

4 March 2016

**Dear Unity Shareholder**

Late last year, the Board of Unity Mining (Unity) announced that the Company had entered into an agreement with Diversified Minerals Pty Ltd (Diversified), an associate of the PYBAR Group, which would see Diversified effectively take control of Unity through a scheme of arrangement (Scheme) and associated capital return subject to various approvals being obtained.

Under the terms of the Scheme, Diversified proposes to pay Unity shareholders (other than Excluded Shareholders) 1.9 cents per share, and in addition, it is proposed that each shareholder would receive a capital return of 1 cent per share (Capital Return) (together, the Transaction), taking the total cash payments to be received by them to 2.9 cents per share.

The Transaction requires the approval of Unity shareholders by the requisite majorities at meetings to be held in Melbourne on 31 March, 2016. The Unity Board considers that the merits of the Transaction are compelling and are likely to deliver higher value and greater certainty to Unity shareholders than all current alternatives, including Unity continuing as a standalone entity.

Your Directors unanimously recommend that at the forthcoming meetings, Unity shareholders should **VOTE IN FAVOUR** of both the Capital Return and the Scheme, in the absence of a superior proposal.

You should recently have received a copy of the Explanatory Booklet regarding the Transaction and proxy forms for each of the shareholder meetings. The Explanatory Booklet includes a report from the independent expert, Sumner Hall Associates Pty Ltd, which has concluded that the Transaction is fair and reasonable and therefore in the best interests of Unity shareholders.

**If you wish to receive the total cash payments of 2.9 cents cash per share as a consequence of the Transaction you should vote in favour of both the Scheme and the Capital Return.**

The votes are inter-conditional, so if either resolution is not approved then the total cash payments will not be made to shareholders.

**Your vote is important.** You can vote by attending the meetings or by voting by proxy prior to them. If you wish to vote by proxy, please refer to the instructions on how to do set out on your proxy forms. You can request copies of the proxy forms by contacting the Unity shareholder information line on 1300 082 130 (within Australia) or +61 2 8016 2884 (from overseas).

**Proxy forms must be received by 10.00am (in the case of the capital return Special General Meeting) and 11.00am (in the case of the Scheme Meeting) on 29 March 2016.** You are encouraged to return your proxy forms as soon as possible to ensure your vote counts.

If you have any questions in relation to the Transaction, please refer to the Explanatory Booklet or contact the Unity shareholder information line on 1300 082 130 (within Australia) or +61 2 8016 2884 (outside Australia).

Yours sincerely



**Clive Jones**  
Chairman

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