Cortona Resources and Unity Mining Announce Merger to Form Growing Australian Gold Business

Highlights of the Merged Entity

- A growth profile showing gold production increasing to around 100,000 ounces per annum
- Combined cash reserves in excess of $40 million\(^1\), plus cashflow from the Henty Gold Mine
- Gold reserves of approximately 350,000 ounces
- Gold resources in excess of 735,000 ounces
- Pro forma market capitalisation of ~$90 million\(^2\)
- Exposure to West African gold exploration assets through 34% investment in GoldStone Resources Limited
- Capacity for continued growth through logical industry consolidation

28 September 2012. Cortona Resources Limited (ASX:CRC) ("Cortona") and Unity Mining Limited (ASX:UML) ("Unity") are pleased to announce that they have agreed to combine the companies ("Merger") and create a significant growing Australian gold business under the Unity banner.

Rationale for the Merger

- Combination of Unity’s operating Henty Gold Mine in Tasmania and substantial cash holding with Cortona’s near term development Dargues Reef Gold Project in New South Wales
- The financial and operational strength to underpin the development of Dargues Reef, reflecting Unity’s strong cash reserves, production and cash flow from Henty and a credit approved $42 million funding package\(^3\)
- A combined growth profile showing production increasing from around 50,000 ounces per annum to around 100,000 ounces per annum once Dargues Reef achieves full production
- The financial resources to more aggressively explore the attractive exploration interests of the combined company in Tasmania and New South Wales
- The prospect of a material market re-rating, as the Merger:
  - addresses Cortona’s current funding uncertainty
  - positions the merged company for the near term development of Dargues Reef
  - results in a merged company with expected production that is twice that of either Unity or Cortona on a standalone basis
  - increases market and investor relevance, as a result of enhanced critical mass
  - grows market capitalisation and improves liquidity
  - achieves asset and geographic diversification

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\(^1\) Based on forecast cash balances at 30 September 2012 of Unity and Cortona.

\(^2\) Market capitalisation based on undiluted shares on issue and closing share prices for Cortona and Unity as at 27 September 2012 and is before any market re-rating.

\(^3\) Drawdown subject to certain conditions precedent.
Opportunities for real synergies
- access to Unity’s proven underground mining operational and development skills
- prospect of corporate and operating cost savings
- potential to use components from Unity’s Kangaroo Flat plant to reduce the capital cost of the Dargues Reef development

The unanimous support of all directors of Cortona in the absence of a superior proposal and subject to the independent expert concluding the Merger is in the best interests of Cortona shareholders

The unanimous support of all directors of Unity

The Merger will be implemented as a “merger of equals” by way of a scheme of arrangement between Cortona and its shareholders (“Scheme”), under which Cortona shareholders will receive 0.734 Unity shares for every 1 share they hold in Cortona. Cortona shareholders will collectively hold approximately 28% of the shares in the merged company, with Unity shareholders collectively holding the remaining 72%.

Peter van den Borgh, Managing Director of Cortona, stated:

“The Merger represents an excellent outcome for Cortona shareholders. Our shareholders will immediately gain exposure to the strong gold price through Unity’s Henty Gold Mine in Tasmania. Of most importance, Unity’s cash holding and cashflows from Henty operations will allow the merged company to commence development of the Dargues Reef Project, which is fully permitted and ready to start. The migration from development project to operating mine will add considerable value for both Cortona and Unity shareholders.

Moreover, Unity has an A-grade technical and operations team, as evidenced by the revitalisation of Henty since Unity’s acquisition of the mine from Barrick Gold in 2009. Under Unity management, Henty has produced 134,000 ounces at a cash cost (before royalties) of $880/ounce and an additional 350,000 ounces of gold resources have been delineated. Unity recently announced the discovery of the new high grade Read Zone at Henty. Our ability to draw on Unity’s underground mining experience will be highly valuable as development of the Dargues Reef Project gets under way”.

Andrew McIlwain, Managing Director of Unity, stated:

“The Merger with Cortona is a compelling and transformational transaction for both Unity and Cortona shareholders. We are very excited about the prospects for the Dargues Reef Project, and are confident that our financial resources and management capability will help to accelerate the development of the Dargues Reef Project. The combined company, with targeted annual gold production of around 100,000 ounces, will have a strong platform for further growth”.

Board and Management

The Board of the merged company will consist of 5 directors, of whom 3 will be current directors of Unity and 2 will be current directors of Cortona. The Chairman will be Clive Jones and the Managing Director and Chief Executive Officer will be Andrew McIlwain. Peter van der Borgh will be Executive Director. Ronnie Beevor and David Ransom will be Non-Executive Directors. Peter McCarthy, George Lazarou, Derek Fisher and Mark Milazzo will resign from their positions within Unity and Cortona following implementation of the Merger.

The company will be headquartered in Melbourne.
Cortona Board Recommendation

In the absence of a superior proposal and subject to an independent expert’s report concluding that the Scheme is in the best interests of Cortona shareholders, the Cortona directors will unanimously recommend that all Cortona shareholders vote in favour of the Scheme at a meeting of Cortona shareholders (“Scheme Meeting”) scheduled for late December 2012, and will vote in favour of the Scheme in relation to all Cortona shares that they hold or control.

Profile of the Merged Company

The merged company will be focussed on south-eastern Australia:

The core assets of the merged company will be:

- **A 100% interest in the Henty Gold Mine** in Tasmania
  - Henty produced 50,058 ounces in FY2012 at an average cash cost of A$820 per ounce (before royalties), and generated a gross profit of A$21.5 million
  - Henty is forecast to produce 45,000 – 55,000 ounces in FY2013
  - Gold Mineral Resources of 409,000 ounces and Ore Reserves of 118,000 ounces

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3 Henty mine Ore Reserves and Mineral Resources per the Unity ASX announcement on 17 August 2012.
- Strong history of reserve replacement through in-mine exploration
- Significant near-mine and regional exploration potential

**A 100% interest in the Dargues Reef Gold Project** in New South Wales
- The Dargues Reef gold project is fully permitted and ready to commence development at approximately 50,000 ounces of gold per annum over the initial life of mine
- Gold Mineral Resources of 327,300 ounces and Ore Reserves of 233,000 ounces
- Targeted cash operating cost of ~A$700/ounce
- Conventional underground mining method planned
- Exclusive access to the London Victoria gold treatment plant near Parkes, NSW
- Significant in-mine and near-mine exploration potential to extend mine life

**Exposure to exploration projects in three minerals rich provinces in Australia**
- ~650km² in the southern Lachlan Fold Belt, NSW
- ~420 km² in North-West Tasmania
- ~610 km² in the Bendigo Goldfields in Victoria

The merged entity will have:
- A pro forma market capitalisation of circa $90 million, before any market re-rating
- A robust balance sheet with significant cash reserves. The aggregate net cash of Unity and Cortona as at 30 September 2012 is forecast to be in excess of $40 million (not including $8 million in environmental bonds)
- Zero debt
- A substantial Mineral Resource and Ore Reserve base in Australia (736,300 ounces and 351,000 ounces respectively), which is expected to support mine lives of at least five years at Henty and six years at Dargues Reef
- The 600kpta Kangaroo Flat plant at Bendigo. Catalyst Metals Limited (ASX:CYL) has an option to acquire the plant from Unity, exercisable before 31 January 2013. Exercise of the option will require Catalyst to issue to Unity 2 million Catalyst shares plus additional Catalyst shares with a minimum value of $4 million and maximum value of $10 million, plus grant an ore treatment royalty to Unity. In addition, Catalyst will be required to assume Unity’s environmental obligations at Kangaroo Flat, which will allow the release to Unity of a cash bond of approximately $6 million. If Catalyst does not exercise its option, the merged company will have an opportunity to use components of the Kangaroo Flat plant at Dargues Reef, potentially significantly reducing the capital cost of the project
- A strategic investment of 34% in AIM-listed GoldStone Resources Limited (market value of investment of approximately $6 million), which has a portfolio of highly prospective gold

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4 Dargues Reef Ore Reserves and Mineral Resources per the Cortona ASX announcement on 30 November 2010.
5 See Cortona March quarterly report announced 26 April 2012.
6 Market capitalisation based on undiluted shares on issue and closing share prices for Cortona and Unity as at 27 September 2012 and is before any market re-rating.
7 Represents the aggregate of Unity’s and Cortona’s Ore Reserves and Mineral Resources as reported by each company to the ASX on 17 August 2012 and 30 November 2010 respectively.
8 See ASX announcement on 1 February 2012 for further details of the Catalyst arrangement.
9 Based on GoldStone Resources Limited’s market capitalisation of GBP 11.3 million and exchange rate of GBP1.00 = AUD1.56 on 26 September 2012.
projects across three West African jurisdictions (Ghana, Senegal and Gabon), including gold Mineral Resources of 502,000 ounces\textsuperscript{10} at its Homase/Akrokerri Project in Ghana, which is located in close proximity to several multi-million ounce gold deposits

**Scheme Details and Next Steps**

Cortona and Unity have entered into a Scheme Implementation Agreement ("SIA"). A full copy of the SIA, setting out more detail regarding the Merger, is being released to the ASX immediately following this release.

The SIA includes a customary deal protection for Unity including a no talk, no shop, exclusivity and a right to match competing proposals. Additionally, Cortona and Unity have agreed to pay each other a break fee of $220,000 if the occurrence of certain events results in the Merger not completing.

Cortona will prepare a Scheme Booklet setting out more information regarding the Scheme and the Directors’ reasons for recommending that shareholders vote in favour of the Scheme. Cortona has appointed an independent expert to prepare a report as to whether the Merger is in the best interests of Cortona shareholders, and the independent expert’s report will be included in the Scheme Booklet. The Scheme Booklet is expected to be posted to Cortona shareholders in mid-November 2012.

In addition to shareholder and court approvals, the Scheme is subject to:

- no material adverse change in Cortona or Unity;
- Ministerial approval under the Mining Act 1992 (NSW) for the effective change of control of Cortona; and
- other customary conditions.

The Scheme is expected to be implemented in January 2013. Further details on timing and implementation of the Merger will be made available to shareholders upon the release of the Scheme Booklet.

**Advisers**

Unity is being advised by Grant Samuel Corporate Finance Pty Ltd as corporate adviser and Baker & McKenzie as legal adviser.

Cortona is being advised by Hartleys Limited as corporate adviser and Corrs Chambers Westgarth as legal adviser.

- Ends -

\textsuperscript{10} As released by GoldStone on AIM on 1 August 2012.
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About Unity Mining Limited

Unity is an Australian gold explorer and producer which owns and operates the Henty Gold Mine on the West Coast of Tasmania and is involved in gold exploration in West Africa through its investment in GoldStone Resources Limited. Unity also holds tenure over the Bendigo Goldfield in Victoria where it has embarked on a plan to realise the value of its Kangaroo Flat gold plant and Bendigo exploration tenements.

The Henty Gold Mine has produced about 1.3 million ounces of gold over a 16 year period. Unity acquired Henty in July 2009. Recent exploration success has significantly extended the mine life, and continuing exploration on the significant near mine tenement package remains a key focus.

Positive cashflow, a robust balance sheet and significant cash position provide Unity with a strong platform for future growth opportunities.

About Cortona Resources Limited

Cortona is an emerging Australian gold company which is focused on the development of its 100% owned Majors Creek Project (initially through the mining of the Dargues Reef deposit), located 60km east of Canberra in New South Wales.

Majors Creek was the largest historic goldfield in NSW, producing more than 1.25 million ounces.

Cortona’s plan is to progress Dargues Reef into production in conjunction with aggressive near-mine and regional exploration programmes to underpin a long-term gold production business.
Forward Looking statements

This presentation has been prepared by Unity Mining Limited and Cortona Resources Limited ("Companies"). The material contained in this presentation has been prepared for information purposes only, and is not an offer, invitation or recommendation for subscription or purchase of securities in either of the Companies.

This presentation may contain certain forward-looking statements regarding (i) estimated resources and reserves, (ii) planned production and operating costs profiles, (iii) planned capital requirements and (iv) plans, strategies and corporate objectives. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Unity Mining Limited and Cortona Resources Limited. The forward-looking statements are inherently uncertain and may therefore differ materially from results ultimately achieved. External and other factors may impact the Companies and affect the forward-looking statements in this release since its preparation. Subject to applicable law and stock exchange listing rules, Unity Mining Limited and Cortona Resources Limited do not intend to publicly update any of the forward-looking statements or any assumptions on which any such forward-looking statement is made.

The Companies estimate its Mineral Resources and Ore Reserves in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2004 Edition ("JORC Code"), which governs such disclosures by companies listed on the Australian Securities Exchange.

Competent Person’s Statement - Unity Mining Limited

The Company estimates its Mineral Resources and Ore Reserves in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2004 Edition ("JORC Code"), which governs such disclosures by companies listed on the Australian Securities Exchange.

Any information in this public report that relates to Ore Reserves, Mineral Resources or Exploration Results is based on, and accurately reflects, information compiled by Matt Daly in relation to Ore Reserves, Raul Hollinger in relation to Mineral Resources and Angela Lorrigan in relation to Exploration Results. Daly, Hollinger and Lorrigan are Members of the Australasian Institute of Mining and Metallurgy, and Hollinger is a Member of the Australian Institute of Geoscientists. Daly, Hollinger and Lorrigan are a full time employees of the Company and have more than five years’ experience in the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Persons as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Daly, Hollinger and Lorrigan have given prior written consent, where required, to the inclusion in this report of the matters based on their respective information, where applicable, in the form and context in which it appears.

Competent Person’s Statement - GoldStone Resources Limited

Any information in this report that relates to exploration results, is based on information compiled by Dr Hendrik Schloeman, who is a Member of the South African Council for Natural Scientific Professions (a Recognised Overseas Professional Organisation ("ROPO") included in a list promulgated by the ASX from time to time) . Dr Schloeman is a full-time employee of GoldStone Resources Limited. Dr Schloeman has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Schloeman consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Competent Person’s Statement - Cortona Resources Limited

Information in this report relating to Mineral Resources has been completed by Mr. Aaron Green of Runge Ltd., who is a member of the Australian Institute of Geoscientists. Mr. Green has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a ‘competent person’ under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Mr. Green consents to the inclusion of the data in the form and context in which it appears. The contents of this report that relate to geology and historical exploration are based on information compiled by Mr Peter van der Borgh, who is a Professional Geologist and Fellow of the Geological Society. He has sufficient experience relevant to the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a ‘Competent Person’ as defined in the 2004 Edition of the JORC Code. Mr. van der Borgh consents to the inclusion in this report of the matters compiled by him in the form and context in which they appear.

The information in this report that relates to Majors Creek – Darques Reef Gold Project mining section ore reserves estimates is based on information compiled by Mr. Wayne Emslie who is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the mining method undertaken to qualify as a Competent Person as defined in the JORC Code (2004). Mr. Wayne Emslie is a full time employee of Mining Plus Pty Ltd and consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.