# Priority Silver Targets Outlined at Cerro Leon

## Phase 1 drilling to target new discoveries and extensions of current resource

Unico Silver Limited (**"USL"** or **the "Company"**) is pleased to provide an update on exploration at its Cerro Leon silver project located in the Santa Cruz province of Argentina.

## HIGHLIGHTS

- **Drilling to commence at Cerro Leon with an initial 5000m reverse circulation (RC) drill program followed by diamond drilling (DD) aimed at expanding the Project's current Mineral Resource Estimate[1] (MRE) (Table 2).**
- **Six (6) prospects where silver mineralisation is open at depth or along strike are prioritised for drilling, including several new areas that fall outside of the current MRE.**
- **Significant historical silver equivalent (AgEq[2]) assay drill and trench results (Table 1) include:**

| | | |
|---|---|---|
| **Tranquilo**: | (P314-10) | **4.2m at 393gpt AgEq** from 15.5m **(outside of MRE)** |
| | (PR004-11) | **6m at 1,020 gpt AgEq** from 95 m **(open at depth)** |
| **Karina** | (PR224-12) | **6m at 808gpt AgEq** from 15m, **(open at depth)** |
| | | **5m at 1854 AgEq from** 26m **(outside MRE)** |
| | (PR219-12) | **4m at 918gpt AgEq** from 45m **(outside MRE)** |
| | (PR243-13) | **1m at 997gpt AgEq** from 48m **(open at depth)** |
| **CSS** | (Trench 10-13) | **2m at 7203gpt AgEq** from surface **(open at depth)** |
| | (PR246-12) | **2m at 643gpt AgEq** from 31m **(open at depth)** |
| **Marta NW** | (P363-11) | **7.6m at 749gpt AgEq** from 116.4m **(open along strike)** |
| | (PR283-13) | **3m at 595gpt AgEq** from 44m **(outside of MRE)** |
| **Ivonne S** | (P200-08) | **43.7m at 275gpt AgEq** from 112m **(outside of MRE)** |
| **Marta S** | (PR177-12) | **19m at 304 gpt AgEq** from 58m **(open at depth)** |

**Managing Director, Todd Williams:** ***"We are pleased to outline exploration priorities for the upcoming drill program to build on the exceptional silver grades in historical drill holes. This initial program will target high-confidence, low-risk opportunities to expand the current MRE, extending known mineralised veins at depth or along strike. In parallel, the team will test several promising regional targets with the potential for substantial new discoveries. We're confident that this exploration will unlock significant upside and we look forward to keeping investors updated as we embark on a new and exciting chapter focused on growth."***

## About Unico Silver

Unico Silver holds a 100% interest in the Cerro Leon and Joaquin silver gold districts located in the central Deseado Massif geological province, Santa Cruz Argentina (Figure 1).

Cerro Leon is strategically located within the same structural corridor that is host to AngloGold Ashanti's world-class Cerro Vanguardia mine. The Project hosts a JORC compliant Mineral Resource Estimate (MRE) of **91Moz AgEq for 16.5Mt at 172gpt AgEq** (Table 2). In May 2024, the Company published an Exploration Target Range[3] for the project (Table 3) outlining targets for near term resource growth.

During August 2024, announced that it had interred a binding letter of intent (LOI) in respect of the proposed transaction to acquire a 100% interest in the Joaquin project from Pan American Silver (PAAS). Joaquin is host to a Foreign Estimate of **73Moz AgEq for 16.7Mt at 136gpt AgEq**[4] (Table 4). Historical production by PAAS from 2019 to 2022 totals 4.3Moz Ag. The transaction is due to close shortly.

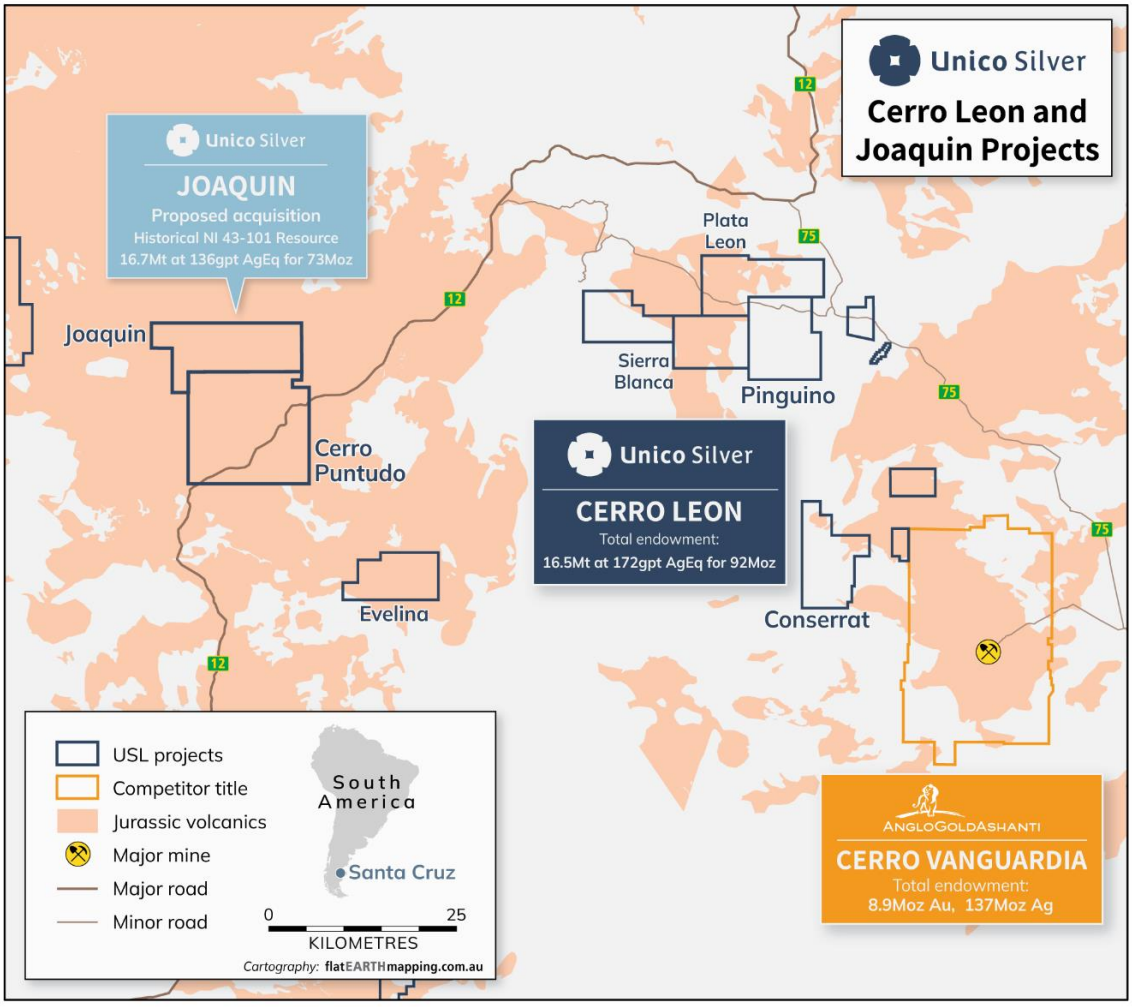


***Figure 1: Joaquin and Cerro Puntudo project location***

[1] ASX Announcement, 18 May 2023, Cerro Leon silver resource grows 84% to 92 million silver equivalent ounces.
[2] AgEq = Ag (g/t) + 79.18 x Au (g/t) where: silver price is $23.5/oz and recovery is 95%, gold price is $1964/oz
[3] ASX announcement, 13 May 2024, Cerro Leon Exploration Target
[4] ASX Announcement, 20 August 2024, Acquisition of Joaquin silver district

Cautionary Statement

(a) The Foreign Estimate of mineralisation included in this announcement is not compliant with the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (2012 JORC Code) and is a "Foreign Estimate"

(b) An independent resource consulting group NCL Ingenieria y Construccion Ltda. was commissioned by Coeur D'Alene Mines Corporation to prepare an independent Technical Report on the Joaquin Project suitable for reporting purpose under the standards of NI 43-101.

(c) A Competent Person (under ASX Listing Rules) has not yet done sufficient work to classify the Foreign Estimate as Mineral Resources or Ore Reserves in accordance with the 2012 JORC Code.

(d) It is uncertain that following evaluation and/or further exploration work that the foreign estimates will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code 2012.

***Table 1: Significant drill hole and trench assay results***

| Prospect | Hole ID | East (UTM19s) | North (UTM19s) | RL | Dip | Azi | Depth (m) | Interval (m) | Au (ppm) | Ag (ppm) | Pb (%) | Zn (%) | AgEq |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Tranquilo** | P353-10 | 525631 | 4680578 | 386 | -53 | 226.7 | 79.50 | 2.8 | 0.2 | 283 | 4.95 | 1 | 464 |
| | P314-10 | 525718 | 4680409 | 379 | -45 | 236 | 100.5 | 4.2 | 0 | 376 | 0.3 | 0 | 393 |
| | P349-10 | 525398 | 4680900 | 382 | -54.6 | 222.8 | 37.5 | 3.9 | 0.3 | 3569 | 0.9 | 0.18 | 3624 |
| | PR004-11 | 525293 | 4681097 | 389 | -55 | 219.5 | 117 | 6 | 0.4 | 966 | 0.35 | 0.31 | 1020 |
| **Karina** | PR243-13 | 526435 | 4682702 | 416 | -51 | 330 | 90 | 1 | 6.8 | 322 | 3.93 | 0.6 | 997 |
| | PR255-13 | 526504 | 4682739 | 413 | -52 | 326 | 90 | 6 | 1.4 | 214 | 2.5 | 1.1 | 437 |
| | PR224-12 | 526799 | 4682852 | 403 | -45 | 13.8 | 50 | 5 | 2.5 | 726 | 1.2 | 0 | 808 |
| | PR224-12 | 526799 | 4682852 | 403 | -45 | 13.8 | 50 | 6 | 15.8 | 302 | 0.1 | 0 | 1854 |
| | PR219-12 | 527091 | 4682980 | 398 | -45 | 187 | 110 | 4 | 0.6 | 767 | 1.38 | 1.7 | 918 |
| **Ivonne** | P390-11 | 527186 | 4681594 | 407 | -55 | 214 | 131 | 1.8 | 8.3 | 115 | 0.1 | 0.5 | 801 |
| | P385-11 | 527053 | 4681962 | 404 | -55.8 | 230 | 321 | 3.2 | 4.7 | 39 | 0.1 | 0.3 | 435 |
| | P396-11 | 527008 | 4682075 | 404 | -55 | 240 | 272 | 3.7 | 3 | 61 | 0.3 | 1.4 | 1363 |
| | PR045-11 | 527233 | 4681479 | 404 | -45 | 184 | 45 | 2 | 3.5 | 31 | 0 | 0 | 312 |
| | PR143-11 | 526872 | 4682045 | 406 | -47 | 236 | 80 | 8 | 3.3 | 103 | 1 | 1 | 420 |
| **Ivonne S** | P252-08 | 528023 | 4680591 | 398 | -55 | 213 | 99 | 4.5 | 0.16 | 44 | 2.1 | 5.1 | 312 |
| | P200-08 | 527995 | 4680618 | 398 | -57 | 215 | 112.5 | 43.7 | 0.2 | 52 | 2.3 | 3.78 | 275 |
| | P374-11 | 527685 | 4681188 | 399 | -71 | 227 | 222 | 25.4 | 0.8 | 8 | 0 | 1.2 | 120 |
| **CSS** | CSS-10-13 | 527422 | 4682691 | 405 | 0 | 1 | 0 | 2 | 4.8 | 6771 | 0.3 | 0.97 | 7203 |
| | PR274-13 | 527552 | 4682731 | 401 | -47 | 165 | 50 | 14 | 0.8 | 44 | 0.3 | 0 | 116 |
| | PR246-12 | 527387 | 4682742 | 403 | -45 | 185.7 | 50 | 2 | 0.5 | 487 | 1.7 | 1.9 | 643 |
| | PR216-12 | 527330 | 4682786 | 399 | -45 | 192 | 126 | 4 | 0.4 | 96 | 0.9 | 2.3 | 244 |
| **Martha S** | PR177-12 | 527822 | 4680484 | 402 | -70 | 26 | 58 | 19 | 0.4 | 272 | 0 | 0 | 304 |
| **Martha NW** | PR283-13 | 525582 | 4682834 | 414 | -49 | 57 | 70 | 3 | 1.3 | 486 | 0 | 0 | 590 |
| | P363-11 | 525033 | 4683154 | 415 | -56 | 43 | 171 | 7.6 | 1 | 660 | 0 | 0 | 750 |
| | PR015-11 | 524957 | 4683238 | 416 | -56 | 23 | 105 | 6 | 0.5 | 377 | 0 | 0 | 422 |
| | PR254-12 | 524663. | 4683505 | 419 | -45 | 40.5 | 110 | 5 | 1.7 | 146 | 0 | 0 | 288 |

## Exploration Strategy

Significant historical drill results are provided in Table 1. **There are six advanced prospects within the project that are prioritised for near-term resource growth.**

- **Karina, CSS, Tranquilo, Ivonne, Martha NW, Martha S**

At all prospects, silver mineralisation is open at depth or along strike or drill spacing was not adequate for estimating JORC resources. An initial phase of RC drilling will be completed to define the surface limits of mineralisation and inform a deeper diamond drill campaign designed to test vertical continuity.

Mineralised shoots appear to occur at the intersection of north-westerly and easterly conjugate vein structures.

Karina

Karina was a new discovery during 2012 to 2013 before exploration was halted at the project. The vein structure strikes east-northeast and has been mapped over 800m strike. Mineralisation was defined in a series of shallow RC drill holes spaced up to 50m apart. Mineralisation has been defined from surface to 40m vertically and is open at depth along the entire vein structure (Figure 3). Significant historical intercepts include:

(PR224-12) **6m at 808gpt AgEq** from 15m, **(open at depth)**

**5m at 1854 AgEq from** 26m **(outside MRE)**

(PR219-12) **4m at 918gpt AgEq** from 45m **(outside MRE)**

(PR243-13) **1m at 997gpt AgEq** from 48m **(open at depth)**

CSS

Colita Salvary System (CSS) was discovered contemporaneous to Karina and only received limited drilling. The vein structure strikes west-northwest and has been mapped over 900m. Mineralisation was defined in a series of shallow RC drill holes spaced up to 100m apart. Mineralisation has been defined from surface to 75m vertically and is open at depth along strike (Figure 4). Significant historical intercepts include:

(Trench 10-13) **2m at 7203gpt AgEq** from surface **(open at depth)**

(PR246-12) **2m at 643gpt AgEq** from 31m **(open at depth)**

(PR274-13) **14m at 116gpt AgEq** from 50m **(open at depth)**

(PR216-12) **4m at 244gpt AgEq** from 126m **(open at depth**

Tranquilo

Tranquilo is centered just 200m west of the Pinguino camp, and despite this, was not discovered until late in the project's exploration history. The Tranquillo vein strikes north-northwest and forms part of the major El Tranquilo lineament, a reginal scale structure that continues south and exerts a fundamental control on precious metal veins at Cerro Vanguardia. Mineralisation has been defined over 700m strike and 100m to 150m vertically (Figure 5). Significant historical intercepts include:

(P314-10) **4.2m at 393gpt AgEq** from 15.5m **(open at depth)**

(PR004-11) **6m at 1020 gpt AgEq** from 95 m **(open at depth)**

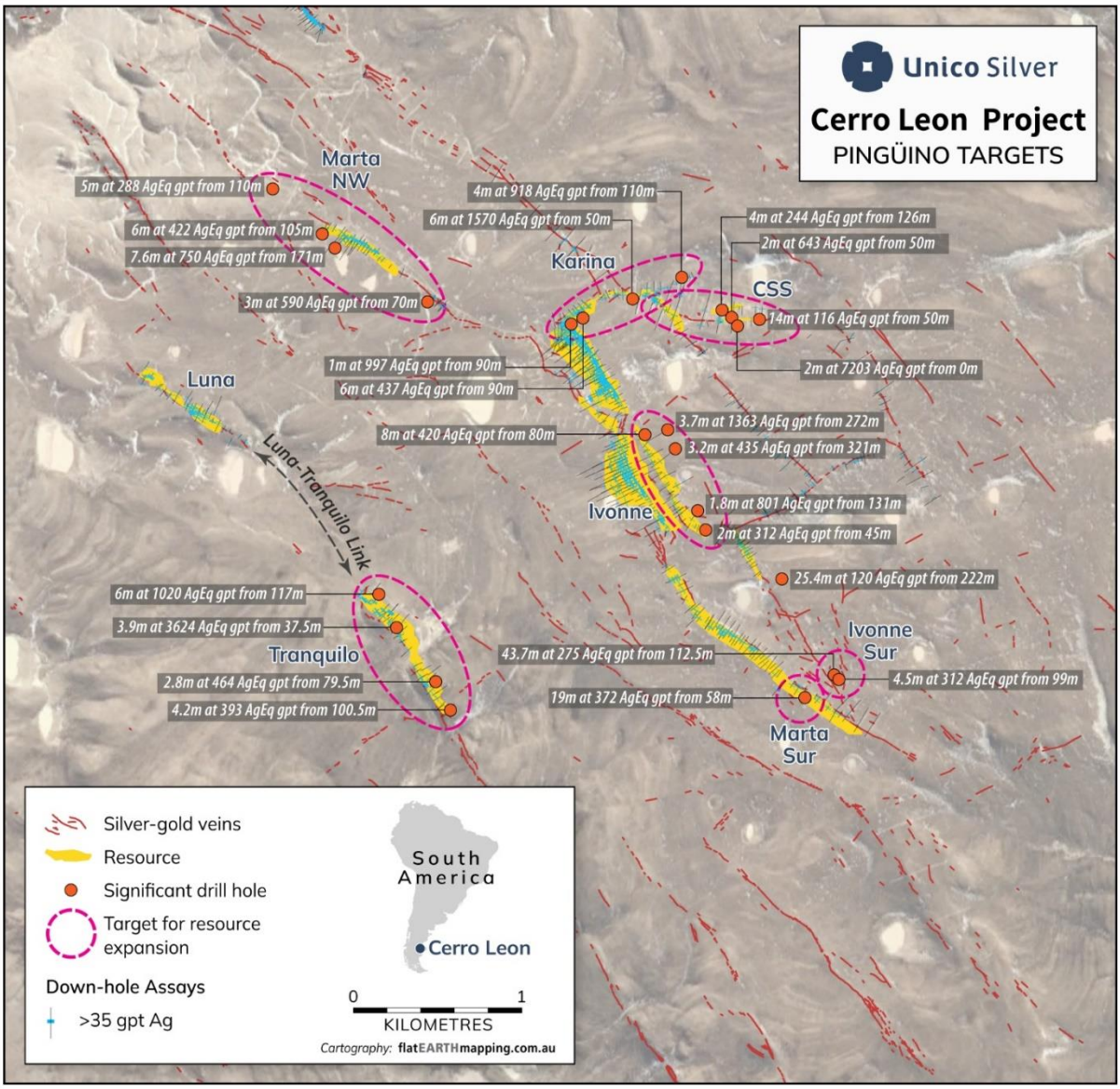


*Figure 2: Cerro Leon project – Pinguino district drill priorities*

Ivonne Sur – Martha Sur

Ivonne Sur and Martha Sur (Figure 6) are two separate north-westerly structures that broadly parallel each other. Both structures were tested with initial broad 200m spaced diamond holes intersecting the vein approximately 50 to 75m below the surface. Tenor and thickness of mineralisation increases to the south where the Ivonne Sur and Martha Sur structures intersect. Importantly, surface trenches on these drill sections are barren, and historical drill intercepts highlight the potential for these barren veins to pass down into wide zones of mineralisation. Significant historical intercepts include:

**Ivonne S** (P200-08) **43.7m at 275gpt AgEq** from 112m **(outside of MRE)**

**Martha S** (PR177-12) **19m at 304 gpt AgEq** from 58m **(open at depth)**

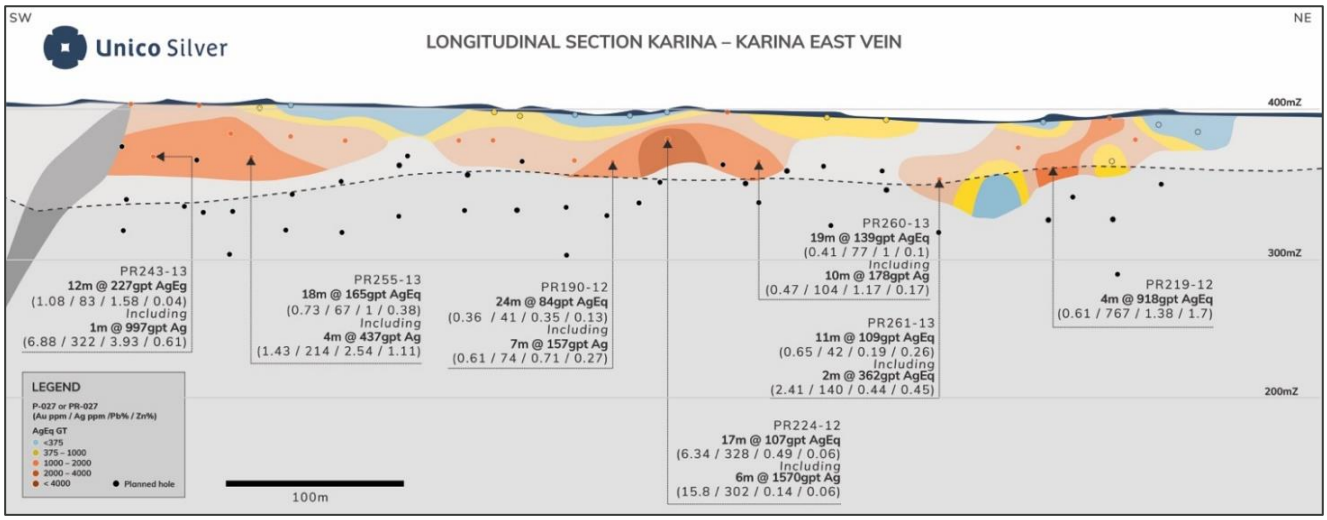


*Figure 3: Karina long section*

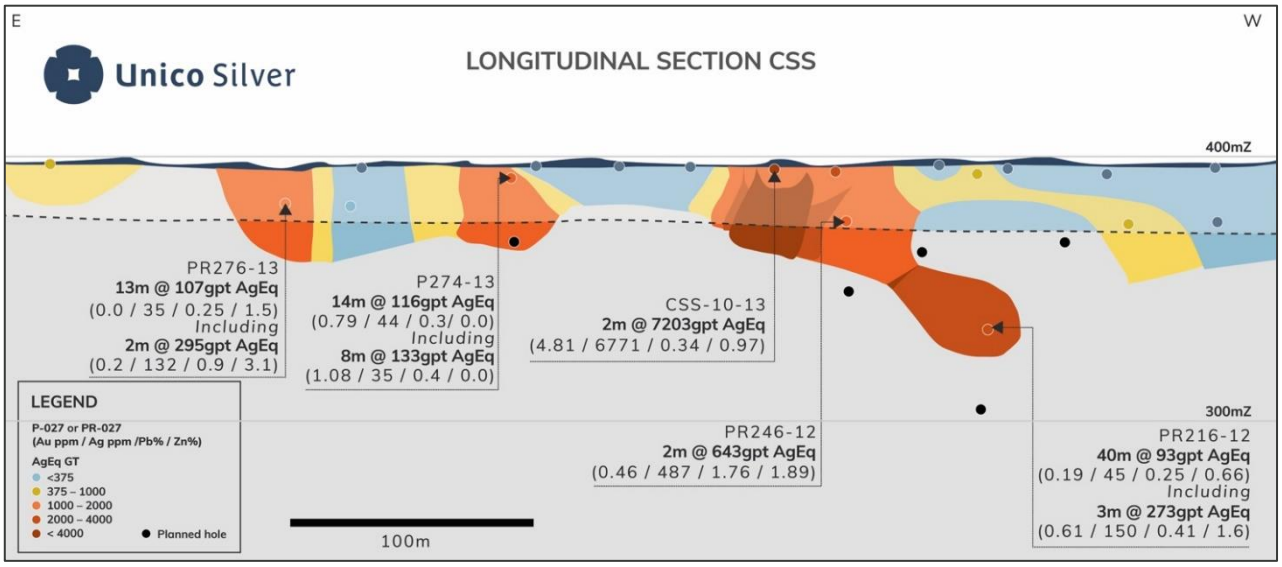


*Figure 4: CSS long section*

Tranquilo-Luna Link Zone

Mineralisation at Tranquilo is open to the northwest and disappears under shallow gravel cover. The structure is defined in geophysical data (ground magnetics) over 1000m and is exposed at surface at Luna prospect where mineralisation is defined in historical drill holes for a further 500m strike. No scout drilling has been conducted within the Tranquilo-Luna Link Zone. Recent field reconnaissance by USL identified vein boulders with up to 156gpt Ag and 0.6gpt Au within the Tranquilo-Luna Link Zone.

Tranquilo-Luna link zone represents a robust exploration target, and several fences of RC drill holes are planned to test the lateral continuity of mineralisation.

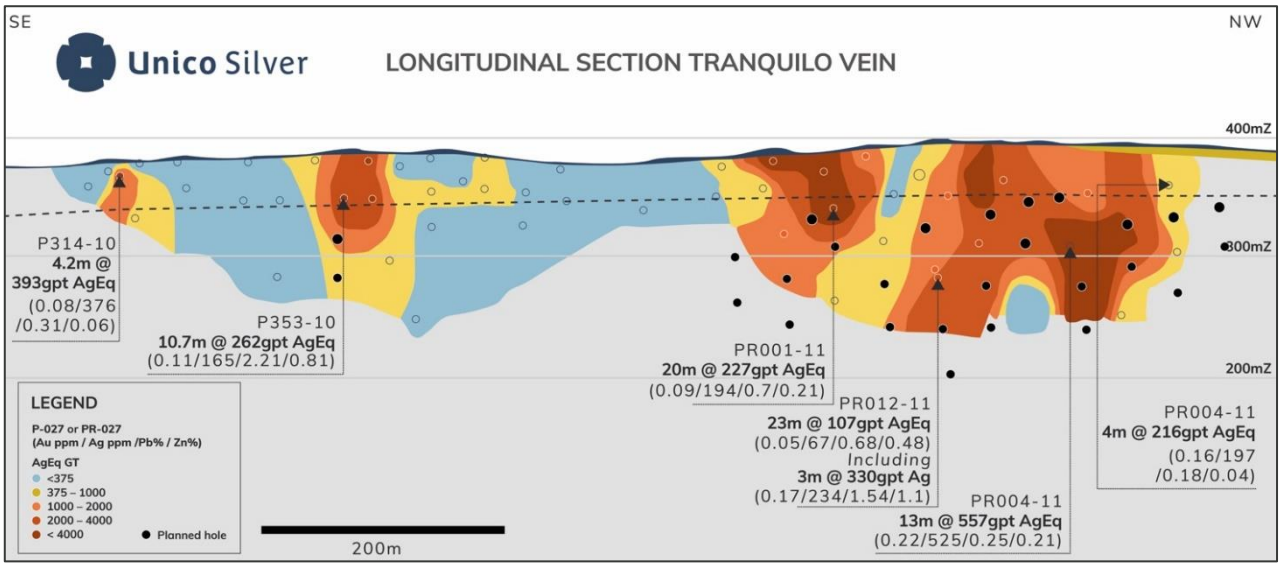


*Figure 5: Tranquilo long section*

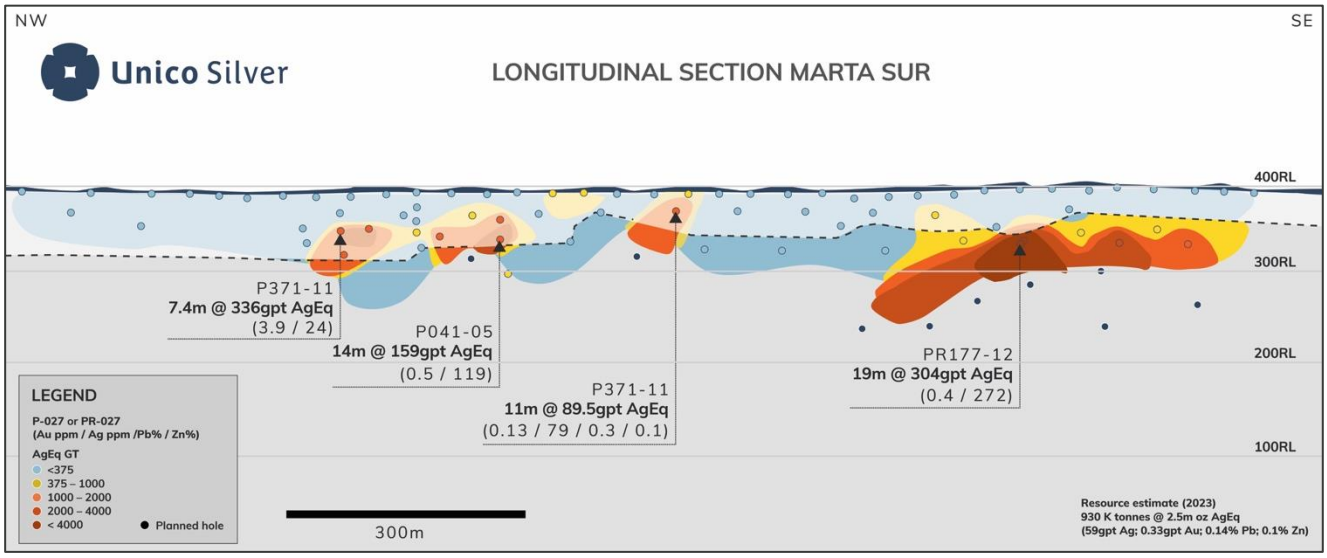


*Figure 6: Marta Sur long section*

## Next Steps

Site preparations and drill planning is complete and drill crews and equipment are due to mobilise to site next week. RC drilling is expected to conclude late December and will be followed by a phase of diamond drilling target deeper extensions of known veins. Frist drill assays results are anticipated late November.

*Table 2: Cerro Leon Project - Mineral Resource Estimate*

| Category | Tonnes | AgEq (gpt) | AgEq (Moz) | Ag (gpt) | Au (gpt) | Pb (%) | Zn (%) | Ag Moz | Au (Koz) | Pb (Mlb) | Zn (Mlb) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Indicated | 6.82 | 172 | 37.8 | 86 | 0.49 | 0.28 | 0.93 | 18.8 | 107 | 41.9 | 140 |
| Inferred | 9.65 | 172 | 53.5 | 71 | 0.77 | 0.77 | 0.77 | 22.1 | 237 | 53.7 | 163 |
| **Total** | **16.47** | **172** | **91.3** | **77** | **0.65** | **0.57** | **0.84** | **40.9** | **344** | **95.6** | **304** |

The preceding statements of Mineral Resources conforms to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2012 Edition. Due to rounding to appropriate significant figures minor discrepancies may occur.

## Exploration Target

*Table 3: Cerro Leon Mineral Resource Estimate[3]*

| Exploration Target | Tonnes (Mt) | AgEq (gpt) | AgEq (Moz) |
|---|---|---|---|
| | Range | Range | Range |
| **Total** | **10 – 15** | **175 – 266** | **56 - 128** |

***Cautionary Statement: The potential quantity and grade of the Exploration Target is conceptual in nature and as such there has been insufficient exploration drilling conducted to estimate a mineral resource. At this stage it is uncertain if further exploration drilling will result in the estimation of a mineral resource. The Exploration Target has been prepared and reported in accordance with the JORC Code (2012).***

*Table 4: Joaquin Project – Historical Foreign Estimate as of February 2013*

| Resource Category | Tonnes (Mt) | Ag (gpt) | Au (gpt) | Ag (Moz) | Au (Koz) | AgEq (gpt) | AgEq (Moz) |
|---|---|---|---|---|---|---|---|
| M&I | 15.7 | 128 | 0.12 | 65.2 | 61.1 | 138 | 70.1 |
| Inferred | 1 | 100 | 0.12 | 3.1 | 3.7 | 110 | 3.3 |
| **Total** | **16.7** | **126** | **0.12** | **68.3** | **64.2** | **136** | **73.4** |

*Table 5: Joaquin Project – Historical Production 2019 to 2022*

| Resource Category | Tonnes (Mt) | Ag (gpt) | Au (gpt) | Ag (Moz) | Au (Koz) | AgEq (gpt) | AgEq (Moz) |
|---|---|---|---|---|---|---|---|
| Depletion | 0.33 | 410 | 0.14 | 4.3 | 1.5 | 421 | 4.5 |
| **Total** | **0.33** | **410** | **0.14** | **4.3** | **1.5** | **421** | **4.5** |

**THIS ANNOUNCEMENT IS AUTHORISED FOR RELEASE TO THE MARKET BY THE BOARD OF DIRECTORS OF UNICO SILVER LIMITED**

## CONTACT

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**Managing Director**
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## COMPETENT PERSON'S STATEMENT

**Exploration Results**

Information in this report that relates to Exploration Results and Targets is based on, and fairly reflects, information compiled by Unico Silver Limited and Todd Williams, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr. Williams is the Managing Director to Unico Silver Limited and has sufficient experience that 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 by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Williams consents to the inclusion of the data in the form and context in which it appears.

**Cerro Leon**

Information in this announcement that relates to the estimate of Mineral Resource for the Cerro Leon Project (geological interpretation and resource estimates) is based upon, and fairly represents, information and supporting documentation compiled by Mr. Ian Taylor BSc (Hons). Mr Taylor is an employee of Mining Associates Pty Ltd and has acted as an independent consultant on Unico Silver's Cerro Leon Project, located in the Santa Cruz province of Argentina. Mr Taylor is a Fellow and certified Professional of the Australian Institute of Mining and Metallurgy (110090) and has sufficient experience with the style of mineralisation, the deposit type under consideration and to the activity being undertaken to quantify as a Competent Person as defined in the 2012 Edition of the "Australasian Code For Reporting of Exploration Results, Mineral resources and Ore Reserves" (The JORC Code). Mr Taylor consents to the inclusion in this announcement of the matters based upon this information in the form and context in which it appears.

## FORWARD LOOKING STATEMENT

Certain statements in this announcement constitute "forward-looking statements" or "forward looking information" within the meaning of applicable securities laws. Such statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Such statements can be identified by the use of words such as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate", "scheduled", "forecast", "predict" and other similar terminology, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. These statements reflect the Company's current expectations regarding future events, performance and results, and speak only as of the date of this announcement.

All such forward-looking information and statements are based on certain assumptions and analyses made by USL's management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believe are appropriate in the circumstances.

# JORC Code Reporting Criteria

## SECTION 1 SAMPLING TECHNIQUES AND DATA

| Criteria | JORC Code Explanation | Comments |
|---|---|---|
| **SAMPLING TECHNIQUES** | • Nature and quality of sampling (e.g. cut channels, random chips, or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.<br>• Include reference to measures taken to ensure sample representativity and the appropriate calibration of any measurement tools or systems used.<br>• Aspects of the determination of mineralization that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. "RC drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay"). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed | **Pingüino Trenching and Channel Sampling**<br>• During Argentex's (AGX) time trenches were marked by a geologist with stakes and then excavated with a backhoe to a width of approximately 80cm.<br>• The surface of the exposed rock is cleaned with heavy shop brooms.<br>• Two parallel cuts are made along the length of the intended sample using a powered saw to a depth of approximately 3-4cm.<br>• Two workers worked from opposite ends of the sample interval to chisel the rock and place the pieces into a sample bag, which was then labelled and sealed.<br>• Some minor loss of fines occurred during this sampling.<br>• Trench data that could not be sawn, were chip sampled, these trenches were not used in the resource estimate.<br>**Pingüino Diamond Drilling**<br>• Drillholes were orientated to intersect minerlisation as close to perpendicular as possible.<br>• All core was drilled at a HQ size. For mineralised zones HQ3 size was used.<br>• Drill core was placed in wood trays and meterage blocks were inserted at the end of each run. This was reviewed by a geologist.<br>• Core was measured for recovery and RQD, the geologist logged the core and marked sample intervals, with the sample cut plan marked as normal to the structural trend.<br>• Each sample was then 'half-cored', with one half going into sample bags for each interval. The remaining half of the sawn core was returned to the original box and retained for archival purposes. |

| Criteria | JORC Code Explanation | Comments |
|---|---|---|
| | information | • These sample bags were stored in a closed room at the camp until they were sent to the lab in rice bags sealed with tamper-proof closure straps.<br>• All samples were taken by Argentex employees.<br>**Pingüino RC Drilling**<br>• For dry holes a cyclone was used, with the output collected in bags before being passed through a riffle splitter.<br>• During 2011 a single-tier splitter was used with two passes reducing the sample to approximately one quarter of the original material. During the 2012 drilling a two-tiered riffle splitter was used to achieve the reduction to one quarter.<br>• Using a two-tiered splitter both the primary and the backup sample came from the same half of the initial 50% split. This backup sample became the duplicate, which was submitted when needed.<br>• RC holes were drilled mostly dry, the splitter was changed when the holes started to hit water in 2011, and was removed when the water was intersected, with the entire samples being collected in porous bags to be split when dry. In 2012 the wet material went from the cyclone into a rotating splitter which was set up to give a 50%, 25% and 25% splits, with the two smaller splits being the primary and back up samples.<br>• For dry RC drilling a scoop of material was taken from the backup sample for geological logging, and for wet samples some material was screened then taken to camp, washed, dried and then logged.<br>• RC samples were weighed straight away if drilled dry, or if wet the samples were air dried first.<br>**Controls for Drilling**<br>• For drilling in 2004-2009 Argentex inserted a blank after every 20 drill-core samples<br>• For drilling from November 2007 to June 2008 149 field duplicate core samples, 212 pulp duplicates, and 374 blank samples were used from QA/QC. In addition, Acme (the laboratory) inserted a series of in-house standards into the sample runs.<br>• For drilling from December 2009 to July 2010 353 pulps, and 135 blanks were submitted.<br>• For drilling in 2011, 407 blank samples and 1,102 analytical duplicates were submitted. |

| Criteria | JORC Code Explanation | Comments |
|---|---|---|
| | | • For drilling in 2012, 125 blanks, 95 field duplicates and 26 'prepared standards' were submitted.<br>• For drilling in 2013, 53 blanks, 52 field duplicates, 61 pulp and 34 CRM checks completed at a second lab, and three certified standards were submitted.<br>• For drilling from 2005 – 2013 a total of 1114 Blanks, 283 Duplicated and 122 Standards were inserted. |
| **DRILLING TECHNIQUES** | • Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). | **Pingüino RC Drilling**<br>• The reverse circulation percussion (RC) method used in this program used a 5.25" (13.335cm) face sampling bit.<br>**Pingüino Diamond Drilling**<br>• The diamond drilling has a HQ diameter and HQ3 diameter for mineralized zones.<br>**Pingüino combined RC-Diamond Drilling**<br>• Four combined drill holes (RC pre collar and DDH tail)<br>*P162-08, P163-08, P164-08 and P165-08<br>Drill holes (RC and DDH) were surveyed with different technics as such Tropary, Sperry Sun, acid test, Reflex E-trex, Reflex Gyro. 126 holes surveys were defined as Interpolated/Extrapolated |
| **DRILL SAMPLE RECOVERY** | • Method of recording and assessing core and chip sample recoveries and results assessed.<br>• Measures taken to maximise sample recovery and ensure representative nature of the samples.<br>• Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse | **Pingüino RC Drilling**<br>• Sample recovery was monitored by weighing sample bags on scales beside the drill rig if the samples were dry, if the samples were wet the geologist would wait till the samples were dry before weighing.<br>• Weights of the 2012 RC drilling were analysed by MDA which identified an average of 88% recovery, which when the low recoveries at the top of the hole were removed, the recovery was higher.<br>**Pingüino Diamond Drilling**<br>• Diamond drill core recoveries were assessed using the standard industry best practice which involves:<br>  • Measuring core lengths with a tape measure. |

| Criteria | JORC Code Explanation | Comments |
|---|---|---|
| | material. | • Removing the core from the split inner tube and placing it carefully in the core box.<br>• Assessing recovery against core block depth measurements.<br>• Measuring RQD, recording any measured core loss for each core run.<br>All core was carefully placed in HQ sized core boxes and transported a short distance to a core processing area were logging and photography could be completed. |
| **LOGGING** | • Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.<br>• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.<br>• The total length and percentage of the relevant intersections logged. | **Pingüino Logging**<br>• During the 2011 RC drill program, Argentex did not assign a geologist to monitor the RC drilling and sampling at the rig full time, but for the RC drilling in 2012 and 2013, a geologist was assigned to the rig. For the core drilling from 2005 through 2011, geologists made frequent visits to the drill rig.<br>• Chips were logged from a scoop of material taken from the duplicate split, material was washed and dried and taken to camp to be logged using a microscope.<br>• Diamond core was logged for geology and marked the sample intervals, with the sample cut plane marked as normal to the structural trend.<br>• Qualitative details of geology logs are stored in two tables within the drill hole database, lithology, and minz. Both tables have recorded depths and three fields, code, formation, and description. The description field is often word or two in Spanish.<br>• Nine drill or trenches do not have geology logs.<br>• The geological logging is of appropriate level to support Mineral Resource Estimation |
| **SUBSAMPLING TECHNIQUES AND SAMPLE PREPARATION** | • If core, whether cut or sawn and whether quarter, half or all core taken.<br>• If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.<br>• For all sample types, the nature, quality, | **Pingüino drilling**<br>• The small sample bags derived from the initial RC rig cyclone and riffle splitting reach a weight of 2.7-4Kg.<br>• Wet samples were split with a hydraulic cone splitter from the cyclone in bags with a micro-porous fabric, which allowed water to escape without loss of particulate material.<br>• The riffle splitter was cleaned with compressed air between samples to prevent sample contamination. |

| Criteria | JORC Code Explanation | Comments |
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| | and appropriateness of the sample preparation technique.<br>• Quality control procedures adopted for all subsampling stages to maximise representivity of samples.<br>• Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.<br>• Whether sample sizes are appropriate to the grain size of the material being sampled. | • The big bag with the original reject from the RC rig after the splitting have been stored for any future re-sampling needs.<br>• Diamond core intervals were marked, and the core was split with a rock saw.<br>• Half core samples were placed in plastic bags and tagged with a unique sample number. The other half of the core was returned to the core box and securely stored.<br>**Alex Stewart International Fire Assay**<br>• In the Alex Stewart International (ASI) preparation laboratory facilities samples were dried and crushed until more than 80% is finer than 10 mesh size, then a 600g split obtained by riffle splitting is pulverized until 95% is finer than 106 microns.<br>• Four acid digest and ICP-MS is the most robust analytical method for full digestion and quantitative analyses of multi-element concentrations. Analysis of 39 elements, dissolution of 0.2g in 4 acids: hydrofluoric, perchloric, nitric and hydrochloric (total digestion with partial loss by volatilization of As, Cr, Sb and Hg). Determination in ICP-OES<br>• Certified Standard Reference materials and duplicate samples are inserted every 25 samples (RC) and every 12.5 samples (DDH) to assess the accuracy and reproducibility. |
| **QUALITY OF ASSAY DATA AND LABORATORY TESTS** | • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.<br>• For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.<br>• Nature of quality control procedures adopted (e.g. standards, blanks, | **ALS Fire Assay Preparation Procedure**<br>• In the ASI preparation laboratory facilities (Perito San Julian, Argentina) samples were dried and crushed to P70 <2 mm (10 mesh), then a 1000g split obtained by riffle splitter and pulverized to P80 -75 microns (200 mesh).<br>• 200 g is placed into a paper packet. The prepared samples were sent to ASI Laboratories in Mendoza or Perito Moreno, Argentina. From the packets a 50 g charge is collected for Fire Assay and 0.2 g for Four Acid Digest.<br>• The 50 g charge is fired at 1100 °C into a lead button which contains lead, gold, and silver. Then lead is oxidized off (cupellation), After cupellation, pure gold and silver are treated with nitic acid, the silver dissolves, gold insoluble in nitric acid. The solution containing silver nitrate is filtered off and the concentration of silver is determined using ICP-MS and over-grade samples were determined by gravimetry, Gold remains in the residue and is washed and dissolved in aqua regia, the gold concentration |

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| | duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. | is determined using AAS.<br>• Four acid digest and ICP-MS is the most robust analytical method for full digestion and quantitative analyses of multi-element concentrations. Analysis of 39 elements, dissolution of 0.2g in 4 acids: hydrofluoric, perchloric, nitric and hydrochloric (total digestion with partial loss by volatilization of As, Cr, Sb and Hg). Determination in ICP-OES<br>• Assays are reported by the laboratory, as csv files and pdf certificates.<br>• No geophysical tools were used in the determination of the assay results. All assay results were generated by an independent third-party laboratory as described above.<br>• Certified reference material, blanks or duplicates were inserted at least every 25 samples. Standards are purchased from a Certified Reference material manufacture company – Ore Research and Exploration. Standards were purchased in foil lines packets of between 60g and 100g. Different reference materials were used to cover high grade, medium grade and low grader ranges of gold and silver. The standard names on the foil packages were erased before going into the pre-numbered sample bag and the standards are submitted to the lab blind.<br>• Select drill holes have been submitted to ALS laboratories Mendoza for umpire checks and gold determination via Screen Fire Assay.<br>**Pingüino RC and Diamond Drill Program**<br>• No geophysical tools were used in the determination of the assay results. All assay results were generated by an independent third-party laboratory as described above.<br>• Certified reference material, blanks or duplicates were inserted at least every 25 samples. Standards are purchased from a Certified Reference material manufacture company – Ore Research and Exploration. Standards were purchased in foil lines packets of between 60g and 100g. Different reference materials were used to cover high grade, medium grade and low grader ranges of gold and silver. The standard names on the foil packages were erased before going into the pre-numbered sample bag and the standards are submitted to the lab blind.<br>• Select drill holes have been submitted to ALS laboratories Mendoza for umpire checks and gold determination via Screen Fire Assay |

| Criteria | JORC Code Explanation | Comments |
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| **VERIFICATION OF SAMPLING AND ASSAYING** | • The verification of significant intersections by either independent or alternative company personnel.<br>• The use of twinned holes.<br>• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.<br>• Discuss any adjustment to assay data. | **Pingüino**<br>• Independent verification sampling was undertaken by MDA in 2014<br>• No twinned holes exist on the property.<br>• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols are stored at the Pingüino core shed and offices on site. Digital forms are saved into a secure database.<br>• PR001-11 showed likely down hole contamination, only the top 6 m of mineralisation were used to inform the location and grade tenor of the lode.<br>• Trench samples logged as chip samples were not used in the estimation of the resource.<br>• MDA undertook an extensive database audit in 2014.see NI43-101 Updated Technical Report on the Pingüino Project Santa Cruz Province, Argentina. |
| **LOCATION OF DATA POINTS** | • Accuracy and quality of surveys used to locate drillholes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.<br>• Specification of the grid system used.<br>• Quality and adequacy of topographic control. | **Pingüino**<br>• Argentex collected drill-hole collar and trench data with a normal GPS and then corrected the data with a differential GPS. The data were then entered into the database.<br>• Approximately 100 collar locations should be surveyed by a professional topographic surveyor to audit the collar table.<br>• Original survey data was collected in cartesian coordinates from the Gauss Krüger (Argentina 2) grid, located with the Campo Inchauspe datum.<br>• Global Mapper v22.0 was used to transform the drillhole collar coordinates from Gauss Kruger (Argentina 2) Zone 2 to UTM WGS84 Zone 19S.<br>• The topography derived from hi-res satellite photogrammetry (worldview3), RLs were in good agreement with DGPS collar RLs (commonly within a 1 m), |

| Criteria | JORC Code Explanation | Comments |
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| **DATA SPACING AND DISTRIBUTION** | • Data spacing for reporting of Exploration Results.<br>• Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.<br>• Whether sample compositing has been applied. | **Pingüino**<br>• Argentex RC and diamond drilling programs at the Pingüino were conducted at variable spacing as dictated by existing drilling and the aims of the program to provide continuity with the previous drill coverage. The spacings are considered appropriate for the reporting of exploration results.<br>• On section, drill spacing generally ranges from 20-30 m, increasing to 50 metres with most of the drilling on section and perpendicular to strike. The resource has been drilled to a maximum depth of 360 metres below surface and is not closed off down dip.<br>• All samples are primary split samples, no sample compositing as occurred in the field. |
| **ORIENTATION OF DATA IN RELATION TO GEOLOGICAL STRUCTURE** | • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.<br>• If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. | **Pingüino**<br>• The RC and diamond drill programs were orientated to optimally test predicted mineralised structures and stratigraphic positions to provide were possible unbiased samples.<br>• Historic holes have been drilled at several orientations, and the orientation of relevant mineralisation-hosting geological structures varies considerably.<br>• Drill sections are orientated perpendicular to the structures and varies locally quite considerably. Drill sections are commonly orientated 060 N, perpendicular to the main mineralised lodes.<br>• The majority of drillholes used to define the steeply south-west dipping primary mineralisation are drilled towards the north-east at -45 to -55 degrees. A few of the initial exploration drillholes have been drilled oblique to the strike of mineralisation. |
| **SAMPLE SECURITY** | • The measures taken to ensure sample security. | **Pingüino**<br>• Limited information is available regarding sample security.<br>• Samples were either driven to San Julian (200 km), or to Pico Tuncado (230km) or Caleta Olivia (over 250 km) and from these company owned depots were transported by to Acme's lab in Mendoza. |

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| **AUDITS OR REVIEWS** | • The results of any audits or reviews of sampling techniques and data. | **Pingüino**<br>• Mineral Development Associates (MDA) completed a detailed Audit of all additional data collected between 2012 and 2014, MA notes no new data has been collected since 2014. |

## SECTION 2 REPORTING OF EXPLORATION

| Criteria | JORC Code Explanation | Comment |
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| **MINERAL TENEMENT AND LAND TENURE STATUS** | • Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.<br>• The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area. | Unico Silver Limited acquired a 100% interest in the Pingüino Project through its ownership in private Canadian company SCRN Properties Ltd (SCRN). SCRN holds a 100% interest in four mineral exploration titles that make up the Pingüino project.<br><br>**Name** / **Title ID**<br>Pingüino — 414409/CID/00<br>Tranquilo 1 — 405334/SCRN/05<br>Tranquilo 2 — 405335/SCRN/05<br>Canadon — 405336/SCRN/05 |

| Criteria | JORC Code Explanation | Comment |
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| **EXPLORATION DONE BY OTHER PARTIES** | • Acknowledgment and appraisal of exploration by other parties. | **Pingüino**<br>Exploration by Mincorp under the project name "Cerro Leon"<br>**Cerro Leon Trenching**<br>• 168 trenches were cut which were all less than 30m in length, covering 10 veins with 40m between trenches on individual veins (Tranquilo, Marta Sur, Ivonne Sur, Ivonne, Sonia, Marta Centro, Marta Este, Marta Oeste, Marta Noroeste, and Marta Norte).<br>**Cerro Leon Drilling**<br>• 17 HQ core holes drilled for a total of approximately 1,000m<br>Exploration by Argentex, project renamed to Pingüino<br>**Pingüino Soil Sampling**<br>• 156 line-kilometer grid, with lines spaced 100m apart and samples taken every 50m (2004).<br>• Infill sampling was later completed on 25m spacing (2005).<br>• The number of soil samples collected in 2004-2005 range from 3,625 to 3,935.<br>• Samples were analysed for 36 elements by ICP.<br>• Further sampling was completed in 2009 to 2011 with 3,291 sampled collected and analysed for Ag, As, Au, Cd, Pb, Sb, W and Zn.<br>• 1,123 samples were collected in 2009 and analysed for multiple elements.<br>**Pingüino Trenching and Channel Sampling**<br>• In 2004 Argentex re-mapped and re-sampled outcrops and 42 trenches previously excavated by Mincorp.<br>• Trenches were opened by hand shoveling and re-sampled using a portable diamond saw.<br>• Each sampled trench was cut by two parallel cuts approximately 10cm apart and 3 to 4 cm deep.<br>• Samples were collected with a hammer and chisel, and analysed for Au and Ag plus 36-element ICP |

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| | | • Sample lengths were not greater than one meter and determined by geological units.<br>• Trenches to be sampled were placed near existing Mincorp drill-hole collars<br>• One trench-sample duplicate was collected independently per trench.<br>• In 2004, between 114 and 186 further trenches were cut by Argentex in 2004 to test soil geochemical anomalies.<br>• Trenches were hand dug or with an excavator and totaled 2,579m.<br>• In 2006, 17 channel trenches were completed, and in 2007, extensions were made on 13 Marta Centro trenches previously completed by Mincorp and by Argentex in 2004 and were sampled and analysed, including for indium. 20 new trenches were completed based on IP chargeability anomalies and gossan zones, resulting in the discovery of 6 new polymetallic veins.<br>• In 2009-2010 and 2010-2011 247 trenches were completed totaling 14,638m, and in 2011-2012 186 trenches were completed totaling 21,901m. A further 122 trenches totaling 6,453 were also later completed.<br>• The database of Argentex's trenches used for the resource estimation includes information on 882 trenches totaling 49,878m.<br>**Pingüino Drilling**<br>• The drill-hole databased used for the resource estimation is compose of the 735 holes drilled by Argentex.<br>• The 17 drill-holes completed by Mincorp were not available to Argentex and MDA and were not included in the database.<br>• Drillholes were orientated to intersect mineralisation as close to perpendicular as possible.<br>**Pingüino Geophysics**<br>• Geophysical surveying begun in 2004 with a 3D-array induced polarization ("IP") survey and a ground magnetometer survey. The IP survey covered 39.5 line-kilometres with a 100m line spacing. The survey was conducted in May 2004 by SJ Geophysics Ltd. of Delta, British Columbia. In 2006-2007, the IP survey was extended with a two-dimensional dipole-dipole survey. The Instituto de Recursos Minerales conducted 48.9 line kilometres of IP/resistivity surveying. The March-April 2007 survey covered the |

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| | | northern part of Marta Norte vein and on El Tranquilo fault. The deep IP survey consisted of five lines, each 2.5km long, in the central part of the project area. The detailed IP lines were measured on a 12.5m dipole spacing that highlighted details but only read up to 150m below the surface. Akubra's 3D IP survey was conducted around the intersection of the Marta Centro-Ivonne Norte vein system with Marta Este and Marte Oeste veins. The gradient-array IP along a total of 20 were surveyed.<br>• The 2004 ground magnetometer survey covered 114 line kilometres and was performed by Argentex personnel. Measurements were taken at 25m stations on lines spaced 100m apart. In September-October 2007, a ground magnetic survey was conducted over part of the property (Instituto de Recursos Minerales, 2007d). The survey consisted of 29 north-trending lines spaced 100m apart with 10m spacing for stations; the lines were each about 2,000m long, and the survey totalled 60,595 line metres. A Scintrex ENVI Mag proton magnetometer was used for this survey. Akubra and Argentex (equipment and personnel) completed a number of ground magnetometer surveys in 2010 and 2012. From May to July 2010, they undertook a regional magnetic survey consisting of 750 line kilometres on east-west lines spaced 100m apart. In addition, they completed a detailed survey that consisted of 52 east-west lines for a total of 329.1 line kilometres; line spacing was 10m (Akubra, 2010). From December 2010 to July 2011, Akubra-Argentex completed 2,610 line kilometres of detailed magnetic surveying on east-west lines spaced 10m apart. From November 2011 to June 2012, Akubra and Argentex completed an additional 3,579 line kilometres of detailed magnetic surveying, again on east-west lines spaced on 10m intervals. Akubra-Argentex used a GEM Systems GSM-19 Overhauser (with GPS) mobile magnetometer and a GEM Systems GSM-19 base magnetometer with proton sensor. |
| **GEOLOGY** | • Deposit type, geological setting and style of mineralisation. | **Pinguino**<br>Santa Cruz Geology and Deposit Model<br>Pingüino is located close to the centre of the large, relatively undeformed and stable Deseado Massif, which covers an area of approximately 100,000 square kilometres stretching across southern Argentina into the Chilean southern Andres. This massif is comprised of middle to late Jurassic andesitic-rhyolitic lavas, tuffs, and ignimbrites, overlying pre-Jurassic low-to-high-grade metamorphic basement rocks and younger continental sedimentary sequences. Mesozoic volcanic rocks are broken by regional fractures, including north-northwest-trending faults which were active during the period of intense Jurassic extension and volcanism. Successive normal faulting trends predominantly in a northwest and east-northeast orientation, however the Jurassic rocks are relatively undeformed. |

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| | | Pingüino is centred on a regional dome, with the oldest rocks being middle to upper Triassic continental sedimentary rocks of the El Tranquilo Group. Dioritic bodies and associated mafic sills and dikes intrude the Triassic rocks and are part of the Jurassic La Leona Formation. These units are overlain by the lower Jurassic epiclastic and volcaniclastic rocks of the Roca Blanca Formation (the most extensive rock unit in the Pingüino area). This sequence is overlain by the lower Jurassic basalt flows of the El Piche Formation and ultimately by the middle Jurassic andesitic porphyries and lava flows (correlated to the Cerro Leon and Bajo Pobre Formations).<br><br>Mineralisation at Pingüino is hosted with in the Roca Blanca Formation and the El Tranquilo Group and occurs in multiple veins which are clustered into three principal orientations of 330°, 300° and 70°. These veins form a system measuring 14.5km long by 4km wide, with approximately 113km of mapped vein, breccias, gossans and stockworks strike length in more than 70 veins. Veins are often more than a meter wide and range in length from hundreds of meters to kilometres. Vein styles include Ag-Au quartz rich, Ag quartz-rich veins, Ag-In-Zn-Pb polymetallic veins, Au-In-Cu polymetallic veins and Ag-rich quartz veins with polymetallic vein clasts. |
| **DRILL HOLE INFORMATION** | • A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:<br>• Easting and northing of the drill hole collar<br>• Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar<br>• Dip and azimuth of the hole<br>• Down hole length and interception depth<br>• Hole length<br>If the exclusion of this information is justified | No new drill results are presented in this announcement. Drill holes reported in the announcement are located in Figure 2 and summarised in Table 1. |

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| | on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. | |
| **DRILL AGGREGATION METHOD** | • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.<br>• Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. | Drill holes are aggregates using a 50gpt AgEq cut-off with no more than 1m of internal dilution. Silver equivalents are calculated using the following formula: AgEq = Ag (g/t) + 79.18 x Au (g/t) where: silver price is $23.5/oz and recovery is 95%, gold price is $1964/oz |
| **DIAGRAMS** | • Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.<br>• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of | A location plan is provided in Figure 2. Long sections for select prospects are provided in Figures 3 to 6 |

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| | Exploration Results. | |
| **BALANCED REPORTING** | • Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. | Wide low-grade mineralisation and narrow high-grade mineralised intervals are reported separately in in the long sections in Figures 3 to 6. |
| **OTHER SUBSTANTIVE EXPLORATION DATA** | • Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. | Planned works is exploratory in nature and no further information is required to justify stated targets and priorities. |
| **FURTHER WORKS** | • The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). | Prospect targets presented in this announcement will be tested with an initial 5000m RC drill program followed by diamond drilling to test deeper extensions of mineralised vein structures. |