Unity Mining Limited
ABN 61 005 674 073
Level 10 350 Collins Street
Melbourne VIC 3000
T: +61 (0)3 8622 2300
F: +61 (0)3 8622 2399
E: info@unitymining.com.au
W: unitymining.com.au

Manager, Company Announcements
Australian Securities Exchange Limited

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

We enclose herewith the Appendix 4E, Directors' Report and Financial Statements for the year ended 30 June 2013.

The key results for the year include:

- Unity Mining Limited reported a net loss for the year of $26.4 million, which includes impairment write-downs of $19.3 million from our operations at Henty Gold Mine, Dargues Gold Mine and our investment in GoldStone Resources Limited
- Revenue of $64.7 million was delivered against mine operating costs of $46.8 million and a D&A expense of $14.0 million.
- Gross operating profit for the FY13 year was $3.9 million.
- FY13 production was 43,851 oz gold at a cash operating cost of $1114/oz inclusive of royalties.
- Statutory reported operating cash flows of $8.5 million with the following major movements during the year noted:
    - $22.2 million invested in Mine Property, Plant and Equipment
    - Cash Outflows including $3.1 million for rehabilitation bonds for the Dargues Gold Mine project in NSW,
    - $1.0 million in relation to payments for leases,
    - $0.1 million in payments for shares purchased back by the Company, and,
    - During the year the Company invested $8.9 million in exploration and $7.7 million in mine development.
- The Company's closing cash position was $27.7 million at 30 June 2013.

Bill Geier
Chief Financial Officer
Unity Mining Limited

UNITY
Mining Limited

ASX Appendix 4E, Directors' Report and 2013 Financial Report

CORPORATE INFORMATION

ABN 61 005 674 073

Directors:

C Jones (Non-Executive Chairman)
A McIlwain (Managing Director & CEO)
R Beevor
D Ransom

Registered Office & Principal Place of Business:

Level 10
350 Collins Street
Melbourne Vic 3000
Telephone: +61(0)3 8622 2300
Email: info@unitymining.com.au

Company Secretary:

M Leydin

Auditors:

Deloitte Touche Tohmatsu
Chartered Accountants
550 Bourke Street
Melbourne Vic 3000

Senior Management:

B Geier – Chief Financial Officer
A Lorrigan – General Manager – Discovery & Growth
M Daly – General Manager – Henty Gold Mine
S Jones – General Manager – Dargues Gold Mine
B Hill – General Manager – Markets & Strategy

Share Registry:

Boardroom Pty Limited
Level 7
207 Kent Street
Sydney NSW 2000
Telephone (02) 9290 9600

Shareholders' Enquiries:

Share Registry 1300 737 760
(enquiries@boardroomlimited.com.au)
or
Company Secretary +61 (0)3 9692 7222

Stock Exchange:

ASX Limited (Code: UML)

Web Page:

http://www.unitymining.com.au

CONTENTS

All references to $ are Australian dollars unless otherwise indicated.

ASX APPENDIX 4E

Results for Announcement to the Market

	Consolidated Year ended 30 June 2013 $'000	Consolidated Year ended 30 June 2012 $'000
Revenue from ordinary activities	64,730	80,805
Profit/(loss) from ordinary activities after tax attributable to members	(26,397)	12,875
Net profit/(loss) for the period attributable to members	(26,397)	12,875
Net Tangible Assets per share	$0.10	$0.17
Basic Earnings per share	(4.5) cents	2.5 cents

	30 June 2013	30 June 2012

No dividend has been declared or paid.

Explanation of Results

Please refer to the commentary included in the Directors' Report for an explanation of results.

DIRECTORS' REPORT

The Directors of Unity Mining Limited present their report together with the financial report for the year ended 30 June 2013.

Directors

The names and relevant details of Directors of the Company in office during or since the end of the financial year are as follows:

Directors

- **Clive Jones**
  B.App.Sc (Geol), M.AusIMM Non-Executive Chairman
  Mr Jones has been involved in the minerals industry for 25 years and has worked on the exploration for and development of projects covering a range of commodities including gold, base metals, uranium, mineral sands, iron ore and industrial minerals both in Australia and overseas. His experience covers both corporate and technical roles at senior management level. Mr Jones is currently Joint-Managing Director of Cazaly Resources Ltd, a Non-Executive Director of Bannerman Resources Ltd and is Non-Executive Chairman of Corazon Mining Limited. All of these companies are currently listed on the Australian Stock Exchange whilst Bannerman is also jointly listed on the Toronto and Namibian Stock Exchanges. He joined the Board in January 2013 as Non-Executive Chairman and is also a member of the Company's Audit & Risk Committee, Remuneration & Nomination Committee and Chairman of the Health, Safety and Environment Committee.

- **Andrew McIlwain**
  BEng (Mining), MAusIMM
  Managing Director and CEO
  Mr. McIlwain has over 25 years experience in the mining industry. He is a qualified mining engineer and has held operational, technical, senior management and executive roles within Mount Isa Mines Limited, Central Norseman Gold Corporation, WMC Resources and Lafayette Mining Limited. More recently, as an independent consultant, he worked with Oxiana, Heemskirk and Tusker Gold focusing on corporate transactions. He is also Non-Executive Director and Independent Chairman of ASX-listed Emmerson Resources Limited. He joined the Board as Managing Director and CEO in December 2011. He is a Non-Executive Director of associate GoldStone Resources Limited.

- **Ronnie Beevor**
  BA (Hons)
  Non–Executive Director
  Mr Beevor is an investment banker and was Head of Investment Banking at N M Rothschild & Sons (Australia) Limited between 1997 and 2002. He has had extensive involvement with the natural resources industry, both in Australia and internationally. He is Chairman of Bannerman Resources Limited and EMED Mining Public Limited, and a Director of Ampella Mining Limited and Bullabulling Gold Limited. He is a Senior Advisor to Gryphon Partners / Standard Chartered Bank. He joined the Board in November 2002 and is also the Chairman of the Company's Audit & Risk Committee, Chairman of the Remuneration & Nomination Committee and a member of the Health, Safety and Environment Committee.

- **David Ransom**
  BSc (Hons), PhD
  Non-Executive Director
  Mr Ransom is a resource analyst and principal of Acorn Capital Limited, a Melbourne-based microcap investment manager. He is a geologist with a BSc from Sydney University and a PhD from the Australian National University, and has over 35 years experience in the minerals industry. He has held various long term directorships in the resources sector, including Triako Resources Limited and TSX Venture Exchange listed Solomon Resources Limited. He joined the Board in November 2007 and is also a member of the Company's Audit & Risk Committee, Remuneration & Nomination Committee and Health, Safety and Environment Committee.

Directors who Resigned During the Year

- **Peter McCarthy**
  BSc (Eng), MGeosc, FAusIMM (CP), MAICD
  Mr McCarthy has 44 years' experience in the mining industry. He is the chairman of AMC Consultants, a prominent mining consultancy group in Australia, and a former Non-Executive Director of Castlemaine Goldfields Limited and the Sovereign Hill Museums Association. He was President of the AusIMM in 2007 and 2008. His principal expertise is in underground mining and project evaluation. He joined the Board in September 2004 and was appointed Chairman in January 2006. He resigned as a Director of Unity Mining on 10 January 2013 and also from the Company's Audit & Risk Committee, Remuneration Committee and Health, Safety and Environment Committee of which he was also member.

- **Peter van der Borgh**
  BSc (Hons), FGS
  Mr van der Borgh is an experienced geologist who has worked in exploration and mining for 25 years, including three years research at the University of Western Australia studying the formation of Giant Ore Deposits (the 'GODS' project). He combines strong exploration skills with experienced business acumen. Peter is also a Fellow

of the Geological Society (London). He joined Unity Mining as an Executive Director on 10 January 2013 and resigned on 12 April 2013.

Company Secretary

- **Melanie Leydin**
  Company Secretary
  Ms Leydin has 20 years experience in the accounting profession and is a director and Company Secretary for a number of oil and gas, junior mining and exploration entities listed on the Australian Stock Exchange. She was appointed Company Secretary on 9 January 2013, replacing Mr Geier who had previously held the role in addition to his responsibilities as Chief Financial Officer.

Officers
The names and roles of other Officers of the Company during the year are disclosed in the Remuneration Report on page 12 of this report.

Directors' Meetings

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by Directors (while they were a Director or committee member).

Directors	Board of Directors		Remuneration & Nomination Committee		Audit & Risk Management Committee		HSE & Security Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
P McCarthy	4	4	1	1	1	1	1	1
C Jones	4	4	1	1	1	1	-	-
R Beevor	8	7	2	2	2	2	1	1
D Ransom	8	8	2	2	2	2	1	1
A McIlwain	8	8	-	-	-	-	1	1
P van der Borgh	2	2	-	-	-	-	-	-

Principal Activities

The principal activities of the Company and Consolidated Entity during the financial year were:

- Gold production and exploration at the Henty Gold Mine on the West Coast of Tasmania;
- Development of the Dargues Gold Mine;
- Care and maintenance of the Kangaroo Flat Mine in Bendigo, Victoria; and
- Indirect exposure to gold exploration in West Africa through the investment in GoldStone Resources Limited.

Review of Operations

The key activity in the FY13 financial year was gold production and exploration at the Company's Henty Gold Mine, the merger with Cortona Resources, and the consequent commencement of development of the Dargues Gold Mine in NSW. The Company also maintained its interest in GoldStone Resources Limited, an AIM-listed West African gold exploration Company at 34% during the financial year.

<u>Henty Gold Mine</u>

Gold production of 43,851 ounces was down 12% compared to the FY12 financial year. The decreased gold production was the result of lower head grades in the September quarter and a reduction in tonnes mined and processed throughout the year. The average head grade was 5.3 g/t gold compared to 5.6 g/t gold in the previous year and the tonnes processed were 278,105 compared to 297,014. As a result of the lower production, cash operating costs increased from A$982/oz to A$1114/oz.

In FY13, key mine activities at the Henty Gold Mine included underground development of 4541 metres, ore mining of 276,626 tonnes and exploration drilling of 35,185 metres. Exploration expenditure in FY13 was $8.9 million. At Henty, continuing successful exploration at the Read Zone delineated an initial Ore Reserve of 30,000 oz at 11.5 g/t gold. Read Zone remains open to the south, and will be subject to further drill testing from the newly constructed southern exploration drive. This drive will also be used to test for extension to Darwin South. Surface drilling at Henty continued throughout FY13, to test extensions of the mineralisation along the Henty Fault in the Henty Dam area and up-dip of the mine workings and also at the Moxon, Firetower, Red Hills and Lakeside prospects. At year end, three drill rigs were actively engaged in the Henty exploration program with a planned budget of $7.0 million for FY14.

Strategies and Prospects for future financial years
The Company's main focus for the Henty Gold Mine will be the continued development of Read Zone and further evaluation of other prospects as noted above.

From a risk management perspective, volatility of the gold price poses the primary risk to the future financial performance of the Mine.

<u>Merger with Cortona Resources</u>

On 28 September 2012, Unity announced its intention to merge with ASX-listed Cortona Resources, owner of the development-ready Dargues Gold Mine in New South Wales. Following the successful conclusion of the merger in early January 2013, Mr Clive Jones joined the Board as Chairman, replacing Mr Peter McCarthy. Mr Peter van den Borgh also joined the board as Executive Director. Mr van den Borgh subsequently resigned as a director on 12 April 2013.

<u>Dargues Gold Mine</u>

On 11 February 2013, pre-construction earthworks commenced at the Dargues Gold Mine, with contracts awarded for the construction of three discrete and staged work programs: 1) a 3.2 km long site access road, 2) Boxcut & ROM Pad, and 3) a Tailing Storage Facility (TSF). At the end of July 2013, the access road was 70% complete, the boxcut was 80% complete, and the TSF construction was yet to commence.

Strategies and Prospects for future financial years
The Company's main focus for the Dargues Gold Mine is the continued development of the mine during FY14 with a view towards production of first gold in the first half of FY15.

From a risk management perspective, volatility of the gold price poses the primary risk to the future financial performance of the Mine.

<u>Kangaroo Flat Mine</u>

There was no gold production from the Kangaroo Flat Mine in the FY13 financial year as the mine remained on care and maintenance throughout the period.

In October 2012 Unity Mining and Catalyst Metals announced they had agreed to terminate the Option Agreement for Catalyst to acquire the Kangaroo Flat gold processing plant, associated infrastructure and mining tenements of Unity located near Bendigo in Victoria. This provided an opportunity for Unity to consider the use of components of the Kangaroo Flat gold processing plant for the development of the Dargues Gold Mine in NSW.

In parallel, Unity has been seeking expressions of interest for the sale of all its Bendigo assets, with the intention of only selling these assets if it realised benefits in excess of those achieved by relocating the equipment to Dargues. Applying the proceeds from a sale of the Bendigo assets to the Dargues development would provide a significantly more favourable outcome for shareholders than the debt alternatives more typical with project funding. Unity is currently assessing the options to realise maximum value for the Bendigo assets, which has delayed the Company from committing to a debt funding package for the Dargues Project.

Strategies and Prospects for future financial years
The Company's main focus for the Kangaroo Flat Mine is to sell the asset should an appropriate offer be presented by an interested party as outlined above. Additionally, the prospect of utilising and relocating mining assets to Dargues will also be considered should it be determined that this will maximise value.

The risks associated with this asset are minimal given that it does not form part of the Company's operational assets and strategy. The Kangaroo Flat Mine was placed into care and maintenance in FY12.

<u>GoldStone Resources Investment</u>

During the year, Unity maintained its ownership of GoldStone Resources at 34%. In November 2012, GoldStone Resources announced an increase in resources at Homase, Ghana to 602,000 ounces. In April 2013, GoldStone announced it had entered into a joint venture with Randgold over the Sangola project in Senegal. Encouraging drill results were also reported from inaugural drilling programs at the Oyem and Ngoutou projects in Gabon. Exploration also advanced at projects in Senegal and Gabon.

Strategies and Prospects for future financial years
The Company's present strategy in relation to this this asset is to retain its investment position going forward.

DIRECTORS' REPORT *continued*

Financial Position

The capital structure of the Consolidated Entity was subject to the following changes during the year:

- The issue of 196,747,303 ordinary shares to shareholders of Cortona Resources Limited as consideration for the purchase of Cortona Resources through a scheme of arrangement;
- In addition to the shares issued during the year as discussed above, 869,961ordinary shares were repurchased by the Consolidated Entity under the share buy-back program which concluded in March 2013;
- Under the Long Term Incentive Plan ('LTIP') in place for Key Management Personnel, 4,038,586 performance rights were issued during the year. At the end of the year a total of 6,015,568 performance rights were on issue with conversion to ordinary shares contingent on the achievement of performance hurdles over a three year performance period.

Other key matters of note on the Consolidated Entity's financial position at balance date included the following:

- The Consolidated Entity reported a strong cash position of $27.7 million;
- Cashflow received from operations for the year was $8.5 million, with $24.0 million invested back into the business;
- An Impairment write-down of $4.8 million was recorded in relation to the Consolidated Entity's investment in GoldStone Resources Limited; and
- Impairment write-downs of $7.4 million and $7.1 million were recorded in relation to mine property, plant and equipment assets at the Henty Gold Mine and Dargues Gold Mine respectively.

The impairment write-downs of $14.5 million recorded at Henty Gold Mine and Dargues Gold Mine during the year were largely the result of the adoption of a gold price at 30 June 2013 of $1336/oz and the forecast associated impact of that gold price on future cash flows generated by these assets.

State of Affairs

Cashflow from operating activities was $8.5 million during the year with $8.9 million invested in exploration and $7.7 million in mine development. Other cash outflows in the year included $3.1 million transferred to bonds in relation to Dargues Gold Mine, $0.1 million buyback of ordinary shares, and $1.0 million repayment of lease liabilities. The Company's closing cash position at 30 June 2012 was $27.7 million.

The Company generated a gross profit of $3.9 million, which after non-cash impairment write-downs of $19.3 million, interest, exploration, corporate and other expenses resulted in a net loss of $26.4 million for the FY13 financial year.

The $16.0 million decrease in revenue relative to the prior period was a result of the lower average gold price for the year and a fall in tonnes processed resulting from the decision to develop Read Zone sooner than planned. The increase in exploration expense was due to an increased rate of exploration expenditure being written off at the Henty Gold Mine.

The state of the Company's affairs is disclosed in detail in the Financial Statements and the notes thereto.

Other than noted above and in the Future Developments section below, no significant changes in the state of affairs of the Company occurred during or since the end of the financial year.

Future Developments

Unity is planning to continue production during FY14 from the Henty Gold Mine on the West Coast of Tasmania at the rate of 40,000 – 50,000 ounces. Unity will continue to invest in exploration at the Henty Gold Mine and in regional Tasmania areas, with the aim of increasing resources and reserves.

Development of the Dargues Gold Mine will continue throughout FY14, with first gold expected in the first half of FY15. Exploration has also commenced on the Company's NSW tenements, including adjacent to the current Dargues resource where numerous targets have been identified that have the potential to add near-term increases to mine life.

Unity will continue looking for new business opportunities that have potential to grow and diversify sources of production and increase shareholder wealth. Unity is seeking select opportunities where it can leverage its years of underground mining and exploration experience, its financial resources and its management skills.

Subsequent Events

No matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the Company's operations, the result of those operations or the state of affairs in subsequent financial years.

Directors' Shareholdings

Particulars of Ordinary Shares and Performance Rights to purchase or receive Ordinary Shares in the Company, in which Directors have a relevant interest at the date of this report, are as follows:

Director	Ordinary Shares	Performance Rights
R Beevor	286,936	-
C Jones	1,898,078	-
A McIlwain[(1)]	343,966	2,376,964
D Ransom	-	-

[(1)] Refer to the remuneration report contained within the Directors' Report for full details of the Performance Rights.

Directorships of Other Listed Companies

Directorships of other listed companies held by Directors in the 3 years immediately before the end of the financial year were for R Beevor, EMED Mining Public Limited (AIM/TSX) from November 2004 to date, Bannerman Resources Limited (ASX/TSX) from July 2009 to date, Rey Resources Limited from August 2010 to November 2012, Talison Lithium Limited (TSX) from August 2010 to March 2013, Ampella Mining Limited from July 2011 to date and Bullabulling Gold Limited from July 2012 to date; for A McIlwain, Emmerson Resources Ltd from February 2007 to date, Verus Investments Ltd from May 2008 to November 2011, Kidman Resources Ltd October 2011 to date and Goldstone Resources Limited December 2011 to date; for P McCarthy, Castlemaine Goldfields Limited from July 2006 to September 2012; for C Jones, Cazaly Resources Limited from September 2003 to date, Bannerman Resources Limited from August 2008 to date, Corazon Mining Limited from January 2009 to date and Cortona Resources Limited from January 2006 to January 2013; and for P Van Den Bourgh, Cortona Resources Limited from January 2006 to January 2013.

Performance Rights

Under the Company's 2010 long term incentive plan, A McIlwain will be granted a maximum of 4,000,000 conditional Performance Rights and B Geier will be granted a maximum of 2,436,974 conditional Performance Rights. The Performance Rights will be issued in three tranches from 2011 to 2014. The introduction of the 2010 long term incentive plan was approved by shareholders at the company's 2012 Annual General Meeting.

In FY13 members of the company's senior management team were invited to participate in the 2010 long term incentive plan.

The Performance Rights provide the opportunity to receive fully paid ordinary shares for nil cost, contingent on achieving a performance hurdle over a three year performance period.

Refer to the Remuneration Report contained within the Directors' Report and to Note 22 to the financial statements for full details of the Performance Rights.

Indemnification

The Company has entered into a Deed of Access, Insurance and Indemnity with each of the Directors and Officers to indemnify each Director and Officer to the extent permitted by law against certain liabilities and legal costs incurred whilst acting in his or her capacity as a Director or Officer.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 16.

Non-audit Services

During the year the Company engaged the services of its external auditor Deloitte Touché Tohmatsu to provide some one off taxation advice in relation to research and development. Total fees charged for the non-audit service amounted to $10,000 ex GST.

The directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed above do not compromise the external auditor's independence, based on advice received from the Audit & Risk Committee for the following reasons;

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermines the general principles relating to auditor independence as set out in APES 110 'Code of Ethics for Professional Accountants' issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

No other non-audit services were provided by the external auditors during the financial year.

Environmental Performance

The Company aims to conduct its operations within the ambit of regulatory requirements, standards and codes of practice particularly those relating to noise, air quality, blast vibration, odour and water treatment, and in line with current community expectations for responsible and sustainable practice.

During the financial year, limits prescribed as part of the environmental monitoring program at both the Henty Gold Mine and the Dargues Gold Mine were exceeded on 14 occasions. The limits exceeded related to water quality, biodiversity and noise emissions. In all cases, investigations were carried out and corrective actions taken to prevent recurrence.

In addition to the above, it is noted that the EPA of NSW is continuing to investigate the discharge of sediment laden water incidents at the Dargues Gold Mine following a number of heavy rain events in the second half of this financial year. Further to this, Unity is working with the EPA to reduce the impact of any future heavy rainfall events.

Dividend

In respect of the financial year ended 30 June 2013, no dividend has been paid or declared and no recommendation is made as to dividends.

Remuneration Report – Audited

It is the Board's policy that remuneration packages reflect market conditions and the duties and responsibilities of the positions. The remuneration packages also recognise and reward performance, and provide an incentive to pursue the long term growth objectives of the Company within an appropriate control framework.

Non-Executive Directors

Non-executive Directors' fees reflect the responsibilities and demands made of the Directors. Guidance is obtained from independent industry surveys and other sources to ensure that Directors' fees are appropriate and in line with the market. The Chairman's fees reflect the additional responsibilities of the role and are based on comparative positions in the industry.

In the 2013 financial year the Board fee for Non-executive Directors was $60,000 and $150,000 for the Chairman. In the 2013 financial year committee fees were paid to Non-executive Directors, with the Chairman of each committee receiving $8000 and each member receiving $4000. Statutory superannuation contributions are also paid on Board and Committee fees. The maximum total Directors' fee approved by shareholders which may be paid by the Company to all the non-executive Directors is $500,000 per year.

The Board of Directors has resolved that effective from October 2013, Directors fees will be reduced by 15%.

Company Executives

Executive Officers of the Company as at 30 June 2013 are the Managing Director & CEO and the Chief Financial Officer. Other Key Management Personnel of the Company are the General Manager Henty Gold Mine, General Manager Dargues Gold Mine, General Manager – Discovery & Growth and General Manager – Markets & Strategy.

The remuneration structure for Executive Officers and Other Key Management Personnel comprises fixed and variable remuneration. Fixed remuneration includes base salary, superannuation and any applicable fringe benefits. Variable remuneration includes short term and long term incentive payments which are typically share-based and contingent on achieving share price and or performance hurdles. To retain and attract executives and managers of sufficient calibre to facilitate the efficient and effective management of the Company's operations, the Remuneration & Nomination Committee has obtained a written industry based remuneration report from AON Hewitt in connection with the structure of remuneration packages. The total fees paid to AON Hewitt for FY13 were $4,750 ex GST.

The Committee has reviewed the results of the AON Hewitt report and industry remuneration surveys for comparable positions and has given recognition to the challenges inherent in developing the Company's assets optimally when setting the executive and manager remuneration levels.

Remuneration Report – Audited *continued*

The Composition of the Remuneration & Nomination Committee is such that all members are non-executive directors of the Company, satisfying the Board of Directors that the remuneration recommendations made by the Committee are well informed and free from any bias or undue influence.

Relationship between remuneration policy and company performance

	30/6/2013 $'000	30/6/2012 $'000	30/6/2011 $'000	30/6/2010 $'000	30/6/2009 $'000
Share price at start of year	$0.12	$0.10	$0.19	$0.28	$0.27
Share price at end of year	$0.07	$0.12	$0.10	$0.19	$0.28
Interim dividend	-	-	-	-	-
Final dividend	-	-	-	0.5cps	0.5cps
Basic earnings per share	(4.5)cps	2.5cps	(1.0)cps	2.2cps	1.7cps
Diluted earnings per share	(4.5)cps	2.5cps	(1.0)cps	2.2cps	1.7cps

Long Term Incentive Plans

2010 Plan
A long term incentive plan was introduced during the 2010 financial year ('LTIP10') for the Executive Officers and Key Management Personnel. Under the LTIP10 the Company will make annual grants to Executive Officers and Key Management Personnel of conditional Performance Rights to receive Ordinary Fully Paid Shares in the Company by way of issue for nil cost. The vesting of Performance Rights is contingent on the Company achieving performance hurdles over a three year performance period.

The at risk value of the annual grant of Performance Rights, over the three year plan will represent 30% of the Executive Officers' and Key Management Personnel's total fixed remuneration. The actual number of Performance Rights granted each year will be calculated by dividing 30% of each person's total fixed remuneration by the Volume Weighted Average Price (VWAP) of the Company Shares in the one-month preceding the grant date. The maximum number of performance rights that can be issued under the plan are as follows;

- Managing Director & CEO 4,000,000 Performance Rights;
- Chief Financial Officer 2,436,974 Performance Rights;
- General Manager - Henty Gold Mine 2,934,010 Performance Rights;
- General Manager – Dargues Gold Mine 4,465,021 Performance Rights;
- General Manager – Discovery & Growth 2,343,951 Performance Rights;
- General Manager – Markets & Strategy 1,945,925 Performance Rights;

The LTIP10 was approved by shareholders at the 2012 Annual General Meeting.

The number of Performance Rights issued to Executive Officers and Key Management Personnel during the year ended 30 June 2013 was as follows;

Director	Number of Performance Rights Issued 2012-13	Balance 30 June 2013
Managing Director & CEO	1,148,667	2,376,964
Chief Financial Officer	670,600	1,419,285
General Manager – Henty Gold Mine	901,385	901,385
General Manager – Dargues Gold Mine	-	-
General Manager – Discovery & Growth	720,108	720,108
General Manager – Markets & Strategy	597,826	597,826

The Performance Rights will not vest until the Performance Date and Performance Hurdle have been achieved. The Performance Date is set at three years from the date of each grant.

In addition to the performance period of three years, the vesting of Performance Rights is subject to performance hurdles which if not satisfied at the Performance Date, will cause the entitlements to lapse unless the Remuneration & Nomination Committee decide exceptional circumstances justify the reduction or waiver in whole or in part of the performance hurdles. There is no ability to re-test whether or not the performance hurdle or hurdles have been satisfied after the performance period has ended.

DIRECTORS' REPORT continued

Remuneration Report – Audited continued

The number of Performance Rights that vest is determined by assessing the performance of the Company, as measured by Total Shareholder Return (TSR) at the Performance Date relative to a comparator group of Companies (the "Performance Hurdle"). The VWAP of the Company Shares in the one month preceding the Performance Date compared to VWAP of the Company in the one month preceding the grant date, will be used in calculating TSR over the three year period. The TSR incorporates capital returns as well as dividends notionally reinvested and is considered the most appropriate means of measuring Company performance.

The broad comparator group chosen on which to compare Company performance is the S&P/ASX All Ords Gold sub-industry index. The average index level in the one-month preceding the Performance Date compared to the average index level in the one-month preceding the grant date will be used in calculating the comparator group performance over the three-year period.

Performance Rights will only convert to Shares subject to the Performance Period being met and subject to the Company's TSR being at least equal to the median of the comparator group performance. The entire annual allocation will convert if Company TSR is at the 75th percentile or higher than the comparator group performance. The detailed breakdown of the relationship between Company performance and the conversion of Performance Rights is:

- Zero percent converting if the Company TSR performance is below the median performance of the comparator group.
- 50 percent converting if the Company TSR performance is at the median performance of the comparator group.
- 100 per cent converting if the Company TSR performance is at the 75th percentile performance of the comparator group.
- Straight line pro-rata conversion between the median and 75th percentile performance.

In addition to the performance period and performance hurdle, the vesting of Performance Rights is subject to the continuing employment of the Executive Officers and Key Management Personnel. Performance Rights will generally lapse on an Executive Officer's or Key Management Personnel's resignation or dismissal.

Short Term Incentive Plan

A short term incentive plan was introduced during the 2012 financial year ('STIP12') for Executive Officers excluding Non-Executive Directors. The STIP12 is based upon a mixture of business development, operational and investor relations performance indicators for the financial period. Under the STIP12 the Company will provide a cash bonus for the Managing Director & CEO of up to a maximum of 35% of his base salary and up to a maximum of 20% of the Chief Financial Officer's base salary if 100% of the performance indicators are achieved in the financial period. Refer to the remuneration table below for the actual short term bonus that was earned by the Executive Officers in the FY13 period.

A short term incentive plan was introduced during the 2011 financial year ('STIP11') for Other Key Management Personnel excluding Executive Officers. This plan was revised during the 2013 financial year. Under the revised plan the Company will provide a cash bonus up to a maximum of 20% of an employee's base salary if individual key performance indicators are achieved in the FY13 period. Refer to the remuneration table below for the actual short term bonus that was earned by the Other Key Management Personnel in the FY13 period.

Prohibited Actions

Executive Officers and Other Key Management Personnel who receive part of their remuneration in securities of the Company are prohibited from trading in any form of derivative that limits their exposure to losses that would result from share price decreases.

Recent Performance

The Total Shareholder Return (TSR) of Unity Mining Shares is the movement in share price from the start to the end of each financial year as well as dividends notionally reinvested. (A dividend of 0.5 cent per share was declared in each of the FY09 and FY10 periods). As the Company is in a development phase, the TSR does not correlate with revenues and losses reported in any of the financial years. The TSR is more dependent on the future expectation of Company performance rather than Company earnings. The TSR has been volatile over the past four years reflecting the various stages of the Company's evolving strategy and the volatility of the Gold Price. The TSR for FY10 was negative 29% despite successful growth in production with the Henty acquisition and continued production from Kangaroo Flat. The TSR for FY11 was negative
45% during a period of reduced production at the Kangaroo Flat Mine and continued production at the Henty Gold Mine along with an increased exposure to West Africa via GoldStone Resource. Despite volatile equity markets in FY12 the TSR was positive 19% due to a strong production result from the Henty Gold Mine. During FY13 the TSR was negative 41% due to a lower than expected gold price throughout the year and continuing tough market conditions.

Director and Executive Details

The Directors, Executive Officers and Other Key Management Personnel of Unity Mining Limited during the financial year were:

Remuneration Report – Audited *continued*

Directors (Current)

- Clive Jones (Non-executive Chairman – Appointed 10 January 2013)
- Andrew McIlwain (Managing Director & CEO)
- Ronnie Beevor (Non-executive)
- David Ransom (Non-executive)

Directors (Former)

- Peter McCarthy (Resigned on 10 January 2013 – Non-Executive Chairman)
- Peter van der Borgh (Appointed 10 January 2013, Resigned on 12 April 2013 – Executive Director)

Other Executive Officers (Current)

- Bill Geier (Chief Financial Officer - Resigned as Company Secretary on 10 January 2013)

Other Key Management Personnel

- Matt Daly (General Manager Henty Gold Mine)
- Scott Jones (General Manager Dargues Gold Mine)
- Angela Lorrigan (General Manager – Discovery & Growth)
- Ben Hill (General Manager – Markets & Strategy)

Director and Executive Remuneration

The following tables disclose the compensation of the Directors, Executive Officers and Other Key Management Personnel of the Company.

	Year	Short-term Employee Benefits			Post Employment	Termination Benefits	Share-based Payment
		Salary & fees	Non-monetary[1]	Other Short term Incentives	Superannuation		Performance rights expense
		$	$	$	$	$	$
Current Directors							
R Beevor	2013	80,000	-	-	7,200	-	-
	2012	73,166	-	-	6,585	-	-
A McIlwain	2013	450,000	5,796	-	40,500	-	44,951[2]
	2012	310,795[3]	2,116	48,868	23,472	-	15,621[2]
C Jones[4]	2013	80,283	-	-	7,225	-	-
D Ransom	2013	72,000	-	-	6,480	-	-
	2012	65,000	-	-	5,866	-	-
Directors (Former)							
P McCarthy[5]	2013	83,522	-	-	12,403	-	-
	2012	151,500	-	-	13,651	-	-
P Van Der Borgh[6]	2013	110,847	-	-	4,425	412,096[7]	-
R Guy	2012	26,625	-	-	2,396	-	-
R Hanson	2012	286,833	22,243	-	22,296	829,906	179,558

Remuneration Report – Audited *continued*

	Year	Short-term Employee Benefits			Post Employment	Termination Benefits	Share-based Payment
		Salary & fees	Non-monetary[1]	Other Short term Incentives	Superannuation		Performance rights expense
		$	$	$	$	$	$
Other Executive Officer & Key Management Personnel (Current)							
B Geier	2013	261,468	2,070	-	23,532	-	24,480[2]
	2012	145,590	1,005	11,289	13,103	-	8,164[2]
M Daly	2013	315,984	26,029	-	20,747	-	17,153[2]
	2012	303,740	40,096	20,361	22,361	-	-
S Jones[8]	2013	31,795	-	-	2,862	-	-
A Lorrigan	2013	231,898	1,391	-	20,871	-	13,704[2]
	2012	229,358	1,582	20,785	20,642	-	-
B Hill	2013	173,756	31,426	-	15,638	-	11,377[2]
Other Executive Officer & Key Management Personnel (Former)							
T Churcher[9]	2012	114,645	13,694	-	7,242	-	19,922[2]
R Lester[10]	2012	232,400	1,471	-	17,659	140,000[11]	-

(1) Non-monetary benefits include the provision of motor cars, salary continuance insurance, health insurance and fringe benefit taxation where applicable.
(2) Performance Rights (refer to Long Term Incentive Plans section above for further details).
(3) Salary & fees included a $50,000 sign on payment.
(4) C Jones (Non-Executive Chairman commenced employment on 10 January 2013).
(5) P McCarthy (Former Non-Executive Chairman) resigned on 10 January 2013.
(6) P Van Der Borgh (Former Executive Director) was appointed on 10 January 2013 and resigned as an Executive Director on 12 April 2013.
(7) P Van Der Borgh (Former Executive Director) termination benefits represent fifteen months remuneration.
(8) S Jones (General Manager – Dargues Gold Mine) commenced employment on 20 May 2013.
(9) T Churcher (Former Chief Financial Officer & Company Secretary) resigned on 14 October 2011.
(10) R Lester (Former General Manager Finance & Company Secretary) resigned on 30 March 2012.
(11) Termination benefits represent the contractual entitlements paid to the Key Management Person in accordance with the provisions contained in the employment contract.

The expected increase in the cost of accumulating annual and long service leave during the reporting period as a result of the change in the unused entitlements is $5,183 for A McIlwain, $15,079 for B Geier, $22,443 for B Hill, $19,560 for A Lorrigan, $6,404 for M Daly and $4,033 for S Jones.

Company Executive and Other Key Management Personnel Contracts

A termination payment equal to 6 months remuneration for the Managing Director & CEO if termination occurs. A termination payment equal to 3 months remuneration for the Chief Financial Officer will be payable.

A termination payment equal to 6 months remuneration will be payable to Key Management Personnel if termination occurs, with the exception of the General Manager – Dargues Gold Mine who will receive 3 months remuneration.

Remuneration Report – Audited *continued*

Value of Performance Rights Issued to Directors, Executive Officers and Other Key Management Personnel

The following table discloses the value of Performance Rights granted, exercised and lapsed during the year.

	Performance Rights			Amortised value of equity securities in remuneration for the year	Percentage of total remuneration for the year that consists of Performance Rights
	Number Granted	Number Lapsed	Value at grant date		
			$	$	%
Directors					
R Beevor		-	-	-	-
C Jones		-	-	-	-
A McIlwain	1,148,667	-	155,070	44,951	8.3
D Ransom					
P McCarthy		-	-	-	-
P Van Der Borgh		-	-	-	-
Other Executive Officer & Key Management Personnel					
B Geier	670,600	-	87,178	24,480	7.7
M Daly	901,385	-	114,926	17,153	4.5
A Lorrigan	720,108	-	91,813	13,704	5.1
B Hill	597,826	-	76,222	11,377	4.9
S Jones	-	-	-	-	-

During the financial year, the following share-based payment arrangements were in existence:

Performance Right series	Number	Grant date	Expiry date	Exercise price	Grant date share price	Fair value at grant date
2012 Grant (2010 LTIP)	1,228,297	02/12/11	02/12/14	Nil	$0.11	$0.07
2012 Grant (2010 LTIP)	748,685	14/12/11	14/12/14	Nil	$0.10	$0.06
2013 Grant (2010 LTIP)	2,219,319	01/09/12	01/09/15	Nil	$0.11	$0.07
2013 Grant (2010 LTIP)	1,148,667	02/12/12	2/12/15	Nil	$0.12	$0.07
2013 Grant (2010 LTIP)	670,600	14/12/12	14/12/15	Nil	$0.12	$0.07
Total	6,015,568					

The total value of the Performance Rights granted, exercised and lapsed are calculated based on the following:

- Fair value of the Performance Rights at grant date multiplied by the number of Performance Rights granted during the year; plus
- Fair value of the Performance Rights at the time they were exercised multiplied by the number of Performance Rights exercised during the year; and
- Fair value of the Performance Rights at the time of lapse multiplied by the number of Performance Rights lapsed during the year.

The value of the Performance Rights included in remuneration for the year is based on the fair value determined at grant date and is recognised in remuneration on a proportionate basis over the vesting period.

DIRECTORS' REPORT *continued*

Signed in accordance with a resolution of Directors made pursuant to Section 298(2) of the Corporations Act 2001.

Clive Jones
Chairman

Andrew McIlwain
Managing Director & CEO

27 August 2013

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

550 Bourke Street
Melbourne VIC 3000
GPO Box 78
Melbourne VIC 3001 Australia

DX: 111
Tel: +61 (0) 3 9671 7000
Fax: +61 (0) 3 9671 7001
www.deloitte.com.au

The Board of Directors
Unity Mining Limited
Level 10, 350 Collins Street
Melbourne VIC 3000

27 August 2013

Dear Board Members,

Unity Mining Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Unity Mining Limited.

As lead audit partner for the audit of the financial statements of Unity Mining Limited for the financial year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Craig Bryan
Partner
Chartered Accountants

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2013

		Consolidated	
	Note	2013 $'000	2012 $'000
SALES REVENUE	23	**64,730**	**80,805**
COST OF SALES			
Costs of mining, processing and site administration		(46,799)	(49,280)
Depreciation and amortisation		(14,032)	(9,985)
TOTAL COST OF SALES		**(60,831)**	**(59,265)**
GROSS PROFIT		**3,899**	**21,540**
Interest and other revenue	23	1,621	3,074
Exploration expenses		(4,493)	(2,170)
Corporate expenses		(7,047)	(5,532)
Finance costs	25	(140)	(244)
Share of loss of associates	12	(1,044)	(2,577)
Net loss arising on financial assets designated as at fair value through profit and loss	12	(59)	(691)
Impairment expense – investment in associate	12	(4,826)	-
Impairment expense – mine property, plant and equipment	14	(14,500)	-
Net value gain/(loss) on financial asset held for trading	26	(255)	100
		(26,844)	13,500
Income tax expense	29	-	-
Profit/(loss) for the year from continuing operations		(26,844)	13,500
Discontinued operations			
Profit/(loss) for the year from discontinued operations	24	447	(625)
PROFIT/(LOSS) BEFORE TAX		**(26,397)**	**12,875**
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(26,397)**	**12,875**
EARNINGS PER SHARE:			
Basic and Diluted Earnings/(Loss) Per Share in cents	30	(4.5)	2.5

Notes to the financial statements are included on pages 21 to 51.

UNITY MINING LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013

	Note	Consolidated 2013 $'000	Consolidated 2012 $'000
CURRENT ASSETS			
Cash	4	27,711	44,376
Receivables	5	2,703	3,704
Inventories	6	5,853	3,940
Prepayments	7	504	592
Other financial assets	8	5,546	5,996
		42,317	58,608
Assets classified as held for sale	9	5,317	5,528
TOTAL CURRENT ASSETS		47,634	64,136
NON CURRENT ASSETS			
Investment in associates	12	1,798	7,669
Other financial assets	13	5,919	2,676
Mine property, plant & equipment	14	52,984	33,338
Exploration and evaluation	14	7,573	5,298
TOTAL NON CURRENT ASSETS		68,274	48,981
TOTAL ASSETS		**115,908**	**113,117**
CURRENT LIABILITIES			
Payables	15	15,348	10,671
Interest bearing liabilities	16	811	1,181
Provisions	17	3,895	3,384
		20,054	15,236
Liabilities directly associated with assets classified as held for sale	9	6,009	5,847
TOTAL CURRENT LIABILITIES		26,063	21,083
NON CURRENT LIABILITIES			
Interest bearing liabilities	16	330	1,001
Provisions	17	2,913	2,559
TOTAL NON CURRENT LIABILITIES		3,243	3,560
TOTAL LIABILITIES		**29,306**	**24,643**
NET ASSETS		**86,602**	**88,474**
EQUITY			
Issued capital	20	447,263	422,766
Reserves	21	1,800	1,772
Accumulated losses		(362,461)	(336,064)
TOTAL EQUITY		**86,602**	**88,474**

Notes to the financial statements are included on pages 21 to 51.

UNITY MINING LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2013

	Note	Consolidated 2013 $'000	2012 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		65,748	79,029
Interest and other revenue received		4,396	2,688
Payments to suppliers and employees		(65,748)	(60,401)
Interest paid		(140)	(244)
Net cash provided by operating activities	28	8,519	21,072
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for mine property, plant & equipment and exploration & evaluation		(22,220)	(15,987)
Proceeds from sale of mine property, plant & equipment and exploration & evaluation		-	2,221
Payment for investment in associate		-	(2,566)
Payment for held-to-maturity investments		(3,107)	-
Proceeds of financial assets		374	-
Proceeds from business combination	35	907	-
Net cash used in investing activities		(24,046)	(16,332)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		-	-
Buyback of ordinary shares		(96)	(982)
Repayment of lease liabilities		(1,042)	(1,224)
Net cash used in financing activities		(1,138)	(2,206)
Net increase / (decrease) in cash held		(16,665)	2,534
Cash at the beginning of the Financial Year		44,376	41,842
CASH AT END OF THE FINANCIAL YEAR	4	**27,711**	**44,376**

Notes to the financial statements are included on pages 21 to 51.

UNITY MINING LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2013

	Note	Consolidated			
		Share Capital $'000	Reserves $'000	Accumulated Losses $'000	Total $'000
Balance at 30 June 2012		**422,766**	**1,772**	**(336,064)**	**88,474**
Changes in Equity					
Profit for the period		-	-	(26,397)	(26,397)
Total comprehensive income for the period		-	-	(26,397)	(26,397)
Buyback of ordinary shares	20	(96)	-	-	(96)
Issue of share capital	20	24,593	-	-	24,593
Recognition of share based payments	21	-	28	-	28
Balance at 30 June 2013		**447,263**	**1,800**	**(362,461)**	**86,602**

	Note	Consolidated			
		Share Capital $'000	Reserves $'000	Accumulated Losses $'000	Total $'000
Balance at 30 June 2011		**423,352**	**1,944**	**(348,939)**	**76,357**
Changes in Equity					
Profit for the period		-	-	12,875	12,875
Total comprehensive income for the period		-	-	12,875	12,875
Transfer from equity-settled employee benefit reserve	21	396	(396)	-	-
Buyback of ordinary shares	20	(982)	-	-	(982)
Recognition of share based payments	21	-	224	-	224
Balance at 30 June 2012		**422,766**	**1,772**	**(336,064)**	**88,474**

Notes to the financial statements are included on pages 21 to 51.

1 GENERAL INFORMATION

Unity Mining Limited (the Company) is a limited company incorporated in Australia. The principal activities of the Company and its subsidiaries, Henty Gold Limited and the newly acquired Dargues Gold Mine Limited, is underground gold mining in Tasmania and New South Wales. The Company is also involved in gold exploration in West Africa as a result of its investment in GoldStone Resources Limited. The Consolidated Entity is represented by the Company, its subsidiaries and its investment in GoldStone Resources.

2 ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Company has adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period.

Standards and Interpretations affecting the reported results or financial position

The following new and revised Standards and Interpretations have been adopted in the current year and have affected the amounts reported in these financial statements.

Standards affecting presentation and disclosure

Amendments to AASB 101 'Presentation of Financial Statements'
The amendment (part of AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Other Comprehensive Income') introduces new terminology for the statement of other comprehensive income and income statement. Under the amendments to AASB 101, the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and the income statement is renamed as a statement of profit or loss. The amendments to AASB 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to AASB 101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to AASB 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

Amendments to AASB 101 'Presentation to Financial Statements'
The Amendments (part of AASB 2012-5 'Further Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle') requires an entity that changes accounting policies retrospectively, or makes a retrospective restatement or reclassification to present a statement of financial position as at the beginning of the preceding period (third statement of financial position), when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position. The related noted to the third statement of financial position are not required to be disclosed.

Standards and Interpretations issued not yet adopted

At the date of authorisation of the financial report, the Standards and Interpretations listed below were in issue but not yet effective:

- AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010, effective for year ending 30 June 2016;
- AASB 10 Consolidated Financial Statements – Requirements for consolidated financial statements. Defines the principles of control, effective for year ending 30 June 2014;
- AASB 11 Joint Arrangements – Replaces AASB 131 Interests in Joint Ventures, effective for year ending 30 June 2014;
  AASB 12 Disclosures of Interests in Other Entities, effective for year ending 30 June 2014;
- AASB 13 'Fair Value Measurement' and related AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13, effective for year ending 30 June 2016;
- AASB 119 Employee Benefits (2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AAASB 119 (2011), effective for year ending 30 June 2014;
- AASB 127 Separate Financial Statements (2011), effective for year ending 30 June 2014;
- AASB 128 Investments in Associates and Joint Ventures, effective for year ending 30 June 2014;
- AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements, effective for year ending 30 June 2014;
- AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards, effective for year ending 30 June 2014;
- AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities, effective for year ending 30 June 2014;

2 ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS *Continued*

- AASB 2012-3 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities;
- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-11 Cycle, effective for year ending 30 June 2014;
- AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures, effective for year ending 30 June 2014;
- AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets, effective for year ending 30 June 2015;
- AASB 2013-4 Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting, effective for year ending 30 June 2015;
- AASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities, effective for year ending 30 June 2015;
- AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments, effective for year ending 30 June 2014;
- Interpretation 20 - Stripping Costs in the Production Phase of a Surface Mine and AASB 2011-12 Amendments to Australian Accounting Standards arising from Interpretation 20, effective for year ending 30 June 2014;
- Interpretation 21 Levies, effective for year ending 30 June 2015

The potential effect of the revised Standards/Interpretations on the Consolidated Entity's financial statements has not yet been determined.

3 SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Company. For the purposes of preparing the consolidated financial statements, the Consolidated Entity is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Consolidated Entity comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the Directors on 27 August 2013.

Basis of Preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets. Historical cost is based on the fair values of the consideration given in exchange for assets.

The Company is a Company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated. All amounts are presented in Australian dollars, unless otherwise noted.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Consolidated Entity's accounting policies, which are described below, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the current and future periods.

Key Sources of estimation uncertainty
The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment
The Value in use calculation requires management to estimate the future cashflows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value.

The carrying amount of mine property, plant and equipment and exploration and evaluation asset at 30 June 2013 was $60.6 million (2012: $38.6 million) after an impairment loss of $14.5 million was recognised during 2013 (2012: nil).

3 SIGNIFICANT ACCOUNTING POLICIES *continued*

Details of the impairment loss calculation are set out in Note 14).

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income form the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Consolidated Entity.

Significant Accounting Policies

(a) **Cash -** Cash includes cash on hand and in banks, and investments in money market instruments. Instruments comprise highly liquid short term bank bills with a credit rating of BBB or higher invested in Australian banks.

(b) **Other Financial Assets -** The Company has financial investments in the form of short term bank deposits that are usually short dated and held to maturity in the normal course of business. The investments are recorded at amortised cost.

Financial assets at Fair Value Through Profit or Loss ('FVTPL')
Financial assets are classified as FVTPL when the financial asset is either held for trading or it is designated as at FVTPL (refer note 8).

A financial asset is classified as held for trading if:
- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instrument that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item.

Held-to-maturity investments
Bills of exchange and debentures with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Loans and receivables
Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets
Financial assets other than those at Fair Value Through Profit or Loss 'FVTPL' , are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

(c) **Exploration and Evaluation -** Costs arising from exploration and evaluation related to an area of interest are expensed as incurred, except when an area reaches the stage of evaluation that such expenditure is considered to be capable of being recouped through successful development, or at the reporting date the exploration and

3 SIGNIFICANT ACCOUNTING POLICIES *continued*

evaluation activities in the area of interest have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable resources . Costs that are not expensed as incurred are capitalised as Exploration and Evaluation Assets. Once the commercial viability of the extraction of mineral reserves in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are reclassified to mine property within mine property, plant and equipment.

(d) **Mine Property, Plant and Equipment –** Mine property assets includes costs transferred from exploration and evaluation assets once commercial viability of an area of interest are demonstrable, and also includes subsequent costs to develop the mine to the production phase. The costs of mine development are capitalised to the extent that these costs are expected to be recouped through commercially viable extraction of resources. Costs arising from mine development are depreciated according to the depreciation accounting policy. Mine property, plant and equipment are stated at cost less accumulated depreciation and impairment.

In a business combination, the difference between the fair value of purchase price and the fair value of the acquired net assets at the date of acquisition is allocated as an intangible mine property asset. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets is recognised in the statement of comprehensive income in the expense category consistent with the function of the intangible asset.

(e) **Depreciation -** Depreciation is provided on all mine property, plant and equipment, with the exception of freehold land, so as to write off the value of the assets to residual value over their estimated useful lives. Mine development costs are written off on a units of production basis for the units recovered from an area of interest or from the expected units from the entire mine life. Property, plant and equipment costs are written off on a unit of production basis from the expected units from the entire mine life or between 2 and 25 years on a straight line basis.

(f) **Impairment of Assets** - At the end of each reporting period the Company reviews assets with the objective of ensuring that the assets are carried at no more than their recoverable amount. The recoverable amount of an asset or cash generating unit ('CGU') is defined as the higher of its fair value less costs to sell and its value in use. If the recoverable amount of the CGU is estimated to be less than its carrying value, the carrying value of the CGU will be reduced to its recoverable amount. An impairment loss will be recognised in the income statement. Reversal of previously recognised asset impairment will be considered when the recoverable amount can be shown to be greater than the carrying value.

(g) **Rehabilitation Provision -** The net present value of the expected future cost of restoration works is provided for at the time the Company performs activities that necessitate rehabilitation works. If the rehabilitation is associated with exploration and evaluation activities, the expected costs are expensed and, if the works are associated with mine development activities, the expected costs are added to the asset value and depreciated.

The rehabilitation provision will be reviewed at each reporting period to take account of changes in the time value of money (recognised as an expense in the income statement and an increase in provision), and additional disturbances or changes in rehabilitation costs for mine development (recognised as additions or changes to the corresponding asset and rehabilitation liability). Long dated Government fixed coupon rates are used to discount the projected expenditure back to a net present value.

(h) **Payables -** Trade payables and other accounts payable are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

Payables are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item.

Payables are derecognised when, and only when, the obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(i) **Inventory -**

i) Gold and ore stocks - gold in ore stockpiles, in the process of being recovered, or in unshipped doré bars are valued at the lower of cost and net realisable value, provided that the amount of gold can be physically measured or reliably estimated. Cost represents the weighted average cost and includes direct costs and

3 SIGNIFICANT ACCOUNTING POLICIES *continued*

an appropriate proportion of fixed and variable direct costs and an appropriate proportion of fixed and variable direct overhead expenditure, including depreciation and amortisation.

ii) **Consumables and spare parts -** costs for consumables and spare parts are valued at the lower of cost and net realisable value on a first in first out basis.

(j) **Income Tax -**

i) **Current Tax –** is calculated by reference to the amount of income tax payable or recoverable at the applicable tax rates in respect of the taxable profit or tax loss for the period. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

ii) **Deferred Tax –** is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred deductible temporary differences or unused tax losses can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities, which effect either the taxable income or accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and Deferred Tax for the Period – is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

(k) **Share Based Payments** - Equity-settled share-based payments are measured at fair value at the date of grant by use of the Black-Scholes option pricing model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Company's estimate of Shares that will ultimately vest. Further details on how the fair value has been determined can be found in Note 22.

(l) **Goods and Services Tax -** Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority, it is then recognised as part of the cost of acquisition of an asset or as part of an item of expense, or for receivables and payables which are recognised inclusive of GST. The net amount of GST recoverable from the taxation authority is included in receivables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(m) **Employee Benefits -** Provision is made for benefits accruing to employees in respect of annual and long service leave when it is probable that settlement will be required and they are capable of being measured reliably. Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to reporting date.

(n) **Transaction Costs on the Issue of Equity Instruments -** Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

(o) **Receivables -** Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is

3 SIGNIFICANT ACCOUNTING POLICIES *continued*

recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

(p) **Revenue Recognition –**

i) **Interest revenue** – interest from investments is recognised on an accrual basis.

ii) **Gold sales –** revenue from the sale of gold is recognised when the significant risks and rewards of ownership have transferred to the buyer and no further processing is required by the Company, the quantity of the gold has been determined with reasonable accuracy, the price is determinable, and collection has occurred.

iii) **Other revenue –** Revenue from the sale of miscellaneous items is recognised when title has passed from the Company in accordance with the sale contract.

(q) **Leased Assets –** Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as an interest bearing liability. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are charged directly against income. Finance leased assets are amortised on a units of production basis over the estimated useful life of the asset.

(r) **Business combinations -** Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Consolidated Entity in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant Standards. Changes in the fair value of contingent consideration classified as equity are not recognised.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3(2008) are recognised at their fair value at the acquisition date, except that liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 119 Employee Benefits respectively.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Consolidated Entity reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Consolidated Entity obtains complete information about facts and circumstances that existed as of the acquisition date, subject to a maximum of one year.

(s) **Investments in associates -** An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in associates are incorporated in these financial statements, using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Company's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Company's interest in that associate (which includes any long-term interest that, in substance, form part of the Company's net investment in the associate) are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

When the Company transacts with an associate of the Company, profits and losses are eliminated to the extent of the Company's interest in the relevant associate.

The requirements of AASB 139 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Company's investment in an associate. In applying the requirements of AASB 139 the Company assesses the carrying value of the investment against its market value based on the volume weighted average share price for the preceding 6 months. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with AASB 136 'Impairment of Assets' as a single asset

3 SIGNIFICANT ACCOUNTING POLICIES *continued*

by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

(t) **Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Assets associated with the Kangaroo Flat mine are classified as assets held for sale as Unity entered into an option agreement during the financial year to dispose of the assets to Catalyst Metals Limited. Rehabilitation provisions associated with the Kangaroo Flat mine assets are classified as liabilities directly associated with assets classified as held for sale.

(u) **Segment reporting**

The Consolidated Entity operates within the gold mining industry in Australia. The Henty Gold mine is the only operating site, with the newly acquired Dargues Gold Mine still in its construction and development phase and the Kangaroo Flat mine in care and maintenance phase. It has been determined that three separate identifiable segments exist in the Consolidated Entity being Henty Gold Mine, Dargues Gold Mine and Corporate / Other. Refer to Note 36 for further details.

The Consolidated Entity sells 100% of its Gold and Silver to the one customer.

4 CASH

	Consolidated	
	2013 $'000	2012 $'000
Cash at bank	1,822	2,153
Bank instruments (term deposits, bills and negotiable instruments)	25,889	42,223
	27,711	**44,376**

Bank instruments have been purchased to yield interest at rates ranging from 2.81% to 4.10% with a weighted average interest rate of 3.59% (2012: 4.72%). Due to the nature of the investments and the maturity profile of less than 90 days, the Company's exposure to interest rate risk is considered to be low. Investments are only made with Australian banks with a Standard & Poors long term rating of BBB or higher. A change of 50 basis points in the weighted average interest rate throughout the reporting period would have increased (decreased) the loss for the period by $197,000 (2012 profit by: $238,000) and cash holdings would increase or decrease by $197,000 (2012: $238,000). Included in the cash holdings used to calculate the variances associated with movements in interest rates is the $11,171,000 bank term deposit that is classified as Other Financial Assets (see Notes 8 & 13).

The investment profile provides access to funds to meet cash drawdown requirements and it is anticipated that all of the instruments will be held to maturity at which time their face value will be realised. The net fair value approximates the carrying value of these instruments.

5 RECEIVABLES

Trade receivables	2,467	3,386
Interest receivable	236	318
	2,703	**3,704**

The credit period on accounts receivable is less than 60 days, and consequently no interest charges are applied. The Company has a history of 100% collection of accounts receivable amounts, and therefore no provision for doubtful debts is provided. Interest receivable is always received on the maturity of the investment security.

6 INVENTORIES

Stores of consumables and spare parts at cost	2,989	2,749
Gold and ore stocks	2,864	1,191
	5,853	**3,940**

	Consolidated 2013 $'000	Consolidated 2012 $'000
7 PREPAYMENTS		
Prepayments – insurance	**504**	**592**
8 OTHER FINANCIAL ASSETS (current)		
Bank term deposits [1]	5,546	5,446
Financial asset – Held for Trading [2]	-	550
	5,546	**5,996**

[1] Bank Term Deposits totalling $5,446,000 have been used as security for environmental rehabilitation commitments associated with the Kangaroo Flat Mine. These term deposits are shown as current as they are associated with the Kangaroo Flat Mine which is classified as assets held for sale (see Note 9).

Additional bank deposits of $50,000 are held in relation to exploration licenses at Dargues Gold Mine and $50,000 for security on office leases in Perth and Orange.

[2] As part of the option agreement granted to Catalyst Metals Limited (Catalyst) to acquire the Kangaroo Flat Gold Plant, equipment and facilities, including mining and exploration tenements, buildings and freehold land in the Bendigo area, Unity Mining received 1,000,000 Catalyst ordinary shares. These shares were disposed of during the year.

9 ASSETS CLASSIFIED AS HELD FOR SALE

	2013 $'000	2012 $'000
Inventories	309	309
Mine property	480	480
Plant & equipment [1]	4,528	4,739
	5,317	**5,528**
Liabilities associated with assets held for sale [2]	**6,009**	**5,847**

[1] The 600,000 tonne per annum Kangaroo Flat gold plant represents the majority of the plant & equipment carrying value.

[2] The liabilities reflect the rehabilitation provisions associated with the Kangaroo Flat mine. Bank guarantees totalling $5,446,000 (2012: $5,446,000) have been lodged for rehabilitation obligations with the Minister for Natural Resources and Energy. The Company has provided term deposits of $5,446,000 (2012: $5,446,000) as security for these bank guarantees. (See Note 8)

In January 2012 Catalyst entered into a twelve month option agreement to acquire the Kangaroo Flat gold plant, equipment and facilities, including mining and exploration tenements, buildings and freehold land in the Bendigo area from Unity. The option agreement required Catalyst to pay Unity $50,000 on signing, to issue 1,000,000 shares, and to pay a further three $100,000 quarterly payments to Unity during the option period.

In October 2012 Unity Mining and Catalyst Metals announced they had agreed to terminate the Option Agreement for Catalyst to acquire the Kangaroo Flat gold processing plant, associated infrastructure and mining tenements of Unity located near Bendigo in Victoria. This provided an opportunity for Unity to consider the use of components of the Kangaroo Flat gold processing plant for the development of the Dargues Gold Mine in NSW.

In parallel, Unity has been seeking expressions of interest for the sale of all its Bendigo assets, with the intention of only selling these assets if it realised benefits in excess of those achieved by relocating the equipment to Dargues. Applying the proceeds from a sale of the Bendigo assets to the Dargues development would provide a significantly more favourable outcome for shareholders than the debt alternatives more typical with project funding. Unity is currently assessing the options to realise maximum value for the Bendigo assets, which has delayed the Company from committing to a debt funding package for the Dargues Project.

10 PARENT ENTITY

Unity Mining Limited is the Parent Entity of the Consolidated Entity. Unity Mining Limited is party to a Deed of Cross Guarantee with all subsidiaries under which each company guarantees the debts of the others (see Note 11). Details of contingent liabilities of the Parent Entity are contained in Note 33. The Parent Entity has contractual commitments at 30 June 2013 to the value of $2,138,000 (2012: $2,076,000) as per Note 31.

Summarised financial information in respect of the Parent Entity is set out below.

	Year ended 30 June 2013 $'000	Year ended 30 June 2012 $'000
Profit/(loss) for the year	(26,259)	13,377
Total comprehensive income for the year	**(26,259)**	**13,377**

	Parent Entity 2013 $'000	2012 $'000
Assets & Liabilities		
Current assets	46,737	64,097
Non-current assets	68,898	55,338
Total assets	115,635	119,435
Current liabilities	25,592	17,478
Non-current liabilities	2,564	12,743
Total liabilities	28,156	30,221
Net assets	**87,479**	**89,214**
Shareholders' equity		
Issued capital	447,263	422,766
Reserves	1,800	1,772
Accumulated losses	(361,584)	(335,324)
Total equity	**87,479**	**89,214**

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

	Parent Entity 2013 $'000	2012 $'000
Guarantee provided under the deed of cross guarantee (1)	10,488	3,605

(1) Unity Mining Limited has entered into a deed of cross guarantee with all wholly-owned subsidiaries (Refer Note 11).

Contingent Liabilities and Commitments for the acquisition of property, plant and equipment by the parent entity

The parent entity had no contingent liabilities or commitments for the acquisition of property, plant and equipment at balance date.

11 SUBSIDIARIES

Details of the Company's subsidiaries at 30 June 2013 are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held	
			2013	2012
Henty Gold Limited	Provision of employee and property services	Australia	100%	100%
Big Island Mining Limited	Gold Mining	Australia	100%	0%
Dargues Gold Mine Limited	Provision of employee and property services	Australia	100%	0%
Wombola Gold Pty Ltd	Dormant	Australia	100%	0%

During the 2013 financial year the Company acquired three new wholly-owned subsidiaries through the successful merger with ASX-listed Cortona Resources, owners of the development-ready Dargues Gold Mine in New South Wales.

The principal activities of the subsidiaries acquired are as follows;

- Big Island Mining Limited – Holder of the Mining assets and licenses and developer of the Dargues Gold Mine project;
- Dargues Gold Mine Limited – Provides employee and property services to the Dargues Gold Mine;
- Wombola Gold Pty Ltd – Dormant Company

In addition to the above, Henty Gold Limited remained a subsidiary of the Company throughout the year providing employee and property services to the Henty Gold Mine. Henty Gold Limited (formerly Barrick Henty Limited) was effectively acquired on 1 July 2009.

Unity Mining Limited and all listed subsidiaries are parties to a Deed of Cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the subsidiary company's have been relieved from the requirement to prepare a financial report and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

The consolidated statement of profit or loss and other comprehensive income and statement of financial position on pages 17 and 18 of these financial statements are the statements of the entities party to the deed of cross guarantee.

12 INVESTMENT IN ASSOCIATES

Details of the Consolidated Entity's associates are as follows:

Name of Associate	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held	
			2013	2012
GoldStone Resources Limited	West African gold exploration	Jersey and South Africa	34%	34%

Unity Mining Limited ('Unity') entered into a Strategic Alliance Agreement ('Alliance') with GoldStone Resources Limited ('GoldStone') on 7 May 2010. Under the Alliance, Unity acquired a 20% shareholding in GoldStone with attaching warrants.

On 7 May 2010, GoldStone placed 32,704,166 shares to Unity at an issue price of 6.5 pence a share for an investment of £2.13 million (A$3.59 million). Unity also received two tranches of warrants which accompany the initial share subscription being each issued on a 1 for 3 basis.

On 16 June 2010, Unity acquired a further 11,785,000 shares in GoldStone at an issue price of 3.5 pence a share for an investment of £0.41 million (A$0.71 million) as part of a share placement program. During the 2010/11 financial year,

12 INVESTMENT IN ASSOCIATES *continued*

Unity acquired a further 29,925,000 shares in GoldStone at an average issue price of 8.3 pence a share for an investment of £2.49 million (A$4.0 million).

Unity invested approximately £1.66 million (A$2.6 million) in a placement at an issue price of 5 pence a share to maintain a 34% interest in GRL in December 2011.

The warrants issued fully expired during the course of the year and were therefore written down to nil at 30 June 2013 (2012: $59,000).

As a result of GoldStone's declining share price throughout the year, providing evidence of a potential impairment issue, management assessed the recoverable amount of the Consolidated Entity's investment in GoldStone against its carrying amount at 30 June 2013. Recoverable amount was determined on a fair value less cost to sell basis based on the director's assessment of the market value of the investment. This was assessed as being 1.0 pence based on the subscription price of an equity raising undertaken by GoldStone subsequent to year end. Consequently, an impairment loss of AUD$4.83 million was recorded against the carrying value of the Consolidated Entity's investment in GoldStone Resources Limited.

The Consolidated Entity's investment in GoldStone resources forms part of the Corporate / Other segment for reporting purposes (Refer to Note 36).

Summarised financial information in respect of the Consolidated Entity's associate is set out below.

	2013 $'000	2012 $'000
Total assets of associate	293	4,786
Total liabilities of associate	(19)	(1,358)
Net assets of associate	274	3,428
Initial cost of investment in associate	10,845	10,845
Consolidated Entity's share of loss of associate	(4,221)	(3,176)
Impairment write-down recorded on investment	(4,826)	-
Consolidated Entity's carrying amount of investment in associate	**1,798**	**7,669**

	2013 $'000	2012 $'000
Total revenue of associate	46	153
Total loss for the period of associate	(3,032)	(7,593)
Consolidated Entity's share of loss of associate	(1,044)	(2,577)

13 OTHER FINANCIAL ASSETS (non-current)

	Consolidated	
	2013 $'000	2012 $'000
Bank term deposits – non current asset [1]	5,919	2,617
GoldStone Resources – fair value of warrants [2]	-	59
	5,919	**2,676**

[1] Bank Term Deposits to the value of $5,919,000 (2012: $2,617,000) have been provided as security for the following:

- Environmental rehabilitation commitments of $2,585,000 (2012: $2,585,000) with the Tasmanian Minister for Natural Resources and Energy;

13 OTHER FINANCIAL ASSETS (non-current) *Continued*

- Environmental rehabilitation commitments of $2,660,000 (2012: nil) being lodged with Industry and Investment NSW in 2013;
- Conservation bond of $448,000 (2012: nil) being lodged with NSW Department of Planning and Infrastructure in relation to the development of the Dargues Gold Mine;
- Corporate office lease commitments of $32,000 (2012: $32,000) (see Note 16); and
- Exploration licenses for the Dargues Gold Mine of $194,000 (2012: nil).

(2) The GoldStone resource warrants expired during the year and as such the remaining book value was fully written off.

14 MINE PROPERTY, PLANT & EQUIPMENT and EXPLORATION & EVALUATION (AT COST)

		Consolidated		
2013	Mine Property $'000	Plant & equipment $'000	Exploration & Evaluation $'000	Total $'000
Gross Carrying Amount				
Balance at 30 June 2012	47,000	20,703	5,298	73,001
Transfers	2,502	72	(2,502)	72
Acquisitions through business combinations	27,633	5		27,638
Additions (2)	16,391	1,632	8,907	26,930
Disposals	-	-	-	-
Write-offs	-	-	(4,130)	(4,130)
Balance at 30 June 2013	93,526	22,412	7,573	123,511
Accumulated Depreciation/Amortisation and Impairment				
Balance at 30 June 2012	(18,964)	(15,401)	-	(34,365)
Transfers	-	(2)		(2)
Disposals	-	-	-	-
Depreciation expense	(12,544)	(1,543)	-	(14,087)
Impairment losses recognised in profit or loss	(14,500)	-	-	(14,500)
Balance at 30 June 2013	(46,008)	(16,946)	-	(62,954)
Net Book Value				
As at 30 June 2012	28,036	5,302	5,298	38,636
As at 30 June 2013	**47,518**	**5,466**	**7,573**	**60,557**

(1) Assets associated with the Kangaroo Flat mine were transferred to assets classified as held for sale at 30 June 2012. (see Note 9).

(2) Included in the Consolidated Entity plant and equipment at 30 June 2013 are assets under finance leases with a net book value of $3,106,000 (2012: $3,689,000)

Impairment losses recognised in the year

During the year, as a result of declining gold prices, the Consolidated Entity carried out a review of the recoverable amount of its mine property, plant and equipment. The review led to the recognition of an impairment loss in the Henty and Dargues Gold Mine segments totalling $14.5 million, which has been recognised in the statement of profit or loss and other comprehensive income. The recoverable amount of the relevant assets has been determined on the basis of their value-in-use. The discount rate used in measuring value-in-use was 10% per annum. No impairment assessment was performed in the prior year as there was no indication of impairment.

14 MINE PROPERTY, PLANT & EQUIPMENT and EXPLORATION & EVALUATION (AT COST) *Continued*

	Consolidated			
2012	Mine Property $'000	Plant & equipment $'000	Exploration & Evaluation $'000	Total $'000
Gross Carrying Amount				
Balance at 30 June 2011	122,562	103,283	4,817	230,662
Transfers to assets held for sale[(1) & (3)]	(90,638)	(81,491)	-	(172,129)
Transfers	(1,643)	-	(9,214)	(10,857)
Additions [(2)]	16,719	754	9,695	27,168
Disposals	-	(1,843)	-	(1,843)
Balance at 30 June 2012	47,000	20,703	5,298	73,001
Accumulated Depreciation/Amortisation and Impairment				
Balance at 30 June 2011	(100,830)	(90,698)	-	(191,528)
Disposals	-	546	-	546
Transfers to assets held for sale[(1)]	90,158	76,752	-	166,910
Depreciation expense	(8,292)	(1,887)	-	(10,179)
Impairment expense	-	(114)	-	(114)
Balance at 30 June 2012	(18,964)	(15,401)	-	(34,365)
Net Book Value				
As at 30 June 2011	21,732	12,585	4,817	39,134
As at 30 June 2012	**28,036**	**5,302**	**5,298**	**38,636**

[(2)] Included in the Consolidated Entity plant and equipment at 30 June 2012 are assets under finance leases with a net book value of $3,689,000 (2011: $4,559,000)

[(3)] Due to the cessation of mining activities at the Kangaroo Flat Mine, an impairment amount of $114,000 was made to plant & equipment assets at 30 June 2012, to reflect their fair value less cost to sell based on recent market transactions. This plant & equipment asset was part of the assets transferred to assets held for sale.

	Consolidated	
	2013 $'000	2012 $'000
15 PAYABLES		
Unsecured trade creditors	**15,348**	**10,671**

The Company's payment policy and system ensures that all creditors are paid within payment terms, and consequently no discounts or penalty payments arise.

	Consolidated	
	2013 $'000	2012 $'000
16 INTEREST BEARING LIABILITIES		
Finance lease liabilities[(1)] (Note 32) – Current	811	1,181
Finance lease liabilities[(1)] (Note 32) – Non-Current	330	1,001
	1,141	**2,182**
Disclosed in the financial statements as:		
Current interest bearing liabilities	811	1,181
Non-current interest bearing liabilities	330	1,001
	1,141	**2,182**

16 INTEREST BEARING LIABILITIES *Continued*

[1] Secured by the assets leased. The leases are fixed interest rate debt with repayment periods not exceeding 5 years. The current annual weighted average effective interest rate on the finance lease liabilities is 8.34% (2012: 8.63%).

17 PROVISIONS

	Consolidated 2013 $'000	2012 $'000
Current:		
- Employee benefits - annual leave	1,767	1,467
- long service leave	2,128	1,917
	3,895	3,384
Non-current:		
- Employee benefits - long service leave	174	162
- Rehabilitation provision [1]	2,739	2,397
	2,913	2,559
	6,808	**5,943**

[1] Bank guarantees totalling $5,692,000 (2012: $2,585,000) have been lodged for rehabilitation obligations. The Company has used term deposits of $5,692,000 (2012: $2,585,000) as security for these bank guarantees.

18 PROVISIONS

	Consolidated		
	Employee benefits $'000	Rehabilitation $'000	Total $'000
Balance at 30 June 2012	3,546	2,397	5,943
Additional provisions recognised	2,485	366	2,851
Unwinding of discount and effect of changes in the discount rate	-	137	137
Payments made	(1,962)	-	(1,962)
Transfers to liabilities directly associated with assets classified as held for sale (see note 9)	-	(161)	(161)
Balance at 30 June 2013	**4,069**	**2,739**	**6,808**
Current (see Note 17)	3,895	-	3,895
Non-current (see Note 17)	174	2,739	2,913
Balance at 30 June 2013	**4,069**	**2,739**	**6,808**

19 FINANCIAL INSTRUMENTS

Overview – The Company has exposure to various risks from the use of financial instruments. The Company's principal financial instruments comprise receivables, payables, cash, other financial assets and financial liabilities. This note presents information about the Company's exposure to risk from the use of financial instruments. Further quantitative disclosures are included throughout this financial report.

Categories of financial instruments

	Consolidated	
	2013 $'000	2012 $'000
Financial assets		
Cash and bank balances (including cash and bank balances in a disposal group held for sale)	27,711	44,376
Fair value through profit or loss (FVTPL)		
Held for trading	-	550
Designated as at FVTPL	-	59
Held-to-Maturity investments	11,465	8,063
Loans and receivables (including trade receivables balance in a disposal group held for sale)	2,703	3,704
Available-for-sale financial assets	-	-
Financial liabilities		
Fair value through profit or loss (FVTPL)		
Amortised cost	16,489	12,853

(a) **Financial Risk Management –** Financial risks including credit risk, liquidity risk, and market risk (interest rate risk, commodity risk and foreign currency risk) are managed such to maintain an optimal capital structure. The Company does not enter into derivative transactions to manage financial risks. In the current period, the Company's financial risk arises principally from cash financial assets. The Company invests its cash to obtain market interest rates. The Company has appointed Bendigo and Adelaide Bank Limited as a treasury service provider to manage the investment of cash in accordance with the Company's investment policy. The objective of the investment policy is to provide appropriate security of capital, market competitive returns, and access to funds, by investing in a restricted range of prime quality, short and medium term securities. Investments are only made with selected Australian counterparties with a Standard & Poors long term rating of BBB or higher. The investment policy also provides for strict counterparty exposure according to the level of funds under management. Adherence to the investment policy is monitored on a monthly basis.

(b) **Credit Risk –** Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's investment of its cash balances. Credit risk exposure on Company receivables is not considered significant as the Company invests in Australian counterparties with a Standard & Poors long term rating of BBB or higher.

The Company only deals with the one customer however the credit risk associated with default is managed by the fact that the Company doesn't deal on credit terms.

The Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets. The carrying amount of the receivable is the maximum exposure to credit risk.

(c) **Liquidity risk –** Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by maintaining adequate cash reserves and borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

19 FINANCIAL INSTRUMENTS *CONTINUED*

	Consolidated					
	Weighted average effective interest rate %	Less than 1 month $'000	1-3 months $'000	3 months to 1 year $'000	1-5 years $'000	5+ years $'000
2013						
Payables	-	15,348	-	-	-	-
Interest bearing liabilities	8.34	96	175	517	352	-
		15,444	175	517	352	-
2012						
Payables	-	10,671	-	-	-	-
Interest bearing liabilities	8.63	122	203	915	1,151	-
		10,793	203	915	1,151	-

(d) **Market risk –** Market risk is the risk that changes in market prices, such as commodity prices and interest rates will affect the Company's income. The Company has a policy of maintaining full exposure to changes in key market variables being gold price and interest rates. The Company does not undertake gold forward selling and hence is exposed to commodity price risk. The Company is exposed to interest rate risk arising from its cash and other financial assets held in the form of bank term deposits and bank bills. The Company regularly reassesses market conditions and market risks so as to optimise return on capital. There has been no material change to the company's exposure to market risks or the manner in which it manages and measures the risk from the previous financial reporting period.

(e) **Capital Risk Management –** The Company has equity financed the majority of all historical expenditure. The capital structure consists of cash, other financial assets, financial liabilities and equity attributable to equity holders as disclosed in Notes 4, 8, 13, 16, 20 and 22 respectively. The Company is not subject to externally imposed capital requirements.

(f) **Fair value of financial instruments –** The fair values of cash with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices. Cash includes bank instruments as per Note 4. Trade receivables, payables and financial liabilities have been excluded from the table below as the fair values of these financial assets and liabilities are the same as the recorded carrying value.

The fair value of non-cash related financial assets held by the Company are determined with reference to a 3 level hierarchy based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of cash and other financial assets together with the carrying amounts shown in the balance sheet are as follows:

	Consolidated			
	Carrying Amount 2013 $'000	Fair Value 2013 $'000	Carrying Amount 2012 $'000	Fair Value 2012 $'000
Cash	27,711	27,711	44,376	44,397
Other financial assets – Held-to-maturity[1]	11,465	11,465	8,063	8,063
Other financial assets - FVTPL [2]	-	-	59	59
Other financial assets – Held for Trading [3]	-	-	550	550
	39,176	39,176	53,048	53,048

19 FINANCIAL INSTRUMENTS *Continued*

(1) Other financial asset – Held-to-maturity represent term deposits held by the Company as security against rehabilitation and property lease obligations.

(2) The comparative information include GoldStone Resources warrants which were measured at fair value based on level 2 elements of the fair value hierarchy (see Note 12 & 13). Fair value was estimated using a Black-Scholes valuation model, which includes some assumptions that are not supportable by observable market prices or rates. The warrants expired during the year ended 30 June 2013 and therefore have a fair value of nil.

(3) The comparative information includes the Consolidated Entity's shares in Catalyst Metals Limited which were classified as other financial assets held for trading. These shares were disposed of during the year ended 30 June 2013 and therefore have a fair value of nil.

20 ISSUED CAPITAL

	Consolidated	
	2013 Shares	2012 Shares
Movement for the year:		
Balance at beginning of year	506,120,467	509,925,735
Ordinary share issues(1)	196,747,303	-
Ordinary share issues – LTIP (2)	-	2,746,005
Buyback of ordinary shares(3)	(869,961)	(6,551,273)
Balance at End of Year	**701,997,809**	**506,120,467**

	Consolidated	
	2013 $'000	2012 $'000
701,997,809 fully paid ordinary shares (30 June 2012: 506,120,467)	447,263	422,766

(1) Shares were issued to shareholders of Cortona resources under the Scheme of arrangement as part of the merger with Unity Mining.

(2) Shares were issued in accordance with the 2007 and 2010 Executive Long Term Incentive Plan. Refer to the remuneration report contained within the Directors' Report for further details of the share issues.

(3) Ordinary shares purchased by Unity Mining during July 2012 as part of the on-market share buy-back program. On 01 March 2013 the company announced the completion of the share buy-back program with a total of 7.4 million shares being purchased over the 12 month period.

Fully paid Ordinary Shares carry one vote per share and carry the right to dividends.

21 RESERVES

	Consolidated	
	2013 $'000	2012 $'000
Equity Compensation Reserve		
Balance at beginning of financial year	1,772	1,944
Share-based payment expense	28*	224
Transfer to share capital	-	(396)
Balance at End of the Financial Year	**1,800**	**1,772**

*Share-based payments expense includes write-back of ($83,000) in relation to prior period performance rights expense as well as current year expense of $111,000.

21 RESERVES *Continued*

The Share Rights and Performance Rights expense incurred during the 2013 and 2012 financial years relates to the fair value of Share Rights and Performance Rights as determined at grant date and expensed over the vesting period (see Note 22). Amounts are transferred out of the reserve and into issued capital when the options are exercised or when shares are issued for the Performance Rights or Share Rights.

22 EMPLOYEE SHARE OPTIONS AND PERFORMANCE RIGHTS PLANS

Share Options

No Options were issued during the 2013 financial year. Options that were issued in previous periods had been issued pursuant to Unity Mining Share Option Plans and other specific issues as approved by shareholders. The Options were provided to certain employees (including the Managing Director & CEO) to assist in the reward, motivation and retention of those employees. Other than tenure, there are no performance conditions or hurdles that are required to be met for the Options to vest.

The following share-based payment arrangements expired during the prior year:

Option Series	Number	Grant date	Expiry date	Exercise price	Average fair value at grant date
11	216,683	28/5/06	27/4/12	$2.81	$0.47

Option Series 11: These Options vested in three equal portions on 28 April 2007, 28 April 2008 and 28 April 2009 and may be exercised during the three-year period following each vesting date at the price of $2.81 per share. The exercise price of these Options was set at the VWAP of the last ten trading days in March 2006, plus 30%. At the grant date, 28 May 2006, the share price was $2.16 and the average value of the Options at that date has been estimated at $0.47. (28 April 2007 vesting Options being $0.38, 28 April 2008 vesting Options being $0.47 and 28 April 2009 Options being $0.56) The second and third tranches of options lapsed on 28 April 2011 and 28 April 2012 in accordance with the plan rules.

Reconciliation of Outstanding Share Options
The following reconciles the outstanding Share Options granted under the Unity Mining Share Option Plans at the beginning and end of the financial year:

Employee Share Options	2013 Number of Options	2013 Weighted average exercise Price	2012 Number of Options	2012 Weighted average exercise price
Balance at beginning of the financial year	-	-	667,686	$1.48
Granted during the financial year	-	-	-	-
Exercised during the financial year	-	-	-	-
Lapsed during the financial year	-	-	(667,686)	$1.48
Balance at the End of the Financial Year	**-**		**-**	
Exercisable at the End of the Financial Year	**-**		**-**	

Share Options carry no rights to dividends or voting.

Performance Rights

The 2010 Executive Long Term Incentive Plan ('2010 LTIP') was introduced during the 2011 financial year for the Managing Director & CEO and the Chief Financial Officer. During the 2013 financial year participation in this plan was extended to other members of the Senior Management team.

Under the 2010 LTIP the Company made and will make annual grants to Executive Officers of conditional Performance Rights to receive Ordinary Fully Paid Shares in the Company by way of issue for nil cost. The vesting of Performance Rights is contingent on the Company achieving a performance hurdle over a three year performance period. Refer to the remuneration report section of the directors' report for further details on the 2010 LTIP.

22 EMPLOYEE SHARE OPTIONS AND PERFORMANCE RIGHTS PLANS *Continued*

The following Performance Rights were in existence during the current year:

Performance Right series	Number	Grant date	Expiry date	Exercise price	Grant date share price	Fair value at grant date
2012 Grant (2010 LTIP)	1,228,297	02/12/11	02/12/14	Nil	$0.11	$0.07
2012 Grant (2010 LTIP)	748,685	14/12/11	14/12/14	Nil	$0.10	$0.06
2013 Grant (2010 LTIP)	2,219,319	01/09/12	01/09/15	Nil	$0.11	$0.07
2013 Grant (2010 LTIP)	1,148,667	02/12/12	2/12/15	Nil	$0.12	$0.07
2013 Grant (2010 LTIP)	670,600	14/12/12	14/12/15	Nil	$0.12	$0.07
Total	6,015,568					

2010 LTIP: On the 02/12/2012 1,148,667 performance rights were granted to Mr A McIlwain, the Company Managing Director & CEO at a share price of $0.12 and estimated fair value of $0.07 cents based on 40% discount for the market based performance hurdles. These performance rights are in addition to those granted in the 2012 financial year which were approved by shareholders at the Company's 2012 Annual General Meeting. On 14/12/12 670,600 performance rights were granted to Mr B Geier, the Company Chief Financial Officer at a share price of $0.12 and estimated fair value of $0.07 based on a 40% discount for the market based performance hurdles.

In addition to the above, on the 01/09/12, 2,219,319 performance rights were granted to members of the Company's senior management team who were invited to participate in the LTIP during the year. The performance rights were granted at a share price of $0.11 and estimated fair value of $0.07 based on a 40% discount for the market based performance hurdles.

Fair Value Calculations

The fair value of Performance Rights, comprising the rights over unissued Shares, has been determined at the grant date with regard to estimated volatility, risk-free interest rate, life of the Performance Rights, exercise price, and the performance hurdles.

Reconciliation of Outstanding Performance Rights

The following reconciles the outstanding Performance Rights granted under the Unity Mining 2007 and 2010 Executive Long Term Incentive Plans at the beginning and end of the financial year:

Employee Performance Rights	2013 Number of Performance Rights	2013 Weighted average exercise Price	2012 Number of Performance Rights	2012 Weighted average exercise price
Balance at beginning of the financial year	1,976,982	Nil	2,001,640	Nil
Granted during the financial year	4,038,586	Nil	4,773,621	Nil
Exercised during the financial year	-	Nil	(2,746,005)	$0.10
Lapsed during the financial year	-	Nil	(2,052,274)	$0.14
Balance at the End of the Financial Year	**6,015,568**	Nil	**1,976,982**	Nil
Exercisable at the End of the Financial Year	**-**		**-**	-

Performance Rights carry no rights to dividends or voting.

Recognition of Share Based Payments Expense

The total value of Performance Rights included in remuneration for the year is calculated in accordance with Accounting Standard AASB 2 'Share-based Payment'. The Standard requires the value of the Performance Rights to be determined at grant date and to be recognised as an expense in the profit & loss component of the statement of comprehensive income over the vesting period. Consequently a Performance Rights expense of $28,000 was incurred during the 2013 financial year (2012: $224,000).

23 PROFIT FROM CONTINUING OPERATIONS

	Consolidated 2013 $'000	2012 $'000
Profit/(Loss) from ordinary activities before income tax expense includes the following items of revenue and expense:		
(a) **Operating Revenue**		
Gold sales	64,104	80,067
Silver sales	626	738
	64,730	80,805
(b) **Interest and Other Revenue**		
Interest received	1,470	2,291
Net gain on recognition of financial asset held for trading[1]	-	450
Other revenue	151	333
	1,621	3,074
(c) **Expenses**		
i) Depreciation expense (included in cost of sales, exploration expense, discontinued operations and WIP)	14,087	9,996
ii) Impairment losses		
Impairment loss recognised on mine property, plant and equipment	14,500	-
Impairment loss recognised on investment in associate	4,826	-
iii) Employee benefits:		
Superannuation contributions	1,310	930
Equity-settled share-based payments	28	223
Transfer to provision for employee entitlements:		
Annual leave	1,712	1,097
Long service leave	398	301
Salary and wages and other employee benefits	14,566	13,220
Total employee benefits	18,014	15,771

[1] The net gain on recognition of financial asset held for trading arose during FY12 due to the issue of 1,000,000 Catalyst Metals Limited shares to Unity Mining as part consideration of the option agreement to acquire the Kangaroo Flat gold plant and associated infrastructure, (see Note 9). These shares were disposed of during FY13.

24 DISCONTINUED OPERATIONS

The Kangaroo Flat Mine was placed on a care and maintenance status at the commencement of the FY12 period. In January 2012 Unity Mining entered into a twelve month option agreement with Catalyst Metals Limited to acquire the Kangaroo Flat gold plant, equipment and facilities, including mining and exploration tenements, buildings and freehold land in the Bendigo area from Unity. In October 2012 Unity Mining and Catalyst Metals announced they had agreed to terminate the Option Agreement for Catalyst to acquire the Kangaroo Flat gold processing plant, associated infrastructure and mining tenements of Unity located near Bendigo in Victoria. This provided an opportunity for Unity to consider the use of components of the Kangaroo Flat gold processing plant for the development of the Dargues Gold Mine in NSW.

In parallel, Unity has been seeking expressions of interest for the sale of all its Bendigo assets, with the intention of only selling these assets if it realised benefits in excess of those achieved by relocating the equipment to Dargues.

24 DISCONTINUED OPERATIONS *Continued*

Unity is currently assessing the options to realise maximum value for the Bendigo assets, which has delayed the Company from committing to a debt funding package for the Dargues Project.

Analysis of profit/(loss) for the year from discontinued operations.

The combined results of the discontinued operations included in the consolidated statement of comprehensive income are set out below. The comparative profit and cash flows from discontinued operations have been re-presented to include those operations classified as discontinued in the current year.

	2013 $'000	2012 $'000
Profit for the year from discontinued operations		
Sales Revenue	-	-
Cost of sales		
Mining, processing and site administration	-	-
Depreciation and amortisation	-	-
Total cost of sales	**-**	**-**
Gross profit	**-**	**-**
Other revenue	2,650	1,459
Exploration expenses	(2,203)	(1,970)
Impairment of assets	-	(114)
Profit/(loss) before tax	447	(625)
Income tax expense	-	-
Profit/(loss) for the year from discontinued operations	447	(625)
Cash flows from discontinued operations		
Net cash inflows/(outflows) from operating activities	273	(2,248)
Net cash inflows/ from investing activities	-	2,762
Net cash inflows/(outflows) from financing activities	-	-
Net cash inflows/(outflows)	273	514

The Kangaroo Flat Mine has been classified and accounted for at 30 June 2013 as assets held for sale (see note 9).

The Kangaroo Flat Mine generated a net profit for the year ended 30 June 2013 as a result of the joint venture project with Maldon resources which produced net income of $2.6 million.

25 FINANCE COSTS

	Consolidated	
	2013 $'000	2012 $'000
Finance lease interest	140	244
	140	**244**

The current weighted average effective interest rate on the finance lease liabilities is 8.34% (2012: 8.63%).

26 NET VALUE GAIN/(LOSS) ON FINANCIAL ASSET HELD FOR TRADING

	Consolidated 2013 $'000	Consolidated 2012 $'000
Gain/(loss) on financial asset held for trading(1)	**(255)**	**100**

(1) The loss on financial assets held for trading relates to the disposal of the shares issued to the Company by Catalyst Metals in connection with the option agreement for the purchase of Kangaroo Flat. The agreement was terminated during FY13.

27 REMUNERATION OF AUDITORS

	2013	2012
Audit or review of the financial reports	98	85
Other audit services	4	1
Non-audit services (taxation)	10	-
	112	**86**

The auditor of Unity Mining Limited is Deloitte Touche Tohmatsu.

28 NOTES TO THE STATEMENT OF CASH FLOWS

(a) **Reconciliation of Profit After Income Tax to Net Cash Provided for Operating Activities**

	2013	2012
Profit/(Loss) after income tax	(26,397)	12,875
Depreciation and impairment	14,190	10,282
Performance and share right expense	28	224
Share of loss of associate	1,044	2,577
Impairment expense – investment in associate	4,826	-
Impairment expense – mine property, plant and equipment	14,500	-
(Gain) / Loss on financial assets	-	(550)
Net gain/(loss) arising on financial assets designated as at FVTPL	59	691
(Profit)/Loss on sale of investments	255	(923)
Increases/(Decreases) in working capital:		
Receivables	1,100	(1,404)
Other Financial Assets	-	(1,727)
Inventories	(1,913)	(887)
Other assets	63	(374)
Payables	464	(249)
Provisions	300	537
Net cash from Operating Activities	**8,519**	**21,072**

(b) **Non–Cash Financing and Investing Activities**

During the 2013 financial year a motor vehicle was acquired for $60,000 was acquired under finance lease (2012: nil). The acquisition will be reflected in the cash flow statement over the term of the finance lease via lease repayments.

29 INCOME TAX

The prima facie income tax expense on pre-tax accounting profits is reconciled to the income tax expense in the financial statements as follows:

Income Tax Recognised in Profit		
Profit/(loss) from ordinary activities	(26,397)	12,373
Income tax expense calculated at 30% of profit from ordinary activities	(7,919)	3,712
Add tax effect of permanent differences:		
Non-deductible items	130	77
Loss on mine property, plant and equipment	-	-
Loss on financial assets and capital raising expenses	1,853	740
Income tax expense attributable to operating profit	(5,936)	4,529
Under provision in previous year	250	87
Effect of deductible items not expensed in determining taxable profit	4,296	(16,169)
Current year tax losses not brought to account as a DTA	1,390	11,553
Income Tax Expense/(Benefit) Recognised in Profit/(Loss)	-	-
Future income tax benefits attributable to tax losses and timing differences not brought to account as a deferred tax asset. (1)	**92,238**	**90,848**

(1) The deferred tax asset is not recognised due to the uncertainty of timing in relation to when taxable profits will be derived.

Tax Consolidation

Effective 01 July 2012 the Company and its wholly-owned Australian resident subsidiary Henty Gold Limited formed a tax-consolidated group. On 23 January 2013, Dargues Gold Mine Limited, Wombola Gold Pty Ltd and Big Island Mining Limited joined the tax-consolidated group resulting from the company's successful merger with Cortona Resources Limited. The head entity within the tax-consolidated group is Unity Mining Limited.

The Consolidated entity received acknowledgement from the Australian Taxation Office on 28 June 2013 that the formation of the tax consolidated group as described above had been approved. As such no tax funding / sharing agreement has been determined at balance date. Due to the fact that only the head entity of the tax consolidated group is currently recording profits/losses, no contributions / distributions were recognised on tax consolidation in FY13. Tax funding / sharing arrangements and policies for tax contributions and distributions between Group members will be determined in FY14.

30 EARNINGS PER SHARE

	Consolidated	
	2013	2012
Basic and diluted profit/(loss) per share		
From continuing operations	(4.5) cents	2.5 cents
From discontinued operations	0.0 cents	0.0 cents
	(4.5) cents	2.5 cents

The earnings and weighted average number of Ordinary Shares used in the calculation of basic and diluted profit/(loss) per share are as follows:

	2013 $'000	2012 $'000
Net profit/(loss)	(26,397)	12,875

	2013 No.	2012 No.
Weighted average number of Ordinary Shares	591,015,237	510,523,531

30 EARNINGS PER SHARE *Continued*

The following potential Ordinary Shares are not dilutive as the option exercise prices were in excess of the average share price during the financial year and are therefore excluded from the weighted average number of Ordinary Shares and potential Ordinary Shares used in the calculation of diluted profit per share:

Options	-	667,868

All remaining options lapsed during the previous financial year.

31 COMMITMENTS FOR EXPENDITURE

	Consolidated	
	2013 $'000	2012 $'000
(a) **Operating Expenditure**		
Not later than 1 year	2,138	2,076
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
	2,138	**2,076**
(b) **Capital Expenditure**		
Not later than 1 year	5,179	-
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
	5,179	**-**

(c) **Lease Commitments**

Finance lease liability commitments are disclosed in Note 32 to the financial statements.

32 LEASES

Finance Leases

Finance leases relate to mining equipment and motor vehicles with lease terms of 4 and 5 years. The Company will receive title to the equipment after the final lease payments are made. The Company's obligation under finance leases are secured by the lessor's title to the leased assets.

	Consolidated			
	Future lease payments		Present value of future lease payments	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
No later than 1 year	843	1,240	811	1,181
Later than 1 year and not later than 5 years	372	1,151	330	1,001
Later than five years	-	-	-	-
Future lease payments [1]	1,215	2,391	1,141	2,182
Less future finance costs	(74)	(209)	-	-
Present value of lease payments	1,141	2,182	1,141	2,182
Included in the financial statements as (Note 16)				
Current interest bearing liabilities			811	1,181
Non-current interest bearing liabilities			330	1,001
			1,141	2,182

[1] Future lease payments include the aggregate of all lease payments.

The fair value of the finance lease liabilities is approximately equal to their carrying amount.

33 CONTINGENT LIABILITIES

Nil (2012: Nil)

34 RELATED PARTY DISCLOSURES

(a) Key Management Personnel Compensation

The aggregate compensation of the key management personnel of the Company is set out below:

	2013 $	2012 $
Short-term employee benefits	1,958,264	2,123,162
Post-employment benefits	161,883	155,273
Other long-term benefits	-	-
Termination benefits	412,096	969,906
Share-based payments	111,665	223,265
Total	**2,643,908**	**3,471,606**

(b) Ordinary Shares In Unity Mining Held by Key Management Personnel

The following tables provide details of the shareholdings of key management personnel.

2013	Balance 1/7/12 No.	Granted as compensation No.	Net other change No.	Balance 30/6/13 No.
Directors				
R Beevor	286,936	-	-	286,936
C Jones	-	-	1,898,078	1,898,078
A McIlwain	200,000	-	143,966	343,966
D Ransom	-	-	-	-
Other Executive Officer & Key Management Personnel				
B Geier	-	-	-	-
M Daly	76,923	-	-	76,923
A Lorrigan	100,000	-	-	100,000
B Hill	-	-	-	-
S Jones	-	-	-	-
Total	**663,859**	**-**	**2,042,044**	**2,705,903**

34 RELATED PARTY DISCLOSURES *continued*

2012	Balance 1/7/11 No.	Granted as compensation No.	Net other change No.	Balance 30/6/12 No.
Directors				
R Beevor	286,936	-	-	286,936
P McCarthy	65,728	-	-	65,728
A McIlwain	-	-	200,000	200,000
D Ransom	-	-	-	-
Other Executive Officer & Key Management Personnel				
B Geier	-	-	-	-
M Daly	-	-	76,923	76,923
A Lorrigan	-	-	100,000	100,000
Total	**352,664**	**-**	**376,923**	**729,587**

(c) Share Options Issued by Unity Mining

There were no options held by key management personnel who held office at 30 June 2013.

(d) Performance Rights Issued by Unity Mining

The following table provides details of Performance Rights issued to Key Management Personnel.

2013	Balance 1/7/12 No.	Granted as compensation No.	Exercised No.	Lapsed No.	Balance 30/6/13 No.	Balance vested 30/6/13 No.	Vested but not exercisable No.	Vested and exercisable No.
Directors								
C Jones	-	-	-	-	-	-	-	-
R Beevor	-	-	-	-	-	-	-	-
R Guy	-	-	-	-	-	-	-	-
A McIlwain	1,228,297	1,148,667	-	-	2,376,964			
P McCarthy	-	-	-	-	-	-	-	-
D M Ransom	-	-	-	-	-	-	-	-
Other Executive Officer & Key Management Personnel								
B Geier	748,685	670,600	-	-	1,419,285			
M Daly	-	901,385	-	-	901,385	-	-	-
B Hill	-	597,826	-	-	597,826	-	-	-
A Lorrigan	-	720,108	-	-	720,108	-	-	-
Total	**1,976,982**	**4,038,586**	**-**	**-**	**6,015,568**	**-**	**-**	**-**

34 RELATED PARTY DISCLOSURES *continued*

2012	Balance 1/7/11 No.	Granted as compensation No.	Exercised No.	Lapsed No.	Balance 30/6/12 No.	Balance vested 30/6/12 No.	Vested but not exercisable No.	Vested and exercisable No.
Directors								
R Beevor	-	-	-	-	-	-	-	-
R Guy	-	-	-	-	-	-	-	-
R Hanson	1,141,376	1,604,629	2,746,005	-	-	-	-	-
A McIlwain	-	1,228,297	-	-	1,228,297			
P McCarthy	-	-	-	-	-	-	-	-
D M Ransom	-	-	-	-	-	-	-	-
Other Executive Officer & Key Management Personnel								
T Churcher	860,264	1,192,010	-	2,052,274	-	-	-	-
B Geier	-	748,685	-	-	748,685			
M Daly	-	-	-	-	-	-	-	-
L Faulkner	-	-	-	-	-	-	-	-
R Lester	-	-	-	-	-	-	-	-
Total	**2,001,640**	**4,773,621**	**2,746,005**	**2,052,274**	**1,976,982**	**-**	**-**	**-**

(e) Other Transactions with Related Parties

Non-Executive Director, R Beevor, is a senior advisor to Gryphon Partners / Standard Chartered Bank. During the financial year nil costs were incurred (2012: $23,172) with Gryphon Partners / Standard Chartered Bank for corporate advisory work. Consultancy fees are paid based on a commercial rate commensurate with the services provided.

The provision of services by Gryphon Partners / Standard Chartered Bank to Unity ceased during the previous financial year.

35 BUSINESS COMBINATIONS

Merger with Cortona Resources Limited

Effective 16 January 2013 the Company acquired 100% of the issued share capital of Cortona Resources Limited ("Cortona") together with the net operating assets of Cortona through the implementation of a Scheme of arrangement. The final consideration totalling $24.6 million comprised 196,747,303 shares in the Company based on the spot price on the day of issue being $0.125. Acquisition-related costs amounting to $2.2 million have been excluded from the consideration transferred and have been recognised as an expense in the Statement of profit and loss and other Comprehensive Income in the current year, within the corporate expenditure line item. This transaction has been accounted for as a business combination in accordance with AASB 3 Business Combinations (revised) ("AASB 3").

Cortona was acquired to diversify the Consolidated Entity's portfolio of mining assets and continue the expansion of the Consolidated Entity's activities.

Assets acquired and liabilities assumed at the date of acquisition

	Values recognised on acquisition $'000
Cash	907
Receivables	99*
Other assets	59
Other financial assets	350
Mine property, plant and equipment	1,517
Mineral right	26,121
Trade, other payables and current provisions	(4,460)
Net identifiable assets and liabilities	**24,593**

*Receivable amount recognised on acquisition approximated fair value at the date of acquisition. This represented the best estimate of the contractual cashflows expected to be collected by the Consolidated Entity. Subsequent to the date of acquisition the gross contractual cashflows receivable at acquisition date were received by the Consolidated Entity.

For tax purposes, the tax values of Cortona's assets are required to be reset based on market values of the assets. At the date of finalisation of these consolidated financial statements, the necessary market valuations and other calculations had not been finalised and they have only been provisionally determined based on directors' best estimate of the likely tax values.

Mineral right arising on acquisition

The mineral right arising on acquisition was $26.1 million. Subsequent to the initial recognition, the mineral right was impaired to $19.0 million. Refer to note 14 for further details on this impairment.

A mineral right arose in the acquisition of Cortona because the cost of the combination included a premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development. These benefits are not recognised separately from the mineral right because they do not meet the recognition criteria for identifiable intangible assets.

None of the mineral rights arising on this acquisition are expected to be deductible for tax purposes.

Impact of merger on the results of the Consolidated Entity

Included in the operating loss for the year is $29,000 attributable to expenditure incurred by Big Island Mining Pty Ltd. In addition to this an impairment expense of $7.1 million was recognised in relation to the Mineral Right asset held in Big Island Mining Pty Ltd.

35 BUSINESS COMBINATIONS *Continued*

Had the business combination been effected 01 July 2012, the revenue of the Consolidated Entity from continuing operations would have been unchanged, and the loss for the year from continuing operations would have been $28.3 million. The directors of the Consolidated Entity consider the 'pro-forma' numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

In determining the 'pro-forma' revenue and profit of the Consolidated Entity had Cortona Resources Limited been acquired at the beginning of the current year, the directors have relied on actual financial results of Cortona Resources Limited up until the date of acquisition combined with financial results post acquisition.

There was no impact on the operating loss of the Consolidated Entity from any other subsidiary purchased during the year.

36 SEGMENT INFORMATION

The Consolidated Entity's operating segments are based on internal management reports that are reviewed and used by the Consolidated Entity's Executive Committee (the chief operating decision-makers) in assessing performance. The operating segments represent the Consolidated Entity's operating mines and projects, which are organised and managed according to their location.

The Consolidated Entity's reportable operating segments are:

- Henty Gold Mine, Tasmania
- Dargues Gold Mine, New South Wales
- Corporate/Other

The following is an analysis of the Consolidated Entity's revenue and results from continuing operations by reportable segment.

2013	Henty Gold Mine $000	Dargues Gold Mine $000	Corporate / Other $000	Total Group $000
External sales revenue	64,730	-	-	64,730
EBITDA	6,113	(7,129)	(12,536)	(13,552)
Depreciation and amortisation	(14,050)	-	(120)	(14,170)
EBIT (Segment result)	(7,937)	(7,129)	(12,656)	(27,722)
Finance income	-	-	1,465	1,465
Finance costs	-	-	(140)	(140)
Profit before income tax	**(7,937)**	**(7,129)**	**(11,331)**	**(26,397)**
Other information				
Segment assets	42,822	33,198	39,887*	115,908
Segment liabilities	15,541	6,589	7,176	29,306

No comparative exists for Segment information due to the fact that in prior year the Consolidated Entity consisted of only the one segment.
*Includes cash and bank instruments totalling $39.2M.

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2012: nil).

The accounting policies of the reportable segments are the same as the Consolidated Entity's accounting policies described in note 3. Segment profit represents the profit before tax earned by each segment without allocation of

36 SEGMENT INFORMATION *Continued*

central administration costs and directors' salaries, share of profits of associates, investment income and finance costs. This is the measure reported to the Chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Other Segment Information

	Depreciation and amortisation	Additions to non-current assets
	Year ended 30/06/13	**Year ended 30/06/13**
	$'000	**$'000**
Henty Gold Mine	14,050	14,244
Dargues Gold Mine	20	36,144
Corporate / Other	120	50
	14,190	**50,438**

In addition to the depreciation and amortisation reported above, impairment losses of $3.0 million (2012: $0.1 million) and $11.5 million (2012: Nil) were recognised in respect of mine property, plant and equipment and mineral rights, respectively. These impairment losses were attributable to the following reportable segments.

	Year ended 30/06/13
	$'000
Impairment losses recognised for the year in respect of mine property, plant and equipment	
Henty Gold Mine	3,041
Dargues Gold Mine	-
Corporate / Other	-
	3,041
Impairment losses recognised for the year in respect of Mineral Right	
Henty Gold Mine	4,359
Dargues Gold Mine	7,100
Corporate / Other	-
	11,459

36 SEGMENT INFORMATION *Continued*

Revenue from major products and services

The following is an analysis of the Consolidated Entity's revenue from continuing operations from its major products and services.

	Year ended 30/06/13
	$'000
Gold Sales	64,730
	64,730

Geographical Information

The Consolidated Entity's revenue from continuing operations from its one external customer by location of operations and information about its non-current assets* by location of assets are detailed below.

	Revenue from external customers	Non-current assets*
	Year ended 30/06/13	**Year ended 30/06/13**
	$'000	**$'000**
Tasmania	64,730	34,015
New South Wales	-	32,325
Victoria	-	1,934
	64,730	**68,274**

*Non-current assets exclude non-current assets classified as held for sale.

Information about major customers

All Gold sales are made to the one customer being Perth Mint.

37 EVENTS AFTER THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the Company's operations, the result of those operations or the state of affairs in subsequent financial years.

UNITY MINING LIMITED

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2013

The Directors declare that:

1) a) The financial report of the Consolidated Entity, and the additional disclosures included in the Directors' report designated as audited are in accordance with the Corporations Act 2001, including:

i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2013 and of the Consolidated Entity's performance for the year ended on that date;

ii) complying with Accounting Standards and Corporations Regulations 2001;

b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

c) In the directors' opinion, the financial statement and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in Note 3 to the financial statements.

2) This declaration has been made after receiving the declarations required to be made to Directors in accordance with section 295A of the Corporations Act 2001 for the financial year-ended 30 June 2013.

At the date of this declaration, the Company is within the class of companies affected by ASIC Class Order 98/1418. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the Directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the ASIC Class Order applies, as detailed in Note 10 to the financial statements will, as a group, be able to meet any obligation or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of Directors made pursuant to Section 295(5) of the Corporations Act 2001.

Clive Jones
Chairman

Andrew McIlwain
Managing Director & CEO

27 August 2013

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

550 Bourke Street
Melbourne VIC 3000
GPO Box 78
Melbourne VIC 3001 Australia

DX: 111
Tel: +61 (0) 3 9671 7000
Fax: +61 (0) 3 9671 7001
www.deloitte.com.au

Independent Auditor's Report to the members of Unity Mining Limited

Report on the Financial Report

We have audited the accompanying financial report of Unity Mining Limited, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 17 to 52.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 3, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the company's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Deloitte.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Unity Mining Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Unity Mining Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 3.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 14 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Unity Mining Limited for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Craig Bryan
Partner
Chartered Accountants
Melbourne, 27 August 2013

SHAREHOLDER INFORMATION

Shareholdings

At 27 August 2013 the issued share capital of the Company was held as follows:

a) Size of Shareholding

Size of Shareholding	Number of Ordinary Shareholders
1 – 1,000	636
1,001 – 5,000	2,314
5,001 – 10,000	2,005
10,001 – 100,000	3,677
100,001 and over	724
Total number of shareholders	9,356

b) Number of shareholders with holdings of less than a marketable parcel - $500. (6,098 Shares) 3,344

c) As at 27 August 2013 the register of substantial shareholders disclosed the following information:

Holders giving notice	Date of notice	Ordinary Shares as at date of notice	% Holding as at date of notice
Liongold Corp Ltd	10.5.13	92,643,515	13.2

d) Of the issued ordinary capital, 44.64% was held by or on behalf of the 20 largest shareholders.

e) All Shares carry voting rights of one vote per share.

List of Mining Tenements

Name	Location	Interest	Name	Location	Interest	Name	Location	Interest
MIN 5344	Bendigo	100%	ML 7M/1991	Tasmania	100%	EL 6003	NSW	100%
MIN 4878	Bendigo	100%	ML 7M/2006	Tasmania	100%	EL 6462	NSW	100%
EL 3327	Outer Bendigo	100%	ML 5M/2002	Tasmania	100%	EL 6548	NSW	100%
EL 5035	Outer Bendigo	100%	EL 28/2001	Tasmania	100%	ML 1675	NSW	100%
MIN 5364	Bendigo	100%	EL 8/2009	Tasmania	100%	EL 6012	NSW	100%
MIN 4622	Bendigo	100%	EL 1/2010	Tasmania	100%	EL 6445	NSW	100%
MIN 4872	Bendigo	100%	EL 11/2010	Tasmania	100%	EL 6880	NSW	100%
			EL 34/2010	Tasmania	100%			
			EL 13/2011	Tasmania	100%			

Shareholder Information

Top 20 Holders as at 27 August 2013:	**Ordinary Shares**	**%**
DMG & PARTNERS SECURITIES PTE LTD <CLIENTS A/C>	92,653,515	13.20
JP MORGAN NOMINEES AUSTRALIA LIMITED <CASH INCOME A/C>	39,558,173	5.64
CITICORP NOMINEES PTY LIMITED	32,787,317	4.67
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	25,977,911	3.70
AU MINING LIMITED	22,000,000	3.13
NATIONAL NOMINEES LIMITED	16,904,887	2.41
MR GEOFFREY KNIGHT MORGAN <G&M MORGAN INVESTMENTS A/C>	10,733,000	1.53
MR ANDY IGO <ADE SUPER FUND A/C>	10,000,000	1.43
MOLY MINES LIMITED	8,808,000	1.26
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	8,658,435	1.23
LUJETA PTY LTD <THE MARGARET ACCOUNT>	8,089,107	1.15
TIERRA DE SUENOS SA	7,665,129	1.09
CARLOWEN PTY LTD <CARLOWEN UNIT A/C>	5,242,859	0.75
J P MORGAN NOMINEES AUSTRALIA LIMITED	4,513,579	0.64
GKM CORPORATION PTY LTD <GKM SUPER FUND A/C>	4,000,000	0.57
OFFSHORE INCORPORATIONS & (CAYMAN) LIMITED	3,459,880	0.49
CERAMIC OXIDE FABRICATORS PTY LTD	3,186,952	0.45
HANSON SUPER FUND A/C	3,146,005	0.45
PENINSULA EXPLORATION PTY LTD	3,000,000	0.43
VECTOR NOMINEES PTY LIMITED <THE VECTOR SUPER FUND A/C>	3,000,000	0.43
Total	**313,384,749**	**44.64**
Total issued ordinary share capital	**701,997,809**	