

Unico Rises

Symbol: UNCN.OB

Website: www.uncn.com

Outstanding Shares: close to 5.0B (billion)

Market Capitalization @ \$.0022/share: \$11.0M (million)

Also, see [Technical Analysis Charting](#) by Roy Martens (Updated May 10th, 2006)

The weekend before last, on April 30th, I sent out the May issue of my monthly newsletter to paying subscribers. Being 17 pages in length, it certainly took some time to read through, but I believe it would have been well worth the effort, as will be shown below.

What follows is an excerpt from the May issue of "View My Portfolio", providing a short overview of the company Unico (UNCN.OB). **Keep in mind that at \$.0022/share, Unico is obviously a VERY risky stock, and with the recent rise in price a certain amount of caution is warranted.** This article is not a buy or sell recommendation. That being said, I still hold my entire position, which represents about 3.8% of my total portfolio holdings (not including silver bullion).

The most unusual trade I made this month was the purchase of xxxxx shares of Unico (www.uncn.com). Unico's current share structure is somewhat mysterious. **The shareholders recently (February 17, 2006) approved the authorized share count to be raised 10-fold to 5B**, and no doubt this explains the huge upsurge in volume in these past few months. The question is when the downward pressure from this dilution will cease (i.e. how many shares have yet to be issued). If management plans to issue the full 5B shares (worst case scenario), then the market cap would be about \$5.5M when it's all over using the current price of \$.0011/share. Before this dilution began in earnest, the outstanding share count was a little less than 500M, which made for a market capitalization (M/C) of just \$500,000. Shareholders also approved a reverse split (if necessary in the next 6 months) of up to 1:100. Reverse splits are almost always bad news since the stock tends to drift back down after they are implemented, but with the current share price at just \$.0011, it might not be a bad idea since investors will probably be less suspicious of a stock trading at \$.11/share.

Unico's main focus is upon the Deer Trail Mine in Utah, but they also hold claims to several other prospective properties in Utah.

Here's a short history of the Deer Trail Mine taken from Unico's website:

Gold was discovered at the present site of the Deer Trail Mine by deer hunters in 1878. A mine was developed shortly thereafter and operated up until 1930, at

which time an underground fire disrupted the mining operations. Some of the workings collapsed and this portion of the mine has been closed to this day. Two hundred thousand ounces of gold and 1.5 million ounces of silver were reported to have been processed at the site.

Assays on the tailings [150,000 tons] indicate gold at 0.04 oz. per ton and silver at 2.5 oz per ton, with a total value of approximately three million dollars [about \$8M at today's prices].

In the late 1950's a tunnel (now referred to as the PTH Tunnel) was driven four hundred feet below the old working with the intent of reopening the old gold workings.

One hundred and fifty thousand tons of high grade lead and zinc ore, together with the silver from this area of the tunnel, were processed in smelters in Kellogg, Idaho. In the mid 1970's, as a result of falling metal prices, the smelters were closed down and mining at the Deer Trail was halted."

"In the lower working of the PTH tunnel, records show that an additional 69,000 tons of ore were processed between 1975 and 1981.

Phelps Dodge, Noranda and Goldfields Mining Companies separately have conducted exploration programs at the mine and surrounding areas. Recent assays on the "8600" level show 0.018 ounces of gold per ton, 49.70 ounces of silver per ton, 14.3% lead per ton and 41.8% zinc per ton.

In 1992, and again in 2001 UNICO [and again April 24, 2006] obtained a lease option with Deer Trails Development Corporation for the Deer Trail Mine and for the past 9 years has opened up the underground workings and this past year constructed a processing mill on site. The priority is to mine ore from the PTH tunnel and produce gold, silver, lead and zinc concentrates for smelting.

<http://www.uncn.com/investments/minehistory.asp>

The Resource Estimate (2002) of the Deer Trail Mine had a total estimated value of \$333,476,000 using metal prices in 2002.

The total estimated value of the mineral resource now exceeds \$1,100,000,000 (300% increase) at today's metals prices of \$703/oz. gold, \$14.3/oz. silver, \$1.62/lb. zinc, and \$.56/lb. lead respectively. Yes, that's \$1.1B, or more specifically, 263.2M lbs. zinc, 130.4M lbs. lead, 27.9M ounces silver, and 287,420 ounces gold.

Until it becomes clear what the outstanding share count truly is [probably very close to 5 billion now based upon the recent trading volumes], I'll probably just hold on to my modest position and hope for a 10 bagger or better, while also being fully prepared to accept at loss of up to 50% before I think seriously about selling. Without a doubt, this is an extremely risky investment, but the reward could be

equally extreme if this company begins production soon.

How soon, you ask?

Well, I'm not quite sure, as I haven't yet spoken with management at Unico [I've since talked with a representative of Unico and the goal is to begin generating significant revenue by the fall of this year]. All I know is that currently, the necessary mill and processing facility is being completed. Once these are finished the company can begin processing current stockpiles of precious metal bearing ore and sell the concentrates to generate revenue for the company in the near term. Revenues are expected to be 6 figures or greater per month. Not bad for a company with a maximum market capitalization of \$5.5M.

_____End of excerpt_____

Between April 30th and May 8th (Monday's close), Unico rose from \$.0011/share to \$.0025/share. But on the Monday following the release of my monthly report, Unico traded at \$.0008/share for a good part of the day, which means subscribers, if they acted at the right time, could already show profits as high as 212.5%.

Currently, Unico is trading at \$.0022/share.

If you are interested in subscribing to the "View My Portfolio" service, you can [sign up](#). The cost is \$10/month (or \$99/year) for access to my monthly "View My Portfolio" publication, and \$20/month (or \$199/year) for access to both the monthly "View My Portfolio" AND weekly Technical Analysis Charting of my holdings by the talented Roy Martens.

By mid-June I hope to completely remodel my website into a more professional format. This will include, among other things, a 'subscribers only' area and the ability to accept major credit cards (as I know many are opposed to PayPal).

Disclaimer

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