Unity Mining Limited

Henty Gold Mine

EL 34-2010 Tullah

Annual Report for Period
3 April 2011 to 2 April 2012

Vol. 1 of 1

April 2012

Held by: Unity Mining Limited

Manager & Operator	Unity Mining Limited
Author:	A. Lorrigan
Date:	May 2012
Map Sheets:	Tasmania 1:25,000 Series Selina (3836) Tasmania 1:100,000 Series Sophia (8014)
Geographic Co-ord (GDA94):	Min East: 380,000 Max East: 389,000m Min North: 5,367,000m Max North: 5,383,000m
Commodity(s):	Gold, silver, base metals

1.0 ABSTRACT

Unity Mining Ltd (UML) commenced exploration on EL 34-2010 Tullah during 2011-2012. Work undertaken during the 12 months report period ending 2 April 2012, comprised the estimation of an initial resource at the Lakeside prospect, drilling of 5 drill holes, for 2227.3 m at the same prospect, where gold mineralisation occurs along the Henty Fault, as well as evaluation of other targets at Moxon Saddle and Murchison. The drilling showed continuity of thin, low grade mineralisation. Future work will concentrate on extending the "footprint "of the deposit and finding high grade shoots within it. Drilling will also be carried out at Murchison and Moxon Saddle.

TABLE OF CONTENTS

Figures

Appendices

Digital Files

EL34_2010_201205_01_Report.pdf
(Report text, plus figures included in report)

EL34_2010_201205_02_Appendix I.pdf
(Appendix I, drill hole logs, hole LSUD01-5)

EL34_2010_201205_03_Appendix II.csv
(Appendix II Assay results LSUD1-5)

EL34_2010_201205_04_Appendix III.pdf
(Appendix III Lakeside resource)

2.0 INTRODUCTION

This report details exploration completed by Unity Mining Limited (UML) on EL 34-2010 Tullah over the past year. Work undertaken included drilling of 5 diamond drill holes targeting gold+silver mineralisation at the Lakeside deposit south of Tullah, one drill hole targeting gold, silver, lead and zinc mineralisation at Murchison Mine, and preparation for drilling of a hole in the Moxon Saddle area. The mineralization is located in the immediate footwall of the Henty Fault Zone and hosted by structurally deformed rocks of the Farrell Slate.

UML intends to continue exploration on the EL in the next 12 months.

EL 34-2010 Tullah is due for relinquishment on 2 April 2016.

2.1 Location & Access

EL 34-2010 Tullah is centred approximately 6 km east of Rosebery in western Tasmania and extends to the north of the township of Tullah. The southern boundary of the EL abuts UML's EL 8-2009 Red Hills and EL 11-2010 Moxon (Figure 1).

Access to the EL 34-2010 area is via the Murchison Highway (A10) and Henty Anthony Road (B28). Numerous 4WD tracks off these sealed roads provide access to most sections of the EL area. However, some sections of the EL, particularly in proximity to Mount Murchison, are only accessible by foot along cut grid lines and the remains of tramways, the latter used for timber getting.

2.2 Tenure

EL 34-2010 Tullah, covering 69.0 sq km, was granted to Bendigo Mining Ltd (BML) on 3 April 2011 for a period of five years. The company submitted a successful bid to explore the tenement in accordance with Mineral Resources Tasmania's Exploration Release Areas process. Application for the EL was lodged after BML's acquisition of the Henty gold mine in July 2009. BML announced a change of company name to Unity Mining Ltd (UML) effective from 6 December 2010.

Recent amendment of the Land Tenure classification has resulted in the entire EL area being located within the Mount Murchison Regional Reserve. All exploration activity proposed on the tenement requires assessment by and approval from the Mineral Exploration Working Group (MWEG) prior to commencement. Approval of exploration programs is conditional upon UML meeting the requirements of the Mineral Exploration Code of Practice and all site specific conditions.

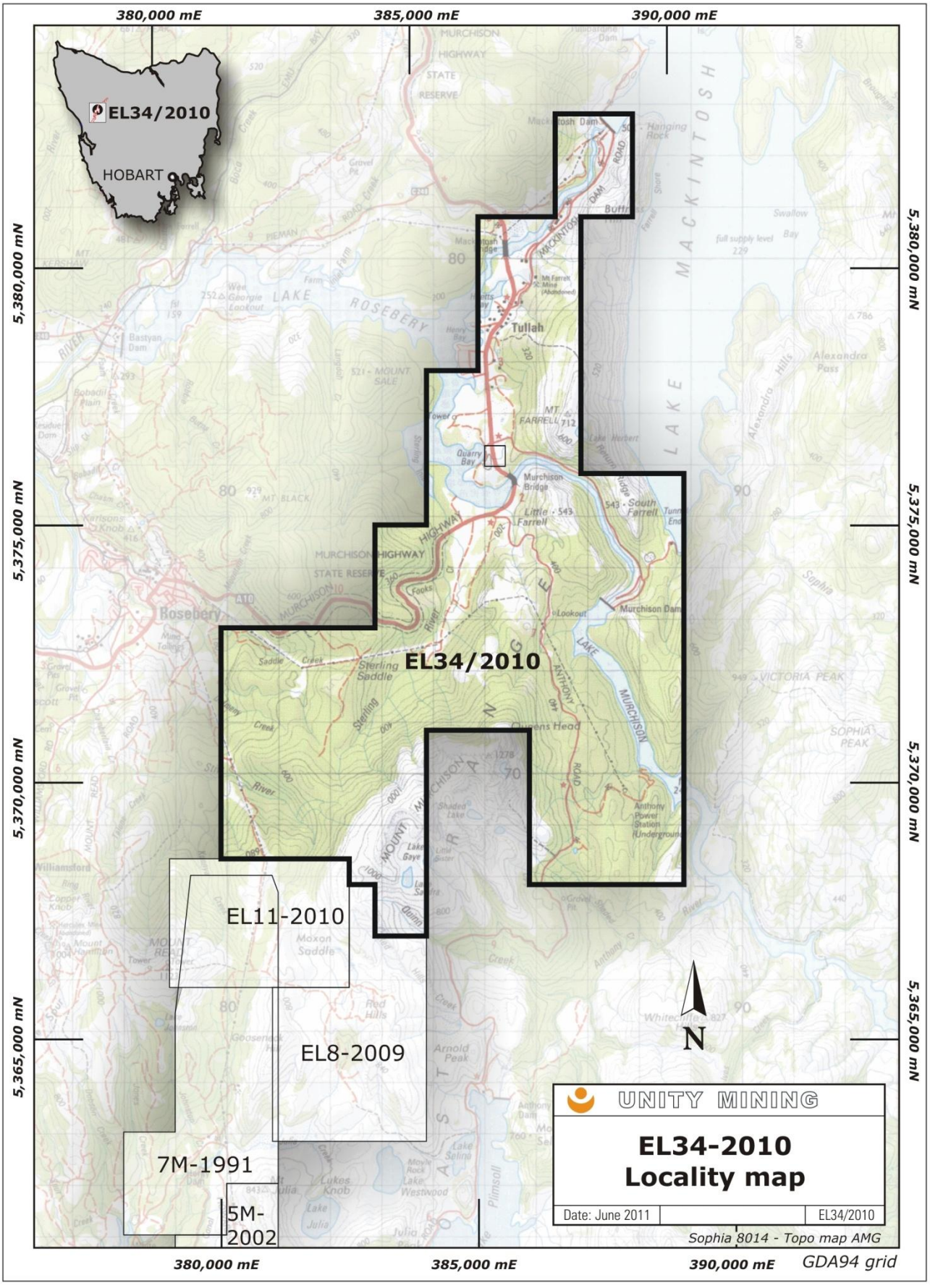


Figure 1: EL 34-2010 Tullah location map. Other UML tenements in the area and adjacent to EL 34-2010 are also shown. Projection is UTM Zone 55 MGA94 co-ordinate system.

2.3 Topography Climate and Vegetation

The EL 34-2010 Tullah area is located on the western flanks of Mt Murchison and along the Henty Valley. Elevations range from 107 m AHD at Tullah township, to 1275 m AHD at Mount Murchison, immediately to the south of the EL. Snowfalls are frequent at higher elevations during winter months and the area receives very high rainfall. Average rainfall calculated from observations at nearby Mount Read weather station, over the period from 1996 – 2009, is 3086 mm per year.

Low-growing montane vegetation is dominant throughout the EL area. Buttongrass moorland, typical of blanket bog terrain in western Tasmania, is extensively developed on the poorly drained soils of the area. Some scattered stands of low scrub, mainly banksia, teatree, bauera and eucalypt occur in relatively sheltered and fire resistant areas. Rainforest vegetation, including Myrtle Beech (Nothofagus cunninghamii), Deciduous Beech (Nothofagus gunnii) and King Billy Pine (Athrotaxis selaginoides), is preserved on the slopes of Mt Murchison and along much of the Sterling Valley.

3.0 GEOLOGY

3.1 Regional Geology

The EL 34-2010 Tullah area is underlain by the Cambrian Mount Read Volcanics (MRV).

The MRV comprise a package of massive, feldspar-phyric lavas and volcaniclastics, which passes upwards into a mixed sequence of basaltic to rhyolitic lavas, intrusives and volcaniclastics, with intercalated shale and siltstone. In general, there is a transition from feldspar-phyric to strongly quartz-phyric lithologies from the bottom to the top of the sequence.The Murchison Granite occurs on the western side of the tenement. This granite is an I-tyoe, biotite granite, contemporaneous with the Mount Read Volcanics (Geoscience Australia, 2012a).

East of the tenement area (shown as pink areas on the eastern boundary of the map in Fig. 2A) is a the Devonian (est. age 359 ma) Granite Tor granite. This is thought to be the surface expression of a large Devonian granite that lies below the Tullah EL and probably connects with the Renison Granite, which is the source of tin mineralisation at Renison Bell (Geoscience Australia, 2012b)

On a regional scale the MRV is divided by the north-northeast – trending Henty Fault. EL 34-2010 Tullah is located along this major structural feature, which is thought to be a locus of gold mineralisation in the region. (Ref. Figures 2A-2B).

Rocks in the region have been subjected to at least two major polyphase deformations, one in the Cambrian and the other in the Devonian (the latter probably equivalent to the Tabberabberan Orogeny). Evidence of the Devonian deformation is apparent in a regional NNE - striking cleavage and development of west-over-east thrusting on pre-existing, NNE structures and synchronous NW – striking structures.

3.2 Local Geology

The geology of the tenement is dominated by the Henty Fault. On the western side of this fault are feldspar-phyric, massive rhyodacitic-dacitic lavas and volvcaniclastics belonging to the Central Volcanic Sequence and basaltic-andesitic intrusives of the Sterling River Volcanics.

On the eastern side of the fault is a west-facing sequence of rhyolitic –dacitic lavas and volcaniclastics (Murchison Volcanics), overlain by volcaniclastic sediments and shales (Farrell Slates).

Although it doesn't outcrop within the tenement, the influence of the underlying Devonian Granite is in evidence, particularly along the Henty Fault in the Sterling Valley area. Here the volcanics and shales on both sides of the fault contain tin, antimony, arsenic and pyrrhotite, all derived from the Devonian Granite.

The fault itself deforms all rocks within at least 50 m either side of it. This deformation is what appears to allow the dilation that hosts mineralisation at the Sterling Valley, Lakeside, Murchison and Farrell prospects.

3.2.1 Alteration and Mineralisation

There appear to be two types of mineralisation in the area:

1. Lead-silver mineralisation in the Farrell, North Farrell and New North Farrell deposits, in the north of the tenements. The latter two mines between them are reported to have produced

2. Gold-Antimony-Tin-Tungsten-Arsenic-Silver-Zinc-Lead mineralisation in the middle of the tenement, from the Sterling Valley through to the Lakeside deposits.

The old Murchison mine lies geographically between these two deposit types and appears to be a Zinc and Lead-rich version of the Sterling Valley-Lakeside mineralisation.

Based on structural and stratigraphic similarities, it is thought that the southern end of the licence may have potential to host Henty-type gold mineralisation.

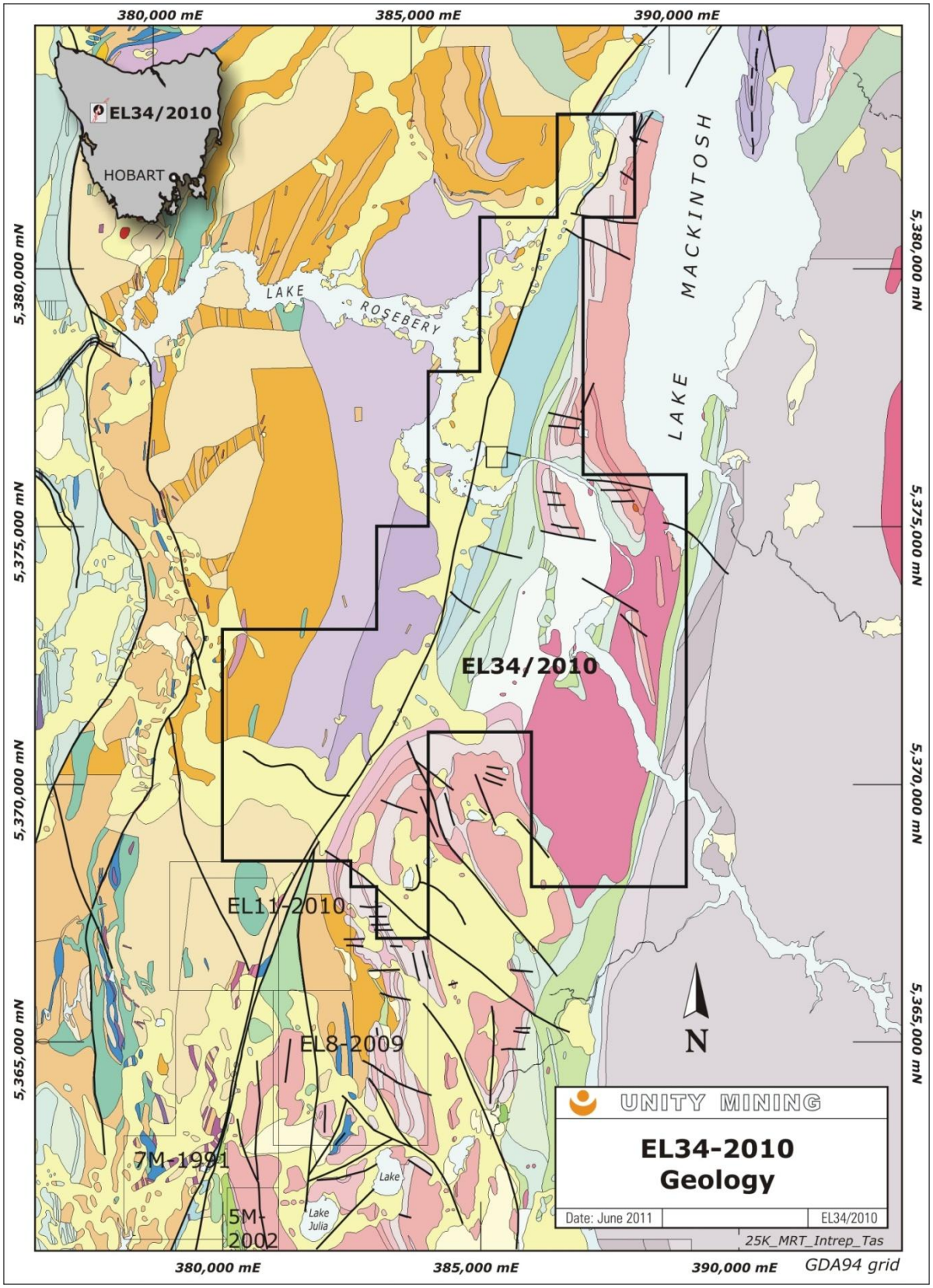
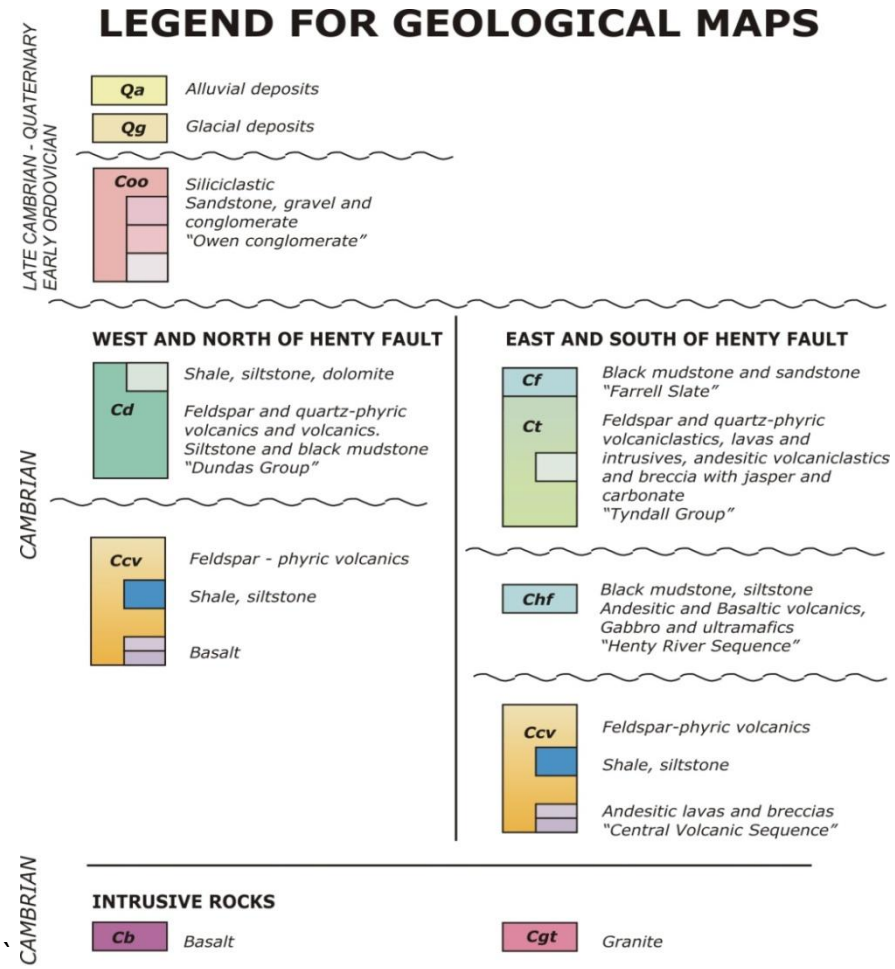


Figure 2A and 2B (below): EL 34-2010 Tullah interpreted geology map (from 1:25000 MRT). Projection is UTM Zone 55 MGA94 co-ordinate system.


LEGEND FOR GEOLOGICAL MAPS
LATE CAMBRIAN - QUATERNARY
EARLY ORDOVICIAN
Qa
Alluvial deposits
Qg
Glacial deposits
Coo
Siliciclastic
Sandstone, gravel and
conglomerate
"Owen conglomerate"
WEST AND NORTH OF HENTY FAULT
EAST AND SOUTH OF HENTY FAULT
CAMBRIAN
Cd
Shale, siltstone, dolomite
Feldspar and quartz-phyric
volcanics and volcanics.
Siltstone and black mudstone
"Dundas Group"
Ccv
Feldspar - phyric volcanics
Shale, siltstone
Basalt
Cf
Black mudstone and sandstone
"Farrell Slate"
Ct
Feldspar and quartz-phyric
volcaniclastics, lavas and
intrusives, andesitic volcaniclastics
and breccia with jasper and
carbonate
"Tyndall Group"
Chf
Black mudstone, siltstone
Andesitic and Basaltic volcanics,
Gabbro and ultramafics
"Henty River Sequence"
Ccv
Feldspar-phyric volcanics
Shale, siltstone
Andesitic lavas and breccias
"Central Volcanic Sequence"
CAMBRIAN
INTRUSIVE ROCKS
Cb
Basalt
Cgt
Granite

4.0 PREVIOUS EXPLORATION

The area covered by the tenement has a long history of mining and exploration, including mining of the Farrell mines and 3exploration undertaken by EZ, Getty, Billiton and Pasminco. This section concentrates in detail, on work completed by Pasminco (1996-2000), Auriongold (2001-2003), Saracen (2003-2006) and Bass (2006-2010).in the years from 1996 to 2010. It is taken (almost verbatim) from Purvis 2010.

In the 14 years 1996-2010 there was a lot of groundwork and a plethora of data reviews. A total of 26 (22 completed) holes were drilled with most holes clustered at known mineralization:

- Pasminco (1996-97): 6 RC & 3 core holes shallow at Lakeside,
- 1 RC between Lakeside and Lorrigan's Luck (aborted)
- Pasminco (1999): 2 core holes at Bruce Creek, Sterling Valley (1 aborted)
- Pasminco (2000): 2 core holes at Tullah Bluffs, Sterling Valley (1 aborted)
- Saracen (2005): 2 core holes at Lakeside,
- 1 core hole between Lakeside and Lorrigan's Luck
- Saracen (2006): 8 core holes at New North Mt Farrell Mine (1 aborted)

A.1 Pasminco EL22/90 1996-2000

After exploring the area for 6 years for Pb-Zn, in 1996 Pasminco switched to target Au as well. This opened up prospects along the Henty Fault such as Lakeside and South Stitt, where they previously had had no presence. Their 1996-2000 programme was highly energetic:

- ***1996-97:*** 10 shallow holes (1 aborted) at and near Lakeside; review of all data along Henty Fault including remodelling results of earlier IP surveys.
- ***1998:*** Grid-based dipole-dipole IP (50m dipoles read to n=4) and MMI at South Stitt, Bruce Creek and Mackintosh Dam.
- ***1999:*** Two holes (1 aborted) at Bruce Creek and large aerial DHEM survey and mapping programme over Sterling Valley-North Murchison area.
- ***2000:*** 2,300 sample MMI / mapping programme at Nth Murchison-Sterling Valley-Tullah. Two holes (1 aborted) at Tullah Bluffs, Sterling Valley.

Lakeside

In October 1996 Pasminco tested Lakeside's shallow potential with 6 RC and 3 core holes, all <100m deep. Given the heavy glacial gravel cover the RC holes were surprisingly successful hitting mineralization 37-45m below surface. Best RC result was LSRC5: 5m @ 1.96g/t Au within an envelope of 15m @ 1.59g/t. Best core result was LSD9: 3m @ 3.08g/t Au. Mineralization was associated with pyrite-arsenopyrite in silica-chlorite± tourmaline-altered volcaniclastic sandstone 10-15m east of the Henty Fault. The holes showed mineralization came closer to surface than previously thought and was surrounded by a 13-28m wide envelope averaging 0.6-0.8g/t Au overall. An attempted RC hole 500m south of Lakeside was aborted due to high-pressure water.

South Stitt

Pasminco cut a 16km 200m x 25m grid and did mapping, IP and MMI (500 samples). The MMI suffered contamination problems in the lab and field but affected samples were not identified. The MMI defined a coherent N-S trending Au anomaly over glacials west of the Henty Fault, which from float were considered to straddle the contact between Mt Black and Sterling Valley volcanics. Follow-up MMI on two lines confirmed the Au anomaly on only the line furtherest from the Henty Fault. Conventional soils all returned <0.02ppm Au.

IP outlined a response along the Henty Fault in the north of the area put down to Farrell Slates. The grid only reached south to 5368500N (AMG) the north end of the silica-pyrite alteration exposed east of the Henty Fault. Their one line over it got an anomaly but they acknowledged it was not an effective test as the line was too short to fully cross the zone (the line didn't extend as far east as EZ's 1979 IP line, which also got an end-of-line anomaly, nor Billiton's 1987 grid).

In late 1999 Pasminco decided "gold exploration is not a current focus" and ceased work at South Stitt.

Bruce Creek

This area of anomalous magnetics in the Sterling Valley Volcanics west of the Henty Fault, lies 1-2km SSW of Lorrigan's Luck Au-As deposit. Pasminco went to the area partly because of its similarities to the setting of the latter, and partly because of Cu-Zn stream and soil anomalies. The latter are largely contamination from Que River ore trucks on the Murchison Highway which cuts through the grid. This was later confirmed (and acknowledged) by Pasminco with a string of Zn and Cd MMI anomalies adjacent to the road.

Bruce Creek was surveyed with IP and MMI (286 samples). A coincident IP-MMI Au anomaly over the Henty Fault was targeted by hole BCD2 but it was lost short of the fault and not redrilled. BCD2 was 200m south of hole SVD87-1A (1m @ 0.15g/t Au & 2% As, in the fault) and 200m SE of hole ST283 (0.85m @ 1.16g/t Au & 4% As, in Sterling Valley Volcanics). MMI sampling on the old drilled line got As but no Au. A second hole, BCD1 (156m), tested an IP anomaly 700m west of the Henty Fault for a best result of 1.6m @ 0.28g/t Au & 1.3% Pb-Zn, in a fault zone within andesite.

North Murchison DHEM-magnetic survey & mapping

This 223km 100m line-spacing helicopter-borne frequency domain EM and magnetic survey was flown in April 1999. Basemetal mineralization in the Murchison Volcanics was the principal target. It was accompanied by field mapping and digitizing of all drillhole data to produce sections and a 3D model of the area. EM anomalies were *(predictably)* obtained over Farrell Slates in the Sterling Valley (they don't mention any others).

Mapping confirmed the Farrell Slates and rhyolitic Murchison Volcanics dip and young to the west and the contact was originally gradational although now faulted. Intense alteration of the volcanics on the contact was considered a VHMS target. Pasminco concluded MRT's mapping of the volcanics as Tyndall Group "remains reasonable.

North Murchison-Sterling Valley-Tullah

A 2300-sample MMI sampling and mapping programme (46km of new gridding with DGPS control) was initiated in late 1999 to follow-up the EM and explore the prospective top of the Murchison Volcanics as far north as Tullah. Only one MMI anomaly, a coherent Cu-Pb-Zn-As-Ag-Au response at Tullah Bluffs on the east side of the Sterling Valley, was followed up and drilled with holes TBD1 & 2. TBD1 deviated and was aborted at 76m. TBD2 (443m) hit moderately-altered quartz-feldspar volcaniclastic mass flows and sediments of the Farrell Slates-Murchison Volcanics sequence, with minor mineralization (maximum 0.3% Zn, 0.2g/t Au

Pasminco concluded: "Techniques employed by previous explorers, including Pasminco….have essentially been restricted to looking for mineralization….within a depth range of 100-200m across the tenement." "Remaining potential for discovering significant economic mineralization (>2Mt)….appears to be within the 200 to 500m depth range."

A.2 Auriongold EL3/2001 2001-2003

Auriongold picked up Tullah at tender in 2001. Their programme was cut short when Placer acquired them in late 2002. Work was only done at South Stitt where they examined the Red

Hills alteration zone / Henty Fault contact (the area of silica-pyrite alteration east of the fault). Mapping and 2 lines of soils (5368100N & 300N AMG) were completed with only 2 soils (best 0.04ppm Au) above detection limit (0.01ppm). Mapping showed the Upper Tyndall Group Moxon Rhyolite east of the fault "is not significantly altered or mineralized seriously downgrading the prospectivity of this area". They reasoned the northward extension of the rhyolite intervened between the Red Hills zone and the fault.

A.3 Saracen Metals EL47/2003 2003-2006

Saracen won Tullah at tender in 2003. They reviewed MRT's 2001-02 regional EM survey. They didn't follow up the EM results. In 2005 they drilled 2 holes at Lakeside using HQ-NQ triple tube "to gain a more realistic estimate of actual gold grade". SVDD1A (3.25m @ 1.04g/t Au) duplicated EZ's MRP212 (3.4m @ 0.35g/t Au) centrally in the resource; SVDD2 (4.6m @ 1.26g/t Au) tested between Billiton holes at depth at the north end of the resource. Saracen drilled core hole SVDD3A near failed STP232 and LSRC7 between Lorrigan's Luck and Lakeside, hitting 2m (1m TW) @ 2.05g/t Au in Farrell Slates east of Henty Fault, indicating a possible 800m link between Lakeside and eastern lode at Lorrigan's Luck.

In 2005 Saracen completed a scoping study on the Farrell Pb-Ag mines. They recalculated unmined resources under 9 Level (265m below surface) in the New North Mt Farrell Mine, outlined by 23 underground EZ drillholes in the 1970's. EZ had reported proven reserves here of 71,000t @ 12.3% Pb, 4.8% Zn & 378g/t Ag, part of a remaining resources figure for the two mines of 177,000t @ 11.3% Pb, 4.1% Zn & 345g/t Ag. Saracen's study estimated remaining resources as follows:

Measured Resources: 51,000t @ 11.9% Pb, 4.2% Zn, 0.2% Cu & 357g/t Ag
Indicated Resources: 22,000t @ 11.7% Pb, 4.1% Zn, 0.2% Cu & 351g/t Ag
Inferred Resources: 107,000t @ 10.7% Pb, 3.7% Zn, 0.2% Cu & 314g/t Ag
Total: 180,000t @ 11% Pb, 4% Zn, 0.2% Cu & 342g/t Ag.

Saracen don't make it clear if all these resources are in the three zones under 9 Level in the NNMF Mine.

Saracen then drilled 8 core holes within and under the New North Mt Farrell workings. Deviation problems saw only 4 holes go where intended and a hole lost short of target. Two holes hit unrecorded stopes. Best result was 1m @ 2.1% Pb,10.9% Zn, 19g/t Ag, within one of EZ's resource blocks under 9 Level. Three other holes just below the resource blocks hit thin intervals of low grade. Saracen tested the water filling the mine shaft with a view to dewatering it, and found it open to 305m of its full 344m depth.

A.4 Bass Metals EL47/2003 2006-2010

In late 2006 Bass took over from Saracen. Bass did no drilling. They designed a $3m 48-hole 13,775m drilling programme to test the entire 2.5km Farrell line, but management declined to do it, and likewise a revised 4,180m programme. They commissioned a review of the EL by Wally Herrmann. which provided an overview of Farrell's potential.

5.0 WORK COMPLETED (2011 - 2012)

5.1 Lakeside inferred resource

An inferred resource was estimated for the Lakeside prospect. As Lakeside occurs within a known, 5 km strike length of mineralisation along the Henty Fault (Purvis 2010), there is a reasonable chance of adding to this resource in order to confirm a larger body of potentially economic mineralisation. The resource estimate is shown in the table below. In the original

estimate (Appendix III) 70,000t of the resource was deemed to be in the Indicated category (based on estimation passes), however the quality of data available from historic drilling was not thought to be high enough to justify the category of "Indicated" for any of the resource.

	Tonnes (kt)	Gold (g/t)	Ounces (koz)
Inferred resource	**770**	**2.8**	**67**

Details of the resource estimation process are in Appendix III. The resource has not been updated since the drilling in the area reported here. However

5.2 Site Preparation Earthworks

Earthworks to prepare drill access tracks, pads and sump pits were undertaken by Williams Earthmoving, using a 20 tonne tracked excavator. Two sites were cleared at the Lakeside Prospect and another at the Murchison Mine Prospect. For the most part, drill pads and access tracks were sited on previously cleared and rehabilitated 4WD tracks and hole collar locations were adjusted to minimise the area of new ground disturbance. Approximately 100 m of new track was required for the first site. Site preparation was completed under close supervision by UML Exploration personnel to ensure that the earthworks conformed to standards of the Mineral Exploration Code of Practice. An above ground sump with silt trap screens was constructed at the Murchison drill site, rather than attempting to excavate sump pits close to the road in rocky ground.

5.3 Diamond Drilling

During the reporting period Diamond drilling, comprising 5 holes for a total of 2227.3 m, was undertaken at the Lakeside deposit from November 2011 to March 2012. The drilling program was undertaken by contractor EDrill Australia Pty Ltd, using a track-mounted Sandvik UDR 200D LS diesel-hydraulic rig. Drill crews assigned to the program worked a five day per week double shift roster. Drill holes completed in the report period were as follows:

Hole	Collar Location and Orientation					
ID	Easting*	Northing*	RL (m AHD)	Azimuth (deg.)*	Dip (deg.)	Depth (m)
LSUD01	384,444.0	5,375,610.0	174	107.0	-75.5	515.4
LSUD02	384,442.6	5,375,616.3	166.9	128.1	-60.0	480.6
LSUD03	384,442.4	5,375,616.6	166.9	75.5	-74.7	482.4
LSUD04	384,449.7	5,375,351.7.0	171.4	116.4	-72.8	400.0
LSUD05	384,451.8	5,375,350.7	171.4	117.7	- 55.1	348.9

***Projection UTM Zone 55 MGA94 co-ordinate system.**

All holes were drilled from surface through the fluvioglacial overburden PQ2 to solid rock. Holes were reamed from the collar to solid, relatively fresh rock with HQ2 and a steel collar pipe installed and cemented. All holes were cased with 40mm UPVC pipe on completion of drilling to allow for downhole geophysical logging as required.

Drill hole collars were surveyed by Tritech Professional Services using a total station theodolite. Drill hole trajectories were measured during drilling operations with a Reflex EZ-Shot® electronic single-shot survey instrument operated by the EDrill crews, with readings of hole azimuth and dip obtained at nominal 30 m intervals as each hole was drilled. Drill bit and barrel configurations were varied as necessary to ensure that the design parameters for each drill hole were followed as accurately as possible.

5.4 Drilling Hole Logging & Data Management

All core samples from the drilling program were transported by UML personnel to the Henty mine for marking up and geological logging. Detailed logging was completed in hard copy graphical format. The drill logs record stratigraphy (or major structure), lithology, alteration type and intensity, mineralisation and other attributes (texture, grain size, colour, hardness,

state of core, weathering, oxidation etc). A graphical strip log, recording the composition and textural features of the volcanic and volcaniclastic sequences, was also compiled for each drill hole. The drill hole logs were scanned into PDF format on completion. Summary data for each hole were also entered into UML's Henty mine geology digital database. Digital photography of all core samples was completed prior to diamond sawing in preparation for sampling. Samples were photographed in sequence with two core trays per frame. Images are stored in JPEG format on UML's Henty mine computer network.

5.5 Sample Preparation & Assaying

Core handling, diamond sawing and sample collection and storage tasks in support of the diamond drilling program were carried out by UML personnel at the Henty mine core shed facility. Split core samples, all halved HQ2 and NQ2 core, were bagged and labelled at the Exploration core shed prior to dispatch to ALS Burnie Research Laboratory at Wivenhoe, Tasmania. Remaining split and whole core samples retained in trays have since been stacked on pallets, wrapped with heavy duty UPVC sheeting secured with metal strapping, and are in storage at the disused Paste Plant on Howards Road near the Henty mine.

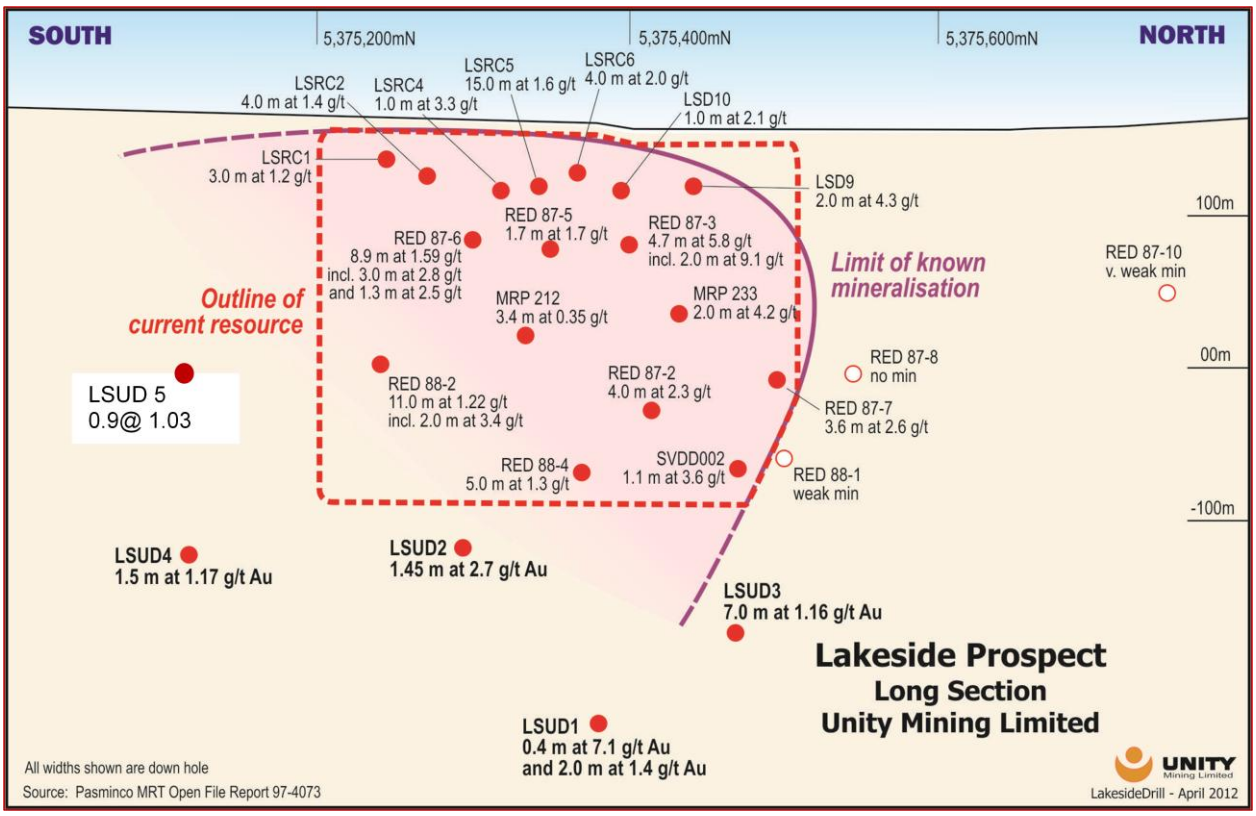
Sample preparation and assaying undertaken at ALS Burnie Research Laboratory were as follows:

Preparation:	Sample pulverised in LM5 mill to 80% (nominal) passing 75 micron
FA01 fire assay method:	25 g pulverised sample fired, muffled and digested in aqua regia; AAS finish for gold
AAS01 method:	0.4 g pulverised sample, three acid (hydrochloric, nitric, perchloric) digest, made up to 100 ml volume; AAS finish for silver, copper, lead, zinc, molybdenum, bismuth and arsenic.
ME-XRF15d method:	{get details}; XRF finish for tin, tungsten and sulphur.

Each sample batch included a selection of gold standard sample pulps and feldspar blanks, inserted into the batch at a ratio of one per twenty core samples for quality control. ALS BRL also carried out repeat assaying on selected samples (ie laboratory duplicates) in each batch. Assay data were transferred by email from the laboratory as comma-delimited text files and also in Microsoft Excel® 97-2003 Workbook format. Master pulps from the drill hole samples have been returned from BRL and are stored in cardboard box files in the Exploration core shed at the Henty mine.

6.0 RESULTS

Copies of graphical logs for the five drill holes (LSUD01 – LSUD05) completed at the Lakeside deposit by UML are presented in Appendix I. Assay data for all drill core samples are listed in Appendix II, together with assays for QAQC samples.



7.0 CONCLUSIONS

The drilling program completed during the reporting period confirmed the continuity of gold mineralisation along the Henty Fault in a narrow structure. It failed to identify any high grade zones. Future work needs to employ structural analysis, to locate the most likely areas for significant dilation, geophysics, to locate pyrrhotite (strongly associated with the gold). The resource at Lakeside has not been re-estimated but it is unlikely that the drilling will have changed it significantly.

There remain targets to be tested at the Murchison Mine and in the Moxon Saddle area, where the confluence of structure and lithology is analogous to Henty Mine.

8.0 EXPENDITURE FOR 2010/11

Expenditure by UML on EL 34-2010 for the year ended 2 April 2012 was :

Personnel	113,018
Geochemistry	10,914
Remote Sensing	60,000
Drilling	281,890
Access	17,664
Admin	39,612
TOTAL	**523,098**

9.0 PLANNED WORK AND EXPENDITURE FOR 2012/13

Drill holes are planned for the Murchison Prospect, to test the down-plunge potential for base metal mineralisation.

Further drilling is planned at the Lakeside Prospect and along strike, towards the Sterling Valley Mine. This drilling is designed to provide an estimate of the overall size of the area of gf gold mineralisation along the Henty Fault and also to locate high grade zones. Because of the association between gold mineralisation and pyrrhotite, down hole EM will be employed to locate some targets.

Drilling is also planned to test for Henty-style gold mineralisation in the Moxon Saddle area. This drilling will need to be helicopter supported.

Planned expenditure is set out below

Personnel	270,000
Geochemistry	38,000
Geophysics	85,000
Drilling	1,100,000
Access	40,000
Admin	100,000
TOTAL	**1,633,000**

10.0 REFERENCES

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APPENDIX I

DRILL HOLE LOGS

APPENDIX 2

ASSAY RESULTS