

Unico Silver Limited

ABN 34 116 865 546

Half Year Report - 31 December 2024

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Directors	Mr Peter Mullens (Non-Executive Chairman) Mr Todd Williams (Managing Director) Ms Melanie Leydin (Non-Executive Director) Mr José Bordogna (Non-Executive Director)
Company Secretary	Mr Rajeev Chandra
Registered office	Level 4 100 Albert Road South Melbourne VIC 3205 Phone: 03 9692 7222
Share register	Link Market Services Tower 4, 727 Collins Street Docklands VIC 3008 Phone: 1300 554 474
Auditor	William Buck Level 20, 181 William Street Melbourne VIC 3000
Stock exchange listing	Unico Silver Limited shares are listed on the Australian Securities Exchange (ASX code: USL)

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated entity') consisting of Unico Silver Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

Directors

The following persons were directors of Unico Silver Limited during the whole of the half-year and up to the date of this report, unless otherwise stated:

Mr Peter Mullens (Non-Executive Chairman)
Mr Todd Williams (Managing Director)
Ms Melanie Leydin (Non-Executive Director)
Mr José Bordogna (Non-Executive Director)

Principal activities

During the half-year the principal continuing activities of the Consolidated entity consisted of exploration and evaluation of mineral deposits in Australia and Argentina, together with reviewing other asset opportunities.

Review of operations

The loss for the Consolidated entity after providing for income tax and non-controlling interest amounted to \$8,708,666 (31 December 2023: loss of \$1,462,413).

During the six months to 31 December 2024, the Consolidated entity remained focused on developing its flagship silver projects in the Santa Cruz province of Argentina, including the Cerro Leon and Joaquin projects.

The Cerro Leon Project is in the central Deseado Massif geological province, approximately 45 kilometres northwest of AngloGold Ashanti's Cerro Vanguardia mine. On 24 July 2024, USL closed the acquisition of the Sierra Blanca properties (announced 24 May 2024) expanding the footprint of the Cerro Leon project by 9,746Ha and consolidating the western extension of the vein field. Sierra Blanca is host to several advanced prospects that are prioritised for drilling.

In August 2024, the Company announced the acquisition of the Joaquin and Cerro Puntudo properties (collectively the Joaquin Project) from Pan American Silver Corp (PAAS), further expanding its presence in the region (see ASX Announcement, 20 August 2024). The transaction was finalised on 11 October 2024 (see ASX Announcement, 11 October 2024).

The Joaquin acquisition is part of Unico Silver's broader consolidation strategy, which has secured 100% ownership of five projects previously held by major miners (PAAS and Yamana) and three junior companies.

Resource Highlights:

- **Cerro Leon:** hosts a JORC-compliant Mineral Resource Estimate (MRE) of 91Moz AgEq for 16.5Mt at 172gpt AgEq.
- **Joaquin:** hosts a Foreign Estimate of 73Moz AgEq for 16.7Mt at 136gpt AgEq (Table 2), with historical production of 4.3Moz Ag by PAAS from 2019–2022.

Equity Financing

On 22 August 2024, the Company announced that it had received binding commitments to raise \$8 million at \$0.17 per share through the issue of 47.05 million shares under the Company's available placement under ASX Listing Rules 7.1 and 7.1A (Placement Shares). Taylor Collison Limited and SCP Resource Finance LP acted as Joint Lead Managers (Joint Lead Managers) and Whistler Wealth Management Pty Ltd acted as Co-Manager in respect of the Placement. The placement was concurrent to the Joaquin acquisition.

On 6 November 2024, the Company announced that it had received binding commitments to raise \$22.5million at \$0.27 per share through the issue of 83.3 million shares under the Company's available placement under ASX Listing Rules 7.1 and 7.1A (Placement Shares). Canaccord Genuity (Australia) Limited, Taylor Collison Limited and SCP Resource Finance LP together acted as Joint Lead Managers and Joint Bookrunners ("Joint Lead Managers") to the Placement.

Exploration

Drilling at Cerro Leon commenced 21 October 2024. Following the successful November financing, the combined Reverse Circulation (RC) and diamond drill program was upsized to 50,000m across the Cerro Leon and Joaquin projects. Drill results for the first 9 holes totalling 757m were reported for the Karina prospect.

Cobar Project, New South Wales

Unico completed the sale of its 100% interest in the Mount Hope Project, located in the Cobar region of New South Wales, to Mount Hope Mining Limited (ASX: MHM). As part of the transaction, Unico received 5 million fully paid ordinary shares in MHM, valued at \$0.20 per share during MHM's Initial Public Offering (IPO) and subsequent ASX listing. Mount Hope Mining officially listed on the ASX on 18 December 2024 under the ticker code 'MHM'.

Corporate

Operating results

The loss for the Consolidated entity after providing for income tax amounted to \$8,708,666 (31 December 2023: loss of \$1,462,413). Operating expenses for the half year were \$10,301,903, an increase of \$7,967,941 over the corresponding prior period (2023: \$2,333,962). This increase was mainly due to the absorption of exploration costs upon acquisition of Sierra Blanca and Minera Joaquin during the half year in line with the group's accounting policies

Net assets have increased by \$22,093,978 from \$4,063,080 as at 30 June 2024 to \$26,182,055 as at 31 December 2024. This was mainly driven by the utilisation of the working capital towards exploration and operating activities during the half year. The Company received \$28,487,657 during the half year from financing activities.

Significant changes in the state of affairs

On 24 July 2024, the consolidated entity acquired 100% ownership of the Sierra Blanca project held by Sierra Blanca SA, an Argentine company and an incorporated Joint Venture (JV) between Austral Gold Argentina S.A. (Austral Argentina), a subsidiary of Austral Gold Limited (ASX: AGD), and Capella Metals Limited (TSX-V: CMIL). The acquisition was completed through acquiring all the outstanding shares in Sierra Blanca SA, for a total consideration consisting of 5,000,000 ordinary shares of the Company, together with reimbursement of certain nominal holding costs, as approved by shareholders at the General Meeting held on 9 July 2024. Sierra Blanca project makes up the Sierra Blanca silver and gold projects comprising five mining titles and Cruz del Sur Project which is made up of two additional mining titles. This acquisition expanded Company's flagship Cerro Leon portfolio and signifies the complete consolidation of the Pinguino vein field under a single entity for the first time.

On 11 October 2024, the consolidated entity acquired Minera Joaquin SA ("MJSA") from Pan American Silver Corp (NYSE: PAAS) (and its Argentine subsidiary Minera Triton SA). MJSA holds 100% interest in the Joaquin mining properties. As part of the acquisition, the consolidated entity also acquired the Cerro Puntudo mining properties from PAAS's Argentine subsidiary Yamana Argentina Servicios SA. The Joaquin and Cerro Puntudo mining properties (collectively "the Project" or "Joaquin") include 16 titles totalling 35 thousand hectares. MJSA is acquired for the below consideration :

- USD \$2million paid on the Closing Date (First Payment).
- USD \$2million to be paid within 10 calendar days after the earlier of the date of a Feasibility Study on the Joaquin mining properties or the commencement of commercial production on the Joaquin mining properties (Second Payment).
- USD \$4million to be paid within 10 calendar days after the commencement of first production.

In addition to the sale of MJSA, PAAS also transferred to the Company (and its Argentine subsidiary Ivael Mining SA) 100% of the Cerro Puntudo mining properties in exchange for:

- The grant to PAAS of a 1.0% net smelter returns on all mineral produced from the Cerro Puntudo mining properties (excludes Joaquin).
- USD \$4million paid within 10 calendar days after the commencement of commercial production from the Cerro Puntudo mining properties.

On 9 July 2024, a total of 3,000,000 options, expiring on 30 July 2026 and exercise price of \$0.27 per option, were granted to Peter Mullens and Jose Bordogna, the Non-executive Directors of the company.

On 27 August 2024, the Company raised \$8.0 million (before related costs) through placement of 47,058,830 shares at \$0.17 per share to institutional and sophisticated investors. Transaction costs related to the Lead Manager fee included a \$482,000 success fee and 2,823,529 options, vested immediately on issue, with expiry date of 27 August 2026 exercisable at 0.255 per option.

On 15 October 2024, 2,000,000 Tranche-1 Performance Shares held by Mr Todd Williams, Managing Director of the Company were converted into shares upon meeting its vesting conditions.

On 21 October 2024, 800,000 Performance Rights were issued to the employees of the Company with three years expiry period exercisable at a Nil value.

On 6 November 2024, the Company raised \$22.5m (before costs) through placement of 83,333,334 shares at \$0.27 (27 cents) per share and placement to institutional and sophisticated investors. Transaction costs related to the Lead Manager fee included \$1.4m fee for the successful completion of the capital raise.

As noted above on Cobar assets, on 20 December 2024, the consolidated entity sold 100% of the issued capital in Fisher Resources Pty Ltd to Mount Hope Mining Limited (ASX:MHM) for 5 million fully paid ordinary shares in the capital of MHM.

There were no other significant changes in the state of affairs of the Consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Consolidated entity's operations, the results of those operations, or the Consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Todd Williams
Managing Director

14 March 2025

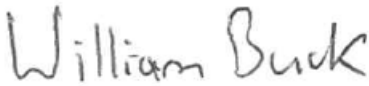
Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Unico Silver Limited

As lead auditor for the review of Unico Silver Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Unico Silver Limited and the entities it controlled during the period.



William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



R. P. Burt
Director
Melbourne, 14 March 2025

Unico Silver Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024



		Consolidated	
	Note	31 December 2024	31 December 2023
		\$	\$
Revenue			
Investment income	5	467,598	240,494
Interest income		155,639	129,836
Other income	4	970,000	481,080
Expenses			
Administration expenses		(283,354)	(203,473)
Corporate expense		(748,213)	(416,205)
Employment expenses		(984,275)	(563,153)
Exploration expense	6	(8,256,016)	(818,580)
Finance costs	7	(30,045)	(332,551)
Loss before income tax expense		(8,708,666)	(1,482,552)
Income tax expense		-	-
Loss after income tax expense for the half-year		(8,708,666)	(1,482,552)
Other comprehensive income/(loss)			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Loss on the revaluation of equity instruments at fair value through other comprehensive income, net of tax		(50,000)	-
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		683,448	(84,074)
Other comprehensive income/(loss) for the half-year, net of tax		633,448	(84,074)
Total comprehensive loss for the half-year		<u>(8,075,218)</u>	<u>(1,566,626)</u>
Loss for the half-year is attributable to:			
Non-controlling interest		-	(20,139)
Owners of Unico Silver Limited		(8,708,666)	(1,462,413)
		<u>(8,708,666)</u>	<u>(1,482,552)</u>
Total comprehensive loss for the half-year is attributable to:			
Non-controlling interest		-	20,442
Owners of Unico Silver Limited		(8,075,218)	(1,587,068)
		<u>(8,075,218)</u>	<u>(1,566,626)</u>
		Cents	Cents
Basic earnings/(loss) per share	15	(2.80)	(0.73)
Diluted earnings/(loss) per share	15	(2.80)	(0.73)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Unico Silver Limited
Statement of financial position
As at 31 December 2024



		Consolidated	
	Note	31 December 2024 \$	30 June 2024 \$
Assets			
Current assets			
Cash and cash equivalents	8	25,449,699	5,051,917
GST, VAT and other receivables		317,806	112,511
Prepayments		49,766	87,625
Total current assets		<u>25,817,271</u>	<u>5,252,053</u>
Non-current assets			
Financial assets at fair value through other comprehensive income	9	950,000	-
Property, plant and equipment		1,532,362	1,440,758
Security deposits		32,604	30,000
Total non-current assets		<u>2,514,966</u>	<u>1,470,758</u>
Total assets		<u>28,332,237</u>	<u>6,722,811</u>
Liabilities			
Current liabilities			
Trade and other payables		682,040	190,463
Employee benefits		62,423	66,408
Deferred consideration	10	1,363,118	1,071,920
Total current liabilities		<u>2,107,581</u>	<u>1,328,791</u>
Non-current liabilities			
Employee benefits		42,601	31,999
Deferred consideration	10	-	1,298,941
Total non-current liabilities		<u>42,601</u>	<u>1,330,940</u>
Total liabilities		<u>2,150,182</u>	<u>2,659,731</u>
Net assets		<u>26,182,055</u>	<u>4,063,080</u>
Equity			
Issued capital	13	79,683,424	50,160,755
Reserves		2,988,286	1,935,914
Accumulated losses		(56,489,655)	(48,033,589)
Total equity		<u>26,182,055</u>	<u>4,063,080</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Unico Silver Limited
Statement of changes in equity
For the half-year ended 31 December 2024



Consolidated	Issued capital \$	Shared based payment reserve \$	Foreign currency translation reserve \$	Financial Asset revaluation reserve \$	Accumulated losses \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2023	49,774,020	2,145,279	54,207	-	(41,934,102)	(3,368,248)	6,671,156
Loss after income tax expense for the half-year	-	-	-	-	(1,462,413)	(20,139)	(1,482,552)
Other comprehensive income/(loss) for the half-year, net of tax	-	-	(124,655)	-	-	40,581	(84,074)
Total comprehensive income/(loss) for the half-year	-	-	(124,655)	-	(1,462,413)	20,442	(1,566,626)
Share based payment expense	-	245,765	-	-	-	-	245,765
<i>Transactions with owners in their capacity as owners:</i>							
Options lapsed	-	(125,069)	-	-	125,069	-	-
Balance at 31 December 2023	<u>49,774,020</u>	<u>2,265,975</u>	<u>(70,448)</u>	<u>-</u>	<u>(43,271,446)</u>	<u>(3,347,806)</u>	<u>5,350,295</u>
Consolidated	Issued capital \$	Shared based payment reserve \$	Foreign currency translation reserve \$	Financial Asset revaluation reserve \$	Accumulated losses \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2024	50,160,755	2,031,983	(96,069)	-	(48,033,589)	-	4,063,080
Loss after income tax expense for the half-year	-	-	-	-	(8,708,666)	-	(8,708,666)
Other comprehensive income/(loss) for the half-year, net of tax	-	-	683,448	(50,000)	-	-	633,448
Total comprehensive income/(loss) for the half-year	-	-	683,448	(50,000)	(8,708,666)	-	(8,075,218)
Expiry of vested options	-	(252,600)	-	-	252,600	-	-
Share based payment expense	-	666,534	-	-	-	-	666,534
<i>Transactions with owners in their capacity as owners:</i>							
Issue of shares on acquisition of Sierra Blanca	755,000	-	-	-	-	-	755,000
Shares issued in-lieu Joaquin transaction cost	285,000	-	-	-	-	-	285,000
Exercise of performance rights	200,000	(200,000)	-	-	-	-	-
Issue of share capital	30,500,000	-	-	-	-	-	30,500,000
Transaction cost	(2,217,331)	204,990	-	-	-	-	(2,012,341)
Balance at 31 December 2024	<u>79,683,424</u>	<u>2,450,907</u>	<u>587,379</u>	<u>(50,000)</u>	<u>(56,489,655)</u>	<u>-</u>	<u>26,182,055</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Unico Silver Limited
Statement of cash flows
For the half-year ended 31 December 2024



	Note	Consolidated	
		31 December 2024	31 December 2023
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST and VAT)		(3,990,943)	(1,987,387)
Interest received		155,639	129,836
Other income	4	-	481,080
Net cash used in operating activities		<u>(3,835,304)</u>	<u>(1,376,471)</u>
Cash flows from investing activities			
Net proceeds from the sales of bonds		467,598	240,494
Payment for deferred consideration		(1,114,518)	(1,142,519)
Payment for purchase of subsidiaries, net of cash acquired		<u>(3,698,618)</u>	<u>-</u>
Net cash used in investing activities		<u>(4,345,538)</u>	<u>(902,025)</u>
Cash flows from financing activities			
Proceeds from the issue of shares		30,500,000	-
Payment for equity raising costs		(2,012,343)	-
Repayment of lease liabilities		<u>-</u>	<u>(27,236)</u>
Net cash from/(used in) financing activities		<u>28,487,657</u>	<u>(27,236)</u>
Net increase/(decrease) in cash and cash equivalents		20,306,815	(2,305,732)
Cash and cash equivalents at the beginning of the financial half-year		5,051,917	8,532,275
Effects of exchange rate changes on cash and cash equivalents		<u>90,967</u>	<u>(54,915)</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>25,449,699</u></u>	<u><u>6,171,628</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Unico Silver Limited as a Consolidated entity consisting of Unico Silver Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Unico Silver Limited's functional and presentation currency.

A description of the nature of the Consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 14 March 2025.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3. Operating segments

Identification of reportable operating segments

The Consolidated entity is organised into two operating segments: Australia projects and Argentina projects. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews financial management accounts on a monthly basis. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The reportable segments are:

Australia
Argentina

Intersegment transactions

There were no material intersegment transactions during the reporting period.

There were no material intersegment receivables, payables and loans during the reporting period.

Major customers

The Consolidated entity does not have any customers.

Note 3. Operating segments (continued)

Consolidated - 31 December 2024	Argentina \$	Australia \$	Total \$
Investment income	467,598	-	467,598
Interest income	13,707	141,932	155,639
Other income	970,000	-	970,000
Administration expenses	(148,634)	(134,720)	(283,354)
Corporate expenses	(288,296)	(459,917)	(748,213)
Employment expenses	(54,388)	(929,887)	(984,275)
Exploration expense	(7,700,967)	(555,048)	(8,256,015)
Finance costs	(2,647)	(27,399)	(30,046)
Loss before income tax expense	<u>(6,743,627)</u>	<u>(1,965,039)</u>	<u>(8,708,666)</u>
Income tax expense			-
Loss after income tax expense			<u>(8,708,666)</u>
Assets			
<i>Unallocated assets:</i>			
Cash and cash equivalents			25,449,698
GST, VAT and other receivables			317,806
Other current assets			49,767
Non-current assets			<u>2,514,966</u>
Total assets			<u>28,332,237</u>
Liabilities			
<i>Unallocated liabilities:</i>			
Trade and other payables			682,037
Employee benefits			105,027
Purchase consideration liability			<u>1,363,118</u>
Total liabilities			<u>2,150,182</u>
Consolidated - 31 December 2023			
Investment income	240,494	-	240,494
Other income	520,161	90,755	610,916
Administration expenses	(83,751)	(119,722)	(203,473)
Corporate expenses	(163,522)	(252,683)	(416,205)
Employment expenses	(55,163)	(507,990)	(563,153)
Exploration expense	(818,580)	-	(818,580)
Finance costs	(130,388)	(202,163)	(332,551)
Loss before income tax expense	<u>(490,749)</u>	<u>(991,803)</u>	<u>(1,482,552)</u>
Income tax expense			-
Loss after income tax expense			<u>(1,482,552)</u>
Consolidated - 30 June 2024			
Assets			
<i>Unallocated assets:</i>			
Cash and cash equivalents			5,051,917
GST, VAT and other receivables			112,511
Other current assets			87,625
Non-current assets			<u>1,470,758</u>
Total assets			<u>6,722,811</u>
Liabilities			
<i>Unallocated liabilities:</i>			
Trade and other payables			190,463
Employee benefits			98,407
Purchase consideration liability			<u>2,370,861</u>
Total liabilities			<u>2,659,731</u>

Note 4. Other income

	Consolidated	
	31 December 2024	31 December 2023
	\$	\$
Net gain on disposal of business*	970,000	-
VAT refunds**	-	464,556
Miscellaneous income	-	16,524
	<u>970,000</u>	<u>481,080</u>
Other income	<u>970,000</u>	<u>481,080</u>

* Net gain on disposal of business represents gain from the sale of 100% of the issued capital in Fisher Resources Pty Ltd to Mount Hope Mining Limited (ASX:MHM) for 5 million fully paid ordinary shares in the capital of MHM at \$0.20 per share for its net asset of \$30,000.

** VAT refunds during previous year represented receipts of VAT claims by Minera Los Domos SA, subsidiary of the Company, for the period September 2019 and October 2021 from Argentine tax authorities. Due to significant delays in assessment by the Argentinian tax authorities, the Consolidated entity had expensed these receivable VAT claims to exploration expense in the prior financial years. There were no refunds received during half-year ended 31 December 2024.

Note 5. Investment income

	Consolidated	
	31 December 2024	31 December 2023
	\$	\$
Gain from bonds	<u>467,598</u>	<u>240,494</u>

The gain from bonds relates to gain from the sale of Argentine sovereign bonds. The bonds were acquired in US Dollars and sold in Argentine Pesos as part of transferring the operating working capital to the Group's Argentine subsidiary for exploration activities. There were no bonds on hand as at 31 December 2024 (30 June 2024: \$nil).

Note 6. Exploration expense

	Consolidated	
	31 December 2024	31 December 2023
	\$	\$
Exploration cost	<u>8,256,016</u>	<u>818,580</u>

Under Unico Silver Limited's group accounting policy, exploration and evaluation expenditure incurred are expensed in full in the statement of profit or loss as they are incurred. Expenditure are capitalised as development expenditure when technical feasibility and commercial viability of extracting a mineral resource is established.

During the half year ended 31 December 2024, the company initially recognised the exploration assets of \$777,754 and \$3,995,541 as part of the Sierra Blanca SA acquisition (note 11) and Minera Joaquin SA acquisition (note 12) respectively. On aligning of Sierra Blanca's and Minera Joaquin's accounting policy to Unico Silver Limited's group accounting policy, total exploration assets of \$4,773,295 acquired above were expensed to exploration expense in the statement of profit or loss and other comprehensive income for the half-year ended 31 December 2024.

Note 7. Finance costs

	Consolidated	Consolidated
	31 December	31 December
	2024	2023
	\$	\$
Foreign exchange gains/(losses), net	(76,625)	183,055
Interest expense- unwinding of discount on deferred consideration liability (note 8)	106,670	149,496
	<u>30,045</u>	<u>332,551</u>

Note 8. Cash and cash equivalents

	Consolidated	Consolidated
	31 December	30 June 2024
	2024	2024
	\$	\$
Cash at bank	2,425,319	1,337,072
Cash on deposit	23,024,380	3,714,845
	<u>25,449,699</u>	<u>5,051,917</u>

As at 31 December 2024, cash on deposit includes term deposits of \$22.6 million, with National Australia Bank, with the inception condition of 31-day notice period for accessing the cash to meet working capital requirements

Note 9. Financial assets at fair value through other comprehensive income

	Consolidated	Consolidated
	31 December	30 June 2024
	2024	2024
	\$	\$
Investment in Mount Hope Mining Limited	<u>950,000</u>	<u>-</u>
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial half-year are set out below:		
Opening fair value	-	-
Additions*	1,000,000	-
Revaluation decrements**	(50,000)	-
Closing fair value	<u>950,000</u>	<u>-</u>

Refer to note 14 for further information on fair value measurement.

*On 20 December 2024, the consolidated entity sold 100% of the issued capital in Fisher Resources Pty Ltd to Mount Hope Mining Limited (ASX:MHM) for 5 million fully paid ordinary shares in the capital of MHM at \$0.20 per share.

** Revaluation decrement is based on share price of \$0.19 per share as at 31 December 2024.

Accounting policy

Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading and for which the group has irrevocably elected at initial recognition to present changes in fair value in OCI. These are strategic investment and the group considers this classification to be more relevant.

Note 10. Deferred consideration

	Consolidated	
	31 December	30 June 2024
	2024	2024
	\$	\$
Current liabilities		
Deferred cash consideration payable	1,363,118	1,071,920
Non-current liabilities		
Deferred cash consideration payable	-	1,298,941
	<u>1,363,118</u>	<u>2,370,861</u>

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial half-year are set out below:

	Consolidated	
	31 December	30 June 2024
	2024	2024
	\$	\$
Deferred cash consideration payable- current		
Carrying balance at the start of the period	1,071,920	1,071,434
Payment of deferred consideration	(1,150,628)	(1,142,519)
Unwinding of discount	106,670	141,228
Realised exchange loss	36,215	28,106
transfer from non-current liabilities	1,298,941	973,671
Total deferred cash consideration payable- current	<u>1,363,118</u>	<u>1,071,920</u>
<i>Deferred cash consideration payable- non-current</i>		
Carrying balance at the start of the period	1,298,941	2,153,798
Unwinding of discount	-	118,814
Transfer to current liabilities	(1,298,941)	(973,671)
Total deferred cash consideration payable- non-current	<u>-</u>	<u>1,298,941</u>
Carrying balance at the end of the period	<u>1,363,118</u>	<u>2,370,861</u>

Deferred consideration liabilities relates to the acquisition of SCRN Properties Ltd during 2024 financial year. The payment of \$1,150,628 during the period ended 31 December 2024 represents USD \$750,000 that was due on the second anniversary of Share Sale Agreement.

Note 11. Sierra Blanca Acquisition

On 24 July 2024, the consolidated entity acquired 100% ownership of the Sierra Blanca project held by Sierra Blanca SA, an Argentine company and an incorporated Joint Venture (JV) between Austral Gold Argentina S.A. (Austral Argentina), a subsidiary of Austral Gold Limited (ASX: AGD), and Capella Metals Limited (TSX-V: CMIL). The acquisition is completed through acquiring all the outstanding shares in Sierra Blanca SA, for a total consideration consisting of 5,000,000 ordinary shares of the Company, together with reimbursement of certain nominal holding costs, as approved by shareholders at the General Meeting held on 9 July 2024. The Sierra Blanca project makes up the Sierra Blanca silver and gold projects comprising five mining titles and Cruz del Sur Project which is made up of two additional mining titles. This acquisition expanded Company's flagship Cerro Leon portfolio and signifies the complete consolidation of the Pinguino vein field under a single entity for the first time.

The Company, at the time of acquisition, assessed that in the absence of proven or probable reserves and plan for site development and further no employees and business processes acquired as part of this transaction, this acquisition does not meet the definition of a business under AASB 3 - Business Combinations. Therefore, the acquisition is accounted as an asset acquisition and all identifiable assets and liabilities of Sierra Blanca were accounted at the acquisition date at their fair values in the financial statements.

Details of the acquisition are as follows:

	Fair value
	\$
Cash and cash equivalents	574
Other receivables	154
Exploration assets*	777,754
Trade and other payable	<u>(11,416)</u>
Acquisition-date fair value of the total consideration transferred	<u><u>767,066</u></u>
Representing:	
Issue of 5,000,000 shares @ 0.15 per share	755,000
Reimbursement of costs as agreed per the sale agreement	<u>12,066</u>
	<u><u>767,066</u></u>

*Under Unico Silver Limited's group accounting policy, exploration and evaluation expenditure incurred are expensed in full in the statement of profit or loss as they are incurred. Expenditure are capitalised as development expenditure when technical feasibility and commercial viability of extracting a mineral resource is established. On the alignment of Sierra Blanca's accounting policy to Unico Silver Limited's group accounting policy, exploration asset acquired above were expensed to exploration expense in the statement of profit or loss and other comprehensive income for the half-year ended 31 December 2024.

Note 12. Minera Joaquin Acquisition

On 11 October 2024, the consolidated entity acquired Minera Joaquin SA (“MJSA”) from Pan American Silver Corp (NYSE: PAAS) (and its Argentine subsidiary Minera Triton SA). MJSA holds 100% interest in the Joaquin mining properties. As part of the acquisition, the consolidated entity also acquired the Cerro Puntudo mining properties from PAAS’ Argentine subsidiary Yamana Argentina Servicios SA. The Joaquin and Cerro Puntudo mining properties (collectively “the Project” or “Joaquin”) include 16 titles totalling 35 thousand hectares. MJSA was acquired for the below consideration:

- USD \$2 million (AUD \$3 million) paid on the Closing Date (First Payment).
- USD \$2 million to be paid within 10 calendar days after the earlier of the date of a Feasibility Study on the Joaquin mining properties or the commencement of commercial production on the Joaquin mining properties (Second Payment). This condition is yet to be met as at 31 December 2024.
- USD \$4 million to be paid within 10 calendar days after the commencement of first production. This condition is yet to be met as at 31 December 2024.

In addition to the sale of MJSA, PAAS will also transfer to the Company (and its Argentine subsidiary Ivael Mining SA) 100% of the Cerro Puntudo mining properties in exchange for:

- The grant to PAAS of a 1.0% net smelter returns on all mineral produced from the Cerro Puntudo mining properties (excludes Joaquin).
- USD \$4 million paid within 10 calendar days after the commencement of commercial production from the Cerro Puntudo mining properties.

The Company, at the time of acquisition, assessed that in the absence of proven or probable reserves and plan for site development and further no employees and business processes acquired as part of this transaction, this acquisition does not meet the definition of a business under AASB 3 - Business Combinations. Therefore, the acquisition is accounted as an asset acquisition and all identifiable assets and liabilities of Sierra Blanca were accounted at the acquisition date at their fair values in the financial statements.

	Fair Value
	\$
Cash and Cash Equivalents	39,476
Other receivables	19,871
Exploration assets*	3,995,541
Trade and other payables	(28,665)
Provisions	(14,621)
	<u>4,011,602</u>
Representing:	
Cash consideration of USD 2 million	2,977,480
Cost of acquisition: 1.5 million shares issued to transaction advisor	285,000
Cost of acquisition: cost paid for legal and statutory compliance related to the acquisition	749,122
	<u>4,011,602</u>

*Under Unico Silver Limited's group accounting policy, exploration and evaluation expenditure incurred are expensed in full in the statement of profit or loss as they are incurred. Expenditure are capitalised as development expenditure when technical feasibility and commercial viability of extracting a mineral resource is established. On the alignment of Minera Joaquin's accounting policy to Unico Silver Limited's group accounting policy, exploration asset acquired above were expensed to exploration expense in the statement of profit or loss and other comprehensive income for the year ended 31 December 2024.

Future contingent consideration payments which may be incurred will be expensed in accordance with the group's exploration and expenditure accounting policy.

Note 13. Issued capital

	31 December 2024 Shares	30 June 2024 Shares	Consolidated 31 December 2024 \$	30 June 2024 \$
Ordinary shares - fully paid	<u>437,943,755</u>	<u>299,051,591</u>	<u>79,683,424</u>	<u>50,160,755</u>

Movements in spare share capital

Details	Date	Shares	Issue price	\$
Balance	01 July 2024	299,051,591		50,160,755
Shares issued to Sierra Blanca towards 100% ownership	24 July 2024	5,000,000	\$0.150	755,000
Placement of shares	27 August 2024	47,058,830	\$0.170	8,000,000
Exercise of performance rights	15 October 2024	2,000,000	\$0.100	200,000
Placement of shares	12 November 2024	83,333,334	\$0.270	22,500,000
Shares issued towards completion of Joaquin acquisition	22 November 2024	1,500,000	\$0.190	285,000
Capital raising costs		-	\$0.000	(2,217,331)
Balance	31 December 2024	<u>437,943,755</u>		<u>79,683,424</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Note 14. Fair value measurement

Fair value hierarchy

The following tables detail the Consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - 31 December 2024	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<i>Assets</i>				
Ordinary shares in Mount Hope Mining Limited	950,000	-	-	950,000
Total assets	950,000	-	-	950,000

* On 20 December 2024, the consolidated entity received 5 million fully paid ordinary shares in the capital of Mount Hope Mining Limited (ASX:MHM) for 100% of the issued capital of its subsidiary, Fisher Resources Pty Ltd, sold MHM). Refer to note 9 for further details.

Consolidated - 30 June 2024	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<i>Assets</i>				
Ordinary shares	-	-	-	-
Total assets	-	-	-	-

There were no transfers between levels during the financial half-year.

Note 15. Earnings per share

	Consolidated	Consolidated
	31 December 2024	31 December 2023
	\$	\$
Loss after income tax	(8,708,666)	(1,482,552)
Non-controlling interest	-	20,139
Loss after income tax attributable to the owners of Unico Silver Limited	<u>(8,708,666)</u>	<u>(1,462,413)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	311,427,564	199,132,323
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>311,427,564</u>	<u>199,132,323</u>
	Cents	Cents
Basic earnings/(loss) per share	(2.80)	(0.73)
Diluted earnings/(loss) per share	(2.80)	(0.73)

Diluted earnings/(loss) per share

The rights to options held by option holders have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 "Earnings per Share". The rights to options are non-dilutive as the consolidated entity has generated a loss during the period.

Note 16. Share-based payments

Share based payments expense during the period is \$666,534 (2023: \$245,765) of which relates to options issued to Directors, KMP and other employees of the company.

Unlisted Options

Set out below are summaries of options granted under the plan:

31 December 2024

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
01/11/2021	01/11/2024	\$0.369	2,000,000	-	-	(2,000,000)	-
21/02/2022	21/02/2025	\$0.343	1,300,000	-	-	-	1,300,000
21/02/2022	21/02/2025	\$0.383	250,000	-	-	-	250,000
01/03/2023	01/03/2026	\$0.260	15,000,000	-	-	-	15,000,000
02/03/2023	02/03/2026	\$0.207	1,800,000	-	-	-	1,800,000
28/04/2023	28/04/2026	\$0.270	3,000,000	-	-	-	3,000,000
28/11/2023	28/11/2026	\$0.136	5,000,000	-	-	-	5,000,000
26/06/2024	26/06/2027	\$0.220	2,600,000	-	-	-	2,600,000
09/07/2024	30/07/2026	\$0.270	-	3,000,000	-	-	3,000,000
27/08/2024	27/08/2026	\$0.080	-	2,823,529	-	-	2,823,529
			30,950,000	5,823,529	-	(2,000,000)	34,773,529

During the half-year ended 31 December 2024 following options were issued:

- (i) On 9 July 2024, a total of 3,000,000 options, expiring on 30 July 2026 and with an exercise price of \$0.27 per option, were granted to Peter Mullens and Jose Bordogna, Non-executive Directors. These options vested immediately on issue and were fair valued at \$0.063 per option.
- (ii) On 27 August 2024, a total of 2,823,529 options, expiring on 28 August 2026 and with an exercise price of \$0.255 per option, were issued to the Joint Lead Managers as part of consideration towards share placement. These options vested immediately on issue and were fair valued at \$0.073 per option.

For the options granted during the half-year, the options were fair valued using the Black Scholes option pricing model using the following inputs:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
09/07/2024	30/07/2026	\$0.165	\$0.270	92.16%	-	4.17%	\$0.063
27/08/2024	27/08/2026	\$0.175	\$0.255	93.73%	-	3.56%	\$0.073

* The valuation model inputs for options with the grant date 9 July 2024 relates to 3,000,000 unlisted options issued to the Directors.

** The valuation model inputs for options with the grant date 27 August 2024 relates to 2,823,529 unlisted options issued to the Lead Managers.

Performance rights

The number of performance rights over ordinary shares in the Company held as of 31 December 2024 is 2,800,000 (30 June 2024: 4,000,000), issued under the Company's share option plan.

Note 16. Share-based payments (continued)

- (i) 2,000,000 Tranche-2 performance rights issued to Mr. Todd Williams in November 2023 as a part of Tranche 2 with performance hurdles as vesting conditions. The vesting of these performance rights is to take place upon the announcement by the Company of the delineation of a Mineral Resources Estimate of at least 200 million silver equivalent ounces (Above 50gpt AgEq cut off) and in continuous employment with the company. During the half year, 2,000,000 Tranche-1 performance rights were vested upon meeting the performance conditions.
- (ii) 800,000 Performance rights, with a 3-year expiry period and exercisable at a nil value, were issued on 21 October 2024 to the employees of the Company. These performance rights vested immediately on its issue as there were no performance hurdles to these performance rights as its vesting condition. These performance rights were fair valued at \$264,000 and were outstanding at the period end.

Note 17. Contingent liabilities

The group has the following material contingent liabilities as at the date of this report (31 December 2023: nil)

- (i) Royalty payments equal to 1.5% of Net Smelter Returns to RN Gold Pty Ltd from the sale of products from Santa Cruz and Rio Negro tenements from the commencement date on which the extraction and recovery of any product commences from the mining area.
- (ii) There is a residual 2% net smelter return royalty payable in relation to the Pingüino Project (Pingüino Royalty) and a 1% net smelter return royalty payable in relation to the Condor Project.
- (iii) Sierra Blanca SA is subject a 2% royalty payable to Sandstorm Gold Limited (Sandstorm) and a 1.5% royalty payable to Triple Flag Precious Metals Corp (Triple Flag). Under the royalty agreements, Sierra Blanca SA can acquire one-half of Triple Flag's 1.5% NSR on the Sierra Blanca property for CAD \$750,000 and one-half of Sandstorm's 2% NSR for CAD \$1 million at any time before commercial production is achieved.
- (iv) Following contingent payments to Pan American Silver Corp (PAAS):
 - USD \$2million to be paid within 10 calendar days after the earlier of the date of a Feasibility Study on the Joaquin mining properties or the commencement of commercial production on the Joaquin mining properties and USD \$4 million to be paid within 10 calendar days after the commencement of first production.
 - Payments equal to 1.0% net smelter returns on all mineral produced from the Cerro Puntudo mining properties (excludes Joaquin) and USD \$4million paid within 10 calendar days after the commencement of commercial production from the Cerro Puntudo mining properties in exchange for transfer of 100% of the Cerro Puntudo mining properties by PAAS to the Consolidated entity.

Note 18. Events after the reporting period

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Consolidated entity's operations, the results of those operations, or the Consolidated entity's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Consolidated entity's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in cursive script, appearing to read "Todd Williams".

Todd Williams
Managing Director

14 March 2025

Independent auditor's review report to the members of Unico Silver Limited

Report on the half-year financial report



Our conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Unico Silver Limited (the Company), and its subsidiaries (the Group) does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the half-year then ended; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

What was reviewed?

We have reviewed the accompanying half-year financial report of the Group, which comprises:

- the consolidated statement of financial position as at 31 December 2024,
- the consolidated statement of profit or loss and other comprehensive income for the half-year then ended,
- the consolidated statement of changes in equity for the half-year then ended,
- the consolidated statement of cash flows for the half-year then ended,
- notes to the financial statements, including material accounting policy information, and
- the directors' declaration.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



R. P. Burt
Director

Melbourne, 14 March 2025