

17 September 2015

ASX Release

Unity Mining Limited
ABN 61 005 674 073

Sale of Bendigo Plant and Assets

Corporate Details:

ASX Code: UML

Issued capital:
1140M ord. shares
9.58M unlisted Perf. Rights

Substantial Shareholders:
Diversified Minerals Pty Ltd
136.5M (11.97%)

Directors:
Non-Executive Chairman:
Clive Jones
Managing Director:
Andrew McIlwain
Executive Director:
Frank Terranova
Non-Executive Directors:
Ronnie Beevor
Gary Davison

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Unity Mining Limited (ASX: UML) ("Unity") is pleased to announce that it has signed a binding Asset Sale Agreement ("Agreement") for the sale of Unity's Kangaroo Flat gold plant, equipment and facilities, including mining and exploration tenements, buildings and freehold land in the Bendigo area ("Bendigo Assets") to a wholly-owned subsidiary of GBM Gold Limited (ASX: GBM) ("GBM") (guaranteed by GBM).

The Agreement provides Unity with a \$100,000 signing fee (which has been received), with further payments totalling \$5.63 million (representing an amount equivalent to Unity's environmental bonds in relation to the Bendigo project) payable in instalments between completion and the third anniversary of completion. The transaction will not have a material impact on Unity's balance sheet position and includes provisions typical for a transaction of this type.

Andrew McIlwain, Unity's Managing Director said today "The transaction brings to an end Unity's direct involvement with the Bendigo project and will allow the Company to continue to focus its efforts in progressing the development of the Dargues Gold Mine project in NSW, and on maximising the value of its Henty Gold Mine in Tasmania, where the current \$5 million exploration program funded by the PYBAR Group is in full swing".

"Importantly the assets that GBM are acquiring in Bendigo have been well maintained and the environmental work done over recent years sees the facilities in good standing. Preliminary discussion with the Victorian regulatory authorities in relation to transfer of the mineral tenements reflect this" said Mr McIlwain.

Key Terms Of The Agreement :

Under the terms of the Asset Sale agreement signed between the parties, the following key terms have been agreed:

- **\$100,000** in cash (non-refundable except in certain limited circumstances) signing fee which has been paid to Unity;
- On Completion (on for before 31 October 2015) – GBM to pay Unity **\$1,000,000** in cash, and Unity to assign to the GBM subsidiary the funds currently held to meet rehabilitation obligations at Bendigo (\$5.63 million);
- On the first anniversary of completion – GBM to pay Unity **\$1,000,000** in cash (being a deferred payment in respect of the rehabilitation funds);
- On the second anniversary of completion – GBM to pay Unity **\$1,800,000** in cash (being a deferred payment in respect of the rehabilitation funds); and
- On the third anniversary of completion – GBM to pay Unity **\$1,830,000** in cash (being a deferred payment in respect of the rehabilitation funds).

In addition, the parties have agreed that, should the GBM subsidiary sell or otherwise realise value from certain assets, Unity is entitled to a share of the payments received, with any such payments being used to accelerate, but not to increase, the deferred payments.

GBM's obligations to pay the deferred payments will be secured by a first-ranking security interest granted by the GBM subsidiary in favour of Unity over certain assets acquired under the Asset Sale Agreement.

The transaction is expected to complete by 31 October 2015, subject to satisfaction or waiver of the following conditions on or before that time:

- GBM shareholders approving the acquisition for the purposes of Listing Rule 11.1 (with the meeting scheduled to be held on 28 October 2015), as required by ASX;
- Victorian Government Ministerial approval to the transfer and registration of the Bendigo Tenements to GBM; and
- Release of existing environmental bonds by Unity and acceptance of the replacement environmental bonds from GBM by the Victorian Department of Economic Development, Jobs, Transport & Resources.