Pacifico
Minerals Ltd
ABN 43 107 159 713

INTERIM FINANCIAL REPORT

For The Half Year Ended
31 December 2014

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2014 and any public announcements made by Pacifico Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

TABLE OF CONTENTS

CORPORATE DIRECTORY

Board of Directors
Richard Monti (Non-Executive Chairman)
Simon Noon (Managing Director)
Peter Harold (Non-Executive Director)
Andrew Parker (Non-Executive Director)

Company Secretary
Joshua Ward
Patrick Holywell

Registered Office
Level 10, 553 Hay Street
PERTH WA 6000
Tel: +61 (0)8 6266 8642
Fax: +61 (0)8 9421 1008
Email: info@pacificominerals.com.au
Web: www.pacificominerals.com.au

Stock Exchange Listing
Australian Securities Exchange
ASX Code: PMY

Share Registry
Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153
Tel: +61 (0)8 9315 2333
Fax: +61 (0)8 9315 2233
Email: registrar@securitytransfer.com.au

Solicitors
Kings Park Corporate Lawyers
Level 2, 45 Richardson Street
WEST PERTH WA 6005

Bankers
Australian and New Zealand Banking Group Limited
Level 1, 1275 Hay Street
WEST PERTH WA 6005

Auditors
Stantons International
Level 2, 1 Walker Avenue
WEST PERTH WA 6005

DIRECTORS' REPORT

Your directors submit their report on Pacifico Minerals Limited ("Pacifico" or the "Company") and its controlled entities (the "Group") for the half year ended 31 December 2014.

DIRECTORS & COMPANY SECRETARY

The names of the Company's directors and secretary in office during the half year and until the date of this report are set out below.

Richard Monti (Chairman)

Simon Noon (Managing Director)

Peter Harold (Non-executive Director)

Andrew Parker (Non-executive Director)

Joshua Ward (Company Secretary)

Patrick Holywell (Company Secretary)

RESULTS OF OPERATIONS

Exploration expenditure of $1,380,153 was incurred during the half year to 31 December 2014 (31 December 2013: $450,829). The Group registered a net loss for the half year to 31 December 2014 of $1,841,648 (31 December 2013: $621,379). The Group had cash assets of $3,654,095 as at 31 December 2014 (30 June 2014: $5,534,789)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant changes have occurred in the state of affairs of the Group during the half year.

MATTERS SUBSEQUENT TO END OF THE HALF YEAR

In January 2015, Pacifico acquired a 100% interest in a suite of tenements surrounding and adjacent to Pacifico's existing Berrio Gold Project. Additionally, in January 2015, Pacifico executed a Deed of Settlement and Release with Cliffs whereby Cliffs agreed to relinquish and transfer to the Company its interest in the Borroloola West Joint Venture (providing the Company with a 100% interest in the joint venture). There are no other matters of significance up to the date of this report that have not been included in the interim financial statements.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 11.

This report is made in accordance with a resolution of the directors.

Richard Monti
Chairman
23 February 2015

OPERATIONS REPORT – COLOMBIA

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Berrio Project, Colombia – Gold (Pacifico earning up to 90%)
The Berrio Gold Project is situated in the southern part of the prolific Segovia Gold Belt and is characterised by a number of operational, artisanal-scale adits, tunnels, and declines. The project is 35km from the Magdalena River which is navigable to the Caribbean Sea and has excellent infrastructure in place including hydro power, water supply, sealed roads and telecommunications coverage.

In August 2014, Pacifico completed its maiden drilling program comprised of 10 diamond drill holes totalling 1,936m. This program was designed to test the distribution and grade of mineralisation beneath high grade gold zones defined in previous underground channel sampling. The best intersection results from the maiden drilling program included*:

- 16.3m @ 11.2 g/t Au from 183m incl. 5.7m @ 29.1 g/t Au (containing 1.3m @ 96.3 g/t Au and 1m @ 20.1 g/t Au) and 2m @ 4.7 g/t Au (BE14-007)
- 12.9m @ 4.1 g/t Au from 203m incl. 3.3m @ 10.9 g/t Au (BE14-002)
- 4.1m @ 13.6 g/t Au from 28m incl. 1.1m @ 47.7 g/t Au (BE14-008)
- 8.4m @ 3.8 g/t Au from 170m incl. 3.2m @ 8.0 g/t Au (containing 0.2m @ 68 g/t Au) and 1m @ 5.1 g/t Au (BE14-010)
- 7m @ 5.6 g/t Au from 116m incl. 1m @ 16.9 g/t Au and 2m @ 9.5 g/t Au (BE14-006)
- 5.1m @ 5.0 g/t Au from 233m incl. 1.9m @ 8.0 g/t Au and 1m @ 7.6 g/t Au (BE14-009)
- 5.1m @ 4.7 g/t Au from 62m incl. 4.1m @ 5.7 g/t Au (BE14-008)
- 1.1m @ 8.7 g/t Au from 212m (BE14-007)
- 2m @ 5.4 g/t Au from 82m incl. 1m @ 8.6 g/t Au (BE14-004)
- 5.3m @ 2.5 g/t Au from 188m incl. 1.0m @ 4.2 g/t Au (BE14-009)
- 4.9m @ 2.5 g/t Au from 133m incl. 0.9m @ 8.7 g/t Au (BE14-009)
- 4.9m @ 1.8 g/t Au from 82m incl. 1.5m @ 4.6 g/t Au (BE14-002)
- 9.2m @ 1.5 g/t Au from 230m incl. 2.2m @ 4.8 g/t Au (BE14-005)
- 9m @ 1.6 g/t Au from 129m incl. 1m @ 4.1 g/t Au (BE14-006)

Pacifico commenced further diamond drilling in October 2014. The program was designed to extend known mineralisation encountered during the maiden drilling campaign and to test new exploration targets delineated during recent induced polarisation and soil sampling programs. Phase two diamond drilling has consisted of 15 diamond drill holes from 9 platforms totalling ~1,500m. The drilling program targeted along strike and down-dip extensions of auriferous mineralisation hosted in sub-vertical north-south trending shear zones. The best intersection results from phase two diamond drilling included*:

- 6.7m @ 10.2g/t Au from 84m incl 1.2m @ 17.3g/t Au, 0.8m @ 16.5g/t Au and 0.7m @ 15.4g/t Au (BE14-022)
- 3.8m @ 9.8g/t Au from 53m incl 0.9m @ 19.6g/t Au (BE14-015)
- 2.9m @ 8.8g/t Au from 28m incl 1.6m @ 15.2g/t Au (BE14-022)
- 2.3m @ 8.4g/t Au from 71m incl 0.9m @ 20.6g/t Au (BE14-012)
- 3.3m @ 7.2g/t Au from 147m incl 2m @ 11.4g/t Au (BE14-020)
- 2.7m @ 5.9g/t Au from 95.7m incl 0.7m @ 18.3g/t Au (BE14-011)
- 2.6m @ 5.7g/t Au from 104.5m incl 1.2m @ 11.1g/t Au (BE14-023)
- 3m @ 4.4g/t Au from 97m incl 1.5m @ 7.2g/t Au (BE14-013)
- 6.3m @ 3.1g/t Au from 43m incl 0.9m @ 10.74g/t Au (BE14-016)

* All intervals are downhole lengths and not true widths.

OPERATIONS REPORT – COLOMBIA
FOR THE HALF YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

Results from diamond drilling confirm the widespread distribution of high grade gold mineralisation (>10 g/t Au) distributed mainly in a series of near vertical shears and hosted by quartz-sulphide vein stockwork and breccia. Diamond drilling also indicates a close relationship between gold mineralisation and more competent sandstone units that characterise parts of the host sedimentary sequence.

Drilling combined with recent structural interpretation and modelling confirms at least five north-south trending sub-vertical and sub-parallel mineralised shears. The known shears from west to east are separated by a total of approximately 100m. To date, exploration has generated evidence of high grade gold intercepts in multiple shear zones over a strike length of ~520m (total strike length of the project is ~2km) with all shear zones remaining open at depth.

In January 2015, Pacifico acquired a 100% interest in a suite of tenements surrounding and adjacent to Pacifico's existing Berrio Gold Project. The additional tenements significantly increase Pacifico's land holding to a total of 14,318 hectares (143km^2) within the prolific Segovia Gold Belt, and provides the Company with title to interpreted extensions of mineralised structures identified during Pacifico's 2014 exploration campaigns. This acquisition reinforces the Company's status as a significant player in the Segovia Gold Belt in Colombia.

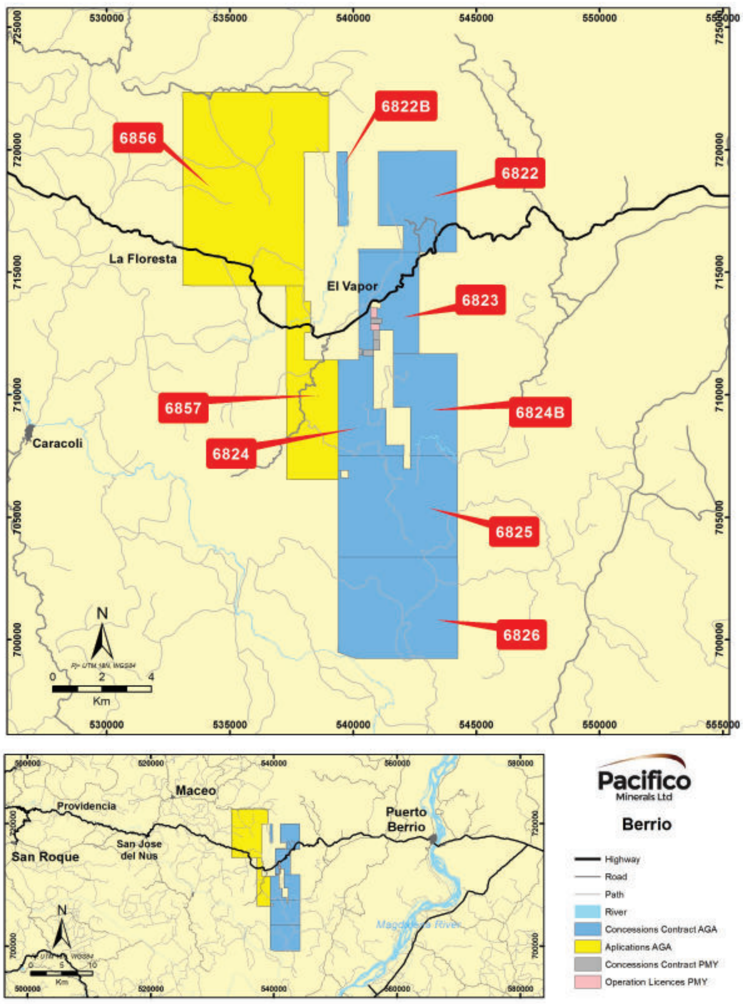

Figure 1: Map showing acquired granted titles (blue) and applications (yellow) surrounding current project (purple and pink)

OPERATIONS REPORT – COLOMBIA
FOR THE HALF YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

Natagaima Prospect, Colombia – Copper/Silver/Gold (application lodged by Pacifico for 100%)

The Natagaima tenement application is situated in the department of Tolima, approximately 5km west of the navigable Magdalena River which drains into the Caribbean Sea. It is located within the Middle Cauca Porphyry Belt.

In October 2014, a field team undertook a small reconnaissance program which was followed up with a more comprehensive program in December. In January 2015, Pacifico announced encouraging results from the reconnaissance program with assays including*:

- 1.35% Cu and 9.30% Pb and 1.12% Zn (MO6065)
- 2.10% Cu and 1395g/t Ag (MO6066)
- 4.95% Cu (MO5980)
- 4.84% Cu (MO5984)
- 4.83% Cu (MO5985)

*Assays from selective grab sampling may not be representative and may not be repeated in a mechanised mining environment.

A northeast trending corridor associated with gold mineralisation and measuring 11km x 3km, has been identified for follow up exploration. Further work is required to fully understand the inter-relationships of the structural trends identified to date. The Company has recently purchased satellite imagery to aid mapping, structural interpretation and targeting.

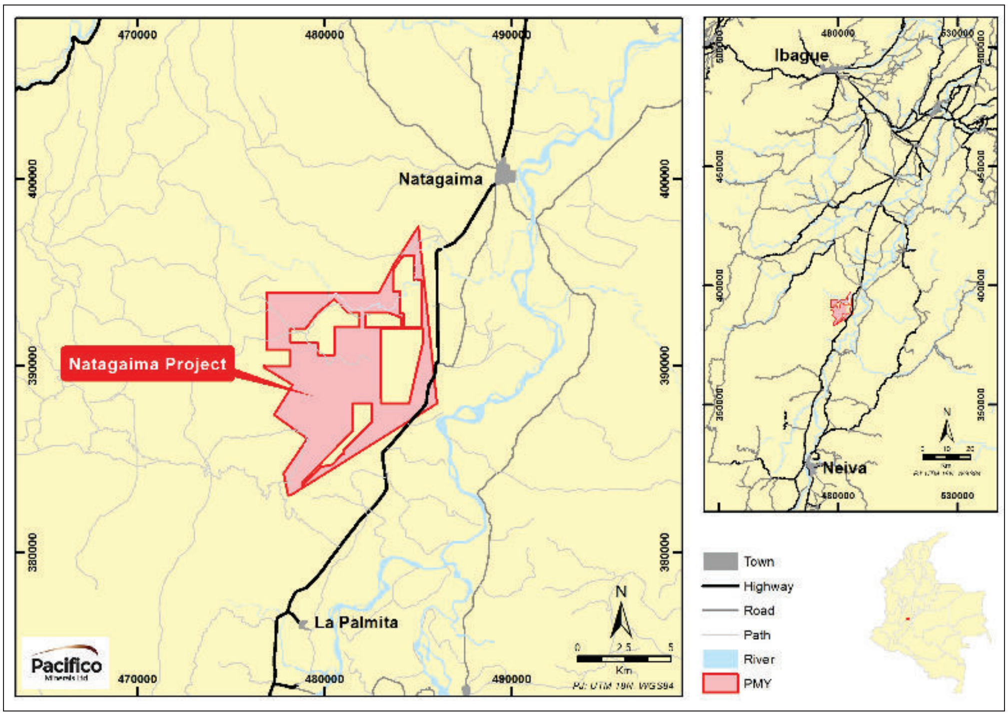

Figure 2: Location of the Natagaima Application

Urrao Project, Colombia – Copper/Gold/Silver (Pacifico earning up to 100%)

The Urrao Project is part of the Choco porphyry copper belt and is located 35km north west of Tarso in the municipality of Urrao and Salgar. No significant exploration was undertaken during the half year.

OPERATIONS REPORT – AUSTRALIA

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Borroloola West Project, Northern Territory – Copper/Manganese (Pacifico earning up to 80%)

The Borroloola West Project (“Borroloola”) is a large greenfields exploration project situated in East Arnhem Land of the Northern Territory, 600 km southeast of Darwin. Comprising 15 exploration licences and one mining licence, the project area is underlain by the Neoproterozoic McArthur Basin, the northern extension of the Mt Isa Basin and host to several world-class SEDEX deposits including the Western Fold Belt copper deposits at Mt Isa and the HYC zinc/lead/silver deposits currently being mined at the McArthur River mine just 15km east of the project tenements.

During the half year, ongoing discussions continued with Cliffs Natural Resources Inc. (“Cliffs”) in relation to the Strategic Alliance between Pacifico and Cliffs. In January 2015, Pacifico executed a Deed of Settlement and Release with Cliffs whereby Cliffs agreed to relinquish and transfer to the Company its interest in the Borroloola West Joint Venture (providing the Company with a 100% interest in the joint venture).

In support of the Directors long term view on the value Borroloola presents for shareholders, the Company intends to continue to explore either solely or in conjunction with a joint venture partner. Pacifico is on target to meet its expenditure commitment by 20 June 2015 to earn a 51% interest in Borroloola from Sandfire Resources NL, with approximately $550k in exploration expenditure required.

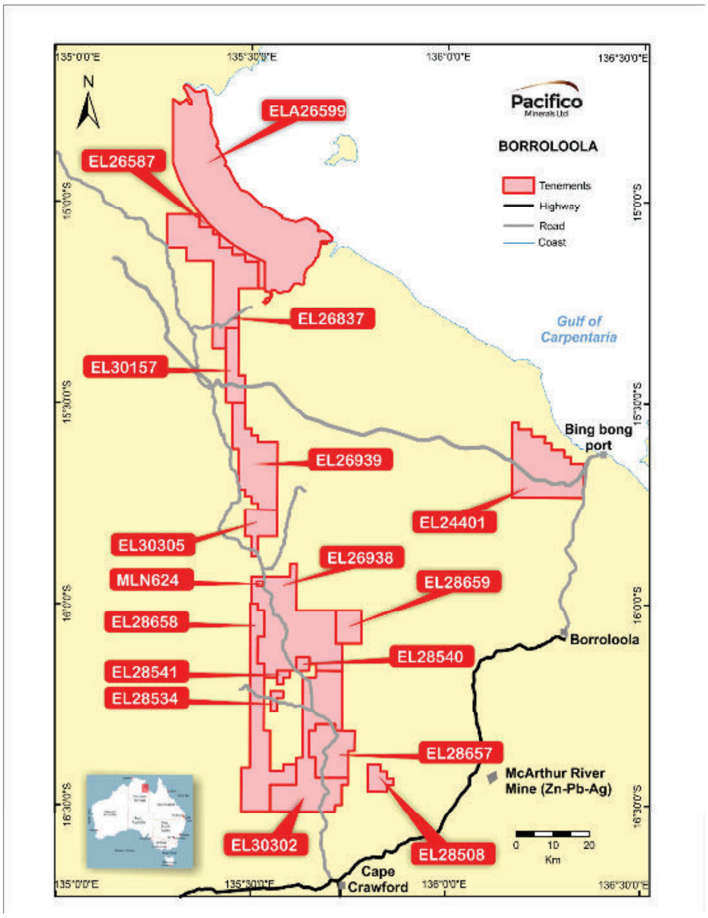

Figure 3: Borroloola West Project location map

OPERATIONS REPORT – AUSTRALIA
FOR THE HALF YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

Mount Jukes Project, Tasmania – Copper/Gold/Base Metals (Pacifico 20%, Corona Minerals Ltd 80%)

The Mt Jukes Project is adjacent to the Vedanta owned Mt Lyell copper/gold project in Tasmania. Corona Minerals Ltd ("Corona") is the operator and manager of this project. Further details about the project can be found on Corona's website www.coronaminerals.com.

Springfield Project, New South Wales – Gold (Pacifico 20%, Stonewall Resources Ltd 80%)

The Springfield Project is centred between Gulgong and Mudgee, 220km northwest of Sydney. Pacifico is awaiting notice of future exploration programs proposed by its joint venture partner, Stonewall Resources Ltd ("Stonewall"). Further details about the project can be found on Stonewall's website www.stonewallresources.com.

Wilson River Project, Tasmania – Lead/Zinc/Silver (relinquished with rehabilitation in progress)

The Group has relinquished this project and as part of the process Mineral Resources Tasmania ("MRT") undertook a site visit in November 2014. MRT have indicated a follow up inspection will be undertaken in the second quarter of the 2015 calendar year. Once MRT is satisfied that rehabilitation has been successful, Pacifico expects to receive a refund of the $57,000 bond currently held by MRT.

COMPETENT PERSONS STATEMENTS

The information in this report that relates to the Borroloola West Project is based on information compiled by Mr Barrie Bolton, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Bolton is a consultant to Pacifico Minerals Limited. Mr Bolton has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Bolton consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

The information in this report that relates to the Berrio Project, Natagaima Prospect and the Urrao Project is based on information compiled by Mr David Seers, who is a Member of the Australian Institute of Mining and Metallurgy. Mr Seers is contracted exclusively to Pacifico Minerals Limited. Mr Seers has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Seers consents to the inclusion in this announcement of the matters based on information in the form and context in which it appears.

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

23 February 2015

The Directors
Pacifico Minerals Limited
Level 10
553 Hay Street
Perth, WA 6000

Dear Sirs

RE: PACIFICO MINERALS LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Pacifico Minerals Limited.

As Audit Director for the review of the financial statements of Pacifico Minerals Limited for the half year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)

Martin Michalik

Martin Michalik
Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Half year	
	31 December 2014 $	**31 December 2013 $**
REVENUE FROM CONTINUING OPERATIONS	64,617	362,941
Administration expenses	(28,959)	(38,767)
Corporate expenses	(124,653)	(213,004)
Depreciation expense	(9,202)	(2,292)
Employee options	-	(107,135)
Exploration expenses	(1,380,153)	(450,829)
Occupancy expenses	(33,958)	(8,560)
Other expenses	(41,150)	(26,620)
Salaries and employee benefits expense	(288,190)	(137,113)
(LOSS) BEFORE INCOME TAX	(1,841,648)	(621,379)
Income tax	-	-
TOTAL (LOSS) FOR THE PERIOD	(1,841,648)	(621,379)
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising from foreign exchange translation	928	(1,850)
TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD	(1,840,720)	(623,229)
Loss attributed to the Members	(1,840,720)	(623,229)
TOTAL COMPREHENSIVE (LOSS) ATTRIBUTED TO THE MEMBERS	(1,840,720)	(623,229)
Basic and diluted loss per share for loss attributable to the ordinary equity holders of the company (cents per share)	(0.34)	(0.19)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	31 December 2014 $	30 June 2014 $
CURRENT ASSETS		
Cash and cash equivalents	3,654,095	5,534,789
Trade and other receivables	65,884	101,761
TOTAL CURRENT ASSETS	3,719,979	5,636,550
NON-CURRENT ASSETS		
Exploration and evaluation assets	2,392,201	2,392,201
Other financial assets	62,669	79,484
Plant and equipment	48,017	56,228
Trade and other receivables	124,986	-
TOTAL NON-CURRENT ASSSETS	2,627,873	2,527,913
TOTAL ASSETS	6,347,852	8,164,463
CURRENT LIABILITIES		
Trade and other payables	128,866	128,624
Other financial liabilities	21,042	-
Provision for annual leave	15,806	12,981
TOTAL CURRENT LIABILITIES	165,714	141,605
NON-CURRENT LIABILITIES		
Deferred tax liability	459,238	459,238
TOTAL NON-CURRENT LIABILITIES	459,238	459,238
TOTAL LIABILITIES	624,952	600,843
NET ASSETS	5,722,900	7,563,620
EQUITY		
Contributed equity	18,521,280	18,521,280
Reserves	1,387,552	1,386,624
Accumulated losses	(14,185,932)	(12,344,284)
TOTAL EQUITY	5,722,900	7,563,620

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

2014	Issued Capital $	Share/Option Reserve $	Translation Reserve $	Accumulated losses $	Total $
Balance at 1 July 2014	18,521,280	1,400,317	(13,693)	(12,344,284)	7,563,620
(Loss) for the period	-	-	-	(1,841,648)	(1,841,648)
Other comprehensive loss for the period	-	-	928	-	928
Total comprehensive loss for the period	-	-	928	(1,841,648)	(1,840,720)
Issue of share capital	-	-	-	-	-
Share based payments	-	-	-	-	-
Balance at 31 December 2014	**18,521,280**	**1,400,317**	**(12,765)**	**(14,185,932)**	**5,722,900**
2013					
Balance at 1 July 2013	9,253,222	602,883	-	(9,490,080)	366,025
(Loss) for the period	-	-	-	(621,379)	(621,379)
Other comprehensive loss for the period	-	-	(1,850)	-	(1,850)
Total comprehensive loss for the period	-	-	(1,850)	(621,379)	(623,229)
Acquisition of West Rock	2,130,000	687,298	-	-	2,817,298
Issue of share capital	1,596,227	-	-	-	1,596,227
Share based payments	-	110,136	-	-	110,136
Balance at 31 December 2013	**12,979,449**	**1,400,317**	**(1,850)**	**(10,111,459)**	**4,266,457**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Half year ended	
	31 December 2014 $	31 December 2013 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Expenditure on mining interests	(1,460,105)	(624,176)
Payments to suppliers and employees	(484,236)	(425,588)
Interest received	64,617	38,906
Other revenue received	-	1,183
Net cash (outflow) from operating activities	(1,879,724)	(1,009,675)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	-	(34,391)
Cash acquired on acquisition of West Rock Resources	-	639,797
Net cash inflow from investing activities	-	605,406
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares and options	-	1,599,227
Net cash inflow from financing activities	-	1,599,227
Net (decrease)/increase in cash and cash equivalents	(1,879,724)	1,194,958
Cash and cash equivalents at the beginning of the half year	5,534,789	336,689
Exchange rate items	(970)	(1,850)
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	3,654,095	1,529,797

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

The half year financial report includes the financial statements for Pacifico Minerals Limited ("Pacifico", "Parent Entity" or "Company") and its controlled entities (together referred to as the "Group") for the half year ended 31 December 2014. The principal accounting policies adopted in the preparation of the consolidated interim financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The half year financial report of the Group for the half year ended 31 December 2014 was authorised for issue in accordance with a resolution of the Board of Directors of Pacifico on 23 February 2015.

Pacifico Minerals Limited is a company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group are the exploration of mineral tenements in Australia and Colombia.

The annual financial report of the Group as at and for the year ended 30 June 2014 is available upon request from the Company's registered office at Level 10, 553 Hay Street, Perth WA 6000 or at www.pacificominerals.com.au.

(a) Basis of preparation

The half year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'.

(i) Compliance with IFRS

Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

(ii) Historical cost convention

The consolidated interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

(iii) Going concern basis

The half year financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The going concern of the Group is dependent upon it maintaining sufficient funds for its operations and commitments. The Directors continue to monitor the ongoing funding requirements of the Group. The Directors are confident that sufficient funding can be secured if required to enable the Group to continue as a going concern and as such are of the opinion that the half year financial report has been appropriately prepared on a going concern basis.

(iv) Accounting policies

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the company's 2014 annual financial report for the financial year ended 30 June 2014. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards. Pacifico has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half year.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 1(d)).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Investment in associates and joint ventures

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group has significant voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Joint control is defined as the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Interests in joint ventures are accounted for using the equity method.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. An impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Principles of consolidation (continued)

(iii) Investments in joint operations

A joint operation is an arrangement in which the parties with joint control have rights to the assets and obligations for the liabilities relating to that arrangement. In respect of its interest in a joint operation, a joint operator must recognise all of its assets, liabilities, revenues and expenses, including its relative share of jointly controlled assets, liabilities, revenue and expenses.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is Pacifico's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. Foreign exchange gains and losses that relate to borrowings are presented in the income statement, within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

(e) Exploration and evaluation costs

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right of tenure of the area of interest is current, and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Where an area of interest is abandoned, or the Directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future.

(f) Rounding of amounts

The Group is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest $1.

(g) Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2: SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. Information reported to the Group's chief operating decision makers for the purposes of resource allocation and assessment of performance is based on exploration in the two principal locations of its projects – Australia and Colombia. Information regarding these segments is presented below.

The following is an analysis of the Group's revenue and results by reportable operating segment for the half-years under review:

	Revenue Half-year ended		Operating Losses Half-year ended	
	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
	$	$	$	$
Australia	64,410	362,941	882,649	510,534
Colombia	207	-	958,999	110,845
	64,617	362,941	1,841,648	621,379

The following is an analysis of the Group's assets and liabilities by reportable operating segment:

	Assets		Liabilities		Net Assets	
	31-Dec-14	30-June-14	31-Dec-14	30-June-14	31-Dec-14	30-June-14
	$	$	$	$	$	$
Australia	4,141,083	6,047,382	137,543	92,440	4,003,540	5,954,942
Colombia	216,739	127,051	28,171	49,165	188,568	77,886
Unallocated	1,990,030	1,990,030	459,238	459,238	1,530,792	1,530,792
	6,347,852	8,164,463	624,952	600,843	5,722,900	7,563,620

NOTE 3: CONTRIBUTED EQUITY

	31-Dec-14	31-Dec-14	30-Jun-14	30-Jun-14
	No.	$	No.	$
(a) Share capital				
Ordinary shares fully paid	543,092,523	18,521,280	543,092,523	18,521,280
(b) Movements in ordinary share capital				
Beginning balance	543,092,523	18,521,280	146,404,000	9,253,222
Issued during the year:				
Acquisition of West Rock Resources	-	-	130,000,000	2,130,000
Capital raising	-	-	266,688,523	7,522,959
Less: Transaction costs	-	-	-	(384,901)
Ending balance	543,092,523	18,521,280	543,092,523	18,521,280

(c) Options

At the date of this report there are 91,402,597 (30 June 2014: 91,402,597) unissued ordinary shares in respect of which options are outstanding.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3: CONTRIBUTED EQUITY (CONTINUED)

(c) Options (continued)

The balance is comprised of the following:

Expiry date	Exercise price	No. of options
31 December 2015	3.5 cents	5,200,000
19 July 2016	3 cents	21,311,455
19 July 2016	6 cents	20,791,142
19 August 2016	3 cents	30,000,000
4 October 2016	3 cents	6,000,000
4 October 2016	6 cents	6,000,000
19 December 2016	3 cents	1,150,000
19 December 2016	6 cents	950,000
		91,402,597

NOTE 4: CONTINGENCIES

There has been no change in contingent liabilities or contingent assets since the last annual reporting date.

NOTE 5: COMMITMENTS

The Group has expenditure obligations with respect to tenement lease rentals and the minimum expenditure requirements with respect to mineral tenements. If the Group decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the balance sheet may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

NOTE 6: SUBSEQUENT EVENTS

In January 2015, Pacifico acquired a 100% interest in a suite of tenements surrounding and adjacent to Pacifico's existing Berrio Gold Project. Additionally, in January 2015, Pacifico executed a Deed of Settlement and Release with Cliffs whereby Cliffs agreed to relinquish and transfer to the Company its interest in the Borroloola West Joint Venture (providing the Company with a 100% interest in the joint venture). There are no other matters of significance up to the date of this report that have not been included in the interim financial statements.

NOTE 7: INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business/Country of incorporation	Ownership interest
West Rock Resources Pty Ltd	Australia	100%
West Rock Resources Panama Inc	Panama	100%
Pacifico Minerals Sucursal Colombia (Branch)	Colombia	100%
Pacifico Holdings SAS	Colombia	100%
Golden Pacifico Exploration SAS	Colombia	100%

DIRECTORS' DECLARATION

In the Directors' opinion:

1. the Financial Statements and Notes set out on pages 12 to 21 are in accordance with the *Corporations Act 2001*, including:
   (a) complying with Accounting Standards including AASB 134: "Interim Financial Reporting", the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
   (b) giving a true and fair view of the entity's financial position as at 31 December 2014 and of its performance for the half year ended on that date.
2. there are reasonable grounds to believe that Pacifico Minerals Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a Resolution of the Directors.

Richard Monti
Chairman

Perth, 23 February 2015

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
PACIFICO MINERALS LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Pacifico Minerals Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Pacifico Minerals Limited (the consolidated entity). The consolidated entity comprises both Pacifico Minerals Limited (the Company) and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Pacifico Minerals Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Pacifico Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Pacifico Minerals Limited on 23 February 2015.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Pacifico Minerals Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

Martin Michalik
Director

West Perth, Western Australia
23 February 2015