



19 October 2020

QUARTERLY REPORTS – SEPTEMBER 2020

Pacifico Minerals Limited (ASX: PMY) ('Pacifico' or the 'Company') is pleased to provide the following activity and cashflow reports for the September 2020 quarter.

During the quarter, the Company released a Pre-Feasibility Study on its 75% owned Sorby Hills Joint Venture Project ('Sorby Hills' or the 'Project'), located within the Kimberley Region of Western Australia. The Project is the largest undeveloped, near-surface Lead-Silver-Zinc deposit in Australia, located close to existing infrastructure, and with advanced permitting, allowing for fast tracked production. Following a successful capital raising in September, the Company is fully funded to complete a Definitive Feasibility Study ('DFS') and reach a Decision to Mine on the Project.

HIGHLIGHTS

- ✓ **Release of the Optimised Pre-Feasibility Study**
 - Pre-tax NPV₈ of A\$303 million, IRR of 46% and payback period of ~1.6 years.
 - Pre-tax net operating cash flow of A\$747 million, ~A\$75M EBITDA per annum.
 - C1 cash costs of US\$0.40/lb payable Pb including a net Silver credit of US\$0.27/lb payable Pb.
 - Pre-production expenditure of A\$183 million including \$20 million contingency.
- ✓ **Ore Reserve Statement** confirmed a total 13.6Mt at 3.6% Pb and 40 g/t Ag of Proved and Probable Reserves underpinning 92% of the PFS Mine Plan.
- ✓ **Completion of a A\$10 million Placement** with strong support by quality institutional and strategic shareholders with a further \$240,000 raised through a Share Purchase Plan.
Company fully funded to a Decision to Mine at the Sorby Hills Project.
- ✓ **Commencement of Sorby Hills Definitive Feasibility Study ('DFS') drilling campaign** comprising 5,200 m across a planned 68 holes focused on Resource expansion and exciting exploration targets proximal to the existing Sorby Hills deposits.
- ✓ **Significant project financing milestone achieved** with Sorby Hills progressing to the Due Diligence Stage of the Northern Australia Infrastructure Facility ('NAIF') funding assessment process.

Outlook: The Company will continue to advance and de-risk the Project ahead of a Decision to Mine in the second half of CY2021. It is anticipated that initial results from the DFS drilling campaign will be released during the upcoming quarter.

Commenting on the first quarter, Pacifico **Managing Director, Mr Simon Noon, said:**

"The results of the PFS have confirmed the economic attractiveness of Sorby Hills and given us confidence to launch immediately into the DFS work streams. The capital raising has significantly strengthened the Company's balance sheet and sees the Company fully funded to the point at which a Decision to Mine can be made on the Project.

With a very high quality PFS completed, the commencement of a 5,200m DFS and Resource expansion drill program, and substantial progress being made on our financing strategy in the form of confirmed support from NAIF, it is very exciting times for the Company.

Managing Director

Simon Noon

Company Secretary

Jerry Monzu

Directors

Gary Comb (Chairman)

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Andrew Parker (Non Exec)

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RESULTS OF THE OPTIMISED PRE-FEASIBILITY STUDY

Sorby Hills is the largest undeveloped, near-surface Lead-Silver-Zinc deposit in Australia, located close to existing infrastructure, and with advanced permitting, allowing for fast-tracked production.

On 25 August 2020, Pacifico released the results of the Optimised PFS on the Project. The PFS confirmed the Project is technically and economically robust, underpinned by detailed test work and growing demand for Lead and Silver as part of the global transition to clean energy.

The PFS findings strengthen the Company's conviction to develop the deposit into a profitable mine. Highlights of the PFS included:

- **Low-risk Open Pit Project** underpinned by a **well-defined large-scale Mineral Resource, 92% Ore Reserves** and **conventional** crush-mill-float processing circuit delivering **high metal recoveries**.
- **Mining and processing of 14.8Mt of ore** from four deposits at a rate of **1.5Mt per annum** over an initial **10-year mine life** producing an average **50kt Lead and 1.5Moz of Silver per annum** in a high quality 62% Lead concentrate product.
- **Gross Revenue of A\$1.85 billion** with revenues from Lead and Silver contributing approximately 77% and 23% respectively over the Life of Mine ('LoM').
- **C1 cash costs of US\$0.40/lb payable Pb** (including a net Silver credit of US\$0.27lb/ payable Pb) delivering a LoM **operating margin of 40%**.
- **Total LoM operating cash flow of A\$747 million and average EBITDA of A\$75 million per annum** (including A\$127 million per annum over the first 2 years of production).
- **Upfront Capex of A\$183 million comprising:**
 - Pre-Production Mining capex of A\$24 million;
 - Process Plant and Infrastructure of A\$126 million;
 - Owners Costs of A\$13 million; and
 - Contingency of A\$20 million.
- **Strong Pre-Tax NPV₈ of A\$303 million**, generating an **IRR of 46%** with a **payback period of ~1.6 years** (assuming conservative average 10-year lead (US\$2,095/t) and silver (US\$21.1/oz) prices and an A\$:US\$ exchange rate of 0.70).
- **Further significant expansion and exploration upside potential to Base Case** assumptions through the inclusion of a Dense Media Separator ('DMS') within the process circuit, incorporation of near-mine Resources into the Project Mine Plan and exploration upside from the highly prospective 'Eight Mile Creek' tenement (E80/5317).

Having finalised the PFS, Pacifico will immediately commence DFS, offtake, financing and approvals work streams ahead of an anticipated Decision to Mine in the second half of CY2021.

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MAIDEN ORE RESERVE STATEMENT

In conjunction with the PFS, Pacifico announced a maiden Ore Reserve for the Sorby Hills Project. 'Measured' and 'Indicated' Mineral Resources were converted to 'Proved' and 'Probable' Ore Reserves respectively based on an economic evaluation with 'Inferred' material being treated as waste.

The stated Ore Reserves underpin 92% of the PFS Mine plan and provide a strong basis for Project development and attracting Project financing.

Sorby Hills Ore Reserve Statement

Deposit	Proved			Probable			Total Ore Reserve				
	Tonnes (Mt)	Pb (%)	Ag (g/t)	Tonnes (Mt)	Pb (%)	Ag (g/t)	Tonnes (Mt)	Pb (%)	Pb (kt)	Ag (g/t)	Ag (Moz)
B	0.6	3.7	20	1.3	3.4	20	1.8	3.5	60	20	1
Omega	4.1	4.1	43	5.5	3.1	29	9.6	3.6	340	35	11
Norton	2.1	4.0	82	0.2	3.5	48	2.2	4.0	90	79	6
Total	6.8	4.1	53	6.9	3.2	28	13.6	3.6	490	40	18

- Notes:
- Ore Reserves are a subset of Mineral Resources.
 - Ore Reserves are estimated using a lead price of US\$2,095/tonne and silver price of US\$21.10/ounce and USD/AUD exchange rate of 0.7.
 - Ore Reserves are estimated using a cut-off grade of 1.5% Pb.
 - The above data has been rounded to the nearest 100,000 tonnes, 0.1% lead grade and 10,000 lead tonnes, 1g/t silver grade and 1,000,000 silver ounces. Errors of summation may occur due to rounding.

DRILLING PROGRAM COMMENCED AT SORBY HILLS

On 9 September 2020, Pacifico announced the commencement of its latest drilling program which will support the advancement of the Sorby Hills Project towards a DFS and simultaneously explore opportunities to expand the Resource.

A total of 68 drill holes have been planned for a 5,200m drilling program at Sorby Hills using a combination of mud-rotary collars and HQ3 diamond core, with expansion of the program contingent on positive results during its implementation. Approximately 50% of the planned drilling is focused on Resource expansion and exciting exploration targets proximal to the existing deposits with the remaining 50% assigned to metallurgical and geotechnical/sterilisation test work.

Exploration has also commenced at E80/5317 tenement at Eight Mile Creek which is located south of the Sorby Hills Project. A first path assessment of the site includes 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. Pacifico acquired 100% of the new strategic exploration tenement in April 2020 given its potential of becoming a new mining district for the Company.

NON-CORE ASSETS

The Company is focused on the development of the Sorby Hills Project and the exploration at Eight Mile Creek with exploration work on non-core assets remaining on hold.

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PROJECT FINANCING

On 14 September 2020, **Pacifico announced they had engaged with NAIF with regard to debt financing for the development of Sorby Hills.** NAIF is an Australian Federal Government organisation with an aggregate of A\$5 billion of debt finance which may be lent on concessional terms to support infrastructure development that generates public benefit for northern Australia.

NAIF undertakes a four-stage assessment process when considering projects that it will finance. Sorby Hills has passed through Stage 1 and Stage 2 and is now within NAIF's Due Diligence Stage.

Pacifico will continue to assist NAIF with its required due diligence investigations regarding participation in any potential debt facilities to fund Sorby Hills' development. At this stage, NAIF has not made any decision to offer finance and there is no certainty that an agreement will be reached between the parties.

The Company has engaged BurnVoor Corporate Finance as their financial advisor in respect to obtaining project finance for the development of Sorby Hills.

CORPORATE

The consolidated cash balance of the Company at quarter-end was approximately A\$11.7M.

On 2 September 2020, Pacifico advised that all milestones associated with the Class "A" Performance Rights were achieved and in accordance with the terms of the Performance Rights, a total of 19,000,000 performance rights were converted into ordinary fully paid shares and allotted to Directors of the Company.

On 10 September 2020, a total of 69,210 ordinary shares were issued to shareholders who exercised their listed 1.5cps 21 November 2020 options, raising A\$1,038.

On 18 September 2020, the Company announced that it had received firm commitments from sophisticated and professional investors to raise A\$10M (before costs) at an issue price of \$0.018 per share (a 12% discount to VWAP over the last 5 days before the trading halt) via a placement and also announced that it planned to conduct a Share Purchase Plan ('SPP') at the same price as the placement.

The Company allotted 555,555,920 ordinary fully paid shares on 24 September 2020 out of its 7.1 and 7.1A capacity to satisfy the placement announced on 18 September. Further, on 9 October 2020 the Company announced that it had raised A\$240k from the SPP and issued 13,333,333 ordinary shares. Pacifico advised that the shortfall from the SPP would not be placed.

During the period, the Company paid A\$63k to related parties, these payments were made to Directors of Pacifico Minerals Limited for salaries and directors fees, on normal commercial terms.

ANNUAL GENERAL MEETING

The Company wishes to inform shareholders that it has decided to delay its Annual General Meeting ('AGM') by up to two months as a result of the on-going disruption caused by COVID-19.

The Company is relying on the Australian Securities and Investments Commission's public "no action" position which permits companies listed on the Australian Stock Exchange to delay holding an AGM (which is required to be held by 30 November 2020) by up to two month to 31 January 2021.

A further update will be provided once the date of the AGM has been set.

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

FOR FURTHER INFORMATION PLEASE CONTACT:

Simon Noon

Managing Director

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Email: info@pacificominerals.com.au

ABOUT PACIFICO MINERALS LIMITED

Pacifico Minerals Ltd is a Western Australian based exploration company with interests in both Australia and Colombia. The company is currently focused on advancing the Sorby Hills Lead-Silver-Zinc Joint Venture Project in WA. Pacifico holds a 75% interest 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 (HYG) was established in 1957 by the government of Jiyuan City which is in the Henan Province in North China. In 2002, HYG was listed on the Shanghai Stock Exchange (exchange code: 600531). Current Jiyuan City ownership is approximately 29.61%. HYG is the largest lead smelting company and silver producer in China and has been among the Top 500 Chinese manufacturing enterprises for the last five consecutive years. HYG's signature are electrolytic lead, gold, silver, and copper which are registered at LME and LBMA, respectively. In 2017, HYG produced 415,100 tonnes of electrolytic lead, 110,000 tonnes of copper, 958 tonnes of silver, 7,383 kilograms of gold and achieved sales of about \$2,684 million USDs. HYG's plants are predominantly modern and HYG continue to develop industrial technology that is environmentally friendly. Its recently refurbished lead smelting plant has achieved full automation. For further information visit <http://www.yggf.com.cn/en/>.

FORWARD LOOKING STATEMENTS

Certain statements in this document are, or may be, 'forward-looking statements' and represent Pacifico's intentions, projections, expectations or beliefs concerning among other things, future exploration activities. The projections, estimates and beliefs contained in such forward-looking statements necessarily involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Pacifico, and which may cause Pacifico's actual performance in future periods to differ materially from any express or implied estimates or projections. Nothing in this document is a promise or representation as to the future. Statements or assumptions in this document as to future matters may prove to be incorrect and differences may be material. Pacifico does not make any representation or warranty as to the accuracy of such statements or assumptions.

COMPETENT PERSON AND COMPLIANCE STATEMENTS

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves.

Information included in this presentation relating to Mineral Resources, Ore Reserves, Production Targets and Financial Forecasts has been extracted from the Mineral Resource Estimate dated 2 June 2020 and the Pre-Feasibility Report and Ore Reserve Statement dated 25 August 2020, both available to view at www.pacificominerals.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in either the Mineral Resource Estimate or the Ore Reserve Statement and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the Mineral Resource Estimate or the Ore Reserves Statement.

The information in this release that relates to Exploration Results is based on information prepared by Dr Simon Dorling. Dr Dorling is a member of the Australasian Institute of Geoscientists (Member Number: 3101). Dr Dorling has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Dorling consents to the inclusion in the release of the matters based on their information in the form and context in which it appears.

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APPENDIX 1
INTERESTS IN TENEMENTS

Farm-In Agreements/ Projects/Tenements	Location	Held at Start of Quarter	Held at End of Quarter
Sorby Hills Project	WA, Australia		
M80/196		75%	75%
M80/197		75%	75%
M80/285		75%	75%
M80/286		75%	75%
M80/287		75%	75%
E80/5317		100%	100%
Borroloola West Project	NT, Australia		
EL31354		100%	100%
EL26938		51%	51%
EL26939		51%	51%
EL28508		51%	51%
EL28658		51%	51%
EL30157		51%	-
EL30305		51%	51%
MLN624	51%	51%	
Mount Jukes Project	TAS, Australia		
EL51/2008		13.74%	13.74%
EL12/2009		13.74%	13.74%
Berrio Project	Colombia		
6822		100%	100%
IDI-16112X		8.6%	8.6%
IDI-16113X		8.6%	8.6%
HINN-02		8.6%	8.6%
JG1-09552		8.6%	8.6%
T1935005		8.6%	8.6%
IHF-08012		7.5%	7.5%
T1928005	5.7%	5.7%	
Urrao Project	Colombia		
2791		100%	100%

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Appendix 5B

Mining Exploration Entity or Oil and Gas Exploration Entity Quarterly Cash Flow Report

PACIFICO MINERALS LIMITED	
ABN 43 107 159 713	Quarter ended ("current quarter")
	September 2020

Consolidated statement of cash flows		Current quarter	Year to date (3 months)
		\$A'000	\$A'000
1	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(555)	(555)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(71)	(71)
	(e) administration and corporate costs	(139)	(139)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	2
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other		
	* (Recharge of staff costs and other administration costs to the Sorby JV)	9	9
	* Payment of stamp duty on acquisition of the Sorby Hills Project	(256)	(256)
1.9	Net cash from / (used in) operating activities	(1,010)	(1,010)

2	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(28)	(28)
	(d) exploration & evaluation (if capitalised)	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(28)	(28)

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3	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	10,001	10,001
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(235)	(235)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.1	Net cash from / (used in) financing activities	9,766	9,766

4	Net increase / (decrease) in cash and cash equivalents for the		
4.1	Cash and cash equivalents at beginning of period	2,957	2,957
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,010)	(1,010)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(28)	(28)
4.4	Net cash from / (used in) financing activities (item 3.10)	9,766	9,766
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	11,685	11,685

5	Reconciliation of cash and cash equivalents	Current quarter	Previous
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	\$A'000	\$A'000
5.1	Bank balances	11,624	2,896
5.2	Call deposits	61	61
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	11,685	2,957

6	Payments to related parties of the entity and their associates	Current quarter	
		\$A'000	
6.1	Aggregate amount of payments to related parties and their associates included in item 1	63 *	
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-	
Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.			
*(Salaries and Director fees paid on normal commercial terms.)			

7	Financing facilities	Total facility amount at quarter end	Amount drawn at quarter end
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>	\$A'000	\$A'000
	<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	-	
7.2	Credit standby arrangements	-	
7.3	Other (please specify)	-	
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-

7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(1,010)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(1,010)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	11,685
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	11,685
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	11.57
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
	2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
	3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Sign here:  Date: 19 October 2020
 Jerry Monzu (Company Secretary)

Authorised for release by the Board of Directors of Pacífico Minerals Limited

Notes

- This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
- Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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4. If this report has been authorised for release to the market by your board of directors, you can insert here: “By the board”. If it has been authorised for release to the market by a committee of your board of directors, you can insert here: “By the [name of board committee – e.g. Audit and Risk Committee]”. If it has been authorised for release to the market by a disclosure committee, you can insert here: “By the Disclosure Committee”.
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council’s *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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