

Unico Silver Limited

ABN 34 116 865 546

Half Year Report - 31 December 2023

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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 2023.

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

During the six months to 31 December 2023, the Consolidated entity remained focused on advancing its flagship Cerro Leon project located in the Santa Cruz province (Argentina) and expanding resources.

On 18 May 2023, USL announced a JORC (2012) compliant Mineral Resource Estimate (MRE) for the Cerro Leon project, including the Pinguino and Conserrat districts. Indicated and inferred resources total 16.5 million tonnes at 172gpt silver equivalent (AgEq) for 92 million ounces AgEq reported on a 100% basis. At all prospects, the MRE only considered material within 150 m of the surface at a 50 g/t silver equivalent cut off as the potential target volume for open pit mining. Below this, mineral resources are reported using a 150g/t silver equivalent cut-off. Exploration and resource drilling is planned for Cerro Leon subject to the receipt of Environmental Impact Assessment (EIA) approval and drill permits.

In November 2023, Company paid USD 750,000 to Austral Gold (ASX: AGD) toward second tranche of agreed cash consideration for the 100% acquisition of the Pinguino silver-gold resource in 2023 financial year.

Cerro Leon Silver Gold Project, Santa Cruz

Cerro Leon comprises 18,682 Ha of titles located in the central part of the Santa Cruz province, 130km northwest of port town San Julian. The Cerro Leon project comprises two geologically distinct epithermal vein districts (Pinguino and Conserrat) located 15km apart. Importantly, the project is centered on the same geological and structural trend that is host to the Cerro Vanguardia mine, where historical and current reserves exceed 9 million ounces of gold and 140 million ounces of silver.

Rio Negro Gold Silver Project

USL holds an 80% interest in exploration titles totalling 37,979Ha and 100% interest in titles totalling 235,000Ha located in the Rio Negro province of Argentina prospective for gold and silver deposits. Work was focused on the Parades project (80% USL) where the Company has commenced early-stage exploration, including rock chip and soil sampling.

Cobar Project, New South Wales

USL holds a 100% interest in a 175km² land package over the historic Mount Hope copper gold district located in the Cobar Superbasin, New South Wales. Work was limited to desktop studies, data compilation and regional target generation.

Corporate

Operating results

The loss for the Consolidated entity after providing for income tax and non-controlling interest amounted to \$1,462,413 (31 December 2022: \$2,419,074). Operating expenses for the half year was \$2,333,962, a decrease of \$1,142,817 over the corresponding prior period (2022: \$3,476,779.). This decrease was mainly due to lower exploration activities during the half year.

Net assets have decreased by \$1,320,861 from \$6,671,156 at 30 June 2023 to \$5,350,295 as at 31 December 2023. This was mainly driven by utilisation of the working capital towards exploration and operating activities during the half year.

Significant changes in the state of affairs

There were no 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 2023 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 2024

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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 2023, 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

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

R. P. Burt

R. P. Burt
Director
Melbourne, 14 March 2024

Unico Silver Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023



| | | Consolidated | |
|--|-------------|-------------------------|-------------------------|
| | Note | 31 December 2023 | 31 December 2022 |
| | | \$ | \$ |
| Revenue | | | |
| Investment income | 5 | 240,494 | 813,935 |
| Interest income | | 129,836 | 31,404 |
| Other income | 4 | 481,080 | 33,600 |
| Expenses | | | |
| Administration expenses | | (203,473) | (168,676) |
| Corporate expense | | (416,205) | (533,697) |
| Employment expenses | | (563,153) | (426,264) |
| Exploration expenses | | (818,580) | (2,146,903) |
| Finance costs | 6 | (332,551) | (201,239) |
| Loss before income tax expense | | (1,482,552) | (2,597,840) |
| Income tax expense | | - | - |
| Loss after income tax expense for the half-year | | (1,482,552) | (2,597,840) |
| Other comprehensive loss | | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | |
| Foreign currency translation | | (84,074) | (5,704) |
| Other comprehensive loss for the half-year, net of tax | | (84,074) | (5,704) |
| Total comprehensive loss for the half-year | | (1,566,626) | (2,603,544) |
| Loss for the half-year is attributable to: | | | |
| Non-controlling interest | | (20,139) | (178,766) |
| Owners of Unico Silver Limited | | (1,462,413) | (2,419,074) |
| | | (1,482,552) | (2,597,840) |
| Total comprehensive loss for the half-year is attributable to: | | | |
| Non-controlling interest | | 20,442 | (176,407) |
| Owners of Unico Silver Limited | | (1,587,068) | (2,427,137) |
| | | (1,566,626) | (2,603,544) |
| | | Cents | Cents |
| Basic earnings/(loss) per share | 10 | (0.73) | (1.21) |
| Diluted earnings/(loss) per share | 10 | (0.73) | (1.21) |

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 2023



Assets

Current assets

| | Note | Consolidated 31 December 2023 \$ | 30 June 2023 \$ |
|--------------------------------|------|---|--------------------|
| Cash and cash equivalents | | 6,171,628 | 8,532,275 |
| GST, VAT and other receivables | | 76,852 | 112,806 |
| Prepayments | | 42,711 | 76,788 |
| Total current assets | | <u>6,291,191</u> | <u>8,721,869</u> |

Non-current assets

| | | | |
|---------------------------------|--|------------------|------------------|
| Property, plant and equipment | | 1,460,612 | 1,510,070 |
| Right-of-use assets | | - | 152,239 |
| Security deposits | | 62,604 | 62,604 |
| Total non-current assets | | <u>1,523,216</u> | <u>1,724,913</u> |

Total assets

7,814,407 10,446,782

Liabilities

Current liabilities

| | | | |
|----------------------------------|---|------------------|------------------|
| Trade and other payables | 7 | 120,330 | 289,499 |
| Lease liabilities | | - | 47,779 |
| Employee benefits | | 54,483 | 67,846 |
| Deferred consideration | 8 | 1,021,882 | 1,071,434 |
| Total current liabilities | | <u>1,196,695</u> | <u>1,476,558</u> |

Non-current liabilities

| | | | |
|--------------------------------------|---|------------------|------------------|
| Lease liabilities | | - | 123,447 |
| Employee benefits | | 28,984 | 21,823 |
| Deferred consideration | 8 | 1,238,433 | 2,153,798 |
| Total non-current liabilities | | <u>1,267,417</u> | <u>2,299,068</u> |

Total liabilities

2,464,112 3,775,626

Net assets

5,350,295 6,671,156

Equity

| | | | |
|---|---|--------------|--------------|
| Issued capital | 9 | 49,774,020 | 49,774,020 |
| Reserves | | 2,195,527 | 2,199,486 |
| Accumulated losses | | (43,271,446) | (41,934,102) |
| Equity attributable to the owners of Unico Silver Limited | | 8,698,101 | 10,039,404 |
| Non-controlling interest | | (3,347,806) | (3,368,248) |

Total equity

5,350,295 6,671,156

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 2023



| Consolidated | Issued capital \$ | Shared based payment reserve \$ | Foreign currency translation reserve \$ | Accumulated losses \$ | Non-controlling interest \$ | Total equity \$ |
|---|-----------------------------|---|---|---------------------------------|---------------------------------------|---------------------------|
| Balance at 1 July 2022 | 37,270,397 | 727,400 | (73,728) | (24,268,964) | (3,111,739) | 10,543,366 |
| Loss after income tax expense for the half-year | - | - | - | (2,419,074) | (178,766) | (2,597,840) |
| Other comprehensive income/(loss) for the half-year, net of tax | - | - | (8,063) | - | 2,359 | (5,704) |
| Total comprehensive loss for the half-year | - | - | (8,063) | (2,419,074) | (176,407) | (2,603,544) |
| Share based payment expense | - | 271,948 | - | - | - | 271,948 |
| Balance at 31 December 2022 | <u>37,270,397</u> | <u>999,348</u> | <u>(81,791)</u> | <u>(26,688,038)</u> | <u>(3,288,146)</u> | <u>8,211,770</u> |

| Consolidated | Issued capital \$ | Shared based payment reserve \$ | Foreign currency translation 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>(43,271,446)</u> | <u>(3,347,806)</u> | <u>5,350,295</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 2023



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| Note | Consolidated | |
|---|--------------------|--------------------|
| | 31 December 2023 | 31 December 2022 |
| | \$ | \$ |
| Cash flows from operating activities | | |
| | (1,987,387) | (3,236,323) |
| | 129,836 | 31,404 |
| 4 | 481,080 | 26,400 |
| | <u>(1,376,471)</u> | <u>(3,178,519)</u> |
| Cash flows from investing activities | | |
| | 240,494 | 813,936 |
| | (1,142,519) | - |
| | <u>(902,025)</u> | <u>813,936</u> |
| Cash flows from financing activities | | |
| | (27,236) | (25,486) |
| | <u>(27,236)</u> | <u>(25,486)</u> |
| | (2,305,732) | (2,390,069) |
| | 8,532,275 | 10,678,145 |
| | (54,915) | (48,232) |
| | <u>6,171,628</u> | <u>8,239,844</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 2024.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 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 2023 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.

| Consolidated - 31 December 2023 | Argentina \$ | Australia \$ | Total \$ |
|--|-------------------------|-------------------------|---------------------|
| 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> |
| Assets | | | |
| <i>Unallocated assets:</i> | | | |
| Cash and cash equivalents | | | 6,171,628 |
| GST, VAT and other receivables | | | 76,852 |
| Other current assets | | | 42,711 |
| Non-current assets | | | <u>1,523,216</u> |
| Total assets | | | <u>7,814,407</u> |
| Liabilities | | | |
| <i>Unallocated liabilities:</i> | | | |
| Trade and other payables | | | 120,330 |
| Employee benefits | | | 83,467 |
| Deferred consideration liability | | | <u>2,260,315</u> |
| Total liabilities | | | <u>2,464,112</u> |

Note 3. Operating segments (continued)

| | Argentina \$ | Australia \$ | Total \$ |
|--|--------------------|------------------|--------------------|
| Consolidated - 31 December 2022 | | | |
| Investment income | 813,935 | - | 813,935 |
| Other income | 22,844 | 42,160 | 65,004 |
| Administration expenses | (45,950) | (122,726) | (168,676) |
| Corporate expenses | (194,305) | (339,392) | (533,697) |
| Employment expenses | (59,657) | (366,607) | (426,264) |
| Finance costs | (23,228) | (178,011) | (201,239) |
| Exploration expense | (2,138,385) | (8,518) | (2,146,903) |
| Loss before income tax expense | <u>(1,624,746)</u> | <u>(973,094)</u> | <u>(2,597,840)</u> |
| Income tax expense | | | - |
| Loss after income tax expense | | | <u>(2,597,840)</u> |
| Consolidated - 30 June 2023 | | | |
| Assets | | | |
| <i>Unallocated assets:</i> | | | |
| Cash and cash equivalents | | | 8,532,275 |
| GST, VAT and other receivables | | | 112,806 |
| Other current assets | | | 76,788 |
| Non-current assets | | | <u>1,724,913</u> |
| Total assets | | | <u>10,446,782</u> |
| Liabilities | | | |
| <i>Unallocated liabilities:</i> | | | |
| Trade and other payables | | | 289,499 |
| Employee benefits | | | 89,669 |
| Deferred consideration liability | | | 3,225,232 |
| Lease liabilities | | | <u>171,226</u> |
| Total liabilities | | | <u>3,775,626</u> |

Note 4. Other income

| | Consolidated | |
|----------------------|-------------------------|-------------------------|
| | 31 December 2023 | 31 December 2022 |
| | \$ | \$ |
| VAT refunds | 464,556 | - |
| Miscellaneous income | 16,524 | 33,600 |
| | <u>481,080</u> | <u>33,600</u> |
| Other income | <u>481,080</u> | <u>33,600</u> |

VAT refunds represents 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.

Note 5. Investment income

| | Consolidated | |
|-----------------|-------------------------|-------------------------|
| | 31 December 2023 | 31 December 2022 |
| | \$ | \$ |
| Gain from bonds | <u>240,494</u> | <u>813,935</u> |

The gain from bonds relates to gain from the sale of Argentine CCL bonds which were acquired for the purpose of selling in the short term. The bonds were acquired in US Dollars and liquidated in Argentine Peso as part of transferring the operating working capital to the Group's Argentine subsidiary for exploration activities.

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 2023 (30 June 2023: \$nil).

Note 6. Finance costs

| | Consolidated | |
|--|-------------------------|-------------------------|
| | 31 December 2023 | 31 December 2022 |
| | \$ | \$ |
| Foreign exchange losses | 183,055 | 201,239 |
| Interest expense- unwinding of discount on deferred consideration liability (note 8) | 149,496 | - |
| | <u>332,551</u> | <u>201,239</u> |
| | <u>332,551</u> | <u>201,239</u> |

Note 7. Trade and other payables

| | Consolidated | |
|----------------|---------------------|---------------------|
| | 31 December | 30 June 2023 |
| | 2023 | 2023 |
| | \$ | \$ |
| Trade payables | 74,795 | 76,521 |
| Accruals | 28,190 | 47,879 |
| Other payables | 17,345 | 165,099 |
| | <u>120,330</u> | <u>289,499</u> |

Note 8. Deferred consideration

| | Consolidated | |
|-------------------------------------|---------------------|---------------------|
| | 31 December | 30 June 2023 |
| | 2023 | 2023 |
| | \$ | \$ |
| Current liabilities | | |
| Deferred cash consideration payable | 1,021,882 | 1,071,434 |
| Non-current liabilities | | |
| Deferred cash consideration payable | 1,238,433 | 2,153,798 |
| | <u>2,260,315</u> | <u>3,225,232</u> |

Reconciliation

Reconciliation of the fair values are set out below:

| | Consolidated | |
|---|---------------------|---------------------|
| | 31 December | 30 June 2023 |
| | 2023 | 2023 |
| | \$ | \$ |
| <i>Deferred cash consideration payable- current</i> | | |
| Carrying balance at the start of the period | 1,071,434 | - |
| Value on the acquisition date | - | 1,037,532 |
| Payment of deferred consideration | (1,142,519) | - |
| Unwinding of discount | 91,190 | 33,902 |
| Realised exchange loss | 28,106 | - |
| Transfer from non-current portion | 973,671 | - |
| Total deferred cash consideration payable- current | <u>1,021,882</u> | <u>1,071,434</u> |
| <i>Deferred cash consideration payable- non-current</i> | | |
| Carrying balance at the start of the period | 2,153,798 | - |
| Value on the acquisition date | - | 2,086,498 |
| Unwinding of discount | 58,306 | 67,300 |
| Transfer to current portion | (973,671) | - |
| Total deferred cash consideration payable- non-current | <u>1,238,433</u> | <u>2,153,798</u> |
| Carrying balance at the end of the period | <u>2,260,315</u> | <u>3,225,232</u> |

Deferred consideration liabilities relates to the acquisition of SCRN Properties Ltd during 2023 financial year. The payment of \$1,142,519 during the period ended 31 December 2023 represents US\$750,000 that was due on the first anniversary of Share Sales Agreement.

Note 9. Issued capital

| | Consolidated | | | |
|------------------------------|--|--------------------------------|------------------------------------|----------------------------|
| | 31 December 2023 Shares | 30 June 2023 Shares | 31 December 2023 \$ | 30 June 2023 \$ |
| Ordinary shares - fully paid | <u>199,132,323</u> | <u>199,132,323</u> | <u>49,774,020</u> | <u>49,774,020</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 10. Earnings per share

| | Consolidated | |
|---|------------------------------------|------------------------------------|
| | 31 December 2023 \$ | 31 December 2022 \$ |
| Loss after income tax | (1,482,552) | (2,597,840) |
| Non-controlling interest | <u>20,139</u> | <u>178,766</u> |
| Loss after income tax attributable to the owners of Unico Silver Limited | <u>(1,462,413)</u> | <u>(2,419,074)</u> |
| | Number | Number |
| Weighted average number of ordinary shares used in calculating basic earnings per share | <u>199,132,323</u> | <u>199,132,323</u> |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | <u>199,132,323</u> | <u>199,132,323</u> |
| | Cents | Cents |
| Basic earnings/(loss) per share | (0.73) | (1.21) |
| Diluted earnings/(loss) per share | (0.73) | (1.21) |

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 11. Share-based payments

Share based payments expense during the period is \$245,765 (31 December 2023: \$271,948) which relates to performance rights and options issued to KMP and other employees of the Company.

Options

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

31 December 2023

| Grant date | Expiry date | Exercise price | Balance at the start of the period | Granted | Exercised | Lapsed | Balance at the end of the period |
|---------------------------------|-------------|----------------|------------------------------------|-----------|-----------|-----------|----------------------------------|
| 18/02/2021 | 17/02/2024 | \$0.580 | 1,570,000 | - | - | (370,000) | 1,200,000 |
| 01/11/2021 | 01/11/2024 | \$0.369 | 2,000,000 | - | - | - | 2,000,000 |
| 21/02/2022 | 21/02/2025 | \$0.343 | 1,550,000 | - | - | (250,000) | 1,300,000 |
| 21/02/2022 | 21/02/2025 | \$0.383 | 250,000 | - | - | - | 250,000 |
| 01/06/2022 | 01/06/2024 | \$0.300 | 2,500,000 | - | - | - | 2,500,000 |
| 01/03/2023 | 01/06/2026 | \$0.260 | 15,000,000 | - | - | - | 15,000,000 |
| 02/03/2023 | 02/03/2026 | \$0.207 | 2,050,000 | - | - | (250,000) | 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 |
| | | | 27,920,000 | 5,000,000 | - | (870,000) | 32,050,000 |
| Options vested and exercisable | | | 27,920,000 | 2,000,000 | - | (870,000) | 29,050,000 |
| Weighted average exercise price | | | \$0.292 | \$0.136 | \$0.000 | \$0.405 | \$0.265 |

The company has 27,199,841 free attaching options as at 31 December 2023, that are not included in the above table as they are not considered share-based payments under AASB 2 *Share-Based Payment*. During the half-year ended 31 December 2023, no free attaching options have been exercised.

On 28 November 2023, 5,000,000 options with an exercise price of \$0.136 per option and 3-year expiry period were issued to Todd Williams, Managing Director, with the following conditions:

| Tranche | Number of Options | Vesting date | Vesting conditions |
|-----------|-------------------|------------------|---|
| Tranche-1 | 2,000,000 | 28 November 2023 | Vest immediately. |
| Tranche-2 | 1,500,000 | 28 November 2024 | Continuous employment or otherwise engaged by the Unico Silver Limited for a period of 12 months. |
| Tranche-3 | 1,500,000 | 28 November 2025 | Continuous employment or otherwise engaged by Unico Silver Limited for a period of 24 months. |

The options granted were fair valued at \$249,500 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 |
|------------|-------------|---------------------------|----------------|---------------------|----------------|-------------------------|--------------------------|
| 28/11/2023 | 28/11/2026 | \$0.100 | \$0.136 | 85.58% | - | 4.12% | \$0.049 |

For these options, a vesting charge of \$109,928 was recognised in the share-based payment expense for half-year ended 31 December 2023.

Note 11. Share-based payments (continued)

Performance rights

Set out below are summaries of options the performance rights granted to Todd Williams, Managing Director:

| Grant date | Expiry date | Exercise price | Balance at the start of the period | Granted | Exercised | Lapsed | Balance at the end of the period |
|------------|-------------|----------------|------------------------------------|-----------|-----------|--------|----------------------------------|
| 28/11/2023 | 28/11/2026 | - | - | 4,000,000 | - | - | 4,000,000 |

During the period, the Company issued 4,000,000 performance rights to Mr Todd Williams, Managing Director, over 2 tranches of 2,000,000 performance rights each with various vesting conditions relating to the performance hurdles. The fair value of the performance rights was determined using the Black Scholes option pricing model using the following inputs:

| | |
|---|------------------|
| Number of performance rights granted | 4,000,000 |
| Grant date | 28 November 2023 |
| Expiry date | 28 November 2026 |
| Weighted average share price at date of grant (\$) | \$0.10 |
| Weighted average exercise price (\$) | - |
| Weighted average volatility % | 90% |
| Weighted average risk-free rate % | 4.16% |
| Vesting conditions | Note 1 |
| Probability of non-market performance condition occurring | 100% |
| Fair value per performance right \$ | \$0.10 |
| Fair value of performance right \$ | \$400,000 |

Note 1

| Tranche | Vesting conditions | No. of Performance Rights |
|------------|---|---------------------------|
| Tranche -1 | <ul style="list-style-type: none"> Announcement by the company of the delineation of a Mineral Resources Estimate of at least 150 million silver equivalent ounces (Above 50gpt AgEq cut off) Continuous employment | 2,000,000 |
| Tranche -2 | <ul style="list-style-type: none"> 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) Continuous employment | 2,000,000 |

For the above performance rights, a vesting charge of \$58,748 was recognised in the share-based payment expense for half-year ended 31 December 2023. As at 31 December 2023, nil performance rights is vested and exercised.

Note 12. Contingent liabilities

The group had no material contingent liabilities as at the date of this report (31 December 2022: nil)

Note 13. Events after the reporting period

No matter or circumstance has arisen since 31 December 2023 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 2023 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



Todd Williams
Managing Director

14 March 2024

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 (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 2023 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 2023,
- the consolidated statement of comprehensive income/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 a 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.

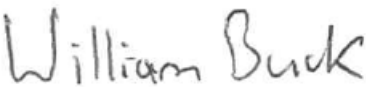
Responsibilities of the directors for the financial report

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 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 2023 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 2024