

9 September 2020

Drilling Program Underway at Sorby Hills



Pacifico Minerals Limited (ASX: **PMY**) ("**Pacifico**" or the "**Company**") is pleased to confirm that drilling is now underway at its 75% owned Sorby Hills Lead-Silver-Zinc Project ("**Sorby Hills**" or the "**Project**"), located in the Kimberley Region of Western Australia.

Sorby Hills Project (75% owned)

The current drilling program supports the advancement of the Project toward a Definitive Feasibility Study ("**DFS**") while simultaneously **exploring opportunities to expand the Resource**.

Pacifico's Pre-Feasibility Study ("**PFS**") (see ASX announcement 25 August 2020) confirmed that Sorby Hills is supported by a significant, large near-surface Pb-Ag-Zn deposit comprising a Mineral Resource of 44.1Mt at 3.3% Pb, 38g/t Ag and 0.5% Zn, and Proved and Probable Reserves of 13.6Mt at 3.6% Pb, and 40g/t Ag. The PFS was underpinned by Pacifico's successful 2019-20 drilling program which saw a significant increase to the Mineral Resource Estimate ("**MRE**") at Sorby Hills (see ASX announcement 2 June 2020 and Appendix).

Drilling Program Summary:

- A total of **68 drill holes have been planned for a 5,200m drilling program** using a combination of mud-rotary collars and HQ3 **diamond core**.
- Expansion of the program is contingent on positive results during its implementation.
- Approximately 50% of the planned drilling is assigned to metallurgical and geotechnical/sterilisation test work with the remaining 50% targeting:
 - **Extensions of the mineralisation between Norton and Omega deposits;**
 - **The continuity of high-grade zones of mineralisation;**
 - Verification of **RC drilling results in the Wildcat target** area;
 - **Follow up of high-grade historic intercepts south of the known** deposits identified in a recent project data review;
 - Near pit opportunities to **expand shallow mineralisation;** and
 - Follow up drilling where **high-grade silver mineralisation** has been intersected previously.

Exploration E80/5317 'Eight Mile Creek' (100% owned)

Eight Mile Creek is 100% owned by Pacifico and covers 217 km² to the northeast of Kununurra and south of the Sorby Hills Joint Venture Project, adding 30 km of strike length of prospective exploration ground adjacent to the Sorby Hills deposit.

A first path assessment of the E80/5317 tenement is planned to include reconnaissance geological traverse mapping and a ground gravity survey over the northern half of the property to build a structural interpretation of the Devonian-Carboniferous strata.

Managing Director, Simon Noon said: "*The Sorby Hills Project is the largest undeveloped, near-surface Lead-Silver-Zinc deposit in Australia and we are excited to be commencing directly to a DFS, supported by the current drilling program. Pacifico has a track record of increasing Resources, as demonstrated by our 2019-20 drilling programs which saw a significant increase to the Sorby Hills Mineral Resource Estimates that underpinned the recent Sorby Hills PFS. In addition, we are excited about the opportunity presented by the exploration of tenement E80-5317 at Eight Mile Creek. With drilling now having commenced, we look forward to updating the market with our progress and success with expanding Pacifico's Resources.*"

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APPENDIX

Pacifico's successful 2019/2020 drilling program resulted in a significant increase in the MRE at the Sorby Hills Project which underpinned the Company's recent PFS.

Table: Mineral Resource estimate. Reported above a cut-off of 1% Pb (Pb domains only)

Deposit	Measured				Indicated				Inferred				Total			
	Mt	Pb (%)	Ag (g/t)	Zn (%)	Mt	Pb (%)	Ag (g/t)	Zn (%)	Mt	Pb (%)	Ag (g/t)	Zn (%)	Mt	Pb (%)	Ag (g/t)	Zn (%)
A	-	-	-	-	-	-	-	-	0.6	6.1	32	1.2	0.6	6.1	32	1.2
B	0.5	4.3	24	0.3	1.3	4.	24	0.3	-	-	-	-	1.8	4.3	24	0.3
Omega	4.2	4.3	45	0.4	9.2	3.2	29	0.4	2.5	3.0	23	0.6	15.8	3.5	32	0.4
Norton	2.4	4.3	83	0.3	2.2	3.4	38	0.5	16.0	2.5	30	0.4	20.6	2.8	37	0.4
Alpha	-	-	-	-	1.0	2.8	50	0.6	1.0	3.4	85	1.4	2.0	3.1	67	1.0
Beta	-	-	-	-	-	-	-	-	3.3	4.6	61	0.4	3.3	4.6	61	0.4
Total	7.1	4.3	57	0.4	13.7	3.3	31	0.4	23.4	3.00	36	0.5	44.1	3.3	38	0.5

Notes. 1. The information is extracted from the report entitled "Mineral Resource Update Sorby Hills Pb-Ag-Zn Project" released on 2 June 2020 and is available to view on www.pacificominerals.com.au/.

2. Tonnes and grade are rounded.

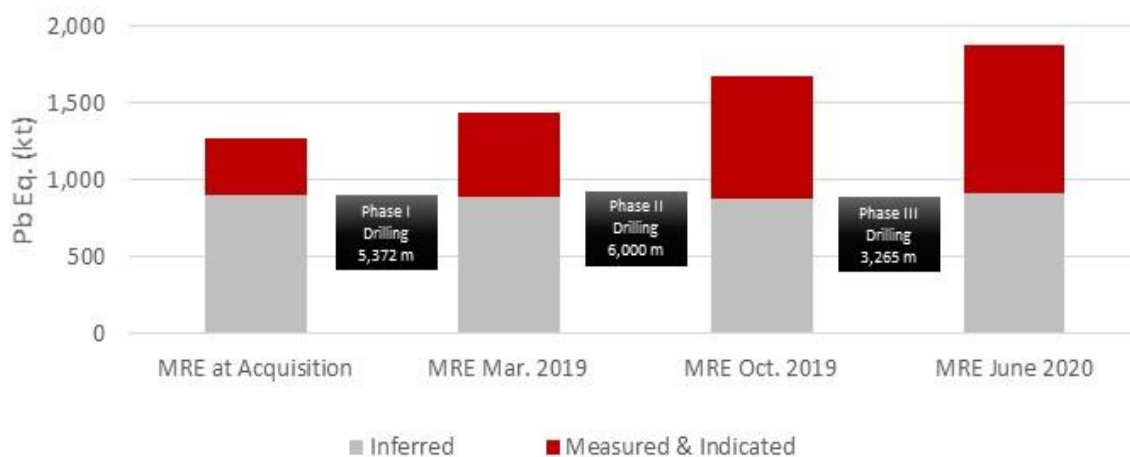


Figure: Increases in MRE at Sorby Hills Since Acquisition

The Board of Directors have authorised this announcement for release to the market.

FOR FURTHER INFORMATION PLEASE CONTACT:

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About Pacifico Minerals Ltd

Pacifico Minerals Ltd (“Pacifico”, ASX: PMY) is a Western Australian based exploration company with interests Australia and Colombia. In Australia, the company is currently focused on advancing the Sorby Hills Lead-Silver-Zinc Joint Venture Project in WA. Pacifico owns a 75% interest in the Joint Venture with the remaining 25% (contributing) interest held by Henan Yuguang Gold & Lead Co. Ltd.

About Henan Yuguang Gold and Lead Co Ltd

Henan Yuguang Gold and Lead Co., Ltd (“Yuguang”) was established in 1957 by the government of Jiyuan City which is in Henan Province in North China. In July 2002, HYG (exchange code: 600531) was listed on the Shanghai Stock Exchange (“SSX”). Current ownership is approximately 29.61% by Jiyuan City. Yuguang is the largest lead smelting company and silver producer in China and has been among the Top 500 Chinese enterprises and Top 500 China manufacturing enterprises for the last five consecutive years. The main products produced by Yuguang are electrolytic lead, gold, silver and copper which are all registered at LME and LBMA respectively. In 2017, Yuguang produced 415,100 tonnes of electrolytic lead, 110,000 tonnes of copper, 958 tonnes of silver, 7,383 kg of gold and achieved sales of about US\$2,684 million. Yuguang’s plants are largely modern, focussed on development of industrial technology and are environmentally friendly. Its recently refurbished lead smelting plant has achieved full automation. More information can be found on the Yuguang website: <http://www.yggf.com.cn/en/>

Compliance Statements

Pacifico confirms that it is not aware of any new information or data that materially affects the information related to Mineral Resources included in the market announcement released on 2 June 2020 titled “Mineral Resource Update Sorby Hills Pb-Ag-Zn Project” and furthermore, that all assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. Pacifico confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

The contained metal equivalence formula is based on the Sorby Hills PFS including:

- Lead Price US\$2,095/t;
- Silver Price US\$21.1/oz;
- Silver recovery of 80.3% (weighted average of oxide and fresh Ag recoveries); and
- Silver Payability rate of 95%.

It is Pacifico’s opinion that all elements included in the metal equivalent calculation have a reasonable potential to be recovered and sold. The formula used to calculate lead equivalent grade is:

$$\text{MetalEq (\%)} = G_{\text{pri}} + (G_{\text{pri}} \times [\sum_i R_i S_i V_i G_i] / (R_{\text{pri}} S_{\text{pri}} V_{\text{pri}} G_{\text{pri}}))$$

where *R* is the respective metallurgical metal recovery rate, *S* is the respective smelter return rate, *V* is metal price/tonne or ounce, and *G* is the metal commodity grade for the suite of potentially recoverable commodities (*i*) relative to the primary metal (*pri*).

Metal equivalents are highly dependent on the metal prices used to derive the formula. Pacifico notes that the metal equivalence method used above is a simplified approach. The metal prices are based on the PFS values adopted and do not reflect the metal prices that a smelter would pay for concentrate nor are any smelter penalties or charges included in the calculation.

Owing to limited metallurgical data, zinc grades are not included at this stage in the lead equivalent grade calculation