

26 April 2023

Dear Shareholder

UNICO SILVER LIMITED 2023 SHARE PURCHASE PLAN

I am pleased to invite you to participate in the Unico Silver Limited (**USL** or **Company**) 2023 Share Purchase Plan (**SPP**).

On 20 April 2023, USL announced that it had successfully completed a placement of 37,037,037 fully paid ordinary shares (**Shares**) at a price of \$0.135 per Share to sophisticated, institutional and professional investors, raising \$5 million (**Placement**). The Shares to be issued under the Placement will be issued on 28 April 2023 under the Company's placement capacity pursuant to ASX Listing Rules 7.1 and 7.1A. In order to provide Eligible Shareholders (defined below) with the ability to participate in the Company's capital raising activities, the Company is pleased to provide details of the SPP.

Under the SPP, Eligible Shareholders will have the opportunity to purchase up to \$30,000 worth of Shares at the same price as the Placement, irrespective of the size of their shareholding, without incurring brokerage or transaction costs. The offer under the SPP (**Offer**) is intending to raise a maximum of \$1,000,000 on the terms and conditions (**Terms and Conditions**) contained in this letter.

Shareholders Eligible to Participate in the SPP

Participation under the SPP is optional and is available exclusively to shareholders of the Company who are registered as holders of Shares at 7:00pm (AEST) on Wednesday 19 April 2023 (**Record Date**) and whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

The volume weighted average price for USL's shares on the Australian Securities Exchange (**ASX**), over the five days in which USL's shares traded prior to the SPP being announced, was \$0.177. **The SPP offer price of \$0.135 cents therefore represents a discount of 23% to that price.** It also represents a 20% discount to the last traded price of \$0.17 before the announcement of the SPP.

Peter Mullens (Chairman) and Todd Williams (Managing Director) have indicated that they intend to take up their maximum entitlement for new shares under the SPP of \$30,000.

Use of Funds

Funds raised from the Placement and SPP will be applied as follows:

- a) finalisation of the combined Pingüino and Conserrat (collectively Cerro Leon) maiden resource estimate (due May 2023);
- b) further consolidation and project acquisitions within the broader Santa Cruz region and continual exploration to grow the Resource at Cerro Leon; and
- c) general working capital.

Terms and Conditions of the SPP

Attached are the Terms and Conditions of the SPP. To participate, you can make a payment through one of the following options:

- (1) by BPay® - you do not need to complete and return the Application Form; or
- (2) by EFT – first contact the registry on the dedicated offer line to receive the EFT payment details. When making payment you will need to quote your SRN/HIN as your payment reference/ description. You must return your Application Form or your online application confirmation when making payment via EFT. This can be returned to capitalmarkets@linkmarketservices.com.au.

Current activities

Details of the Company's current activities are set out in the announcements made by the Company to the ASX and are available from the ASX platform (ASX: USL), or the Company's website at <https://unicosilver.com.au/announcements/>

Thank you for your continuing support.

Peter Mullens
Non-executive Chairperson



TERMS AND CONDITIONS FOR THE UNICO SILVER LIMITED 2023 SHARE PURCHASE PLAN (SPP)

1. The SPP

The SPP enables Eligible Shareholders (see paragraph 2) to purchase between \$2,500 and \$30,000 of fully paid ordinary shares (**Shares**) in Unico Silver Limited (**Company**) without being required to pay brokerage fees or incurring additional transaction costs.

2. Eligible Shareholders

You are eligible to participate in the SPP if you were the registered holder of one or more Shares at 7.00pm (AEST) on 19 April 2023 with an address, as recorded in the Company's Share Register, in Australia or New Zealand, unless you hold the Shares on behalf of another person who resides outside Australia or New Zealand (**Eligible Shareholder**). Shareholders with an address outside Australia and New Zealand are not eligible to participate in the SPP.

3. Participation in the SPP

Participation in the SPP is subject to these Terms and Conditions and is optional. However, the offer under the SPP is non-renounceable and Shares will only be issued to the Eligible Shareholders to whom they are offered. This means that you cannot transfer your right to purchase Shares under the SPP to another person or entity.

4. Key Dates

Record Date to determine entitlements	7.00pm (Melbourne time) on Wednesday, 19 April 2023
ASX Announcement of SPP	Thursday, 20 April 2023
Despatch of documents to shareholders and SPP Opening Date	Wednesday, 26 April 2023
Closing Date for application for Shares	Wednesday, 17 May 2023
ASX Announcement and SPP results	Friday, 19 May 2023
Allotment Date for SPP Shares	Tuesday, 23 May 2023
Quotation Commences	Wednesday, 24 May 2023

** These dates are indicative only and may be changed at the discretion of the Company*

5. Issue Price of Shares

The issue price for each Share under the SPP is \$0.135, being the same price as the Shares offered to sophisticated and professional investors under the Placement. This price was determined by the Company following the close of trading on 17 April 2023 (being the trading day before the SPP was announced).



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The volume weighted average price for USL's shares on the Australian Securities Exchange (**ASX**), over the five days in which USL's shares traded prior to the SPP being announced, was \$0.177. The SPP offer price of \$0.135 cents therefore represents a discount of 23% to that price. It also represents a 20% discount to the last traded price of \$0.17 before the announcement of the SPP.

6. Variation in market price of the Shares on the ASX

The market price of the Shares on the ASX may rise and fall between the date of this SPP offer and the date when the Company allots the Shares to you under the SPP. This means that the price you pay under the SPP offer may exceed the price at which Shares are trading on the ASX at the time the Shares are allotted to you under the SPP.

7. Number of Shares Eligible Shareholders can apply for under the SPP

Eligible Shareholders can apply for Shares under the SPP in increments of \$2,500 up to \$30,000. Applications for Shares under the SPP must be for a minimum of \$2,500. On the basis of the issue price of Shares available under the SPP, \$2,500 will subscribe for 18,518 Shares and \$30,000 will subscribe for 222,222 Shares. Any fractional entitlement to Shares under the SPP will be rounded down.

This offer of new shares under the SPP is made in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547. The instrument grants relief from the requirement to prepare a prospectus for the offer of new shares under the SPP. In accordance with the ASX Listing Rules, the number of shares that may be issued by a company under a share purchase plan cannot exceed 30% of the number of fully paid ordinary shares already on issue. The Company reserves the right to scale back applications for Shares under the SPP at its discretion, if required. The Company may scale back the number of new shares that will be allotted under the SPP and the Eligible Shareholder may be allocated fewer new shares than the number for which that Shareholder applied.

If there is a scale back, a proportionate refund to the amount subscribed for by Eligible Shareholders will be paid by the Company to Eligible Shareholders shortly after the Closing Date. Interest will not be paid on any money refunded.

USL has applied to ASX for a waiver of ASX Listing Rules 7.1 and 10.11 to permit USL to offer shares under the SPP at an issue price of \$0.135 per share (**Waiver**). In the event that the Waiver is not granted, USL intends to utilise USL's available placement under ASX Listing Rule 7.1 for the issue of SPP Shares and seek shareholder approval to issue SPP Shares to Directors who are participating in the SPP.

If you are an Eligible Shareholder and have received more than one offer under the SPP (for example because you hold more than one shareholding under separate share accounts), you may not apply for Shares with an aggregate value exceeding \$30,000 under the SPP. The Company reserves the right, exercisable at its sole discretion, to reject any application for Shares where it believes the requirement has not been met.



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ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 also enables an issuer to offer securities under an SPP without a prospectus or product disclosure statement to each of the underlying beneficiaries whose securities are held on their behalf by a custodian, even if the name of the underlying holder is not expressly noted on the register of members. However, in order for the underlying beneficiaries to apply for securities under the SPP, the custodian applying for securities on behalf of its beneficiaries must issue a certificate providing certain details of such beneficiaries and confirming that the \$30,000 limit in 12 months will not be exceeded in respect of each individual beneficiary (although a beneficiary who is resident outside Australia or New Zealand is not eligible to participate in the SPP).

Custodians should contact the Company share registry, Link Market Services on capitalmarkets@linkmarketservices.com.au to request a custodian certificate that contains details required to be provided by the custodians.

The completed custodian certificate must be emailed to capitalmarkets@linkmarketservices.com.au so that it is received by the Company's share registry by the Closing Date.

8. Opening and Closing of the SPP Offer

The SPP offer opens on 26 April 2023 (**Opening Date**) and closes at 5.00pm (AEST) on 17 May 2023 (**Closing Date**) unless it is extended by the Company. The Company reserves the right to change at any time the Closing Date or the proposed Allotment Date by making an announcement to the ASX.

The Company also reserves the right to terminate the SPP at any time prior to the issue of Shares under the SPP. If the Company terminates the SPP, it will refund any money paid by Eligible Shareholders under the SPP. Interest will not be paid on any money refunded.

9. How to Apply for Shares under the SPP

If you wish to apply for Shares under the SPP, you must make payment for a whole number multiple of \$2,500, which is equal to or less than \$30,000 by the Closing Date. You must also complete an online application through the offer website, <https://events.miraqle.com/usl-offer>. Finally you must make payment through one of the following options:

- (a) **You may make payment with BPay®.** To do this, you must follow instruction and use the Customer Reference Number shown on your online application or personalised Application Form to identify your holding. You do not need to return your Application Form.
- (b) **You may make payment by EFT.** To do this, you must first contact the registry on the dedicated offer line to receive the EFT payment details. When making payment you will need to quote your SRN/HIN as your payment reference/ description. You must return your Application Form or your online application confirmation when making payment via EFT. This can be returned to capitalmarkets@linkmarketservices.com.au.

Applications must be received by Link Market Services by the Closing Date (currently 5.00pm (AEST) on **17 May 2023**). The offer document can be found on the following website <https://events.miraqle.com/usl-offer>.



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10. Company's discretions regarding applications

Subject to compliance with any applicable ASIC or ASX requirements, the Company has broad discretion to reject your application to purchase Shares under the SPP, including (without limitation) if:

- (a) Your Application Form is incorrectly completed or incomplete or otherwise determined by the Company to be invalid;
- (b) The BPay® or EFT payment is for an amount which is not a whole number multiple of \$2,500 or is greater than \$30,000;
- (c) It appears that you are applying to buy more than \$30,000 (in aggregate) of Shares at the issue price;
- (d) Your payment is received after the Closing Date. Whilst the Company has the discretion to accept late payments, there is no assurance that it will do so. Any late payments, if not accepted, will be refunded or returned to you; or
- (e) The Company believes that you are not an Eligible Shareholder.

11. Allotment Date

The Shares will be allotted under the SPP on the Allotment Date (currently 23 May 2023) and application for quotation of your Shares on the ASX will be made at the same time. You should receive your allotment statement, or confirmation advice, shortly after the Allotment Date.

12. What rights attach to the Shares

Shares issued under the SPP will rank equally with existing fully paid ordinary shares in the Company and will carry the same voting rights, dividend rights and other entitlements as at the date of allotment.

13. Dispute resolution

The Company may settle in any manner it thinks fit any disputes or anomalies which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to the applicant or application for Shares and the decision of the Company will be conclusive and binding on all persons to whom the decision relates. The Company reserves the right to waive compliance with any provision of the SPP Terms and Conditions, subject to compliance with the *Corporations Act 2001* (Cth) and the ASX Listing Rules.

14. Further Information

If you have any questions in relation to the Terms and Conditions of the SPP or how to make an application, you can contact the Company's share registry, Link Market Services on 1300 131 678 or the Company on +61 3 9692 7222. Neither Link Market Services nor the Company will provide financial, investment, legal or taxation advice.



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15. Independent financial or investment advice recommended

The Company is not providing investment advice or making any recommendation in respect of the SPP. Any decision to participate should be made after considering your own objectives, financial circumstances and needs and obtaining independent advice if necessary.

16. Significance of applying for Shares under the SPP

By making payment by BPay®, or by completing an online application or an Application Form and making payment by EFT:

- (a) You certify that you are an Eligible Shareholder;
- (b) You certify that you have not applied for more than \$30,000 of Shares under the SPP and any similar arrangement in the 12 months prior to your application, even though you may have received more than one offer under the SPP or received offers in more than one capacity under the SPP;
- (c) You agree that your application is made on the Terms and Conditions of the SPP;
- (d) You agree that you will not be able to withdraw or revoke your application or payment once you have submitted it;
- (e) You authorise the Company (and its officers or agents) to correct any error or omission in your Application Form and to complete the Application Form by the insertion of any missing details;
- (f) You agree that the Company may at any time determine that your Application Form is valid, in accordance with the Terms and Conditions, even if the Application Form is incomplete, contains errors or is otherwise defective;
- (g) You accept the risk associated with any refund that may be sent to you by direct credit to your address shown on the Company's Share Register;
- (h) You acknowledge that neither the Company nor Link Market Services has provided you with investment advice or financial product advice, and that neither has any obligation to provide this advice, concerning your decision to apply for and take up Shares;
- (i) You agree that the Company is not liable for any exercise of its discretions referred to in these Terms and Conditions;
- (j) You irrevocably and unconditionally agree to the Terms and Conditions and agree not to do any act or thing which would be contrary to the spirit, intention or purpose of the SPP; and
- (k) If you are a custodian and are applying on behalf of an eligible beneficiary on whose behalf you hold Shares, you acknowledge and agree that:
 - (i) you are a custodian (as defined in ASIC Instrument 2019/547);



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- (ii) you held Shares on behalf of the eligible beneficiary as at the Record Date who has instructed you to apply for new shares on their behalf under the SPP and the eligible beneficiary has been given a copy of these Terms and Conditions;
- (iii) you are not applying for Shares on behalf of any eligible beneficiary with an application price of more than \$30,000 under the SPP in accordance with ASIC Instrument 2019/547; and
- (iv) the information in the custodian certificate submitted with your Application Form is true, correct and not misleading.

17. Privacy Policy

Chapter 2C of the Corporations Act requires information about you as shareholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. This information must continue to be included in the public register if you cease to be a shareholder.

The Company and Link Market Services may collect personal information to process your Application, implement the SPP and administer your shareholding. The personal information contained in The Company's Register is also used to facilitate payments and corporate communications (and to ensure compliance with legal and regulatory requirements).

Your personal information may be disclosed to joint investors, Link Market Services, to securities brokers, to third party service providers, including print and mail service providers, technology providers and professional advisers, to related entities of the Company and its agents and contractors, and to ASX and other regulatory authorities, and in any case, where disclosure is required or allowed by law (which may include disclosures to the Australian Taxation Office and other government or regulatory bodies or where you have consented to disclosure). In some cases, the types of organisations referred to above to whom your personal information may be disclosed may be located overseas.

18. Governing Law

These Terms and Conditions are governed by the laws of the State of Victoria.

19. Underwriting

The SPP will not be underwritten.