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# Acquisition of Joaquin Silver District

## Final Critical Piece of Regional Consolidation: Focus Turns to Growth and Exploration

Unico Silver Limited ("**USL**" or **the "Company"**) is pleased to announce the entry into a binding letter of intent ("LOI") in respect of a proposed transaction to acquire a 100% interest in the Joaquin and Cerro Puntudo projects from global major, Pan American Silver Corp (NYSE: PAAS). The proposed transaction is subject to entering into definitive legal agreements between PAAS and USL, which are in substantially agreed form, and is conditional upon the receipt of all required approvals or consents, which are expected to be satisfied before end of September 2024.

## HIGHLIGHTS

- **100% acquisition of two contiguous properties (Joaquin and Cerro Puntudo) totalling 35,946Ha.**
- **Joaquin contains a historical Foreign Estimate[1] of 16.7Mt at 136gpt silver equivalent (AgEq[2]) for 73Moz AgEq (68Moz Ag, 64koz Au) in the La Negra and La Morocha deposits.**
- **Strategically located 60km west of USL's 91Moz AgEq Cerro Leon resource[3] and portfolio, enhancing future development options, with added scale and economics.**
- **Historical Foreign Estimates exclude adjacent Cerro Puntudo mineral properties which host the along strike extensions of the La Negra and La Morocha deposits.**
- **USL is planning a comprehensive exploration program on four advanced prospects, aiming to boost current Foreign Estimates and publish a maiden JORC (2012) MRE.**
- **Historical drill holes that fall outside the current resource:**
    - La Negra Feeder: **4.5m at 1699gpt Ag, 22gpt Au** from 272m
    - La Negra Extension: **3m at 2723gpt Ag, 4.1gpt Au** from 54m
    - La Morocha Extension**: 8m at 226gpt Ag, 0.5gpt Au** from 189m
- **Cerro Puntudo is host to numerous vein targets (Brunilda, La Esmeralda, Isabella) with high silver gold values at surface that are untested by drilling.**
- **The transaction includes camp infrastructure and a mining and access agreement valid until 2034.**
- **Upfront acquisition costs of USD$2m funded from existing cash reserves, with future payments of USD$2m on publication of a Feasibility Study[4] and USD$8m on first production.**

Source

[1] Coeur D'Alene Mines Corporation, Technical Report NI 43-101, February 2013, Joaquin Project, Santa Cruz Argentina
[2] AgEq = Ag (g/t) + 79.18 x Au (g/t) where: silver price is $23.5/oz and recovery is 95%, gold price is $1964/oz
[3] ASX Announcement, Unico Silver, 18 May 2023, Cerro Leon silver resource grows 84% to 92 million silver equivalent ounces.
[4] Equivalent to a JORC (2012) Scoping Study or NI-43 101 Preliminary Economic Assessment

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**Managing Director, Todd Williams:** ***"The acquisition of Joaquin is a watershed moment for Unico Silver and brings into the portfolio a large open pittable silver resource on a permitted mining lease. The combination of Joaquin and Cerro Puntudo is a unique part of the transaction which sees 100% ownership of this emerging silver district into a single junior for the first time. The acquisition elevates USL into a unique global peer group with a clear pathway to +200Moz silver equivalent resource in pro-mining province. We look forward to shifting our focus from regional consolidation to exploration and advancing Joaquin to a maiden JORC compliant resource."***

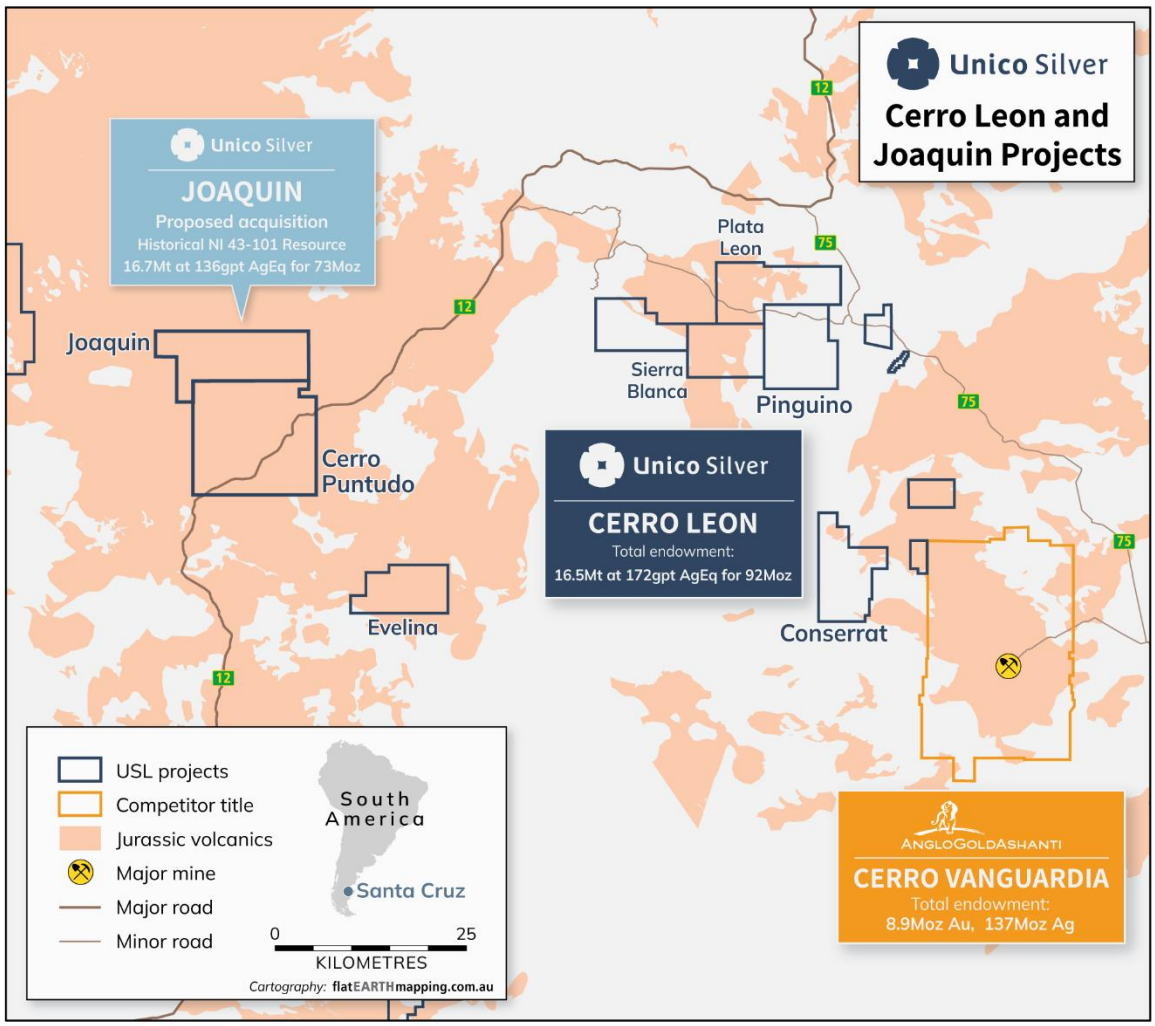


**Figure 1: Joaquin and Cerro Puntudo project location**

Cautionary Statement

(a) The Foreign Estimate of mineralisation included in this announcement is not compliant with the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (2012 JORC Code) and is a "Foreign Estimate"

(b) An independent resource consulting group NCL Ingenieria y Construccion Ltda. was commissioned by Coeur D'Alene Mines Corporation to prepare an independent Technical Report on the Joaquin Project suitable for reporting purpose under the standards of NI 43-101.

(c) A Competent Person (under ASX Listing Rules) has not yet done sufficient work to classify the Foreign Estimate as Mineral Resources or Ore Reserves in accordance with the 2012 JORC Code.

(d) It is uncertain that following evaluation and/or further exploration work that the foreign estimates will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code 2012.

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## Transaction Overview

USL is pleased to announce that it has signed a binding LOI with Pan American Silver Corp. (**"PAAS"**) (and its Argentine subsidiary Minera Triton SA) for the proposed acquisition of the issued capital in Minera Joaquin SA (**"MJSA"**). MJSA holds 100% interest in the Joaquin mining properties.

Under the terms of the proposed transaction, USL will also acquire 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.

## Strategically Located

The Project is located within the central Deseado Massif geological province and is centred 60 km west of Cerro Leon with both projects connected via public Route 12 and 75 (Figure 1).

**The acquisition of the Joaquin Project forms part of a broader consolidation strategy that has seen USL move to 100% ownership of five projects formerly held by two major mining companies (PAAS and Yamana) and three junior companies, forming the building blocks of a unique camp-scale portfolio within the world-class Santa Cruz precious metal province.** The proximity of Joaquin and Cerro Leon is strategic and adds optionality and robustness to possible future development options.

## Consolidation of a Silver District Historically Divided by a Tenement Boundary

The combined Joaquin and Cerro Puntudo mineral titles cover a single epithermal vein system with measured dimensions of 10 km north-south by 12 km east-west (Figure 2). **Upon closing this transaction, USL will be the first junior company to consolidate 100% ownership of this underexplored silver district.**

**The Joaquin mineral titles have a historical Foreign Estimate of 16.7Mt at 136 AgEq for 73Moz AgEq (Table 1) which is estimated for the northern part of the epithermal vein system (at La Morocha and La Negra) and excludes the along strike extension that continues south into Cerro Puntudo for 750m strike.**

Mineralisation was first discovered in 2004 and the district was explored as two separate projects. To the north, Joaquin was explored by Coeur Mining (**Coeur**), through a Joint Venture with Mirasol Resources (**Mirasol**), and to the south, Cerro Puntudo was controlled 100% by Extorre Gold Mines (**Extorre**) and explored intermittently.

During 2009, exploration drilling by Coeur defined significant silver mineralisation at La Negra and La Morocha prospects[5-6]. Mineralisation was open to the southeast and drilling by Extorre during 2011 to 2012 demonstrated that mineralisation at La Morocha and La Negra continues for up to 750m strike into Cerro Puntudo project[7].

**During late 2012, Coeur acquired from Mirasol, the 49% interest in Joaquin it did not own for USD$60m, consolidating ownership of the project[8].** At the same time, Yamana Gold Inc. (**Yamana**) acquired Extorre for C$414 million to develop the Cerro Moro silver-gold resource located 200km west of Cerro Puntudo[9].

In 2013, Coeur declared a foreign resource estimate for Joaquin prepared in accordance with Canadian Securities Administrators' National Instrument 43-101 (NI 43-101) (see Table 1).

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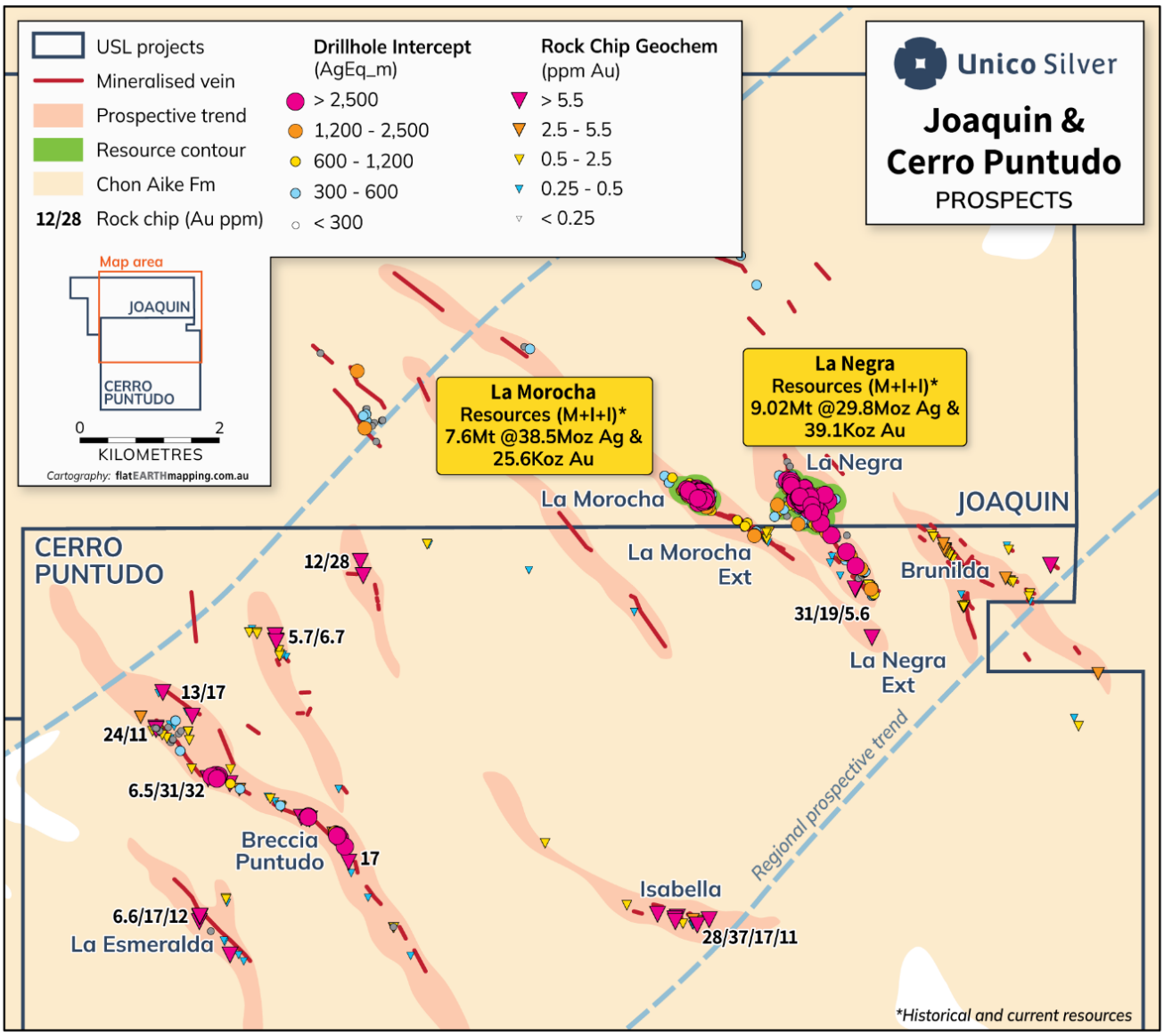


**Figure 2: Joaquin project mineral resources and regional exploration targets**

The project was put on hold until 2017 when it was sold to PAAS, with the principal focus of developing a selective underground mining operation to truck high-grade silver mineralisation from La Morocha 145km to the Manantial Espejo mine. PAAS published a feasibility study January 2018 and a maiden underground Reserve (0.47Mt at 721gpt Ag for 11Moz Ag) in accordance with NI-43-101[10].

Mining commenced from the La Morocha underground late 2019 and continued through to 2022. Historical production figures as according to PAAS are shown in Table 2 and totalled 0.33Mt at 410gpt for 4.3Moz Ag. Mining was suspended when the Manantial Espejo mining complex was put into care and maintenance.

Later during March 2023, PAAS concluded the acquisition of Yamana[11] and assumed ownership of certain properties formerly held by Extorre Gold Mines, including Cerro Puntudo.

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Source

[5] Mirasol Resource, Press Release, 2 March 2009, Encouraging Silver-Gold Results from Drilling at Mirasol's Joaquin Project; [6] Mirasol Resource, Press Release, 13 July 2009, New Drill Results Extend Morocha Silver Zone at Joaquin Project; [7] Extorre Gold Mines, Press Release, 1 June 2011, Extorre Announces a Silver-Gold Discovery at its Puntudo Project in Western Santa Cruz Province, Argentina; [8] Mirasol Press Release, 11 December 2012, Mirasol Agrees to Sell its Interest in the Joaquin Silver-Gold Project to Coeur d'Alene Mines; [9] Yamana Gold Inc., Press Release, 18 June 2012, Yamana Builds on its Development Pipeline With Acquisition of Extorre; [10] Pan American Silver, Technical Report and Feasibility Study, January 2018, Joaquin Property; 11 Press Release, 31 March 2023, Pan American Silver completes acquisition of Yamana Gold

**Table 1: Joaquin Project – Historical Foreign Estimate as of February 2013**

| Resource Category | Tonnes (Mt) | Ag (gpt) | Au (gpt) | Ag (Moz) | Au (Koz) | AgEq (gpt) | AgEq (Moz) |
|---|---|---|---|---|---|---|---|
| M&I | 15.7 | 128 | 0.12 | 65.2 | 61.1 | 138 | 70.1 |
| Inferred | 1 | 100 | 0.12 | 3.1 | 3.7 | 110 | 3.3 |
| **Total** | **16.7** | **126** | **0.12** | **68.3** | **64.2** | **136** | **73.4** |

**Table 2: Joaquin Project – Historical Production 2019 to 2022**

| Resource Category | Tonnes (Mt) | Ag (gpt) | Au (gpt) | Ag (Moz) | Au (Koz) | AgEq (gpt) | AgEq (Moz) |
|---|---|---|---|---|---|---|---|
| Depletion | 0.33 | 410 | 0.14 | 4.3 | 1.5 | 421 | 4.5 |
| **Total** | **0.33** | **410** | **0.14** | **4.3** | **1.5** | **421** | **4.5** |

Pursuant to the requirements of ASX Listing Rule 5.12 USL provides the following information in relation to the foreign estimates contained in this announcement in respect of the Joaquin Project:

1. The foreign estimate is sourced from a technical report on the Joaquin Project from NCL Ingenieria y Construccion Ltda, which was prepared for Coeur D'Alene Mines Corporation on 15 February 2013.

2.The foreign estimate uses categories of mineralization of inferred, indicated and measured resources, which are the same categories as in the JORC code.

3.These foreign estimates relate to the Joaquin Project, which USL has entered into the SPA to acquire. The acquisition is considered material to USL. The Joaquin Project is complementary to ULS's existing Cerro Leon Project and is anticipated to provide an accelerated pathway to critical mass and resource development.

4-5. Detail on the reliability of the foreign estimate, including a summary of the work programs on which the foreign estimate is based and a summary of the key assumptions, mining and processing parameters and methods used to prepare the foreign estimate, are summarised in the JORC Table in Appendix A

6.Limited confirmatory drilling has been completed by Pan American Silver since the February 2013 foreign estimate and the Company does not have access to any other recent estimates or data relevant to the reported mineralisation.

7.It is anticipated that desktop studies, database audit and a field review will be required to verify the foreign estimate as a mineral resource under the JORC Code. This work will be funded out of existing cash reserves and is anticipated to be completed within 6 months of closing the transaction.

8.Cautionary Statement

(a) The Foreign Estimate of mineralisation included in this announcement is not compliant with the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (2012 JORC Code) and is a "Foreign Estimate"

(b) An independent resource consulting group NCL Ingenieria y Construccion Ltda. was commissioned by Coeur D'Alene Mines Corporation to prepare an independent Technical Report on the Joaquin Project suitable for reporting purpose under the standards of NI 43-101.

(c) A Competent Person (under ASX Listing Rules) has not yet done sufficient work to classify the Foreign Estimate as Mineral Resources or Ore Reserves in accordance with the 2012 JORC Code.

(d) It is uncertain that following evaluation and/or further exploration work that the foreign estimates will be able to be reported as mineral resources or ore reserves in accordance with the JORC Code 2012.

9.A Competent Person's statement is located at the end of this announcement.

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**Table 3: Cerro Leon Mineral Resource Estimate**

| Category | Tonnes | AgEq (gpt) | AgEq (Moz) | Ag (gpt) | Au (gpt) | 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.

**Table 4: Joaquin Project - Significant drill holes**

| Property | Hole ID | Statement | GT (AgEq*m) | East (UTM19s) | North (UTM19s) | RL | Dip | Azi |
|---|---|---|---|---|---|---|---|---|
| Joaquin | DDJ-252 | 17.7m at 0.9gpt Au, 3087gpt Ag from 10m | 55,879 | 2458439 | 4677624 | 887 | -84 | 245 |
| | DDJ-277 | 33.7m at 0.5gpt Au, 1311gpt Ag from 130.6m | 45,461 | 2457176 | 4677480 | 811 | -89 | 351 |
| | DDJ-058 | 7.2m at 0.6gpt Au, 4627gpt Ag from 23m | 33,646 | 2458433 | 4677661 | 881 | -43 | 236 |
| | DDJ-043 | 21.3m at 0.2gpt Au, 1363gpt Ag from 18m | 29,437 | 2458441 | 4677626 | 883 | -47 | 234 |
| | DDJ-367 | 27.2m at 900gpt Ag from 82.5m | 24,761 | 2457014 | 4677509 | 851 | -78 | 212 |
| | DDJ-386 | 36.7m at 0.1gpt Au, 651gpt Ag from 125.6m | 24,332 | 2457103 | 4677546 | 809 | -88 | 43 |
| | DDJ-366 | 26.4m at 0.3gpt Au, 772gpt Ag from 148.55m | 21,107 | 2457161 | 4677497 | 808 | -58 | 214 |
| | DDJ-132 | 12m at 0.2gpt Au, 1619gpt Ag from 59.92m | 19,751 | 2458849 | 4677250 | 863 | -55 | 233 |
| | DDJ-271 | 16.5m at 0.3gpt Au, 1066gpt Ag from 145.5m | 17,985 | 2457123 | 4677551 | 788 | -89 | 55 |
| | DDJ-357 | 31.4m at 0.4gpt Au, 489gpt Ag from 143.6m | 16,359 | 2457197 | 4677502 | 794 | -81 | 210 |
| | DDJ-364 | 38.5m at 399gpt Ag from 95.5m | 15,593 | 2457045 | 4677525 | 855 | -50 | 212 |
| | DDJ-117 | 4.5m at 22.3gpt Au, 1699gpt Ag from 272.5m | 15,174 | 2458568 | 4677418 | 682 | -55 | 234 |
| | DDJ-368 | 19m at 0.7gpt Au, 650gpt Ag from 174m | 13,376 | 2457194 | 4677541 | 761 | -80 | 210 |
| | DDJ-156 | 6m at 0.79gpt Au, 2117gpt Ag from 31.5m | 13,062 | 2458430 | 4677646 | 871 | -53 | 235 |
| | DDJ-267 | 22m at 0.18gpt Au, 512gpt Ag from 86m | 11,594 | 2457064 | 4677495 | 858 | -89 | 182 |
| | DDJ-374 | 14.7m at 0.09gpt Au, 706gpt Ag from 119.6m | 10,496 | 2457188 | 4677453 | 826 | -68 | 216 |
| | DDJ-405 | 16.1m at 0.32gpt Au, 593gpt Ag from 10m | 9,968 | 2458458 | 4677607 | 886 | -61 | 235 |
| | DDJ-253 | 39m at 0.19gpt Au, 239gpt Ag from 133m | 9,906 | 2457135 | 4677538 | 802 | -90 | 0 |
| | DDJ-282 | 41m at 0.03gpt Au, 237gpt Ag from 78m | 9,881 | 2457025 | 4677523 | 856 | -89 | 54 |
| | DDJ-276 | 16m at 0.08gpt Au, 560gpt Ag from 99m | 9,072 | 2456937 | 4677572 | 826 | -89 | 54 |
| | DDJ-375 | 15.8m at 0.05gpt Au, 501gpt Ag from 116.25m | 7,995 | 2457002 | 4677535 | 833 | -50 | 214 |
| | DDJ-218 | 9m at 1.33gpt Au, 747gpt Ag from 34m | 7,623 | 2458701 | 4677268 | 882 | -45 | 234 |
| | DDJ-394 | 2.1m at 1.5gpt Au, 3420gpt Ag from 157m | 7,525 | 2457204 | 4677434 | 785 | -78 | 212 |
| Cerro Puntudo | RD0020A | 3m at 4.15gpt Au, 2723gpt Ag from 54m | 9,105 | 2459365 | 4676470 | 921 | -60 | 230 |
| | CPRC027 | 31m at 3.28gpt Au, 28gpt Ag from 66m | 8,525 | 2451929 | 4672603 | 818 | -50 | 228 |
| | CPRC050 | 9m at 10.33gpt Au, 38gpt Ag from 55m | 7,326 | 2451501 | 4672863 | 849 | -50 | 189 |

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## Exploration Strategy

Significant historical drill results are provided in Table 4. **There are four advanced prospects within the project that are prioritised for near-term resource growth.**

- **La Negra (feeder structure)**
- **La Negra extension**
- **La Morocha extension**
- **Breccia Puntudo**

On completion of the acquisition, USL proposes to undertake a comprehensive exploration program across each prospect focused on increasing the current Foreign Estimate and publishing a maiden JORC (2012) Mineral Resource Estimate (MRE).

**Exceptional potential exists for new discoveries at the Brunilda, La Esmeralda and Isabella structures where historical rock chip sampling defines strong gold anomalies withing outcropping veins.**

## Opportunities for Resource Growth

La Negra Feeder Target

Historical drilling at La Negra focused on a potential feeder structure below the current shallow resource. Hole DDJ-117 intercepted a strongly oxidised structure 225m below the surface that returned:

**La Negra Feeder:** (DDJ-117) **4.5m at 1699g/t Ag, 22g/t Au** from 272m (open at depth)

DDJ-117 is open at depth and represents a robust target for a high-grade silver-gold mineralisation.

La Morocha and La Negra Extensions

Given the sporadic exploration by Extorre Gold Mines within the adjacent Cerro Puntudo projects, significant potential exists for resource growth along strike from La Morocha and La Negra where mineralisation has been defined over a 750m strike in 8initial wide spaced drill holes.

Key drill results to follow up include:

**La Negra Extensions** (DDJ-031) **13m at 338gpt Ag, 0.1gpt Au** from 55.5m depth (open to the SE)

(RD0004) **3m at 695gpt Ag, 0.6gpt Au** from 136m (open at depth)

(RD0025) **30m at 37gpt Ag, 1.7gpt Au** from 51m (open at depth)

(RD0037) **14m at 7gpt Ag, 7gpt Au** from 16m (possible parallel vein)

**La Morocha Extensions** (RD0032) **8m at 226gpt Ag, 0.5gpt Au** from 189m (open at depth, along strike)

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Breccia Puntudo

Cerro Puntudo is host to a separate structure Breccia Puntudo with 7596m of historical drilling. The structure is host to three discrete mineralised zones (Rico, Quebrada North and Quebrada) characterised by shallow oxide gold (with lesser silver) mineralisation. Significant drill results include:

**Breccia Puntudo** (CPRC-027) **31m at 28gpt Ag, 3.3gpt Au** from 66m

(CPRC-050) **9m at 38gpt Ag, 10.3gpt Au** from 55m

(CPRC-024) **23m at 13gpt Ag, 3.1gpt Au** from 60m

(CPRC-061) **11m at 6gpt Ag, 4.3gpt Au** from 124m

**Table 5: Joaquin and Cerro Puntudo exploration holes**

| Property | Prospect | Hole ID | East (UTM19s) | North (UTM19s) | RL | Dip | Azi |
|---|---|---|---|---|---|---|---|
| Joaquin | La Negra Extension | DDJ-031 | 2458895 | 4677104 | 918 | -51 | 235 |
| | | RD0004 | 2458996 | 4676997 | 938 | -60 | 230 |
| | | RD0025 | 2459253 | 4676690 | 956 | -60 | 230 |
| | | RD0037 | 2459454 | 4676439 | 971 | -50 | 230 |
| | La Morocha Extension | RD0032 | 2457945 | 4676996 | 955 | -60 | 200 |
| Cerro Puntudo | Breccia Puntudo | CPRC-027 | 2451960 | 4672632 | 869 | -50 | 228 |
| | | CPRC-050 | 2451506 | 4672898 | 891 | -50 | 189 |
| | | CPRC-061 | 2450264 | 467520 | 874 | -50 | 219 |

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**Figure 3: La Negra Longsection**

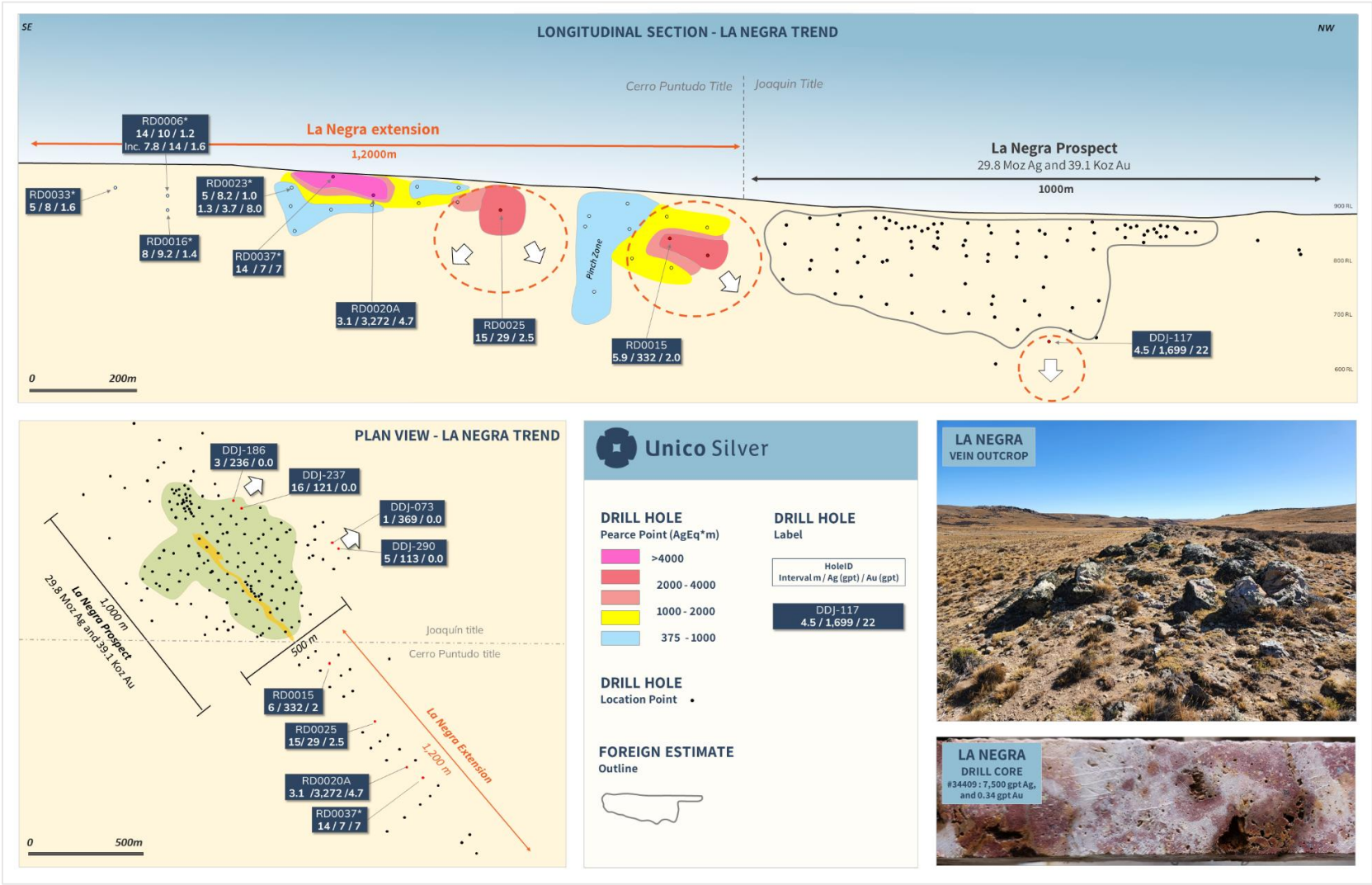

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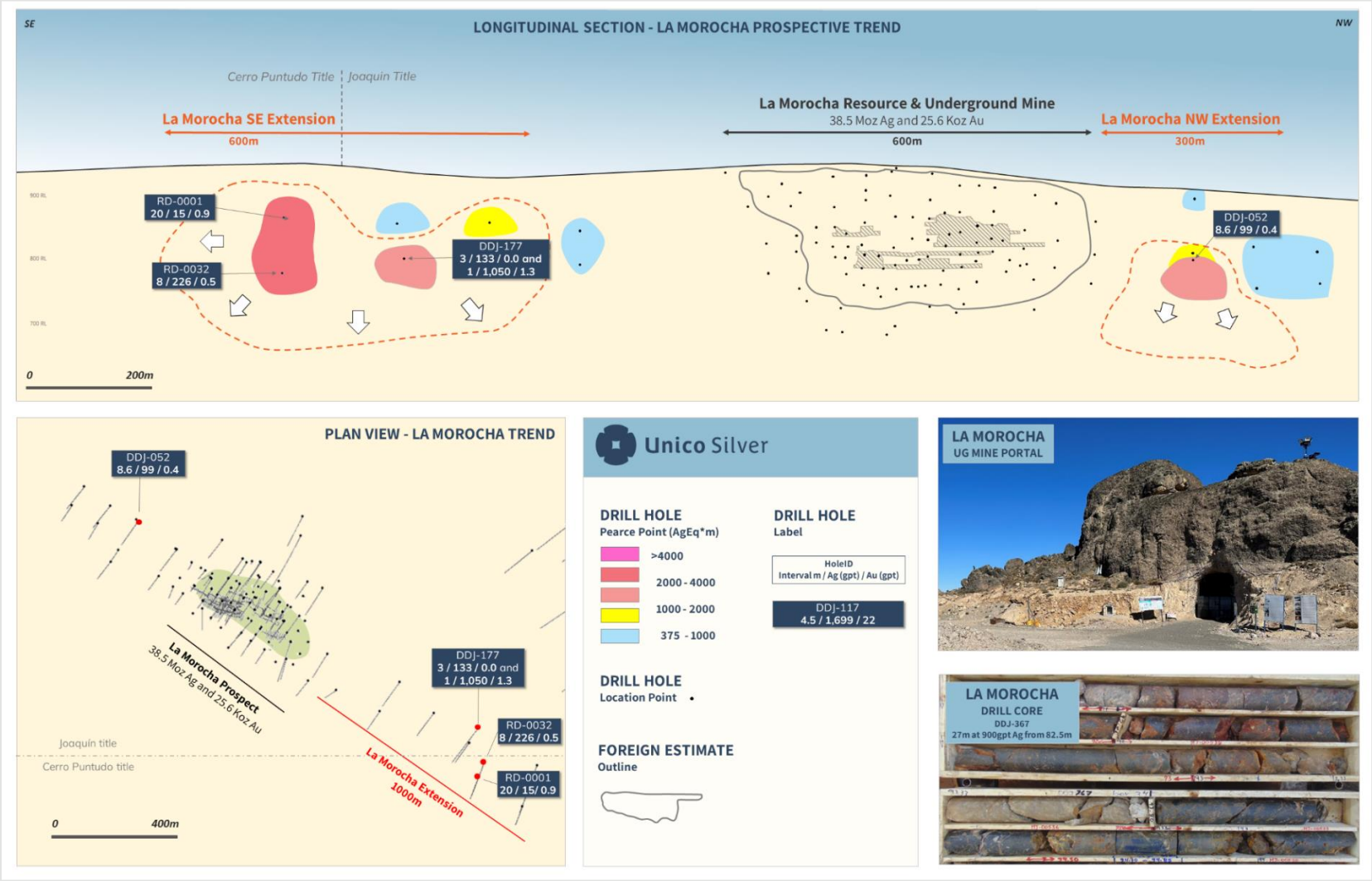
**Figure 4: La Morocha Longsection**



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## Terms of Acquisition

Under the terms of the proposed transaction, PAAS will sell to USL 100% of the issued capital in MJSA, which holds a 100% interest in the Joaquin mining properties.

The Company will pay the following consideration to PAAS:

1. USD$ 2million paid on the Closing Date (First Payment).

2. USD$ 2million 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).

3. USD$ 4million paid within 10 calendar days after the commencement of first production.

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

1. The grant to PAAS of a 1.0% net smelter returns on all mineral produced from the Cerro Puntudo mining properties (excludes Joaquin).

2. USD$ 4million paid within 10 calendar days after the commencement of commercial production from the Cerro Puntudo mining properties.

The proposed transaction is subject to entering into definitive legal agreements between PAAS and USL as well as conditional upon the receipt of all required approvals or consents, which are expected to be satisfied before end of September 2024.

The definitive legal agreements will also include various other terms and conditions usual for a transaction of this sort, including the assumption of various historic liabilities, including those associated with a closure plan for the Joaquin Project and the Mining Rights, and the granting of security over the mining properties and shares to secure payment of the deferred purchase price components.

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**Table 6: Joaquin Project – Tenement Schedule**

| Property | Name | Title ID | Area (Ha) |
|---|---|---|---|
| **Joaquin** | Joaco IV | 437.962/2017 | 3,998 |
| | Quino I | 413.854/Mirasol/06 | 627 |
| | Mina Quino II | 413.855/Mirasol/06 | 714 |
| | Quino II-2 | 428.242/Mirasol/14 | 817 |
| | Mina Quino III | 400.272/Mirasol/07 | 2,321 |
| | Quino IV | 403.093/MA/07 | 3,191 |
| | Mina Vetas Joaquin | 409.303/MA/06 | 997 |
| | **Subtotal** | | **12,665** |
| **Cerro Puntudo** | Esmeralda | 410.449/CV/03 | 3,197 |
| | Mina Isaias | 426.742/ER/09 | 2,700 |
| | Isaias II | 424.981/ER/10 | 1,320 |
| | Isaias III | 426.617/ER/11 | 3,258 |
| | Jacobito | 426.744/ER/09 | 2,790 |
| | Jacobito II | 424.982/ER/10 | 1,391 |
| | Jacobito III | 426.620/ER/11 | 3,335 |
| | Lazarillo | 423.174/ER/10 | 3,622 |
| | Lazarito | 426.743/ER/09 | 1,668 |
| | **Subtotal** | | **23,281** |
| **TOTAL AREA** | | | **35,946** |

**Table 7: Joaquin Project – Historical Drilling**

| Project | Company | Prospect | Holes | Metres |
|---|---|---|---|---|
| **Surface Drilling** | | | | |
| **Cerro Puntudo** | **Estelar** | La Morocha | 6 | 927 |
| | | La Negra | 32 | 4,883 |
| | | Regional | 15 | 2,181 |
| | | Breccia Puntudo | 64 | 5,516 |
| | | **Total** | **117** | **13,508** |
| **Joaquin** | **Coeur** | La Negra | 187 | 27,654 |
| | | La Morocha | 70 | 11,045 |
| | | Regional | 99 | 16,670 |
| | | **Total** | **356** | **55,369** |
| | **PAAS** | La Negra | 12 | 517 |
| | | La Morocha | 50 | 8,915 |
| | | **Total** | **62** | **9,432** |
| **Underground Drilling** | | | | |
| **Joaquin** | **PAAS** | **Total** | **205** | **2,776** |
| **TOTAL DRILLING** | | | | **81,085** |

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

## CONTACT

**For more information, please contact:**

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## COMPETENT PERSON'S STATEMENT

**Exploration Results**

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.

**Cerro Leon**

Information in this announcement that relates to the estimate of Mineral Resource for the Cerro Leon Project (geological interpretation and resource estimates) is based upon, and fairly represents, information and supporting documentation compiled by Mr. Ian Taylor BSc (Hons). Mr Taylor is an employee of Mining Associates Pty Ltd and has acted as an independent consultant on Unico Silver's Cerro Leon Project, located in the Santa Cruz province of Argentina. Mr Taylor is a Fellow and certified Professional of the Australian Institute of Mining and Metallurgy (110090) and has sufficient experience with the style of mineralisation, the deposit type under consideration and to the activity being undertaken to quantify as a Competent Person as defined in the 2012 Edition of the "Australasian Code For Reporting of Exploration Results, Mineral resources and Ore Reserves" (The JORC Code). Mr Taylor consents to the inclusion in this announcement of the matters based upon this information in the form and context in which it appears.

**Joaquin**

The information in this announcement relating to Mineral Resources estimates for Joaquin is based on the technical report titled "Joaquin Project, Santa Cruz, Argentina, Technical Report" with an effective date of 15 February 2013 which was prepared in accordance with NI 43-101 and is available on www.sedarplus.ca. The technical information for the Joaquin mineral resource has been prepared by NCL Ingenieria y Construction Ltda. in accordance with Canadian regulatory requirements set out in NI 43-101. Luis Oviedo H is the Independent Qualified Person responsible for the preparation of the Report, as defined in CIM Code and the NI 43-101. In his 37 years of industry experience Mr. Oviedo accumulated relevant expertise in the exploration and evaluation of silver deposits of similar geology as Joaquin project. The author visited the property from 17 to 21 January 2012.

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## 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 USL’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.

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# JORC Code Reporting Criteria

## SECTION 1 SAMPLING TECHNIQUES AND DATA

| | JORC Code Explanation | Comments |
|---|---|---|
| **SAMPLING TECHNIQUES** | • 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.<br>• Include reference to measures taken to ensure sample representativity and the appropriate calibration of any measurement tools or systems used.<br>• Aspects of the determination of mineralization that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. "RC drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay"). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed | **Joaquin Trenching and Channel Sampling**<br>• Trenches were marked by a geologist based mainly on the continuity of mineralisation and available outcrop.<br>• Channels are fully surveyed to get their final coordinates and elevation.<br>• Power saws were used to cut continuous channels along the marks made by the geologist.<br>• Samples were bagged, marked with the correlative number and then sealed to be sent for assaying.<br><br>**Joaquin Diamond Drilling**<br>• Drilling caried out using HQ (63.5mm) diameter drill bits.<br>• Core was logged and sampled on site at the Company's logging facilities in the Las Vallas camp.<br>• The core is cleaned, realigned and pieced back together before being measured for recovery and RQD information. RQD measurements have not identified any effects on sample quality.<br><br>**Controls for Drilling**<br>• Only 8 of the 315 drillholes from the project were sampled without a concomitant QA/QC program assuring the quality of the results.<br>• 99.9% of the samples were assayed together with a systematic program of QA/QC.<br>• Two laboratories were used: ALS (responsible to 81% of project samples amounting to 19,819 of 24,336 samples) and Alex Stewart (responsible for the remaining 19% of samples).<br>• QA/QC submission rates were as follows: |

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| | JORC Code Explanation | Comments |
|---|---|---|
| | information | |

| Sample Type | Number of samples | Percent of total |
|---|---|---|
| Regular Samples | 24,336 | 73% |
| Blanks | 1,393 | 4% |
| Field Duplicates | 2,487 | 7% |
| Coarse Reject Duplicates | 1,678 | 5% |
| Pulp Reject Duplicates | 2,193 | 7% |
| Analytical Standards | 1,280 | 4% |
| **Total** | **33,367** | **100%** |

**Cerro Puntudo Drilling**

- 117 drillholes were collared at Cerro Puntudo, of which 72 were RC drillholes, with the remaining 45 being HQ sized Diamond Drill holes.
- Two laboratories were utilised; ACME and ALS. ALS was used in the first drilling campaign from February 2004 through to July 2006. ACME was used for the second campaign from April 2011 to May 2011.

| Sample Type | Number of samples | Percent of total |
|---|---|---|
| Regular Samples | 11,241 | 91% |
| Blanks | 404 | 4% |
| Field Duplicates | 233 | 2% |
| Analytical Standards | 384 | 3% |
| **Total** | **12,262** | **100%** |

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| | JORC Code Explanation | Comments |
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| **DRILLING TECHNIQUES** | • 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). | **Joaquin Diamond Drilling**<br>• The diamond drilling has HQ diameter with triple tube core recovery configuration.<br>• Drilling usually intercepted the mineralisation at angles varying from 50 to 90 degrees, depending on the attitude of the structure.<br>• The relationship between apparent and true thickness varies from 60% to 100%.<br><br>**Cerro Puntudo Drilling**<br>• The diamond drilling has HQ diameter with triple tube core recovery configuration. |
| **DRILL SAMPLE RECOVERY** | • Method of recording and assessing core and chip sample recoveries and results assessed.<br>• Measures taken to maximise sample recovery and ensure representative nature of the samples.<br>• 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. | **Joaquin Diamond Drilling**<br>• Diamond drill core recoveries were assessed using the standard industry best practice which involves:<br>▪ Measuring core lengths with a tape measure.<br>▪ Removing the core from the split inner tube and placing it carefully in the core box.<br>▪ Assessing recovery against core block depth measurements.<br>▪ Measuring RQD, recording any measured core loss for each core run.<br>• All core was carefully placed in HQ sized core boxes and transported a short distance to a core processing area where logging and photography could be completed.<br>• Average core recovery at La Negra was 91.77% and for La Morocha, recovery was 94.78%.<br><br>**Cerro Puntudo Drilling**<br>• Diamond drill core recoveries were assessed using the standard industry best practice which involves:<br>▪ Measuring core lengths with a tape measure.<br>▪ Removing the core from the split inner tube and placing it carefully in the core box.<br>▪ Assessing recovery against core block depth measurements.<br>▪ Measuring RQD, recording any measured core loss for each core run.<br>• All core was carefully placed in HQ sized core boxes and transported a short distance to a core processing area where logging and photography could be completed. |

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| | JORC Code Explanation | Comments |
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| | | • Average core recovery was 94.7%. |
| **LOGGING** | • Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.<br>• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.<br>• The total length and percentage of the relevant intersections logged. | **Joaquin Logging**<br>• Systematic geological logging was undertaken using a hand lens to closely examine the chips and cores. Data collected includes:<br>• Nature and extent of lithologies.<br>• Relationship between lithologies.<br>• Alteration extent, nature, and intensity.<br>• Oxidation extent, mineralogy, and intensity.<br>• Sulphide types and visually estimated percentage.<br>• Quartz vein, veinlets, breccia types and visually estimated percentage.<br>• Structure's occurrence and attitude.<br>• Both qualitative and quantitative data is collected, though quantitative data is based on visual estimates, as described above.<br>• All holes are logged from start to finish and were conducted on drill site.<br>• All holes are logged from start to finish at the core shack.<br>• Both qualitative and quantitative data is collected, using predefined logging codes for lithological, mineralogical, and physical characteristics.<br>• Cores are photographed after logging, with sample numbers marked in the boxes, before and after being cut and sampled.<br>**Cerro Puntudo Logging**<br>Logging methodology was the same as at Joaquin which follows industry best practices.<br>• Systematic geological logging was undertaken using a hand lens to closely examine the chips and cores. Data collected includes:<br>• Nature and extent of lithologies.<br>• Relationship between lithologies.<br>• Alteration extent, nature, and intensity.<br>• Oxidation extent, mineralogy, and intensity.<br>• Sulphide types and visually estimated percentage.<br>• Quartz vein, veinlets, breccia types and visually estimated percentage. |

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| | JORC Code Explanation | Comments |
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| | | • Structure's occurrence and attitude.<br>• Both qualitative and quantitative data is collected, though quantitative data is based on visual estimates, as described above.<br>• All holes are logged from start to finish and were conducted on drill site.<br>• All holes are logged from start to finish at the core shack.<br>• Both qualitative and quantitative data is collected, using predefined logging codes for lithological, mineralogical, and physical characteristics.<br>• Cores are photographed after logging, with sample numbers marked in the boxes, before and after being cut and sampled. |
| **SUBSAMPLING TECHNIQUES AND SAMPLE PREPARATION** | • If core, whether cut or sawn and whether quarter, half or all core taken.<br>• If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.<br>• For all sample types, the nature, quality, and appropriateness of the sample preparation technique.<br>• Quality control procedures adopted for all subsampling stages to maximise representivity of samples.<br>• Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.<br>• Whether sample sizes are appropriate to the grain size of the material being sampled. | **Joaquin drilling**<br>• Diamond core intervals were marked, and the core was split with a rock saw.<br>• Half core samples were placed in plastic bags and tagged with a unique sample number.<br>• Bags were securely closed with staples.<br>• The other half of the core was returned to the core box and securely stored.<br>• Sample numbers were written in the core box, with one sample ticket placed in the plastic bag with core, and a second ticket stapled to the outside of the bag. |

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| | JORC Code Explanation | Comments |
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| **QUALITY OF ASSAY DATA AND LABORATORY TESTS** | • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.<br>• For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.<br>• Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. | **Joaquin drilling**<br>• Two types of Blanks were used: initially blanks were non-mineralised samples with gold and silver values below detection limits established by the laboratory assaying methodology. Blanks samples were barren material collected and prepared at Coeur's Cerro Bayo mine in southern Chile. From 2011 onwards, commercial pulp blanks were used.<br>• Blank samples were inserted in a systematic pattern approximately every 25 samples, representing 4% of the total sample population.<br>• The failure criteria used was in line with standard industry practice of a value 5 times greater than the detection level resulted in a failure.<br>• At ALS there were no failures observed for both gold and silver values for 1,137 blanks. 29 blanks returned values above the detection limit for silver but below the failure limit. For gold, 6 blanks returned values above the detection limit but below the failure limit. At Alex Steward, 262 blanks were submitted with 2 samples failing for silver, and 1 for gold.<br>**Field Duplicates**<br>• Field duplicates represent 7% of the total sample population.<br>• Chosen intervals were cut in half and samples were taken of each respective half.<br>• One half was included in the sample stream and the other was labelled with a different identifier and used as the duplicate.<br>• Both samples were pulverised and split to obtain a set of four pulps.<br>• All four pulps were assayed to be used as sample duplicate comparison, preparation duplicate comparison and analytical duplicate comparison.<br>• Duplicates were sent solely to the primary lab. |

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| | JORC Code Explanation | Comments |
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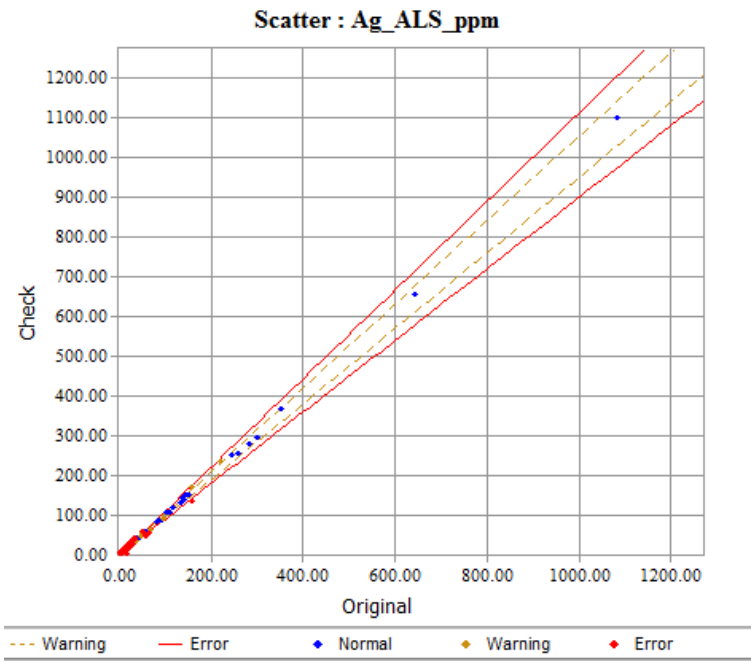
| | |  <br>Analytical duplicates: % Error: 10<br>**Umpire Laboratory Checks**<br>• Selected pulps and coarse rejects with large variety of gold and silver grades were sent to an external commercial laboratory (ALS CHEMEX in 2010, and AS prior to 2010) on a monthly basis to verify the assay values of the primary lab.<br>• Silver reproducibility between the labs (ALS and AS) were very good, however gold reproducibility in several instances was weak.<br>• HARD plots were used which indicated that the original and duplicate grades fell within the industry |

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| | | standard of 80% of population below 20% of absolute difference.<br><br>**Certified Reference Materials (CRM, also known as 'standards')**<br><br>• Insertion rates were approximately every 20 samples.<br>• Upper and lower warning limits were defined as two standard deviations from the mean CRM grade. When this occurred, the entire batch of samples was re-assayed.<br>• In batches where all of the samples are from un-mineralised rock, if one standard fails and additional standards, blanks and duplicate data are all within limits, the batch is not rerun.<br>• Failure limit is three times the standard deviation<br>• From drillhole DDJ-09 to DDJ-063, Coeur used CRMs prepared "in house" at Mina Martha and Cerro Bayo's laboratories. From drillhole DDJ-064 onwards, commercial standards and blanks were used. This equates to 50% of CRMs used in 2011 being 'in house' and that 100% of 2012 CRMs being commercial.<br>• Results of standards were reviewed separately.<br>• CRM "OXQ75" was analysed 491 times, with 2 warnings and one error for silver, which meant a 0.2% failure rate. For gold, 34 warnings and 9 errors were detected, with a 2.1% failure rate.<br>• CRM "SP49" was analysed 518 times with 74 warnings and 24 errors detected for silver and 38 warnings and 9 errors for gold.<br>• The failure rate of the CRMs is low and acceptable, both for silver and gold.<br><br>**Joaquin Sample Preparation**<br><br>• Sample preparation was performed by commercial laboratories according to industry standards.<br>• Sample preparation was carried out in ALS and AS facilities in Mendoza, Argentina.<br>• For both ALS and AS laboratories, sample preparation included drying, crushing splitting, and pulverizing.<br>• The drying is applied to samples that were excessively wet, in the opinion of the laboratory manager.<br>• A jaw crusher was used for crushing.<br>• A Riffle splitter was used for splitting, where 300 grams of the original sample is taken and pulverized to 75 microns.<br>• From the resulting pulp, 30 grams was taken for Fire Assay.<br><br>**Joaquin Sample Analysis**<br><br>• The primary laboratory used for sample preparation and chemical assaying was the ALS CHEMEX (2010 onwards) and Alex Stewart (years prior to 2010). |

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| | | • The sample analysis was conducted in the ALS laboratory located in La Serena, Chile and the AS laboratory in Mendoza, Argentina.<br>• All samples were assayed for gold and silver by Fire Assay and Gravimetric finish, ALS used a 30 gram nominal sample weight (ME-GRA 21) and AS used 50 gram nominal sample weight (Au4-50/Ag4A-50).<br>• Coarse rejects and pulps were saved and kept for storage at the respective lab warehouses in Mendoza Argentina.<br>• Some specific samples were analysed for multi-element assays.<br><br>**Cerro Puntudo Sample Analysis**<br>• A total number of 404 blanks were used. From these 404 blanks there were 18 outliers of which the greatest value assayed was 0.051g/t<br>• ALS preparation involved the crushing of the sample to a size of 70% passing 2mm, then riffle splitting off a 1kg sub-sample. This sub sample was then pulverised to a size of better than 85% passing 75 microns. |
| **VERIFICATION OF SAMPLING AND ASSAYING** | • The verification of significant intersections by either independent or alternative company personnel.<br>• The use of twinned holes.<br>• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.<br>• Discuss any adjustment to assay data. | **Joaquin**<br>• The Qualified Person Mr. Luis Oviedo conducted a site visit from January 17 to January 21 2012. Four holes had their core boxes laid out and the geologist compared with the logged records, with no relevant issues found in the review.<br>• In 2011, NCL selected a group of eleven samples for independent preparation and assaying. Four were made from La Morocha and seven were from La Negra. Considerations for the samples were related to various grades, and also depth. Samples were analysed in the La Serena laboratory of ALS. The results showed an excellent match with the originals, when considering silver values. Similarly to the quality control sampling, the gold values showed low reproducibility.<br>**Cerro Puntudo**<br>• Data is stored in a comprehensive database built using the Microsoft Access software. |
| **LOCATION OF DATA POINTS** | • Accuracy and quality of surveys used to locate drillholes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource | **Joaquin**<br>• Once drilling was completed the drilling contractor measured the deflection of the hole<br>• These measurements were made with continuous reading instruments throughout the hole (multi-shot). |

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| | estimation.<br>• Specification of the grid system used.<br>• Quality and adequacy of topographic control. | • Once the hole was completed the depth, azimuth and dip were transferred to Coeur geologists in digital format, together with a certificate signed by the supervisor of the drilling company.<br>• Following completion, the drillhole is marked by a PVC tube (1 meter) and labeled with the drillhole number.<br>• The collar was then surveyed by a professional surveyor with precision geodetic instruments. The surveyor provided a digital backup of measurements and a signed certificate. |
| **DATA SPACING AND DISTRIBUTION** | • Data spacing for reporting of Exploration Results.<br>• Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.<br>• Whether sample compositing has been applied. | **Joaquin**<br>• Approximate drill spacing at La Negra is 50m between drill sections. Six phases of drilling was completed at La Negra with a total of 27,020 meters of drilling completed, with La Negra being tested to a depth of 380 meters.<br>• Drilling at La Morocha is based on sections which are generally less than 30m. Significant amount of Grade Control (GC) drilling has been completed at La Morocha while it was developed underground.<br>• Drilling at both sites has been comprehensive enough to allow for a thorough understanding of the geological model.<br>• Sample compositing was not completed. |
| **ORIENTATION OF DATA IN RELATION TO GEOLOGICAL STRUCTURE** | • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.<br>• If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. | **Joaquin**<br>• Drilling at both La Morocha and La Negra was orientated to cross the interpreted structures. No known bias was introduced as a result of drilling orientations.<br>• At La Negra the majority of drillholes are orientated to the south-west. At La Negra drilling is orientated along north-east south-west sections.<br>• Cerro Puntudo<br>• Drilling was designed to cross the interpreted structures as perpendicular as possible to allow for a greater understanding of true thickness of each structure. |
| **SAMPLE SECURITY** | • The measures taken to ensure sample | • From the project startup to the end of 2009, the samples were sent to AS laboratories in Mendoza. From 2010, samples were sent to the ALS laboratory in Mendoza. Both laboratories are certified ISO 9001. |

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| | security. | • Samples were placed into taped polyethylene bags with sample numbers that provided no specific information on the location of the samples.<br>• These bags were shipped by truck to a bus station in San Julian or Rio Gallegos. From here the sacks are shipped by bus or truck of a commercial transport company to the laboratory in Mendoza.<br>• The laboratory received the samples and reports were sent to Coeur.<br>• The QA/QC protocols including blanks, standards and duplicates were included in these shipped samples. |
| **AUDITS OR REVIEWS** | • The results of any audits or reviews of sampling techniques and data. | **Joaquin**<br>NCL Ingenieria y Construccion Ltda (NCL) conducted an audit at Coeur's request in May 2010. The audit was conducted on tables exported from AcQuire and verified in the MS-Access software. NCL then conducted further reviews as additional data was added into the database. These reviews included checking of the digital records (drillhole collars, down hole surveys, assays and geologic coding) against original information. The reviews can be summarised by the following points:<br>• Seven months after the first review, the Qualified Person repeated the review and found most of the recommendations were followed.<br>• This review was conducted upon 14 randomly chosen holes which represented a 10% sample of the whole database at that point. No discrepancy with the original data was found.<br>• In October 2011, 23 drillholes with 3,089 samples were added to the database, and a new review was completed. This review focused on this new data and verified that the observations of previous reviews were accepted. |

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| Criteria | JORC Code Explanation | Comment |
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| **MINERAL TENEMENT AND LAND TENURE STATUS** | • 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.<br>• 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. | Tenement schedule for the Joaquin project is provided in Table 6.<br><u>Joaquin – Metalla Royalty</u><br>• The Joaquin mining properties include a pre-existing 2% NSR payable to Metalla Royalties.<br><u>Cerro Puntudo – Cerro Vanguardia SA Royalty</u><br>• The Cerro Puntudo mining properties include a pre-existing 2% NSR payable to Cerro Vanguardia SA, a subsidiary of AngloGold Ashanti Limited. |
| **EXPLORATION DONE BY OTHER PARTIES** | • Acknowledgment and appraisal of exploration by other parties. | **Joaquin**<br><u>Reconnaissance exploration by Mirasol Resources:</u><br>• In February 2004 during a program of evaluation of regional targets, geologist F. Flores discovered precious metals in vein float in the Joaquin Main area.<br>• In mid-2004 S. Nano and T. Heenan prospected the high-grade silver float located to the south of Joaquin Main area, discovering the La Negra Vein.<br>• Further prospecting work discovered the La Morena and la Morocha mineralised areas.<br>• In 2005 Mirasol Resources made a complete geological reconnaissance and semi-systematic sampling in the main areas.<br>• In 2006 Mirasol offered the property to different mining companies, when in November Coeur Argentina signed an exploration agreement where the option was granted to earn up to 71% managing interest in the Joaquin Project.<br>• On December 21, 2012, Coeur acquired all of Mirasol's interest in the property<br><u>Exploration drilling by Coeur:</u> |

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| | | • Exploration drilling on the property was conducted by Coeur in November 2007, with shallow drilling of the Joaquin Main and Joaquin North areas returned disappointing results.<br>• In 2008 a second drilling campaign was completed returning interesting silver values at the La Morocha and La Negra areas.<br>• An intensive exploration program was then commenced through to the end of 2012 which included mapping at various scales (including 1:20,000), surface sampling, geophysical surveys, spectral studies, metallurgical studies, and 48, 781 meters of core drilling in 315 holes.<br>• Geophysical Survey work included airborne magnetic, ground magnetic and Induced Polarisation (IP) studies.<br>• The airborne magnetic survey was completed in 2010 by Geodatos Limitada and covered an area of 872 sq.km. The survey was flown in NS lines spaced every 200m for a total of 3,420 line kilometres. The result of the survey returned broad geologic domains only. In the eastern zone, some magnetic lineament that show the locations of La Negra and La Morocha can be seen. Contrasting amplitude response in the central portion of the project suggests possible shallow intrusions.<br>• Three ground magnetic surveys were completed. Two of them were run by Akubra S.A. for Coeur, and a third was by Mirasol. The results of the surveys show that La Morocha has a clear magnetic response, being a demagnitised feature in a low magnetic response trend. La Negra does not have a very clear response, but it is also located in an area of reduced magnetic intensity. Several linear features of low magnetic intensity were identified sub-parallel to La Morocha and constitute exploration targets. A semi-circular lineament was also identified which may relate to a caldera boarder.<br>• Two alteration studies were completed using Aster satellite imagery. The interpretation of the imagery led to the generation of mineral assemblages used for the definition and prioritisation of target areas.<br><br><u>Drilling at Joaquin:</u><br>• Several drilling campaigns have been carried out at Joaquin, all drilled by contractors with HQ diameter core.<br>• The first drill program commenced in November 2007, centred in testing the Joaquin Main and Joaquin Norte mineral occurrences. The program totalled 560.6 meters in 8 holes.<br>• A second drilling campaign was carried out in October 2008 which preliminary tested the areas of La Morocha, La Negra and La Morena. The program totalled 1,645 meters in 15 holes. |

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| | | • From March 2009 to May 2012, a nearly continuous drilling program took place, which focused in the evaluation of the La Negra and the La Morocha targets, as well as in scout drilling of other targets. This program totalled 48,781 meters of core in 315 holes.<br>• Drilling generally intercepted the mineralised structures at an angle between 50 to 90 degrees.<br>**Cerro Puntudo**<br>• Drilling was completed by Extorre in 2011 to test targets which were based on extrapolating the mineralised trends of the La Morocha and La Negra deposits, as well as using in-house ground magnetic surveys. This lead to the discovery of the Renaldo Prospect which is located in the northeast quadrant of the Cerro Puntudo area.<br>• Ground magnetic imagery identified a southwest striking linear magnetic low approximately 100m wide and 1,000m long extending to the south east following the La Negra trend. The extension of the La Morocha trend is observed as a magnetic discontinuity extending 1,500m into the Extorre property. The Renaldo trend was considered to be a silver-dominant, high level, low sulfidation epithermal vein system. |
| **GEOLOGY** | • Deposit type, geological setting and style of mineralisation. | • Joaquin and Cerro Puntudo are located towards the central eastern margin of the extensive ~100,000 km.sq Deseado Massif geological province that stretches across southern Argentina into the Chilean southern Andes. This massif is made up of Jurassic volcanic and volcaniclastic rocks of the Chon Aike formation.<br>• The Deseado massif is characterised by a rigid positive behaviour, which contrasts with a marked subsidence to the north and the southwest, which generated the well defined pericratonic basins that contain the oilfields of southern Argentina.<br>• Large amounts of acidic to intermediate volcanics were erupted in the area in the Jurassic overlying pre-Jurassic low-to-high-grade metamorphic basement rocks and younger continental sedimentary sequences. The volcanic pile is mainly composed of rhyolitic to dacitic flows with two main lithologic units distinguished in the region. One being a basal sequence of intermediate to basic volcanics which include andesites, basalts and agglomerates. The other is an extensive upper acidic unit formed by rhyolitic welded ignimbrites, tuffs, ash falls, and agglomerates, with interbedded dacites.<br>• Mesozoic volcanic rocks are broken by regional fractures, including north-northwest-trending faults which were active during the period of intense Jurassic extension and volcanism. Successive normal |

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| Criteria | JORC Code Explanation | Comment |
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| | | faulting trends predominantly in a northwest and east-northeast orientation, however the Jurassic rocks are relatively undeformed.<br>• The rocks exposed at Joaquin and Cerro Puntudo are part of a thick pile of acidic volcanics assigned to the Chon Aike Formation deposited during the mid Jurassic. The basement and the basal andesitic unit of the Mesozoic pile are not exposed in the area. Beyond Joaquin and Cerro Puntudo, the acidic sequence is overlain mainly by Tertiary basaltic flows.<br>• Two main structural patters are recognised in the District, trending NW and NS. The first system hosts mineralised bodies and the latter system produces vertical and left latrial displacements on the mineral bodies. Large features in the middle of the project area are possibly fracture systems related to the margins of a caldera (Joaquin Caldera). An initial indication of a caldera was detected by satellite images, with subsequent ground magnetic surveys showing a pattern parallel to the lineament detected by the satellite images.<br>**Joaquin**<br>• Mineralisation at Joaquin has been defined as epithermal, belonging to an epithermal system hosted in Jurassic volcanic rocks (R. Sillitoe, 2010). The La Morocha mineral body is a moderately inclined structure composed mainly of hydrothermal breccias and associated veinlets. The La Negra mineral body is composed of vertical structures which can be veins and/or hydrothermal breccias, and by sub-horizontal layered bodies formed by stockworks and veinlets and dissemination systems.<br>• In oxide zones, iron and manganese oxides can be identified macroscopically; in some cases iron oxides can be discriminated between goethite, limonite and hematite. Under microscope, native silver, chlorargyrite, bromargyrite, goethite, braunite and argentojarosite can be seen. Within the sulphide zone, under a microscope, pyrite, argentopyrite, sphalerite, galena, and lesser amounts of chalcopyrite, polybasite and stephanite have been identified. Some zones within Joaquin are silver dominated (silver gold ratios of 800), and other areas are gold dominated (silver gold ratio of 10).<br>**Cerro Puntudo**<br>• Precious metals mineralisation is hosted within hydrothermal breccias with a matrix of iron oxides and silica. The main structural trends in the property are NW and NE. Where there is outcropping, the breccia structures vary in width from a few meters to approximately 20 meters at the La Quebrada and Rico |

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| | | Prospects, and up to 200m wide at the Puntudo Prospect. |
| **DRILL HOLE INFORMATION** | • 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:<br>• Easting and northing of the drill hole collar<br>• Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar<br>• Dip and azimuth of the hole<br>• Down hole length and interception depth<br>• Hole length<br>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. | No new drill results are presented in this announcement.<br>Significant intercepts and drill hole information is provided in Table 4. Exploration holes that warrant follow-up drilling are provided in Table 5. |
| **DRILL AGGREGATION METHOD** | • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.<br>• Where aggregate intercepts incorporate short lengths of high-grade results and | Not applicable to the reporting of Resources |

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| | longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. | |
| **DIAGRAMS** | • Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.<br>• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. | No new drill results are presented in this announcement |
| **BALANCED REPORTING** | • Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. | No new results are presented in this announcement |
| **OTHER SUBSTANTIVE EXPLORATION DATA** | • Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and | No new data presented in this announcement |

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| | method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. | |
| **FURTHER WORKS** | • The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). | Drilling is planned for four advanced prospects including:<br>• La Negra (feeder structure)<br>• La Negra Extension<br>• La Morocha Extension<br>• Breccia Puntudo |