

31 January 2014

Mr James Gerraty
Manager Listings, Melbourne
Australian Securities Exchange Limited

Dear Mr Gerraty

Re: ASX Aware Query

We refer to your letter dated 29 January 2014 and respond to each of the questions set out in that letter below:-

1. *Does the Entity consider the stope failure in the Newton Zone (the "Stope Failure") and its impact on the December Production Result (together, the "Information") to be information that a reasonable person would expect to have a material effect on the price or value of its securities?*

No.

2. *If the answer to question 1 is "no", please advise the basis for that view.*

The Newton Zone is not and has not been the main focus at Henty. The Newton Zone is the subject of minimal discussion in the Company's announcements over an extended period. The production levels at Henty and consequential cost fluctuates from quarter to quarter, and the quarterly announcement is consistent with the continuous disclosure approach the Company has consistently adopted over time. The annual production guidance of 40,000 to 50,000ozs was reaffirmed in the announcement. Perhaps on reflection the quarterly report could have more fully explained the impact of the geotechnical issues experienced at Newton in October 2013, however the intent was to illustrate the link between these transitory issues and the increase in reported production cost per ounce. However, the Newton position was not considered to be price sensitive in and of itself. Instead Company also notes the other factors mentioned below which it considers to be the main source of the Company's share price weakness.

3. *If the answer to question 1 is "yes", when did the Entity first become aware of the Information?*

Not applicable.

4. *If the answer to question 1 is "yes" and the Entity first became aware of the Information before the release of the Announcement on 24 January 2014, did the Entity make any announcement prior to 24 January 2014 which disclosed the Information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the entity was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the Information was released promptly and without delay.*

Not applicable.

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5. *Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.*

Yes.

In context of the recent price decline in Unity's shares, it is worth noting the following:

- The ASX All Ordinaries Gold Index (XGD) declined over 25% during the quarter;
- On the 29th November 2013, Unity announced the suspension of development activities at its Dargues Gold Project – a key element in the company's growth strategy;
- On the 4th October 2013, the share price of Unity's major shareholder, LionGold (SGX:LIGO) collapsed, leading to speculation as to their continued holding of 13.3% of Unity's issued capital.

Yours faithfully



Melanie Leydin
Company Secretary
Unity Mining Limited

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29 January 2014

Ms Melanie Leydin
Company Secretary
Unity Mining limited
Level 10, 350 Collins Street
MELBOURNE VIC 3000

By email only

Dear Melanie

Unity Mining Limited (the “Entity”): ASX aware query

ASX Limited (“ASX”) refers to the following:

1. The Entity’s December 2013 Quarterly Report lodged with ASX Market Announcements Platform and released at 3:00 p.m. on 24 January 2014 (the “Announcement”), disclosing quarterly production at Henty of 7,227 oz gold at a cash cost of \$1,498/oz (the “December Production Result”) and the Summary on page 1 of the Announcement wherein Andrew McIlwain, Managing Director & CEO comments “Henty delivered a lower production result last quarter, caused principally by a significant stope failure in the Newton Zone where 75% of the tonnes and approximately 60% of the ounces were scheduled to be extracted from. The resultant loss of tonnage impacted on October production and also had a heavy impact on subsequent months as we were required to develop a new drive (in waste) to bypass the affected area. This bypass was recently completed and will result in tonnages picking up significantly from February onwards.
2. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities.
3. The definition of “aware” in Chapter 19 of the Listing Rules. This definition states that:

“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity.”

Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.

4. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided each of the following are satisfied.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following requirements is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*

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- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed.”*

5. We have noted changes in the price of the Entity’s securities as follows:

Time and Date	Price
Close – 1 October 2013	\$0.072
Close –1 November 2013	\$0.06
Close – 2 December 2013	\$0.05
Close – 2 January 2014	\$0.044
Close – 20 January 2014	\$0.043
Close – 21 January 2014	\$0.042
Close – 22 January 2014	\$0.041
Close – 23 January 2014	\$0.04
Close – 24 January 2014	\$0.037
Close – 28 January 2014	\$0.035

Having regard to the above, we ask that you answer the following questions in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Entity consider the stope failure in the Newton Zone (the “Stope Failure”) and its impact on the December Production Result (together, the “Information”) to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. If the answer to question 1 is “yes”, when did the Entity first become aware of the Information?
4. If the answer to question 1 is “yes” and the Entity first became aware of the Information before the release of the Announcement on 24 January 2014, did the Entity make any announcement prior to 24 January 2014 which disclosed the Information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the entity was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the Information was released promptly and without delay.
5. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (ie before 9.30 a.m. AEDT) on Monday 3 February 2014. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Competent Persons Statement

Separately we note the competent persons' statement on page 6 of the Announcement does not comply with listing rule 5.6. We request the Company lodge a corrective announcement referencing The JORC Code 2012 edition (refer appendix 5A of the Listing Rules).

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

James Gerraty
Manager Listings, Melbourne

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