

Unity Mining Limited
Gog Range Joint Venture
EL 34/2007 Quamby Brook
Partial Relinquishment Report
Vol. 1 of 1
September 2014

Held by:	Greatland Pty Ltd
Manager & Operator	Unity Mining Limited
Author:	P. G. Stonestreet
Date:	September 2014
Map Sheets:	Tasmania 1:25,000 Series Montana (4639) Deloraine (4640) Tasmania 1:100,000 Series Meander (8214)
Geographic Co-ord (GDA94):	Minimum East: 462,000 m Maximum East: 479,000 m Minimum North: 5,391,000 m Maximum North: 5,404,000 m
Commodities:	Base metals, gold, silver

1.0 ABSTRACT

Unity Mining Ltd (UML) commenced exploration on EL 34/2007 Quamby Brook from late 2011, as manager and operator of the Gog Range Joint Venture, in a farm-in agreement with tenement holder Greatland Pty Ltd.

UML is relinquishing 48.5 square kilometres from the 98 square kilometres that comprise EL34/2007. The areas to be relinquished are not considered exploration priority targets, and no on the ground work was done on them. Work undertaken during Unity's tenure was restricted to interpretation and planning of an airborne geophysical survey, with no on-site work done.

The airborne geophysical survey was co-ordinated by Mineral Resources Tasmania, Department of Infrastructure, Energy and Resources (DIER) and addressed a previously identified paucity of high resolution geophysical data over much of the tenement area.

UML proposes to conduct more intensive field exploration of EL 34/2007 Quamby Brook in 2014-2015, with continued focus on gold and base metals prospectivity.

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2.0 INTRODUCTION

This report details the partial relinquishment of 48.5 square kilometres of the 98 square kilometres of EL 34/2007 Quamby Brook in September 2014. No work on the ground was undertaken on the areas to be relinquished.

A lack of high resolution airborne geophysical data over the tenement area was evident from a regional litho-structural study completed for UML in 2012. A helicopter borne magnetic and radiometric survey over the Mole Creek area was flown in April – May 2013 for Mineral Resources Tasmania, Department of Infrastructure, Energy and Resources (DIER), with costs shared by UML. Survey coverage included all but the northernmost portion of the EL. Interpretation of the newly acquired airborne geophysical data enabled Unity Mining to further define priority exploration targets, allowing for relinquishment of over half of the tenement.

EL 34/2007 Quamby Brook expires on 20 September 2015.

2.1 Location & Access

EL 34/2007 Quamby Brook is located in central northern Tasmania, within the Municipality of Meander Valley, approximately 45 km southwest of Launceston. The EL is centred 5 km south of Deloraine and extends over the small rural settlements of Red Hills, in the north, and Quamby Brook and Golden Valley to the southeast (Figure 1).

An extensive network of sealed roads provides excellent access throughout the EL. The central and southeastern sections of the tenement are traversed by the Lake Highway (A5) which links Deloraine and the Central Highlands, via Golden Valley. Bogan Road (C502) and Quamby Brook Road (C503) cut through the far eastern portion of the EL. Main access in the northwestern section is via Mole Creek Road (B12) and the Red Hills-Montana Road (C164). Numerous unsealed roads provide access from the sealed road network to farming properties and plantation forest holdings. Areas of remnant forest, mainly in steep hilly terrain through the southern portion of the EL, are accessible via four-wheel drive tracks.

2.2 Tenure

EL 34/2007 Quamby Brook, covering 97.0 sq km, was granted to Greatland Pty Ltd on 21 September 2007 for a period of five years. The company lodged an application for the tenement over vacant ground in May 2007. An extension of term of the EL for a further 12 months was notified on 9 November 2012.

UML announced on 12 October 2011 a farm-in agreement with Greatland Pty Ltd to explore on four granted ELs in the Gog Range area, including EL 34/2007 Quamby Brook. Under the terms of the agreement UML, as manager and operator, may earn a 51% interest by spending \$2 million within the initial two and a half years.

Proposed exploration activity on the EL requires assessment by and approval from the Mineral Exploration Working Group (MWEG). Approval of exploration programs is conditional upon the proponent meeting the requirements of the Mineral Exploration Code of Practice (MECOP) and all site specific conditions.

The majority of EL 34/2007 Quamby Brook covers Private Land (Figure 2). Areas proclaimed as State Forest, Forest Reserve and Forest Communities (Managed by Prescription) are located in the central, far northwestern and southeastern sections of the tenement. Several mining leases, granted for Category 3 Construction Minerals, are excluded from the EL. The largest of these, Mining Lease 1923P/M, covers 77 ha and is located at Pumicestone Ridge 2.5 km to the south of Deloraine. The ML was granted to Cresswell Transport in November 2011, with expiry due on 31 December 2013.

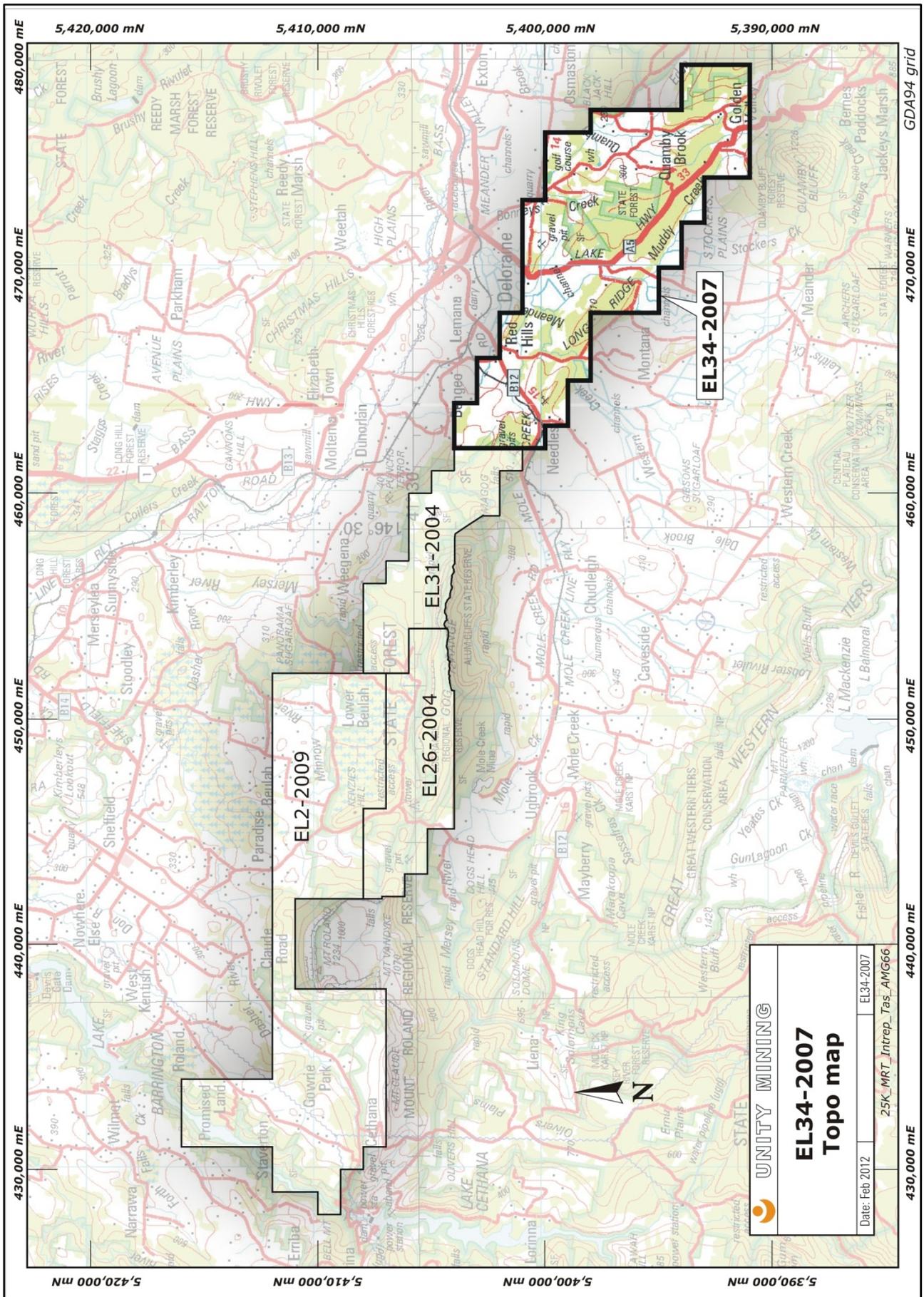


Figure 1: EL 34/2007 Quamby Brook location map. Other tenements in Unity's Gog Range Joint Venture are also shown. Projection is UTM MGA94 Zone 55 co-ordinate system. Base image by TASMAR (www.tasmap.tas.gov.au), © State of Tasmania.

2.3 Topography Climate and Vegetation

Topography of the EL 34/2007 Quamby Brook area comprises extensive lowlands, including alluvial floodplains, interspersed with a series of northwest – southeast aligned ridges. The lowlands extend throughout much of the northern and central portions of the EL. Quamby Bluff, an outlier of the Central Plateau, is located 2 km south of the EL and rises to an elevation of 1288 m AHD.

The Meander River, a tributary of the South Esk River, originates in the elevated terrain of the Great Western Tiers and flows north through the central section of the EL. Western Creek, Quamby Brook and numerous smaller tributaries flow into the Meander River. These rivers and streams dissect the elevated ridge terrain throughout the EL area. Extensive alluvial floodplains have formed in lower lying areas of the Meander River valley.

Average rainfall calculated from observations at Deloraine weather station (elevation 237 m AHD), over the period from 1884 – 2013, is 946 mm per year. Highest rainfall is in the June – August period. Occasional snowfalls occur at higher elevations and overnight frosts are frequent throughout the district during winter months.

EL 34/2007 Quamby Brook is located within the Northern Slopes bioregion. Agricultural land extends through much of the EL area, particularly on alluvial floodplains of the Meander River and tributary streams. Remnant areas of native forest, generally scrubby dry sclerophyll, are preserved on ridges and hill slopes throughout the southern and central sections of the tenement. Some privately owned cleared land is used for silviculture, with stands of mainly Eucalypt forest established.

3.0 GEOLOGY AND PREVIOUS EXPLORATION

The geology and previous exploration history of the area is detailed in Stonestreet, 2014, and is omitted here for succinctness.

4.0 AREAS TO BE RELINQUISHED

The areas to be relinquished consist of two blocks comprised of 39.5 square kilometres in the western and central parts of the lease and 9 square kilometres in the southeastern part of the lease, for a total of 48.5 square kilometres. The remaining area of lease to be held is 49.5 square kilometres. The northwestern area of relinquishment stretches from 46200E-477000E and 5397000N-5404000N, and the eastern area from 448000E-452000E and 5408000N-5412000N (MGA94 Zone 55 co-ordinate projection system). Much of the relinquished area covers private land used for agriculture.

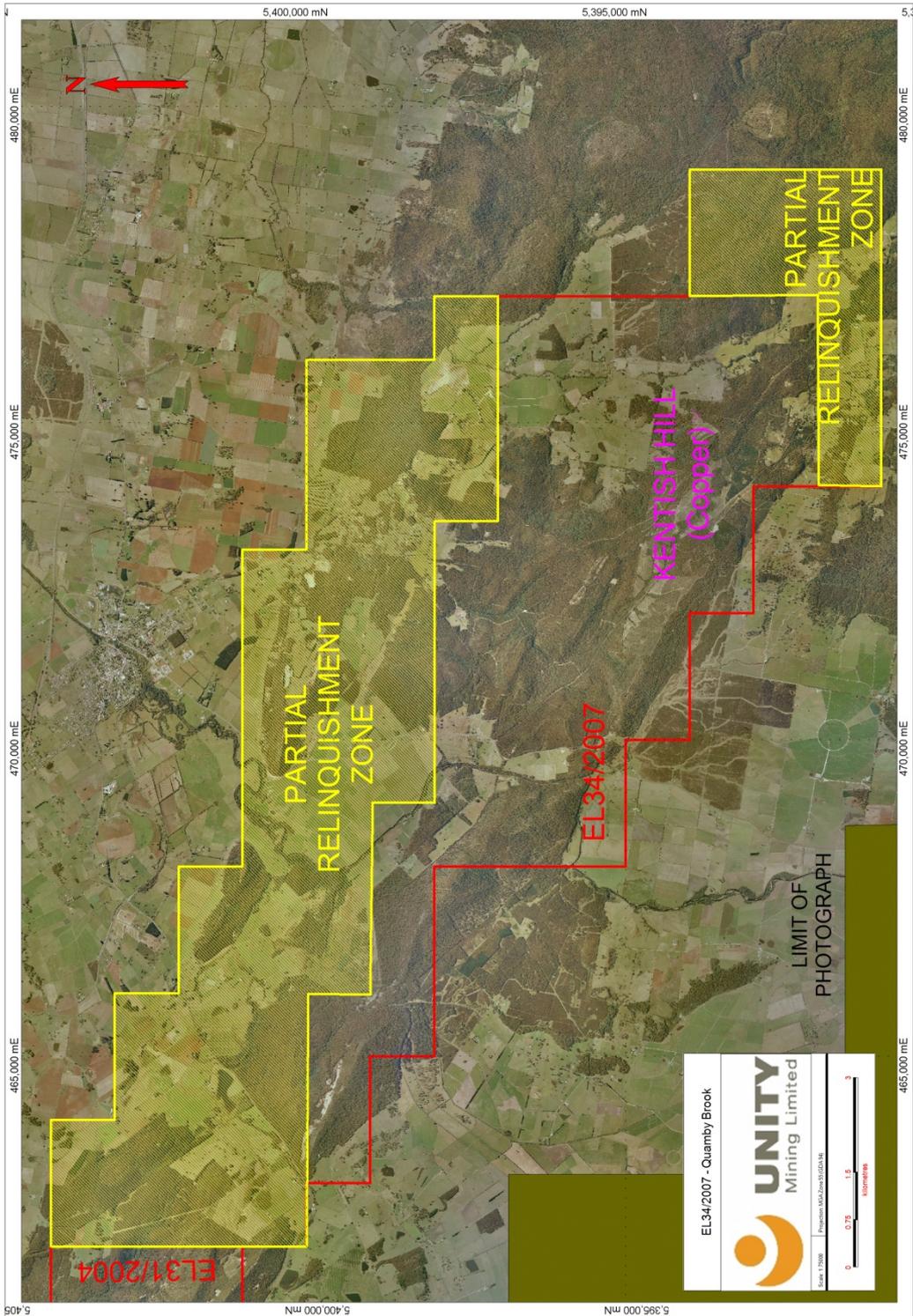


Figure 2: Aerial view of the area relinquished in EL34/200 Quamby Brook. Projection is UTM MGA94 Zone 55 co-ordinate system.

5.0 CONCLUSION

Unity Mining intends to continue exploring on EL34/2007 as per indicated in the annual report for 2014 (Stonestreet, 2014), while relinquishing the areas indicated in this report. Work on the relinquished areas was restricted to the 2013 Mole Creek helicopter borne geophysical survey. An interpretation of this data is given in Stonestreet (2014).

6.0 REFERENCES

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