includes information about significant changes with an adverse effect that have taken place in the technological, market economic or legal environment in which the issuer operates and indicates that the cost of the investment in the equity instrument may not be recovered. A significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment for unlisted shares classified as available for sale.

Financial liabilities and equity instruments

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substantive of the contractual arrangement.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Consolidated Entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Consolidated Entity derecognises financial liabilities when, and only when, the Consolidated Entity's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

- (c) **Exploration and Evaluation** - Costs arising from exploration and evaluation related to an area of interest are expensed as incurred, except when an area reaches the stage of evaluation that such expenditure is considered to be capable of being recouped through successful development, or at the reporting date the exploration and evaluation activities in the area of interest have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable resources. Costs that are not expensed as incurred are capitalised as Exploration and Evaluation Assets. Once the commercial viability of the extraction of mineral reserves in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are reclassified to mine property within mine property, plant and equipment.
- (d) **Mine Property, Plant and Equipment** - Mine property assets includes costs transferred from exploration and evaluation assets once commercial viability of an area of interest are demonstrable, and also includes subsequent costs to develop the mine to the production phase. The costs of mine development are capitalised to the extent that these costs are expected to be recouped through commercially viable extraction of resources. Costs arising from mine development are depreciated according to the depreciation accounting policy. Mine property, plant and equipment are stated at cost less accumulated depreciation and impairment.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

3 SIGNIFICANT ACCOUNTING POLICIES *continued*

In a business combination, the difference between the fair value of purchase price and the fair value of the acquired net assets at the date of acquisition is an intangible mine property asset classified as tangible. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets is recognised in the statement of comprehensive income in the expense category consistent with the function of the intangible asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

- (e) **Depreciation** - Depreciation is provided on all mine property, plant and equipment, with the exception of freehold land, so as to write off the value of the assets to residual value over their estimated useful lives. Mine development costs are written off on a units of production basis for the units recovered from an area of interest or from the expected units from the entire mine life. Property, plant and equipment costs are written off on a unit of production basis from the expected units from the entire mine life or between 2 and 25 years on a straight line basis. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

- (f) **Impairment of Assets** - At the end of each reporting period the Consolidated Entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Entity estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

- (g) **Provisions** - Provisions are recognised when the Consolidated Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the Consolidated Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risk and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimate to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Rehabilitation Provision

The net present value of the expected future cost of restoration works is provided for at the time the Company performs activities that necessitate rehabilitation works. If the rehabilitation is associated with exploration and evaluation activities, the expected costs are expensed and, if the works are associated with mine development activities, the expected costs are added to the asset value and depreciated.

The rehabilitation provision will be reviewed at each reporting period to take account of changes in the time value of money (recognised as an expense in the income statement and an increase in provision), and additional disturbances or changes in rehabilitation costs for mine development (recognised as additions or changes to the corresponding asset and rehabilitation liability). Long dated Government fixed coupon rates are used to discount the projected expenditure back to a net present value.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

3 SIGNIFICANT ACCOUNTING POLICIES *continued*

- (h) **Payables** - Trade payables and other accounts payable are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

Payables are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item.

Payables are derecognised when, and only when, the obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

- (i) **Inventory** -

i) **Gold and ore stocks** - gold in ore stockpiles, in the process of being recovered, or in unshipped doré bars are valued at the lower of cost and net realisable value, provided that the amount of gold can be physically measured or reliably estimated. Cost represents the weighted average cost and includes direct costs and an appropriate proportion of fixed and variable direct costs and an appropriate proportion of fixed and variable direct overhead expenditure, including depreciation and amortisation.

ii) **Consumables and spare parts** - costs for consumables and spare parts are valued at the lower of cost and net realisable value on a first in first out basis.

- (j) **Income Tax** -

i) **Current Tax** - is calculated by reference to the amount of income tax payable or recoverable at the applicable tax rates in respect of the taxable profit or tax loss for the period. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

ii) **Deferred Tax** - is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred deductible temporary differences or unused tax losses can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities, which effect either the taxable income or accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and Deferred Tax for the Period - is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

Tax Consolidated Group

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 01 July 2012 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Unity Mining Limited. The members of the tax consolidated group are identified in Note 28. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the consolidated financial statements. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

No tax funding arrangement and tax-sharing agreement has been entered into at this stage given that no members of the group are recording taxable profits.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

3 SIGNIFICANT ACCOUNTING POLICIES *continued*

(k) **Share Based Payments** - Equity-settled share-based payments are measured at fair value at the date of grant by use of the Black-Scholes option pricing model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Company's estimate of Shares that will ultimately vest. Further details on how the fair value has been determined can be found in Note 22.

(l) **Goods and Services Tax** - Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority, it is then recognised as part of the cost of acquisition of an asset or as part of an item of expense, or for receivables and payables which are recognised inclusive of GST. The net amount of GST recoverable from the taxation authority is included in receivables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(m) **Employee Benefits**

Short-term and long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Consolidated Entity in respect of services provided by employees up to reporting date.

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transaction are set out in note 22.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Consolidated Entity's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Consolidated Entity revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Redundancy benefits

A liability is recognised for benefits payable to employees on redundancy when the redundancy has been approved by the Board and communicated to employees.

(n) **Transaction Costs on the Issue of Equity Instruments** - Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

(o) **Receivables** - Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

(p) **Revenue Recognition –**

i) **Interest revenue** – interest from investments is recognised on an accrual basis.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

3 SIGNIFICANT ACCOUNTING POLICIES *continued*

ii) Gold sales – revenue from the sale of gold is recognised when the significant risks and rewards of ownership have transferred to the buyer and no further processing is required by the Company, the quantity of the gold has been determined with reasonable accuracy, the price is determinable, and collection has occurred.

iii) Other revenue – Revenue from the sale of miscellaneous items is recognised when title has passed from the Company in accordance with the sale contract.

(q) Leased Assets – Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as an interest bearing liability. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are charged directly against income. Finance leased assets are amortised on a units of production basis over the estimated useful life of the asset.

(r) Business combinations - Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair values which is calculated as the sum of the acquisition-date fair values of assets transferred by the Consolidated Entity, liabilities incurred by the Consolidated Entity to the former owners of the acquire and the equity instruments issued by the Consolidated Entity in exchange for control of the acquire. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 112 'Income Taxes' and AASB 119 'Employee Benefits' respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquire or share-based payment arrangements of the Consolidated Entity entered into to replace share-based payment arrangements of the acquire are measured in accordance with AASB 2 'Share-based Payment' at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations' are measured in accordance with that Standard.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant Standards. Changes in the fair value of contingent consideration classified as equity are not recognised. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3(2008) are recognised at their fair value at the acquisition date, except that liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 119 Employee Benefits respectively.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Consolidated Entity reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Consolidated Entity obtains complete information about facts and circumstances that existed as of the acquisition date, subject to a maximum of one year.

(s) Investments in associates - An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in associates are incorporated in these financial statements, using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Company's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Company's interest in that associate (which includes any long-term interest that, in substance, form part of the Company's net investment in the associate) are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

When the Company transacts with an associate of the Company, profits and losses are eliminated to the extent of the Company's interest in the relevant associate.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

3 SIGNIFICANT ACCOUNTING POLICIES *continued*

The requirements of AASB 139 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Company's investment in an associate. In applying the requirements of AASB 139 the Company assesses the carrying value of the investment against its market value based on the volume weighted average share price for the preceding 6 months. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with AASB 136 'Impairment of Assets' as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

The Consolidated Entity discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Consolidated Entity retains an interest in the former associate and the retained interest is a financial asset, the Consolidated Entity measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with AASB 139. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a party interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Consolidated Entity accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Consolidated Entity reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued).

When the Consolidated Entity reduces its ownership interest in an associate but the Consolidated Entity continues to use the equity method, the Consolidated Entity reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

(t) **Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Assets associated with the Kangaroo Flat mine are classified as assets held for sale as Unity has been and will continue to actively market the assets for sale. Rehabilitation provisions associated with the Kangaroo Flat mine assets are classified as liabilities directly associated with assets classified as held for sale.

(u) **Segment reporting**

The Consolidated Entity operates within the gold mining industry in Australia. The Henty Gold mine is the only operating site, with construction on the Dargues Gold Mine currently suspended and the Kangaroo Flat mine in care and maintenance phase. It has been determined that three separate identifiable segments exist in the Consolidated Entity being Henty Gold Mine, Dargues Gold Mine and Corporate / Other. Refer to Note 36 for further details.

The Consolidated Entity sells 100% of its Gold and Silver to the one customer.

(v) **On-Going Funding Requirements**

The Directors are satisfied with the Consolidated Entity's current financing positions, and are of the view that the continued application of the going concern basis of accounting is appropriate.

The Board has reviewed the Consolidated Entity's cashflow requirements and is satisfied that adequate cash holdings are in place to meet the Consolidated Entity's planned activities for at least 12 months from the date of this report. While the Consolidated Entity's cash flow requirements for the 12 months from the date of this report do not include the required capital and project financing required to support the development of the Dargues Gold Mine Project, the Board is of the view that sufficient funding alternatives and strategies are in place to raise the required equity and project financing needs to support this development. In the event that there was a delay in being able to source this required funding, the Board remains of the view that adequate cash holdings are in place to meet the Consolidated Entity's planned activities for at least 12 months from the date of this report.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

	Consolidated	
	2015 \$'000	2014 \$'000
4 CASH		
Cash at bank	<u>28,461</u>	<u>6,783</u>

Cash and Bank instruments have been purchased to yield interest at rates ranging from 2.77% to 3.18% with a weighted average interest rate of 2.86% (2014: 3.34%). Due to the nature of the investments and the maturity profile of less than 90 days, the Company's exposure to interest rate risk is considered to be low. Investments are only made with Australian banks with a Standard & Poors long term rating of BBB or higher. A change of 50 basis points in the weighted average interest rate throughout the reporting period would have increased (decreased) the net loss for the period by \$107,000 (2014: \$96,370) and cash holdings would increase or decrease by \$107,000 (2014: \$96,370). Included in the cash holdings used to calculate the variances associated with movements in interest rates is the \$9,453,000 (2014: \$11,504,000) bank term deposits held to cash back environmental performance bonds that are classified as Other Financial Assets (see Notes 8 & 13).

The investment profile provides access to funds to meet cash drawdown requirements and it is anticipated that all of the instruments will be held to maturity at which time their face value will be realised. The net fair value approximates the carrying value of these instruments.

	Consolidated	
	2015 \$'000	2014 \$'000
5 RECEIVABLES		
Trade receivables	3,348	2,662
Interest receivable	82	46
	<u>3,430</u>	<u>2,708</u>

The credit period on accounts receivable is less than 60 days, and consequently no interest charges are applied. The Company has a history of 100% collection of accounts receivable amounts, and therefore no provision for doubtful debts is provided. There are no receivables that are past due at the end of the reporting period.

Interest receivable is always received on the maturity of the investment security.

	Consolidated	
	2015 \$'000	2014 \$'000
6 INVENTORIES		
Stores of consumables and spare parts at cost	2,954	3,288
Less: Provision for Stock obsolescence	<u>(2,056)</u>	<u>-</u>
	898	3,288
Gold and ore stocks	1,891	3,659
	<u>2,789</u>	<u>6,947</u>

A provision for stock obsolescence of \$2,056,000 (2014: Nil) was recognised during the year. As part of the process surrounding the closure of the Henty Gold Mine, a full review was undertaken on the expected recoverability of the stock held in stores at the mine site. The outcome of this process resulted in the adjustment to the recoverable amount of stock items on hand.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

		Consolidated	
		2015 \$'000	2014 \$'000
7	PREPAYMENTS		
	Prepayments – insurance	<u>356</u>	<u>215</u>
8	OTHER FINANCIAL ASSETS (current)		
	<i>Held-to-Maturity investments</i>		
	Bank term deposits ⁽¹⁾	<u>5,658</u>	<u>5,653</u>
	<i>Available-for-sale-financial assets</i>		
	Listed Shares ⁽²⁾	<u>648</u>	<u>-</u>
		<u>6,306</u>	<u>5,653</u>

⁽¹⁾ Bank Term Deposits totalling \$5,658,000 (2014: \$5,446,000) have been used as security for environmental rehabilitation commitments associated with the Kangaroo Flat Mine. These term deposits are shown as current as they are associated with the Kangaroo Flat Mine which is classified as assets held for sale (see Note 9).

⁽²⁾ Available for sale financial asset relates to the Consolidated entity's investment in GoldStone Resources Limited. This investment was classified as an associate in the comparative period and accounted for as an equity investment, however equity accounting was derecognised during the period (Refer Note 12).

9 ASSETS CLASSIFIED AS HELD FOR SALE

Inventories ⁽¹⁾	-	309
Mine property ⁽¹⁾	-	480
Plant & equipment ⁽¹⁾	-	4,528
	<u>-</u>	<u>5,317</u>
Liabilities associated with assets held for sale ⁽²⁾	<u>5,710</u>	<u>5,710</u>

⁽¹⁾ The remaining balance of Kangaroo Flat assets were written down to a nil book value during the year. The majority of the \$5.220 million write-down related to the 600,000 tonne per annum gold ore processing plant.

⁽²⁾ The liabilities reflect the rehabilitation provisions associated with the Kangaroo Flat mine. Bank guarantees totalling \$5,658,000 (2014: \$5,446,000) have been lodged for rehabilitation obligations with the Victorian Minister for Natural Resources and Energy. The Company has provided term deposits of \$5,658,000 (2014: \$5,446,000) as security for these bank guarantees (See Note 8).

Unity continues to seek expressions of interest for the sale of its entire Bendigo asset. The Company has determined that applying the proceeds from a sale of the Bendigo assets towards the Dargues Gold Mine and/or Henty Gold Mine would provide a more favourable outcome for shareholders.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

10 PARENT ENTITY

Unity Mining Limited is the Parent Entity of the Consolidated Entity. Unity Mining Limited is party to a Deed of Cross Guarantee with all subsidiaries under which each company guarantees the debts of the others (see Note 11). Details of contingent liabilities of the Parent Entity are contained in Note 32. The Parent Entity has contractual commitments at 30 June 2015 to the value of \$277,000 (2014: \$1,475,000) as per Note 30.

Summarised financial information in respect of the Parent Entity is set out below.

	Year ended 30 June 2015 \$'000	Year ended 30 June 2014 \$'000
Profit/(loss) for the year	730	(74,756)
Other comprehensive income	78	-
Total comprehensive income for the year	808	(74,756)

	Parent Entity	
	2015 \$'000	2014 \$'000

Assets & Liabilities

Current assets	40,985	27,165
Non-current assets	11,860	20,724
Total assets	52,845	47,889

Current liabilities	12,742	8,392
Non-current liabilities	17,352	17,877
Total liabilities	30,094	26,269
Net assets	22,751	21,620

Shareholders' equity

Issued capital	456,074	456,031
Equity Compensation Reserve	2,208	1,928
Asset Revaluation Reserve	78	-
Accumulated losses	(435,609)	(436,339)
Total equity	22,751	21,620

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

	Parent Entity	
	2015 \$'000	2014 \$'000
Guarantee provided under the deed of cross guarantee ⁽¹⁾	4,454	5,597

⁽¹⁾ Unity Mining Limited has entered into a deed of cross guarantee with all wholly-owned subsidiaries (Refer Note 11).

Contingent Liabilities and Commitments for the acquisition of property, plant and equipment by the parent entity

The parent entity had no contingent liabilities or commitments for the acquisition of property, plant and equipment at balance date.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

11 SUBSIDIARIES

Details of the Company's subsidiaries at 30 June 2015 are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held	
			2015	2014
Henty Gold Pty Ltd	Provision of employee and property services	Australia	100%	100%
Big Island Mining Pty Ltd	Gold Mining	Australia	100%	100%
Dargues Gold Pty Ltd	Provision of employee and property services	Australia	100%	100%
Wombola Gold Pty Ltd	Dormant	Australia	100%	100%
Bendigo Mining Pty Ltd	Dormant	Australia	100%	100%

During the 2013 financial year the Company acquired three new wholly-owned subsidiaries through the successful merger with ASX-listed Cortona Resources Limited, owner of the Dargues Gold Mine in New South Wales.

The principal activities of the subsidiaries acquired are as follows;

- Big Island Mining Pty Ltd – Holder of the Mining assets and licenses and developer of the Dargues Gold Mine;
- Dargues Gold Mine Pty Ltd – Provides employee and property services to the Dargues Gold Mine;
- Wombola Gold Pty Ltd – Dormant Company

In addition to the above, Henty Gold Limited remained a subsidiary of the Company throughout the year providing employee and property services to the Henty Gold Mine. Henty Gold Pty Ltd (formerly Barrick Henty Limited) was effectively acquired on 1 July 2009.

Unity Mining Limited and all listed subsidiaries are parties to a Deed of Cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the subsidiary companies have been relieved from the requirement to prepare a financial report and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

The consolidated statement of profit or loss and other comprehensive income and statement of financial position on pages 30 and 31 of these financial statements are the statements of the entities party to the deed of cross guarantee.

12 INVESTMENT IN ASSOCIATE

Details of the Consolidated Entity's associate are as follows:

Name of Associate	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held	
			2015	2014
GoldStone Resources Limited	West African gold exploration	Jersey and South Africa	19%	31%

At the comparative balance date, 30 June 2014, the Consolidated Entity held a 30.9% interest in GoldStone Resources Limited ("GRL"), equity accounting for the investment as an associate.

During the year ended 30 June 2015, the Consolidated Entity's interest in GRL was diluted to 19.2% as a result of a £1.25 million share subscription by AIM-listed Stratex International Plc.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

12 INVESTMENT IN ASSOCIATE *continued*

As a result of the dilution of the Consolidated Entity's interest in GRL, and the concurrent forfeiting of one of the two positions held on the GRL Board, it was determined that significant influence had been lost and as such equity accounting for the investment was derecognised at the date significant influence was lost, being 31 October 2014.

Accordingly, the fair value of the Consolidated Entity's remaining interest in GRL was determined on the date significant influence was lost with a \$785,000 impairment charge recognised through profit or loss.

At balance date the Consolidated Entity continues to retain its 19.2% ownership interest in GRL, accounting for the investment as an available for sale financial asset measured at fair value on balance date based on closing share price at that date.

The Consolidated Entity's investment in GoldStone forms part of the Corporate/Other segment for reporting purposes (Refer to Note 34).

Summarised financial information in respect of the Consolidated Entity's associate is set out below.

	2015 \$'000	2014 \$'000
Total assets of associate	-	373
Total liabilities of associate	-	(31)
Net assets of associate	<u>-</u>	<u>342</u>
Initial cost of investment in associate	11,046	11,046
Consolidated Entity's share of loss of associate	(4,719)	(4,601)
Impairment write-down recorded on investment	(5,564)	(4,972)
Market Value derecognised as an associate	(763)	-
Consolidated Entity's carrying amount of investment in associate	<u>-</u>	<u>1,473</u>

	2015 \$'000	2014 \$'000
Consolidated Entity's share of revenue of associate	<u>3</u>	<u>23</u>
Consolidated Entity's share of expenses of associate	<u>(121)</u>	<u>(403)</u>
Consolidated Entity's share of loss of associate	<u>(118)</u>	<u>(380)</u>

	Consolidated	
	2015 \$'000	2014 \$'000

13 OTHER FINANCIAL ASSETS (non-current)

Bank term deposits – non current asset ⁽¹⁾	<u>3,966</u>	<u>5,851</u>
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⁽¹⁾ Bank Term Deposits to the value of \$3,966,000 (2014: \$5,851,000) have been provided as security for the following:

- Environmental rehabilitation commitments of \$2,585,000 (2014: \$2,585,000) with the Tasmanian Minister for Natural Resources and Energy;
- Environmental rehabilitation commitments of \$730,000 (2014: \$2,660,000) being lodged with Industry and Investment NSW in 2013;
- Conservation bond of \$448,000 (2014: \$448,000) being lodged with NSW Department of Planning and Infrastructure in relation to the development of the Dargues Gold Mine;
- Corporate office lease commitments of \$46,000 (2014: \$46,000);
- Exploration licenses for the Dargues Gold Mine of \$96,000 (2014: \$112,000);
- Other Corporate Bonds \$61,000 (2014: nil)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

14 MINE PROPERTY, PLANT & EQUIPMENT and EXPLORATION & EVALUATION (AT COST)

2015	Consolidated			Total \$'000
	Mine Property \$'000	Plant & equipment \$'000	Exploration & Evaluation \$'000	
Gross Carrying Amount				
Balance at 30 June 2014	113,374	22,878	1,231	137,483
Transfers	365	54	(419)	-
Additions	1,415	211	170	1,796
Disposals	(345)	(1,088)	-	(1,433)
Write-offs	-	-	(982)	(982)
Balance at 30 June 2015	<u>114,809</u>	<u>22,055</u>	<u>-</u>	<u>136,864</u>
Accumulated Depreciation/Amortisation and Impairment				
Balance at 30 June 2014	(88,305)	(18,360)	-	(106,665)
Transfers	-	-	-	-
Disposals	66	787	-	853
Depreciation expense	(1,769)	(3,347)	-	(5,116)
Impairment losses recognised in profit or loss	(2,465)	-	-	(2,465)
Balance at 30 June 2015	<u>(92,473)</u>	<u>(20,920)</u>	<u>-</u>	<u>(113,393)</u>
Net Book Value				
As at 30 June 2014	<u>25,069</u>	<u>4,518</u>	<u>1,231</u>	<u>30,818</u>
As at 30 June 2015	<u>22,336</u>	<u>1,135</u>	<u>-</u>	<u>23,471</u>

Impairment testing for CGU's

During the year, the Company carried out a review of the recoverable amount of its mine property, plant and equipment relating to two of the Company's identifiable cash generating units ('CGU'), Henty Gold Mine and Dargues Gold Mine.

In assessing whether an impairment adjustment is required for the carrying value of an asset, its carrying value is compared with its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost of disposal and value in use. The Company has used a fair value less cost of disposal approach with Level 3 fair value based inputs used in estimating fair value by converting future cashflows to a present value to determine recoverable amount.

Impairment valuation technique and significant observable inputs

The Company estimates the fair value less cost of disposal of its CGU's using the income approach which converts future cashflows to a present value. The projected cashflows of the Company's CGU's are for a period that represents management's estimates of mine life.

The calculation of fair value less cost of disposal under the income approach is sensitive to a number of key assumptions, including short and long term commodity prices, foreign exchange rates, production volumes, capital expenditure, operating costs and discount rates. These assumptions can change over short periods of time which can have a significant impact on the carrying value of assets.

The future cashflows are adjusted for risks specific to the asset and discounted using a pre-tax discount rate of 12% (2014: 10%). The discount rate is derived from the Company's estimated post-tax weighted average cost of capital.

Impairment losses recognised during the year

As a result of Impairment testing carried out on the Company's identifiable CGU's it was determined that the book value of Dargues Gold Mine assets exceeded their recoverable amount. Accordingly, an impairment loss totalling \$2.465 million (2014: \$18.930 million) was recorded against the book value of the Dargues Gold Mine CGU assets and recognised in the statement of profit or loss and other comprehensive income. The circumstances leading to the write-down was the continuation of the Dargues Gold Mine in care and maintenance, deferring cashflows to the future for the Dargues Gold Mine CGU.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

 14 MINE PROPERTY, PLANT & EQUIPMENT and EXPLORATION & EVALUATION (AT COST) *continued*

Impairment testing for the Henty Gold Mine CGU identified that the book value of CGU assets were below recoverable amount, and as such no impairment write-down was recorded (2014: \$7.195 million).

Sensitivity of Key Inputs

Key inputs into management's determination of the fair value less cost of disposal model for determining the recoverable amount of the Dargues CGU is as follows;

Dargues Gold Mine

- *Gold Price* – An increase of 10% in the gold price used in determining the fair value less costs of disposal of the Dargues Gold Mine CGU would have resulted in an increase in recoverable amount of \$19.985 million, reducing the impairment write down to nil. A decrease of 10% in the gold price would have resulted in a decrease in recoverable amount by \$20.893 million, increasing the required impairment write down by the same amount.
- *Discount Rate* – An increase of 1.2% in the discount rate used in determining the fair value less costs of disposal of the Dargues Gold Mine CGU would have resulted in a decrease of \$3.990 million in recoverable amount, increasing the required impairment charge by the same amount. A decrease of 1.2% in the discount rate would have resulted in an increase of \$4.304 million in recoverable amount and reduced the impairment by the same amount.

2014	Consolidated			Total \$'000
	Mine Property \$'000	Plant & equipment \$'000	Exploration & Evaluation \$'000	
Gross Carrying Amount				
Balance at 30 June 2013	93,526	22,412	7,573	123,511
Transfers	3,268	-	(3,268)	-
Additions	16,580	466	9,011	26,057
Disposals	-	-	-	-
Write-offs	-	-	(12,085)	(12,085)
Balance at 30 June 2014	<u>113,374</u>	<u>22,878</u>	<u>1,231</u>	<u>137,483</u>
Accumulated Depreciation/Amortisation and Impairment				
Balance at 30 June 2013	(46,008)	(16,946)	-	(62,954)
Transfers	-	-	-	-
Disposals	-	-	-	-
Depreciation expense	(16,172)	(1,414)	-	(17,586)
Impairment losses recognised in profit or loss	(26,125)	-	-	(26,125)
Balance at 30 June 2014	<u>(88,305)</u>	<u>(18,360)</u>	<u>-</u>	<u>(106,665)</u>
Net Book Value				
As at 30 June 2013	<u>47,518</u>	<u>5,466</u>	<u>7,573</u>	<u>60,557</u>
As at 30 June 2014	<u>25,069</u>	<u>4,518</u>	<u>1,231</u>	<u>30,818</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

	Consolidated	
	2015 \$'000	2014 \$'000
15 PAYABLES		
Unsecured trade creditors	6,206	8,994
Legal claim Settlement	1,782	-
	7,988	8,994

The Company's payment policy and system ensures that all creditors are paid within payment terms, and consequently no discounts or penalty payments arise.

The accrual for legal costs is in connection with a contractual dispute relating to works completed at Dargues Gold Mine in 2013. The dispute was settled by commercial negotiation in July 2015 for the amount accrued for plus Unity outstanding legal costs.

	Consolidated	
	2015 \$'000	2014 \$'000
16 INTEREST BEARING LIABILITIES		
Finance lease liabilities ⁽¹⁾ (Note 31) – Current	50	309
Finance lease liabilities ⁽¹⁾ (Note 31) – Non-Current	27	77
	77	386
Disclosed in the financial statements as:		
Current interest bearing liabilities	50	309
Non-current interest bearing liabilities	27	77
	77	386

⁽¹⁾ Secured by the assets leased. The leases are fixed interest rate debt with repayment periods not exceeding 5 years. The current annual weighted average effective interest rate on the finance lease liabilities is 6.59% (2014: 8.12%).

	Consolidated	
	2015 \$'000	2014 \$'000
17 PROVISIONS		
<u>Current:</u>		
- Employee benefits - annual leave	1,477	1,754
- long service leave	1,770	2,108
- redundancy ⁽¹⁾	5,139	-
	8,386	3,862
<u>Non-current:</u>		
- Employee benefits - long service leave	73	101
- Rehabilitation provision ⁽²⁾	3,308	3,311
	3,381	3,412
	11,767	7,274

⁽¹⁾ Provision for redundancy benefits represents the contractual entitlements of employees, payable on termination of their employment due to redundancy. The amount represents the expected pay-out to employees when the Henty Gold Mine transitions to care & maintenance in the second half of 2015 calendar year.

⁽²⁾ Net present value of the estimated future rehabilitation cost of the current disturbance at the Henty Gold Mine and Dargues Gold Mine. Bank guarantees totalling \$3,763,000 (2014: \$5,692,000) have been lodged for rehabilitation

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

17 PROVISIONS *continued*

obligations. The Company has used term deposits of \$3,763,000 (2014: \$5,692,000) as security for these bank guarantees.

	Employee benefits \$'000	Consolidated Rehabilitation \$'000	Total \$'000
18 PROVISIONS - MOVEMENT			
Balance at 30 June 2014	3,963	3,311	7,274
Additional provisions recognised	7,079	-	7,079
Unwinding of discount and effect of changes in the discount rate	(659)	(3)	(662)
Payments made	(1,924)	-	(1,924)
Balance at 30 June 2015	8,459	3,308	11,767
Current (see Note 17)	8,386	-	8,386
Non-current (see Note 17)	73	3,308	3,381
Balance at 30 June 2015	8,459	3,308	11,767

19 FINANCIAL INSTRUMENTS

Overview – The Company has exposure to various risks from the use of financial instruments. The Company's principal financial instruments comprise receivables, payables, cash, other financial assets and financial liabilities. This note presents information about the Company's exposure to risk from the use of financial instruments. Further quantitative disclosures are included throughout this financial report.

Categories of financial instruments

	Consolidated	
	2015 \$'000	2014 \$'000
Financial assets		
Cash and bank balances (including cash and bank balances in a disposal group held for sale)	28,461	6,783
Fair value through profit or loss (FVTPL)		
Held for trading	-	-
Designated as at FVTPL	-	-
Held-to-Maturity investments	9,624	11,504
Loans and receivables (including trade receivables balance in a disposal group held for sale)	3,430	2,708
Available-for-sale financial assets	648	-
Financial liabilities		
Fair value through profit or loss (FVTPL)		
Amortised cost	8,065	9,380

- (a) **Financial Risk Management** – Financial risks including credit risk, liquidity risk, and market risk (interest rate risk, commodity risk and foreign currency risk) are managed such to maintain an optimal capital structure. The Company does not enter into derivative transactions to manage financial risks. In the current period, the Company's financial risk arises principally from cash financial assets. The Company invests its cash to obtain market interest rates. The Company manages its treasury services in-house in accordance with the Company's investment policy. The objective of the investment policy is to provide appropriate security of capital, market competitive returns, and access to funds, by investing in a restricted range of prime quality, short and medium term securities. Investments are only made with

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

19 FINANCIAL INSTRUMENTS *continued*

selected Australian counterparties with a Standard & Poors long term rating BBB or higher. The investment policy also provides for strict counterparty exposure according to the level of funds under management. Adherence to the investment policy is monitored on a monthly basis.

- (b) **Credit Risk Management** – Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company’s investment of its cash balances. Credit risk exposure on Company receivables is not considered significant as the Company invests in Australian counterparties with a Standard & Poors long term rating of BBB or higher.

The Company only deals with the one customer however the credit risk associated with default is managed by the fact that the Company doesn’t deal on credit terms.

The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets. The carrying amount of the receivable is the maximum exposure to credit risk.

- (c) **Liquidity Risk Management** – Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by maintaining adequate cash reserves and borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The following table details the Company’s remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

Consolidated						
	Weighted average effective interest rate %	Less than 1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000	5+ years \$'000
2015						
Payables	-	7,988	-	-	-	-
Interest bearing liabilities	6.59	27	5	21	27	-
		8,015	5	21	27	-
2014						
Payables	-	8,994	-	-	-	-
Interest bearing liabilities	8.12	25	50	234	77	-
		9,019	50	234	77	-

- (d) **Market risk** – Market risk is the risk that changes in market prices, such as commodity prices and interest rates will affect the Company’s income. The Company has a policy of maintaining full exposure to changes in key market variables being gold price and interest rates. The Company does not undertake gold forward selling and hence is exposed to commodity price risk. The Company is exposed to interest rate risk arising from its cash and other financial assets held in the form of bank term deposits and bank bills. The Company regularly reassesses market conditions and market risks so as to optimise return on capital. There has been no material change to the company’s exposure to market risks or the manner in which it manages and measures the risk from the previous financial reporting period.
- (e) **Capital Risk Management** – The Company has equity financed the majority of all historical expenditure. The capital structure consists of cash, other financial assets, financial liabilities and equity attributable to equity holders as disclosed in Notes 4, 8, 13, 16, 20 and 22 respectively. The Company is not subject to externally imposed capital requirements.
- (f) **Fair value of financial instruments** – The fair values of cash with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices. Cash includes bank instruments as per Note 4. Trade receivables, payables and financial liabilities have been excluded from the table below as the fair values of these financial assets and liabilities are the same as the recorded carrying value.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

19 FINANCIAL INSTRUMENTS *continued*

The fair value of non-cash related financial assets held by the Company are determined with reference to a 3 level hierarchy based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Some of the Consolidated Entity's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair value of these financial assets and financial liabilities are determined, (in particular, the valuation technique(s) and the inputs used).

Financial assets / Financial liabilities	Fair Value as at		Fair Value Hierarchy	Valuation technique(s) and key input(s)
	30/06/2015	30/06/2014		
1) Available for sale Financial asset	648,480	1,473,598	Level 1	Quoted bid prices in an active market
2) Held to Maturity Financial asset	9,624,000	11,504,000	Level 1	Quoted bid prices in an active market

- A 10% increase/decrease in GBP would increase/decrease the value of Available for Sale financial assets by \$64,848.

There were no transfers between level 1 and level 2 during the period.

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

	Consolidated	
	2015 Shares	2014 Shares

20 ISSUED CAPITAL

Movement for the year:

Balance at beginning of year	1,133,122,711	701,997,809
Ordinary share issues ⁽¹⁾	7,190,155	431,124,902
Balance at End of Year	1,140,312,866	1,133,122,711

⁽¹⁾Shares were issued to Company executives on conversion of performance rights under the 2010 Long Term Incentive Plan ("LTIP") at the spot price of \$0.006 per share on 27/12/2014.

	Consolidated	
	2015 \$'000	2014 \$'000

1,140,312,866 fully paid ordinary shares	456,074	456,031
(30 June 2014: 1,133,122,711 ordinary shares)		

Fully paid ordinary shares carry one vote per share and carry the right to dividends and other returns of capital.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

	Consolidated	
	2015 \$'000	2014 \$'000
21 RESERVES		
Equity Compensation Reserve		
Balance at beginning of financial year	1,928	1,800
Share-based payment expense ⁽¹⁾	323	128
Transfer to share capital	(43)	-
	2,208	1,928
Asset Revaluation Reserve		
Balance at beginning of financial year	-	-
Revaluation of financial asset (included in other comprehensive income) ⁽²⁾	78	-
	78	-
Balance at End of the Financial Year	2,286	1,928

⁽¹⁾ The Share Rights and Performance Rights expense incurred during the 2015 and 2014 financial years relates to the fair value of Share Rights and Performance Rights as determined at grant date and expensed over the vesting period (see Note 22). Amounts are transferred out of the reserve and into issued capital when the options are exercised or when shares are issued for the Performance Rights or Share Rights.

⁽²⁾ The revaluation of financial asset relates to the upward revaluation of the Company's investment in GoldStone resources which was recognised through other comprehensive income during the year.

22 PERFORMANCE RIGHTS PLANS**Performance Rights**

An Executive Long Term Incentive Plan ('LTIP') was introduced during the 2011 financial year for the Managing Director & CEO and the Chief Financial Officer. During the 2013 financial year participation in this plan was extended to other members of the senior management team.

Under the LTIP the Company made and will make annual grants to Executive Officers and Key Management Personnel of conditional Performance Rights to receive Ordinary Fully Paid Shares in the Company by way of issue for nil cost. The vesting of Performance Rights is contingent on the Company achieving a performance hurdle over a three year performance period. Refer to the remuneration report section of the Directors' Report for further details on the 2010 LTIP.

The following Performance Rights were in existence at balance date:

Performance Right series	Number	Grant date	Expiry date	Exercise price	Grant date share price	Fair value at grant date
2013 Grant (2010 LTIP)	720,108	01/09/12	01/09/15	Nil	\$0.11	\$0.07
2013 Grant (2010 LTIP)	1,148,667	02/12/12	02/12/15	Nil	\$0.12	\$0.07
2013 Grant (2010 LTIP)	1,371,742	27/05/13	27/05/16	Nil	\$0.07	\$0.04
2014 Grant (2010 LTIP)	1,088,555	01/09/13	01/09/16	Nil	\$0.08	\$0.05
2014 Grant (2010 LTIP)	1,623,035	02/12/13	02/12/16	Nil	\$0.05	\$0.03
2014 Grant (2010 LTIP)	3,093,278	27/05/14	27/05/17	Nil	\$0.014	\$0.008
2015 Grant (2010 LTIP)	535,289	01/09/14	01/09/17	Nil	\$0.009	\$0.0054
Total	9,580,674					

2010 LTIP:

The following performance rights were issued to members of the senior management team during the year;

- On 29/07/14 3,633,100 performance rights were issued at a share price of \$0.012 and estimated fair value of \$0.0072. The balance of these performance rights were converted to ordinary shares on 27/12/2014.
- On 01/09/14 898,345 performance rights were issued at a share price of \$0.009 and estimated fair value \$0.0054. 363,057 of these performance rights were converted to ordinary shares on 27/12/2014.
- On 14/10/14 2,580,572 performance rights were issued at a share price of \$0.01 and estimated fair value \$0.006. The balance of these performance rights lapsed prior to balance date.

In addition to performance rights issued during the year, 2,320,670 performance rights were cancelled as a result of members of the Company's senior management team departing the Company.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

22 PERFORMANCE RIGHTS PLANS *continued***Fair Value Calculations**

The fair value of Performance Rights, comprising the rights over unissued Shares, has been determined at the grant date with regard to estimated volatility, risk-free interest rate, life of the Performance Rights, exercise price, and the performance hurdles.

Reconciliation of Outstanding Performance Rights

The following reconciles the outstanding Performance Rights granted under the Unity Mining 2010 Executive Long Term Incentive Plans at the beginning and end of the financial year:

Employee Performance Rights	2015 Number of Performance Rights	2015 Weighted average exercise Price	2014 Number of Performance Rights	2014 Weighted average exercise price
Balance at beginning of the financial year	14,612,058	Nil	7,387,310	Nil
Granted during the financial year	7,112,018	Nil	10,969,004	Nil
Exercised during the financial year	(7,190,155)	Nil	-	Nil
Cancelled during the financial year	(4,953,247)	Nil	(3,744,256)	Nil
Balance at the End of the Financial Year	9,580,674	Nil	14,612,058	Nil
Exercisable at the End of the Financial Year	-		-	-

Performance Rights carry no rights to dividends or voting.

The Board has resolved that no further Performance Rights will be issued to Executive Officer's or Key Management Personnel of the Company under the current "LTIP".

On 12 June 2015, the Company announced that it was considering a revamped long-term equity incentive plan as part of recalibrating the mix of remuneration for its executive team.

The Company's Directors believe an Executive Incentive Plan ("EIP") will form an important part of a comprehensive remuneration strategy for the Company's employees, aligning their interests with those of Shareholders by linking their overall total rewards to the long term success of the Company and its financial performance.

The proposed introduction of the EIP for FY16 has been included in the Notice of Meeting ahead of the 31 August 2015 General Meeting. If approved, the EIP will replace the company's current "LTIP".

Recognition of Share Based Payments Expense

The total value of Performance Rights included in remuneration for the year is calculated in accordance with Accounting Standard AASB 2 'Share-based Payment'. The Standard requires the value of the Performance Rights to be determined at grant date and to be recognised as an expense in the profit & loss component of the statement of comprehensive income over the vesting period. Consequently a Performance Rights expense of \$323,000 was incurred during the 2015 financial year (2014: \$128,000).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

	Consolidated	
	2015 \$'000	2014 \$'000
23 PROFIT/(LOSS) FROM CONTINUING OPERATIONS		
Profit/(Loss) from ordinary activities before income tax expense includes the following items of revenue and expense:		
(a) Operating Revenue		
Gold sales	76,889	54,296
Silver sales	690	562
	<u>77,579</u>	<u>54,858</u>
(b) Interest and Other Revenue		
Interest received	587	680
Other revenue	108	133
	<u>695</u>	<u>813</u>
(c) Expenses		
i) Depreciation expense (included in cost of sales, exploration expense, discontinued operations and WIP)	<u>5,116</u>	<u>17,458</u>
ii) Impairment losses		
Impairment loss recognised on mine property, plant and equipment	2,465	26,125
Impairment loss recognised on investment in associate	-	146
Impairment loss recognised on financial assets	785	-
iii) Employee benefits:		
Superannuation contributions	1,027	1,370
Equity-settled share-based payments	323	128
Transfer to provision for employee entitlements:		
Annual leave	1,635	1,603
Long service leave	305	400
Salary and wages and other employee benefits	12,513	14,815
Total employee benefits	<u>15,803</u>	<u>18,316</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

24 DISCONTINUED OPERATIONS

The Kangaroo Flat Mine was placed on a care and maintenance status at the commencement of the FY12 period. Unity continues actively pursue the sale of its Bendigo assets.

Analysis of profit/(loss) for the year from discontinued operations.

The results of the discontinued operations included in the consolidated statement of comprehensive income are set out below. The profit and cash flows from discontinued operations include those operations classified as discontinued in the current year.

	2015 \$'000	2014 \$'000
Profit for the year from discontinued operations		
Sales Revenue	-	-
Cost of sales		
Mining, processing and site administration	-	-
Depreciation and amortisation	-	-
Total cost of sales	<u>-</u>	<u>-</u>
Gross profit	<u>-</u>	<u>-</u>
Other revenue	754	330
Care & maintenance costs	(1,004)	(1,001)
Impairment of assets	(5,220)	-
Loss before tax	<u>(5,470)</u>	<u>(671)</u>
Income tax expense	-	-
Loss for the year from discontinued operations	<u>(5,470)</u>	<u>(671)</u>
Cash flows from discontinued operations		
Net cash inflows/(outflows) from operating activities	(326)	(1,065)
Net cash inflows/ from investing activities	-	-
Net cash inflows/(outflows) from financing activities	-	-
Net cash inflows/(outflows)	<u>(326)</u>	<u>(1,065)</u>

The Kangaroo Flat Mine has been classified and accounted for at 30 June 2015 as assets held for sale (see note 9). During the year the book value of Kangaroo Flat assets was impaired down to nil.

The Kangaroo Flat Mine generated other revenue of \$0.754 million for the year ended 30 June 2015 as a result of a water pumping agreement with the Department of Planning and Infrastructure.

	Consolidated	
	2015 \$'000	2014 \$'000
25 FINANCE COSTS		
Finance lease interest	<u>14</u>	<u>49</u>
	14	49

The current weighted average effective interest rate on the finance lease liabilities is 8.12% (2014: 8.12%).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

	Consolidated	
	2015 \$	2014 \$
26 REMUNERATION OF AUDITORS		
Audit or review of the financial reports	105,000	103,500
Other audit services	1,000	1,000
	<u>106,000</u>	<u>104,500</u>

The auditor of the Consolidated Entity is Deloitte Touche Tohmatsu.

	Consolidated	
	2015 \$'000	2014 \$'000
27 NOTES TO THE STATEMENT OF CASH FLOWS		
(a) Reconciliation of Loss After Income Tax to Net Cash Provided by Operating Activities		
Profit/(Loss) after income tax	(565)	(52,097)
Employee redundancy expense	5,139	-
Depreciation and amortisation	5,116	17,516
Performance and share right expense	323	128
Share of loss of associate	118	380
Impairment expense – investment in associate	785	146
Impairment expense – mine property, plant and equipment	2,465	26,125
Write-Off Exploration Costs	1,069	12,085
Movement in Rehabilitation Provision	(3)	(130)
Write off of Kangaroo Flat assets	5,220	-
Provision for stock obsolescence	2,056	-
Loss on sale of assets	252	-
	<u>21,975</u>	<u>4,153</u>
Increases/(Decreases) in working capital:		
Receivables	(722)	(5)
Inventories	2,102	(1,094)
Other assets	(141)	289
Payables	(1,006)	(1,581)
Provisions	(646)	(106)
Net cash by Operating Activities	<u>21,562</u>	<u>1,656</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

	Consolidated	
	2015 \$'000	2014 \$'000
28 INCOME TAX		
The prima facie income tax expense on pre-tax accounting profits is reconciled to the income tax expense in the financial statements as follows:		
Income Tax Recognised in Profit		
Loss from ordinary activities	(565)	(52,097)
Income tax benefit calculated at 30% of profit from ordinary activities	(169)	(15,629)
Add tax effect of permanent differences:		
Non-deductible items	210	103
Loss on mine property, plant and equipment	-	-
Loss on financial assets and capital raising expenses	271	190
Income tax benefit attributable to operating profit	312	(15,336)
Under provision in previous year	(1,573)	(28)
Effect of deductible items not expensed in determining taxable profit	1,363	6,737
Current year tax losses not brought to account as a DTA	-	8,687
Tax Loss utilised in current year	(102)	-
Income Tax Expense/(Benefit) Recognised in Profit/(Loss)	-	-
Future income tax benefits attributable to tax losses and timing differences not brought to account as a deferred tax asset. ⁽¹⁾	101,216	100,867

⁽¹⁾ The deferred tax asset is not recognised due to the uncertainty of timing in relation to when taxable profits will be derived.

Unrecognised taxable temporary differences associated with investments

Unity Mining Limited calculates deferred taxes in relation to investments within tax-consolidated groups using the 'change in tax status' view. Under this view, an entity leaving a tax-consolidated group would be considered a voluntary change in tax status, i.e. the entity no longer is taxed as part of the tax-consolidated group, but is taxed either as a stand-alone taxpayer, or alternatively as part of another tax-consolidated group (with different reset tax values).

This view results in no deferred tax being recognised until such time as an entity leaves the tax-consolidated group. Whilst the entity was a member of the group, the investment would be considered to have no tax consequences because all transactions and balances between entities in the tax-consolidated group are ignored for tax purposes.

This approach is consistent with the option of treating the pre-implementation effects of tax consolidation as a change in tax status.

Tax Consolidation

Effective 01 July 2012 the Company and its wholly-owned Australian subsidiary Henty Gold Limited formed a tax-consolidated group. On 23 January 2013, Dargues Gold Mine Pty Ltd, Wombola Gold Pty Ltd and Big Island Mining Pty Ltd joined the tax-consolidated group resulting from the company's successful merger with Cortona Resources Limited. The head entity within the tax-consolidated group is Unity Mining Limited.

The Consolidated entity received acknowledgement from the Australian Taxation Office on 28 June 2013 that the formation of the tax consolidated group as described above had been approved. No tax funding/sharing agreement has been determined at balance date. Due to the fact that only the head entity of the tax consolidated group is currently recording profits/losses, no contributions/distributions were recognised on tax consolidation in FY15. Tax funding/sharing arrangements and policies for tax contributions and distributions between Group members will be determined in FY16.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

	2015	Consolidated 2014
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29 EARNINGS PER SHARE

Basic and diluted profit/(loss) per share

From continuing operations	0.40 cents	(6.6) cents
From discontinued operations cents	(0.45) cents	(0.0) cents

(0.05) cents	(6.6) cents
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The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted profit/(loss) per share are as follows:

	2015 \$'000	2014 \$'000
Net profit/(loss)	(565)	(52,097)

	2015 No.	2014 No.
Weighted average number of Ordinary Shares	1,136,943,043	790,889,067

	2015 \$'000	Consolidated 2014 \$'000
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30 COMMITMENTS FOR EXPENDITURE

(a) **Operating Expenditure**

Not later than 1 year	277	1,475
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
	277	1,475

(b) **Capital Expenditure**

Not later than 1 year		537
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
		537

(c) **Lease Commitments**

Finance lease liability commitments are disclosed in Note 31 to the financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

31 LEASES

Finance Leases

Finance leases relate to mining equipment and motor vehicles with lease terms of 4 and 5 years. The Company will receive title to the equipment after the final lease payments are made. The Company's obligation under finance leases are secured by the lessor's title to the leased assets.

	Consolidated			
	Future lease payments		Present value of future lease payments	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
No later than 1 year	53	326	50	309
Later than 1 year and not later than 5 years	27	80	27	77
Later than five years	-	-	-	-
Future lease payments ⁽¹⁾	<u>80</u>	<u>406</u>	<u>77</u>	<u>386</u>
Less future finance costs	<u>(3)</u>	<u>(20)</u>	<u>-</u>	<u>-</u>
Present value of lease payments	<u>77</u>	<u>386</u>	<u>77</u>	<u>386</u>
Included in the financial statements as (Note 16)				
Current interest bearing liabilities			50	309
Non-current interest bearing liabilities			<u>27</u>	<u>77</u>
			<u>77</u>	<u>386</u>

⁽¹⁾ Future lease payments include the aggregate of all lease payments.

The fair value of the finance lease liabilities is approximately equal to their carrying amount.

32 CONTINGENT LIABILITIES

Nil (2014: Nil)

33 RELATED PARTY DISCLOSURES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Other Transactions with Related Parties

Non-Executive Director, Gary Davison, is the Managing Director of Mining One Pty Ltd ('Mining One'). During the 2015 financial year \$211,000 (2014: \$159,000) of consultancy fees were incurred by the consolidated entity or are outstanding at the end of the financial year to Mining One for consultancy work provided. Consultancy fees are paid based on a commercial rate commensurate with the services provided.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

34 SEGMENT INFORMATION

The Consolidated Entity's operating segments are based on internal management reports that are reviewed and used by the Consolidated Entity's senior management and Board (the chief operating decision-makers) in assessing performance. The operating segments represent the Consolidated Entity's operating mines and projects, which are organised and managed according to their location. No operating segments have been aggregated in arriving at the reportable segment of the Company.

The Consolidated Entity's reportable segments are:

- Henty Gold Mine, Tasmania
- Dargues Gold Mine, New South Wales
- Corporate/Other

	Henty Gold Mine		Dargues Gold Mine		Corporate / Other		Total Group	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External sales revenue	77,579	54,858	-	-	-	-	77,579	54,858
EBITDA	21,250	(9,469)	(3,494)	(19,895)	(13,765)	(5,848)	3,991	(35,212)
Depreciation and amortisation	(5,098)	(17,488)	-	-	(31)	(28)	(5,129)	(17,516)
EBIT (Segment result)	16,152	(26,957)	(3,494)	(19,895)	(13,796)	(5,876)	(1,138)	(52,728)
Finance income	-	-	-	-	587	680	587	680
Finance costs	-	-	-	-	(14)	(49)	(14)	(49)
Profit/(Loss) before income tax	16,152	(26,957)	(3,494)	(19,895)	(13,223)	(5,245)	(565)	(52,097)
Other information								
Segment assets	10,500	19,532	23,207	26,827	35,072	19,406	68,779	65,765
Segment liabilities	16,084	14,205	993	1,525	8,465	6,634	25,542	22,364

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2014: nil).

The accounting policies of the reportable segments are the same as the Consolidated Entity's accounting policies described in note 3. Segment profit represents the profit before tax earned by each segment without allocation of central administration costs and Directors' salaries, share of profits of associates, investment income and finance costs. This is the measure reported to the chief operating decision makers for the purpose of resource allocation and assessment of segment performance.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

34 SEGMENT INFORMATION *continued*

Other Segment Information

	Depreciation and amortisation		Additions to non-current assets	
	Year ended 30/06/15	Year ended 30/06/14	Year ended 30/06/15	Year ended 30/06/14
	\$'000	\$'000	\$'000	\$'000
Henty Gold Mine	5,011	17,488	(56)	12,009
Dargues Gold Mine	73	70	1,620	13,974
Corporate / Other	32	28	232	74
	<u>5,116</u>	<u>17,586</u>	<u>1,796</u>	<u>26,057</u>

In addition to the depreciation and amortisation reported above, impairment loss of \$2.465 million (2014: \$7.195 million) was recognised in respect of mine property, plant and equipment. The impairment loss was attributable to the following reportable segments.

	Year ended 30/06/15	Year ended 30/06/14
	\$'000	\$'000
Impairment losses recognised for the year in respect of mine property, plant and equipment		
Henty Gold Mine	-	7,195
Dargues Gold Mine	2,465	-
Corporate / Other	-	-
	<u>2,465</u>	<u>7,195</u>
Impairment losses recognised for the year in respect of Mineral Right		
Henty Gold Mine	-	-
Dargues Gold Mine	-	18,930
Corporate / Other	-	-
	<u>-</u>	<u>18,930</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

34 SEGMENT INFORMATION *continued***Revenue from major products and services**

The following is an analysis of the Consolidated Entity's revenue from continuing operations from its major products and services.

	Year ended 30/06/15	Year ended 30/06/14
	\$'000	\$'000
Gold Sales	76,889	54,296
Silver Sales	690	562
	<u>77,579</u>	<u>54,858</u>

Geographical Information

The Consolidated Entity's revenue from continuing operations from its one external customer by location of operations and information about its non-current assets* by location of assets are detailed below.

	Revenue from external customers		Non-current assets*	
	Year ended 30/06/15	Year ended 30/06/14	Year ended 30/06/15	Year ended 30/06/14
	\$'000	\$'000	\$'000	\$'000
Tasmania	77,579	54,858	4,223	10,078
New South Wales	-	-	22,899	26,376
Victoria	-	-	315	1,688
	<u>77,579</u>	<u>54,858</u>	<u>27,437</u>	<u>38,142</u>

*Non-current assets exclude non-current assets classified as held for sale.

Information about major customers

All Gold sales are made to the one customer being Perth Mint.

35 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the financial year, but prior to the date of this report, the following additional matters or events have arisen:

A Notice of General Meeting

On 27 July 2015 Unity announced that a General Meeting of Shareholders will be held on 31 August 2015, to consider three general resolutions to be put to shareholders. The first of these three resolutions relates to a proposed Return of Capital in the amount of \$0.005 (0.5 cents) per share (see below). The remaining two resolutions relate to the proposed implementation of an Executive Incentive Plan for Directors, Managing Director, and other key Executive and Management personnel, and the proposed grant of 18,752,654 Options to Mr Andrew McIlwain (Managing Director and Chief Executive Officer of the Company).

B Return of Capital

On 27 July 2015 Unity announced a proposed Return of Capital to all shareholders on the register as of Friday 4 September 2015. The proposed Return of Capital is in the amount of \$0.005 (0.5 cents) per share. A total amount of \$5,701,564 will be returned to shareholders (exclusive of costs associated with the Return of Capital).

In light of Unity's strategic intent, the Directors have recently completed a detailed assessment of Unity's short to medium term capital requirements. Subject to any unforeseen events, the Directors believe that Unity has more than sufficient capital to progress its strategic objectives in the near term.

Compared to many other companies within the sector Unity is well placed to balance the need for appropriate capital management whilst continuing to assess the best way forward for growth.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

35 EVENTS AFTER THE REPORTING PERIOD *continued*

The capital management program is an ongoing assessment and judgment call by the Board. The ability to consider the proposed return of capital reflects the efforts of the management team in turning around the company and delivering the financial performance seen from Henty over the last 12 months. The Directors will continue to formally review Unity's capital requirements on a periodic basis in order to determine the best use of capital as the company progresses.

C Unmarketable Parcel Sale Program

On 3 August 2015 Unity announced an Unmarketable Parcel Sale Program to provide smaller shareholders with an opportunity to sell their shareholding in Unity without incurring brokerage or handling costs.

This program is open to Australian and New Zealand registered shareholders who at 7 pm on 30 July 2015 held fully-paid ordinary shares in Unity with a value of less than \$500. The program closes at 5 pm on 18 September 2015.

The Unmarketable Parcel Sale Program is being conducted to enable Unity to substantially reduce the administrative cost of managing small shareholdings and it will also enable investors with small holdings, who may find it difficult or expensive to dispose of those shares through normal means, to dispose of their small holdings in a cost effective manner.

Unity will bear all brokerage and handling fees related to sales under this program.

Affected shareholders have the option of selling their shareholdings under the Unmarketable Parcel Sale Program, or retaining their shares.

UNITY MINING LIMITED
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2015

The Directors declare that:

- 1) a) The financial report of the Consolidated Entity, and the additional disclosures included in the Directors' Report designated as audited are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2015 and of the Consolidated Entity's performance for the year ended on that date;
 - ii) complying with Accounting Standards and Corporations Regulations 2001;
 - b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
 - c) In the Directors' opinion, the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in Note 3 to the financial statements.
- 2) This declaration has been made after receiving the declarations required to be made to Directors in accordance with section 295A of the Corporations Act 2001 for the financial year-ended 30 June 2015.

At the date of this declaration, the Company is within the class of companies affected by ASIC Class Order 98/1418. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

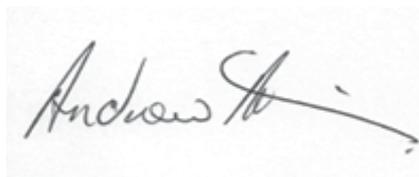
In the Directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the ASIC Class Order applies, as detailed in Note 10 to the financial statements will, as a group, be able to meet any obligation or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of Directors made pursuant to Section 295(5) of the Corporations Act 2001.



Clive Jones
Chairman

26 August 2015



Andrew McIlwain
Managing Director & CEO

Independent Auditor's Report to the members of Unity Mining Limited

Report on the Financial Report

We have audited the accompanying financial report of Unity Mining Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 30 to 67.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 3, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the company's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Unity Mining Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Unity Mining Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 3.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 19 to 28 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Unity Mining Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Craig Bryan
Partner
Chartered Accountants
Melbourne, 26 August 2015

SHAREHOLDER INFORMATION

Shareholdings

At 26 August 2015 the issued share capital of the Company was held as follows:

a) Size of Shareholding	Number of Ordinary Shareholders
1 – 1,000	676
1,001 – 5,000	2,101
5,001 – 10,000	1,708
10,001 – 100,000	2,921
100,001 and over	1,109
Total number of shareholders	8,515

b) Number of shareholders with holdings of less than a marketable parcel - \$500 (20,000 Shares) 5,509

c) As at 26 August 2015 the register of substantial shareholders disclosed the following information:

Holders giving notice	Date of notice	Ordinary Shares as at date of notice	% Holding as at date of notice
Berne No 132 Nominees Pty Ltd	01.07.15	136,508,092	11.97

d) Of the issued ordinary capital, 35.91% was held by or on behalf of the 20 largest shareholders.

e) All Shares carry voting rights of one vote per share.

List of Mining Tenements

Name	Location	Interest	Name	Location	Interest	Name	Location	Interest
MIN 5344	Bendigo	100%	ML 7M/1991	Tasmania	100%	EL 8372	NSW	100%
MIN 4878	Bendigo	100%	ML 5M/2002	Tasmania	100%	EL 6548	NSW	100%
EL 3327	Outer Bendigo	100%	EL 28/2001	Tasmania	100%	ML 1675	NSW	100%
EL 5035	Outer Bendigo	100%	EL 8/2009	Tasmania	100%	EL 6012	NSW	100%
MIN 5364	Bendigo	100%	EL 11/2010	Tasmania	100%	EL 8373	NSW	100%
			EL 13/2011	Tasmania	100%	EL 8243	NSW	100%
						EL 8244	NSW	100%

SHAREHOLDER INFORMATION (continued)

Shareholder Information

Top 20 Holders as at 26 August 2015:	Ordinary Shares	%
Berne No 132 Nominees Pty Ltd <656165 A/C>	136,508,092	11.97
J P Morgan Nominees Australia Limited	39,372,915	3.45
HSBC Custody Nominees (Australia) Limited	32,411,415	2.84
Novabank Pty Ltd	23,975,000	2.10
Citicorp Nominees Pty Limited	23,699,521	2.08
Au Mining Limited	22,000,000	1.93
Avanteos Investments Limited <GKM Super Fund A/C>	17,401,658	1.53
Scintilla Strategic Investments Limited	15,000,000	1.32
Pw and Aj Cooper Pty Limited <PW & VJ Cooper S/F A/C>	13,730,028	1.20
Nefco Nominees Pty Ltd	10,846,154	0.95
Mr Steven Rajki & Mrs Rosalie Jane Rajki	9,897,840	0.87
Mrs Caitlin Terranova	8,525,000	0.75
Nambia Pty Ltd <Anthon Family S/F A/C>	7,692,308	0.67
Transition Metals Pty Ltd	7,692,308	0.67
Mr David Ross Hannon	7,230,769	0.63
Mr Spyros Drousiotis	7,200,888	0.63
Ossart Holdings Pty Ltd <The Ot Family A/C>	7,000,000	0.61
Mr Geoffrey Knight Morgan <G&M Morgan Investments A/C>	6,800,000	0.60
Mr Pasquale Bevilacqua & Mrs Maria Carmela Bevilacqua	6,512,500	0.57
Mr Julian Andrew McKenzie	6,000,000	0.54
Total	409,496,396	35.91
Total issued ordinary share capital	1,140,312,866	



UNITY
Mining Limited