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Unity Mining Limited

Gog Range Joint Venture

EL 2-2009 Beulah
Annual Report for Period
23 June 2011 to 22 June 2012

Vol. 1 of 1

June 2012

Held by:	Greatland Pty Ltd
Manager & Operator	Unity Mining Limited
Author:	D.A. Evans and A.Y.E. Warren
Date:	June 2012
Map Sheets:	Tasmania 1:25,000 Series Cethana (4240) Wilmot (4241) Gog (4440) Sheffield (4441) Tasmania 1:100,000 Series Forth (8115)
Geographic Co-ord (GDA94):	Min East: 428,000m Max East: 452,000m Min North: 5,407,000m Max North: 5,416,000m
Commodities:	Base metals, gold, silver

1.0 ABSTRACT

Unity Mining Ltd (UML) commenced exploration of EL2-2009 Beulah in the latter part of 2011-2012, as manager and operator of the Gog Range Joint Venture (known as the Firetower Project) with tenement holder Greatland Pty Ltd. Work undertaken during the 12 month report period, ending 22 June 2012, comprised a litho-structural interpretation of the whole of the area of the Firetower Project tenements for target generation. The work outlined several targets within the Firetower licences. Recent drilling of one of the identified magnetic anomalies at 'Firetower West Prospect' in EL26-2004, which abuts EL2-2009, revealed a large alteration system with weak copper mineralization, thus confirming the prospectivity of this area.

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Digital Files

EL22009_201206_01_Report.txt
(Report text, plus figures included in report)

EL22009_201206_02_Appendix.txt

2.0 INTRODUCTION

This report details exploration completed by Unity Mining Limited (UML) on EL 2-2009 Beulah over the twelve months to 22 June 2012.

A litho-structural report was completed covering the four exploration licences of the Firetower Project. Several targets were outlined within EL26-2004 and EL31-2004. Subsequent drilling of one of these targets within EL26-2004, which is adjacent to EL2-2009, intersected an alteration system with weak copper mineralization. EL2-2009 contains the strike continuation of many of the structural elements present within the tenements where targets were identified. The work highlighted the high prospectivity of the area of the Firetower Project tenements. UML intends to continue exploration on the EL2-2009 in the next 12 months.

EL 2-2009 Beulah is due for relinquishment on 15 November 2014.

2.1 **Location & Access**

EL 2-2009 Beulah is located 30 km south of Devonport in central northern Tasmania, within the Municipality of Kentish. The EL is centred approximately 7 km south of Sheffield and extends over the settlements of Staverton and Gowrie Park in the west and Beulah and Lower Beulah to the east (Figure 1).

Access to the eastern section of EL 2-2009 from Sheffield is via Paradise Road (C137), then by the unsealed Beulah Road and Lower Beulah Road and numerous forestry roads and four-wheel drive tracks (figure 2). The western section of the EL is transected by Claude Road (C136) and Staverton Road (C140), both sealed roads, and a network of farm access roads and four-wheel drive tracks.

2.2 **Tenure**

EL 2-2009 Beulah, covering 105.0 sq km, was granted to Greatland Pty Ltd on 23 June 2009 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.

UML announced on 12 October 2011 a farm-in agreement with Greatland Pty Ltd to explore on four ELs in the Gog Range area, including EL 2-2009 Beulah. Under the terms of the agreement UML may earn a 51% interest by spending $2 million within the first two and a half years.

Any exploration activity proposed on EL 2-2009 Beulah requires assessment by and approval from the Mineral Exploration Working Group (MWEG) prior to commencement. Approval of exploration programs is conditional upon UML, as manager and operator, meeting the requirements of the Mineral Exploration Code of Practice (MECOP) and all site specific conditions.

The majority of the northern half of the EL covers private land, largely utilized for agriculture. In the southwest the EL extends over part of the Mount Roland Regional Reserve, while the southeastern section of the tenement covers mainly State Forest, with some areas of Informal Reserve – State Forest (Forestry Tasmania Managed Land).

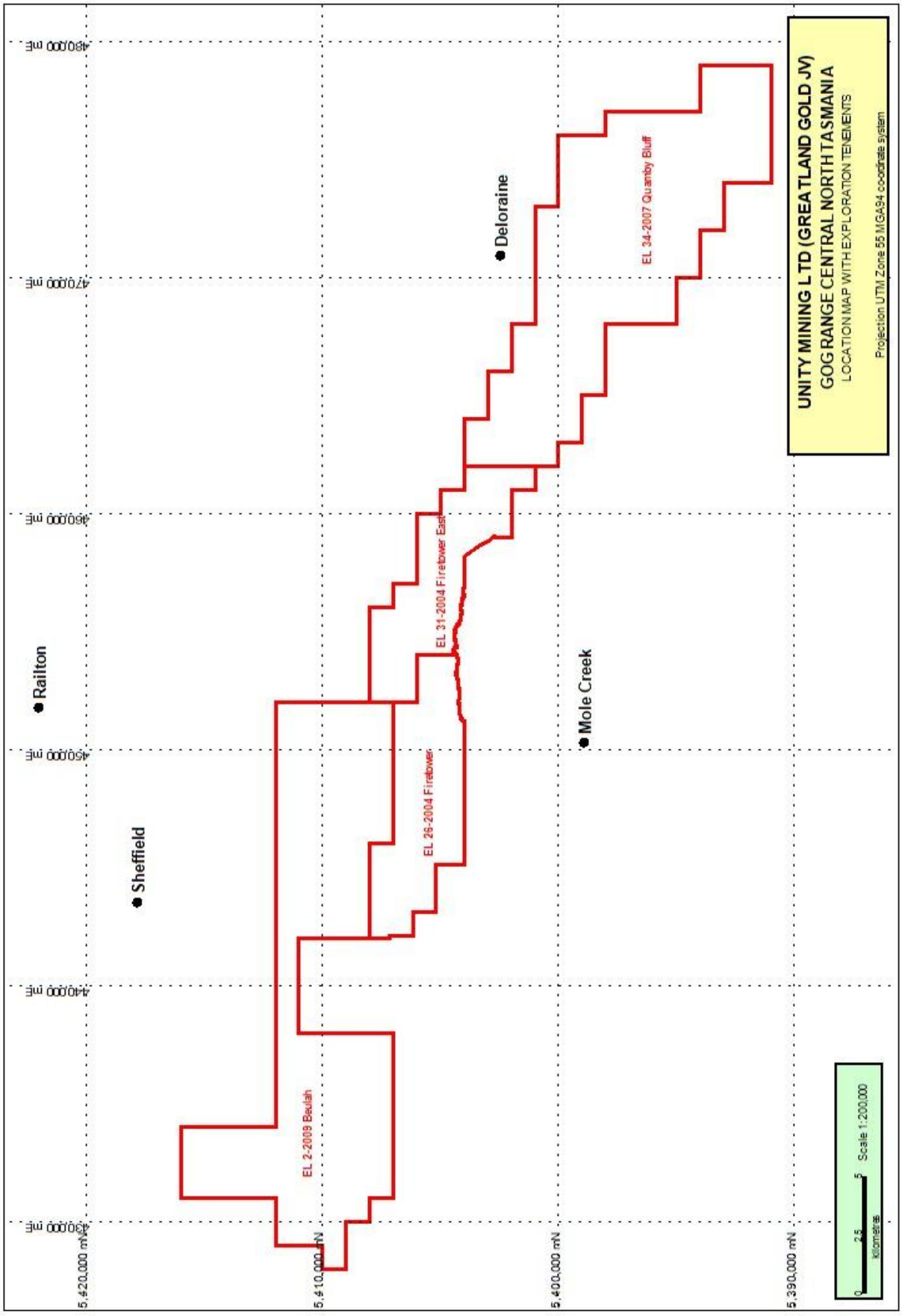


Figure 1 Location Map – Firetower Project Licences

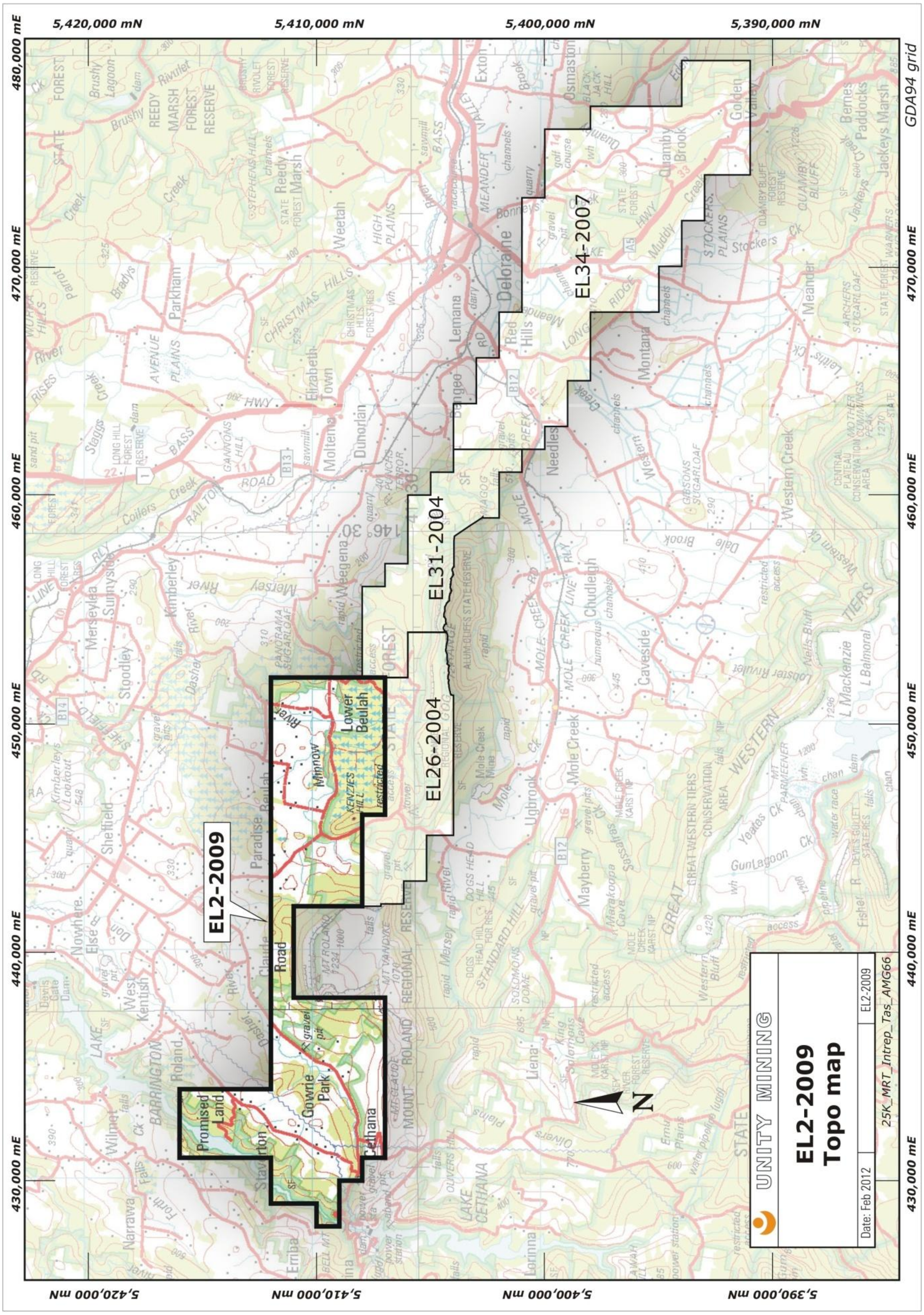


Figure 2: EL 2-2009 Beulah Topographic Map. Other Joint Venture tenements in the Gog Range area and adjacent to EL 2-2009 are also shown. Projection is UTM Zone 55 MGA94 co-ordinate system

2.3 **Topography Climate and Vegetation**

EL 2-2009 Beulah abuts the northern slopes of the Fossey Mountains range, which includes Mount Roland (elevation 1,233 m AHD), Mount Claude (1,034 m AHD) and Mount Van Dyke (1,084 m AHD). The Dasher River and Minnow River, within the Mersey River catchment, originate in and drain off this elevated terrain and flow to the northeast through the EL area. The far northwestern section of the EL covers part of Lake Barrington, created for hydroelectric power generation by damming of the Forth River. Agricultural land to the north of the EL area has been developed on a dissected Tertiary basalt plain.

Average rainfall calculated from observations at nearby Sheffield weather station, over the period from 1906 – 1997, is 1,179 mm per year. The highest rainfall period is from June – August. Snowfalls occur occasionally at higher elevations during winter months.

Extensive areas of plantation forest, dominantly eucalypt with some pine (Pinus radiata), have been established throughout the southern section of the EL area. Remnant native forest, mainly wet sclerophyll, is preserved on the northern slopes of the Fossey Mountains range and along river valleys.

3.0 GEOLOGY

3.1 **Regional Geology**

Neo-Proterozoic Tynnennan Group metasediments are unconformably overlain by the Mt Read Volcanics. The Cambrian Mt Read Volcanics are highly mineralised and host major polymetallic VHMS deposits, particularly in the west of Tasmania. The Cambrian volcanics and sediments are unconformably overlain by late Cambrian to early Ordovician Gordon Group consisting of siliclastics of the Roland Conglomerate and Moina Sandstone overlain by the Gordon Limestone. The regional and economic geological setting has been detailed in a previous report (Askins and Baxter, 2005).

3.2 **Local Geology**

Figure 3 shows the interpreted geology of the Firetower Project tenements.
The oldest rocks in the area of the Firetower tenements are the Neo-Proterozoic Tyennan Group. These rocks comprise dominantly quartzites and quartz-mica schists. They form part of the Tyennan region which is a complex thrust stack of poly-deformed Neo-Proterozoic metamorphic rocks occurring as high grade rocks allochthonously thrust within lower grade units (Baxter 2008)

The Cambrian sequence within the licence area predominantly comprises sedimentary rocks of the Gog Range Greywacke and felsic to intermediate lava/intrusive units of the Minnow Keratophyre and andesites and basalts of the Beulah Formation. The sedimentary rocks comprise interbedded micaceous greywacke, siltstone, shale, siliceous conglomerate, and volcaniclastic sediments (Wells 1957, Barton et al 1969, Pike 1973, Herrmann 1991 and Woodward et al 1993 in Baxter 2008). Andesitic lavas/intrusive rocks are present within the Gog Range Greywacke within the Gog Range licences and Herrmann (1991) concluded that these correlate with the rocks of the Que-Hellyer footwall (in Baxter 2008). The Minnow keratophyre forms the youngest unit of the Mt Read Volcanics in this area and it crops out in several areas within the licence.
The Beulah Granodiorite intrudes the Gog Range Greywacke and the Minnow Keratophyre along part of the northern margin of EL2-2009.
The Mt Read Volcanics are overlain by Late Cambrian to Early Ordovician Owen Group which comprise conglomerates and sandstone. This unit crops out along parts of the northern and the southern margins of the licence.

3.2.1 Mineralisation

Some of the mineral occurrences and areas of anomalies identified from previous work within EL2-2009 are shown in Figure 3 as prospects/anomalies. Prospects within EL2-2009 include Cethana, Gowrie Park, Lake Barrington, Star of the West, Gregorys Road and North Gog. Mineralisation is summarised in Kitto and Morrison (2008). Previous work highlighted a highest gold value of 257ppb from soil sampling at Star of the West prospect. The Cethana East prospect is located in the far south west corner of EL2-2009 and contains anomalous base metal values. The Star of the West Prospect and the Gregorys Road Prospect are located in the eastern 'lobe' of EL2-2009 and contain gold anomalies.

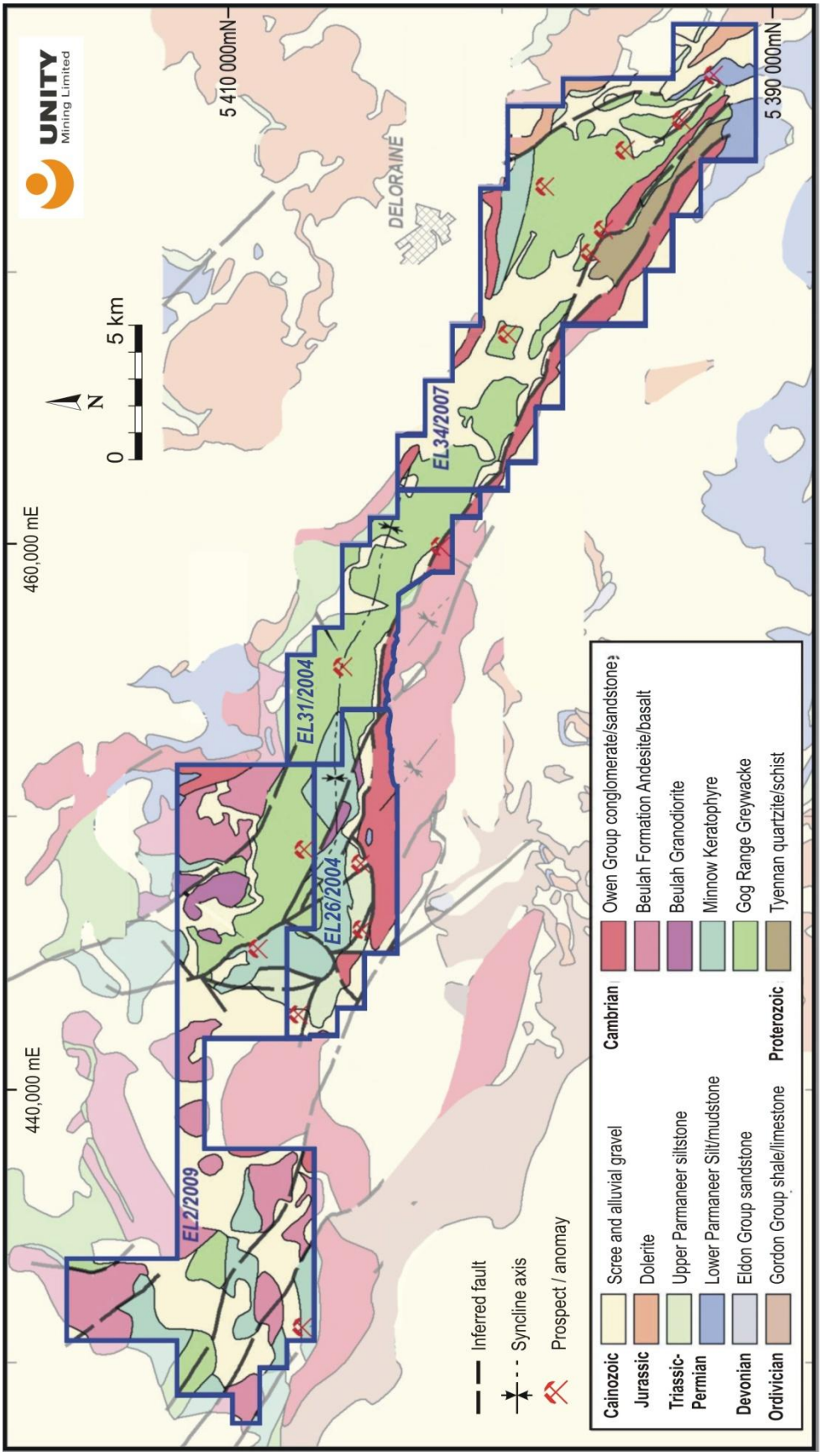


Figure 3: EL 34-2007 Interpreted Geology (from 1:25000 MRT)
(Projection UTM MGA94 Zone 55 Co-ordinate system)

4.0 PREVIOUS EXPLORATION

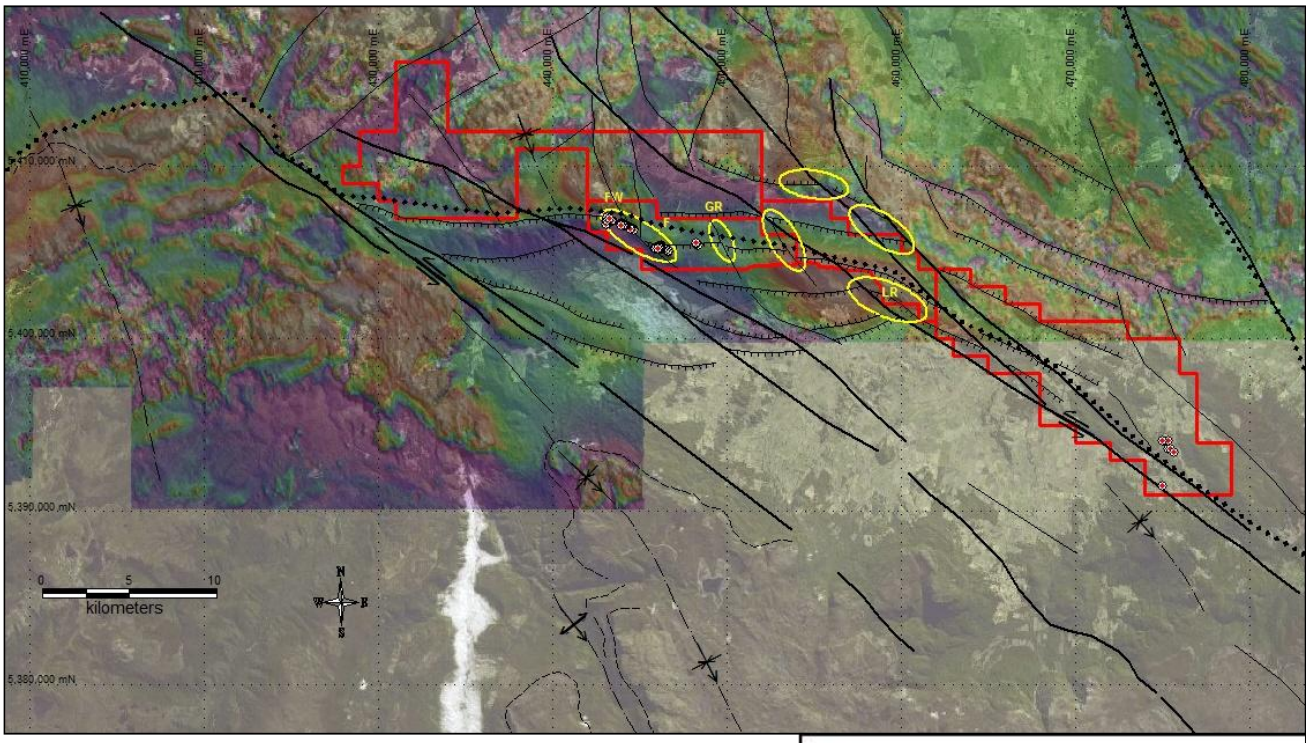
Previous Exploration on EL2-2009 is detailed in Kitto and Morrison (2008). Baxter (2010) outlines work carried out in the year to 22 June 2010.

5.0 WORK COMPLETED (OCTOBER 2011 TO 22 JUNE 2012)

Work completed during the current twelve-month period comprised a litho-structural interpretation of the area covered by the four ELs of the Firetower Project in order to generate exploration targets. The report is included as Appendix I. Figure 4 shows the structural interpretation and targets generated from this report.

The work outlined several targets within the Firetower licences.

Subsequent drilling of a magnetic anomaly with a co-incident gold/copper soil anomaly at 'Firetower West Prospect' in EL26-2004, which abuts EL2-2009, revealed a large alteration system with weak copper mineralization. The mineralisation occurs on the boundary between haematite and magnetite alteration. The alteration occurs close to the boundary between Cambrian volcaniclastics and Ordovician sandstones and conglomerates



Drillhole collar location

Satellite & magnetic image interpretation

- Anticline
- Bedding trace
- Dundas Trough margin
- Fault
- Fold axis
- Late dilational fault
- Major fault
- Sinistral fault movement
- Syncline
- Target (FW - Firetower West; F - Firetower; GR - Gregory's Road; LR - Lobster Rivulet)

Figure 4

Structural Interpretation and Regional Targets (Vukovic 2012 Appendix 1)

(Projection UTM MGA94 Zone 55 coordinate system)

6.0 EXPENDITURE

Expenditure by UML on EL 2-2009 for the year ended 22 June 2012 was $26,923, as follows:

Expenditure Item	$
Geology	12,954
Remote Sensing	5,840
Land Access	6,850
Administration	1,270
TOTAL	**26,923**

7.0 PLANNED WORK AND EXPENDITURE FOR 2012/13

Planned work on EL2-2009 Beulah for the twelve months to June 22 2013 will include interpretation of existing magnetic data, in light of the copper mineralisation identified at Firetower West during the recently completed drilling program, and the magnetic depletion zone at Firetower itself. Acquisition of some additional data may be required at the eastern end of the tenement. Mapping, rock chip and soil sampling will be conducted as a follow-up to the magnetic interpretation conducted earlier in 2012. Expected expenditure on EL2-2009 Beulah for the twelve months to June 2013 is $75,000.

8.0 REFERENCES

Askins, P.W. and Baxter, C., 2005. Annual Report for EL26/2004 and EL31/2004 for the Period to 26 November 2004 to 25 November 2005. Greatland Pty Ltd, pp22. (unpublished)

Baxter, C., 2008. Annual Report for EL34/2007 Quamby Brook for the period 21 September 2007 to 20 September 2008. Greatland Pty Ltd, 12 pp (unpublished)

Kitto, J. and Morrison, K.C., 2008. First Annual Report EL43/2006 Gowrie Park Project for the period 7/3/2008. Newcrest Operations Limited, 49pp (unpublished).