

Acquisition of Sierra Blanca project

Unico Silver Limited (ASX: USL) (USL or the Company) is pleased to announce that it has entered into a share purchase agreement to acquire 100% interest in the **Sierra Blanca** silver-gold project.

REGIONAL CONSOLIDATION

HIGHLIGHTS

- USL acquires 100% ownership of the **Sierra Blanca** project held by Sierra Blanca SA, an Argentine company and 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 **expands USL's flagship Cerro Leon portfolio and signifies the complete consolidation of the Pinguino vein field under a single entity for the first time.**
 - **35% increase in tenure covering prospective geology and outcropping silver-gold veins**
 - **Immediate options for incremental growth to current resources¹**
 - **SBR27: 21m at 244gpt silver equivalent (AgEq¹) (0.7gpt Au, 189gpt Ag) from 33m**
 - **SBR51: 11m at 655gpt AgEq (3.4gpt Au, 386gpt Ag) from 46m**
 - **SBR55: 14.3m at 463gpt AgEq (2.8gpt Au, 242gpt Ag) from 31m**
 - **CHD61: 3m at 780gpt AgEq (9.5gpt Au, 28gpt Ag) from 87m**
 - **CHD84: 30.1m at 275gpt AgEq (2.2gpt Au, 101gpt Ag) from 23m**
 - **Nine "walk up" targets prioritised for future exploration.**
- Exploration target areas are centred 5km west of USL's existing camp and infrastructure and can be rapidly advanced in parallel to planned work programs.
- Total consideration consists of 5 million ordinary USL shares, together with reimbursement of certain nominal holding costs.

Managing Director, Todd Williams states: "This transaction signifies the completion of regional consolidation at Cerro Leon and of the Sierra Blanca-Pinguino epithermal vein field. Sierra Blanca is an advanced project that expands the Company's exploration footprint and includes the Veta Chala and Archen prospects located just 5km from USL's existing camp and infrastructure, providing opportunity to rapidly expand the current 92Moz² silver equivalent resource. We look forward to commencing ground activities upon closing the transaction"

¹AgEq = Ag (g/t) + 79.18 x Au (g/t) + 25.56 x Pb (%) + 39.41 x Zn (%), where: silver price is \$23.5/oz and recovery is 95%, gold price is \$1964/oz and recovery is 90%, lead price is \$0.95/lb and recovery is 87.6% and zinc price is \$1.39/lb and recovery is 92.3%

²ASX Announcement, Unico Silver, 18 May 2023, Cerro Leon silver resource grows 84% to 92 million silver equivalent ounces.



TRANSACTION OVERVIEW

USL is pleased to announce that it has signed a binding share purchase agreement ("**the Agreement**") to acquire all the outstanding shares in Sierra Blanca SA, a private Argentinian company that owns the mineral claims that make up the Sierra Blanca silver and gold project (**Sierra Blanca, "the Project"**). Sierra Blanca comprises five titles 7,997 Ha is strategically located (Figure 1 and 2) west of USL's Pinguino project in the Santa Cruz province of Argentina. The acquisition also includes the Cruz del Sur Project which is made up of two additional mining titles comprising 1,752Ha (Table 1).

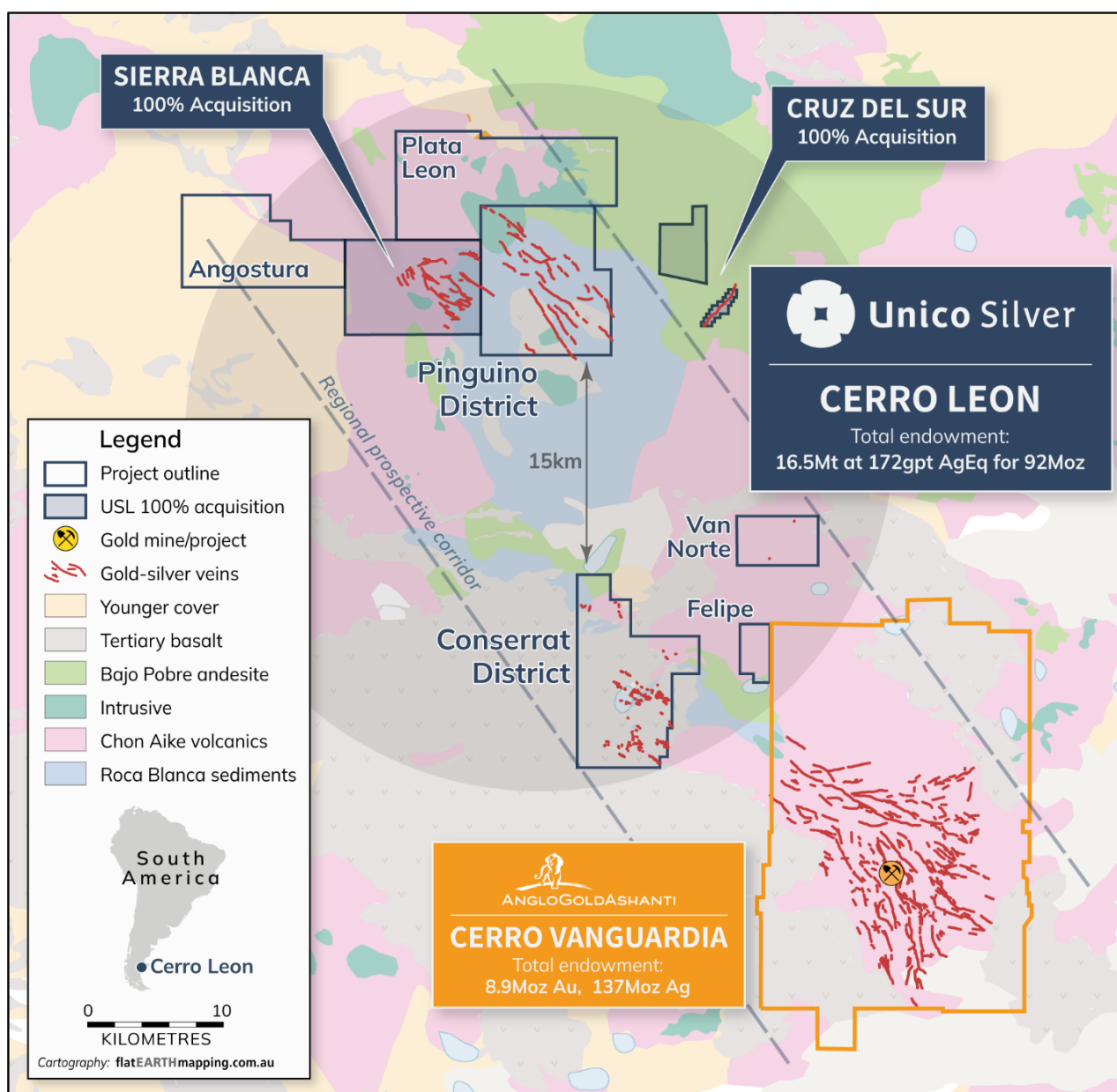


Figure 1. Cerro Leon Project, including the Pinguino, Sierra Blanca and Conserrat vein districts.



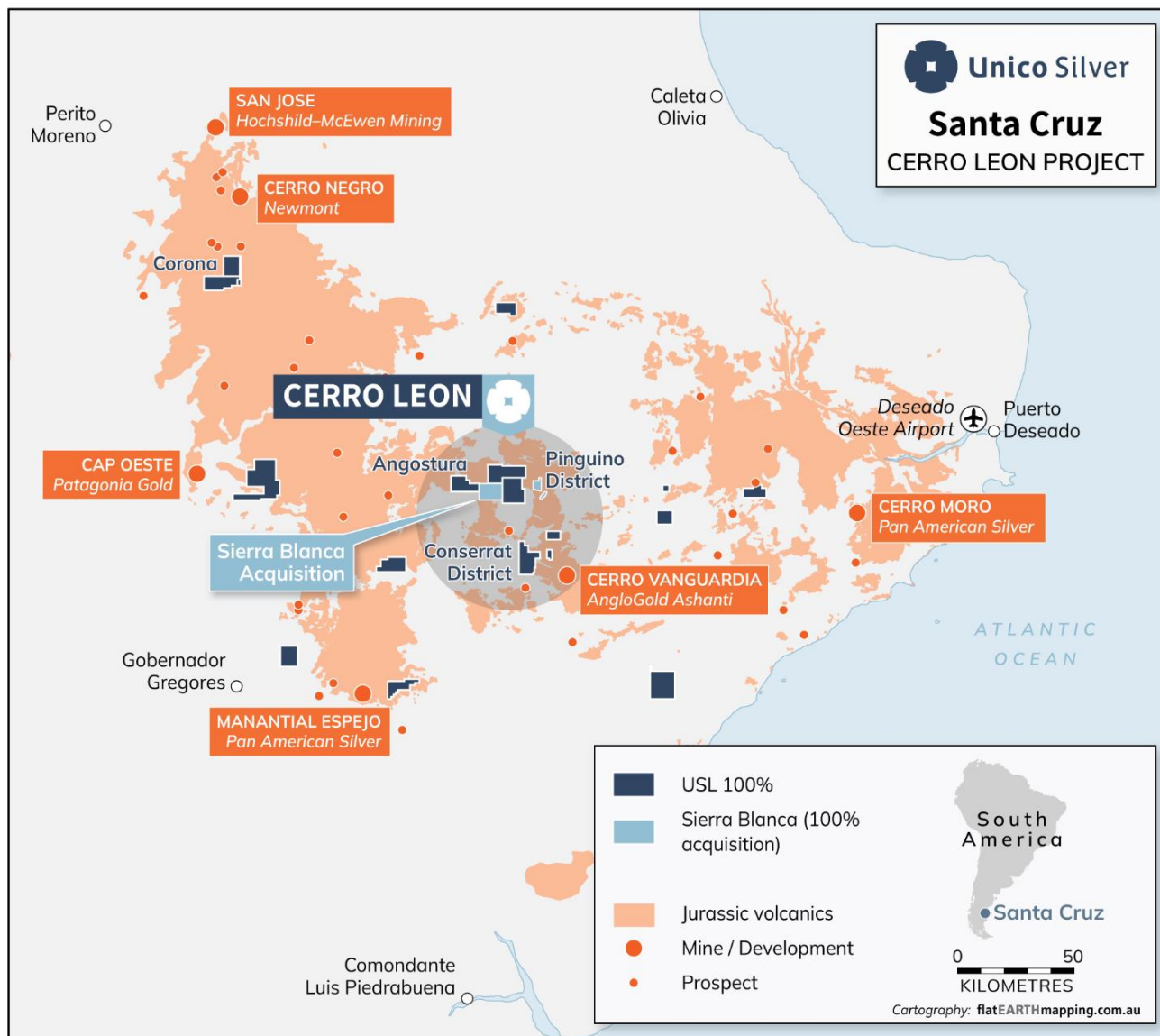


Figure 2. Santa Cruz portfolio

Table 1. Sierra Blanca tenement schedule

PROJECT	TITLE NAME	ID	STATUS	SIZE (HA)
Sierra Blanca	Sierra Blanca I	425.588/IAM/09	Exploitation Concession	420
	Sierra Blanca II	422.899/MMA/10	Exploitation Concession	2250
	Sierra Blanca III	442.900/MMA/10	Exploitation Concession	2250
	Sierra Blanca IV	441.504/SB/19	Exploitation Concession	1660
	Sierra Blanca V	423.273/SB/23	Exploitation Concession	1414
Cruz del Sur	Cruz del Sur	404.119/IA/07	Exploitation Concession	252
	Cruz del Sur II	410.747/IA/04	Exploitation Concession	1500



HIGHLIGHTS

CERRO LEON

- Sierra Blanca-Pinguino vein field consolidated 100% under one company for the first time.
- Total Cerro Leon landholding within the world class Cerro Vanguardia mining district (historical and current resources 8.9Moz Au, 137Moz Ag) expanded to 78,862 Ha.
- Indicated and inferred resources (Table 2) of 92Moz silver equivalent (AgEq²) at 172gpt AgEq.

Table 2: Cerro Leon summary of mineral resources

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

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

SIERRA BLANCA ACQUISITION

- 100% consolidation of the Sierra Blanca-Pinguino vein field.
 - includes key tenements covering the western continuation of the Pinguino vein field.
 - Includes seven mining properties totalling 9,746 Ha.
- Leveraging the work of previous explorers
 - Over 25 lineal kilometres of additional epithermal veins to target for future discoveries.
 - 136 drill holes (diamond and RC) for 17,949m during 2007 to 2013.
 - Nine "walk-up" exploration targets prioritised for further drilling.
- Immediate options for incremental resource growth:
 - Historical focus on Veta Chala-Archen vein structures, drill results include:
 - SBR27: **21m at 0.7gpt Au, 189gpt Ag (244gpt AgEq)** from 33m
 - SBR51: **11m at 3.4gpt Au, 386gpt Ag (655gpt AgEq)** from 46m
 - SBR55: **14.3m at 2.8gpt Au, 242gpt Ag (463gpt AgEq)** from 31m
 - CHD61: **3m at 9.5gpt Au, 28gpt Ag (780gpt AgEq)** from 87m
 - CHD84: **30.1m at 2.2gpt Au, 101gpt Ag (275gpt AgEq)** from 23m
- Operational synergies with USL's existing camp and infrastructure.



ABOUT THE SIERRA BLANCA PROJECT

OVERVIEW

Sierra Blanca is in the Deseado Massif geological province, Santa Cruz province, which is host to a number of Jurassic-age epithermal precious metal vein deposits. The project is adjacent and west of USL's Pinguino mineral properties and hosts the western continuation of the Pinguino vein field (Figure 3).

Gold and silver mineralization was discovered on the property in 2004 by IAMGOLD Argentina geologists while investigating Landsat ("TM") satellite imagery colour alteration anomalies. During 2004-2005. To date, field mapping has defined 28 lineal kilometres of epithermal veins within the project area, not including potential 'blind' extensions concealed beneath shallow gravel colluvium cover.

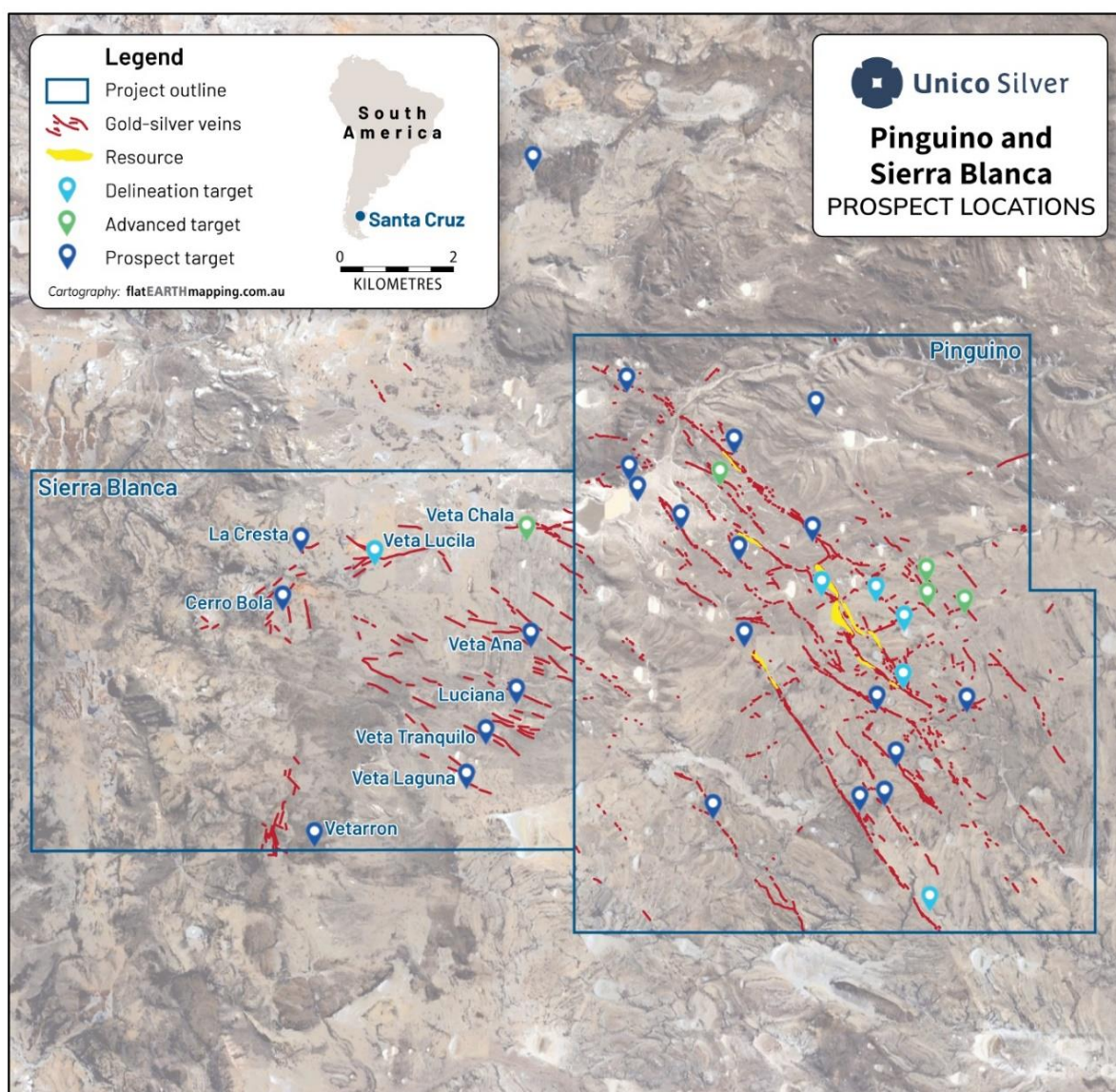


Figure 3. Sierra Blanca and Pinguino projects - Exploration targets and existing resources

The project was explored by Mariana Resources (**Mariana**) during the period 2006 to 2013 prior to the acquisition of Mariana by Sandstorm Royalties (**Sandstorm**) for USD 175million. During 2018, Sandstorm's entire Santa Cruz portfolio, including the Sierra Blanca project, was acquired by New Dimension Resources (**now Capella Metals**). In April 2020, Capella entered an Option and JV agreement with Austral Gold on Sierra Blanca. Currently, Austral Argentina (a subsidiary of Austral Gold) owns approximately 54% of Sierra Blanca with the balance held by Capella Metals.

Previous exploration was focused on the **Veta Chala-Archen** vein structures in addition to eight regional prospects (Figure 3), and included rock chip and soil geochemical sampling, IP geophysics, 38 trenches for 1022m and 136 drill holes (combined RC and diamond) for 17,949m. Significant historical drill hole and trench results³⁻⁶ are provided in Tables 3 and 4 respectively. At Archen, mineralisation is open at depth (Figure 4).

Table 3. Historical drill results

Hole	Prospect	From	To	Interval	Au (gpt)	Ag (gpt)	AgEq (gpt)	GT*
SBR19	Chala	25	37	12	0.2	63	78	946
Inc.				1	0.2	502	517	518
SBR20		55	57	2	0.4	130	161	323
SBR38		33	36	3	4.3	236	576	1,729
SBR40		33	37	4	2.5	120	318	1,272
SBR50		70	75	5	0.9	173	244	1,221
Inc.				0.75	3.7	727	1,020	765
SBR27		33	54	21	0.7	189	244	5,133
Inc.				2	2.7	1,435	1,648	3,298
SBD51		46	57	11	3.4	386	655	7,207
Inc.				2.8	12.7	1,172	2,177	6,097
SBD55		31	45.3	14.3	2.8	242	463	6,631
Inc.				1.5	15.2	775	1,978	2,968
CHD61		87	90	3	9.5	28	780	2,341
CHD71	Archen	121.7	142	20.3	1.5	34	152	3,101
CHD84		23	53.1	30.1	2.2	101	275	8,283
CHD95		80.6	81.2	0.6	4	549	865	519

Table 4. Historical trench results

Hole	Prospect	From	To	Interval	Au (gpt)	Ag (gpt)	AgEq (gpt)	GT*
VND102	Vetarron	85.5	90	4.5	3.6	159	444	1,998
Inc.				0.5	12.1	732	1,690	845
TCh025	Achen	10.4	14.7	4.3	0.29	264	287	1,234
TCh024		13.2	21.1	7.9	1.56	380	503	3,978
TCh003	Chala	0	3.4	3.4	10.05	1,238	2,033	6,915
TCh005		0	4.55	4.55	6.68	104	632	2,880
TCh012	Chala Splay	0	9.45	9.45	0.99	1,218	1,296	12,251
TCh001		0	9.4	9.4	1.29	2,362	2,464	23,163

³See Mariana Resources Press Release, 25 November 2008, Initial drill assay results Sierra Blanca project.⁴See Mariana Resources Press Release, 10 December 2008, Drilling Report.⁵See Mariana Resources Press Release, 03 August 2011, Mariana Drilling Intersects 30.1 metres at 3.9 g/t AuEq (2.2 g/t Au and 101 g/t Ag) at Sierra Blanca Gold-Silver Project, Southern Argentina⁶See Mariana Resources Press Release, 29 February 2012, Mariana Reports Remaining Phase IV Drilling Results at Sierra Blanca Project, Deseado Massif, Southern Argentina



TRANSACTION TERMS

USL, via its wholly owned Argentine subsidiaries, has executed an Agreement with the current shareholders of Sierra Blanca S.A., being TSX-listed Capella Minerals Limited, New Dimension Guernsey Limited and a subsidiary of ASX-listed Austral Gold Limited, Austral Argentina, to acquire 100% of the shares on issue in Sierra Blanca S.A., the owner of the Sierra Blanca Project.

CONSIDERATION

The consideration payable by USL for the acquisition is 5 million fully paid USL shares (**Consideration Shares**), to be issued and allotted on the completion date of the Agreement. USL is also required to pay a cash amount equal to reimburse certain administrative fees paid (if any) by Sierra Blanca S.A. in the first semester of 2024 (**Holding Payment**), to be paid on the completion date of the Agreement, which amount is limited to \$20,000.

CONDITIONS PRECEDENT

The Agreement is subject to USL obtaining shareholder approval for the issue of Consideration Shares to Austral Argentina, for the purpose of ASX Listing Rule 10.11 (**Shareholder Approval**) and the entry into deed of assignment in respect of a royalty over the Sierra Blanca permits with third parties.

These conditions must be satisfied on or before 31 July 2024 or such later date agreed by the parties.

Discussions with the third-party royalty holder are well advanced and expected to be finalised imminently and a notice of meeting seeking Shareholder approval will be finalised in the coming weeks.

EXISTING ROYALTIES TO SANDSTORM AND TRIPLE FLAG

Sierra Blanca is subject a 2% royalty payable to Sandstorm and a 1.5% royalty payable to Triple Flag Precious Metals Corp (**Triple Flag**).

During 2020, Capella. entered agreements with IAMGOLD (**now Triple Flag**). and Sandstorm to grant Sierra Blanca SA options to acquire one-half of their respective net smelter royalties on the Sierra Blanca property. Under the royalty agreements, Sierra Blanca SA can acquire one-half of Iamgold's 1.5% NSR on the Sierra Blanca property for C\$750,000 and one-half of Sandstorm Gold's 2% NSR for C\$1 million at any time before commercial production is achieved, according to an Oct. 13 release from Austral Gold Ltd.

NEXT STEPS

A notice of meeting is expected to be dispatched in seeking Shareholder Approval in the coming weeks, with a meeting expected to be held in late June/ early July, with Completion of the acquisition to occur shortly thereafter.

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



CONTACT

For more information, please contact:

TODD WILLIAMS

Managing Director

todd@unicosilver.com.au

COMPETENT PERSON'S STATEMENT

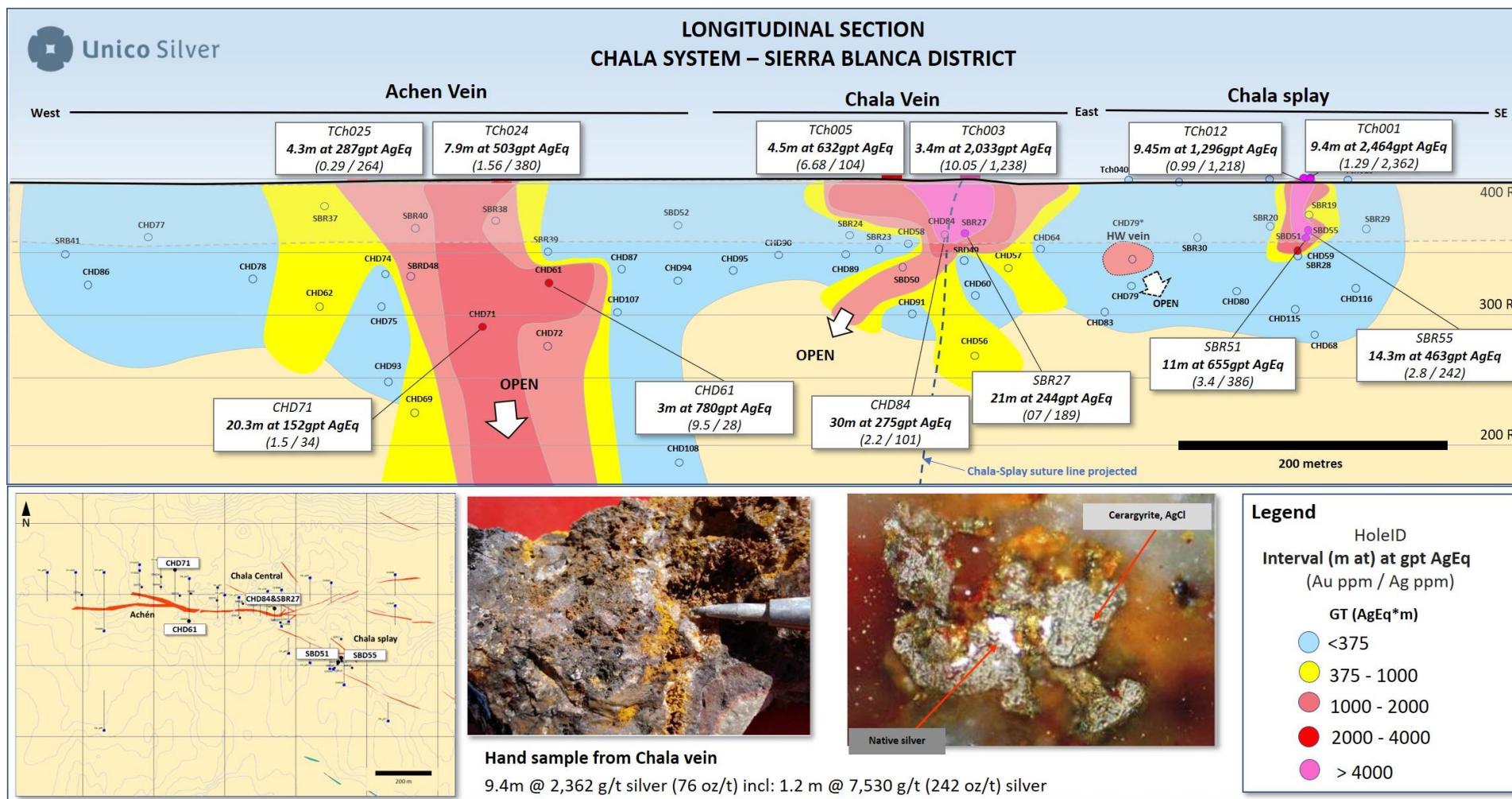
Information in this report that relates to Exploration results and targets is based on, and fairly reflects, information compiled by Unico Silver Limited and Todd Williams, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr. Williams is the Managing Director to Unico Silver Limited and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Williams consents to the inclusion of the data in the form and context in which it appears.

FORWARD LOOKING STATEMENT

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

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





Appendix 1: Historical drill hole information

Hole	Easting	Northing	Elevation	Total Depth	Date	Type
SB01	2518150	4682875	460	92.3	2007	DDH
SB02	2518115	4682808	457	258.55	2007	DDH
SB03	2518723	4682880	431	250.1	2007	DDH
SB04	2518182	4682938	454	96.1	2007	DDH
SB05	2519423	4681871	427	195.1	2007	DDH
SB06	2518748	4683036	438	103	2007	DDH
SB07	2519099	4680270	444	79.7	2007	DDH
SB09	2519096	4680261	446	152.35	2007	DDH
SB08	2520997	4679879	429	121.5	2007	DDH
SB10	2520774	4679776	425	148.6	2007	DDH
SB11	2519099	4680356	445	110.25	2007	DDH
SB12	2519265	4680190	433	126.6	2007	DDH
SB13	2520734	4679724	416	76.45	2007	DDH
SB14	2520484	4679509	416	147.2	2007	DDH
SB15	2519860	4679069	408	150.25	2007	DDH
SB16	2520759	4679724	422	181.95	2007	DDH
SB17	2519966	4679122	402	135.7	2007	DDH
SB18	2520255	4678645	390	98.2	2007	DDH
CL01	2539790	4679602	140	119	2007	DDH
CL02	2539711	4679671	115	134	2007	DDH



Hole	Easting	Northing	Elevation	Total Depth	Date	Type
CL03	2540535	4680673	115	115	2007	DDH
CL04	2540759	4680578	295	103	2007	DDH
SBR19	2521509	4683311	399	54	2008	RC
SBR20	2521494	4683303	399	84	2008	RC
SBR21	2521503	4683385	399	84	2008	RC
SBD22	2521484	4683282	400	89	2008	DDH
SBR23	2521246	4683502	394	48	2008	RC
SBR24	2521201	4683512	394	64	2008	RC
SBR25	2521158	4683511	393	60	2008	RC
SBR26	2521146	4683453	392	60	2008	RC
SBR27	2521295	4683437	395	60	2008	RC
SBR28	2521482	4683281	400	84	2008	RC
SBR29	2521541	4683280	403	54	2008	RC
SBR30	2521446	4683313	400	72	2008	RC
SBR31	2519187	4683151	421	100	2008	RC
SBR32	2518875	4683034	428	102	2008	RC
SBR33	2518801	4683035	434	72	2008	RC
SBR34	2518476	4682986	447	90	2008	RC
SBR35	2518177	4682955	446	96	2008	RC
SBR36	2517701	4682894	459	76	2008	RC
SBR37	2520804	4683563	401	54	2008	RC



Hole	Easting	Northing	Elevation	Total Depth	Date	Type
SBR38	2520936	4683532	397	60	2008	RC
SBR39	2520976	4683538	395	72	2008	RC
SBR40	2520871	4683566	398	102	2008	RC
SBR41	2520594	4683534	396	78	2008	RC
SBR42	2516438	4677833	472	100	2008	RC
SBR43	2516411	4677753	486.5	60	2008	RC
SBR44	2516458	4677753	473	48	2008	RC
SBR45	2516584	4678141	505	72	2008	RC
SBR46	2516406	4678141	488	78	2008	RC
SBR47	2516489	4678144	500	60	2008	RC
SBRD48	2520870	4683597	398	146.5	2008	RC-DDH
SBD49	2521291	4683527	395	107.3	2008	DDH
SBD50	2521249	4683530	395	93	2008	DDH
SBD51	2521496	4683296	399	80.55	2008	DDH
SBD52	2521066	4683518	394.7	84	2008	DDH
SBRD53	2518199	4683011	443	152.5	2008	RC-DDH
SBRD54	2518793	4683099	428	122.3	2008	RC-DDH
SBD55	2521508	4683304	398.7	56.2	2008	DDH
CHD56	2521296	4683426	398.357	163.7	2011	DDH
CHD57	2521321	4683443	397	84.8	2011	DDH
CHD60	2521296	4683554	395	125.3	2011	DDH



Hole	Easting	Northing	Elevation	Total Depth	Date	Type
CHD58	2521245	4683504	395	68.3	2011	DDH
CHD84	2521271	4683488	395	63.1	2011	DDH
CHD91	2521247	4683550	394	131.3	2011	DDH
CHD88	2521221	4683512	393	58.75	2011	DDH
CHD89	2521197	4683529	393	88	2011	DDH
CHD90	2521146	4683528	394	104.35	2011	DDH
CHD64	2521346	4683513	395	110.2	2011	DDH
CHD72	2520971	4683594	397	160.5	2011	DDH
CHD61	2520971	4683444	394.163	116.1	2011	DDH
CHD71	2520921	4683623	397	158.6	2011	DDH
CHD69	2520871	4683653	397	233.7	2011	DDH
CHD74	2520846	4683584	397	98.6	2011	DDH
CHD75	2520846	4683634	398	145.4	2011	DDH
CHD73	2520796	4683673	397	305.05	2011	DDH
CHD62	2520796	4683622	395.6	152.7	2011	DDH
CHD63	2520671	4683409	397	190.9	2011	DDH
CHD77	2520671	4683670	396	245	2011	DDH
CHD78	2520746	4683594	395	134	2011	DDH
CHD76	2520571	4683586	396	161.8	2011	DDH
CHD86	2520618	4683564	396	123.1	2011	DDH
CHD87	2521026	4683556	394	121.2	2011	DDH



Hole	Easting	Northing	Elevation	Total Depth	Date	Type
CHD85	2520924	4683790	396	142.2	2011	DDH
CHD92	2520532	4683537	385	98.6	2011	DDH
CHD68	2521516	4683220	406.843	143.5	2011	DDH
CHD59	2521478	4683275	403.21	90.8	2011	DDH
CHD80	2521466	4683275	405.246	170.5	2011	DDH
CHD79	2521396	4683297	402	112.4	2011	DDH
CHD81	2521321	4683330	402.523	132	2011	DDH
CHD83	2521396	4683597	393	140.2	2011	DDH
CHD65	2521471	4683579	391	111.3	2011	DDH
CHD82	2521671	4683093	408.763	128.8	2011	DDH
CHD67	2521696	4683499	393	107.2	2011	DDH
CHD66	2521696	4683608	389.6934	114.7	2011	DDH
BTD70	2520670	4683058	403.2145	347.9	2011	DDH
CHD93	2520846	4683674	397	240	2013	DDH
CHD107	2521025	4683627	396	180	2013	DDH
CA_J2	2520986	4683842	403	180	2013	DDH
CHD94	2521069	4683579	393	150	2013	DDH
CHD108	2521071	4683658	395	216	2013	DDH
CHD95	2521113	4683558	393	153	2013	DDH
CC_K1	2521606	4683780	393	175	2013	DDH
CS_A1	2521192	4683395	400	150	2013	DDH



Hole	Easting	Northing	Elevation	Total Depth	Date	Type
CS_D1	2521430	4683124	401	165	2013	DDH
CS_E1	2521452	4683244	401	140	2013	DDH
CS_F1	2521521	4683256	401	120	2013	DDH
LUD103	2518224	4683066	439	237	2013	DDH
LUD105	2518422	4683022	440	32.7	2013	DDH
LUD106	2518422	4683023	440	161.4	2013	DDH
LU_F1	2518293	4683063	438	220	2013	DDH
LUD112	2518336	4683038	438	200	2013	DDH
LUD111	2518716	4683058	436	201	2013	DDH
TRD104	2519739	4683286	406	219	2013	DDH
TRD109	2519563	4683297	410	168	2013	DDH
TR_D1	2520101	4683175	406	260	2013	DDH
TR_A3	2519776	4683151	406	130	2013	DDH
TRD110	2519789	4683286	406	201	2013	DDH
VND96	2516644	4679078	514	147	2013	DDH
VND101	2516749	4679050	500	183	2013	DDH
VND98	2516827	4678803	504	110	2013	DDH
VND99	2516873	4678758	494	90	2013	DDH
VND97	2516449	4679088	523	201	2013	DDH
VND100	2516703	4679109	501	207	2013	DDH
VND102	2516728	4678911	510	171	2013	DDH



Hole	Easting	Northing	Elevation	Total Depth	Date	Type
LUD118	2518655	4683077	437	201	2013	DDH
LUD119	2518121	4683065	444	201	2013	DDH
LUD120	2518837	4683142	426	201	2013	DDH
CHD113	2521192	4683395	400	142.5	2013	DDH
CHD117	2521430	4683124	401	165	2013	DDH
CHD115	2521452	4683244	401	140.8	2013	DDH
CHD116	2521521	4683256	401	120	2013	DDH
VND122	2516778	4678916	510	201	2013	DDH
VND123	2516729	4678859	517	153	2013	DDH
TRD121	2519729	4683135	0	132	2013	DDH
TRD114	2519776	4683151	406	129	2013	DDH



JORC Code Reporting Criteria

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code Explanation	Commentary
SAMPLING TECHNIQUES	<ul style="list-style-type: none"> Nature and quality of sampling (e.g. cut channels, random chips, or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representativity and the appropriate calibration of any measurement tools or systems used. 	<p>Mariana - Sierra Blanca drilling</p> <ul style="list-style-type: none"> Historical drill assay results are reported. Reported downhole assay results are cited from press releases published by Mariana Resources on the AIM (Alternate Investment Market) listed in this announcement under Table 2. <ul style="list-style-type: none"> Drilling was undertaken by ECOMINERA. The drill program was directed by the Argentina Exploration Manager, Dr Gustavo Rodriguez under supervision of Executive Chairman Mr. John Horsburgh. Exploration information was compiled by John Horsburgh who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Horsburgh is a Competent Person as defined in the JORC Code. All technical information for the Company's Argentina projects is obtained and reported under a quality assurance and quality control (QA/QC) program. All samples are collected under the supervision of the Company geologists and dispatched via commercial transport to ALS laboratories in Mendoza, Argentina, and assayed in Santiago de Chile. ALS quality system complies with the requirements for the International Standards ISO 9001:2000 and ISO 17025: 1999. Samples returning greater than 10 g/t gold and/or greater than 100 g/t silver are assayed using gravimetric analyses. Systematic assaying of sample duplicates and commercially prepared standards and blanks is performed for analytical reliability.



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DRILLING TECHNIQUES	<ul style="list-style-type: none"> • Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> • Reverse Circulation (RC) and diamond core
DRILL SAMPLE RECOVERY	<ul style="list-style-type: none"> • Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> • Sample recovery was recorded. • Downhole assay results for holes with poor recovery were not reported by Mariana Resources and were noted in historical press releases.



SECTION 2 REPORTING OF EXPLORATION

Criteria	JORC Code Explanation	Commentary																														
MINERAL TENEMENT AND LAND TENURE STATUS	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area. 	<p>Sierra Blanca</p> <ul style="list-style-type: none"> Argentine subsidiary Sierra Blanca SA holds 100% Interest In the mining properties that make up the Sierra Blanca Project. <table border="1"> <thead> <tr> <th>PROJECT</th> <th>TITLE NAME</th> <th>ID</th> <th>STATUS</th> <th>SIZE (HA)</th> </tr> </thead> <tbody> <tr> <td>Sierra Blanca</td> <td>Sierra Blanca I</td> <td>425.588/IAM/09</td> <td>Exploitation Concession</td> <td>420</td> </tr> <tr> <td></td> <td>Sierra Blanca II</td> <td>422.899/MMA/10</td> <td>Exploitation Concession</td> <td>2250</td> </tr> <tr> <td></td> <td>Sierra Blanca III</td> <td>442.900/MMA/10</td> <td>Exploitation Concession</td> <td>2250</td> </tr> <tr> <td></td> <td>Sierra Blanca IV</td> <td>441.504/SB/19</td> <td>Exploitation Concession</td> <td>1660</td> </tr> <tr> <td></td> <td>Sierra Blanca V</td> <td>423.273/SB/23</td> <td>Exploitation Concession</td> <td>1414</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Sierra Blanca Is free of environmental liabilities and all environmental permits, including prospecting permits, are up to date. The property covers three farming properties (estancias) Los Pirineos, Sierra Blanca and Cerro Leon. <p>Corporate History</p> <ul style="list-style-type: none"> Sierra Blanca was staked in 2004 by IAMGOLD Gold Corporation (IAMGOLD). Shortly after, in 2005 Ma Mariana Resources Limited (Mariana) entered a Joint Venture (JV) with IAMGOLD to earn up to 70% of the project. The JV covered the Sierra Blanca and nearby Cruz del Sur mining properties. Mariana completed three phases of drilling during 2007, 2008 and 2011. In February 2012, Mariana consolidated ownership of Sierra Blanca and acquired the remaining 30% interest from IAMGOLD. During 2017, Mariana was acquired by Sandstorm Gold Limited for US\$175m. Subsequently in May 2018, New Dimension (now Capella Minerals) acquired a 100% interest in the Sierra Blanca from Sandstorm Gold Limited (Sandstorm) for C\$400k in cash or shares and a 2% Net Smelter Return on the project. 	PROJECT	TITLE NAME	ID	STATUS	SIZE (HA)	Sierra Blanca	Sierra Blanca I	425.588/IAM/09	Exploitation Concession	420		Sierra Blanca II	422.899/MMA/10	Exploitation Concession	2250		Sierra Blanca III	442.900/MMA/10	Exploitation Concession	2250		Sierra Blanca IV	441.504/SB/19	Exploitation Concession	1660		Sierra Blanca V	423.273/SB/23	Exploitation Concession	1414
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		<ul style="list-style-type: none"> • During April 2020, Austral Gold entered an agreement* with Capella Minerals to purchase up to an 80% interest in the Sierra Blanca project for USD\$ 800k in cash and work commitments. Currently, Austral Gold hold 54% of the Sierra Blanca project via the company's ownership in Argentine subsidiary Sierra Blanca SA (SBSA). • During October 2020, Capella Minerals entered separate agreements** with IAMGOLD and Sandstorm that provide Sierra Blanca SA with options to acquire one-half of their respective royalties on the Sierra Blanca project. The agreement with IAMGOLD provides SBSA the option to acquire one half (0.75%) of its 1.5% NSR for CAD \$750,000 at any time prior to the commencement of commercial production. • The agreement with Sandstorm provides SBSA the option to acquire one-half (1%) of its existing 2% NSR for CAD \$1,000,000 at any time prior to the commencement of commercial production. <p>*See New Dimension Press Release, 1 April 2022, Austral Gold Announces Acquisition of New Dimension Resources Sierra Blanca Gold-Silver Project in Argentina</p> <p>**See New Dimension Press Release, 13 October 2020, Austral Gold Closes Acquisition of New Dimension's Sierra Blanca Gold-Silver Project</p>
EXPLORATION DONE BY OTHER PARTIES	<ul style="list-style-type: none"> • Acknowledgment and appraisal of exploration by other parties. 	<p>IAMGOLD (2004 to 2005)</p> <ul style="list-style-type: none"> • Landsat hyperspectral clay alteration studies • Reconnaissance rock chip sampling (n=422) <p>Mariana (2004 to 2012)</p> <ul style="list-style-type: none"> • 1:10,000 scale geological mapping, surface sampling • 21.2-line km of pole dipole IP ground geophysics at Chala, Lucila, Trafwe and Vetarron. • 38 trenches for 1022m and 136 drill holes for 17,949m.
GEOLOGY	<ul style="list-style-type: none"> • Deposit type, geological setting and style of mineralisation. 	<p>Regional Geology</p> <ul style="list-style-type: none"> • The Sierra Blanca property is located in the centre of the Deseado Massif geological province of southern Patagonia. • The basement of the Deseado Massif is composed of Cambrian metasediments (La Modesta Fm.) intruded by granitoids and tonalites that are covered by fluvial sediments of Permo-Triassic age (La Juanita and La Golondrina Fms). The older

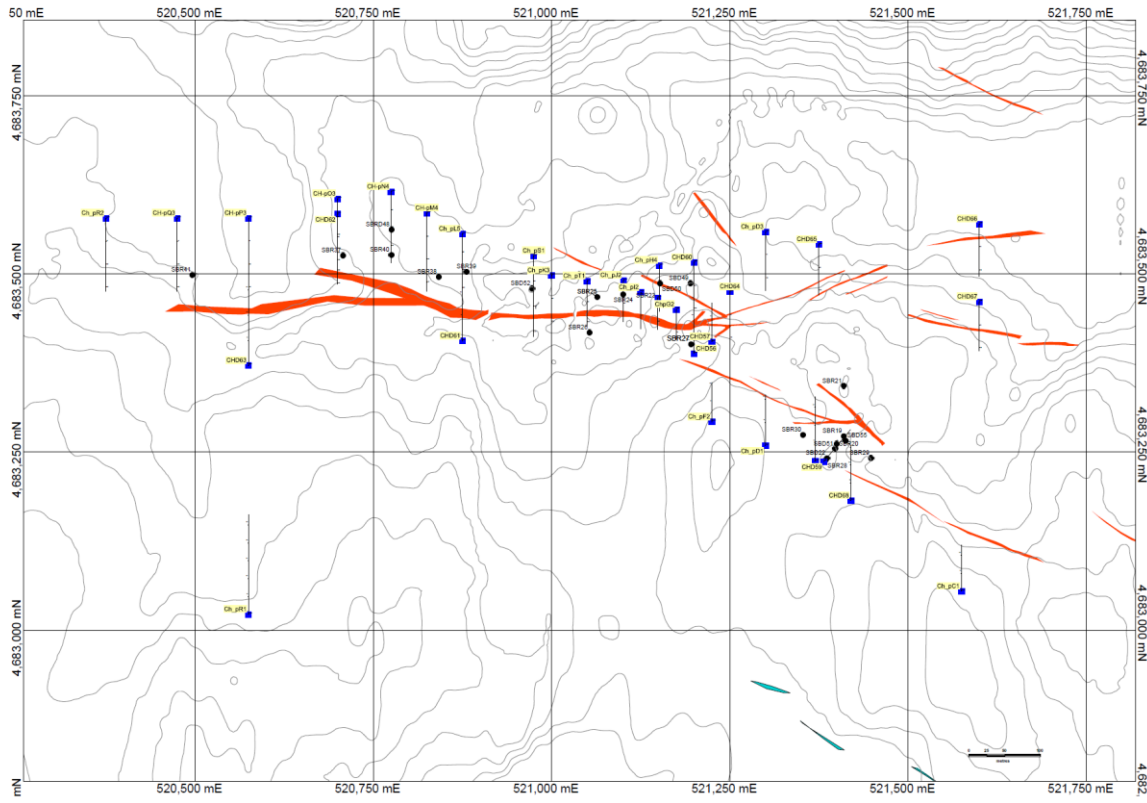


Criteria	JORC Code Explanation	Commentary
		<p>volcanic units of the Group are composed of basalts and andesites of the Bajo Pobre Fm. The Bahia Laura Group lays unconformably on top of this basement forming one of the largest volcanic plateaus of the world (over 25,000 km²). The Chon Aike Fm. rhyolitic and dacitic ignimbrites lay on top, but are partially coeval with the Bajo Pobre Units. Fossil-rich tuffaceous sediments and volcanoclastic rocks of the La Matilde Fm. cover the previous units. The ages of the extensive Bahia Laura Group are between 150 and 170 My. Cretaceous lake sediments cover extensive areas of the Jurassic rocks. Tertiary and Quaternary alkalic basalts pierce the previous units forming cones and flood basalt plateaus. One of the most striking features of Patagonian stratigraphy is that the whole Permian, Mesozoic and Cenozoic volcanic/sedimentary sequence is horizontal. No younger tectonic activity seems to have affected these units other than moving blocks up-and down. Hence, many ancient epithermal systems are fully preserved.</p> <ul style="list-style-type: none"> • The Paleozoic basement rocks are unconformably overlain by continental Triassic sediments of El Tranquilo Formation, covered in angular unconformity by Lower to Middle Jurassic tuff of the Roca Blanca Fm. The second unit is covered and intruded by Jurassic-aged andesitic volcanics of the Bajo Pobre Fm. The pyroclastic lava complex of the Bahia Laura Group composed by Chon Aike (rhyolite ignimbrites) and La Matilde (tuff, tuffites and pelites) Formations, both laterally linked cover the precedent sequence in angular unconformity. The acid volcanism was followed closely in time and space by hydrothermal activity and vein formation. • The Deseado Massif shows a horst and graben tectonic style developed during the Jurassic on the Paleozoic basement in NW direction (Fig. 1). Extensional deformation outlined by NW and N-S regional structures appears to control the locus of Jurassic magmatism and Nullo (1991) suggests a mechanism of E-W transpression followed by NW extension in order to explain half-grabens oriented NW. These deep structures seem to be active also during Tertiary times and continue even today, since alkalic basalts of both ages pierce the Plateau along the same structures. <p>Project Geology</p> <ul style="list-style-type: none"> • Mineralization at Sierra Blanca is epithermal of the low to intermediate sulfidation type and largely vein style (~ 28 km of veins identified), although an important component of disseminated- replacement style has been recently identified at Vetarron and Cerro Bola. Gold-silver mineralization is inferred to be of Middle to Upper Jurassic age emplaced into a sequence of Upper Triassic sediments, predominantly black shales, sandstones and conglomerates (Veta Chala, Tranquilo veins and Lucila) and Middle Jurassic volcanoclastic rocks (Lucila, Vetarron, La Cresta and Cerro Bola). • Lithologies within the project are dominated by continental conglomerates and sandstones of Upper Triassic age (El Tranquilo Fm) to volcanoclastics Middle Jurassic (Roca Blanca Fm) intruded by porphyritic andesite sub-volcanic intrusives. These intrusives are interpreted as Lower to Middle Jurassic Bajo Pobre Fm and importantly have been identified at or close to the mineralized areas Veta Chala, Lucila and Vetarron.



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		<ul style="list-style-type: none"> Rhyolite ignimbrites and associated volcanoclastic rocks of Chon Aike Fm (Middle Jurassic) overly the previous units in the westernmost part of Sierra Blanca (Fig. 2). Rhyolite ignimbrites and associated volcanoclastic rocks of Chon Aike Formation (Middle Jurassic) cover the previous units in the westernmost part of Sierra Blanca. Mineralization styles include veins, disseminated sulphides, stockworks, and breccia-fillings. Grades vary widely throughout the project, from vein-style mineralization ranging from 1 to 25 g/t Au and from 500 to 7,200 g/t Au with disseminated-style mineralization ranging from 0.1 – 0.5 g/t Au & 10 to 80 g/t Ag. The principal sulphide mineral is pyrite with very minor accessory marcasite, galena, sphalerite, chalcopyrite, and silver halides and silver sulphosalts. Gold occurs as minute to coarse native grains in oxidized samples at Veta Chala.
DRILL HOLE INFORMATION	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: Easting and northing of the drill hole collar Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar Dip and azimuth of the hole Down hole length and interception depth Hole length If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> Historical drill holes are provided in Appendix 1 <p>See below plan view of drill holes shown in Figure 6</p>



Criteria	JORC Code Explanation	Commentary
		 <p>The map displays a topographic grid with Easting (mE) and Northing (mN) coordinates. The Easting axis ranges from 50 mE to 521,750 mE, and the Northing axis ranges from 4,682,000 mN to 4,683,750 mN. The map shows contour lines, a grid, and various colored markers (yellow, blue, red) representing data points and geological features. A prominent red line runs horizontally across the middle of the map. A scale bar is located in the bottom right corner.</p>

