

Unico Inc



OTC BB Trading Symbol: UCOI

www.unicominer.com

January 2008
Newsletter

2007: The Year In Review

Primary Highlights of the Year Include the Purchase of the Deer Trail Mine, Completion of the New Electrical Substation at the Site and Reconstruction of the Deer Trail Mill and Processing Facility

With the close of the 2007 calendar year, Unico, Incorporated, a publicly traded (OTC BB: UCOI) natural resource company in the precious metals mining sector, is taking the opportunity to present, in the January edition of its corporate newsletter, a review of the important events of 2007, highlighted by the purchase of the Deer Trail Mine, the completion of the electrical substation at the Deer Trail site and ongoing reconstruction of the mill and processing facility at the Deer Trail Mine.

The year began with Unico focused on activities at the Deer Trail Mine, specifically the reconstruction of the mill and processing facility at the site. Work was ongoing in both of the main mill buildings, including in the new mill building where construction of the Wes-Tech 40-foot thickener, which will be primarily used to thicken tailings, was undertaken and the existing mill building where several tanks were being installed.

Power to the facility had not yet been established, but construction and equipment purchases had been initiated for the new electrical substation. The main transformer for the substation was purchased in January.

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As the mill reconstruction and work on the substation was undertaken, the company also pursued permits and approvals required to cover expansion of the mill and processing facility as well as additional activities at the site.

A proposed amendment to its Large-Scale Mining Plan to cover expansion of the mill was submitted to the State of Utah's Division of Oil, Gas and Mining (DOG M) in February. DOGM had granted formal approval of Unico's amended Large-Scale Mining Plan for the Deer Trail Mine in April 2005.

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Recent News

12/21/2007

Unico, Inc. Announces Rescheduling of Special Meeting of Shareholders

12/18/2007

Unico, Inc. Announces New Photo Gallery Showing Additional Progress of Onsite Metallurgical Activity at the Deer Trail Mine

12/13/2007

Unico, Inc. Announces Additional Progress of Onsite Metallurgical Activity at the Deer Trail Mine

12/06/2007

Unico, Inc. Announces the Addition of a New Photo Gallery and Video Clips Showing the Progress of Equipment-Startup Testing at the Mill and Processing Facility at the Deer Trail Mine

12/05/2007

Unico, Inc. Announces Additional Progress of Equipment Startup Testing at the Mill and Processing Facility at the Deer Trail Mine

12/03/2007

Unico, Inc. Issues December 2007 Investor Newsletter Which Reviews Recent Geological Work at Subsidiary Mines

About Unico, Incorporated

Unico, Inc. (OTC BB: UCOI) is a publicly traded natural resource company in the precious metals mining sector that is focused on the exploration, development and production of gold, silver, lead, zinc, and copper concentrates at its three mine properties: the Deer Trail Mine, the Bromide Basin Mine and the Silver Bell Mine. In addition to the recent purchase of the Deer Trail Mine, Unico has also announced agreements to acquire over 70 additional mining claims. In August 2007, Unico announced that its wholly owned Deer Trail Mining Company subsidiary had completed the purchase of the Deer Trail Mine from Crown Mines, LLC. For more information, please visit the Company's corporate website, www.unicominer.com.

Additional Progress of Equipment Startup Testing Is Reported at the Deer Trail Mill and Processing Facility

New Photos and Video Clips Are Posted on Unico Website

Unico has reported additional progress of equipment startup testing at the mill and processing facility at the Deer Trail Mine in Marysville, Utah.

A new photo gallery and video clips showing equipment testing and expansion of the onsite laboratory facility were added to the Media section of the Unico website, <http://www.unicominer.com>, shortly after the update was released.

In the update, Unico reported that testing of the feed conveyor belts that transports ore to the fine ore storage silos were initiated, during which a 30-ton test lot was placed in the feed hopper and successfully sent up the feed belts. All belts were correctly timed to work in conjunction with each other to help prevent overfeeding of the next belt in line. The transfer belt used to feed ore between both silos was tested, and a number of minor necessary adjustments were made to ensure efficiency.



The newly purchased motor and variable frequency drive (VFD) was installed, and Energy Management Corporation (<http://www.emcsolutions.com/>) of Salt Lake City arrived onsite to inspect the installation and commission the startup. The VFD parameters were programmed to allow the speed of the mill to be both increased and decreased, and controls were put into place to prevent the mill from being operated past its critical speed.

Testing of the ball mill resumed and minor adjustments were made to the pinion bearings by increasing the clearance between the bearing caps and the pinion shaft. As a result of the adjustments, the temperature at which the bearings operate was significantly reduced. A one-hour test run was initiated and temperature readings of the reconditioned trunion bearings and the pinion bearings were observed at one-minute intervals. The outcome of the test run showed only a moderate increase in temperature and concluded that the ball mill is safe to operate.



The Gallagher pumps that will be used to move the process slurry between the floatation rougher, scavenger and cleaner cells were installed. Testing of the pumps and piping were scheduled to begin shortly. The test was to be conducted with water to check for proper flow and integrity of the pipes installed throughout the mill.

The construction of the addition to the onsite laboratory was reported to be in the final stages with installation of the exterior siding and painting being undertaken.

Laboratory equipment was moved into permanent locations within the newly built space. The laboratory expansion allows for a more streamlined process for preparations of mill and mine assay samples. The additional space also provides room to conduct larger bench-type flotation tests and room for large pilot-type testing.

"We are pleased to report the continued startup testing of equipment at the mill and processing facility at the Deer Trail Mine," stated Mark A. Lopez, chief executive officer of Unico, Inc. "The startup testing allows for the appropriate adjustments to be made so that the mill facility will run more effectively and efficiently once processing operations are initiated."

Unico Announces Additional Progress of Onsite Metallurgical Activity at the Deer Trail Mine

Unico, Incorporated has reported that additional onsite metallurgical activity has been conducted at the Deer Trail Mine in Marysville, Utah.

The company issued the following update on the recent progress of metallurgical work:

"Several tests of different mineral collectors, floatation reagents, have been conducted. Four types of xanthates (ethyl, butyl, propyl and amyl) were used in various combinations with sodium and potassium, which are stabilizers in the chemical formula.



The control of pH was considered for determining the efficiency to float the mineral and to help discriminate ZnS in the first step. We found that it was possible to separate the galena from chalcopyrite and sphalerite with a pH level between 10.5 and 11.6.

It has been decided to use lime to increase the pH levels in the process due to the price difference of soda ash. By using lime a high pH level may be obtained and stabilized. This will allow the copper and lead metal ions to be precipitated in sphalerite.

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2007 in Review: Progress at the Deer Trail Mine

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As part of its amendment to the Large Scale Mining Plan, Unico submitted to DOGM a Form MR-REV equivalent with additional blueprints of the site modifications and a reclamation surety bond estimate.

Ground was broken for the main substation in March, and additional transformers needed for the electrical system at the site were purchased later that month. The two additional transformers will reduce the voltage from the main transformer to power the equipment in the mill facilities and provide electricity for lighting, the on-site laboratory facility and the offices.



The primary voltage of the main transformer is 46,000 volts and is provided to the Deer Trail Mine from PacifiCorp, which operates in Utah as Rocky Mountain Power. The secondary voltage of 12,470/7,200 is sent to the mill by direct burial cable. The larger of the two transformers reduces the 12,470 voltage to the 480 volts required to operate the mill. The other transformer reduces the remaining power to 208 volts to power the lighting, the on-site laboratory facility and offices located

at the Deer Trail Mine site. The availability of additional voltage allows for future expansion at the site, including extra power to operate mining activities as needed.

In late March, Unico reported the completion of logging and splitting work on core samples taken from the underground diamond core drilling program conducted at the Deer Trail Mine in 2005. The final core samples have been bagged and tagged under the supervision of Behre Dolbear's consulting geologist Alex Scarbrough and shipped to the ALS Chemex lab in North Vancouver, British Columbia for assay. A Final Summary Report will be completed and submitted to Unico by Behre Dolbear.



While work on the core samples and the electrical substation was undertaken, Unico continued its reconstruction work on the Deer Trail mill and additional labor was contracted to expedite completion of the facility. FMS, Inc., which was previously contracted by Deer Trail Mining Company, LLC to assist with the



construction of the new mill building at the Deer Trail Mine in the fall of 2006, provided a crew trained and experienced in all phases of construction whose primary responsibility was to aid in the completion phase of mill. FMS began work in several areas of the

mill facility, including construction of the new electrical substation, rain gutters and flashings on the new mill building, siding and insulation on the fine ore bins adjacent to the main mill building, and any other areas of the site where its construction skills can be put to use.



The company also reported additional ongoing screening plant activity at the site. The screening plant has continued screening material from the first targeted dump areas, and additional dumps areas at the Deer Trail Mine are being sampled and assayed to determine the most economical fraction for screening.

In May, Unico announced that it had received a financing commitment for \$1.7 million for the purpose of exercising the lease buy-out option on the Deer Trail Mine, and on August 1st, Unico reported the completion of the purchase of the Deer Trail Mine. With all the agreements executed between Unico's wholly owned subsidiary, Deer Trail Mining Company, LLC and Crown Mines, LLC and the transfer of the final payment of \$1.7 million to Crown Mines completed, the purchase recorded shortly thereafter and ownership of the property was fully conveyed to Deer Trail Mining Company.

"Completion of the purchase of the Deer Trail Mine is truly a major milestone in the history of Unico, and we are extremely pleased to have paid the remaining balance to exercise the purchase option and to have executed the final documents for the transfer of ownership to our wholly owned Deer Trail Mining Company subsidiary," stated Mark A. Lopez, chief executive officer of Unico, Inc. at the time of the purchase. Not only do we have the immediate impact of a \$4 million asset that we plan to include on future consolidated financial reports, but with the anticipated start-up of operations at the mill and processing facility at the Deer Trail Mine and future potential mining programs at the site, the true long-term potential of this property is expected to extend well beyond the initial asset value."

The 2008 calendar year also brought personnel changes for Unico with the addition of a new chief financial officer, Kenneth C. Wiedrich, and for the Deer Trail Mining Company, a new senior metallurgist, Edgar Blanco, and a new senior geologist, Dean Misantoni. Both Mr. Blanco and Mr. Misantoni began working immediately on their respective tasks at the Deer Trail Mine.

In September, construction of the main electrical substation at the Deer Trail Mine was completed, followed by construction of the secondary substation and energizing of the entire electrical system, bringing power to both mill buildings at the site.



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2007 in Review: Progress at the Deer Trail Mine

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The main substation supplies the 1.5 megawatts of power required to operate the mill and processing facility at the Deer Trail Mine. An additional 1 megawatt of excess power capacity is available for future upgrades to the system, including power for mining activities at the Deer Trail property and other Unico claims in the area.



In October, Unico reported the initial underground maintenance work conducted by Atlas Fauset Contracting, a division of Atlas Mining Company. The underground maintenance work included the replacement of timber sets, clean up of the main haulage way and installation of

ground support where needed. Atlas began the mine maintenance and reopening of the PTH Tunnel that is expected to pave the way for future underground mining activities at the Deer Trail Mine.

Geological and metallurgical work was also conducted at the Deer Trail Mine in the later half of 2007 under the supervision of Mr. Misantoni and Mr. Blanco respectively. The first metallurgical update included information regarding lab work and testing of the above ground material located on the property that is expected to be used as immediate feed for the mill and processing facility at the Deer Trail Mine, once the facility is completed. A later metallurgical update, which is included on page 2 of this newsletter, reported on metallurgical work conducted both in the laboratory, as well as in the mill facility.



Geological work conducted by Mr. Misantoni included reports pertaining to the Deer Trail Mine as well as the Clyde and Crown Point Mines, for which Unico has entered into a 2006 lease agreement.

As the 2007 calendar year ended, Unico remained focused on finishing the remaining work required to complete the mill and production facility at the Deer Trail Mine, so that operations could begin at the facility. Concurrently, the company is working to ensure that once the facility is completed and operational, there will be steady supply of feed material for the mill. Beyond the activities at the Deer Trail Mine, Unico plans to continue to pursue the potential acquisition of additional properties, including the Bromide Basin Mine, which it currently holds under a mining lease and option to purchase agreement.

Additional Onsite Metallurgical Activity Conducted at the Deer Trail Mine

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The use of the appropriate frother in the floatation process is currently under evaluation. Factors that must be considered are its solubility in water and its capabilities of lowering the interfacial energy between gas and water. These tests are currently underway.

The sulfide ore found in the Deer Trail PTH tunnel 3400 area has been a main area of focus. Since the ores found in various areas of the Deer Trail property, including the 3400 area of the PTH tunnel, do not all have the same characteristics, the company is currently developing different procedures for processing each of the ore types.

With the test work that has been conducted to date on the upper Deer Trail tailings, the results have led us to the observation that the gold and silver in the tailings are associated with its sulfide Galena contents. It was noted that the sulfide particles have partially external oxidized surfaces.

Tests are being conducted to determine if the oxidized surface can be polished by re-grinding the tailings through our ball mill, after which further testing will determine whether or not the tailings will be amenable to sulfide floatation. Additional tests are being conducted to determine the best means of recovery."

In addition to the metallurgical report, the company reported the recent purchase of a new atomic absorption unit that will be used to speed up the analytical process. The 210VGP Atomic Absorption Spectrophotometer purchased from Buck Scientific, Inc. (website: <http://www.bucksci.com/>) is expected to arrive on site this week.

The new unit will help to expedite the assaying of samples from both the mine and mill and will provide the company with instant results. All previous assay samples had been sent out to independent labs for analysis, thus creating periodic delays in receiving results. Check samples will still be sent out to independent labs for quality assurance.

"We are pleased to report this update on the metallurgical work being conducted at the Deer Trail Mine, and look forward to continued onsite progress as we prepare for the initiation of processing operations at the site," stated Mark A. Lopez, chief executive officer of Unico.

"As the final steps of the reconstruction of the mill and processing facility are completed, specifically the start-up testing of equipment and any remaining electrical connections, the metallurgical work conducted at the site will help to fine-tune aspects of the floatation circuit in order to produce the most effective operational processes possible," he added.

Forward-Looking Statements

This newsletter may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and such Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are subject to risks and uncertainties that could cause actual results to vary materially from those projected in the forward-looking statements. The company may experience significant fluctuations in operating results due to a number of economic, competitive and other factors. These factors could cause operation results to vary significantly from those in prior periods, and those projected in forward-looking statements. Information with respect to these factors, which could materially affect the company and its operations, are included on certain forms the company files with the Securities and Exchange Commission.