



Diversified Minerals Pty. Ltd. Henty Gold Mine
ABN 61 005 674 073 Postal Address: PO Box 231 Queenstown TAS 7467
Site Office: Howards Road Queenstown TAS 7467
Phone: (03) 6473 2444 Facsimile: (03) 6473 1857

Unity Mining Limited Henty Gold Mine EL 11-2010 Tullah-Moxon Annual Report for Period 11 September 2015 to 12 September 2016 Vol. 1 of 1 December 2016

Held by:	Unity Mining Limited
Manager & Operator	Diversified Minerals Pty Ltd
Author:	Angela Lorrigan
Date:	December 2016
Map Sheets:	Tasmania 1:25,000 Series Selina (3836) Tasmania 1:100,000 Series Sophia (8014)
Geographic Co-ord (GDA94):	Min East: 380000m Max East: 389000m Min North: 5366000m Max North: 5383000m
Commodity(s):	Base metals, gold, silver

ABSTRACT

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INTRODUCTION

Tenements EL11/2010 Moxon Saddle and EL34/2010 Tullah were been combined for ease of reporting and exploration as EL11/2010. This report covers the 12 months from September 2014.

Location & Access, Topography and Climate

Details are provided in Blake (2013) for Tullah sites, and Stonestreet (2013) for Moxon

Tenure

The two tenements, Tullah EL34/2010, and Moxon Saddle EL 11/2010, were combined in 2014 to simplify tenement exploration, administration and reporting. The new tenement is known as EL 11/2010.

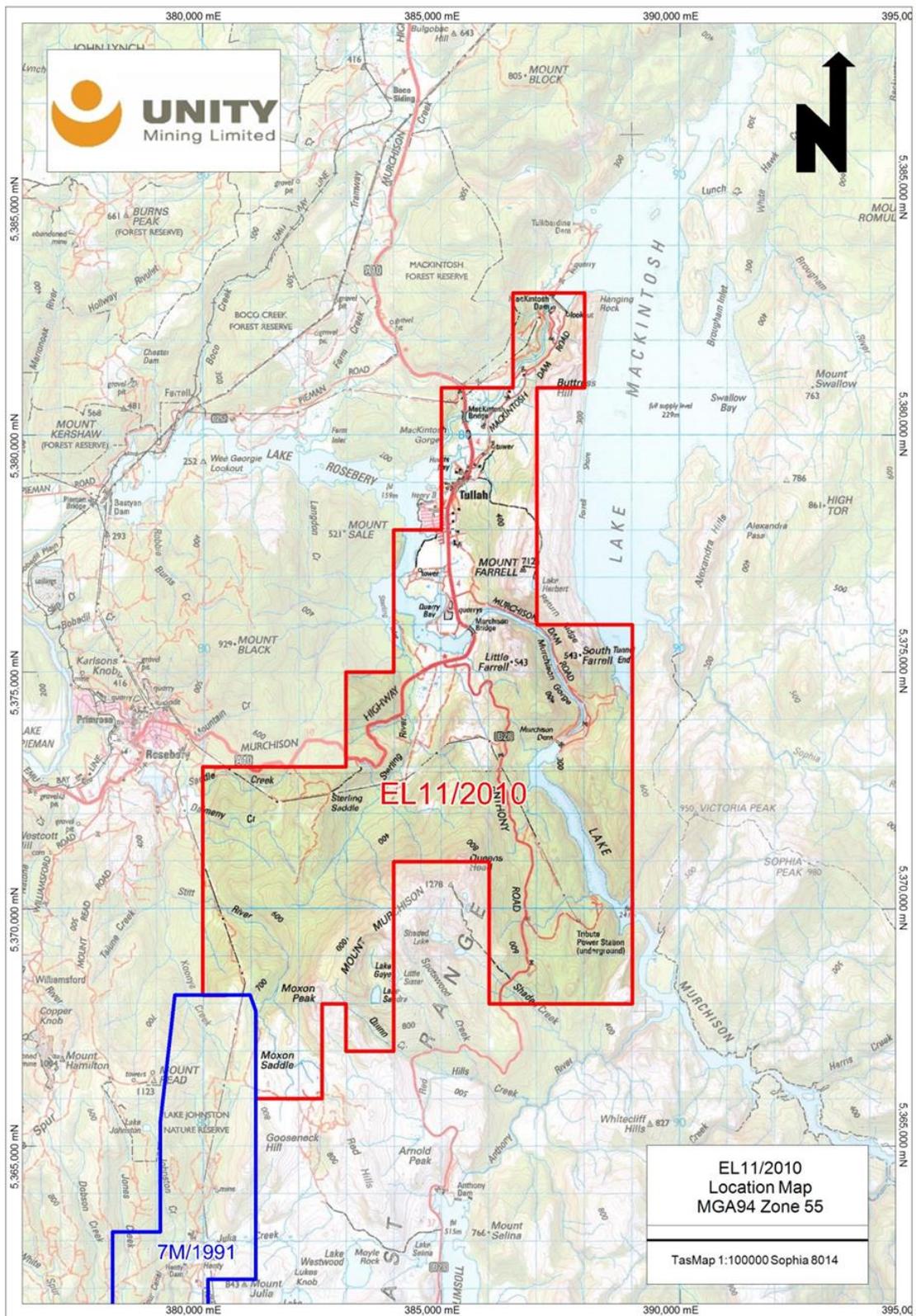


Figure 1: EL11/2010 Tullah location map. 7M/1991 (Henty Mine Lease) is also shown. Projection is UTM Zone 55 MGA94 co-ordinate system.

GEOLOGY

A complete description of the geology of the tenement can be found in Purvis 2010 and Stonestreet 2013.

PREVIOUS EXPLORATION

A detailed account of exploration prior to 2011 was given by Purvis, in Lorrigan (2012). For Moxon Saddle previous exploration is summarised in Stonestreet (2013). Exploration completed by Unity Mining is summarised in the table below.

Year	Areas	Work conducted
2011-2012	All tenement Lakeside	Airborne LIDAR survey and structural interpretation by consulting geologist. Drillholes LSUD01-LSUD05, testing deep extensions of the Lakeside mineralisation.
2012-2013	Moxon Saddle Lakeside, Upper Sterling, Murchison Mine,	Drillhole MX05 to test interpreted fault wedge extension zone. Drillholes LSUD06, LSUD06A, MUD01, MUD02, MXUD01-03. Lakeside Mineragraphy study. Reprocessing of IP data.
2013-2014	Upper Sterling/South Stitt Valley	Drillholes MXUD02 and MXUD03, testing Henty position on west side of Henty Fault, petrography on drillholes, Farrell Mining Desktop Study, drill proposal for 2 holes at Bruce Creek in the Sterling Valley
2014-2015		No work

WORK COMPLETED (SEPTEMBER 2015 TO SEPTEMBER 2016)

Access tracks were cut into the Tullah Bluffs area and grid lines were extended in the Moxon Saddle area. The figure below illustrates the location of this work. The access to Tullah Bluffs was cut to enable geological mapping and rock chip sampling in this area where alteration bears some resemblance to Henty.

The extension of the grid line will allow the soil sampling coverage of this area to be completed.

Ongoing drilling and interpretation at Henty Gold Mine has revealed the importance of shallow-dipping structures in the localisation of gold mineralisation. Three key indicators for are at Henty are:

A heterogenous host rock with alternating brittle and ductile domains.

Intense alteration, with destruction of feldspar, silicification and introduction of disseminated pyrite.

Proximity to major, shallow-dipping structures, often close to where these intersect the Henty Fault.

In view of these observations, the airborne magnetic data (SW Tasmania Helimag composite data) was interrogated in an effort to determine whether any of these features are visible and then, if they are, to identify other areas on the Henty tenements that might contain them.

Targets identified from the magnetic images were then overlaid on a polygon which had selected the most prospective stratigraphy in the area. That is, packages of rocks displaying significant heterogeneity.

RESULTS

The work undertaken on images of the data showed that the structural combination of NW-SE-striking structures intersecting the Henty Fault was clear in the Henty area. This pattern was then sought in the Tullah-Moxon EL. Four likely structural areas were identified on the RTP image and three on the RTP-1st VD image. All of these are on EL11/2010, though one overlaps with EL8/2009 to the south. The co-ordinates used for the figures are MGA 94, Zone 55.

Two of the figures below show the location of the structural target areas. The third shows the location of the targets on top of the prospective stratigraphy. Each of the targets overlaps this stratigraphy, at least in part. These areas therefore contain the main targets for future work.

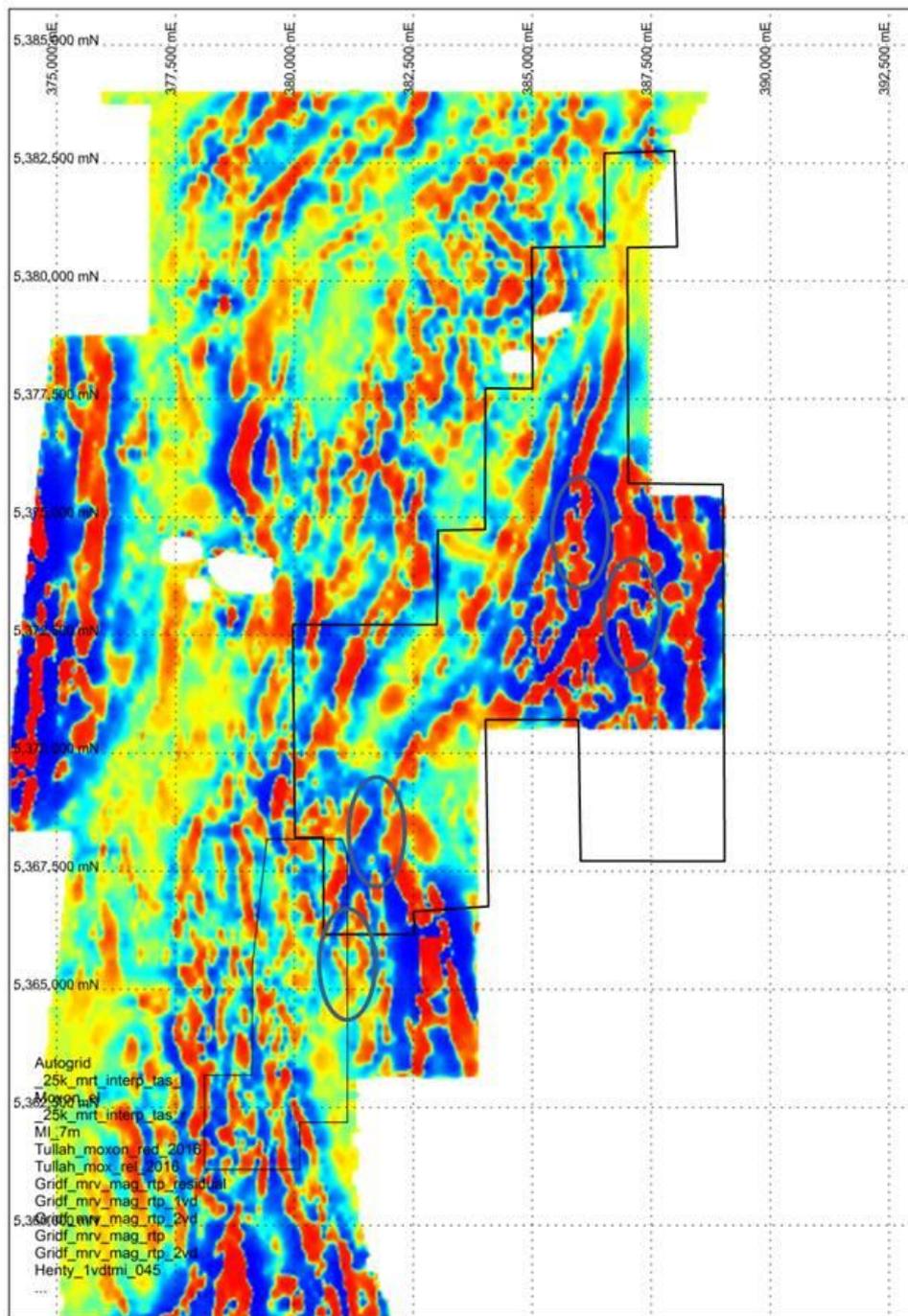


Figure 2. RTP heli-mag image showing "Henty-style" structural combinations (blue ellipses).

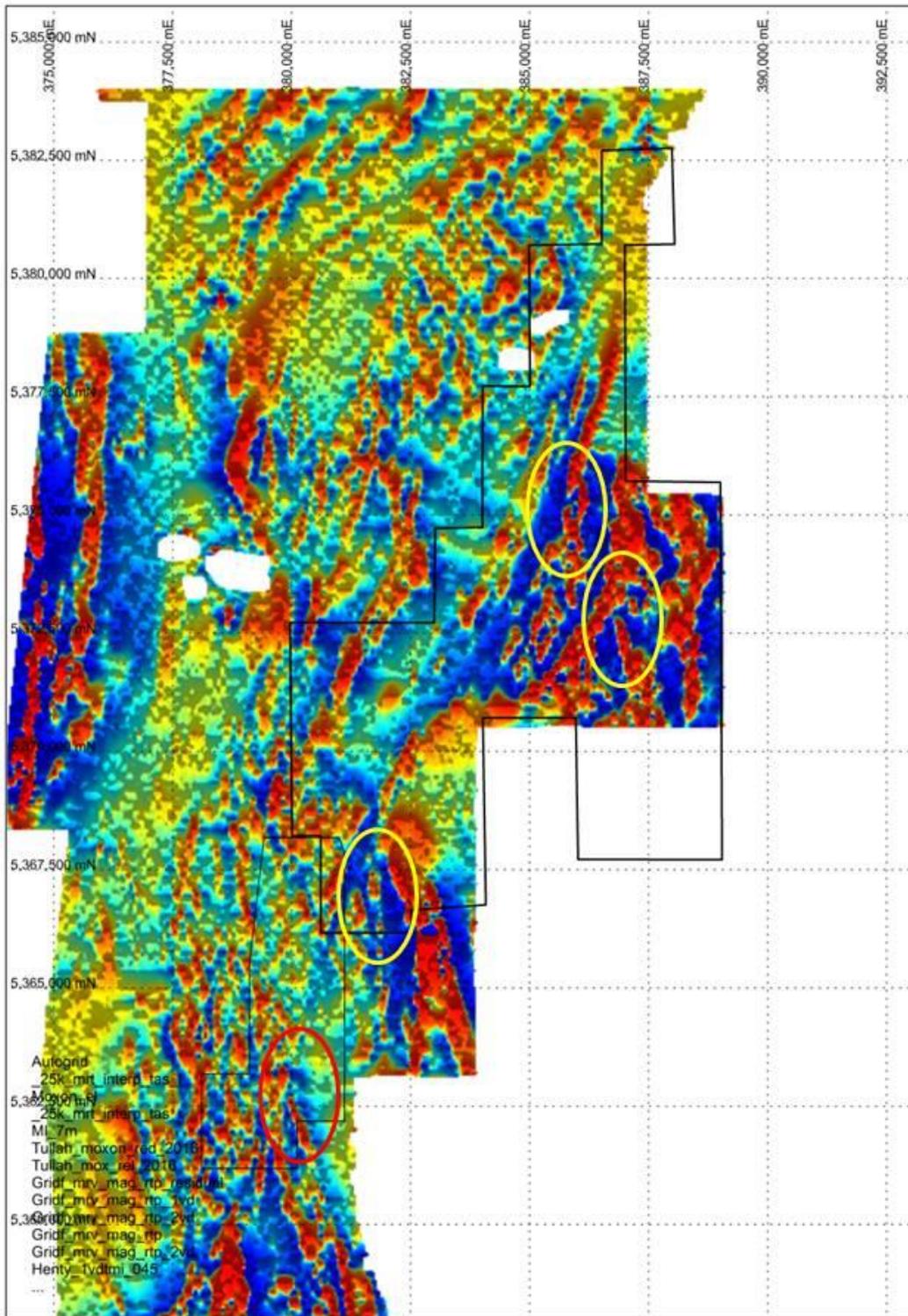


Figure 3. RTP_1st Vertical derivative heli-mag image showing “Henty-style” structural combinations. Henty is within the red ellipse, the targets are within the yellow ellipses.

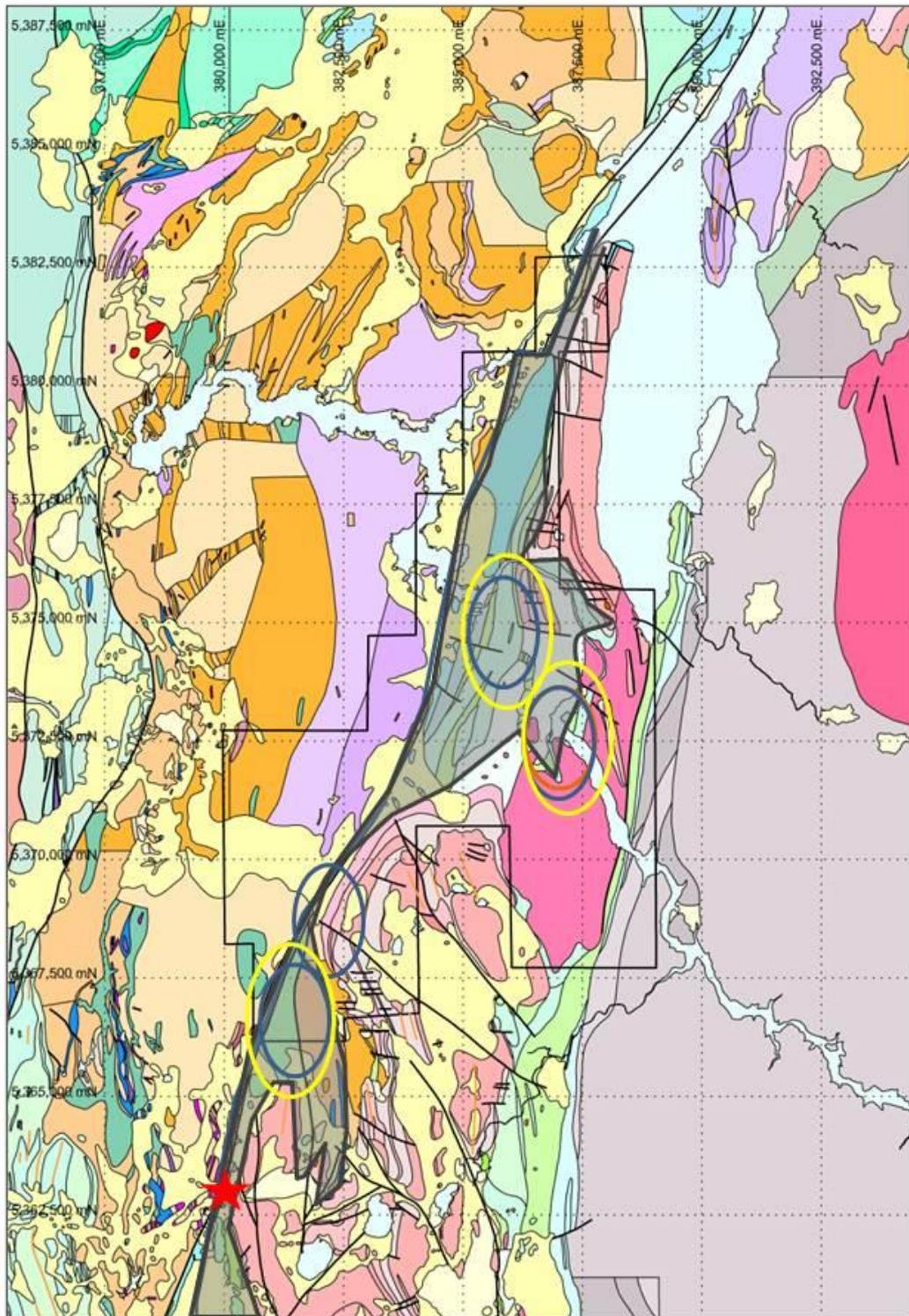


Figure 4. Regional 1:25,000 map with favourable stratigraphy within the grey polygon. Structural targets from the RTP image are within the blue ellipses, those from the RTP_1VD image are within the yellow ellipses. The red star marks the location of Henty Gold Mine.

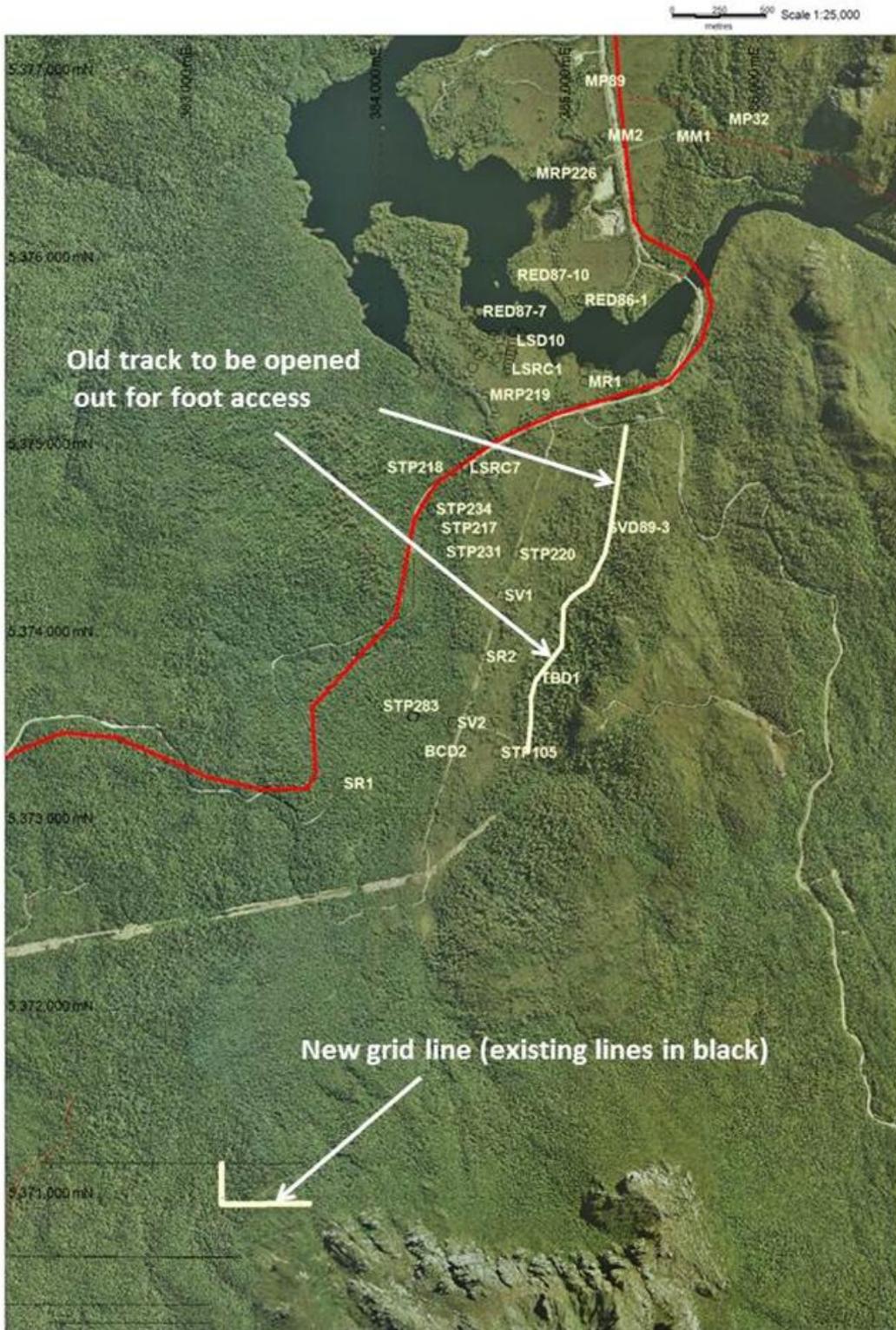


Figure 5. Location of track cutting completed during the reporting period. Co-ordinates are MGA 94, Zone 55.

EXPENDITURE FOR THE PERIOD 11 SEPTEMBER 2015 - 12 SEPTEMBER 2016

Expenditure by UML on EL 11/2010 for the 12 months ended September 2015 was \$2,500 as follows:

Expenditure for 12 months ending September 2016	\$
Personnel	2600
Geochemistry	
Geophysics	
Remote Sensing	
Gridding	
Drilling	
Access	
Rehab	
Feasibility	
Roads and tracks	14074
Other	
Admin	
TOTAL	16674

PLANNED WORK AND EXPENDITURE

The proposed exploration program for the new combined tenement ending April 2016 consists of:

- 500 m of heli-supported drilling in the Moxon Saddle area
- Sampling of drill core from holes TBD1 and TBD2 and of outcrop in the Tullah Bluffs for pyrite laser ICPMS characterisation.
- Review of information for identification of further drill targets.

Planned expenditure is \$180,000.

REFERENCES

Blake, M.D., 2013, EL 34/2010 Tullah Annual report for period 2 April 2012 to 2 April 2013, unpublished Unity Mining report.

Lorrigan, A, 2012, EL 34-2010 Tullah Annual report for period 3 April 2011 to 2 April 2012, unpublished Unity Mining report.

Purvis, J. G. 2010. Review of exploration potential for ERA 831. Bendigo Mining Limited, unpublished company report.

Stonestreet, P.G., 2013, EL11/2010 Moxon Saddle Annual Report for period 12th September 2011 to 12th September 2013, unpublished Unity Mining report.

