

Unico Inc



OTC BB Trading Symbol: UCOI

www.unicomining.com

May 2007
Newsletter

Unico Reaches Agreement With Crown Mines, LLC to Extend Lease and Option to Purchase of Deer Trail Mine

With Additional \$300,000 Applied to Buy-Out Option, Final Payment Due by May 31, 2007

Unico, Incorporated, a publicly traded natural resource company in the precious metals mining sector (stock symbol: UCOI), has reached agreement with Crown Mines, LLC to extend the lease and purchase option of the Deer Trail Mine for its wholly owned subsidiary, Deer Trail Mining Company, LLC.

The terms of the modified lease and option to purchase agreement include an additional \$300,000 payment, which was paid on April 30, 2007 and applied to the total purchase price of the lease buy-out option. The modified agreement also includes an extension of the final payment due date for the remaining \$1.7 million to purchase the Deer Trail Mine lease from January 31, 2007 to May 31, 2007.

The \$300,000 payment was applied directly to the \$4,000,000 purchase price of the Deer Trail Mine lease. In early September 2004, Unico made a payment of \$1,000,000 to Crown Mines, and an additional \$1,000,000 in subsequent payments since November 1, 2006, plus an additional \$300,000 paid on April 30, 2007, leaving a final balance of \$1,700,000 to fully exercise the purchase option of the lease.

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The mining lease and option to purchase between Unico, Inc. and Crown Mines, LLC, dated December 12, 2001, was adjusted through a first modification of mining lease and option to purchase, dated May 31, 2004, a second modification of mining lease and option to purchase, dated April 21, 2006, and a third modification of mining lease and option to purchase, dated November 1, 2006.

In the period since Unico entered into the third modified lease agreement with Crown Mines, there has been significant progress in the efforts to develop long-term value for Unico stockholders. Reconstruction of the mill and processing facility at the Deer Trail Mine, which

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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. The Company has also announced agreements to acquire over 70 additional mining claims. For more information, please visit the Company's website, www.unicomining.com.

Recent News

4/30/2007

Unico Announces Extension of Deer Trail Mine Lease and Option to Purchase With Crown Mines, LLC

4/26/2007

Unico Announces Delivery of Transformers as Part of Electrical Power Supply to the Deer Trail Mine

4/24/2007

Unico Announces Appointment of Kenneth C. Wiedrich as Chief Financial Officer

4/20/2007

Unico Chairman Files Form 4 on Common Stock Purchase

4/19/2007

Unico Announces New Photo Gallery Showing Reconstruction Progress at the Mill and Processing Facility

4/18/2007

Unico Announces Additional Updates on Reconstruction Progress at the Mill and Processing Facility

4/13/2007

Unico Adds New Photo Gallery Showing Reconstruction Progress at the Mill and Processing Facility at the Deer Trail Mine and Additional Screening Plant Activity

4/12/2007

Unico Announces Reconstruction Progress at the Mill and Processing Facility at the Deer Trail Mine and Additional Screening Plant Activity

4/10/2007

Unico Announces New Agreement for Additional Labor to Expedite Completion of Reconstruction at the Mill and Processing Facility at the Deer Trail Mine

4/4/2007

Unico Releases April 2007 Monthly Investor Newsletter

Investor Q&A

The "Investor Q & A" feature provides the opportunity for newsletter readers to submit questions to be addressed in each edition of the publication. By providing this forum, Unico management hopes to address inquiries that are of interest to a broad segment of the Company's shareholder community. Questions should be submitted by email to investors@unicominer.com or by telephone to 951-587-8072. In deference to their privacy, shareholders' names and email addresses will not be disclosed.

Question:

There appears to be significant time, effort and capital being committed to the reconstruction of the mill and processing facility at the Deer Trail Mine. Has it been determined that there is real value in the stockpiled material at the Deer Trail Mine? I assume that the Company would not be pursuing this avenue if management did not have some data showing real value in the material.

Answer:

There is historical information on mining activity that occurred at the Deer Trail Mine during several periods of the 20th century, which is when the majority of the material contained in the stockpiles was mined. Based on that information, and taking into account the increases in metals pricing in recent years, the Company believes that there is value in the stockpiled material and that revenue potential from the stockpiles can be realized.

There is understandable attention being cast on the potential of gold and silver content in the stockpiles, especially with gold valued at \$690 per ounce and silver at \$13.50 (both approximate values as of May 4, 2007), but the Company also expects that current pricing of other metals contained in the stockpiled material, including lead, copper and zinc, positions them to become profit centers for the Company when the mill and processing facility becomes operational.

Chairman Ray Brown Files Form 4 on Common Stock Purchase

On April 16, 2007, chairman Ray C. Brown purchased 1,471,000 shares of Unico common stock at a price of \$0.0036 per share. The purchase brought the total number of common shares that Mr. Brown owns to 12,071,011.

Mr. Brown's purchase was reflected in a Form 4 Statement of Change in Beneficial Ownership of Securities filed with the Securities and Exchange Commission on April 18, 2007.

"I was recently able to visit the Deer Trail Mine and view firsthand the tremendous progress that has been made on the reconstruction of the mill and production facility," commented Mr. Brown.

"I am just ecstatic about the reconstruction project and how quickly it has progressed — coming up from virtually nothing to the facility that stands there now. I share the enthusiasm of other Unico common stockholders as we look forward to the start-up of operations of this facility and establishing revenues from processing operations at the Deer Trail Mine," Mr. Brown added.

Unico Appoints Kenneth Wiedrich to the Position of Chief Financial Officer

Appointment Will Bolster Internal Accounting Capabilities and Prepare for Long-Term Growth in Operations

The Board of Directors of Unico, Incorporated has appointed Kenneth C. Wiedrich as chief financial officer of the company. Details of the appointment were included in a Current Report on Form 8-K filed with the Securities and Exchange Commission on April 20, 2007.

Mr. Wiedrich has a substantial working knowledge of Unico's internal accounting procedures, having provided ongoing consulting services to the company through his association with Javelin Advisory Group, which has provided certain consulting services to Unico since 2004.

Mr. Wiedrich also has an existing working relationship with Unico's independent auditing firm, HJ Associates & Consultants, LLP, having assisted with the filing of the company's quarterly and year-end reports over the past several years.

Mr. Wiedrich has over 38 years experience in operational accounting and finance functions in a variety of businesses within the service, construction and manufacturing industries.



From November 2003 to April 2007, Mr. Wiedrich served as controller of Javelin Advisory Group responsible for client accounting, and in this capacity served as chief financial officer and secretary of three publicly traded client companies. Prior to November 2003, Mr. Wiedrich served as an independent insurance inspector for approximately five years, providing personal lines loss-control inspections for several inspection service companies.

"The appointment of Mr. Wiedrich to the position of CFO is a highly significant event, since it changes the course of how we perform the internal accounting and financial compliance aspects of Unico's business," said Mark A. Lopez, chief executive officer of Unico, Inc.

"We expect that this appointment will improve our internal operations, and we look forward to further building our internal accounting and financial reporting staff under Mr. Wiedrich's leadership and oversight," he added.

"I am very pleased to now become a part of Unico and am enthusiastic about joining a company with such a promising future," stated Mr. Wiedrich.

"I know the company well, but I look forward to working even more closely with Mr. Lopez and the rest of the organization as it enters an exciting new era with increasing activity and operations in its subsidiary businesses," Mr. Wiedrich added.

Unico Provides Updates on Recent Reconstruction Work at the Mill and Processing Facility at the Deer Trail Mine

Website Photo Galleries Show Reconstruction and New Screening Plant Activity

Throughout the month of April 2007, Unico reported additional progress of reconstruction of the mill and processing facility at the Deer Trail Mine in Marysville, Utah.

In addition to the updates, which included the news of new mill reconstruction, the delivery of equipment to the site, and the re-initiation of screening activity at the Deer Trail Mine, the Company added new photo galleries to the Unico website showing the reconstruction progress, recent equipment that has been purchased for the facility and new screening activity at the property.

The first update on reconstruction work at the Deer Trail mill and processing facility included completion of the catwalk between the existing mill building and the new building, which will house the thickener and filtration. The walls and floor of the upper deck annex building of the fine ore bins were completed.



Construction of the upper annex building of the fine ore bins

Several pieces of equipment were purchased for the Deer Trail processing facility, including four electrical control panels and one switching center with a stop/start motor control center (MCC). The pre-assembled two-sided control panels were purchased in order to expedite installation and reduce time and labor requirements. The panels will be wired and



Material loaded into the screening plant

connected to supply power to pumps and other key equipment in the mill and processing facility. A Genie articulating man-lift with a 60-foot reach was purchased for use in the construction of fine ore bin upper deck and other high structures at the site.



Material moving through the screening plant

In addition to the reconstruction of the mill and processing facility, screening activity at the Deer Trail Mine has been re-initiated after a break in the winter season.

The screening plant has begun processing material in anticipation of the start of mill operations once the reconstruction work is complete.

"We continue to focus a significant amount of time and resources on the reconstruction of the mill and processing facility at the Deer Trail Mine and are pleased to report our recent progress to Unico shareholders," stated Mark A. Lopez, chief executive officer of Unico, Inc. at the time of the first April update. "In the next several weeks, we are anticipating additional equipment delivery to the Deer Trail Mine, further progress on construction of the new electrical substation that will supply power to the site and additional milestones on reconstruction of the mill facility."



Electrical panels delivered to the site

In the next update, Unico reported that several of the electrical motors in the main mill building had been wired and will be tested upon completion of the substation. The electrical panels were delivered to the site, as was the Genie articulating man-lift with a 60-foot reach. Also delivered were the filter bags used for the Eimco filter in the new mill building. The filter bags were ordered from National Filter Media of Salt Lake City, Utah and



Filter bags installed on the filter sectors

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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.

Company Issues Updates on Reconstruction Work and Equipment Delivery at the Mill and Processing Facility at the Deer Trail Mine

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were being installed on the filter sectors. With the installation of the filter bags onto the filter sectors now complete, the filter sectors will be installed on the Eimco filter.

Also in the new mill building, cross braces that support the upper mezzanine floor plate were installed, and installation of the floor plating had begun. The steel supports for the upper concrete floor above the conveyor pump slot were also installed. An all-steel plate for erecting the thickener tank has been purchased and is being machine-rolled for installation. A complete set of new screens for the screening plant was ordered from Kimball Equipment of Salt Lake City.

Floor plating for the upper mezzanine in the new mill building



In preparation for continued screening plant operations, a significant amount of time and effort was spent servicing the Cat Loader and hard-facing the Loader bucket and the Case Excavator bucket. New rollers were installed on the Cat D-7 dozer, in order to improve reliability for screening plant operations this season.



Supports for the upper concrete floor above the conveyor pump slot

Insulation for the fine ore bins was delivered in preparation for the arrival of the construction crew from FMS, Inc., which was contracted to perform the actual installation. The perlins for the fine ore bin were expected within the next several days after the announcement.

A new road into the substation had been completed with sufficient width and quality to accommodate a 50-ton crane and transformer transport vehicle.

"The reconstruction work at the mill and processing facility at the Deer Trail continues at a brisk pace, and we are pleased to see the ongoing progress in virtually every area of the site," said Mr. Lopez when the Company announced the recent work.

"We look forward to the arrival of the construction crew from FMS, Inc., which has been contracted to expedite the completion of any remaining construction at the facility. We are committed to keeping shareholders updated throughout this process with press releases,

our monthly newsletter and the photo galleries that are regularly added to our website," he added

Unico subsequently announced the delivery of two additional transformers as part of the new system that will supply electrical power to the mill and processing facility at the Deer Trail Mine in Marysville, Utah. 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 laboratory facility and the offices. Both transformers were purchased from West Coast Switch Gear, Inc. (www.westcoastswitchgear.com), a manufacturer and distributor of all levels of power distribution based in Cerritos, California.

The primary voltage of the main transformer is 46,000 volts and the secondary voltage of 12,470/7,200 will be sent to the mill by direct burial cable. The larger of the two transformers was manufactured by Cutler-Hammer and will reduce the 12,470 voltage to the 480 volts required to operate the mill.



The larger transformer is unloaded after delivery to the Deer Trail Mine

The other transformer will reduce 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. The two additional transformers will be installed close to the mill facility, where ground has been leveled for a concrete foundation.



The smaller transformer on site

In addition to the delivery of the two generators, Unico reported continued work on the wiring of motors, switches and controls inside the main mill building. Preparations are also underway to install and wire the lighting in the new mill building.

The construction crew from FMS, Inc. had arrived at the Deer Trail Mine during the week of April 23 and began work in designated areas of the site (see related story on page 5). The specific activities of the FMS, Inc. crew will be the subject of additional reports and updates issued by Unico in the coming weeks.

Unico Reaches Extension Agreement With Crown Mines for Lease and Purchase Option on Deer Trail Mine

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includes significant improvements designed to increase both the efficiency and capacity of the facility, has entered the completion stage.



Additional reconstruction work at the mill and processing facility at the Deer Trail Mine has been completed since this site picture was taken in November 2006

There has been activity in other areas of the site as well, including preparations for the construction of a new electrical substation that will supply power to the Deer Trail Mine and the re-initiation of screening activity to prepare feed material for the mill once reconstruction is complete and the power connections have been established.



Split Core Sample from Deer Trail Mine

(USA), Inc. The last group of samples were logged, split, bagged, and tagged at the Deer Trail site and have been 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.

"With so much activity occurring on site, we are very pleased to have reached this agreement with Crown Mines to extend the lease and option to purchase for the Deer Trail Mine," said Mr. Lopez. "There has been progress in virtually every area of our operations at the Deer Trail project, from the continuing mill reconstruction and screening work to the ongoing analysis of the core samples taken from our underground diamond core drilling program. We look forward to making the final payment by the May 31 due date so that we can secure this property as a long-term asset for both the company and its shareholders."

Agreement Reached with FMS, Inc. for Additional Labor to Expedite Completion of Reconstruction at the Mill and Processing Facility at the Deer Trail Mine

Unico, Inc. has announced an agreement with FMS, Inc. of Huntington Station, New York for additional labor to expedite completion of the mill and production facility at the Deer Trail Mine in Marysville, Utah.

Under the new agreement, FMS, Inc. will provide a crew trained and experienced in all phases of construction whose primary responsibility will be to aid in the completion phase of mill reconstruction at the Deer Trail Mine.

FMS is work in several designated areas of the mill facility, including construction of the new substation that will provide electrical power to the Deer Trail Mine, rain gutters and flashings on the new mill building, siding and insulation on the fine ore bins adjacent to the main mill building, and other areas of the site where its construction skills can be put to use.

FMS, Inc. 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.

During that period, FMS helped to build the 50 by 100 foot building adjacent to the existing mill facility that will house the thickener and filtration for the facility. FMS worked on the foundation, cement footings, the steel frame, insulation, siding, doors, roof, and all other aspects of the structure.

"The agreement to bring in this additional labor from FMS, Inc. is an indication of our commitment to complete reconstruction of the mill and processing facility at the Deer Trail Mine and begin establishing revenues from processing operations as soon as possible," stated Mark A. Lopez, chief executive officer of Unico, Inc.

"Our previous working relationship with FMS makes this crew an ideal addition to the workforce already at the Deer Trail Mine, and the crew's experience at the site last fall will allow them to begin work more quickly and efficiently than other contracted labor," he continued.

"Unico and its wholly owned subsidiary, Deer Trail Mining Company, Inc., are taking every possible measure to expedite the reconstruction process, and we will maintain that focus until all of the remaining work is completed," added Mr. Lopez.

Since the announcement of the agreement with FMS, Inc., Unico has reported the crew's arrival at the Deer Trail Mine and work completed at the site.

Once the mill and processing facility at the Deer Trail Mine is completed and operational, the company expects to begin processing existing stockpiled material on the property and sell the concentrates to establish revenues.