



Pacifico

Minerals Ltd

ACN 107 159 713

PROSPECTUS

This Prospectus is being primarily issued for a non-renounceable pro rata offer to Eligible Shareholders of 3 New Shares for every 7 Shares held on the Record Date, at an issue price of \$0.006 per New Share, together with 1 free attaching Quoted Option for every 2 New Shares subscribed for and issued (**Entitlement Offer**).

The Entitlement Offer closes at 5:00pm (WST) on Wednesday, 26 September 2018.*

This Prospectus is also being issued for the Shortfall Offer, the Placement Options Offer and the Broker Offer.

The Offers are joint lead managed by Discovery Capital Partners and PAC Partners.

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.
IT SHOULD BE READ IN ITS ENTIRETY.**

**IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR
PROFESSIONAL ADVISER WITHOUT DELAY.**

**AN INVESTMENT IN THE SECURITIES OFFERED IN CONNECTION WITH THIS PROSPECTUS
SHOULD BE CONSIDERED OF A SPECULATIVE NATURE.**

*The Company reserves the right, subject to the Corporations Act and Listing Rules to extend the Closing Date for the Entitlement Offer.

IMPORTANT INFORMATION

This Prospectus is dated 6 September 2018 and was lodged with ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Securities will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus). The Company will apply for Official Quotation by ASX of the Shares and Quoted Options offered by this Prospectus.

A copy of this Prospectus is available for inspection at the registered office of the Company at Level 10, 553 Hay Street, Perth, Western Australia, during normal business hours. The Prospectus will also be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's registered office by contacting the Company. The Offers contemplated by this Prospectus is only available in electronic form to persons receiving an electronic version of this Prospectus within Australia, New Zealand or Hong Kong.

Applications for Securities will only be accepted on an Application Form attached to or provided by the Company with a copy of this Prospectus either in paper or electronic form. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offers in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offers.

No action has been taken to permit the offer of Securities under this Prospectus in any jurisdiction other than Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of the Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This document is important and should be read in its entirety before deciding to participate in an Offer. This does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to their particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult their stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 4.

This Prospectus includes forward looking statements that have been based on current expectations about future acts, events and circumstances. These forward looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in the forward looking statements.

Definitions of certain terms used in this Prospectus are contained in Section 7. All references to currency are to Australian dollars and all references to time are to WST, unless otherwise indicated. Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

CORPORATE DIRECTORY

Directors

Mr Simon Noon	Managing Director
Mr Richard Monti	Non-Executive Chairman
Mr Peter Harold	Non-Executive Director
Mr Andrew Parker	Non-Executive Director

Company Secretary

Mr Patrick Holywell

Registered Office

Level 10, 553 Hay Street
PERTH WA 6000

Telephone: +61 8 6266 8642
Facsimile: +61 8 9421 1008
Email: info@pacificominerals.com.au
Website: www.pacificominerals.com.au

ASX Codes

Shares: PMY
Quoted Options: PMYO (proposed)

Share Registry*

Security Transfer Australia Pty Ltd
770 Canning Highway
APPLECROSS WA 6153
Telephone: 1300 992 916
Facsimile: +61 8 9315 2233
Email: registrar@securitytransfer.com.au

Auditors*

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

Solicitors

Bellanhouse Lawyers
Level 19, Alluvion
58 Mounts Bay Road
PERTH WA 6000

Joint Lead Managers

Discovery Capital Partners
Level 1, 50 Ord Street
WEST PERTH WA 6005
AFSL 500 223

PAC Partners

Level 10, 330 Collins Street
MELBOURNE VIC 3000
AFSL 335 374

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

PROPOSED TIMETABLE

Event	Date
Lodgement of Appendix 3B and Prospectus with ASX Option holders notified of Offers	7 September 2018
Notice of Offers sent to Shareholders	10 September 2018
Shares quoted on an "EX" basis	11 September 2018
Record Date for determining Entitlements	12 September 2018
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders	17 September 2018
Last day to extend the Entitlement Offer Closing Date	21 September 2018
Closing Date of Entitlement Offer (5pm WST)*	26 September 2018
Securities quoted on a deferred settlement basis	27 September 2018
Notification of Shortfall	1 October 2018
Anticipated date for issue of the Securities under the Entitlement Offer Deferred settlement trading ends	3 October 2018
Anticipated date for commencement of Securities trading on a normal settlement basis	4 October 2018

All dates (other than the date of the Prospectus and the date of lodgement of the Prospectus with ASX) are indicative only. The Directors may extend the Entitlement Offer Closing Date by giving at least 3 Business Days' notice to ASX. The Company reserves the right, subject to the Corporations Act, Listing Rules and any other applicable laws, to vary any other date of the Offers, including accepting late Applications, either generally or in particular cases, without notice.

LETTER TO SHAREHOLDERS

Dear Shareholder,

On 29 August 2018, Pacifico Minerals Limited (**Company**) announced a capital raising consisting of a placement to institutional and sophisticated investors of Shares at \$0.006 each (**Placement**) and a non-renounceable 3-for-7 entitlement offer to Eligible Shareholders of Shares at an issue price of \$0.006 each (**Entitlement Offer**) to raise a total of approximately \$4.12 million (together, the **Capital Raising**). Participants in the Capital Raising will also be issued with one free-attaching Option for every two new Shares subscribed and issued. The free-attaching Options are intended to be quoted and exercisable at \$0.015 each on or before 21 November 2020.

The Entitlement Offer will only be made to Eligible Shareholders registered at the Record Date who will be sent an Entitlement and Acceptance Form which will be accompanied by this Prospectus. To accept your Entitlement under the Entitlement Offer, you will need to complete the Entitlement and Acceptance Form in accordance with the instructions on the form and as outlined in this Prospectus.

Completion of the Share portion of the Placement was announced on 5 September 2018. As the Shares issued under the Placement were issued before the Record Date for the Entitlement Offer, participants in the Placement will be entitled to participate in the Entitlement Offer. Participants in the Placement will be offered the free-attaching Quoted Options portion of the Placement under this Prospectus.

All Directors intend to participate in the Entitlement Offer.

The Capital Raising is joint lead managed by Discovery Capital Partners and PAC Partners. Refer to Section 5.3 for details regarding the joint lead managers' mandate with the Company.

Funds raised pursuant to the Capital Raising will be used towards project acquisition and an exploration program designed to add to the existing resource base and development studies of the Sorby Hills lead-silver-zinc Project in Western Australia, as well as for general working capital. For further details on the proposed use of funds please see Section 1.6 of this Prospectus.

The Prospectus includes further details of the Offers and the effect of the Offers on the Company, and a statement of the risks associated with investing in the Company. This is an important document and should be read in its entirety. If you have any doubts or questions in relation to the Prospectus you should consult your stockbroker, accountant, solicitor or other independent professional advisor to evaluate whether or not to participate in the Offers.

On behalf of the Board, I encourage you to consider this investment opportunity and thank you for your ongoing support.

Yours faithfully



Richard Monti
Non-Executive Chairman

INVESTMENT OVERVIEW

This Section is intended to highlight key information for potential investors. It is an overview only, and is not intended to replace the Prospectus. Potential investors should read the Prospectus in full before deciding to invest in Securities.

Key Information	Further Information
<p>Transaction specific prospectus</p> <p>This Prospectus is a transaction specific prospectus for offers of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.</p>	Section 5.4
<p>Risk factors</p> <p>Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 4, including (but not limited to) risks in respect of:</p> <ul style="list-style-type: none"> • Completion risk: There is a risk that if any of the conditions to completion are not satisfied or waived, or the vendor does not comply with its obligations, the Company's acquisition of an interest in the Sorby Hills Project may be deferred, occur in part or not at all. • Exploration risk: Mineral exploration is a high risk undertaking. There can be no assurance that further exploration on the Company's projects will result in the discovery of an economic ore deposit. • Future capital needs: Further funding will be required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. • Jurisdictional risks: The Company is subject to the risks associated with operating projects in Colombia and Mexico, which may include legislative and administrative regime changes, government policy changes, exploration licensing, regulatory consents and authorisations, rates of exchange, and potential economic, social and/or political instability. • General market risks: As a junior explorer with no production or income, the Company is exposed to general market and economic condition risks. 	Section 4
<p>Entitlement Offer</p> <p>This Prospectus is for a non-renounceable entitlement issue of 3 New Shares for every 7 existing Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.006 per New Share to raise up to approximately \$2.84 million (before costs).</p> <p>Participants in the Entitlement Offer will also be issued with 1 free-attaching Option for every 2 New Shares subscribed for and issued. The Options are intended to be quoted on the Official List of ASX and exercisable at \$0.015 each on or before 21 November 2020, on terms set out in this Prospectus.</p>	Section 1.2

Key Information	Further Information
<p>Eligible Shareholders</p> <p>The Entitlement Offer is made to Eligible Shareholders only. Eligible Shareholders are those Shareholders who:</p> <ul style="list-style-type: none"> • are the registered holder of Shares as at 5.00pm (WST) on the Record Date; and • have a registered address in Australia or, subject to the offer restrictions in Section 1.15, New Zealand or Hong Kong. 	Section 1.2
<p>Shortfall Offer</p> <p>Any New Shares and Quoted Options not applied for under the Entitlement Offer by the Closing Date will become Shortfall Securities and will be offered under this Prospectus (Shortfall Offer). Directors reserve the right, in conjunction with the Joint Lead Managers, to issue any Shortfall Securities within 3 months after the Entitlement Offer Closing Date.</p>	Section 1.3
<p>Placement Options Offer and Broker Offer</p> <p>Subject to the receipt of Shareholder approvals at a general meeting to be convened shortly, this Prospectus is also for the offer of:</p> <ul style="list-style-type: none"> • up to 106,666,667 Placement Options to participants in the Placement, on the basis of 1 free-attaching Quoted Options for every 2 Shares subscribed for and issued under the Placement (Placement Options Offer); and • up to 41,250,211 Broker Options to the Joint Lead Managers (or their respective nominee/s), on the basis of 10 Quoted Options for every dollar raised under the Placement, Entitlement Offer and Shortfall Offer (Broker Offer). <p>The Placement Options and Broker Options will be issued on the same terms as the Quoted Options offered under the Entitlement Offer.</p>	Sections 1.4 and 1.5
<p>Use of funds</p> <p>Funds raised under the Offers, together with funds raised under the Placement, are intended to be used towards project acquisition and an exploration program designed to add to the existing resource base and development studies of the Sorby Hills lead-silver-zinc Project in Western Australia, as well as for costs of the Offers and general working capital.</p>	Section 1.6
<p>Underwriting</p> <p>The Offers are not underwritten.</p> <p>Discovery Capital Partners and PAC Partners are the joint lead managers to the Offers.</p>	Section 1.9
<p>Effect on control of the Company</p> <p>Shareholders should note that if they do not participate in the Offers, their holdings will be diluted. No investor or existing Shareholder is expected to hold a voting power greater than 20% as a result of the Offers.</p>	Section 3.3

Key Information	Further Information																													
<p>Indicative capital structure and pro-forma balance sheet</p> <p>Subject to rounding and assuming:</p> <ul style="list-style-type: none"> the necessary Shareholder approvals are received at the General Meeting; the Entitlement Offer/Shortfall Offer are fully subscribed; no further Securities are issued or Options exercised, <p>the indicative capital structure upon completion of the Offers is set out below:</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">Shares</th> <th style="text-align: right;">Quoted Options</th> </tr> </thead> <tbody> <tr> <td>Balance at the date of this Prospectus</td> <td style="text-align: right;">1,106,397,082</td> <td style="text-align: right;">-</td> </tr> <tr> <td>To be issued pursuant to the Offers</td> <td style="text-align: right;">474,170,178</td> <td style="text-align: right;">385,001,967</td> </tr> <tr> <td>TOTAL</td> <td style="text-align: right;">1,580,567,260</td> <td style="text-align: right;">385,001,967</td> </tr> </tbody> </table> <p>The Company also has 91,000,000 Unquoted Options on issue.</p> <p>The indicative pro-forma balance sheet showing the effect of the Offers is in Section 3.</p>		Shares	Quoted Options	Balance at the date of this Prospectus	1,106,397,082	-	To be issued pursuant to the Offers	474,170,178	385,001,967	TOTAL	1,580,567,260	385,001,967	Section 3																	
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<p>Directors' interests in Securities and Entitlements</p> <p>The relevant interest of each of the Directors in Securities as at the date of this Prospectus, together with their respective Entitlement (assuming no Options are exercised), is set out in the table below:</p> <table border="1"> <thead> <tr> <th rowspan="2" style="text-align: left;">Name</th> <th colspan="2" style="text-align: center;">Existing Securities</th> <th colspan="2" style="text-align: center;">Entitlements</th> </tr> <tr> <th style="text-align: center;">Shares</th> <th style="text-align: center;">Unquoted Options</th> <th style="text-align: center;">Shares</th> <th style="text-align: center;">Quoted Options</th> </tr> </thead> <tbody> <tr> <td>Simon Noon</td> <td style="text-align: right;">22,200,000</td> <td style="text-align: right;">8,500,000</td> <td style="text-align: right;">9,514,285</td> <td style="text-align: right;">4,757,142</td> </tr> <tr> <td>Richard Monti</td> <td style="text-align: right;">18,835,308</td> <td style="text-align: right;">4,000,000</td> <td style="text-align: right;">8,072,274</td> <td style="text-align: right;">4,036,137</td> </tr> <tr> <td>Peter Harold</td> <td style="text-align: right;">4,250,495</td> <td style="text-align: right;">4,000,000</td> <td style="text-align: right;">1,821,640</td> <td style="text-align: right;">910,820</td> </tr> <tr> <td>Andrew Parker</td> <td style="text-align: right;">3,717,596</td> <td style="text-align: right;">4,000,000</td> <td style="text-align: right;">1,593,255</td> <td style="text-align: right;">796,627</td> </tr> </tbody> </table> <p>All Directors intend to participate in the Entitlement Offer.</p>	Name	Existing Securities		Entitlements		Shares	Unquoted Options	Shares	Quoted Options	Simon Noon	22,200,000	8,500,000	9,514,285	4,757,142	Richard Monti	18,835,308	4,000,000	8,072,274	4,036,137	Peter Harold	4,250,495	4,000,000	1,821,640	910,820	Andrew Parker	3,717,596	4,000,000	1,593,255	796,627	Section 5.9
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<p>Forward looking statements</p> <p>This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.</p> <p>These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are considered reasonable.</p> <p>Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other</p>	Important Information and Section 4																													

Key Information	Further Information
<p>important factors, many of which are beyond the control of the Company, the Directors and the management.</p> <p>The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.</p> <p>The Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.</p> <p>These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4.</p>	

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1. Details of the Offers

1.1 The Offers

This Prospectus is primarily being issued for the offer of New Shares and Quoted Options under the Entitlement Offer and the Shortfall Offer.

This Prospectus is also being issued for the offer of Quoted Options under the Placement Options Offer and the Broker Offer.

1.2 Entitlement Offer

The Company is making a non-renounceable pro rata offer to Eligible Shareholders of New Shares at an issue price of \$0.006 each, on the basis of 3 New Shares for every 7 Shares held at 5.00pm (WST) on the Record Date, together with 1 free-attaching Quoted Option for every 2 New Shares subscribed for and issued (**Entitlement Offer**). Each Quoted Option will have an exercise price of \$0.015 each and an expiry date of 21 November 2020. The Company intends to apply for Official Quotation of the Quoted Options on the ASX.

As at the date of this Prospectus, the Company has on issue 1,106,397,082 Shares and 91,000,000 Unquoted Options.

On the basis that no Unquoted Options are exercised prior to the Record Date and subject to rounding, the Entitlement Offer is for a maximum of 474,170,178 New Shares and 237,085,089 Quoted Options to raise up to \$2,845,021 (before costs).

Up to 513,170,178 New Shares and 256,585,089 Quoted Options could be issued under the Entitlement Offer to raise up to \$3,079,021 if all the existing Unquoted Options are exercised between the date of the Prospectus and the Record Date.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a New Share or Quoted Option, such fraction will be rounded down to the nearest whole New Share or Quoted Option.

New Shares issued under the Entitlement Offer will be issued as fully paid ordinary shares and will rank equally in all respects with existing Shares on issue. Further details on the rights and liabilities attaching to the New Shares proposed to be issued under the Entitlement Offer are contained in Section 5.1. Quoted Options issued under the Entitlement Offer will be issued on the terms and conditions contained in Section 5.2.

1.3 Shortfall Offer

Any New Shares and Quoted Options not taken up pursuant to the Entitlement Offer will become Shortfall Securities. The Shortfall Offer is a separate offer of the Shortfall Securities made pursuant to this Prospectus and will remain open for up to 3 months following the Entitlement Offer Closing Date.

Each of the Shortfall Securities to be granted under the Shortfall Offer shall be granted on the same terms and conditions as the New Shares and Quoted Options being offered under the Entitlement Offer (including the issue price). Shortfall Securities will only be issued if the Entitlement Offer is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions.

The allocation policy for the issuance of Shortfall Securities will be as follows:

- (a) Eligible Shareholders who wish to subscribe for New Shares and Quoted Options above their Entitlement may apply for Shortfall Securities under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Securities using BPAY® (refer to Section 2.4);
- (b) if any Shortfall Securities are remaining after the applications made in accordance with paragraph (a) above are satisfied, the Directors reserve the discretion to place any such remaining Shortfall Securities within three months after the close of the Entitlement Offer to investors who are not Eligible Shareholders who apply for Shortfall Securities by completing the relevant Application Form;
- (c) the Shortfall Securities are to be issued at the discretion of the Joint Lead Managers (in consultation with the Company), subject to compliance with the Listing Rules and Corporations Act, in a manner that does not prejudice the rights of Eligible Shareholders, having regard to the number of Eligible Shareholders applying for Shortfall Securities;
- (d) notwithstanding paragraph (c) above, there is no guarantee that any or all of the Shortfall Securities applied for will be issued to Eligible Shareholders or other third parties. It is a term of the Shortfall Offer that, should the Company scale back applications for Shortfall Securities, the Applicant will be bound to accept such lesser number allocated to them. Excess Application Monies for the Shortfall Offer will be refunded without interest; and
- (e) no Securities will be issued under the Shortfall Offer if their issue would contravene the takeover prohibition in section 606 of the Corporations Act.

1.4 Placement and Placement Options Offer

As announced on 5 September 2018, the Company has issued a total of 213,333,333 Shares at \$0.006 per Share to institutional and sophisticated investors, none of whom is a related party of the Company, (**Placement Subscribers**) to raise \$1,280,000 (before costs) (**Placement**). As the issue of the Shares under the Placement occurred prior to the Record Date for the Entitlement Offer, the Placement Subscribers who are Eligible Shareholders are entitled to participate in the Entitlement Offer.

The Placement Subscribers are entitled to be issued 1 free-attaching Quoted Option for every 2 Shares subscribed for and issued under the Placement (**Placement Options**), subject to Shareholder approval. The offer of up to 106,666,667 Placement Options to the Placement Subscribers is made pursuant to this Prospectus (**Placement Options Offer**) and is subject to the receipt of relevant Shareholder approval at the General Meeting. The Company intends to issue the Placement Options following receipt of Shareholder approval at the General Meeting on the terms and conditions set out in Section 5.2.

1.5 Broker Offer

Discovery Capital Partners and PAC Partners (**Joint Lead Managers**) have been appointed by the Company to joint lead manage the Placement and the Shortfall Offer. The terms of the appointment of the Joint Lead Managers are summarised in Section 5.3.

As part consideration for the joint lead manager services provided to the Company, the Company has agreed to issue 10 Quoted Options to the Joint Lead Managers for every dollar raised under the Placement, Entitlement Offer and Shortfall Offer (**Broker Options**). The offer of up to 41,250,211 Broker Options to the Joint Lead Managers (or their respective nominee/s) is made pursuant to this Prospectus (**Broker Offer**) and it is intended that the Broker Options will be issued following the General Meeting on the terms and conditions set out in Section 5.2.

The Company is seeking Shareholder approval for the issue of the Broker Options at the General Meeting, but in the event that Shareholder approval is not obtained, the Company intends to issue the Broker Options under its refreshed Listing Rule 7.1 placement capacity. Therefore, the Broker Offer is not subject to the receipt of Shareholder approval.

1.6 Purpose of the Offers and Use of Funds

Completion of the Offers and the Placement will result in an increase in cash at hand of up to approximately \$4.12 million before costs (assuming no Unquoted Options are exercised prior to the Record Date).

The Company intends to apply the funds raised from the Offers and Placement in accordance with the table set out below:

Item of expenditure	Amount ¹ (\$'000)	%
Acquisition costs of Sorby Hills Project	900	21.8
Exploration	2,400	58.3
Working capital requirements	650	15.8
Placement costs ²	100	2.4
Expenses of the Offers ³	70	1.7
TOTAL	4,120	100.0

Notes:

1. If the Entitlement Offer is not fully subscribed, and the Shortfall Securities are not subsequently placed, the Company intends to adjust the use of funds on a pro rata basis.
2. Costs include Joint Lead Manager fees (refer to Section 5.3 for further details), legal and other preparation expenses.
3. See Section 5.12 for further details relating to the estimated expenses of the Offers.

The above is a statement of current intentions at the date of this Prospectus. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied, including market conditions, the development of new opportunities and/or any number of other factors. For example, in the event completion of the acquisition of the Sorby Hills Project does not occur for any reason, the Company will need to re-allocate any remaining funds to general working capital, its existing assets and the acquisition of other complementary assets. The Board reserves the right to alter the way the funds are applied on this basis.

The Placement Options and Broker Options are being issued with disclosure under this Prospectus in order to:

- (a) remove any secondary sale restrictions that may otherwise attach to such Options; and
- (b) ensure a disclosure exception is available for the issue of Shares on the exercise of such Options and any on-sale of those Shares in the 12 months from the date of issue, pursuant to ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/08.

1.7 Opening and Closing Dates

For the Entitlement Offer, the Company will accept Entitlement and Acceptance Forms from the Record Date for determining Eligible Shareholders' Entitlements under the Entitlement Offer until 5.00pm WST on 26 September 2018 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules (**Entitlement Offer Closing Date**).

The Shortfall Offer, Placement Options Offer and Broker Offer will remain open after the Entitlement Offer Closing Date, unless closed earlier at the discretion of the Directors. The issue of Placement Options is conditional on Shareholder approval at the General Meeting.

1.8 Minimum subscription

There is no minimum subscription for the Offers.

1.9 Underwriting

The Offers are not underwritten.

Discovery Capital Partners and PAC Partners have been appointed as the joint lead managers to the Offers. A summary of the terms of the appointment of the Joint Lead Managers is in Section 5.3.

1.10 No rights trading

The rights under the Entitlement Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your rights to subscribe for Securities to any other party. If you do not take up your Entitlement to Securities under the Entitlement Offer by the Entitlement Offer Closing Date, the Entitlement Offer to you will lapse.

1.11 Issue and dispatch

All Securities under the Entitlement Offer are expected to be issued on or before the date set out in the proposed timetable in this Prospectus.

Subject to the Corporations Act and the Listing Rules the Company intends to issue the Placement Options under the Placement and the Broker Options as soon as practicable after the General Meeting.

Security holder statements will be dispatched as soon as possible after the issue of the Securities under the Offers.

It is the responsibility of Applicants to determine their allocation prior to trading in the Securities. Applicants who sell Securities before they receive their holding statements will do so at their own risk.

1.12 Application Monies held on trust

All Application Monies received for the New Shares will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the New Shares are issued. All Application Monies will be returned (without interest) if the New Shares are not issued.

1.13 ASX Quotation

Application has been or will be made for the Official Quotation of the Securities offered by this Prospectus.

The Quoted Options will only be admitted to Official Quotation by ASX if the conditions for quotation of a new class of securities are satisfied (which include, amongst other things, there being a minimum of 100,000 Quoted Options on issue, with at least 50 holders with a marketable parcel (within the meaning of the Listing Rules)).

If permission is not granted by ASX for the Official Quotation of the Securities offered by this Prospectus within 3 months after the date of this Prospectus (or such period as the ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

1.14 CHESS

The Company participates in the Clearing House Electronic Sub-register System, known as CHESS, operated by ASX Settlement Pty Limited (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Securities pursuant to their acceptance of the Offers.

Shareholders and investors who are broker sponsored will receive a CHESS statement from ASX Settlement Pty Limited.

The CHESS statement will set out the number of Securities issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Securities.

If you are registered on the Issuer Sponsored sub-register, your statement will be dispatched by the Share Registry and will contain the number of Securities issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

1.15 Residents outside Australia

(a) General

This Prospectus, and any accompanying Application Form do not, and are not intended to, constitute an offer of Securities in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Securities under the Offers.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Shareholders and potential investors with a registered address outside Australia should consult their professional advisers as to whether any governmental or other consents are required, or other formalities need to be observed to enable them to accept or deal with their Entitlement or an Offer. The return of a completed Application Form from a Shareholder or potential investor with a registered address outside Australia will be taken by the Company to constitute a representation and warranty by that Shareholder or potential investor that all relevant approvals have been obtained and that the Company may legally issue the Securities to that Shareholder or potential investor.

(b) New Zealand offer restrictions

The Securities are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand at the Record Date to whom the offer of Securities is being made in reliance on the transitional provisions of the *Financial Markets Conduct Act 2013* (New Zealand) and the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand).

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

(c) Hong Kong offer restrictions

WARNING: The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

(d) Ineligible Foreign Shareholders and Investors

The Company believes that it is unreasonable to extend the Offers to Ineligible Foreign Shareholders and Investors. The Company has formed this view having considered:

- (i) the number and value of the Securities that would be offered to those Shareholders and Investors; and
- (ii) the cost of complying with the legal requirements and the requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, Ineligible Foreign Shareholders and Investors will not be entitled to participate in the Offers.

(e) Notice to nominees and custodians

Nominees and custodians that hold Shares should note that the Entitlement Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or

the identity or residence of any beneficial owners of Securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws.

Nominees and custodians may not distribute this Prospectus, and may not permit any beneficial Shareholder to participate in the Offers, in any country outside Australia except, with the consent of the Company, to beneficial Shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Offers.

1.16 Risk factors

An investment in Securities of the Company should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific and general risks associated with an investment in the Company which are detailed in Section 4.

1.17 Taxation implications

The Directors do not consider it appropriate to give Shareholders or potential investors advice regarding the taxation consequences of subscribing for Securities under this Prospectus. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders or potential investors. As a result, Shareholders and potential investors should consult their professional tax adviser in connection with subscribing for Securities under this Prospectus.

1.18 Major activities and financial information

A summary of the major activities and financial information relating to the Company is outlined in the following documents:

- (a) Quarterly Activities Report lodged with ASX on 31 July 2018;
- (b) Quarterly Activities Report lodged with ASX on 30 April 2018;
- (c) Half Year Accounts lodged with ASX on 7 March 2018;
- (d) Quarterly Activities Report lodged with ASX on 31 January 2018;
- (e) Quarterly Activities Report lodged with ASX on 30 October 2017; and
- (f) Annual Report lodged with ASX on 20 September 2017.

The Company has made continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Report on 20 September 2017, as outlined in Section 5.5(b).

Copies of these documents are available free of charge from the Company. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offers.

1.19 Privacy

If you complete an Application Form, you will be providing personal information to the Company (directly or by Share Registry). The Company collects, holds and will use that information to assess the Application, service your needs as a Shareholder, facilitate

distribution payments and corporate communications to you as a Shareholder, and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your Securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out herein and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application. An Applicant has a right to gain access to, correct and update the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

1.20 Enquiries concerning the Offers or this Prospectus

Enquiries relating to the Offers or this Prospectus should be directed to the Company Secretary by telephone on +61 8 6266 8642.

2. Action required by Eligible Shareholders

2.1 Action in relation to the Entitlement Offer

The Company will send this Prospectus, together with a personalised Entitlement and Acceptance Form, to all Eligible Shareholders.

Should you wish to acquire New Shares and Quoted Options as part of the Entitlement Offer, you may either take up all of your Entitlement (refer to Section 2.2), part of your Entitlement (refer to Section 2.3), or Shortfall Securities in addition to your Entitlement (refer to Section 2.4) as shown on the accompanying personalised Entitlement and Acceptance Form.

If you do not wish to take up any of your Entitlement to New Shares and Quoted Options, you may allow your Entitlement to lapse (refer to Section 2.5).

2.2 Acceptance of New Shares and Quoted Options under the Entitlement Offer

Your Entitlement to participate in the Entitlement Offer will be determined on the Record Date.

The number of New Shares to which you are entitled is shown on the accompanying Entitlement and Acceptance Form. You will also be entitled to 1 free-attached Quoted Options for every 2 New Shares subscribed for and issued under the Entitlement Offer.

Should you wish to accept all of your Entitlement to New Shares and Quoted Options under the Entitlement Offer and you are not paying by BPAY, then applications for Securities under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided and attach a cheque for the amount indicated on the Entitlement and Acceptance Form.

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque, bank draft or money order in Australian dollars, crossed "Not Negotiable" and made payable to "**Pacifico Minerals Limited**" and lodged at any time after the issue of this Prospectus and on or before the Entitlement Offer Closing Date with the Share Registry (by post) at:

By Post

Pacifico Minerals Limited
C/- Security Transfer Australia Pty Ltd
PO Box 52
Collins Street West VIC 8007

If paying via BPAY, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the Entitlement Offer Closing Date. If you elect to pay via BPAY, you must follow the

instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

Applicants are encouraged to pay by BPAY.

2.3 If you wish to take up only part of your Entitlement under the Entitlement Offer

Should you wish to only take up part of your Entitlement under the Entitlement Offer and you are not paying by BPAY, then applications for New Shares and Quoted Options under the Entitlement Offer must be made on the personalised Entitlement and Acceptance Form which accompanies this Prospectus in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided, including the number of New Shares and Quoted Options you wish to accept and the amount payable (calculated at \$0.006 per New Share accepted), and attach a cheque for the appropriate Application Monies.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque, bank draft or money order in Australian dollars, crossed "Not Negotiable" and made payable to "**Pacifico Minerals Limited**" and lodged at any time after the issue of this Prospectus and on or before the Entitlement Offer Closing Date at the address indicated at Section 2.2 above.

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

If paying via BPAY, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the Entitlement Offer Closing Date. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

Applicants are encouraged to pay by BPAY.

2.4 If you wish to apply for Shortfall Securities

If you are an Eligible Shareholder and you wish to apply for New Shares and Quoted Options in excess of your Entitlement under the Entitlement Offer by applying for Shortfall Securities, you may do so by completing the relevant separate section of the Entitlement and Acceptance Form relating to the Shortfall Offer and which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Any Shares applied for in excess of your Entitlement will be applied for under the Shortfall Offer and will be issued in accordance with the allocation policy described in Section 1.3.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque, bank draft or money order in Australian dollars, crossed "Not Negotiable" and made payable to "**Pacifico Minerals Limited**" and lodged at any time after the issue of this Prospectus and on or before the Entitlement Offer Closing Date at the address indicated at Section 2.2 above.

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

If paying via BPAY, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the date and time mentioned above. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

The Company may also provide Application Forms to other investors who are invited to subscribe for Shortfall Securities in accordance with the allocation policy described in Section 1.3.

2.5 Entitlements not taken up

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. The number of Securities you hold and the rights attached to those Securities will not be affected should you choose not to accept any of your Entitlement.

2.6 Action in relation to the Placement Options Offer and Broker

Separate Application Forms will be provided to the Placement Subscribers and Joint Lead Managers for completion and return in accordance with the instructions set out in the relevant Application Form and this Prospectus in respect of the Placement Options Offer and Broker Offer respectively.

2.7 Application Forms

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Securities accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of Securities.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Application Form is final.

By completing and returning an Application Form with any requisite Application Monies, Applicants will be deemed to have represented and warranted on behalf of themselves or each person on whose account they are acting that the law in their place of residence and/or where they have been given the Prospectus, does not prohibit them from being given the Prospectus and that they:

- (a) agree to be bound by the terms of the relevant Offer;
- (b) declare that all details and statements in the Application Form are complete and accurate;
- (c) declare that they are over 18 years of age and have full legal capacity and power to perform all their rights and obligations under the Application Form;
- (d) declare that they are the current registered holder of Shares as at the Record Date and have a registered address in Australia or subject to the Offer restrictions in Section 1.15, New Zealand or Hong Kong;
- (e) authorise the Company and its respective officers or agents, to do anything on their behalf necessary for the Securities to be issued to them, including to act on instructions of the Share Registry upon using the contact details set out in the Application Form;

- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Securities are suitable for them given their investment objectives, financial situation or particular needs; and
- (g) acknowledge that the Securities have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia.

2.8 Enquiries concerning an Application Form or your Entitlement

For enquiries concerning an Application Form or your Entitlement, please contact Security Transfer Australia Pty Ltd on 1300 992 916 or consult your professional adviser.

3. Effect of the Offers

3.1 Capital structure on completion of the Offers

	Shares	Quoted Options ¹	Unquoted Options ²
Balance at the date of this Prospectus	1,106,397,082	-	91,000,000
To be issued under the Entitlement Offer and Shortfall Offer ³	474,170,178	237,085,089	-
To be issued under the Placement Options Offer ⁴	-	106,666,667	-
To be issued under the Broker Offer ⁵	-	41,250,211	-
TOTAL⁶	1,580,567,260	385,001,967	91,000,000

Notes:

1. Quoted Options are to be issued on the terms and conditions set out in Section 5.2.
2. The Unquoted Options on issue at the date of this Prospectus consist of:
 - (a) 2,000,000 Options exercisable at \$0.02 each on or before 23 April 2020;
 - (b) 62,500,000 Options exercisable at \$0.015 each on or before 6 May 2020; and
 - (c) 26,500,000 Options exercisable at \$0.015 each on or before 21 November 2020, of which 20.5 million are held by Directors with the remainder held by employees and consultants.
3. Assumes that all New Shares and Quoted Options offered under the Entitlement Offer and Shortfall Offer will be issued (i.e. those Offers are fully subscribed), and that no Securities will be issued or exercised prior to the Record Date. This number is also subject to rounding.
4. The number of free-attaching Placement Options to be issued to the Placement Subscribers is 1 Quoted Option for every 2 Shares subscribed for and issued to each Placement Subscriber under the Placement. The issue of the Placement Options is subject to the receipt of Shareholder approval to be sought at the General Meeting.
5. Assumes that the Entitlement Offer and Shortfall Offer are fully subscribed. The actual number of Broker Options to be issued to the Joint Lead Managers will be calculated on the basis of 10 Quoted Options for every dollar raised under the Placement, Entitlement Offer and Shortfall Offer.
6. Assumes no further Securities are issued by the Company and no Options are converted to Shares. A further 10 million Unquoted Options exercisable at \$0.02 each and expiring 3 years from the date of issue, and \$500,000 worth of Shares (based on a deemed issue price equal to the volume weighted average market price for Shares calculated over the 15 days on which sales in the Shares were recorded prior to the date of completion of the acquisition of an interest in the Sorby Hills Project) may be issued to the vendor of the Sorby Hills Project, subject to Shareholder approval at the General Meeting and completion of that acquisition.

3.2 Pro forma consolidated statement of financial position

Set out below is:

- (a) the unaudited consolidated statement of financial position of the Company as at 30 June 2018 (**Balance Date**);
- (b) the unaudited significant changes since the Balance Date;
- (c) the unaudited effects of the Offers; and
- (d) the unaudited pro forma statement of financial position of the Company at the Balance Date adjusted to reflect paragraphs (b) and (c), assuming the Offers are fully subscribed.

	Unaudited Balance Sheet as at 30/06/18 (\$'000)	Significant changes since 30/06/18 (\$'000)	Effect of Offers (\$'000)	Unaudited Pro Forma Balance Sheet Post Offers (\$'000)
Current Assets				
Cash & cash equivalents	791,267	947,155	2,845,021	4,583,443
Other assets	30,837			30,837
Non Current Assets				
Other assets	24,637			24,637
Plant & equipment	8,843			8,843
Exploration & evaluation expenditure	1,238,412	50,000		1,288,412
TOTAL ASSETS	2,093,996	997,155	2,845,021	5,936,172
Current Liabilities				
Trade & other payables	69,445	103,250	70,000	242,695
Provisions	22,431			22,431
Non Current Liabilities				
Deferred tax liability	221,008			221,008
TOTAL LIABILITIES	312,884	103,250	70,000	486,134
NET ASSETS	1,781,112	893,905	2,775,021	5,450,038
EQUITY				
Issued capital	21,385,372	1,280,000	2,845,021	25,510,393
Capital raising costs	(528,727)	(103,250)	(70,000)	(701,977)
Reserves	1,416,142			1,416,142
Accumulated Losses	(20,491,675)	(282,845)		(20,774,520)
TOTAL EQUITY	1,781,112	893,905	2,775,021	5,450,038

The statements of financial position have been prepared to provide Shareholders and potential investors with information on the assets and liabilities of the Company and the pro forma assets and liabilities of the Company as noted above. The historical and

pro forma information is presented in abbreviated form; it does not include all of the disclosures required by the Australian Accounting Standards applicable to annual financial statements.

The pro forma statement of financial position has been prepared on the basis that the assets and liabilities of the Company have not been subject to any material change between 30 June 2018 and the completion of the Offers except for:

- (a) the second due diligence payment in respect of the acquisition of an interest in the Sorby Hills Project of \$50,000 (see ASX announcement date 30 July 2018);
- (b) exploration and evaluation, staff, administrative and corporate costs of \$282,845; and
- (c) the issue of 213,333,333 Shares at \$0.006 each to raise \$1.28 million, under the Placement on 5 September 2018, and associated costs of \$103,250.

The pro forma statement of financial position assumes that the Entitlement Offer is fully subscribed (or that the Shortfall is placed in full).

3.3 Effect of the Offer on control of the Company

The Company is of the view that the Offers will not affect the control (as defined by section 50AA of the Corporations Act) of the Company and that no investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offers.

3.4 Potential dilution

Shareholders should note that if they do not participate in the Offers, their holdings are likely to be diluted (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders are set out in the table below:

	Shareholding as at Record Date	% at Record Date	Entitlements to New Shares under Entitlement Offer	Shareholding if Entitlement Offer not taken up	% post Offers
Shareholder 1	55,000,000	4.97	23,571,429	55,000,000	3.48
Shareholder 2	28,000,000	2.53	12,000,000	28,000,000	1.77
Shareholder 3	14,000,000	1.27	6,000,000	14,000,000	0.89
Shareholder 4	7,000,000	0.63	3,000,000	7,000,000	0.44
Shareholder 5	3,500,000	0.32	1,500,000	3,500,000	0.22

Note: Assumes that no Options are exercised. The dilution effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event that not all Entitlements are accepted and some or all of the resulting Shortfall Securities are not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

3.5 Market price of Shares

The highest and lowest market closing prices of the Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest: \$0.012 per Share on 6 and 7 June 2018

Lowest: \$0.006 per Share on 30 and 31 August and 4 and 5 September 2018

The latest available market closing price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.006 per Share on 5 September 2018.

3.6 Dividend policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

4. Risk factors

The Securities offered under this Prospectus should be considered speculative because of the nature of the business activities of the Company. Whilst the Directors commend the Offers, potential investors should consider whether the Securities offered are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors set out below. This list is not exhaustive and potential investors should read this Prospectus in its entirety and if in any doubt consult their professional adviser before deciding whether to participate in the Offers.

The principal risks include, but are not limited to, the following:

4.1 Specific Risks

A number of specific risk factors that may adversely affect the Company's financial position, prospects and price of its quoted Securities are described below. In particular, the Company is subject to risks relating to the exploration and development of mineral properties which are not generally associated with other businesses. Shareholders should note that this list is not exhaustive.

(a) Completion risk

As announced on 26 June 2018, the Company has entered into a binding conditional term sheet to acquire all of the shares in KBL Sorby Hills Pty Ltd (**KBL Sorby Hills**) and Sorby Management Pty Ltd (**Acquisition**). KBL Sorby Hills owns 75% of the Sorby Hills Project in the Kimberley Region of Western Australia which is prospective for lead, silver and zinc, with Chinese group Henan Yuguang Gold & Lead Co. Ltd owing the remaining 25%. Completion of the Acquisition is subject, inter alia, to any regulatory or Shareholder approval requirements and obligations of the Company.

The Company does not have a registered legal interest in the Sorby Hills Project and must complete the Acquisition in order to obtain an indirect interest in part of the project. There is a risk that if any of the conditions to completion under the term sheet (or any formal sale and purchase agreement entered into) are not satisfied or waived, or any of the counterparties do not comply with their obligations, completion of the Acquisition may be deferred, occur in part, or may not occur at all. If the Acquisition does not complete, the Company will not obtain a 75% indirect shareholder interest in the Sorby Hills Project.

(b) Exploration stage and success

The Company is not at the development stage. Exploration is a high-risk activity that requires large amounts of expenditure over extended periods of time. The Company's exploration activities are subject to all the hazards and risks normally encountered in the exploration of minerals, including climatic conditions, hazards of operating vehicles and plant, risks associated with operating in remote areas and other similar considerations. Conclusions drawn during mineral exploration are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geochemical, geophysical, drilling and other data.

There can be no assurance that exploration of the tenements currently held by the Company, or any other tenements that may be acquired in the future by the Company via the Acquisition or otherwise, will result in the discovery

of an economic deposit. Investors should understand that mineral exploration and any subsequent development are high-risk undertakings.

Further, the costs of the Company's exploration activities may materially differ from its estimates and assumptions. No assurance can be given that the Company's cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the value of the Company's Shares.

Despite the best efforts of the Company, there is no guarantee of exploration success, and even if there is exploration success, there is no guarantee that development of any such success will be commercially viable. The current and future operations of the Company will be affected by a range of factors. If exploration is successful, there will be additional costs and processes involved in moving to the development phase.

(c) Operating and project risks

The business of mineral exploration and mining involves risks and hazards. For example, in an exploration context no assurance can be given that ore bodies will be detected with preferred or desirable tonnages or grades. High risk and substantial expense can be incurred without the requisite or expected degree of reward. Even if commercial quantities of ore are discovered, unforeseen risks can arise in the development and production phase including mining or processing issues, environmental hazards, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, labour forced disruption, the unavailability of materials and plant and equipment, mechanical failure or plant breakdown, unusual or unexpected geological formation, pit failures, changes in the regulatory environment and weather conditions. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability.

(d) Future capital requirements

The Company's activities will require substantial expenditure. There can be no guarantees that the funds raised through the Entitlement Offer and Placement will be sufficient to successfully achieve all the objectives of the Company's overall business strategy. If the Company is unable to use debt or equity to fund development after the substantial exhaustion of the net proceeds of the Entitlement Offer and Placement, there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to Shareholders and any debt financing if available may involve restrictive covenants, which may limit the Company's operations and business strategy.

The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

(e) Counterparty and joint venture risks

The Company is currently, and may in the future become a party to joint venture agreements governing the exploration and development of its

projects. There is a risk that one of the Company's joint venture partners may default in their joint venture obligations or not act in the best interests of the joint venture. There is a risk of insolvency or managerial failure by any of the contractors or other suppliers used by the Company in any of its activities, or that any of those agreements are terminated in accordance with their terms. There is also a risk of legal or other disputes between the Company and co-venturers or contractors or other suppliers. This may have an adverse effect on the interests and prospects of the Company.

(f) Reliance on key management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel, including technical personnel and sub-contractors. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment or are incapacitated for any length of time.

(g) Tenement title

The Company's title to its tenements generally requires the Company to continue to satisfy its expenditure or work commitments. The Company currently has no reason to believe that it will not satisfy those commitments. However, this cannot be guaranteed.

Interests in tenements in Australia are governed by federal and state legislation and are evidenced by the granting of licences. Each licence is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance, such as satisfaction of statutory payments (including land taxes and statutory duties) and compliance with work programmes and public health and safety laws. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments as and when they arise.

Further, mining and exploration tenements, once granted, are subject to periodic renewal. There is no guarantee that current or future tenement renewals will be approved. Renewal of the term of a granted tenement is at the discretion of the relevant government authority and may include additional or varied expenditure or work commitments or compulsory relinquishment of the areas comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

(h) Access and infrastructure risks

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate rights of Indigenous owners or surface rights holders exist. In this case, the ability of the Company to gain access to tenements (through obtaining consent of any relevant Indigenous owner, body, group or landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected. The Company's mineral titles may also be subject to access by third parties including, but not limited to, the areas' indigenous people. This access could potentially impact the Company's activities and/or may involve payment of compensation to

parties whose existing access to the land may be affected by the Company's activities.

In addition, the current poor condition or further deterioration of Colombia's physical infrastructure may harm the national economy, disrupt the transportation of goods and supplies, add costs to doing business and interrupt the Company's business operations in Colombia, including delivery of its products to customers and ability to fully comply with product quality standards, each of which could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

(i) **Regulatory risks**

The Company's projects are located in Australia, Colombia and Mexico. Changes in legislative and administrative regimes, taxation laws, interest rates, other legal and government policies in these jurisdictions may have an adverse effect on the assets, operations and ultimately the financial performance of the Company and the market price of Shares.

Exploration and prospective production are dependent upon the granting and maintenance of appropriate licences, permits and regulatory consents and authorisations, which may not be granted or may be withdrawn or by made subject to limitations at the discretion of government or regulatory authorities. Although the authorisations may be renewed following expiry or grant (as the case may be), there can be no assurance that such authorisations will be continued, renewed or granted, or as to the terms of renewals or grants. If the Company cannot obtain or retain the appropriate authorisations or there is a material delay in obtaining or renewing them or they are granted subject to onerous conditions, then the Company's ability to conduct its exploration or development operations may be adversely affected.

(j) **Environmental risks**

The Company's operations and activities are subject to the environmental laws of Australia and any other places the Company may conduct business. As with most exploration projects, the Company's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations. However, non-compliance with or breach of any conditions attached to the Company's mining or environmental licences may lead to penalties and/or revocation of the licence, and significant liability could be imposed on the Company for damages, clean-up costs or penalties in the event of certain environmental damage. This would require the Company to incur significant costs and may result in an adverse impact on the Company's cash flows, financial position and performance.

Further, the Company is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area. There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments which could have a material adverse effect on the Company's operations, financial position and performance.

(k) **Resource and reserve estimates**

Resource and reserve estimates are expressions of judgements based on knowledge, experience and industry practice. Estimates that are valid when made may change significantly when new information becomes available through drilling, sampling and similar examinations. In addition, resource and reserve estimates are necessarily imprecise and depend to some extent on geological interpretations, as well as various economic, commercial, technical, environmental and legal assumptions which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

(l) **Foreign governments and legal systems**

The Colombian and Mexican Governments and Central Bank frequently intervene in their respective economies and may make significant changes in monetary, fiscal and regulatory policy. Accordingly, operations in Colombia and Mexico will be subject to potential economic instability. Possible economic instability includes fluctuations in exchange rates, inflation, instability of prices, changes in interest rates, liquidity of domestic capital and debt markets, exchange controls, deposit requirements on foreign borrowings, controls on capital flows, and limits on foreign trade.

Some of the Company's exploration projects are located in Colombia and Mexico. The Colombian and Mexican jurisdictional legal systems differ from the legal systems found in Australia. This could lead to exposure to any of the following risks:

- (i) lack of guidance or interpretation of the applicable rules and regulations; and
- (ii) delays in redress or greater discretion on the part of governmental authorities.

The Company cannot guarantee that joint ventures, licences, licence applications or other legal arrangements will not be adversely affected by the actions of government authorities or others, or the effectiveness of and enforcement of such arrangements in these jurisdictions. In addition, political instability and changes in foreign law, including taxation law, may affect the Company's ability to operate successfully, profitably or optimally in foreign jurisdictions.

4.2 General Risks

The future prospects of the Company's business may be affected by circumstances and external factors beyond the Company's control. Financial performance of the Company may be affected by a number of business risks that apply to companies generally and may include economic, financial, market or regulatory conditions.

(a) **Discretion in use of capital**

The Board and the Company's management have discretion concerning the use of the Company's capital resources as well as the timing of expenditures. Capital resources may be used in ways not previously anticipated or disclosed. The results and the effectiveness of the application of capital resources are

uncertain. If they are not applied effectively, the Company's financial and/or operational performance may suffer.

(b) **Economic risks**

General economic conditions, movements in interest and inflation rates, the prevailing global commodity prices and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

As with any mining project, the economics are sensitive to metal and commodity prices. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for oil and gas, technological advances, forward selling activities and other macro-economic factors. These prices may fluctuate to a level where the proposed mining operations are not profitable. Should the Company achieve success leading to mineral production, the revenue it will derive through the sale of commodities also exposes potential income of the Company to commodity price and exchange rate risks.

Further, share market conditions may affect the value of the Company's quoted Securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

(c) **Market conditions**

General economic conditions, movements in interest and inflation rates, commodity prices and currency exchange rates may have an adverse effect on the Company's operations and any future development activities, as well as on its ability to fund those activities. The market price of the Company's Securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(d) **Government and legal risk**

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Securities. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

Other than as previously announced the Company is not aware of any reviews or changes that would affect its permits. However, changes in community

attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's development plans or its rights and obligations in respect of its permits. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company.

(e) **Insurance**

The Company will, where possible and economically practicable, endeavour to mitigate some project and business risks by procuring relevant insurance cover. However, such insurance cover may not always be available or economically justifiable and the policy provisions and exclusions may render a particular claim by the Company outside the scope of the insurance cover.

Insurance of risks associated with minerals exploration is not always available and, where available, the costs can be prohibitive. There is a risk that insurance premiums may increase to a level where the Company considers it is unreasonable or not in its interests to maintain insurance cover or not to a level of coverage that is in accordance with industry practice. The Company will use reasonable endeavours to insure against the risks it considers appropriate for the Company's needs and circumstances. However, no assurance can be given that the Company will be able to obtain such insurance coverage in the future at reasonable rates or that any coverage it arranges will be adequate and available to cover claims.

4.3 Speculative Nature of Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus. Therefore, the Securities offered pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of the Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities.

5. Additional information

5.1 Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Securities in any specific circumstances, the Shareholder should seek legal advice.

(a) General meeting and notices

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the

discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) Issues of further shares

The Directors may, on behalf of the Company, issue, grant Options over or otherwise dispose of unissued Shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Constitution, the Listing Rules, the Corporations Act and any rights for the time being attached to the shares in any special class of those shares.

(e) Winding up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(f) Shareholder liability

As the Shares issued are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(g) Transfer of shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.

(h) Future increase in capital

The issue of any new Securities is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Securities as they shall, in their absolute discretion, determine.

(i) Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(j) Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

5.2 Terms and conditions of Quoted Options

(a) Entitlement

Each Option entitles the holder to subscribe for one fully paid ordinary share upon exercise of the Option.

(b) Exercise Price

The amount payable upon exercise of each Option will be equal to 1.5 cents (**Exercise Price**).

(c) Expiry Date

The Options will expire at 5pm WST on 21 November 2020 (**Expiry Date**). Any Option not exercised by the Expiry Date will automatically expire.

(d) Exercise Period

The Options may be exercised at any time until the Expiry Date (**Exercise Period**).

(e) Exercise of Options

The Options may be exercised during the Exercise Period by:

- (i) notice in writing to the Company in the manner specified on the Option certificate specifying the number of Options being exercised (**Relevant Number**); and
- (ii) payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company (**Settlement Price**).

The Option holder may only exercise Options in multiples of 50,000 Options unless the Option holder exercises all Options held by the Option holder.

(f) Timing of issue of Shares upon exercise

The Company must, within the time period specified by the ASX Listing Rules after receiving a notice for exercise of Options and subject to receipt by the Company of the Settlement Price:

- (i) issue the Option holder the Relevant Number of Shares;
- (ii) issue, or cause to be issued, to the Option holder a holding statement for the Relevant Number of Shares; and
- (iii) if applicable, issue a replacement Option certificate to the Option holder for the balance of any unexercised Options.

(g) Share ranking

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(h) Transferability

The Options are freely transferable from the date of issue, subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws, and shall survive death of the recipient.

(i) Quotation of Options

The Company will apply to ASX for Official Quotation of the Options.

(j) Quotation of Shares on exercise

If admitted to the Official List of ASX at the time, the Company will apply to ASX for Official Quotation of the Shares issued on exercise of Options.

(k) Participation rights

The Option holder is not entitled to participate in any issue to existing Shareholders of Securities unless they have exercised their Options before the "record date" for determining entitlements to the issue of Securities and participate as a result of holding Shares. The Company must give the Option holder notice of the proposed terms of the issue or offer in accordance with the Listing Rules.

(l) Reorganisation

If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option holder (including the number of Options to which the Option holder is entitled to and the exercise price) will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

(m) Amendments

The number and exercise price of the Options remains the same regardless of whether the Company makes a bonus issue of Shares or other securities to Shareholders.

(n) Adjustments

Any calculations or adjustments which are required to be made will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option holder.

(o) Governing law

These terms and the rights and obligations of the Option holder are governed by the laws of Western Australia. The Option holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

5.3 Joint Lead Manager Mandate

In August 2018, the Company entered into an agreement with Discovery Capital Partners and PAC Partners (**Joint Lead Managers**) for their provision of joint lead manager services to the Company in relation to the Placement, Entitlement Offer and Shortfall Offer (**JLM Mandate**).

The Joint Lead Managers are entitled to receive the following fees in accordance with the JLM Mandate:

- (a) a placement fee of 5% (plus GST, if applicable) on the total amount raised by the Joint Lead Managers in relation to the Placement and the Shortfall Offer;
- (b) a management fee of 1% (plus GST, if applicable) on the total equity raised under the Placement and the Shortfall Offer; and
- (c) Broker Options, on the basis of 10 Quoted Options for every dollar raised under the Placement, Entitlement Offer and Shortfall Offer.

The Company will also reimburse the Joint Lead Managers for all reasonable out-of-pocket expenses (including GST) incurred in connection with the Placement, Entitlement Offer and Shortfall Offer, with the Company's prior written approval required for any individual expenses exceeding \$2,000 and all legal fees.

Under the JLM Mandate, the parties acknowledge that the Joint Lead Managers will seek a retainer with the Company at \$5,000 per month each for 6 months, extendable at the Company's election.

The JLM Mandate also contains warranties, representations and indemnities in favour of the Joint Lead Managers that are standard for services of the kind that the Joint Lead Managers are providing to the Company.

5.4 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.5 below). Copies of all documents announced to the ASX can be found at www.pacificominerals.com.au.

5.5 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offers a copy of:

- (a) the financial statements of the Company for the financial year ended 30 June 2017 and the half-year ended 31 December 2017, being the last two financial statements of the Company lodged with ASIC before the issue of this Prospectus; and
- (b) the continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the financial statements referred to in Section 5.5(a) above until the date of this Prospectus:

Date lodged	Subject of announcement
05/09/2018	Completion of share placement
29/08/2018	Pacifico Minerals to raise up to \$4.12 million
27/08/2018	Trading Halt
27/08/2018	Successful Completion of Due Diligence - Sorby Hills Project
24/08/2018	Corporate Presentation
24/08/2018	Sorby Hills Resource Update to JORC 2012
31/07/2018	Quarterly Activities & Cashflow Reports
31/07/2018	Exploration Activities Update - Australia
30/07/2018	Sorby Hills acquisition update
20/07/2018	Exploration Activities Update - Latin America
4/07/2018	Sorby Hills Lead-Silver-Zinc Updated
4/07/2018	Sorby Hills Lead - Silver - Zinc
26/06/2018	Reinstatement to Official Quotation
26/06/2018	Pacifico to Acquire Advanced Lead-Silver-Zinc Deposit in WA
25/06/2018	Suspension from Official Quotation
21/06/2018	Trading Halt

Date lodged	Subject of announcement
8/06/2018	High-Grade Cobalt and Manganese Tenements Granted
6/06/2018	Top 20 shareholders
29/05/2018	Corporate presentation
22/05/2018	Exploration Update - Violin Gold-Copper Project
15/05/2018	Strategic Licence Granted
7/05/2018	Option issue and cancellations
3/05/2018	Results of General Meeting
30/04/2018	Quarterly Reports - 31 March 2018
26/04/2018	Drilling underway at Lorella in McArthur Basin
26/04/2018	Appendix 3B & Cleansing notice
12/04/2018	Cobalt-Copper-Manganese Mineralisation Confirmed
5/04/2018	Corporate Presentation
28/03/2018	Notice of General Meeting
22/03/2018	Appendix 3B
21/03/2018	ELAs Secured Following Extensive Cobalt Review
15/03/2018	Pacifico Signs Option to Acquire Major Gold-Copper Project
15/03/2018	Reinstatement to Official Quotation
13/03/2018	Suspension Request
13/03/2018	Suspension from Official Quotation
9/03/2018	Trading Halt
7/03/2018	Half Year Accounts
2/03/2018	Upcoming Exploration Activities and Company Update
6/02/2018	Corporate Presentation
31/01/2018	Cleansing statement and notice under Listing Rule 3.10.5A
31/01/2018	Appendix 3B
31/01/2018	Quarterly Activities Report
31/01/2018	Quarterly Cashflow Report

Date lodged	Subject of announcement
24/01/2018	Pacifico completes capital raising
22/01/2018	Trading Halt
17/01/2018	Response to ASX Price and Volume Query
29/12/2017	Exploration Activities Update
28/11/2017	Investor Presentation
22/11/2017	Change of Director's Interest Notice (Parker)
22/11/2017	Change of Director's Interest Notice (Harold)
22/11/2017	Change of Director's Interest Notice (Monti)
22/11/2017	Change of Director's Interest Notice (Noon)
22/11/2017	Appendix 3B
22/11/2017	Results of Annual General Meeting
20/11/2017	Exploration Target Defined for Oxide Copper at Lorella
6/11/2017	Highly Positive Testwork Results - Lorella Oxide Copper
30/10/2017	Quarterly Cashflow Report
30/10/2017	Quarterly Activities Report
24/10/2017	Exploration Update - Berrio Gold Project
20/10/2017	Notice of Annual General Meeting/Proxy Form
17/10/2017	Borrooloola West Joint Venture NT update
20/09/2017	Amended Annual Report to shareholders

The following documents are available for inspection throughout the period of the Offers during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 5.13 and the consents provided by the Directors to the issue of this Prospectus.

5.6 Information excluded from continuous disclosure notices

Other than as set out below, there is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

The Company advises that, as announced on 20 July 2018 and 5 September 2018, several mining and development companies are currently evaluating the Company's Urrao and Natagaima Copper Gold projects in Colombia for potential joint venture/purchase however negotiations have not progressed further as at the date of this Prospectus, with discussions still ongoing and incomplete.

5.7 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Securities under this Prospectus.

5.8 Substantial Shareholders

As at the date of the Prospectus, the Company is aware of the following Shareholders (and their associates) holding an interest in 5% or more of the Shares on issue:

Substantial Shareholder	Shares	Voting power (%)
Villiers Queensland Pty Ltd	58,333,333	5.27

5.9 Directors' interests

(a) Security holdings

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their Entitlement under the Entitlement Offer is set out below:

Directors	Existing			Entitlements ¹	
	Shares	%	Unquoted Options ²	New Shares	Quoted Options
Simon Noon	22,200,000	2.01	8,500,000	9,514,285	4,757,142
Richard Monti	18,835,308	1.70	4,000,000	8,072,274	4,036,137
Peter Harold	4,250,495	0.38	4,000,000	1,821,640	910,820
Andrew Parker	3,717,596	0.34	4,000,000	1,593,255	796,627

Notes:

1. Assuming no Unquoted Options are exercised prior to the Record Date. At the time of lodging the Prospectus, Directors eligible to participate have indicated that they or their nominees intend to take up part or all of their Entitlement.
2. Unquoted Options exercisable at \$0.015 each on or before 21 November 2020.

(b) Remuneration of Directors

The Constitution provides that the Directors shall be paid out of the funds of the Company by way of remuneration for their services as Directors such sum as may from time to time be determined by the Company in general meeting, to be divided among the Directors in such proportions as they shall from time to time agree or, in default of agreement, equally. The remuneration of the Directors shall not be increased except pursuant to a resolution passed at a

general meeting of the Company. The current aggregate amount to be paid to non-executive Directors is \$200,000 as approved by the Shareholders at the general meeting held 3 May 2018.

A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

The Directors received the following remuneration for the preceding two financial years:

Director	FY	Salary, fees & leave	Super-annuation	Share-based payments	TOTAL
Simon Noon	2018	176,539	16,771	18,360	211,670
	2017	183,462	17,429	-	200,891
Richard Monti	2018	43,200	4,104	8,640	55,944
	2017	43,200	4,104	-	47,304
Peter Harold	2018	32,400	3,078	8,640	44,118
	2017	32,400	3,078	-	35,478
Andrew Parker	2018	32,400	3,078	8,640	44,118
	2017	32,400	3,078	-	35,478

(c) **Other Director interests**

Except as disclosed in this Prospectus, no Director and no firm in which a Director or proposed director is a partner:

- (i) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Securities offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Securities offered under this Prospectus; or
- (ii) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Securities offered under this Prospectus.

5.10 Related party transactions

Other than as set out in this Prospectus, there are no related party transactions involved in the Offers.

5.11 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offers or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offers.

Discovery Capital Partners and PAC Partners have been appointed as Joint Lead Managers by the Company in relation to the Placement and the Shortfall Offer. The Company is to pay the Joint Lead Managers the fees described in Section 5.3, including the Broker Options offered under the Broker Offer. The Joint Lead Managers, or their related entities, participated in the Placement as Placement Subscribers, and may therefore participate in the Entitlement Offer as Eligible Shareholders.

Bellanhouse Lawyers will be paid approximately \$15,000 (plus GST) in fees for legal services in connection with the Offers.

Security Transfer Australia Pty Ltd has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

5.12 Expenses of the Offers

Estimated expenses of the Offers ¹	\$
ASIC lodgement fee	3,200
ASX quotation fee	26,300
Legal, jurisdiction and preparation expenses	30,000
Printing, mailing and other expenses	10,500
TOTAL	70,000

Notes:

1. An aggregate placement and management fee of up to 6% (plus GST, if applicable) is payable to the Joint Lead Managers in the event that any Shortfall Securities are issued under the Shortfall Offer (see Section 5.3 for further details).

5.13 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Securities under this Prospectus), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section 5.13:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Bellanhouse Lawyers has given its written consent to being named as the solicitors to the Company in this Prospectus. Bellanhouse Lawyers has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Discovery Capital Partners and PAC Partners have given their written consent to being named as the Joint Lead Managers to the Offers in this Prospectus. Discovery Capital Partners and PAC Partners have not withdrawn their consent prior to the lodgement of this Prospectus with ASIC.

Security Transfer Australia Pty Ltd has given its written consent to being named as the Share Registry to the Company in this Prospectus. Security Transfer Australia Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

6. Authorisation

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:



Patrick Holywell
Company Secretary
Pacifco Minerals Limited

Dated: 6 September 2018

7. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

Applicant means a person who submits an Application Form.

Application means a valid application for Securities made on an Application Form.

Application Form means the relevant application form for an Offer provided by the Company with a copy of this Prospectus, including an Entitlement and Acceptance Form.

Application Monies means the amount of money in dollars and cents payable for New Shares at \$0.006 per New Share pursuant to the Entitlement Offer.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 129 164 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Board means the Directors meeting as a board.

Broker Offer means the offer under this Prospectus of up to 41,250,211 Broker Options to the Joint Lead Managers (or their respective nominee/s) on the basis of 10 Quoted Options for every dollar raised under the Placement, Entitlement Offer and Shortfall Offer.

Broker Options means the Quoted Options to be issued to the Joint Lead Managers (or their respective nominee/s) under the Broker Offer.

Business Day means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

CHESS means ASX Clearing House Electronic Sub-register System.

Company means Pacifico Minerals Limited ACN 107 159 713.

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means *Corporations Act 2001* (Cth).

Directors mean the directors of the Company as at the date of this Prospectus.

Discovery Capital Partners means Discovery Capital Partners Pty Ltd (ACN 615 635 982) AFSL 500 223.

Eligible Shareholder means a person registered as the holder of Shares on the Record Date whose registered address is in Australia, New Zealand or Hong Kong.

Entitlement means the number of Securities for which an Eligible Shareholder is entitled to subscribe under the Entitlement Offer, being 3 New Shares for every 7 existing Shares held on the Record Date, together with 1 free-attaching Quoted Option for every 2 New Shares issued.

Entitlement and Acceptance Form means the entitlement and acceptance form sent with this Prospectus that sets out the Entitlement of Shareholders to subscribe for New Shares and Quoted Options pursuant to the Entitlement Offer.

Entitlement Offer means the offer under this Prospectus of New Shares and Quoted Options to Eligible Shareholders in accordance with their Entitlements.

Entitlement Offer Closing Date has the meaning given in Section 1.7.

General Meeting means the general meeting of Shareholders to be convened shortly to approve the issue of the Placement Options and Broker Options, amongst other things.

Ineligible Foreign Shareholder or Investor means:

- (a) a person registered as the holder of Shares as at 5:00pm (WST) on the Record Date who is not an Eligible Shareholder; or
- (b) an investor whose residential address is not in Australia, New Zealand or Hong Kong.

Issuer Sponsored means Securities issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHES.

Listing Rules means the official listing rules of ASX and any other rules of ASX which are applicable while any Securities are admitted to the Official List, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

JLM Mandate has the meaning given in Section 5.3.

Joint Lead Managers means PAC Partners and Discovery Capital Partners.

New Share means a Share issued pursuant to the Entitlement Offer.

Offers means the Entitlement Offer, the Shortfall Offer, the Placement Options Offer and/or the Broker Offer, as applicable.

Official List means the official list of ASX.

Official Quotation means quotation of Securities on the Official List.

Option means an option to acquire a Share.

PAC Partners means PAC Partners Securities Pty Ltd (ACN 623 653 912), a corporate authorised representative of PAC Asset Management Pty Ltd (ACN 134 783 583) AFSL 335 374.

Placement has the meaning given in Section 1.4.

Placement Options means the Quoted Options to be issued to the Placement Subscribers under the Placement Options Offer.

Placement Options Offer means the offer under this Prospectus of up to 106,666,667 Placement Options to Placement Subscribers on the basis of 1 free-attaching Placement Option for every 2 Shares subscribed for and issued under the Placement.

Placement Subscribers means each applicant who has subscribed for Shares under the Placement.

Prospectus means this prospectus dated 6 September 2018.

Quoted Option means an Option to be issued under this Prospectus, exercisable at \$0.015 each, expiring 21 November 2020 and for which the Company intends to apply for Official Quotation, and otherwise having the terms and conditions as set out in Section 5.2.

Record Date means 5:00pm (WST) on the date identified in the proposed indicative timetable.

Section means a section of this Prospectus.

Securities means any securities, including Shares and Options, issued or granted by the Company.

Share means an ordinary fully paid share in the capital of the Company.

Share Registry means Security Transfer Australia Pty Ltd (ACN 008 894 488).

Shareholder means a holder of Shares.

Shortfall Offer means the offer under this Prospectus of the Shortfall Securities.

Shortfall Securities means New Shares and Quoted Options not subscribed for under the Entitlement Offer.

Unquoted Option means an Option that is not and will not be quoted on the Official List.

WST means Western Standard Time, being the time in Perth, Western Australia.