



UNITY
Mining Limited

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EL28/2001 Annual Report

‘Tyndall Creek’

EL28/2001

Vol. 1 of 1

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DATE:	MAY 2015
MAP SHEETS:	1:25k Tyndall (3835) Oceana (3635) 1:100k Sophia
GEOGRAPHIC COORDS (GDA94):	Min East: 379,100mE Max East: 382,100mE Min North: 5,356,200mN Max North: 5,360,200mN
COMMODITY(s):	Au, Basemetals

Summary

An exemption to exploration expenditure on EL28/2001 was granted to Unity Mining from Mineral Resources Tasmania for the 2014/2015 reporting period due to cash-flow operating difficulties at Unity's adjacent Henty Gold Mine.

During the lease period UML has:

- Interpreted results from a B-horizon soil sampling program during the last reporting period

Expenditure on the tenement since 10th May 2014 has been \$7037.

Prior to the granting of the exemption of exploration expenditure Unity had planned two (2) drillholes of 1400m total which are now intended to be drilled in the upcoming reporting period.

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1. Introduction

This report details work completed by Unity Mining Limited (UML) on EL 28/2001 over the past year. An exemption of exploration expenditure was granted for the reporting period due to operational pressures at the Henty Gold Mine, with work limited to data interpretation. No on the ground work was performed.

The licence area consists of crown land and land vested in the HEC, both land uses coming under the Mines Act. The far western edge of the tenement is part of the Mt Dundas Regional Reserve (World Heritage Recommended Area for Protection). The far eastern extent, east of the HEC high-tension power lines is the Tyndall Regional Reserve. Any disturbances in these areas require notification and approval from the Mineral Exploration Working Group (MEWG). Further conditions of exploration are outlined in the Exploration Code of Practice (produced by Mineral Resources of Tasmania (MRT)).

The land vested in the HEC includes Lake Newton and associated pump station, the Henty canal, the high-tension power lines and service tracks.

1.1 Tenure

EL28/2001 was acquired in 2002 by Placer Dome Asia Pacific (formerly AurionGold Exploration and previously Goldfields Exploration) after a successful tender for ETA 552.

Barrick (Henty) Limited acquired the EL in January 2006, following the global takeover of Placer Dome by Barrick Gold Ltd.

In July 2009 Bendigo Mining Limited (BML) purchased the Henty Gold Mine and EL 28/2001 from Barrick Australia. BML subsequently applied for, and were granted, a variation to the tenement, which enlarged the area to the south by 1.4 sq km (Figure 1). BML changed its name to Unity Mining Limited on the 6th December 2010.

1.2 Location and Access

Lake Newton (EL28/2001) occurs midway between Queenstown and Tullah on Tasmania's West Coast. The EL's northern boundary abuts the Henty Gold Mine lease 5M/2002 (Figure 1). Local access to the tenement is off the Howards and Anthony Roads.

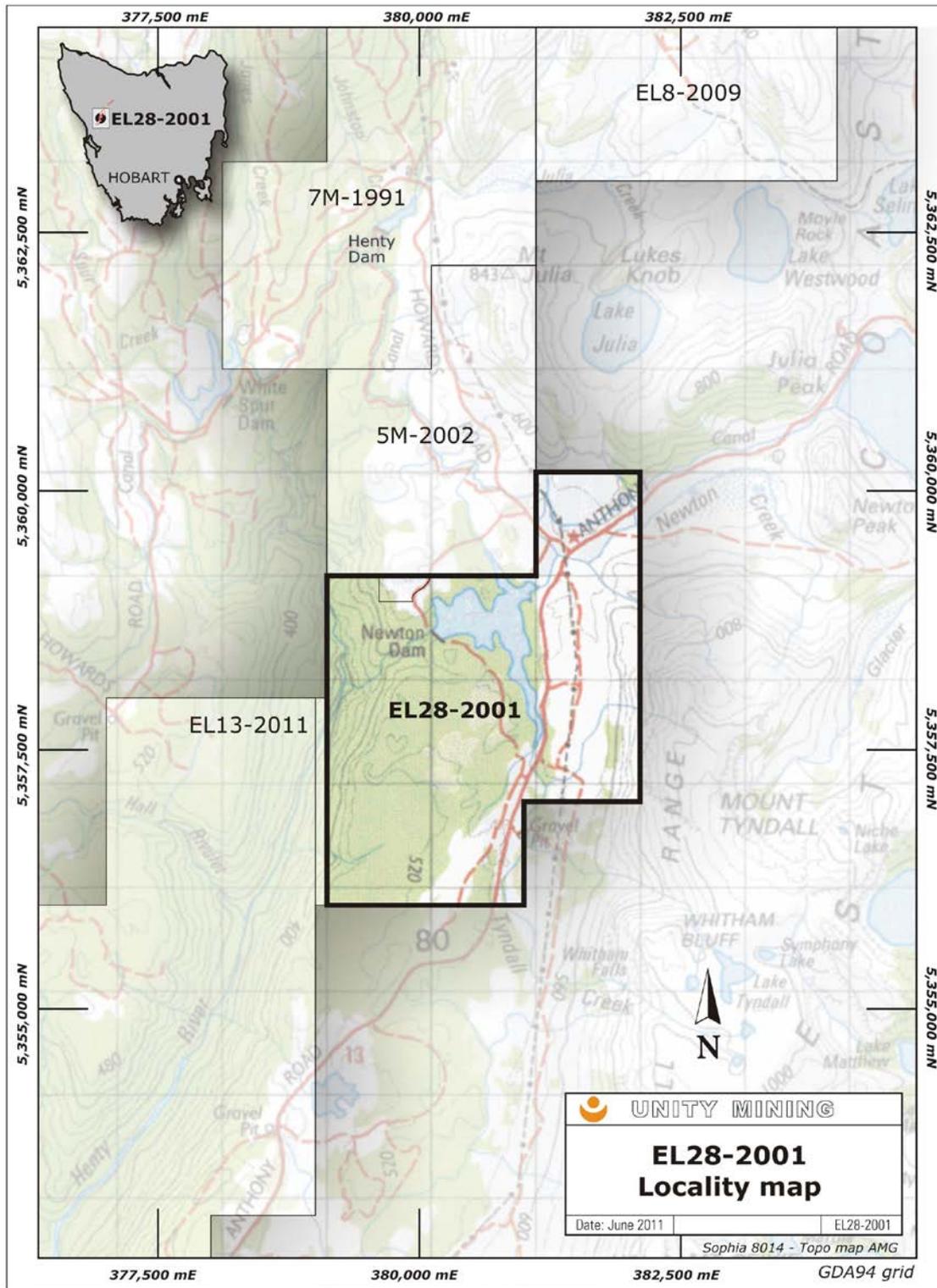


Figure 1: Location of EL28/2001 (map in GDA 94 projection).

1.3 Regional and Local Geology, Alteration and Mineralisation and Previous Exploration

Regional and Local Geology, Alteration and Mineralisation and Previous Exploration are detailed in last year's tenement report (Timms et al, 2014), and have been excluded from this report for succinctness.

2. Work Completed during the Reporting Period 2014 to 2015

2.1 Tyndall Creek B-Horizon Soil Program Interpretation

Geologist Mike Blake was contracted to examine the MMI data from the soil sampling program carried out during the last reporting period and review the prospectivity of the Tyndall Creek tenement. During the review of the tenement he noted several references to the Lake Newton magnetic anomaly but no good illustration and so constructed a slide (Figure 2).

The MMI data was levelled between laboratory batches (i.e. responses were calculated for each batch individually) and two images were produced of the gold and silver MMI responses (Figures 3 and 4), annotated with fire assay results that merit repeating/following up. He noted that in the southern part of the grid the MMI seems to track concealed lower Tyndall group nicely.

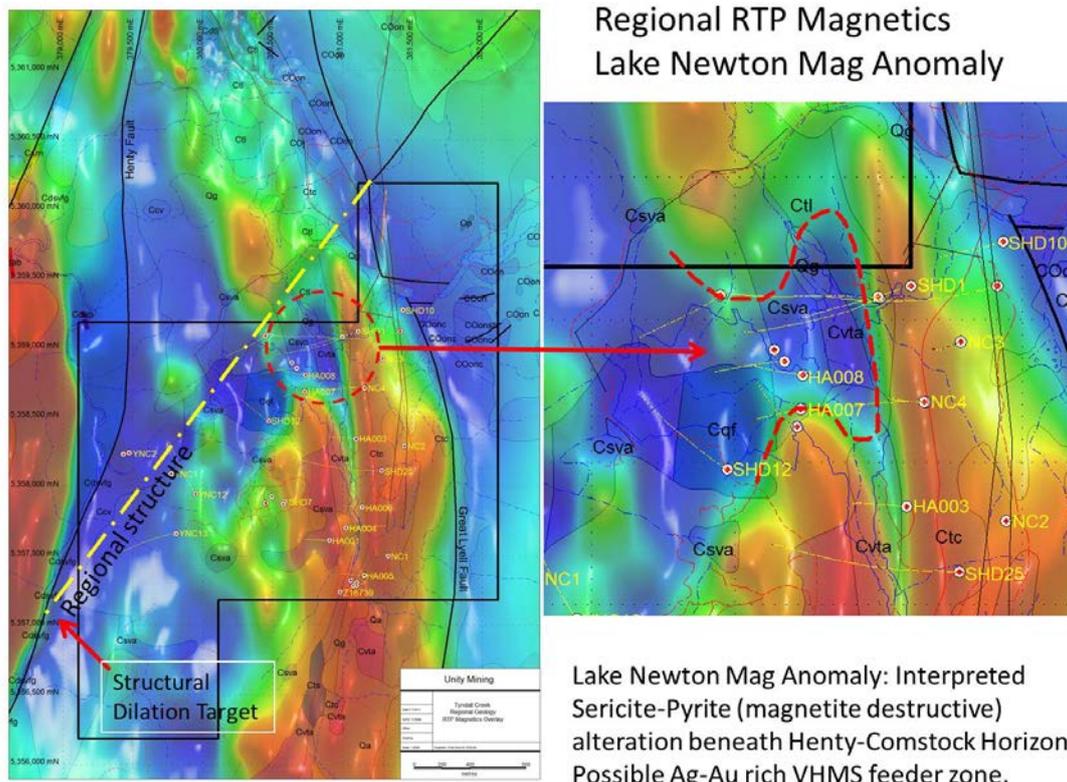


Figure 2: Slide of the Lake Newton Magnetic Anomaly Zone.

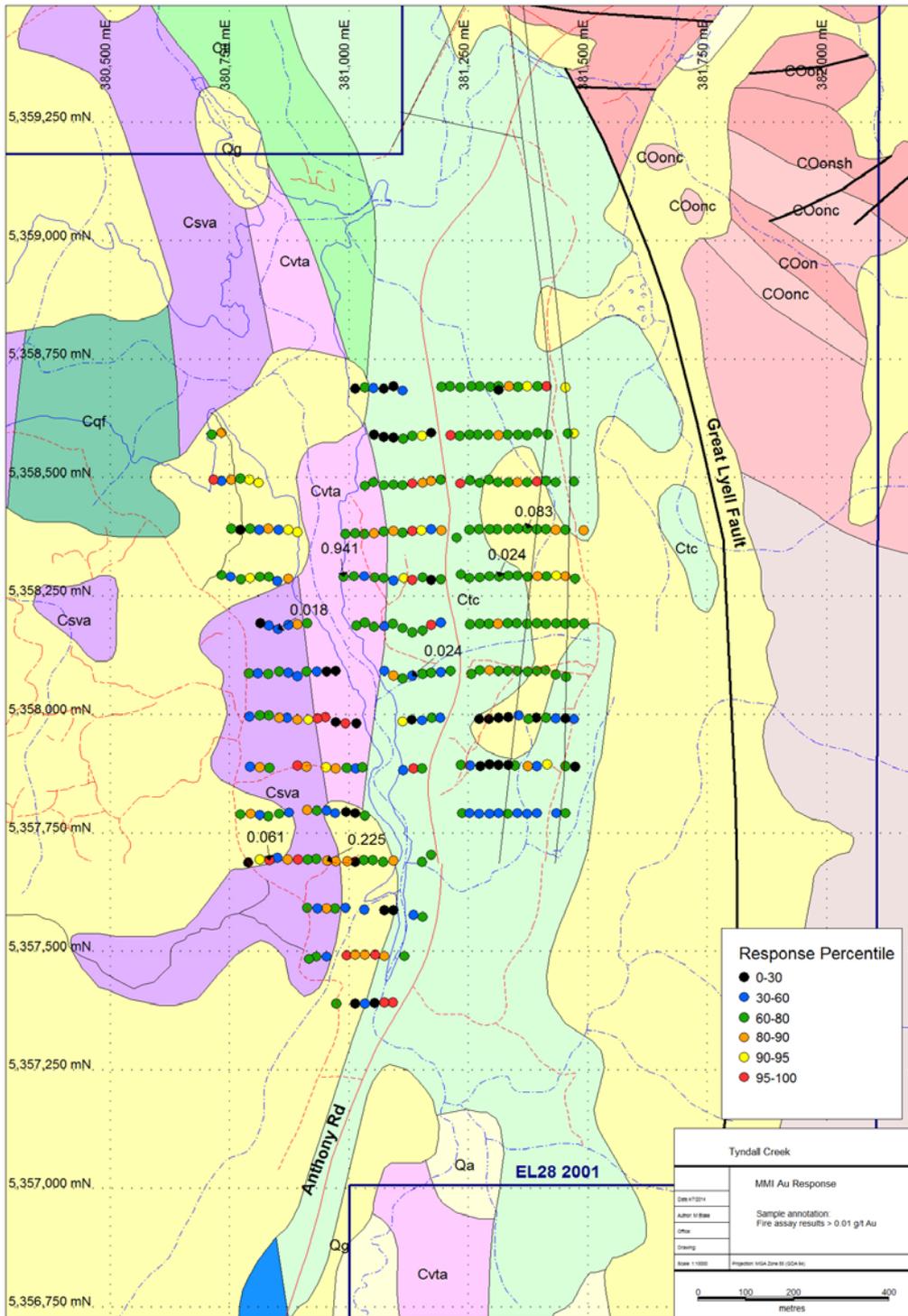


Figure 3: Tyndall Creek MMI gold response, with annotated fire assay results of note.

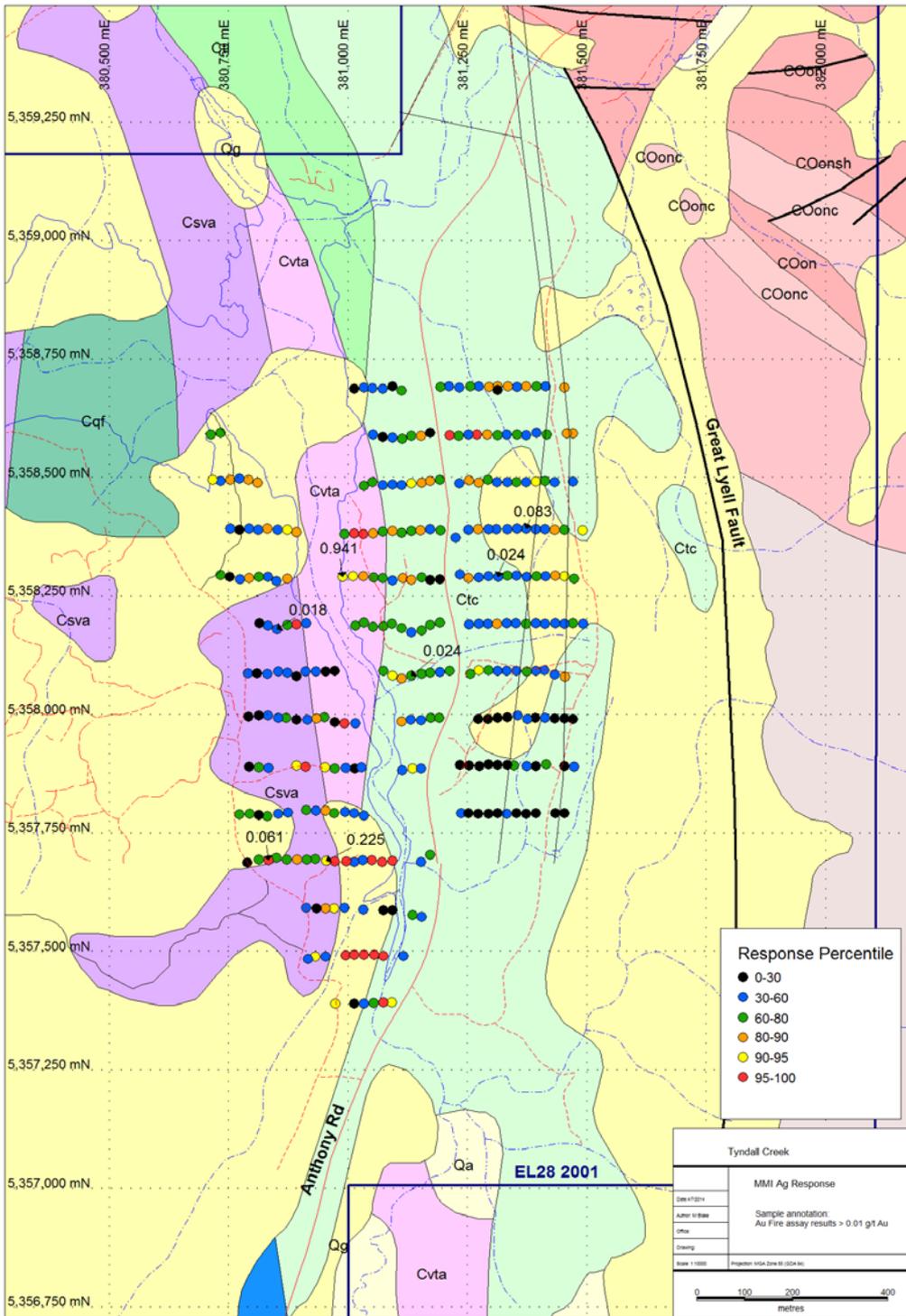


Figure 4: Tyndall Creek MMI gold response, with annotated fire assay results of note.

3. Conclusion

Sited on the Tyndall Group – Central Volcanic Complex boundary between Henty and Mt Lyell, the tenement remains prospective for economic gold and base metal mineralisation. An exemption of expenditure saw no field work done on the tenement during this reporting period. With an improvement in the financial situation of Unity Mining, and a recent farm-in agreement with PYBAR to drill at Henty, work on the tenement is now being planned for the upcoming year.

4. Planned Work - 2015/2016

The following work is planned for the upcoming year:

- Continue to identify areas where the prospective stratigraphy is impacted by significant structures, through continuing interpretation of the existing geophysical data but also through re-logging of old drill holes in order to identify geological displacements and also the structures themselves.
- Continue to in-fill gaps in the geochemistry over areas where the stratigraphy and structure come together.
- Drill-test identified target zones. Two 700m diamond drill holes are being planned.
- UML also plan to submit an application for the northern blocks of the ground to the south (recently relinquished). If successful, further drilling will be undertaken on the shallow gold prospect at Tyndall Creek. This may be in EL 28/2001 as well as the ground to the south. Work was halted on this prospect in 2012 because of the proximity of the tenement boundary.

5. Expenditure 2014/15 Reporting Period

Total Expenditure for the 2014/15 Reporting Period was:

Expenditure May 2014-April 2015	\$
Geology	6397
Admin (10%)	640
Total	7037

Table 1: E28/2001 Tyndall Creek Exploration Expenditure 2014/15.

6. Forecast Expenditure 2015/16

Forecast expenditure for the following year is as follows:

Forecast Expenditure May 2015-April 2016	\$
Geology	70 000
Geochemistry	25 000
Drilling	245 000
Admin (10%)	34 000
TOTAL	374 000

Table 2: E28/2001 'Lake Newton' Exploration Budget Forecast 2015/16

References

Timms, C. et al 2014. EL 28/2001 Annual Report 'Tyndall Creek' May 2014. Unity Mining Ltd, Australia (Unpublished).