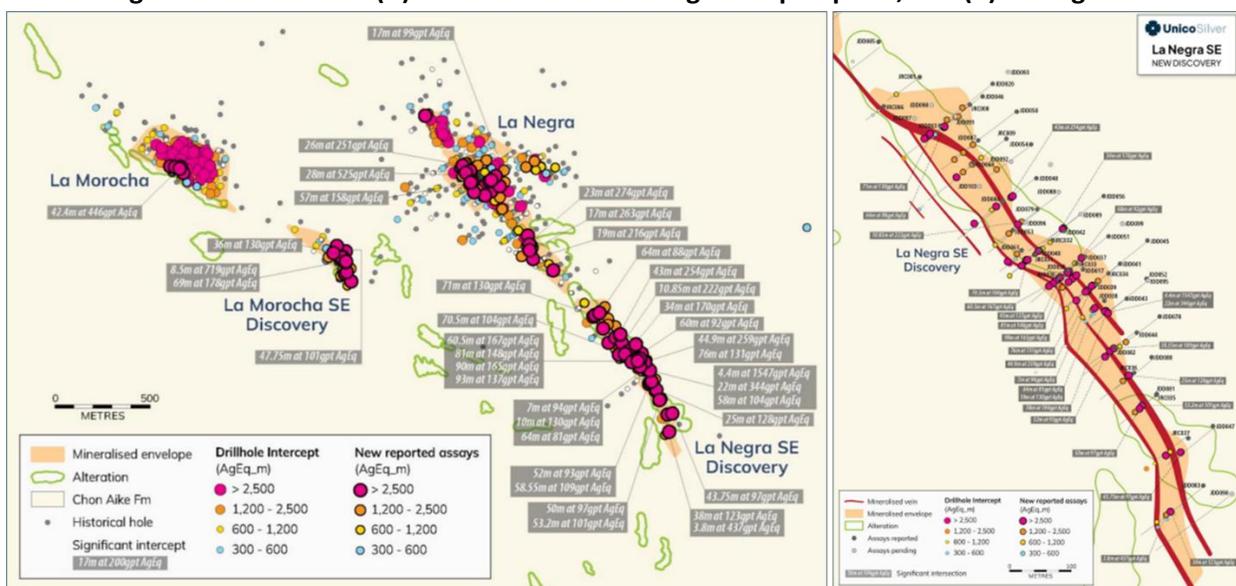


**Ticker:** USL AU      **PF Cash:** A\$76.5m      **Project:** Cerro Leon / Joaquin  
**Market cap:** A\$379m      **Price:** A\$0.65/sh      **Country:** Argentina  
**REC. (unc):** BUY      **TARGET (+20c):** A\$1.50/sh      **RISK RATING (unc):** SPECULATIVE

Today's drilling at Joaquin, adds helpful strike length additions at La Negra SE, and infill and down dip extension at both La Negra SE and La Morocha SE. Notably, today's widths at La Morocha increased vs prior drilling (34m at 105g/t AgEq vs 21m @ 139g/t AgEq prior) showing good continuity on infill and down dip extension and well above cutoff grades for open pittable mineralization. Overall, today's hits show good continuity and add confidence: we now see ~40Moz at La Negra SE and ~20Moz at La Morocha SE, which puts them well above the ~30Moz of additions they need to hit their 150Moz AgEq free milling inventory target. We think Unico are well placed to hit their PLUS 150 (150Moz AgEq free milling ounces for PEA inventory) and BEYOND 300 (300Moz AgEq total MRE endowment) targets in the upcoming MRE, with a further update in H1 next year to support a PFS. **Model changes:** We update share count to reflect the A\$40m financing closed Nov 18 and lift our target multiple from US\$2.00/oz to US\$2.50/oz as we think Unico has entered the ranks of the most promising silver developers with a pathway to 7-10Moz and permits by early 2027. **We maintain our BUY rating and lift our price target to A\$1.50/sh (prev A\$1.30/sh) based on a target multiple of US\$2.50/oz AgEq.**

The next six months are catalyst rich with an updated MRE and PEA guided for before year-end and further MRE update and PFS in H1 next year. We think that will quickly shift the investor understanding of Unico from promising explorer, to one of the next 7-10Moz producers in the silver universe, with potential for permits by end of 2026 or early 2027; as a reminder, there are already mining permits in place. We think the valuation range for a top-end silver asset would be towards the US\$3-5/oz EV/oz range, and a 7-10Mozpa asset in production could trade at up to US\$2bn, in line with recent M&A.

**Figure 1. Plan view of (A) La Morocha and La Nega vein prospects, and (B) La Negra SE**

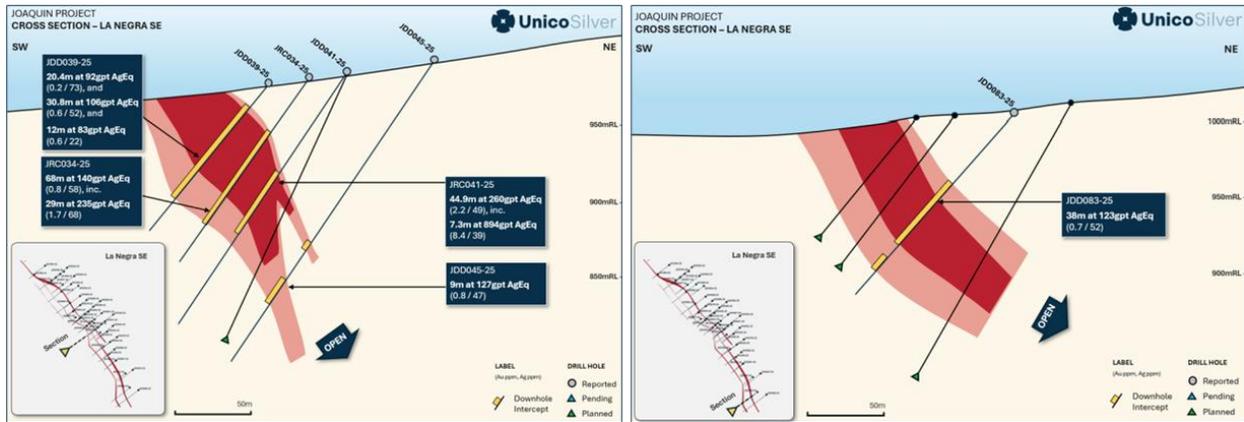


Source: Unico Silver

## Joaquin adds strike and widths at La Negra SE and La Morocha SE ahead of MRE/PEA

Today, Unico announced updated assay results for 29 holes (4,699m) from the ongoing drill program at the Joaquin Project, with reported drilling largely focused on infill at La Negra SE and La Morocha SE.

Figure 2. Cross-sections of La Negra SE incl. Hole 83-25 extending strike by 50m to 775m



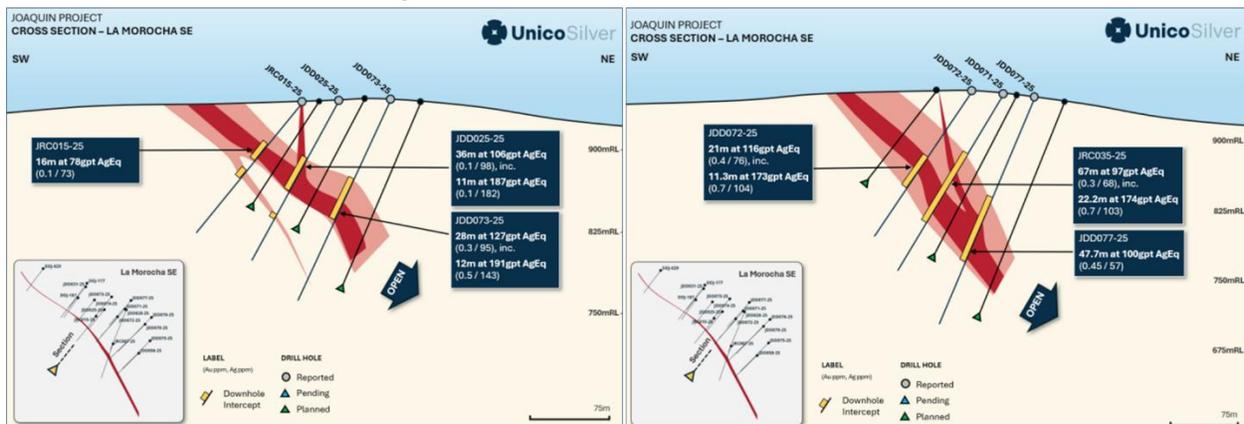
Source: Unico Silver

At La Negra SE, the drill table highlighted 19 holes with 21 hits, delivering SCPe averages of 44.8m @ 99g/t AgEq, including best hits **93m @ 137g/t AgEq (61g/t Ag, 0.79g/t Au) from 15m**, **68m @ 140g/t AgEq (58g/t Ag, 0.85g/t Au) from 51m**, and **82m @ 88g/t AgEq (55g/t Ag, 0.34g/t Au)**. Unico noted that Hole 83-25 extends mineralization 50m to the SE, increasing strike to 775m with 150m vertical extent, and the zone remains open to the SE and at depth.

At La Morocha SE, drilling included 7 holes with 8 hits, returning SCPe averages of 33.6m @ 105g/t AgEq, with highlights including **67m @ 97g/t AgEq (67g/t Ag, 0.31g/t Au) from 102m**, **48m @ 101g/t AgEq (57g/t Ag, 0.45g/t Au) from 152m**, and **19m @ 188g/t AgEq (72g/t, 1.20g/t Au) from 213m**. La Morocha mineralization currently stands at 400m strike and 175m vertical extension with true thickness ranging from 15-60m. Today's results bring the total to 60 holes for 9,812m drilled since the program commenced in September 2025.

Next steps include extensional drilling at La Negra SE and La Morocha SE to expand strike and test depth; infill drilling of shallow high-grade zones to support Indicated resource conversion; regional scout drilling targeting covered extensions of both vein systems and potential repeat shoots; advancement of the interim MRE due this year; geotechnical drilling for open-pit design parameters; and ongoing mapping and sampling to assess adjacent untested vein trends ahead of a maiden scoping study in 1H26.

Figure 3. Cross-sections of La Morocha SE



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: Joaquin MRE update
- 1H26: Scoping study and PFS, sulphide expansion analysis

## Research

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

Eleanor Magdzinski (Toronto) m +1 705 669 7456 [emagdzinski@scp-rf.com](mailto:emagdzinski@scp-rf.com)

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

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

Ticker: USL AU		Price/mkt cap: A\$0.645/sh, A\$379m		Group P/NAV today: 0.43x		Asset: Cerro Leon / Joaquin					
Author: J Chan		Rec / 1xNAV PT: BUY, A\$1.50/sh		Country: Argentina							
Share data	Basic	FD									
Shares (m)	587.1	622.1									
SOTP project valuation*	US\$m	A\$m	O/ship	NAVx	A\$/sh	Commodity price	CY24A	CY25E	CY26E	CY27E	CY28E
EV/insitu NAV @ US\$2.50/oz AgEq	535	799	100%	1.0x	1.28	Ag (US\$/oz)	28.3	33.4	34.4	35.0	35.0
SCPe nominal +US\$30m exploration upside	30	45	-	1.0x	0.07	Au (US\$/oz)	2387.3	3039.0	3049.6	3003.5	3000.0
PF cash + itm options	51.2	76.5	-	1.0x	0.12	JORC Resources	Tonnes	*AgEq	*AgEq	M&I (%)	Ag (%)
Deferred consideration	(10.9)	(16.3)	-	1.0x	(0.03)	Cerro Leon	31.0Mt	146gt	145Moz	36%	38%
SCPe Group 1xNAV	605	904			PT: 1.50	Joaquin (Hist.)	16.7Mt	137gt	73Moz	95%	93%
*Ex G&A and fin. costs						Joaquin Depletion (Hist.)	0.3Mt	422gt	4Moz	0%	96%
Market P/NAV: 0.43x						<b>Total M&amp;I&amp;I</b>	<b>47.4Mt</b>	<b>141gt</b>	<b>214Moz</b>	<b>65%</b>	<b>55%</b>
Source: SCP estimates						*AgEq SCPe JORC estimates at SCPe LT prices					

**DISCLOSURES & DISCLAIMERS**

This research report (as defined under CIRO Rule 3600, Part B) is issued and approved for distribution in Canada by SCP Resource Finance LP (“SCP”), an investment dealer who is a member of The Canadian Investment Regulatory Organization (“CIRO”) and the Canadian Investor Protection Fund (“CIPF”). This research report is provided to retail clients and institutional investors for information purposes only. The opinions expressed in this report are the opinions of the author and readers should not assume they reflect the opinions or recommendations of SCP’s research department. The information in this report is drawn from sources believed to be reliable but the accuracy or completeness of the information is not guaranteed, nor in providing it does SCP or persons assume any responsibility or liability whatsoever. This report is not to be construed as an offer to sell or a solicitation of an offer to buy any securities. SCP accepts no liability whatsoever for any loss arising from any use or reliance on this research report or the information contained herein. Past performance is not a guarantee of future results, and no representation or warranty, expressed or implied, is made regarding future performance of any security mentioned in this research report. The price of the securities mentioned in this research report and the income they generate may fluctuate and/or be adversely affected by market factors or exchange rates, and investors may realize losses on investments in such securities, including the loss of investment principal. Furthermore, the securities discussed in this research report may not be liquid investments, may have a high level of volatility or may be subject to additional and special risks associated with securities and investments in emerging markets and/or foreign countries that may give rise to substantial risk and are not suitable for all investors. SCP may participate in an underwriting of, have a position in, or make a market in, the securities mentioned herein, including options, futures or other derivatives instruments thereon, and may, as a principal or agent, buy or sell such products.

**DISSEMINATION OF RESEARCH:** SCP’s research is distributed electronically through email or available in hard copy upon request. Research is disseminated concurrently to a pre-determined list of clients provided by SCP’s Institutional Sales Representative and retail Investment Advisors. Should you wish to no longer receive electronic communications from us, please contact [unsubscribe@scp-rf.com](mailto:unsubscribe@scp-rf.com) and indicate in the subject line your full name and/or corporate entity name and that you wish to unsubscribe from receiving research.

**RESEARCH ANALYST CERTIFICATION:** Each Research Analyst and/or Associate who is involved in the preparation of this research report hereby certifies that:

- The views and recommendations expressed herein accurately reflect his/her personal views about any and all of the securities or issuers that are the subject matter of this research report;
- His/her compensation is not and will not be directly related to the specific recommendations or view expressed by the Research analyst in this research report;
- They have not affected a trade in a security of any class of the issuer within the 30-day period prior to the publication of this research report;
- They have not distributed or discussed this Research Report to/with the issuer, investment banking group or any other third party except for the sole purpose of verifying factual information; and
- They are unaware of any other potential conflicts of interest.

**UK RESIDENTS:** SCP Partners UK Limited (“SCP UK”) is an appointed representative of PillarFour Securities LLP which is authorized and regulated by the Financial Conduct Authority. This document has been approved under section 21(1) of the FMSA 2000 by PillarFour Securities LLP (“PillarFour”) for communication only to eligible counterparties and professional clients as those terms are defined by the rules of the Financial Conduct Authority. Its contents are not directed at UK retail clients. PillarFour does not provide investment services to retail clients. PillarFour publishes this document as non-independent research which is a marketing communication under the Conduct of Business rules. It has not been prepared in accordance with the regulatory rules relating to independent research, nor is it subject to the prohibition on dealing ahead of the dissemination of investment research. It does not constitute a personal recommendation and does not constitute an offer or a solicitation to buy or sell any security. SCP UK and PillarFour consider this note to be an acceptable minor non-monetary benefit as defined by the FCA which may be received without charge. This is because the content is either considered to be commissioned by SCP UK’s clients as part of their advisory services to them or is short term market commentary. Neither SCP UK nor PillarFour nor any of its directors, officers, employees or agents shall have any liability, howsoever arising, for any error or incompleteness of fact or opinion in it or lack of care in its preparation or publication; provided that this shall not exclude liability to the extent that this is impermissible under the law relating to financial services. All statements and opinions are made as of the date on the face of this document and are not held out as applicable thereafter. This document is intended for distribution only in those jurisdictions where PillarFour is permitted to distribute its research.

**IMPORTANT DISCLOSURES FOR U.S. PERSONS:** This research report was prepared by SCP Resource Finance LP (“SCP”), a company authorized to engage in securities activities in Canada. SCP is not a registered broker/dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to “major U.S. institutional investors” in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”). Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through Sprott Global Resource Investments Ltd. (“SGRIL”), a broker dealer in the United States registered with the Securities Exchange Commission (“SEC”), the Financial Industry Authority (“FINRA”), and a member of the Securities Investor Protection Corporation (“SIPC”). Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through SCP.

SGRIL accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to a U.S. person other than a major U.S. institutional investor. The analyst whose name appears in this research report is not licensed, registered, or qualified as a research analyst with FINRA and may not be an associated person of SGRIL and, therefore, may not be subject to applicable restrictions under FINRA Rule 2241 regarding communications by a research analyst with a subject company, public appearances by the research analyst, and trading securities held by a research analyst account. To make further inquiries related to this report, United States residents should contact their SGRIL representative.

**ANALYST CERTIFICATION / REGULATION AC:** The analyst and associate certify that the views expressed in this research report accurately reflect their personal views about the subject securities or issuers. In addition, the analyst and associate certify that no part of their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

**SCP RESOURCE FINANCE EXPLANATION OF RECOMENDATIONS:** Should SCP issue research with recommendations, the research rating guidelines will be based on the following recommendations:

**BUY:** The stocks total returns are expected to be materially better than the overall market with higher return expectations needed for more risky securities markets

**NEUTRAL:** The stock's total returns are expected to be in line with the overall market

**SELL:** The stocks total returns are expected to be materially lower than the overall market

**TENDER:** The analyst recommends tendering shares to a formal tender offering

**UNDER REVIEW:** The stock will be placed under review when there is a significant material event with further information pending; and/or when the research analyst determines it is necessary to await adequate information that could potentially lead to a re-evaluation of the rating, target price or forecast; and/or when coverage of a particular security is transferred from one analyst to another to give the new analyst time to reconfirm the rating, target price or forecast.

**NOT RATED (N/R):** The stock is not currently rated

Research Disclosure		Response
1	SCP collectively beneficially owns 1% or more of any class of the issuer's equity securities <sup>1</sup>	NO
2	The analyst or any associate of the analyst responsible for the report or recommendation or any individual directly involved in the preparation of the report holds or is short any of the issuer's securities directly or through derivatives	NO
3	An SCP partner, director, officer or analyst involved in the preparation of a report on the issuer, has during the preceding 12 months provided services to the issuer for remuneration other than normal course investment advisory or trading execution services	NO
4	SCP has provided investment banking services for the issuer during the 12 months preceding the date of issuance of the research report or recommendation	YES
5	Name of any director, officer, employee or agent of SCP who is an officer, director or employee of the issuer, or who serves in an advisory capacity to the issuer	NO
6	SCP is making a market in an equity or equity related security of the issuer	NO
7	The analyst preparing this report received compensation based upon SCP's investment banking revenue for the issuer	NO
8	The analyst has conducted a site visit and has viewed a major facility or operation of the issuer	YES
9	The analyst has been reimbursed for travel expenses for a site visit by the issuer	NO

SCP Resource Finance Equity Research Ratings:

Summary of Recommendations as of December 2025	
BUY:	56
HOLD:	0
SELL:	0
UNDER REVIEW:	0
TENDER:	0
NOT RATED:	0
TOTAL	56

<sup>1</sup> 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