

Ticker: USL AU **PF Cash:** A\$36.m **Project:** Cerro Leon / Joaquin
Market cap: A\$286m **Price:** A\$0.56/sh **Country:** Argentina
REC. (unc): BUY **TARGET (+0.50):** A\$1.30/sh **RISK RATING (unc):** SPECULATIVE

Today's updated Cerro Leon MRE accomplishes the two major goals we expected, namely lifting global ounces above 200Moz AgEq, and showing a pathway to a 10-year mine life at 7-10Moz/year AgEq. First, the highlight in our view is the 45Moz at 171g/t pit-constrained oxide and transitional ounces – these plus Joaquin's existing Foreign (NI 43-101) MRE combine for >110Moz of free milling ounces to provide inventory for the scoping study. This tracks well to our expectation of 10-years at 7-10Moz/year AgEq which we think puts Unico on the map as one of the silver developers to watch. Second, the ~70Moz increase in ounces lifts the total MRE well above the 200Moz we were expecting. Moreover, the resource is well constructed, including 50g/t cutoff, reasonable drill spacing (including 25m for indicated), wireframing, and vein-by vein estimation with hard boundaries. Third, upcoming news flow should build on the MRE including an updated MRE at Joaquin, which we expect to prioritize converting the existing MRE to JORC, but also potential for meaningful growth through extensions and new targets (e.g. La Morocha SE, La Negra extensions, Breccia Puntudo, Brunilda).

Model update: We update our NAV for today's updated MRE. We think Unico is now separating itself as one of few viable 7Mozpa plus projects in a good location, and noting the peer group (~US\$100-500m silver explorers) now trades at ~US\$1.50-4.00/oz, we lift our target multiple from US\$1.25/oz to US\$2.00/oz. Our thesis on initiation was Unico could show traction as a meaningful explorer and re-rate to US\$1/oz on the initial 160Moz, which it has done well. Next, we expect Unico to re-rate as a highly rated developer with the coming scoping study and Joaquin MRE update. **We maintain our BUY rating lift our price target to A\$1.30/sh (prev A\$0.80/sh) based on a target multiple of US\$2.00/oz AgEq.** Big picture, we think Unico now has the free milling ounce inventory to support our expectation of a 7-10Mozpa AgEq producer (silver-gold, excludes base metals) which should put the company on the map as one of the most exciting silver development plays. Moreover, we think jurisdiction is an advantage for Unico, as Santa Cruz is one of Argentina's top mining provinces incl Cerro Vanguardia, San Jose, Cerro Negro mines, Argentina's Federal Government is among the most pro-development in Latin America.

Table 1. (A) Cerro Leon total resources and (B) Pinguino-Sierra balance resources

Cerro Leon Project Sep 2025 MRE												
Category	Tonnes	AgEq (gpt)	AgEq (Moz)	Ag (gpt)	Au (gpt)	Pb (%)	Zn (%)	Ag (Moz)	Au (Koz)	Pb (Mlb)	Zn (Mlb)	
Indicated	9.4	190	58	95	0.54	0.57	0.95	28.9	165	119	199	
Inferred	21.6	154	104	48	0.55	0.54	1.3	33.1	398	245	580	
Total Resources	31.0	161	162	62	0.55	0.54	1.1	62	548	364	778	

Pinguino-Sierra Blanca Sep 2025 MRE												
Category	Mt	AgEq (gpt)	Ag (gpt)	Au (g/t)	Pb (%)	Zn (%)	Ag (Moz)	Au (koz)	Pb (kt)	Zn (kt)	AgEq (Moz)	
Oxide	3.2	207	137	0.6	0.45	0.09	14.1	62	14	3	21	
Transitional	1.5	221	135	0.68	0.55	0.26	6.6	33	8	4	11	
Fresh	4.0	159	46	0.31	0.79	2.09	5.8	40	31	83	20	
Sub Total Indicated	8.7	188	95	0.48	0.62	1.03	26.5	135	54	90	53	
Oxide	1.6	153	82	0.54	0.66	0.16	4.1	27	10	2	8	
Transitional	1.8	157	87	0.51	0.51	0.29	5.1	30	9	5	9	
Fresh	16.6	151	40	0.52	0.55	1.54	21.1	277	91	255	81	
Sub Total Inferred	20.0	152	47	0.52	0.55	1.32	30.3	334	111	263	98	
Total	28.7	163	62	0.51	0.57	1.23	56.8	469	165	353	150	

Source: Unico Silver

Cerro Leon MRE update lifts Unico >200Moz AgEq, derisks 7-10Mozpa free milling inventory

Today, Unico silver reports an updated Cerro Leon MRE increasing total resources to 31Mt @ 161g/t AgEq for 162Moz AgEq, up 73% from prior 93Moz AgEq (36% M&I) in 2023 May MRE. Resources include 62Moz Ag, 548koz Au, 778mlbs Zn, and 364mlbs Pb and incorporates 20,456m of additional drilling and growth

from 6 prospects: CSS, Karina, Savary, Kasia, MS Link, and Archen. Unico notes discovery costs of US\$0.10/oz AgEq and ~US\$320 all in costs per metre drilled.

Table 2. 2023 May MRE vs 2025 Sep MRE resource estimation parameters

Parameter	Cerro Leon Modelling Parameters	
	2023 May MRE	2025 Sep MRE
Block size (m)	20x10x10m (XYZ) block, 1.25mx2.5mx1.25m (XYZ) sub-block	20x10x10m (XYZ) block, 2.5x0.625x1.25m (XYZ) sub-block
Cut-off	Conserrat: 40g/t AgEq above 150m and 210 g/t AgEq below 150m Pinguino: 50g/t AgEq above 250m and 150g/t AgEq below 250m	50g/t AgEq, no material is reported below 150m elevation
Metal Prices	Ag: US\$23.5/oz, Au: US\$1,964/oz, Pb: US\$0.95/lb, Zn: US\$1.39/lb	Ag: US\$30/oz, Au: US\$2,750/oz, Pb: US\$0.95/lb, Zn: US\$1.39/lb
Recoveries	Ag: 95%, Au: 90%, Pb: 87.6%, Zn: 92.3%	Ag: 90%, Au: 95%, Pb: 87%, Zn: 92%
Methodology	Surpac software, OK grade estimation	Surpac software, OK grade estimation
Costs	Mining cost (ore): US\$13.76/t, Processing cost (ore): US\$11/t (incl G&A), Strip: 7:1, Royalty: 5%, Refining: US\$1.50/oz Ag	Mining cost (ore): US\$13.76-16.16/t, Processing cost (ore): US\$11-15/t, G&A: US\$3.5/oz, Strip ratio: 7:1, Royalty: 5%, Refining: US\$1.50/oz Ag
Bulk Density	Pinguino: Luna – 2.48 t/m ³ , Marta Norte – 2.55 t/m ³ , Marta Centro – 3.00 t/m ³ , Marta Sur – 2.58 t/m ³ , Tranquillo – 2.72 t/m ³ Conserrat: Andrea Sur, Florencia, Ro – 2.21 t/m ³ , Mia – 2.23 t/m ³ , Malvina – 2.22 t/m ³	Pinguino: Chala Achen – 2.73 t/m ³ , Luna – 2.75 t/m ³ , Marta Centro – 2.83 t/m ³ , Marta Norte – 2.86 t/m ³ , Marta NorOeste – 2.62 t/m ³ , Marta Sur – 2.92 t/m ³ , NS Tranquilo – 2.86 t/m ³
Drill holes / Spacing	50x50m centres, infill to 25x25m	20,456m new drilling, Indicated: 25x25m, Inferred: 25-100m
Search ellipses	Pinguino: 80m long axis (47.9 m/40m), ratios 1.67:1 & 1:2; Pass 2 doubles. Conserrat: one pass 100 m (59.8 m/50 m), same ratios	Pinguino: 80m long axis (47.9 m/40 m), ratios 1.67:1 & 1:2, 58% blocks filled. Pass 2 doubles

Source: Unico Silver

Of the Cerro Leon total, Pinguino and Sierra Blanca resources totalled 28.7Mt @ 163g/t AgEq for 150Moz AgEq (~93% of total resources). Indicated resources totalled 58Moz AgEq of the total 162Moz AgEq. Indicated drill spacing was 25x25m while inferred spacing was up to 100m down to 25m spacing in high grade areas or areas of greater geological complexity. At all prospects, mineralization is drilled at 150-200m below surface while the MRE was constrained to 250m below surface.

Table 3. Global Resource at Cerro Leon and Joaquin including total free-milling ounces

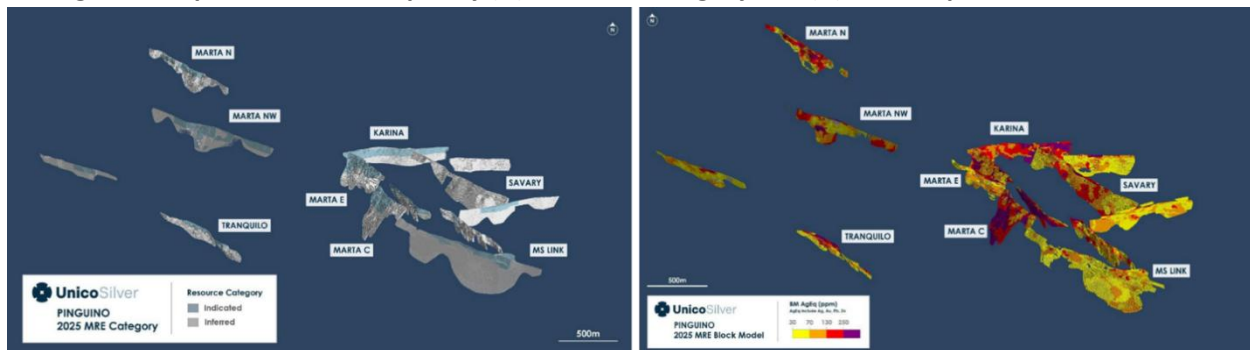
Global Resources (Cerro and Joaquin)											
Category	Tonnes (Mt)	AgEq (gpt)	AgEq (Moz)	Ag (gpt)	Au (gpt)	Pb (%)	Zn (%)	Ag (Moz)	Au (Koz)	Pb (Mlb)	Zn (Mlb)
Indicated	9.4	190	58	95.0	0.54	0.57	0.95	28.9	165.0	119.0	199.0
Inferred	21.6	154	104	48.0	0.55	0.54	1.30	33.1	398.0	245.0	580.0
Total Cerro Leon	31.0	161	162	62.0	0.55	0.54	1.10	62.0	548.0	364.0	778.0
Measured & Indicated	15.7	138	70	128.0	0.12	--	--	65.2	61.1	--	--
Inferred	1.0	110	3	100.0	0.12	--	--	3.1	3.7	--	--
Total Joaquin	16.7	136	73	126.3	0.12	--	--	68.3	64.8	--	--
Joaquin Depletion	0.3	421	5	410.0	0.14	--	--	4.3	1.5	--	--
Net Joaquin (SCPe)	16.4	131	69	120.6	0.12	--	--	64.0	63.3	--	--
Grand Total	47.4	152	231	82.7	0.40	0.35	0.74	126.0	611.3	364.0	778.0
<i>Grand Total (free-milling)</i>	<i>24.5</i>	<i>144</i>	<i>114</i>	<i>119.4</i>	<i>0.27</i>	<i>--</i>	<i>--</i>	<i>93.9</i>	<i>215.3</i>	<i>--</i>	<i>--</i>

Source: Unico; Cerro Leon September 2025 MRE conforms to JORC Code 2012. AgEq = Ag + (96.76*Au) + (32.48*Zn) + (20.99*Pb).

Joaquin Historical Foreign Estimate as of February 2013 (NI 43-101). 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 and recovery is 90%. Joaquin historical production figures from Pan American Silver Corp. internal reconciliation reports

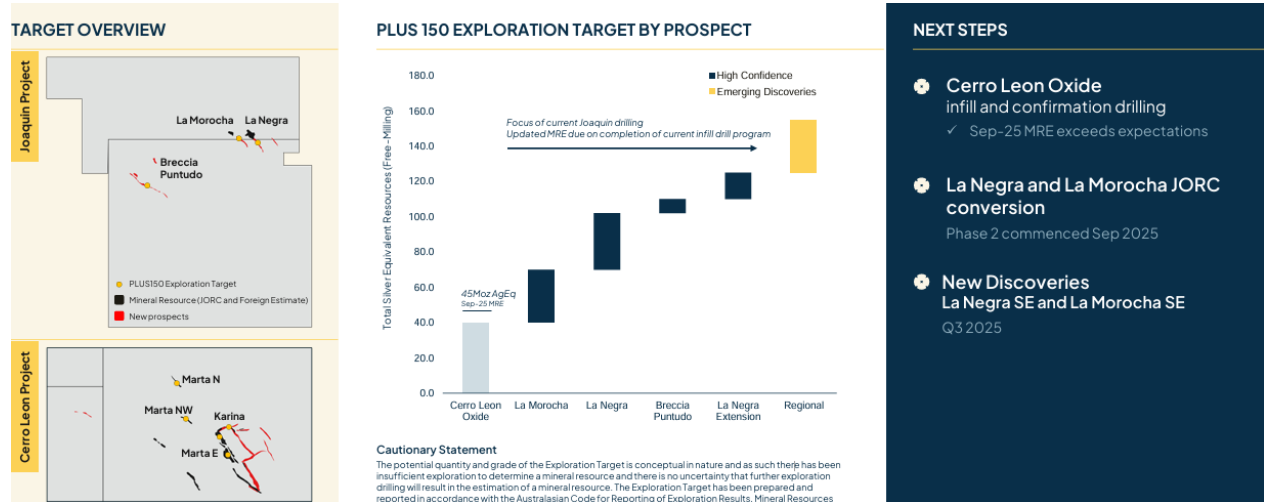
Separately, a maiden oxide resource was announced with free-milling resources (oxides and transitional), amounting to 8.1Mt @ 171g/t AgEq for 45Moz AgEq (67% M&I) which fall within the Mid-Upper range bracket of the 40-47Moz AgEq announced in the PLUS 150 target. Unico notes that the MRE today excludes Joaquin Foreign Estimate (2013) of 73Moz and mineral resources from the Conserrat property published in May 2023. We calculate a total of 113.5 Moz AgEq @ 144.3g/t across Cerro Leon and Joaquin.

Figure 1. Sep 2025 resource split by (A) resource category and (B) silver equivalent block model



Source: Unico Silver

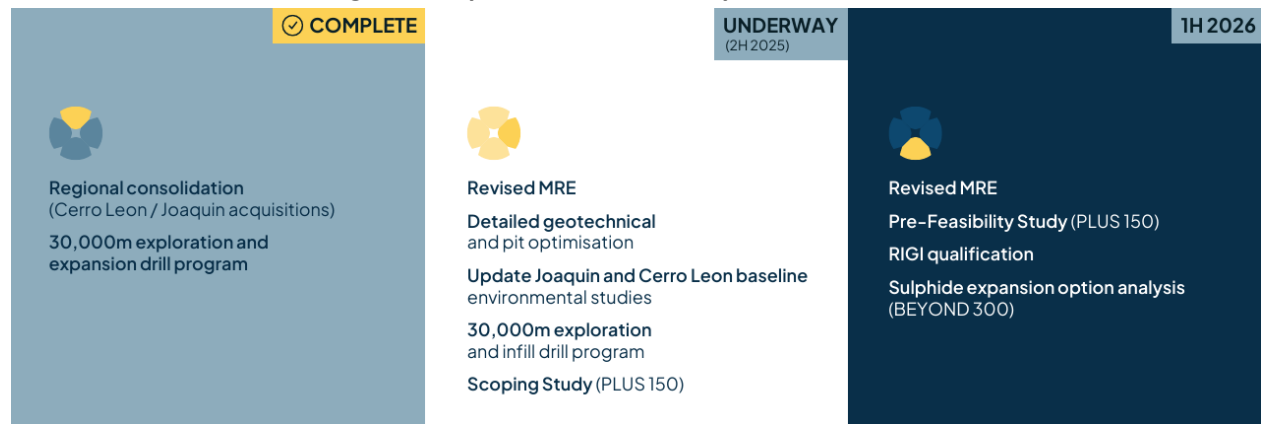
Figure 2. Exploration Roadmap to +150Moz pit constrained free milling mineralization target



Source: Unico Silver

Next steps: Unico guided that an updated MRE for the Joaquin Project is due shortly, while ~30,000m of ongoing drilling continues to expand known mineralized veins along strike and at depth and improve resource confidence. Further infill drilling is planned for 1H26 following completion of the current Joaquin drill program. The company also plans to use the enlarged Indicated free-milling resources as the foundation for a maiden Scoping Study and will continue metallurgical test work, particularly on sulphide mineralization at Marta Centro, to optimize silver and gold recoveries via grind size and reagent selection

Figure 3. Exploration and development milestones



Source: Unico Silver

Why we like Unico Silver

1. Existing +230Moz AgEq in pro-mining Santa Cruz still trading below < US\$1.00/oz
2. Argentina is one the most improved mining jurisdictions globally
3. SCPe high grade ~100Moz open pittable mine for inventory of a 10-year 7-10Mozpa plus production profile

Catalysts

- 4Q25: MRE update
- 2H25: Scoping study
- 1H26: Revised MRE and PFS, sulphide expansion analysis

Research

Justin Chan (London) m +44 7554 784 688 jchan@scp-rf.com

Omeet Singh (Toronto) m +1 647 527 7509 osingh@scp-rf.com

Moatasm Almaouie (Toronto) m +1 780 299 5151 malmaouie@scp-rf.com

Ticker: USL AU		Price/mkt cap: A\$0.56/sh, A\$286m		Group P/NAV today: 0.43x		Asset: Cerro Leon / Joaquin					
Author: J Chan		Rec / 1xNAV PT: BUY, A\$1.30/sh				Country: Argentina					
Share data	Basic	FD	Commodity price								
Shares (m)	510.3	549.4	Ag (US\$/oz)	CY24A	CY25E	CY26E	CY27E	CY28E			
SOTP project valuation*			Au (US\$/oz)	2387.3	3039.0	3049.6	3003.5	3000.0			
	US\$m	A\$m	O/ship	NAVx	A\$/sh	JORC Resources	Tonnes	*AgEq	*AgEq	M&I (%)	Ag (%)
EV/insitu NAV @ US\$2.00/oz AgEq	428	639	100%	1.0x	1.16	Cerro Leon	31.0Mt	146g/t	145Moz	36%	38%
SCPe nominal +US\$30m exploration upside	30	45	-	1.0x	0.08	Joaquin (Hist.)	16.7Mt	137g/t	73Moz	95%	93%
JQ25 cash + itm options	29.5	44.1	-	1.0x	0.08	Joaquin Depletion (Hist.)	0.3Mt	422g/t	4Moz	0%	96%
Deferred consideration	(10.9)	(16.3)	-	1.0x	(0.03)	Total M&I	47.4Mt	141g/t	214Moz	65%	55%
SCPe Group 1xNAV	477	711			PT: 1.30	*AgEq SCPe JORC estimates at SCPe LT prices					
*Ex G&A and fin. costs				Market P/NAV: 0.43x							

Source: SCP estimates

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Summary of Recommendations as of September 2025	
BUY:	54
HOLD:	0
SELL:	0
UNDER REVIEW:	0
TENDER:	0
NOT RATED:	0
TOTAL	54

¹ As at the end of the month immediately preceding the date of issuance of the research report or the end of the second most recent month if the issue date is less than 10 calendar days after the end of the most recent month