



Notice of Meeting – 2014 AGM

Unity Mining Limited

ABN 61 005 674 073

Notice is given that the **2014 Annual General Meeting of Unity Mining Limited** ABN 61 005 674 073 (Company) will be held at the offices of Baker & McKenzie, Level 19, 181 William Street, Melbourne on **Wednesday 12 November 2014 at 10.30 am AEDT**.

Items of Business

1. Financial Report

To receive and consider the Financial Report of the Company and reports of the Directors and Auditor for the financial year ended 30 June 2014.

2. Remuneration Report

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That the remuneration report as set out in the Annual Report for the financial year ended 30 June 2014 be adopted."

Note - the vote on this resolution is advisory only and does not bind the Company or its Directors.

3. Re-Election of Mr Gary Davison as a Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr Gary Davison, being a Director of the Company who retires by rotation in accordance with Rule 57 of the Company's constitution, being eligible and offering himself for re-election, is re-elected as a Director of the Company".

4. Approval of Additional 10% Placement Capacity

To consider, and if thought fit, pass the following resolution as a special resolution:

"That for the purposes of ASX Listing Rule 7.1A and for all other purposes, the issue of up to 10% of the Company's share capital calculated in accordance with Listing Rules 7.1A, and on the terms and conditions set out in the Explanatory Statement, is approved."

BY ORDER OF THE BOARD

Melanie Leydin
Company Secretary

1 October 2014

NOTES:

- 1. Entire Notice:** The details of the resolutions contained in the Explanatory Notes accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
- 2. Voting:** The Company has determined that for the purposes of the Annual General Meeting, shares will be taken to be held by the persons who are registered as holding the shares as at 7.00pm Melbourne time on Monday, 10 November 2014. Only those persons will be entitled to vote at the Annual General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.
- 3. Voting Exclusion Statements:**

Resolution 2:

The Company will disregard any votes cast on this resolution (in any capacity) by or on behalf of a member of the Key Management Personnel (being those persons described as such in the Remuneration Report) or a closely related party of such a member unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the proxy form.

Resolution 4:

The Company will disregard any votes cast on Resolution 4 by any person who may participate in the proposed issue or any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, and any associate of such person.

HOW TO VOTE

To vote on the Resolutions to be put to the Meeting follow these steps:

- EITHER** 1. Complete and return the proxy form by following the instructions set out below by not later than 10.30 am AEDT on Monday, 10 November 2014.
- OR** 2. Attend the Meeting.

The sending of a proxy form will not prevent you from attending and voting at the Meeting.

PROXIES:

1. A member entitled to attend and vote at the Annual General Meeting has the right to appoint not more than two proxies.
2. A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two proxies and the appointment does not specify the proportion or number of the member's votes, each proxy may exercise one half of the member's votes. Fractions of votes will be disregarded.
3. A proxy need not be a member of the Company. A proxy may be an individual or a body corporate.
4. Any corporation that is a shareholder of the Company may authorise (by a form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the Chairman) a natural person to act as its representative at the Annual General Meeting.
5. A proxy may decide whether to vote on any resolution, except where the proxy is required by law or the constitution to vote, or abstain from voting, in his or her capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with the direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit.
6. If the member appoints the chairperson of the Annual General Meeting as the member's proxy and does not specify how the chairperson is to vote on an item of business, the chairperson will vote, as proxy for that member, in favour of that item. If shareholders intend to appoint the chairperson of the meeting as their proxy particularly with respect to voting on resolution 2, they can direct the chairperson to vote by either marking the relevant voting boxes for resolution 2, or by marking the chairperson's box on the proxy form (in which case the chairperson of the meeting will vote in favour of those resolutions).
7. The member or his or her attorney must sign the proxy form or for proxies lodged through online (see paragraph 9(d) below), such proxies must be duly authenticated. Proxies given by corporations must be signed under the hand of a duly authorised officer (or officers) or attorney or executed by the corporation in accordance with the Corporations Act.
8. Key Management Personnel of the Company (being those persons described as such in the Remuneration Report) and their closely related parties will not be able to vote proxies on resolutions 2 and 4 unless shareholders direct them how to vote. Closely related parties are defined in the Corporations Act to include the spouses, dependants, certain other close family members of the members of Key Management Personnel as well as any companies controlled by such a member. Accordingly, if shareholders intend to appoint a member of the Key Management Personnel as their proxy, they should ensure that they explicitly direct them how to vote on resolution 2.
9. To be valid, the form appointing the proxy and for proxies which are to be signed by the power of attorney or other authority (if any) under which it is signed (or a certified copy of that power of attorney or other authority) must be received by the Company's Registrar, Boardroom Pty Limited, not later than 48 hours before the commencement of the Annual General Meeting (or any adjournment of the Annual General Meeting). Proxies may be lodged:
 - (a) by hand to Boardroom Pty Limited, at Level 7, 207 Kent Street Sydney NSW 2000; or
 - (b) by post to Boardroom Pty Limited, GPO Box 3993, Sydney NSW, 2001; or
 - (c) by facsimile to +61 2 9290 9655 together with a business hours telephone contact number; or
 - (d) online at www.votingonline.com.au/unityagm2014
10. A proxy form accompanies this Notice of Meeting.

Definitions

Definitions in the Explanatory Notes and the Notice of Meeting.

ASX means ASX Limited.

Auditor means the Company's auditors, Deloitte Touche Tohmatsu.

Board means Board of Directors.

Company means Unity Mining Limited ABN 61 005 674 073.

Constitution means the Company's constitution.

Directors means the current Directors of the Company.

Executive Officer means a director, officer or employee of the Company who holds an executive or managerial office (within the meaning set out in the Corporations Act) in the Company or a related body corporate.

Key Management Personnel are those persons described as such in the Company's Remuneration Report.

Listing Rules means the Listing Rules of ASX Limited.

Notice of Meeting means the notice of meeting attaching to and forming part of the Explanatory Notes, calling the Company's AGM.

Performance Rights means a performance right issued in accordance with the terms of the Company's Long Term Incentive Plan (2010 LTI Plan) or Performance Rights Plan.

Resolution means a resolution (including a special resolution) set out in the Notice of Meeting.

Shares means fully paid ordinary shares in the capital of the Company.

If you have any questions about the Meeting, the Resolutions to be put to the Meeting or the proposals being considered, please contact the Company Secretary on (03) 8622 2300.

Unity Mining Limited - Notice of Meeting - 2014 AGM

EXPLANATORY NOTES

The information in this document relates to the resolutions to be considered at the Annual General Meeting (AGM) of members of the Company to be held on 12 November 2014. The Explanatory Notes should be read in conjunction with the Notice of Meeting and form part of the Notice of Meeting. The information in the Explanatory Notes relating to the Resolutions is provided in accordance with the requirements of the Listing Rules and the Corporations Act 2001 (Cth) (Corporations Act).

Agenda Item 1. Financial Report

The Corporations Act requires that the Financial Report and the Reports of the Directors and Auditor be laid before the AGM. There is no requirement either in the Corporations Act or the Constitution for members to approve these Reports.

Members will be given a reasonable opportunity at the AGM to ask questions and make comments on these reports. The Auditor will be available to receive questions and comments from members about the preparation and content of the Auditor's report and the conduct of the audit.

Any member entitled to cast a vote at the AGM may submit written questions to the auditor if;

- (a) the question is relevant to:
 - (i) the content of the Auditor's Report to be considered at the AGM; or
 - (ii) the conduct of the audit of the 2014 Financial Report to be considered at the AGM; and
- (b) the member gives the question to the Company no later than the fifth business day before the day on which the AGM is held, that is, by no later than 5 November 2014.

Agenda Item 2. Remuneration Report

The Directors' Report for the year ended 30 June 2014 contains a Remuneration Report which sets out matters regarding the remuneration of the Directors and Company executives.

The Corporations Act requires that a resolution be put to the members that the Remuneration Report be adopted, however the Corporations Act expressly provides that the vote is advisory only and does not bind the Directors or the Company. However, if at least 25% of votes are cast against the resolution at two consecutive annual general meetings, a "board spill resolution" needs to be put to shareholders. If such a board spill resolution is passed by shareholders, the Company is required to hold a further meeting of shareholders within 90 days to consider replacing those directors (other than the managing director) in office at the time the Remuneration Report was approved by the board.

Members will be given a reasonable opportunity at the AGM to ask questions and make comments on this report.

Agenda Item 3. Re-election of Gary Davison

In accordance with ASX Listing Rule 14.4 and Rule 57 of the Company's Constitution, Directors must retire after the third AGM since they were last elected. Further, in accordance with the Company's Constitution, at the close of each AGM one-third of the Directors, or if their number is not a multiple of three, then the number nearest to but not more than one-third of the Directors, must retire. The Directors to retire by rotation at the AGM are those Directors who have been longest in office since their last election. The Managing Director is not subject to retirement by rotation and is, together with any Directors appointed during the year, not taken into account in determining the rotation of retirement of Directors.

Gary Davison therefore retires by rotation in accordance with the Constitution and being eligible for re-election, offers himself for re-election as a Director.

Professional Experience

Set out below is an overview of Mr Davison's professional background

Name: Gary Davison – Dip Min Eng., MSc (MEE), F AusIMM

Position: Non-Executive Director.

Independent: Yes

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 is a Non-Executive Director of Kasbah Resources Ltd. He joined the Board in September 2013.

Recommendation

The Board members (Mr Davison abstaining) unanimously endorse the re-election of Mr Davison.

Agenda Item 4. Approval of Additional 10% Placement Capacity

Under Resolution 4, the Company is seeking shareholder approval to create an ability to issue up to an additional 10% of the issued share capital of the Company under ASX Listing Rule 7.1A (10% Placement). Resolution 4 is a special resolution and requires approval of 75% of the votes cast by Shareholders present and eligible to vote. The only securities that the 10% Placement can cover are existing quoted securities, namely ordinary fully paid Shares.

Eligibility criteria

Under Listing Rule 7.1A which has recently been inserted into the Listing Rules, an eligible listed entity may, subject to shareholder approval by way of special resolution, issue Shares comprising up to 10% of its issued share capital in addition to the normal 15% new issue capacity under Listing Rule 7.1. An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

Placement capacity under Listing Rule 7.1 and 7.1A

The 10% Placement is in addition to a listed entity's usual 15% placement capacity under Listing Rule 7.1

As at the date of finalisation of this Notice of Meeting, the Company has 1,133,122,711 Shares on issue and therefore, in addition to any other Shares which it can issue under the permitted exceptions to Listing Rules 7.1 and 7.1A, it has the capacity to issue:

- 164,812,655 Shares under Listing Rule 7.1; and
- subject to shareholder approval being obtained under Resolution 4, 113,312,271 Shares under Listing Rule 7.1A.

The actual number of Shares that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Shares in accordance with the formula in Listing Rule 7.1A.2.

Minimum issue price

In accordance with Listing Rule 7.1A, Shares issued by the Company under a 10% Placement can only be issued at a price that is not less than 75% of the VWAP (volume weighted average price) of the Shares calculated over the 15 trading days on which trades in its Shares were recorded immediately before:

- the date on which the issue price of the Shares is agreed; or
- the issue date (if the Shares are not issued within five trading days of the date on which the issue price is agreed).

Placement period

Shareholder approval under Listing Rule 7.1A is valid from the date of this AGM until the earlier to occur of:

- 12 months after the date of the AGM; and
- the date of approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking), or such longer period if allowed by ASX.

Shareholder approval under Listing Rule 7.1A does not lapse if the Company's market capitalisation subsequently exceeds \$300 million or if it is included in the S&P/ASX 300 Index at some time during that period provided that the Company meets those criteria on the date of the AGM.

Dilution to existing shareholdings

If Resolution 4 is approved by Shareholders and the Company issues Shares under the 10% Placement, there is a risk of economic and voting dilution to existing Shareholders as a result. Further, as the market price of the Company's Shares may be significantly lower on the issue date than on the date of AGM approval, and because the Shares may be issued at a price that is at a discount to the market price on the issue date, there is a risk that the 10% Placement may raise less funding than it would based on current market prices.

As required by Listing Rule 7.3A.2, the table below shows a number of hypothetical scenarios for a 10% Placement where variable "A" in the formula in Listing Rule 7.1A.2 (representing the Company's share capital) has increased by either 50% or 100%, and the share price has decreased by 50% or increased by 100% from the approximate share price as at the date of finalisation of this Notice of Meeting.

Dilution table

Share Capital (Variable 'A' in Listing Rule 7.1A.2)		Dilution table		
		\$0.005 50% decrease in Issue Price	\$0.009 Issue Price	\$0.018 100% increase in Issue Price
Current 1,133,122,711 Shares	Number of Shares	113,312,271	113,312,271	113,312,271
	Funds raised	\$509,905	\$1,019,810	\$2,039,621
50% increase 1,699,684,067 Shares	Number of Shares	169,968,407	169,968,407	169,968,407
	Funds raised	\$764,858	\$1,529,716	\$3,059,431
100% increase 2,266,245,422 Shares	Number of Shares	226,624,542	226,624,542	226,624,542
	Funds raised	\$1,019,810	\$2,039,621	\$4,079,242

The dilution table has been prepared on the following hypothetical assumptions. The Company does not represent that they will necessarily occur:

- the Company issues the maximum number of Shares available under the 10% Placement;
- any increase in Variable A (being the issued share capital at the time of issue) is due to an issue of Shares which is an exception in Listing Rule 7.2, for example a pro-rata rights issue. However, a 15% placement under Listing Rule 7.1 does not increase variable "A" for the purposes of calculating the placement capacity under Listing Rule 7.1A;
- the table shows only the effect of issues of Shares under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1;
- the table does not show the dilution that may be caused to any particular Shareholder by reason of placements under Listing Rule 7.1A, based on that Shareholder's holding at the date of the AGM. For instance, Shareholders will have different outcomes depending on whether or not they participate in a pro-rata issue which has the effect of increasing variable "A";
- the Issue Price is assumed to be \$0.009, being the approximate Share price on 10 September 2014 immediately prior to finalising this Notice of Meeting; and

Purpose of the 10% Placement

The Company may seek to issue Shares under the 10% Placement for either:

- a cash issue price. In this case, the Company may use the funds for working capital or for other corporate purposes; or
- non-cash consideration, such as for the acquisition of new assets or investments, subject to any applicable ASX requirements.

In either case, the cash issue price or the value of the non-cash consideration must comply with the minimum issue price noted above.

Allocation policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue under the 10% Placement. The identity of the allottees under the 10% Placement will be determined on a case by case basis having regard to the factors including the following:

- the methods of raising funds that are available to the Company, including a rights issue or other issue in which existing shareholders can participate;
- the effect of the issue of the Shares on the control of the Company;
- the financial situation and solvency of the Company; and
- advice from corporate, financial and broking advisors (if applicable).

The allottees under the 10% Placement have not been determined as at the date of finalisation of this Notice of Meeting and may include existing substantial Shareholders and/or new Shareholders, but the allottees cannot include any directors, related parties or associates of a related party of the Company without a further specific shareholder approval.

Voting exclusion

A voting exclusion statement is included in the Notice of Meeting. At the date of finalisation of the notice, the Company has not approached any particular existing Shareholder or an identifiable class of existing Shareholders to participate in the issue of the Shares. No existing Shareholder's vote will therefore be excluded under the voting exclusion in the Notice of Meeting.

Previous approval

The Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2013 Annual General Meeting held on 12 November 2013.

Recommendation

As at the date of finalisation of these Explanatory Notes, the Company has no plans to raise additional capital. However, most eligible resource companies are seeking this form of newly available shareholder approval to enable a capital raising to be implemented if appropriate during the following year. Accordingly, shareholder approval of Resolution 4 is considered to be a prudent approach.

The Directors believe that Resolution 4 will provide the Company with flexibility to raise capital quickly if advantageous terms are available, and is in the best interests of the Company. The Directors recommend that Shareholders vote in favour of this Resolution.