Annual Report 2014

Unicorn Mineral Resources Limited

CONTENTS

Directors and Other Information

Directors	John O'Connor Richard O'Shea Paul Smithwick Dave Blaney
Company Secretary	John O'Connor
Company Number	482509
Registered Office and Business Address	36 Dame Street Dublin 2
Auditors	MFOR Audit Services Limited t/a Brophy Gillespie St. Gall's House St. Gall Gardens South Milltown Dublin 14
Bankers	Bank of Ireland Parliament Street Kilkenny Co. Kilkenny
Solicitors	Mary Molloy Solicitors 2 Rose Inn Street Kilkenny

Chairman's Statement

I am delighted to report that Unicorn Mineral Resources, the Irish mineral exploration company has had a very encouraging year in 2014. In our previous year Unicorn outlined a number of drill targets on our Gort licence areas and drilling this year under the guidance of our very experienced Geologist and COO Dave Blaney has given us a lot of encouragement and on review of the results to date Unicorn plans to return to this area in the Springtime to carry out further exploration and follow up drilling.

We have also carried out some drilling on our Kinnity licence area where we have intersected Lead and Zinc mineralisation and are awaiting assay results early in the New Year which is positive and further encouragement for a small company like Unicorn in its early years of exploration.

In addition Unicorn has been informed by the Department of Energy and Resources in late December that it has been awarded 15 new licence areas in the Waterford region under competition which is a high class land package which is prospective for Gold and Silver as well as Base metals and increases Unicorn licence holdings from 14 to 29 and gives Unicorn a lot of diversity in its endeavour to create value for Shareholders.

Unicorn has the in-house experience and expertise to run exploration programmes and aggressively explore sole venture licences. Unicorn is dedicated to creating shareholder value and will assess all exploration and / or development opportunities going forward including potential joint venture partners.

With Zinc prices having risen 15% in 2014 and the future for Zinc prices looking positive from 2015 onwards due to the closure of some existing major mining operations including Lisheen and Galmoy in Ireland, I look forward as we develop Unicorn into a major player in the mining and exploration sector over the next few years.

Paul Smithwick.

Chairman

Chief Executive's Statement

During the last year Unicorn has had some very encouraging results from an active exploration programme that has included drilling on two of Unicorn's licence areas, Gort and Kinnity. Unicorn targeted two specific areas on our Gort licences and hit massive sulphides in the first area which have been sent to the Lab for testing and in the second target area while we hit Faults in two holes, there were traces of Pyrite in the Fault structures which is an indicator that can be associated with Lead, Zinc and Copper sulphides that we are trying to find. Unicorn is encouraged enough by results to date and plans to return to our Gort licence area in the springtime to carry out further drilling on both target areas having reviewed the information acquired to date.

On our Kinnity site Drillhole UMK-001 has intersected a 28.65m thick zone of sulphide mineralisation consisting of discrete, metric scale, lenses of massive pyrite/marcasite with associated bands of sphalerite (Zinc) and disseminated galena (Lead) from 103.2m to 131.85m below ground level. Unicorn will have results of assays from the Lab early in the New Year. This hole was drilled 50 metres from a hole drilled by Arcon / Noranda in the 1990's that also hit mineralisation and with modern technology Unicorn hopes that it can better delineate the outline of a potential ore body.

Unicorn's geologist and COO Dave Blaney and his team have also recently carried out a reconnaissance programme of mapping, sampling, geochemical and geophysical exploration on our Clonmel licence area to identify suitable areas for drilling and have identified a number of anomalous target areas that we will follow up in the coming year.

In late December the Department of Energy and Resources has awarded Unicorn fifteen new highly prospective exploration licences for Gold, Silver and Base metals in the Waterford area which are set out in detail in our Review of Operations outlined below. We have continued to acquire strategic ground and added to our portfolio, which now stands at twentynine licence areas.

With the price of Zinc continuing to rise and shortages predicted for the foreseeable future Unicorn is looking forward to what we hope will be a successful drilling programme over the coming year and hopefully this will bring huge rewards to our shareholders to whom we are trying to bring shareholder value at all times.

Richard O'Shea

Chief Executive

REVIEW OF OPERATIONS

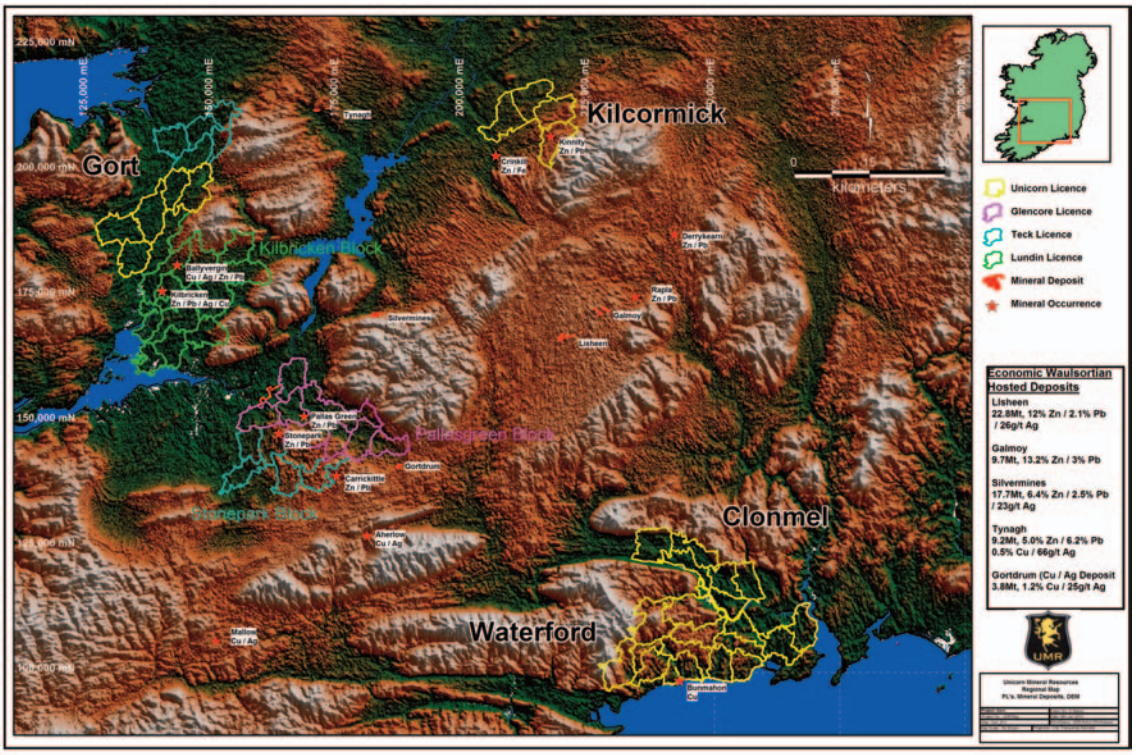

Figure 1: Map showing the relative location of Unicorn's licence areas

Exploration for the 2014 season has been focused on the "Irish Midlands Orefield" where Unicorn has three licence blocks: Clonmel, Gort, and Kilcormick. At the end of 2014 Unicorn added a further licence block in Waterford (Figure 1).

Unicorn Mineral Resources Ltd. (UMR) has been actively exploring throughout 2014 on all three of its blocks of exploration licences in the highly prospective Irish Midlands Orefield. The work has been designed to delineate and define quality exploration targets for subsequent drill testing. Fieldwork has included Pole - Dipole Induced Polarisation Surveying on the Gort and Kilcormick licence blocks, supported by geological mapping and prospecting. Geological mapping, prospecting and lithogeochemical sampling on specific target zones was also carried out at Unicorn's Clonmel licence block. Diamond drilling has been carried out on the Gort and Kilcormick licence blocks with encouraging results.

In addition to the ongoing exploration work UMR has conducted an active target generation programme that defined a region of highly prospective geological terrain with potential for Volcanogenic Massive Sulphide (VMS) style zinc, lead and copper mineralisation within the Lower Palaeozoic Volcano-sedimentary belt of County Waterford. UMR has successfully won a competition to acquire this ground and has recently been offered and accepted a block of fifteen contiguous licences covering a surface area of 515km^2.

History / Exploration Strategy

UMR's increasing and varied portfolio of licences in a range of geological terrains gives it a array of target types. UMR was initially created to take advantage of the availability of ground in the highly prospective, world class Irish Midlands Zn / Pb Orefield. The Lower Carboniferous aged rocks of the Irish Midlands host a range of highly significant economic Zn / Pb deposits that have been mined since the early 1960's. It is recognised that there is more zinc per square kilometre in the Irish Midlands than anywhere else in the world (ref. EMD 2002). Given the well endowed nature of the region UMR's strategy was to acquire licences in areas where new ideas / models could be applied to ground that was relatively poorly explored.

Target Models

The main target for UMR on its Irish Midlands licence blocks is a Waulsortian Reef hosted Zn/Pb deposit, analogous to Lisheen or Silvermines (Figure 2).

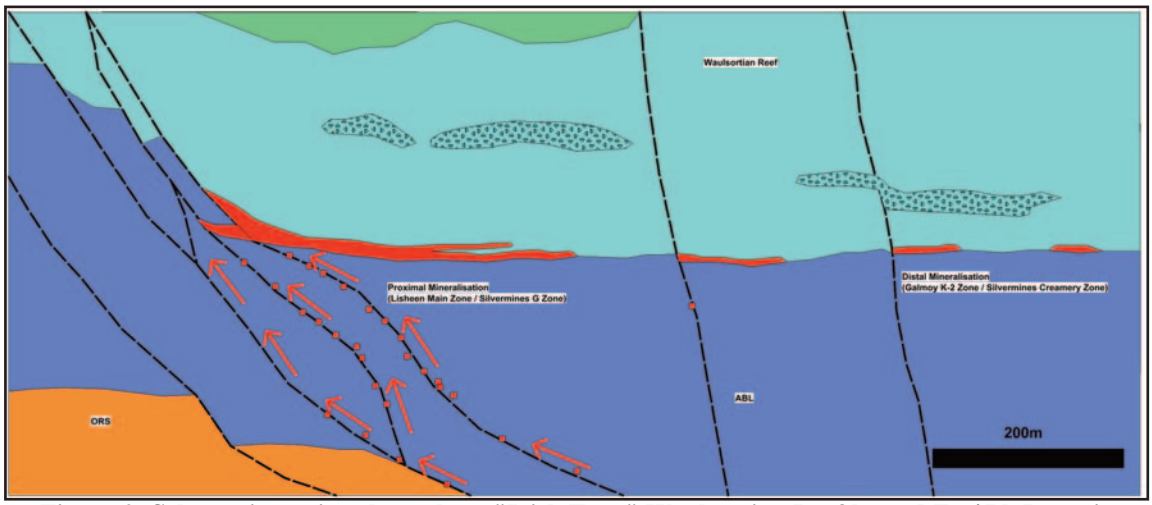

Figure 2: Schematic section through an "Irish Type" Waulsortian Reef hosted Zn / Pb Deposit (Model)

Lisheen/Silvermines style Waulsortian Reef hosted deposits occur at or close to the base of the Waulsortian Reef, which is the stratigraphically lowest zone of thick, non-argillaceous, carbonate rich rocks in the southern part of the Irish Midlands. The mineralisation is directly related to normal faulting, with the thickest parts of the orebody and the highest concentration of metals often located immediately adjacent to main feeder fault zones. The stratiform sulphide lenses can extend for up to 400m – 600m away from the main controlling structures.

The faults tend to have a relatively short strike length, only a few kilometres with maximum vertical displacements of between 200m and 300m. The observed pattern suggests that overall displacement is accommodated by way of an overlapping relay ramp arrangement. The point of maximum throw on the fault often acts as the focus for hydrothermal fluids entering the Waulsortian Reef. Brecciation of the base of the Waulsortian Reef, in and around the deposit is seen as a pre-syn mineralisation ground preparation event.

A secondary style of carbonate hosted zinc / lead mineralisation found in the Irish Midlands is more analogous to the classic Mississippi Valley Type (MVT) deposits. The MVT mineralisation has the simple mineralogy of carbonate hosted sulphides and is dominated by sphalerite, galena, pyrite and marcasite. The mineralisation is controlled by Waulsortian Reef hosted breccia bodies and it tends to be stratabound but is not stratiform. In Ireland significant MVT mineralisation has been discovered on the Kildare carbonate platform, with the Boston Hill and Harberton Bridge deposits being the largest examples (1.0Mt grading 4% Zn + Pb and 3.6Mt grading 9.6% Zn + Pb respectively).

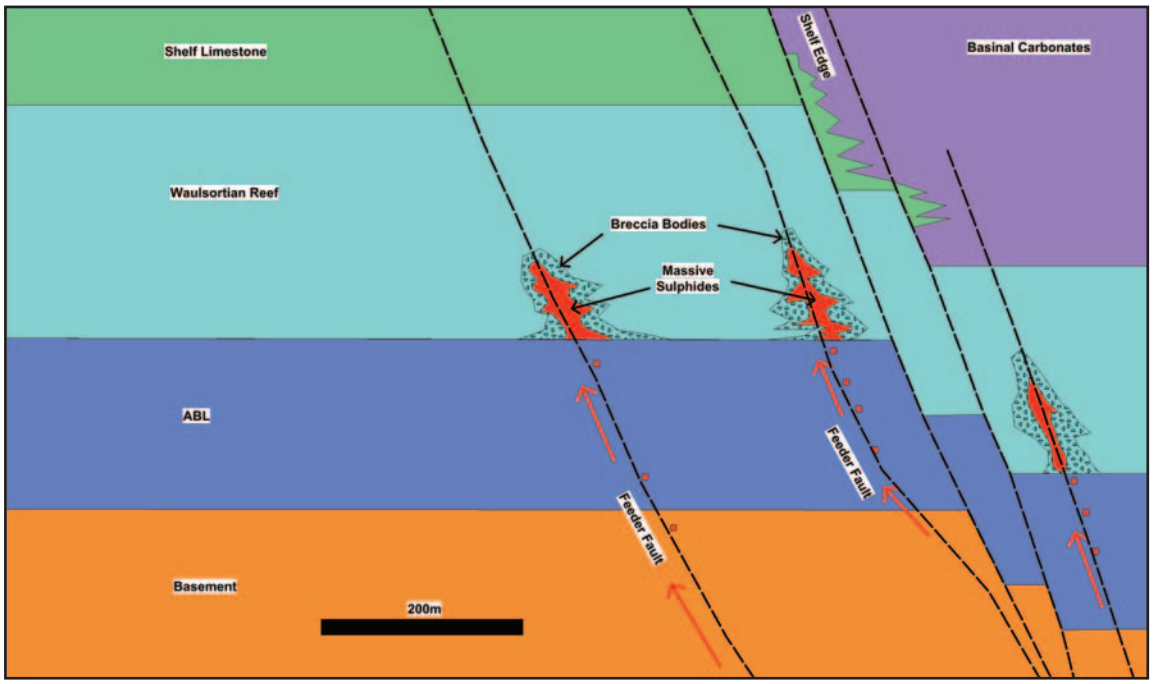

Figure 3: Schematic section through an MVT Zn / Pb Deposit (Model)

In the new ground acquired in Waterford the geological terrain is dominated by much older rocks from the Silurian and Ordovician periods. The rocks were deposited in a volcanosedimentary setting where bimodal volcanics were extruded / intruded in an Island Arc depositional environment. As such the target is quite different from the other licence blocks.

The focus is still for base metals, particularly zinc and lead, however, in Waterford there is substantial potential for economic quantities of copper, possibly with credits of silver and gold. The main target type in this region is Volcanogenic Massive Sulphide deposits (VMS). Similar to the Avoca deposit in County Wicklow or the Buchans and Bathurst camps in Newfoundland and New Brunswick respectively.

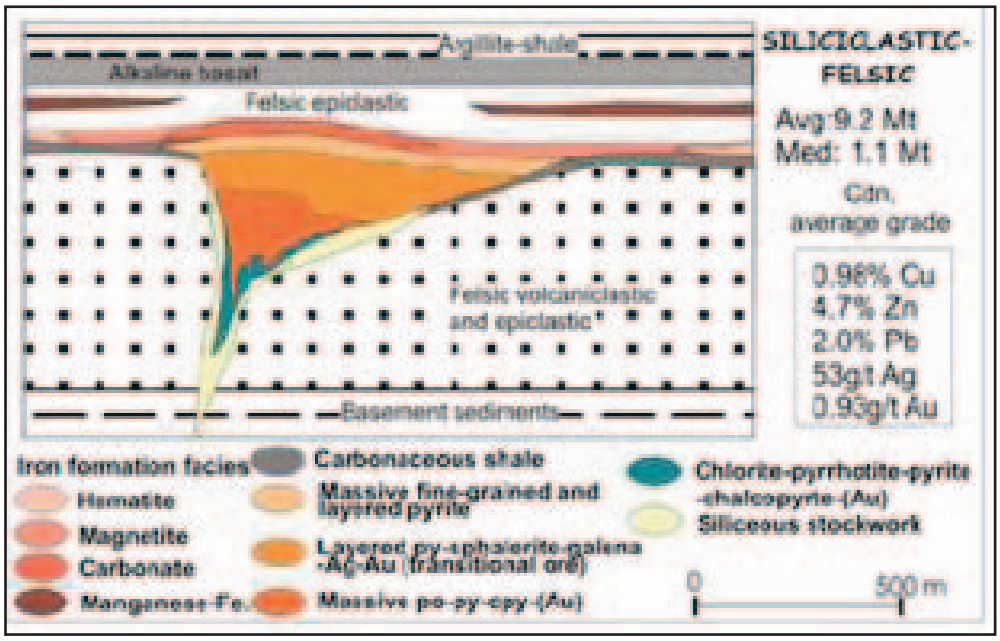

Figure 4: Schematic section through an VMS Zn / Pb / Cu Deposit (Model) (ref, Dupras 2012)

The source of the metals and sulphur in VMS deposits is a combination of incompatible elements leached from the volcanic pile by hydrothermal circulation driven by heat from deep seated intrusions. Metals and sulphur are transported by hydrothermal fluids and deposited in a submarine fumarole field (Black Smokers) when they are expelled onto the ocean floor where they rapidly cool and precipitate sulphide minerals. The mineralisation tends to occur during a hiatus in volcanic activity.

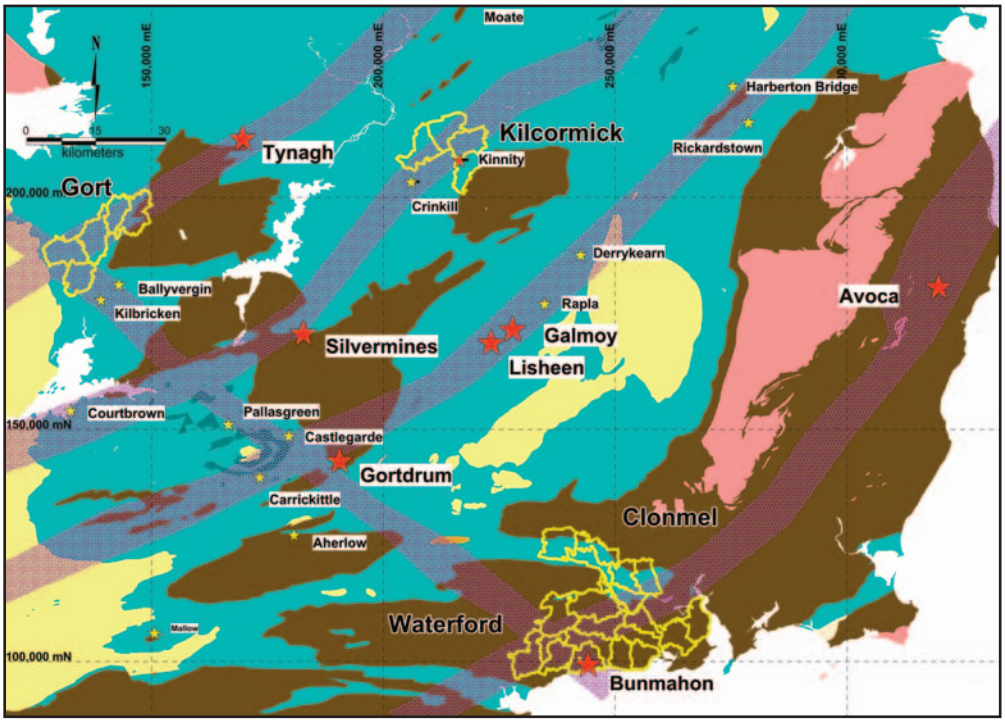

Figure 5: Unicorn Licences highlighted in yellow and showing their position relative to known mineral trends

CLONMEL LICENCE AREA

The Clonmel block consists of five contiguous prospecting licences covering a surface area of 157.92km2. The exploration target on this block is "Irish Type" Waulsortian Reef hosted massive sulphide mineralisation. One licence of the original six licence block was surrendered this year.

The geological setting at Clonmel is dominated by east - west striking folding with pronounced dextral offsets. The Waulsortian Reef can be seen to outcrop along the centre of an east - west trending synclinal fold. The Waulsortian of this region has a typical core / flank mud-mound morphology with well developed stromatactic biomicrites and bioclastic rich zones that can be intensely altered by local scale dolomitisation. The dolomitisation is usually a buff grey coloured, medium crystalline dolomite, with preservation of primary Waulsortian Reef textures as relic features and later cross cutting, white saddle dolomite. The Waulsortian Reef is considered to be the main target lithology in this part of the Irish Midlands. The exploration model would indicate that fault controlled, massive sulphide lenses, hosted by laterally extensive breccia systems should be developed close to the contact between the Reef and the underlying ABL.

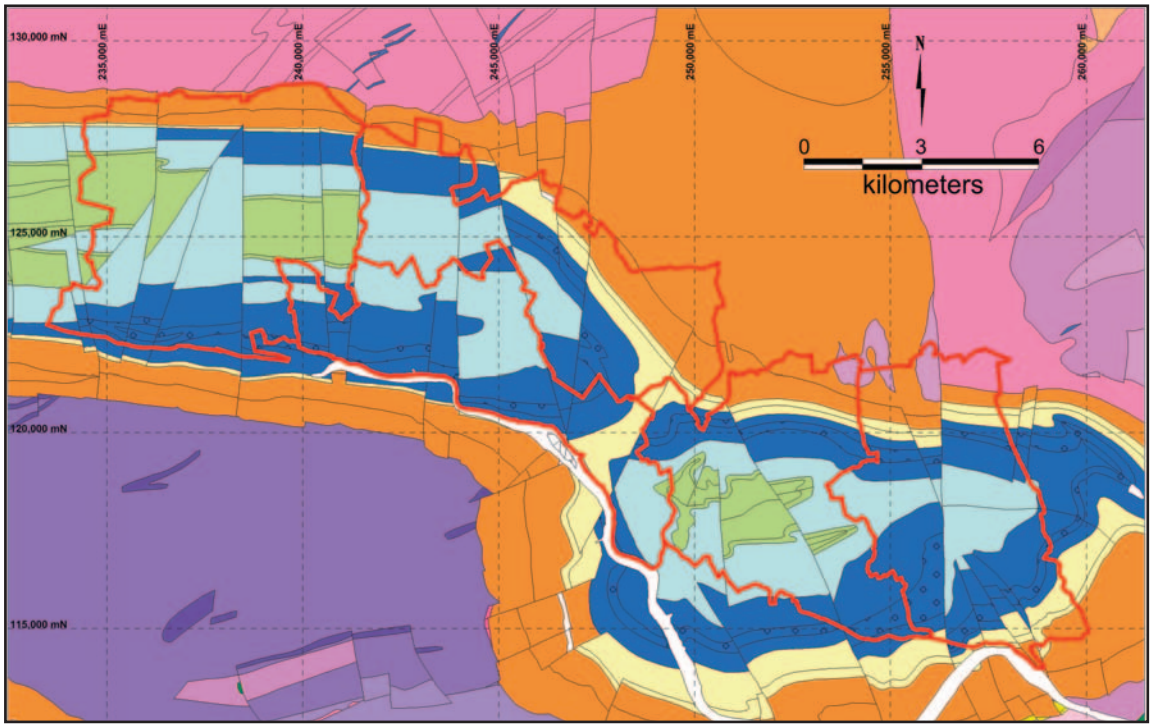

Figure 6: Clonmel Geology Map (Waulsortian Reef is Pale Blue)

The work carried out this year was focused upon the collection, interpretation and modelling of geochemical data. This data included soils, deep overburden, float and outcrop samplesfrom historic and UMR databases. Consultant geochemist, Mr Dave Plunkett was engaged to model and interpret this data. The objectives were; firstly, to collate / digitise the geochemical data for the region into a coherent database; secondly, to place the geochemical data of the region in context with respect to the geological setting and potential for mineralisation; and thirdly to target areas where there is significant potential for "Irish Type", carbonate hosted based metal mineralisation.

Four discrete target areas were identified, Mooncoin, southern PL3706, Piltown and Kilmacow (Figure 7). At Mooncoin a clear lineation can be seen controlled by a NW trending fault zone. On PL3706 the target zone consists of Zn / Pb anomalies controlled by NW faulting. At Piltown lead distribution is closely associated with zinc indicating minimal fractionation which suggests the metals are proximal to source. The Kilmacow target has some very high soil, deep overburden and lithogeochemical results that are controlled by NW faulting.

Work through the next two year period will be focused upon the four target areas identified from the geochemical study.

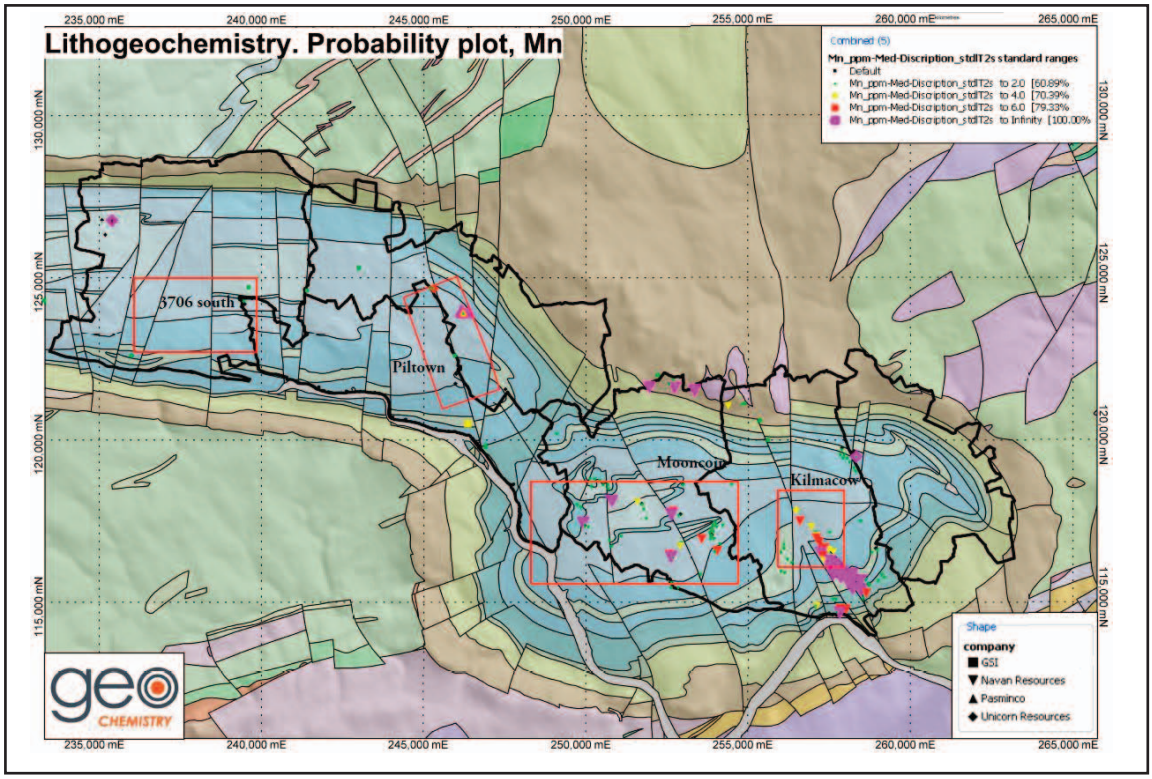

Figure 7: Target Areas on Geology and Mn Probability Plot

GORT LICENCE AREA

The Gort Block consists of five contiguous prospecting licences covering a surface area of 193.64km^2. The licence block is located along the Tynagh - Ballinalack mineralising trend in a region with well developed Waulsortian Reef. Mapping by UMR has defined a pronounced shelf / basin hinge line striking east-northeast and controlled by east-northeast faulting that can be mapped transecting the Slieve Aughty Inlier to the east of the block. The Gort block is some 5km to the northwest of the significant Zn / Pb mineral deposit discovered by Lundin at Kilbricken, where intersections of 21.2m grading 11.0% Zn / 4.8% Pb and 20.5m grading 7.5% Zn / 9.9% Pb have been reported.

Exploration activity this year has been focused on two target areas (Addergoole and Knocktoby) identified by a geological / geochemical review carried out last year (Figure 9). The work consisted of geophysical surveying (Pole-Dipole Induced Polarisation) designed to locate controlling structures and relatively shallow (150 - 200m deep) massive sulphide mineralisation. A programme of diamond drilling was completed to test the results of the geophysical surveys and consisted of five diamond drillholes for a total of 809.8m

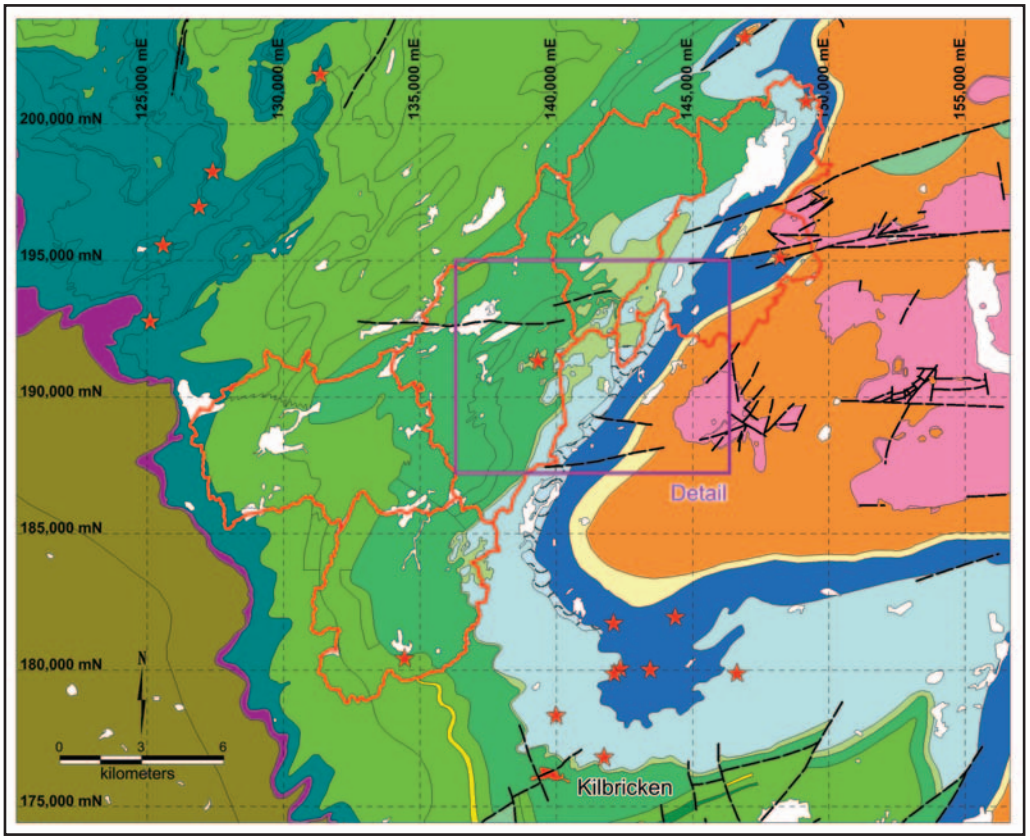

Figure 8: Gort Geology Map, with mineral occurrences

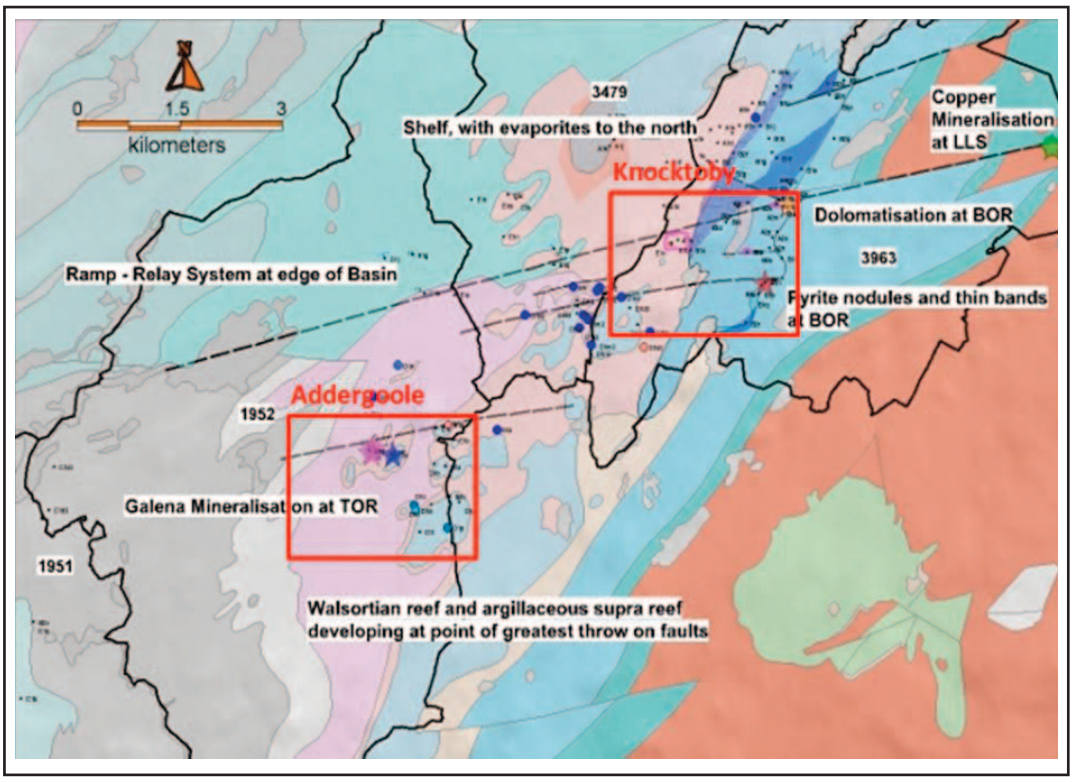

Figure 9: Addergoole / Knocktoby Targets- Detailed Geology Map, with Mineral Occurrences

A total of nine lines of Induced Polarisation were surveyed between the Addergoole and Knocktoby target areas. The lines were surveyed in a north-northwest orientation (Figure 10), perpendicular to the mapped shelf edge, with an initial spacing of 500m. Where warranted infill lines were surveyed midway between the original lines in order to define and refine anomalous geophysical responses.

A number of anomalous chargeability responses were detected at both of the target areas. At Addergoole strong chargeability anomalies were detected on lines 3 and 4 (Figure 11), with additional, infill IP surveying confirming the lateral extent of the anomalies. Two drillholes UMG-001 & UMG-002 were drilled to test the Addergoole anomalies.

Drillhole UMG-001 was designed to test a strong chargeability anomaly that had been modelled to be located at the base of the Waulsortian Reef. This hole collared in Supra Waulsortian limestones with minor vein / veinlet controlled fluorite mineralisation. The upper Waulsortian Reef contact was intersected at a depth of 64.20m. The Waulsortian Reef in this hole consists of interdigitating stromatactic biomicrites and argillaceous bioclastic calcarenites. This is interpreted as a Reef flank setting with rapid facies changes controlled by the varying depositional environment. A lens of massive, collomorphic pyrite mineralisation was intersected between 72.75 - 73.4m. The base of Waulsortian Reef contact was intersected at 130.1m. The Waulsortian Reef was 65.9m thick in this area, considerably thinner than the expected 150 - 200m. The attenuation in Waulsortian Reef thickness may be related to the depositional environment or structural uplift reducing the accommodation space for Waulsortian Reef development. The unexpected Reef morphology, thickness and the presence of massive pyrite is considered to be encouraging. There is an untested IP anomaly to the north, centred on station 1200 and it is recommended that this should be tested by drilling during the next phase of work.

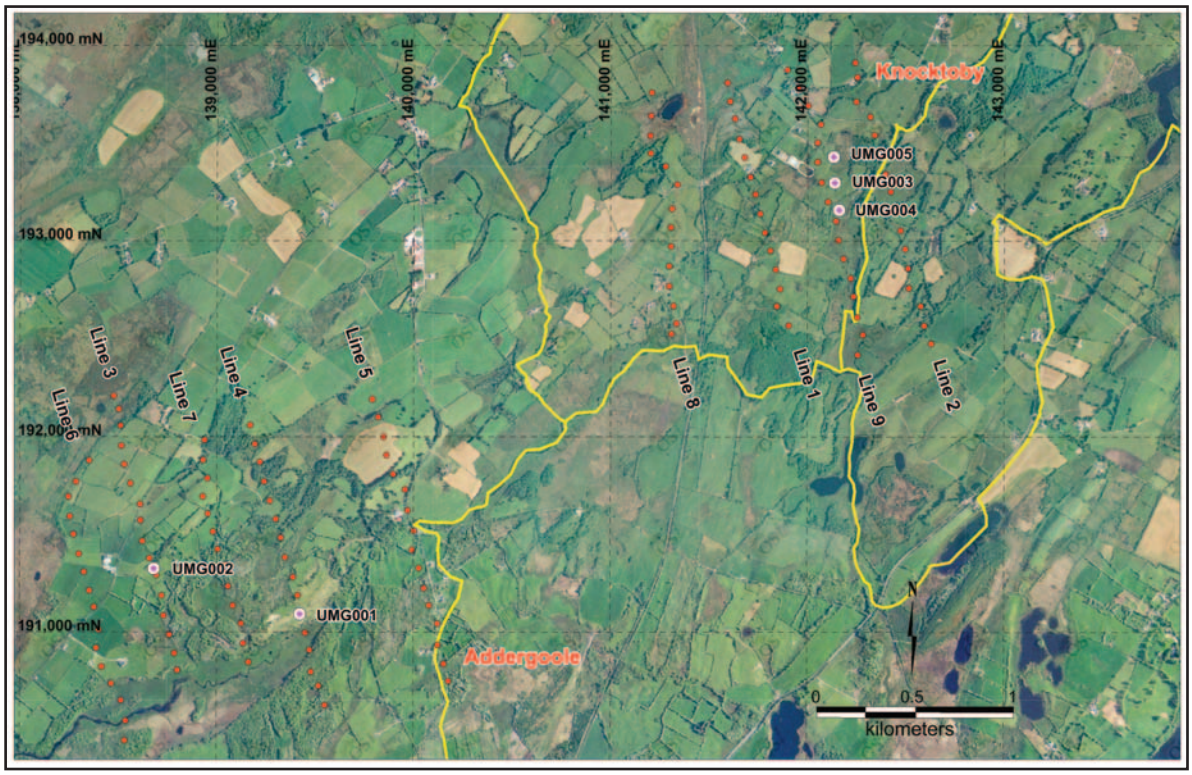

Figure 10: Induced Polarisation Survey and Drillhole Location Map

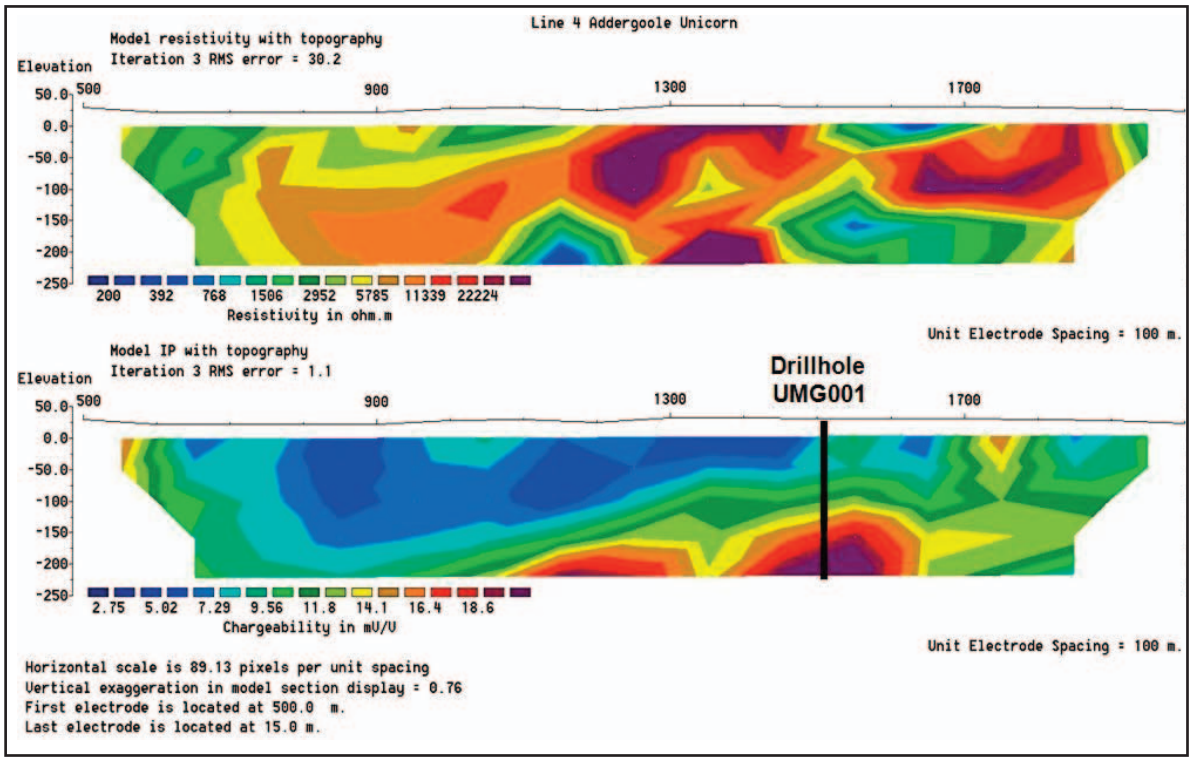

Figure 11: IP Line 4, Inversion Psuedosection with drillhole UMG-001 relative location

The Induced Polarisation survey at Knocktoby detected a number of intriguing anomalous responses that indicate a complex geological scenario. The resistivity results indicate a series of steeply dipping low resistivity breaks that have been modelled as normal faults. Line 9 in particular, detected resistivity discontinuities with associated chargeability anomalies (Figure **12**).

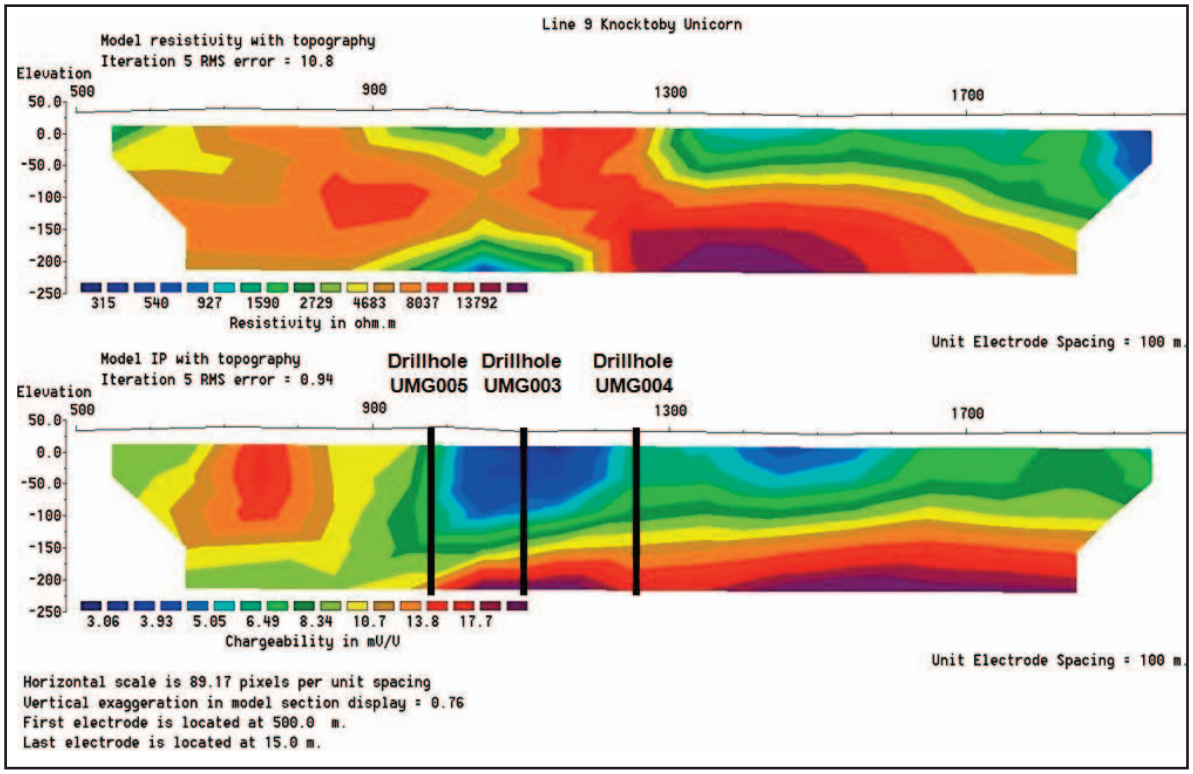

Figure 12: IP Line 9, Inversion Psuedosection with drillholes UMG-003, 004 & 005 relative locations

The results of the drilling at Knocktoby are intriguing and reveal a very complex geological scenario (Figure 13). The first hole (UMG-003) was targeted on a deep chargeability anomaly located to the south of a marked resistivity break that had been interpreted as a fault zone.

This hole collared into a fault zone with extensive dolomitisation with associated recrystallisation and veining of the Waulsortian Reef facies. Relatively narrow zones of undolomitised Reefal limestones are preserved within the fault zone. At the base of the hole intense dolomite brecciation hosts minor laminated and disseminated pyrite. The hole was stopped in the sub-Waulsortian Reef ABL at a depth of 161.0m.

The second Knocktoby drillhole (UMG-004) was located c.100m to the south and designed to test the modelled hangingwall side of the fault zone. This hole intersected a very different stratigraphy and is dominated by supra Waulsortian facies that grade into thin and very poorly developed Reefal facies from 115.25m with the basal contact intersected at 140.45m.

Interestingly, at the basal contact erosion surfaces and relic evaporite nodules (gypsum / anhydrite) were noted. This is indicative of a very shallow water depositional environment with a component of sub-aerial exposure. Indications of such shallow water conditions associated with the onset of Waulsortian Reef deposition are atypical and must be associated with a local, structurally controlled uplift, indicating active tectonics in this region. The shallow water deposition in conjunction with the rapid facies type and thickness variability and the uniform depth to the basal Reef contact all suggest that hole UMG-004 is located on the unprospective footwall of the fault zone.

The decision to drill a third hole at Knocktoby was an attempt to test the more prospective hangingwall side of the fault intersected in hole UMG-003. This hole was located c.100m tot he north and it also intersected very different stratigraphy. Relatively unaltered / undolomitised Waulsortian Reef, stromatactic micrites were intersected to a depth of 120.5m where a fault zone with intensely dolomitised and recrystallised breccias were intersected and continued to 143.7m where the hole intersected sub-Waulsortian ABL.

The relatively uniform depth to base of Waulsortian contact in all three holes would suggest that none of them have managed to test the hangingwall (down thrown) side of the fault zone. This fault zone is a significant feature with multiphase veining, recrystallisation and breccia events. It is possible that the structural zone is actually >100m wide, however, a more plausible interpretation is that it is orientated at an oblique angle to the drill section, striking either northeast or northwest. The target on the hangingwall side remains untested and will be a focus for the next phase of exploration.

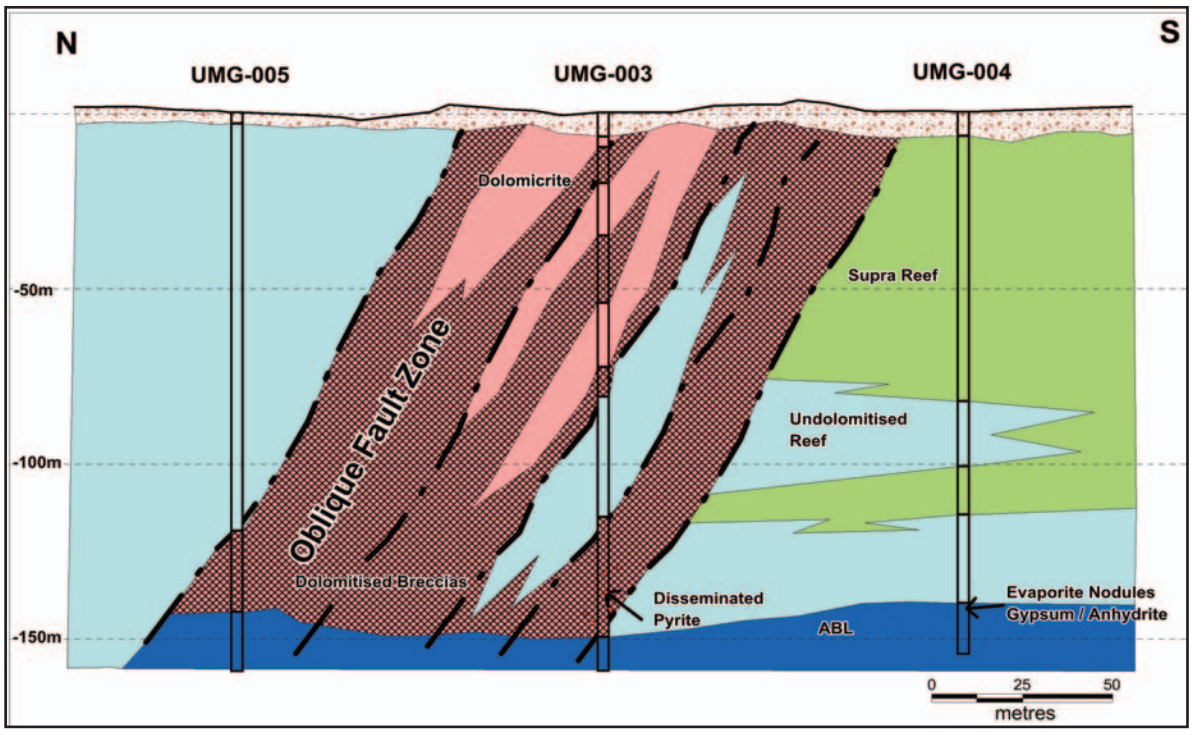

Figure 13: Geological Section along the Knocktoby drillhole Fence UMG-003 => 005

KILCORMICK LICENCE AREA

The Kilcormick Block (Figure 14) consists of four contiguous prospecting licences covering a surface area of 150.65km^2. The exploration target on this block is "Irish Type" and MVT style Waulsortian Reef hosted massive sulphide mineralisation. The licence block is located along the Navan - Silvermines mineralising trend (Figure 5) in a region with extensive and well developed Waulsortian Reef. Mapping by UMR has defined a pronounced shelf / basin contact located along the line of regional scale Knockshigownagh Fault Zone, which strikes northeast-southwest and controls a facies change from shelf limestones in the northwest to basinal limestones in the southeast. The Kilcormick Block is located c.5km along strike from the significant base of Waulsortian Reef hosted Crinkill Iron Formation discovered in the 1980's by Billiton near Birr.

Figure 14: Kilcormick PL's, Mineral Occurrences and Geology

Historic work on this ground particularly by Arcon and Noranda in the 1990's defined a significant massive sulphide occurrence located to the northwest of PL 4057. This deposit, known as Kinnity, consists of a series of "Mississippi Valley Type" (MVT) lenses of massive pyrite / marcasite with associated sphalerite and galena mineralisation. The mineralisation dips to the southeast at 45 - 60^o and is thought to be orientated parallel to the Knockshigownagh Fault (Figures 15 & 16).

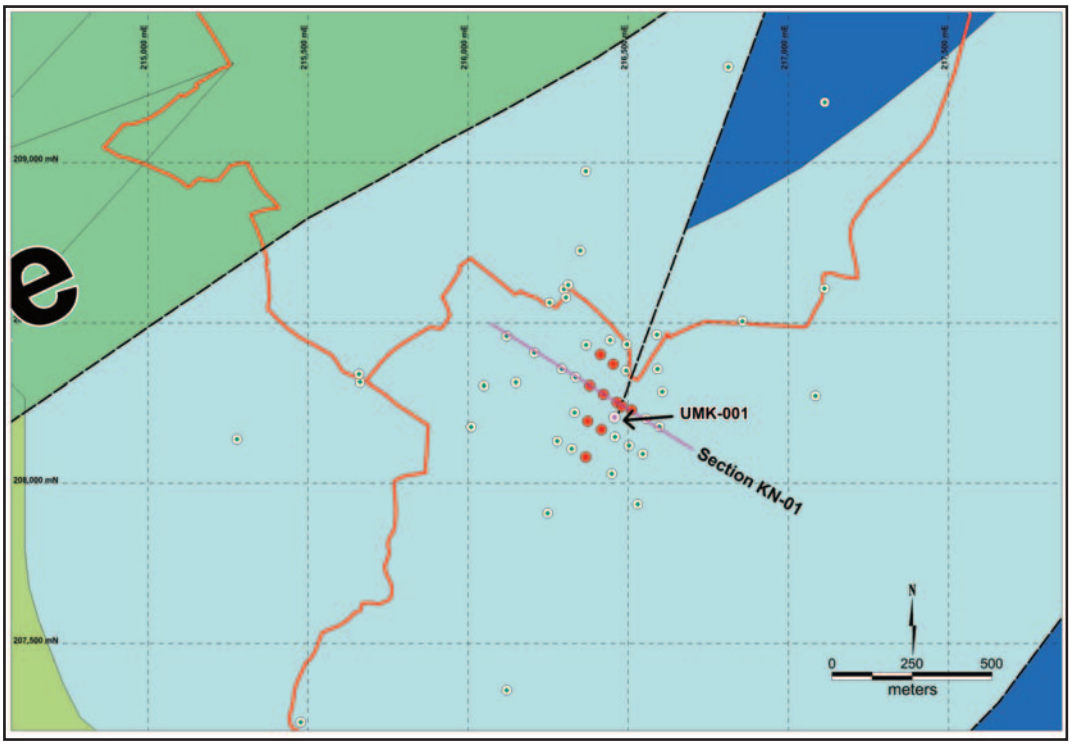

Figure 15: Drillhole collars at the Kinnity Deposit, (including UMR drillhole UMK-001)

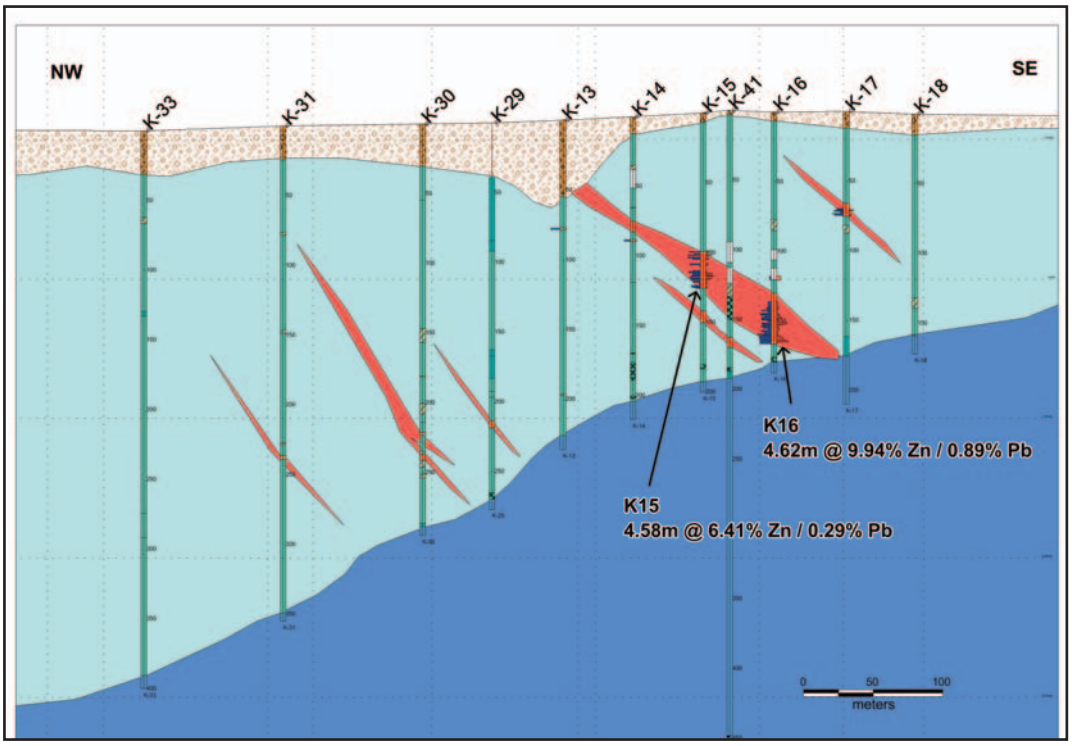

Figure 16: Section KN-01 through the Kinnity Deposit

The style of mineralisation at the Kinnity deposit is steeply dipping lenses of coarse grained massive sulphides associated with a coarsely crystalline, creamy coloured calcite gangue. The historic drilling was orientated vertically, which is ideal for flat lying Irish Type deposits, however, the morphology of the Kinnity deposit would actually be better suited to an angled drilling programme. Lenses dipping at 45 - 60^{o} can easily slip between even a relatively tight vertical drilling pattern leading to the conclusion that this mineralisation remains open, both along strike and down dip.

The work carried out by UMR over the past year was initially designed to carry out a preliminary evaluation of the region for MVT style mineralisation. The area was tested by widely spaced pole-dipole Induced Polarisation traverses (Figure 17).

Three northwestsoutheast orientated lines, c.600m apart, with a 100m dipole spacing, were surveyed over an area centred on the known Kinnity mineralisation. In total 4.5 line km of Induced Polarisation was carried out. The results were very encouraging with a significant chargeability anomaly coincident with a resistivity break thought to be a fault zone detected on line 1. A distinct chargeability anomaly coincident with the known mineralisation was detected on line 2 and a low order (possibly deeper) anomaly with a similar morphology was detected on line 3.

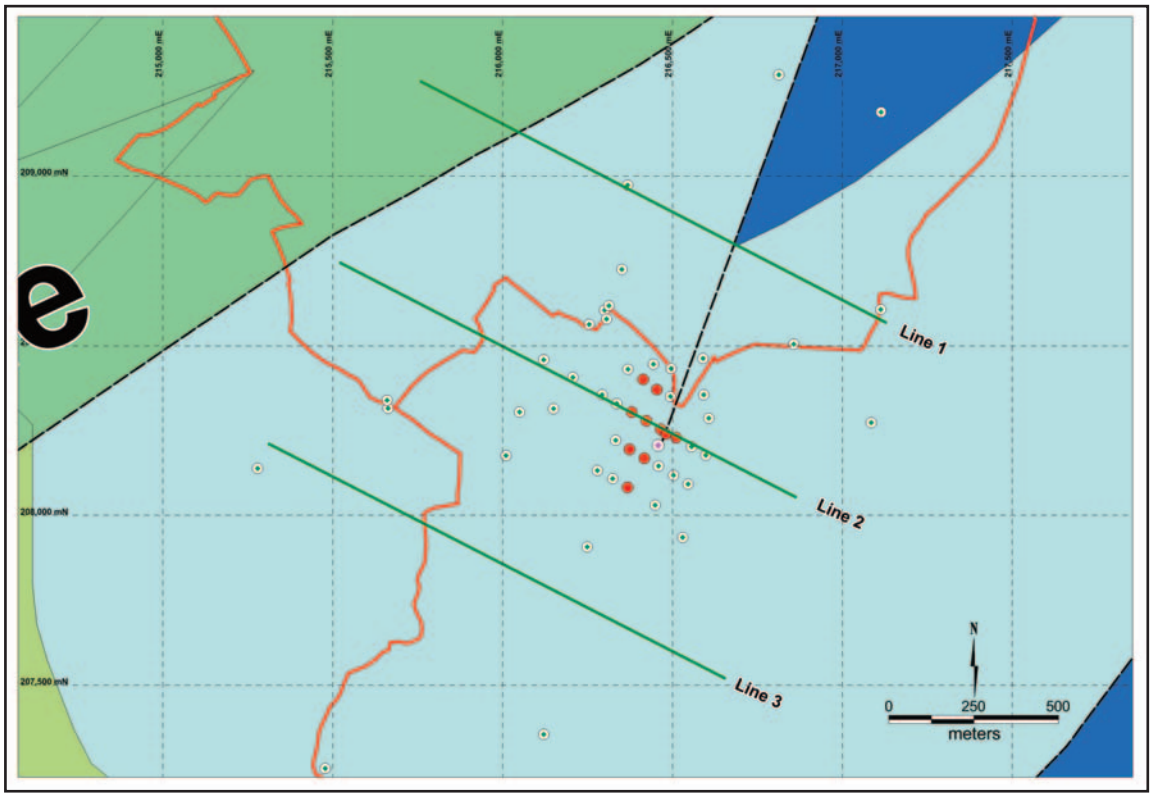

Figure 17: Kinnity IP Survey - Location Map

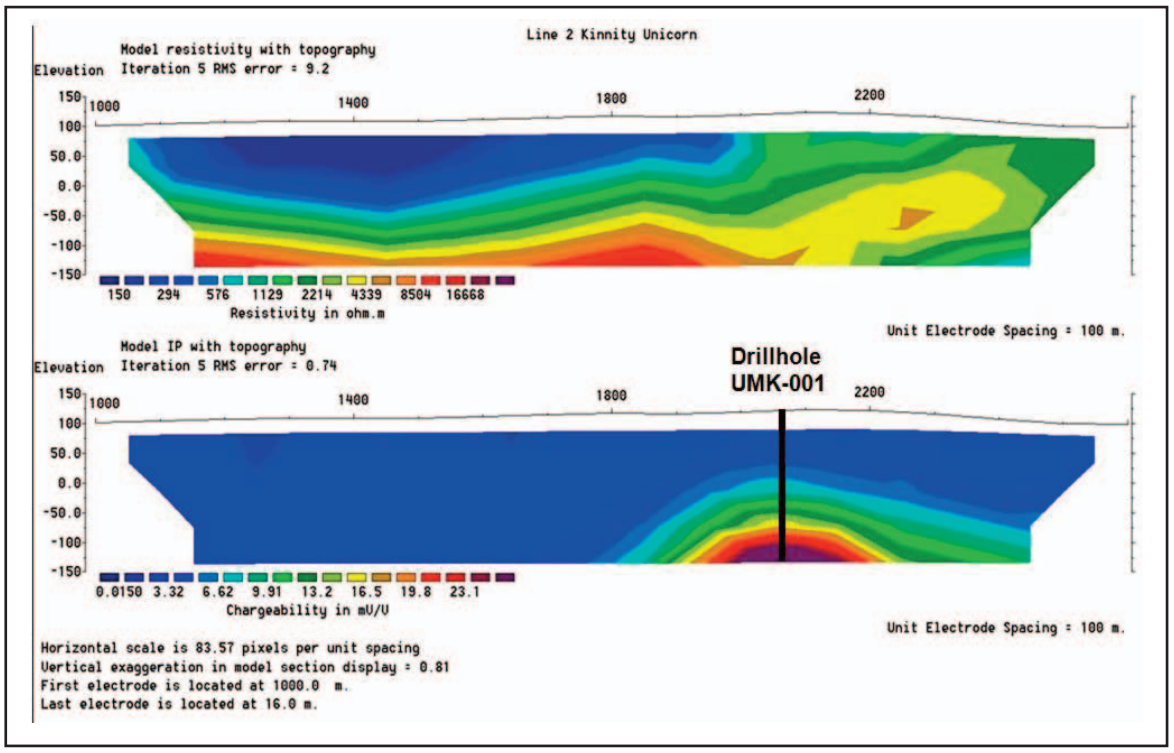

Figure 18: Kinnity IP Line 2, Inversion Psuedosection with drillhole UMK-001 relative location

Drillhole UMK-001 was targeted on the Kinnity Deposit. This hole was designed to test the continuity of the mineralisation between the intersections in the historic drillholes K-15, 16 & 21, it was also designed to provide access to the mineralisation for a planned Mise A La Masse (downhole IP) survey, an electrode was installed into the hole before the rig demobilised. This type of survey involves placing an electrode within the mineralised body and then using a roving surface dipole to map the footprint of the mineralisation. Mise A La Masse has been used successfully by BRG at Pallas Green, Kilbricken and along the Rathdowney Trend. The style of mineralisation at the Kinnity deposit is considered to be appropriate for this technique.

Drillhole UMK-001 was located c.50m away from the mineralised holes K-15, 16 & 21, drilled in 2000 by Arcon / Noranda. These holes intersected significant zinc and lead mineralisation (Table 1) associated with massive pyrite / marcasite. The style of mineralisation is steeply dipping veining and breccia matrix / replacement by coarsely crystalline, collomorphic sulphides (Figure 19).

Figure 19: Photographs of high grade mineralisation from UMK-001 (Pyr - Pyrite, Sph - Sphalerite, Gal -Galena)

Drillhole ID	Company	From	to	Thickness	Zn %	Pb %
K-10	Arcon / Noranda	227.3	229.05	1.75	5.54	0.34
K-15	Arcon / Noranda	114.56	119.14	4.58	6.41	0.29
K-16	Arcon / Noranda	145.25	147.82	2.57	4.25	0.84
K-16	Arcon / Noranda	149.92	152.79	2.87	8.14	0.27
K-16	Arcon / Noranda	160.38	165	4.62	9.94	0.81
K-21	Arcon / Noranda	198.88	209	10.12	9.45	1.12
UMK-001	Unicorn	103.95	110.75	6.80	4.23	0.25
UMK-001	Unicorn	127.55	131.85	4.30	4.63	1.00

Table 1: Assay Results - Split Core Sampling

The mineralised zones intersected by drillhole UMK-001 are of the same order of magnitude as the neighbouring holes and confirm the continuity of the massive sulphide lenses. The grades reported are slightly lower than the neighbouring holes, however, there is scope to increase the grade by reducing the sample width, which included a 1.95 metre section grading 7.09% Zn /1.63% Pb or 8.72% combined Lead and Zinc. The style of mineralisation shown in Figure 18 is identical to the mineralisation intersected by the historic drilling.

WATERFORD LICENCE AREA

Unicorn Mineral Resources have maintained an ongoing target generation programme designed to identify prospective licences and move quickly to secure title to the ground. As part of this programme a block of fifteen contiguous licences were identified in County Waterford and applied for under the terms of the Open Competition system managed by the Exploration and Mining Division. The Waterford Block consists of fifteen contiguous prospecting licences covering a surface area of c.515km^2 in eastern / southeastern County Waterford. The licences that have been offered and accepted by Unicorn Mineral Resources are, PL's 405. 735, 2752, 2754, 3194, 3195, 3205, 3206, 3207, 3208, 3323, 3518, 3570, 3571 and 3574 (Figure 20).

The geological setting of the Waterford volcano-sedimentary belt is dominated by Lower Palaeozoic (Cambro – Silurian) aged strata that extend to the northeast through Wexford / Wicklow and across the Irish Sea to Anglesey. Prior to the opening of the Atlantic Ocean (c.65Ma years ago), the Lower Palaeozoic belt of the SE of Ireland was contiguous with the Canadian Lower Palaeozoic terrain of Newfoundland, New Brunswick and Nova Scotia, where there are a number of highly significant, economic massive sulphide deposits. The Lower Palaeozoic geology in southeast Ireland is highly analogous to eastern Canada and is dominated by a succession of sediments and volcanics that were deposited in an Island Arc / Back Arc environment along the southern margin of the Iapetus Ocean.

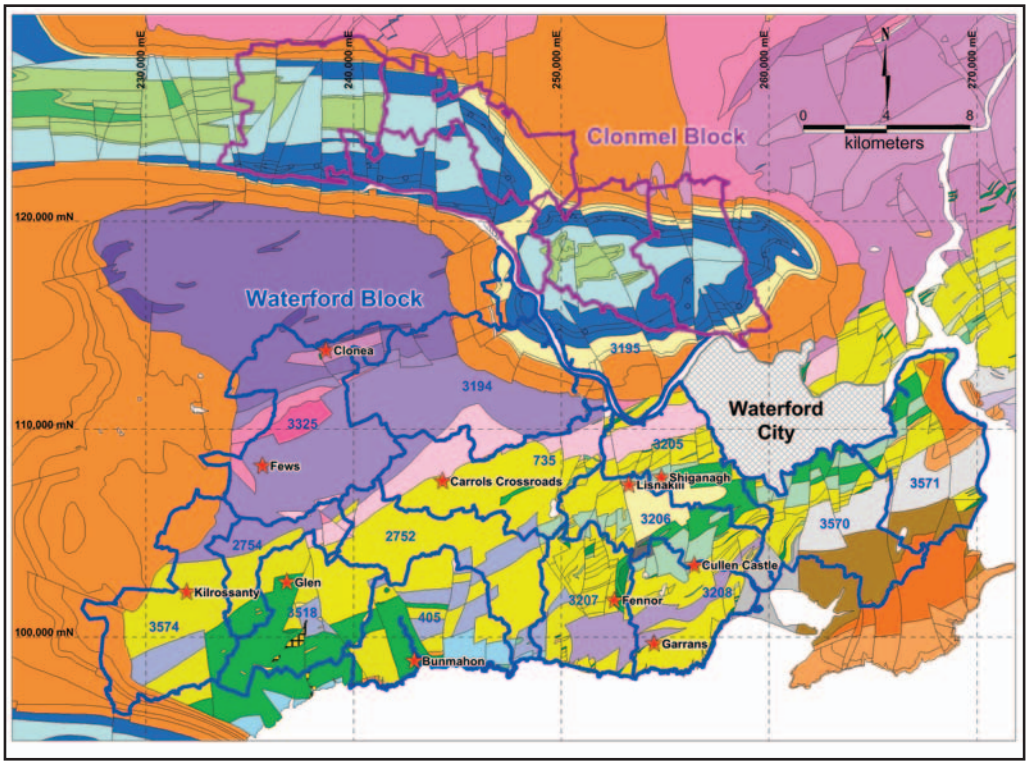

Figure 20: Waterford Licences, Geology and Target Zones

Unicorn Mineral Resources rate this region very highly and consider it to be highly prospective for a range of different deposit types, including:

- Volcanogenic Massive Sulphide (VMS) deposits of the Felsic-siliciclastic and Bimodal felsic / mafic sub-classes. These styles of deposit have the potential to form very large, economic, polymetalic (Copper, Zinc, Lead +/- Gold & Silver) orebodies.

- Sedimentary Exhalative (SEDEX) style mineralisation associated with more quiescent basin development located along the margins and distal to the main volcanic centres. Indications of SEDEX style mineralisation have been intersected by the limited amount of drilling carried out to date.

- There is also significant potential for gold mineralisation and the limited amount of historic exploration for gold has discovered a number of significant indications. Historic stream sediment sampling has detected gold at 67 sites. There are a range of deposit models that are applicable to this type of geological terrain including; shear hosted lode gold, high sulphidation epithermal gold and black shale hosted gold.

Historically the Waterford region has been subject to a relatively limited amount of exploration (just 97 holes in an area of 515km^2). It is a testimony to the prospectivity of the block that this exploration has discovered a range of intriguing mineral occurrences with associated hydrothermal alteration that could easily be related to significant mineral deposits.

There are a number of significant target zones on the Waterford Block that show strong indications of VMS style mineralisation. Evidence of mineralisation has been discovered in historic drilling campaigns that tended to be very shallow (<100m) and of limited scope. At the Carroll's Crossroads target drilling discovered zones of up to 4% Zn + Pb and 0.2% Cu. At Fennor significant alteration and geological pathfinders were related to a wide stringer zone with up to 1.9% Cu and 0.35% Zn. Drilling at Cullen Castle intersected 1.3m grading 3.5% Zn / 0.25% Cu in a stringer system with a similar system at Lisnakill returning 3.6m grading 1.7% Zn / 1.2% Pb. These results are all good indications of mineralising systems active in the Waterford region. Waterford also has a history of copper mining and the old Bunmahon copper mine produced significant quantities of copper ore from an extensive vein system between 1825 - 1880. Secondary mineralisation can still be seen at Bunmahon in the old underground workings (Figure 21), however, it should be noted that this area is now a UNESCO Geopark and will be excluded from the exploration programme.

Figure 21: Secondary Copper mineralisation in the Bunmahon Mine (reference coopercoastgeopark)

The Waterford licences were awarded under the Open Competition system and Unicorn submitted a very aggressive bid to ensure that we were successful. Accordingly, the expenditure commitments are significant and as such it is of critical importance that exploration work commences rapidly with the objective of defining the most prospective licences / targets expediting the focus on to a core block of high quality ground.

The proposed exploration programme for the Waterford Block will be designed to swiftly evaluate the target areas by refining the geological / structural models followed by ground geophysics, soil / deep overburden geochemistry, lithogeochemistry and ultimately diamond drilling. There is a significant amount of historic data, including geology, geochemistry, lithogeochemistry and geophysics for the Waterford ground and this data has been well collated into a comprehensive database. This database means that a time consuming exercise of data collection, assimilation and presentation is not required. The data can be rapidly assimilated into the latest geological and mineralogical models allowing the exploration programme to advance rapidly. The objective would be to have drill ready targets at Waterford by the second half of 2015 or early 2016.

DIRECTORS' REPORT

for the year ended 31 March 2014

The directors present their report and the audited financial statements for the year ended 31 March 2014.

Principal Activity and Review of the Business
The principal activity of the company during the period was the exploration for minerals and precious metals. There has been no significant change in these activities during the year ended 31 March 2014.

Principal Risks and Uncertainties

The directors are responsible for the company's system of internal control and for reviewing its effectiveness. The internal control system is designed to manage, rather than eliminate the risk of failure to achieve the company's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.
The directors are not aware of any specific risks or uncertainties which would have an impact on the company.

Results and Dividends
The loss for the year amounted to €(14,073) (2013 - €(13,241)).
The directors do not recommend payment of a dividend.

Directors
The current directors are as set out on page 1.

Future Developments
The company plans to continue its present activities and current trading levels.

Auditors
The auditors, MFOR Audit Services Limited t/a Brophy Gillespie, have indicated their willingness to continue in office in accordance with the provisions of Section 160(2) of the Companies Act, 1963.

Interests of directors and company secretary

The directors' and the secretary's interests in the shares of the company are as follows:-

		Number of Shares Held At		Number of Options Held At	
Name	**Class of Shares**	**31/03/14**	01/04/13	**31/03/14**	01/04/13
Richard O'Shea	Ordinary	**500,000**	500,000	**100,000**	100,000
Paul Smithwick	Ordinary	**500,000**	500,000	**150,000**	100,000
Dave Blaney	Ordinary	* **70,000**	70,000	**400,000**	300,000
John O'Connor	Ordinary	** **200,000**	*366,667	**50,000**	50,000
		1,270,000	1,436,667	**700,000**	550,000

* (shares acquired prior to date of appointment)
**(These holdings held by minor child/ children of director John O 'Connor at the year end date)

DIRECTORS' REPORT(cont.)

for the year ended 31 March 2014

Share Options

On 11 January 2013, share options in the amount of 300,000 Ordinary shares were granted at an exercise price of €0.08 per share.

The interests of the directors in these share options were as follows:
Richard O' Shea 100,000 Ordinary shares at an exercise price of €0.08 per share
John O'Connor 50,000 Ordinary shares at an exercise price of €0.08 per share
Paul Smithwick 50,000 Ordinary shares at an exercise price of €0.08 per share

On 31 December 2013, Richard O'Shea exercised share options in the amount of 100,000 Ordinary shares at an exercise price of €0.08 per share.
After Richard O' Shea exercised his share options for 100,000 he transferred 100,000 shares to his children.

On 31 December 2013, John O'Connor exercised share options in the amount of 50,000 Ordinary shares at an exercise price of €0.08 per share.
After John O'Connor exercised his share options for 50,000 he transferred 50,000 shares to his children.

On 1 October 2013, share options in the amount of 300,000 Ordinary shares were granted at an exercise price of €0.10 per share.

The interests of the directors in these share options were as follows:
Richard O'Shea 100,000 Ordinary shares at an exercise price of €0.10 per share
John O'Connor 50,000 Ordinary shares at an exercise price of €0.10 per share
Paul Smithwick 50,000 Ordinary shares at an exercise price of €0.10 per share
David Blaney 100,000 Ordinary shares at an exercise price of €0.10 per share

At the balance sheet date of 31 March 2014 there remained a total number of 700,000 Ordinary shares outstanding in unexercised share options.

Books of Account

To ensure that proper books and accounting records are kept in accordance with Section 202 Companies Act, 1990, the directors have established appropriate books to adequately record the transactions of the company. The directors also ensure that the company retains the source documentation for these transactions. The books of account are maintained at the company's office at 36 Dame Street, Dublin 2.

Signed on behalf of the board

John O'Connor
Director
27 January 2015

Richard O'Shea
Director
27 January 2015

INDEPENDENT AUDITOR'S REPORT
to the Shareholders of Unicorn Mineral Resources Limited

We have audited the financial statements of Unicorn Mineral Resources Limited for the year ended 31 March 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company's members, as a body, in accordance with section 193 of the Companies Act 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice Board's Ethical Standards for Auditors, including 'APB Ethical Standard - Provisions Available for Small Entities (Revised)', in the circumstances set out in Note 1 to the financial statements.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
In our opinion the financial statements:
- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company's affairs as at 31 March 2014 and of its results for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2013.

Matters on which we are required to report by the Companies Acts 1963 to 2013
- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the company.
- The financial statements are in agreement with the books of account.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.
- The net assets of the company, as stated in the balance sheet, are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 March 2014 a financial situation which under Section 40(1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.

Matters on which we are required to report by exception
We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2013 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Aidan Brophy
for and on behalf of
MFOR AUDIT SERVICES LIMITED T/A BROPHY GILLESPIE
St. Gall's House
St. Gall Gardens South
Milltown
Dublin 14
27 January 2015

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2014

	2014	2013
	€	€
Administrative expenses	(14,317)	(13,556)
Operating loss	(14,317)	(13,556)
Interest receivable and similar income	244	315
Loss on ordinary activities before taxation	(14,073)	(13,241)
Tax on loss on ordinary activities	-	-
Loss for the year	(14,073)	(13,241)
Loss per Share – Shares in issue	0.36c	0.36c
Loss per Share – Fully Diluted	0.31c	0.31c
Shares in Issue	3,900,000	3,750,000
Fully Diluted	4,600,000	4,300,000

The company has no recognised gains or losses other than the results for the year. The results for the year have been calculated on the historical cost basis. The company's turnover and expenses all relate to continuing operations.

Approved by the board on 27 January 2015 and signed on its behalf by

John O'Connor
Director

Richard O'Shea
Director

BALANCE SHEET

as at 31 March 2014

	2014 €	2013 €
Fixed Assets		
Intangible assets	**34,661**	19,461
Current Assets		
Debtors	**5,528**	2,933
Cash at bank and in hand	**9,650**	29,267
	15,178	32,200
Creditors: Amounts falling due within one year	**(1,047)**	(796)
Net Current Assets	**14,131**	31,404
Total Assets less Current Liabilities	**48,792**	50,865
Capital and Reserves		
Called up share capital	**39,000**	37,500
Share premium account	**69,500**	59,000
Profit and loss account	**(59,708)**	(45,635)
Shareholders' Funds	**48,792**	50,865

Approved by the board on 27 January 2015 and signed on its behalf by

John O'Connor
Director

Richard O'Shea
Director

Unicorn Mineral Resources Limited

T: +353 (0)87 2560397 E: ros@eircom.net
www.unicornmineralresources.com