

**Form 51-102F3**  
***Material Change Report***

**MATERIAL CHANGE REPORT UNDER SECTION 7.1 OF NATIONAL INSTRUMENT 51-102**

NOTE: WHERE THIS REPORT IS FILED ON A CONFIDENTIAL BASIS PUT AT THE BEGINNING OF THE REPORT IN BLOCK CAPITALS "CONFIDENTIAL".

Item 1. Name and Address of Company

Unity Energy Corp. (the "Company")  
Suite 313-515 West Pender Street  
Vancouver, B.C.  
V6B 6H5

Item 2. Date of Material Change

October 2, 2012

Item 3. News Release

The news release was disseminated through TSX, BC Securities Commission, Alberta Securities Commission, Stockwatch and Market News.

Item 4. Summary of Material Change

Unity Energy Corp., (the "Company") and Patrone Gold Corp. ("Patrone") are pleased to announce that they have executed a Plan of Arrangement Agreement (the "Agreement") and completed a spin-out transaction to segregate Unity's assets into two separate companies. The spin-out arrangement was accomplished through a Plan of Arrangement under the provisions of the *Business Corporations Act* (British Columbia) (the "Act") between Unity and its subsidiary, Patrone Gold Corp. (the "Arrangement"). The Company received approval from the Supreme Court of BC under the Act on August 10, 2012 and TSXV conditional approval for the spin out transaction on September 24, 2012. The completion of the Agreement remained subject to a number of conditions including Patrone Gold Corp. meeting minimum listing requirements of the TSX Venture Exchange. Final TSX Venture Exchange approval was received on October 2, 2012.

Item 5. Full Description of Material Change

Unity Energy Corp., (the "Company") and Patrone Gold Corp. ("Patrone") are pleased to announce that they have executed a Plan of Arrangement Agreement (the "Agreement") and completed a spin-out transaction to segregate Unity's assets into two separate companies. The spin-out arrangement was accomplished through a Plan of Arrangement under the provisions of the *Business*

*Corporations Act* (British Columbia) (the “Act”) between Unity and its subsidiary, Patrone Gold Corp. (the “Arrangement”). The Company received approval from the Supreme Court of BC under the Act on August 10, 2012 and TSXV conditional approval for the spin out transaction on September 24, 2012. The completion of the Agreement remained subject to a number of conditions including Patrone Gold Corp. meeting minimum listing requirements of the TSX Venture Exchange. Final TSX Venture Exchange approval was received on October 2, 2012.

#### **Patrone Gold Corp. to hold the Dickens Lake Property**

Under the terms of the transaction, Unity transferred all of its interest in and to the Dickens Lake Gold Property, (the “Asset” or the “Dickens Lake Property”), located in the LaRonge Gold Belt in northern Saskatchewan to Patrone Gold Corp., (“Patrone”), in exchange for shares in Patrone and a \$200,000 cash commitment. The Project consists of four adjoining mineral dispositions and covers an area of over 6000ha in a region that has produced over 600,000 ounces of gold. More than a hundred gold showings and four past producers are documented in the La Ronge Gold Belt and over \$70 million has been spent on gold exploration and development since 1980. Unity has a 100% interest in the Dickens Lake Project, subject to a 2% NSR, of which 1.5% can be purchased for \$1,500,000. Earlier this spring, Unity completed a V-TEM survey of the Dickens Lake Project. Unity will retain the balance of the Saskatchewan uranium properties where plans for further development work are underway.

#### **Spin-out of Patrone Gold Corp.**

The Arrangement is intended to give Unity Shareholders a direct interest in a new exploration company that will focus on and pursue the exploration and development of the Dickens Lake Property as well as potentially acquiring and exploring new properties in districts and areas with known potential for high margin properties.

Each shareholder of record on the share distribution record date, (the “Share Distribution Record Date”), will participate in the Arrangement on a *pro-rata* basis and, upon completion of the Arrangement, will continue to hold substantially the same *pro-rata* interest they held in the Company prior to the completion of the Arrangement. The Share Distribution record date was set by the Companies as Monday, October 1, 2012.

Immediately upon the Arrangement becoming effective, each Unity shareholder will continue to hold one common share in the equity of Unity, (the “Unity Shares”) for each share of Unity held prior to the Arrangement. The Unity Shares will be identical in every respect to the shareholders’ current Unity Shares; in addition, each Unity shareholder will received one-half ( $\frac{1}{2}$ ) common share in Patrone for each whole common share held in Unity (the “Patrone Shares”). Therefore, on completion of the Arrangement, each shareholder will have one whole Unity Share and one half ( $\frac{1}{2}$ ) Patrone Share for each share in Unity they held prior to the Arrangement.

#### **Patrone Farm-out Transaction**

In conjunction with the completion of the Arrangement, Patrone completed a

farm-out transaction in which Patrone transferred a 10% interest in the Dickens Lake Property to Unity in exchange for exploration and development work on the Property. Unity provided a cash commitment of \$205,000 to be expended in the form of exploration and development expenses on the Dickens Lake Property as per the Phase 1 work program stipulated in the NI34-101 compliant Dickens Lake Technical Report.

**Listing of Patrone Gold Corp.**

Effective at the opening on Wednesday, October 3, 2012, the common shares of Patrone Gold Corp. will commence trading on the TSX Venture Exchange. Patrone will be classified as a Tier 2 “Junior Mining” Issuer and will trade under the symbol “AUR”. For further information, please refer to the Company’s Listing Application dated September 12, 2012 and available on SEDAR under the profile for Patrone.

Anita Algie, President and CEO of Unity will remain as President and CEO of Unity and will also be appointed as the President and CEO of Patrone Gold Corp. Peter Born, P. Geo. and Richard Ko, both current board members of Unity will join the board of Patrone to see it through its development stage.

**About Unity Energy Corp.**

Unity Energy Corp. is a TSX Venture Exchange tier two listed issuer, engaged in uranium exploration in the Athabasca Basin. The Company has assembled a team of dedicated industry professionals and local first nations groups to utilize leading edge technologies in refining exploration on its portfolio of projects. Unity currently controls 10 properties, covering over 27,500 hectares in the eastern Athabasca Basin, the largest uranium producing region in the world.

Following the completion of the Arrangement, Unity will continue its exploration and development programs on its 10 uranium properties in the Athabasca Basin, Saskatchewan. Historic programs on the McKenzie Lake and Close Lake Projects have both encountered down-hole uranium mineralization.

For more information, contact the Company at 604-681-0004 or visit [www.unityenergycorp.com](http://www.unityenergycorp.com)

---

**About Unity Energy Corp.**

Unity Energy Corp. is a TSX Venture Exchange tier two listed issuer, engaged in uranium exploration in the Athabasca Basin. The Company has assembled a team of dedicated industry professionals and local first nations groups to utilize leading edge technologies in refining exploration on its portfolio of projects. Unity currently controls 11 properties, covering over 27,500 hectares in the eastern Athabasca Basin, the largest uranium producing region in the world. Historic programs on the McKenzie Lake and Close Lake Projects have both encountered down-hole uranium mineralization.

Nothing in this form is required to be maintained on a confidential basis.

Item 7. Omitted Information

Not applicable.

Item 8. Senior Officers

Anita Algie, President & C.E.O.  
Phone: (604) 681-0004

Item 9. Date of Report

Dated at Vancouver this 2nd day of October, 2012.

By: Unity Energy Corp.

*“Anita Algie”*

Anita Algie, President & CEO