

Braidwood Times

INCORPORATING THE TALLAGANDA TIMES

Albion Coach House, Duncan Street, Braidwood Telephone 4842 2508 Fax 4842 2419 Email: braidwood@fairfaxmedia.com.au

Wednesday, September 16, 2015

\$1.50 (GST inclusive)

Sayonara Cyanide

In an ASX release last Tuesday (8th September) Unity Mining Limited (UML) provided a corporate update specifying that after a unanimous board decision, UML would withdraw the proposed modification to use cyanide to process on site at the Dargues Gold Mine project at Majors Creek. UML cited community and stakeholder feedback as well as and the long timeframe for approvals as the reason for the withdrawal, and the release went on to say that the CEO Mr Andrew McIlwain would step down from his current position at the end of September, and would remain in a consulting position until December 2015.

The release said "Unity will continue to seek approval for the relatively minor modifications sought from Modification 3, and expects to see a speedy resolution and approval of these matters in the coming months, to allow full development of the Dargues Gold Mine Project to commence. Unity is encouraged by the recent discussions with the DPE in this regard, as well as the general support the project continues to receive from the community with the exception of cyanide usage on site..... Various options for off-site concentrate processing are continuing to be actively pursued at this point."

However community groups

are not prepared to end their campaign against approval for the rest of the modifications being sought and question the validity of the original submission and approval.

Matt Darwon, president of the Majors Creek Catchment Guardians feel that the other modifications applied for in (Mod 3) should also be withdrawn by the company.

"It is impossible to separate modifications in a proposal of this magnitude. For example, Why do UML need a TSF the size proposed in MOD 3 if they will be trucking ore off site for processing? The answer is, they don't. They should have withdrawn the modification for enlarging the TSF at the same time but they didn't."

Mr Darwon said "I am so disappointed that we keep being fed information by UML as if we are idiots. First, the company tells us no cyanide. Then on November 11 last year, there will be cyanide because the project is not viable, and will not proceed unless all the ore is processed on site. Now in this ASX release, the company is investigating other locations to process off-site and as mentioned by the CEO in an interview with the ABC, trucking off site is now viable again. What has changed in the last week and a half?"

Mr Darwon went on to say, "during the public exhibition period it came to light that the original

Tailing Storage Facility (TSF) design and subsequent approval was also based on incorrect and not site specific (meaning Majors Creek) rainfall and evaporation data. Roger Hosking, who collects the data for The Bureau of Meteorology in Braidwood first spotted this anomaly. This simple and clear fact suggests, that the design of the TSF, the one that UML can build right now, is not a sound and safe design and is inherently flawed, and don't think because it doesn't hold cyanide it doesn't hold anything bad, it does".

Previously, when analysing the data contained in Mod 3 regarding the TSF design by Knight Piesold, Dr Emmett O'Loughlin Ex-Chief Research Scientist at the C.S.I.R.O suggested: "Use of the bad data resulted in a major bias in the dam's predicted behaviour. The calculated water level it falls onto is wrong. It is too low. The dam is likely to spill. The same errors apply to the design of the original tailings dam from 2010".

UML is now reviewing all submissions.

Frank Terranova will assume the role of Acting Managing Director to facilitate the requisite transition. Clive Jones and Ronnie Beevor will retire from the Board as Non-Executive Directors at or prior to Unity's AGM in November 2015.