Pacifico Minerals Limited

ABN 43 107 159 713

2018 ANNUAL REPORT

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OPERATIONS REPORT

SORBY HILLS PROJECT, WESTERN AUSTRALIA – LEAD/ZINC/SILVER (PACIFICO 75%)

The Sorby Hills lead-silver-zinc deposits are located in the Kimberley Region of Western Australia, 50km north of Kununurra and 130km east of Wyndham. Infrastructure is excellent with an airport at Kununurra, sealed roads to the project gate, bulk loading and container port at Wyndham, readily available water, and located in a mining region with access to skilled staff, services and equipment. The Sorby Hills project comprises several shallow mineralised bodies over a strike length of 10 kilometres. There is substantial exploration upside along strike and at depth. Overburden at the D-E deposit consists of 17m of free digging and only 5m of transitional rock. Pacifico upgraded the Mineral Resource estimate for the Sorby Hills Pb-Ag-Zn deposit to comply with the guidelines of JORC 2012 (see ASX announcement on 24 August 2018).

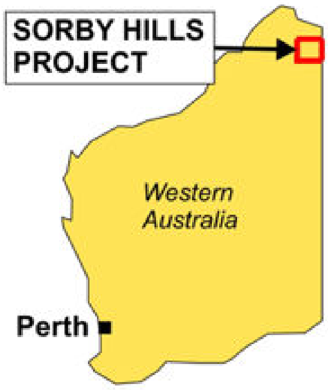

Figure 1: Sorby Hills Project Location

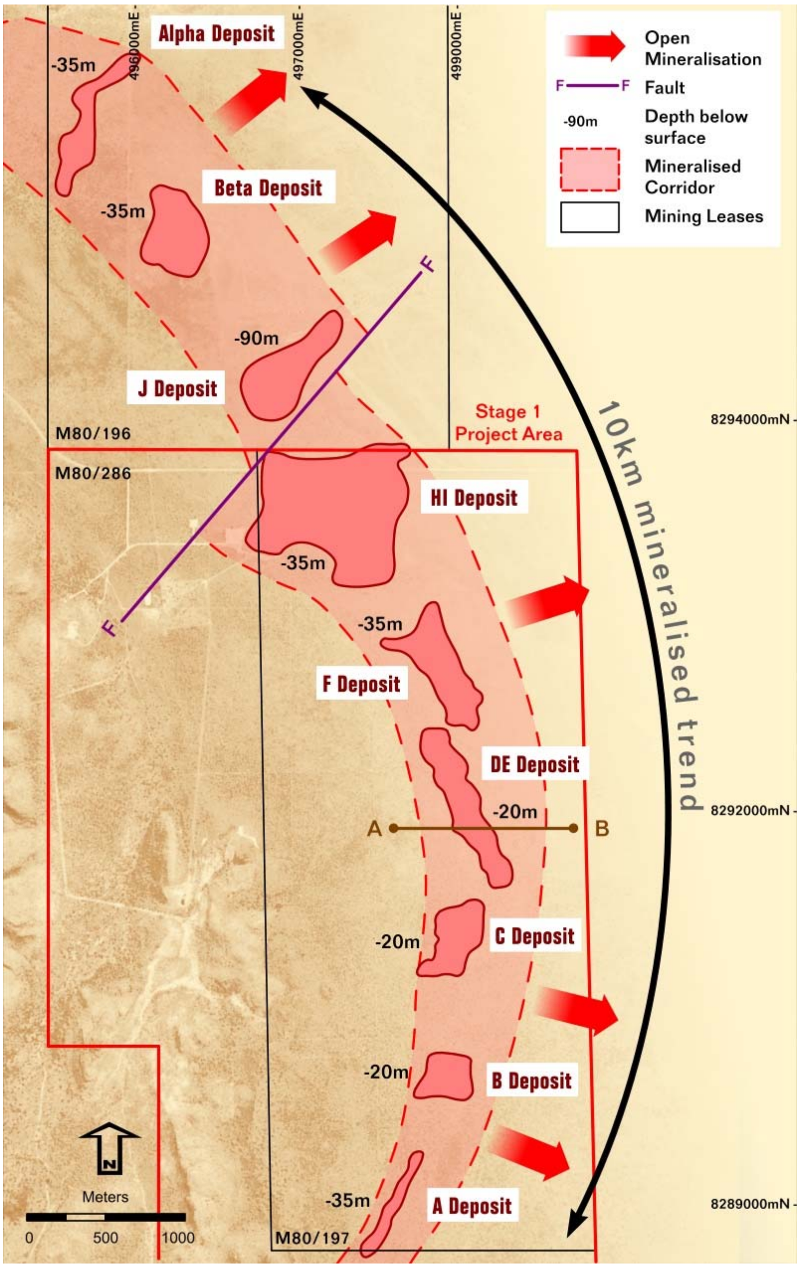

Figure 2: Location of Mineralised Pods at Sorby Hills

Table 1: JORC 2012 Indicated and Inferred Global Resource Estimate for Sorby Hills at 2.5% Pb and Zn cut off

Resource Category	Tonnes (kT)	Pb %	Zn %	Ag g/t	Pb+Zn %
Indicated	4,860	5.0	0.4	62	5.4
Inferred	11,640	4.6	0.8	49	5.4
Combined Total	**16,500**	**4.7**	**0.7**	**53**	**5.4**

The Sorby Hills Pb-Ag-Zn deposits are regarded as having many features typical of Mississippi Valley Type (MVT) deposits. The mineralisation occurs within 9 currently identified carbonate hosted deposits (pods). The pods form a linear north-south belt extending over 10 km, sub parallel to the eastern margin of the Precambrian Pincombe Inlier and within the Carboniferous Burt Range Formation of the Bonaparte Basin. The mineralisation is largely stratabound and hosted mainly in dolomitic breccia which is typically developed at the contact of a crystalline dolomite unit and overlying dolomitic siltstone which mostly dips shallowly to the east.

The mineralised pods average 7-10 metres in thickness, are generally less than 1km long and 100-500m wide. There is some structural control to the mineralisation, with higher grade zones associated with faulting. The deposits also appear to subparallel the two main fault trends. Mineralisation is often thicker and of higher grade in areas of strong brecciation.

Assuming successful completion of the acquisition of a 75% interest in the project, Pacifico plans to commence an aggressive exploration program to test the significant upside potential identified within the Sorby Hills Project area, which could lead to an increase in the resource base.

Planning is currently underway for the next phase of drilling at Sorby Hills. The main aims of the proposed 100+ hole reverse circulation and diamond drilling program (~6,000m) are, as follows:

- to increase the resources, in or near the current pit outlines;
- to test drill interpreted faults identified from geophysical surveys, and gravity anomalies, to better understand their relationship to suspected higher grade lead occurrence, and,
- to increase the zinc Mineral Resource estimate, particularly in some northern pods where previous exploration by others has identified excellent potential.

Following this work Pacifico intends to re-evaluate the economics of the Sorby Hills project, including undertaking a review of the modifying factors and assumptions made by KBL (see ASX:KBL announcement dated 29 November 2013), with the aim of working towards a new reserve estimate.

Table 2: JORC 2012 Indicated and Inferred Mineral Resource Estimate for Sorby Hills by Pod and Weathering Profile at 2.5% Pb and Zn cut off

	Classification	Weathering Profile	Tonnes (kT)	Pb %	Zn %	Ag g/t
A Pod Pb	*Inferred*	Fresh	350	8.3	1.4	38
Alpha Pod Pb	*Inferred*	Oxide	180	4.0	0.2	46
	Inferred	Fresh	1,990	4.6	0.3	61
		Inferred Total	**2,170**	**4.5**	**0.3**	**59**
Alpha Pod Zn	*Inferred*	Fresh	1,320	0.5	4.0	31
B Pod Pb	*Inferred*	Fresh	790	5.7	0.3	33
Beta Pod	*Inferred*	Oxide	10	2.5	0.0	31
		Fresh	1,800	7.9	0.5	99
		Inferred Total	**1,810**	**8.0**	**0.5**	**98**
C Pod	*Indicated*	Oxide	140	3.3	0.2	22
		Fresh	540	3.4	0.5	18
		Indicated Total	**680**	**3.4**	**0.4**	**18**
	Inferred	Oxide	80	3.1	0.3	19
		Fresh	750	3.2	0.4	23
		Inferred Total	**840**	**3.2**	**0.4**	**22**
		Combined Total	**1,520**	**3.3**	**0.4**	**21**
DE Pod	*Indicated*	Oxide	371	5.0	0.2	54
		Fresh	2,020	6.0	0.5	63
		Indicated Total	**2,390**	**5.8**	**0.5**	**61**
	Inferred	Oxide	40	5.1	0.4	51
		Fresh	320	5.3	0.3	60
		Inferred Total	**360**	**5.3**	**0.3**	**59**
		Combined Total	**2,750**	**5.8**	**0.4**	**61**
F Pod	*Inferred*	Fresh	1,770	4.1	0.3	29
HI Pod	*Indicated*	Oxide	20	5.0	0.1	192
		Fresh	1,770	4.6	0.4	78
		Indicated Total	**1,790**	**4.6**	**0.3**	**79**
	Inferred	Oxide	60	3.3	0.1	140
		Fresh	2,170	4.1	0.4	40
		Inferred Total	**2,230**	**4.1**	**0.4**	**42**
		Combined Total	**4,020**	**4.3**	**0.4**	**59**
All Pods	*Indicated*	Oxide	530	4.5	0.2	51
		Fresh	4,330	5.1	0.4	63
		Indicated Total	**4,860**	**5.0**	**0.4**	**62**
	Inferred	Oxide	370	3.8	0.2	54
		Fresh	11,270	4.6	0.8	49
		Inferred Total	**11,640**	**4.6**	**0.8**	**49**
		Combined Total	**16,500**	**4.7**	**0.7**	**53**

BORROLOOLA WEST PROJECT, NORTHERN TERRITORY – COPPER/ZINC/LEAD/SILVER (PACIFICO 51%)

The Borroloola West Joint Venture Project ("BWJV") consists of twelve exploration licences and one mining licence covering approximately 1,784 km^2. The project area is underlain by the Proterozoic age McArthur Basin, linked with the Mt Isa Basin, which together host several world-class sediment hosted massive sulphide ("SHMS") deposits including the major zinc/lead/silver and copper deposit at Mt Isa, the zinc/lead deposit at Century, and the zinc/lead/silver deposits of Teena and the McArthur River mine which lie just 18km and 25km east respectively of the project tenements (Figure 3). The project area also lies 200km SW of the world-class Groote Eylandt manganese mine.

Pacifico's Joint Venture Partner, with a contributing 49% interest, is Sandfire Resources NL ("Sandfire", ASX code: SFR). Pacifico also acquired a 100% interest in the strategically located tenement EL31354.

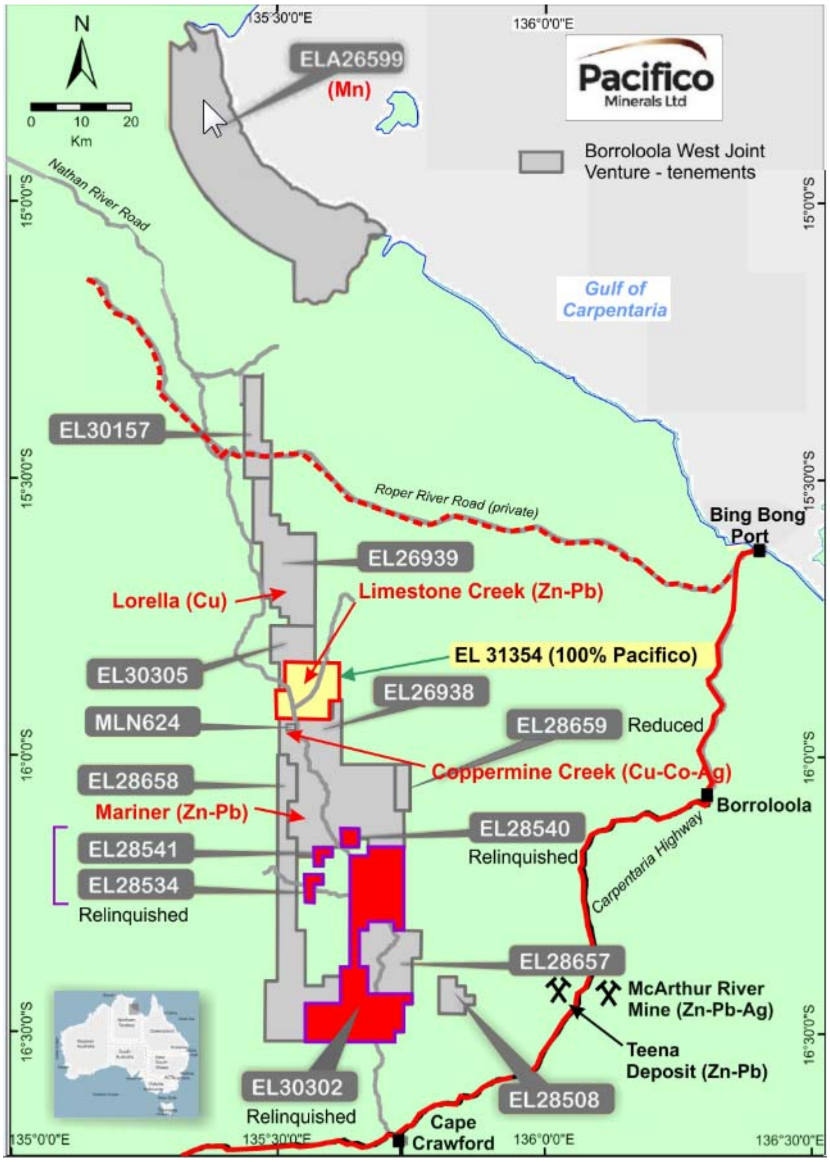

Figure 3: Borroloola West Project location

During the 2017/18 financial year Pacifico completed metallurgical testwork on oxide copper mineralisation at the Lorella Prospect, a diamond drilling program of 5 holes for a total of 1403m at Coppermine Creek, Mariner and Berjaya, and an aircore program of 37 holes for 1100m at the Lorella Prospect.

As part of an ongoing ground rationalisation EL28659 was reduced by 50%. Subsequent to the financial year end EL's 28540, 28541, 28534 and 30302 were relinquished (Figure 3).

Coppermine Creek

Two diamond holes were drilled at Coppermine Creek, and both intersected visible copper mineralisation over significant widths. The observed mineralisation confirmed Pacifico's mineralisation model, developed from previous exploration drilling and ground EM survey conductivity profiles, that the copper mineralisation is extensive, stratabound, gently dipping and that there are large areas where the depths of this layer are at only 50m to 250m depth. However, to date the copper grades intersected away from the Coppermine Creek Fault are low.

The drill hole analyses results for CCD09 and CCD10 are summarised in Table 3.

Table 3: Summary of copper analyses from diamond drill holes CCD09 and CCD10 at Coppermine Creek

	Zone of visual chalcopyrite				**0.1% Cu cut-off**			
Hole No	**From (m)**	**To (m)**	**Length (m)**	**% Cu**	**From (m)**	**To (m)**	**Length (m)**	**% Cu**
CCD09	53 130	63 138	10 8	0.1 0.1	55 132	58 135	3 3	0.4 0.2
CCD10	174	242	68	0.1	174 237	192 240	18 3	0.2 0.2

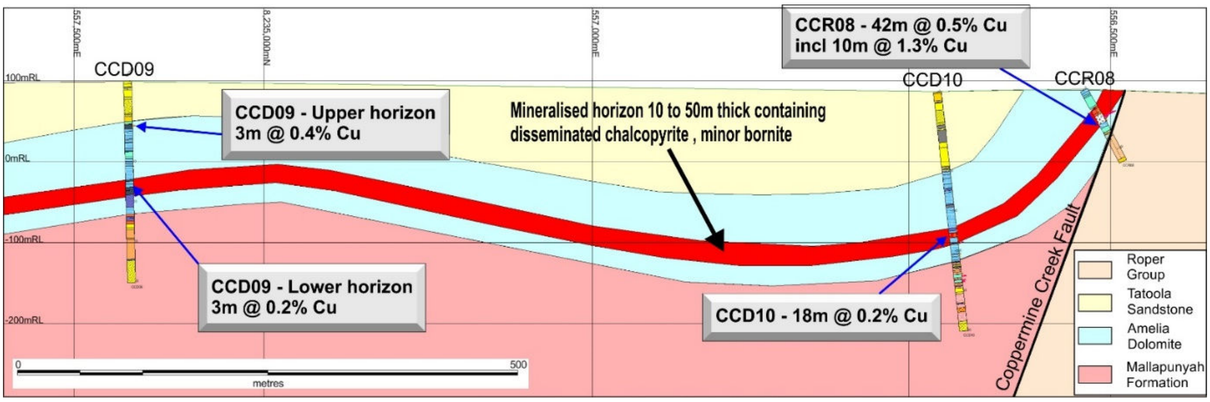

Figure 4: Section through diamond holes CCD09 and CCD10 at Coppermine Creek

All the copper mineralisation is hosted by the Amelia Dolomite which consists typically of finely bedded dolomite with carbonaceous laminae. It is concentrated within the evaporite rich (now dolomitised) part of the sequence, and often with zones of abundant carbonaceous laminae or crenulated carbonaceous algal mats. The copper mineralisation is present as chalcopyrite and minor bornite which forms disseminations, blebs and lenses throughout the mineralised zones.

There still remains major potential in the undrilled parts of the mineralised horizon towards the south and east (30km2) of the copper mineralisation (Figure 5) and further mapping and reconnaissance sampling is required to provide focussed drill targets.

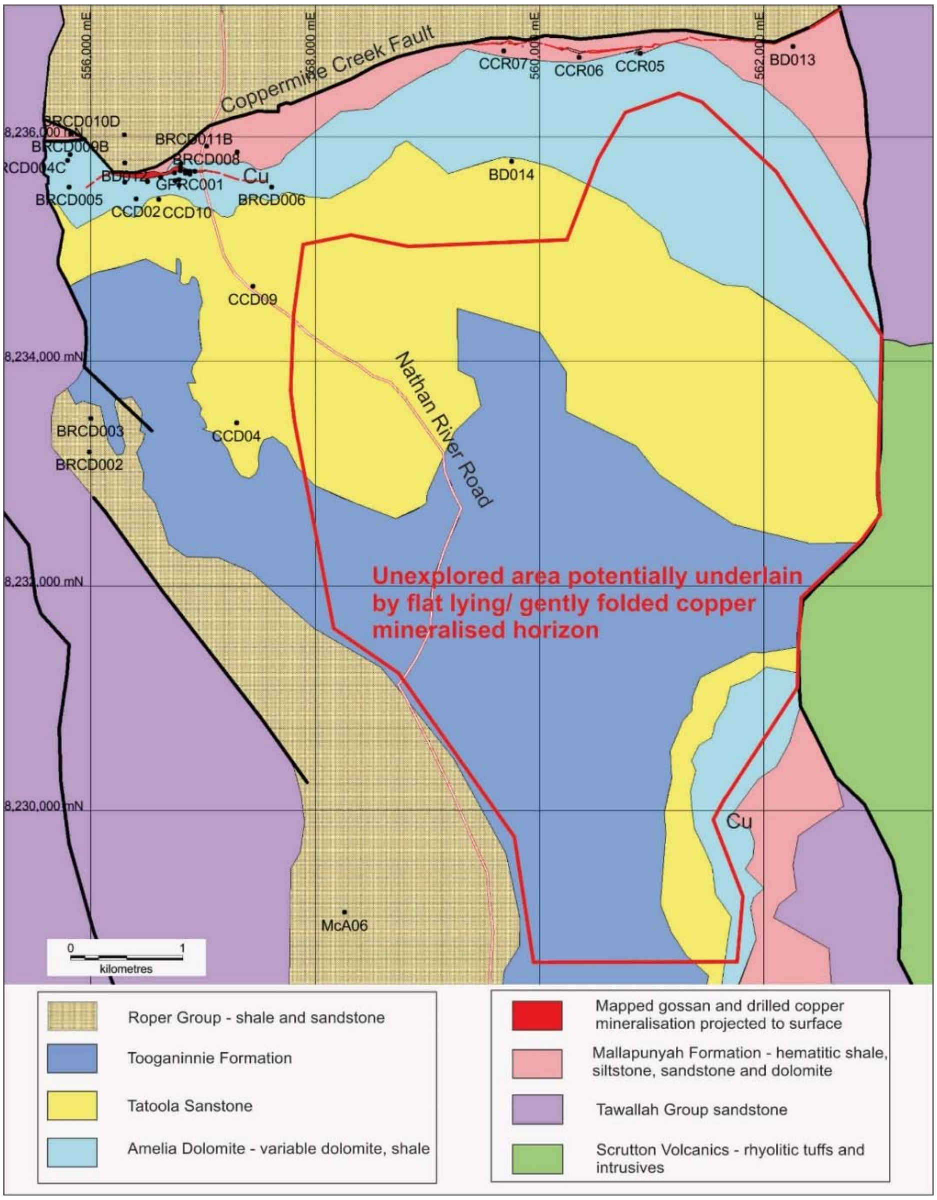

Figure 5: Geology and drilling, including location diamond drill holes CCD09 and CCD10 at Coppermine Creek, also showing a significant area potentially underlain by a gently dipping mineralised horizon.

Mariner

Two diamond drill holes, MND05 and MND06 (locations Figure 6), were completed at the Mariner prospect.

MND05 (Figure 7) passed from Roper Group sediments, through a fault breccia zone, and into moderately fractured dolomite interpreted as being part of the Mara Formation. The fractures were often oxidised and contained limonite and cerussite (lead carbonate).

MND06 (Figure 8) drilled through a sequence of black carbonaceous, very pyritic shale and dolomite to 204m depth where the hole passed into coarse sandstone and grits. The carbonaceous black shales in MND06 fit stratigraphically to be part of the Barney Creek Formation, lying beneath the Roper Group sediments, and above a dolomite that could be regarded as the Mara or Teena Dolomite.

Table 4: Summary of analyses of anomalous geochemistry from diamond drill holes MND05 and MND06 at Coppermine Creek

Hole No	From (m)	To (m)	Length (m)	Anomalous geochemistry	
MND05	106	112	6	502ppm Pb	Thin fractures in dolomite mineralised with cerussite
MND06	190	196	6	312ppm Cu	Pyritic black shale with minor chalcopyrite veinlets

The Barney Creek Formation intersected in MND06 is host to the world class McArthur River zinc-lead deposit and therefore of potential for the discovery of further zinc-lead deposits. It has never been previously recognised or mapped in the Mariner prospect area. A growth fault is indicated by the coarse sandstone unit which is only developed on the western side of the fault intersected in MND05 (figures 6 and 7). Also, the observed lead mineralisation in MND05, supported by the geochemistry in Table 4, supports the prospectivity of this Barney Creek Formation sub-basin, that could extend to the north of the Mariner Prospect beneath the younger Roper Formation.

Geological mapping and portable X-Ray Fluorescence instrument reconnaissance identified anomalous lead and zinc rock chip geochemistry (values to 0.21% Pb and 510ppm Zn[1]) 2km north of the previous diamond drilling, indicating the prospectivity of this sub-basin of Barney Creek Formation, that extends north beneath Roper Group sediments. A drill target to test the potentially mineralised Barney Creek Formation, north of the Mariner Project is shown on Figure 8.

1 Quarterly Activities Report, ASX Announcement 30 Oct 2017

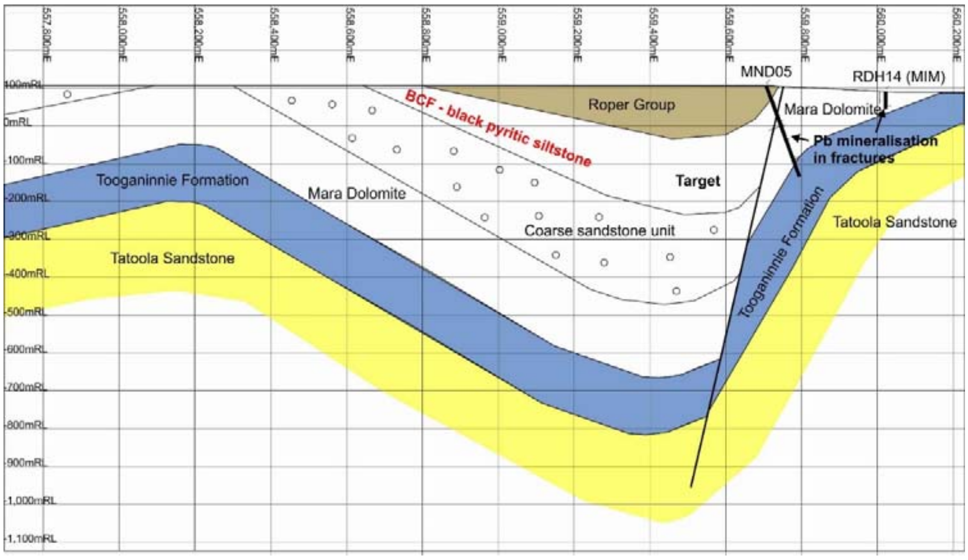

Figure 6: Section through diamond hole MND05 at Coppermine Creek, BCF = Barney Creek Formation

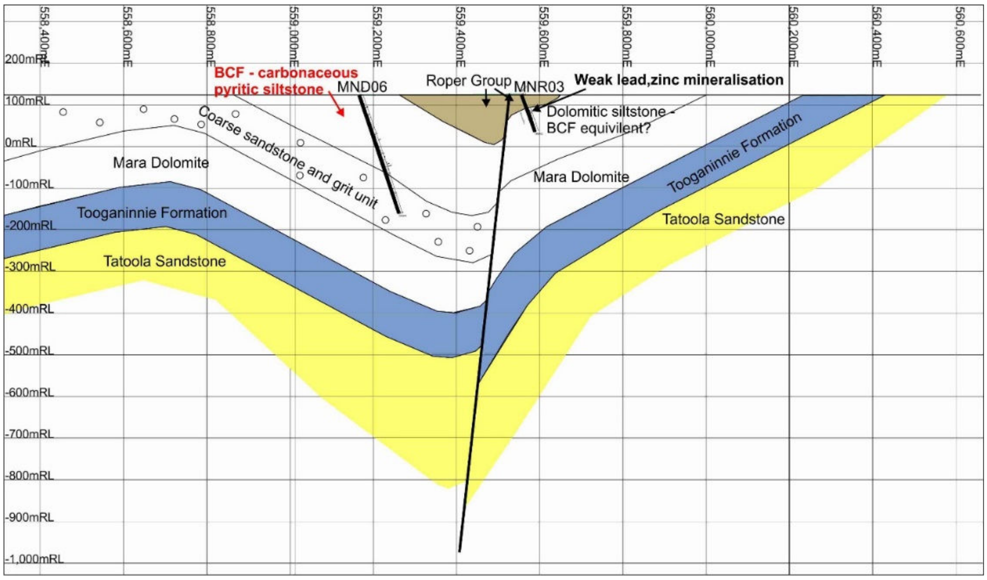

Figure 7: Section through diamond hole MND06 at Coppermine Creek, BCF = Barney Creek Formation

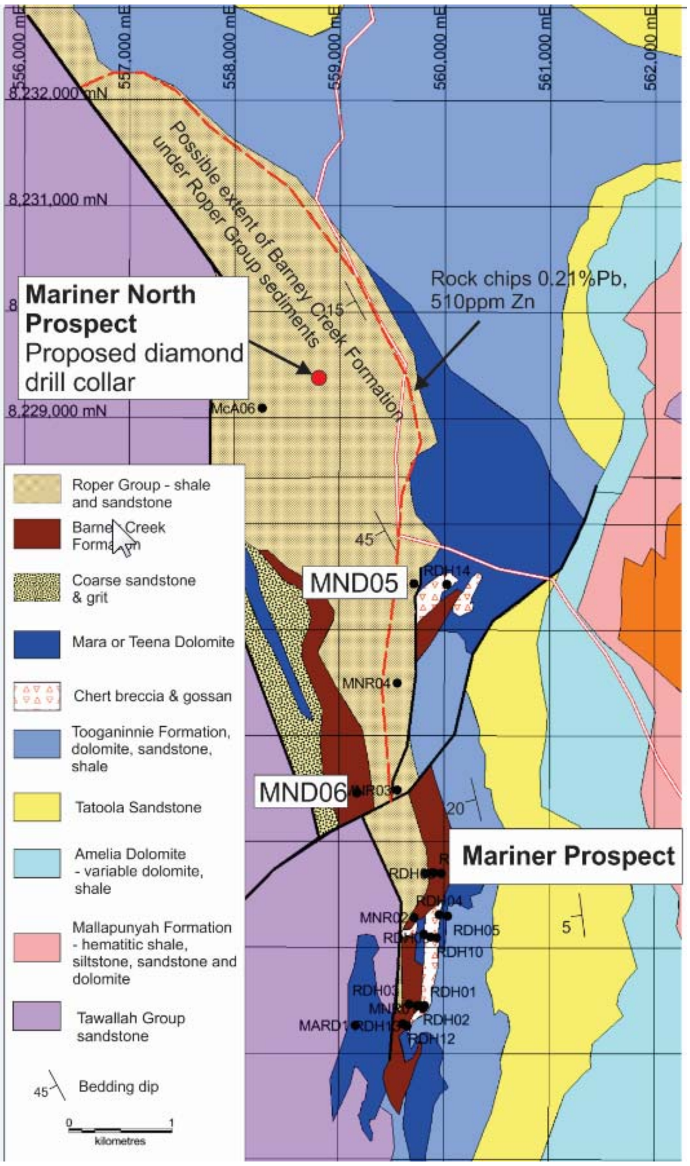

Figure 8: Mariner Prospect, interpreted geology, diamond hole collars MND05 and MND06, position of proposed diamond drill hole collar.

Berjaya

Diamond hole BJD04 was designed to test for McArthur River style stratiform zinc mineralisation.

The Berjaya Prospect lies west and northwest of the world class McArthur River zinc-lead mine and Teck's zinc-lead resource at the world class Teena deposit (Figure 3). The diamond drill hole was designed to test a Versatile Time Domain Electromagnetic ("VTEM") conductive horizon, that appeared to correspond to the position of the overall gently dipping Barney Creek Formation beneath the Hot Springs Formation below a depth of 150m.

The hole intersected down-faulted Cretaceous sediments with coal fragments and then passed into the Hot Springs Formation at a depth of 143m. The projected VTEM conductive horizon at the base of this horizon may be reflecting the weathered clayey sediments of the top of the Hot Springs Formation. At 300.2m BJD04 was terminated without Pacifico's agreement by the drilling contractor Mitchell Services, still within the Hot Springs Formation.

Lorella – Oxide and primary copper
The oxide copper mineralisation is flat to gently dipping, and beneath just 20 to 30m of unconsolidated alluvial overburden. Preliminary acid leach test work carried out at SGS Metallurgy in Perth indicated that leaching the oxide copper material could be economically viable, with >90% recoveries and low net acid consumption[2].

An aircore program was carried out to test strike extensions of the previously intersected (historical drilling by Sandfire Resources NL) oxide copper mineralisation, both to extend the known oxide copper mineralisation and for indications of significant down-dip primary sulphide mineralisation. The aircore program of 37 holes for a total of 1100m intersected some oxide copper mineralisation along strike from the mineralisation previously identified.

However, the potential size of material that may grade over 1% Cu (considered the minimum bulk grade that might be economic) was shown by the drilling to be limited, the Exploration Target (above) was shown to be non-viable, and it is unlikely that sufficient tonnage will be present to justify a significant heap leach operation. The best intersection[3] in the aircore program was in hole LLA02 with 16m of 0.32% Cu from 23m (Figure 9).

[1] Exploration Target Defined for Oxide Copper at Lorella, ASX Announcement 20 Nov 2017
[2] Highly Positive Testwork Results – Lorella Oxide Copper, ASX Announcement 6 November 2017
[3] Exploration Activities Update – Australia, ASX Announcement 31 July 2018

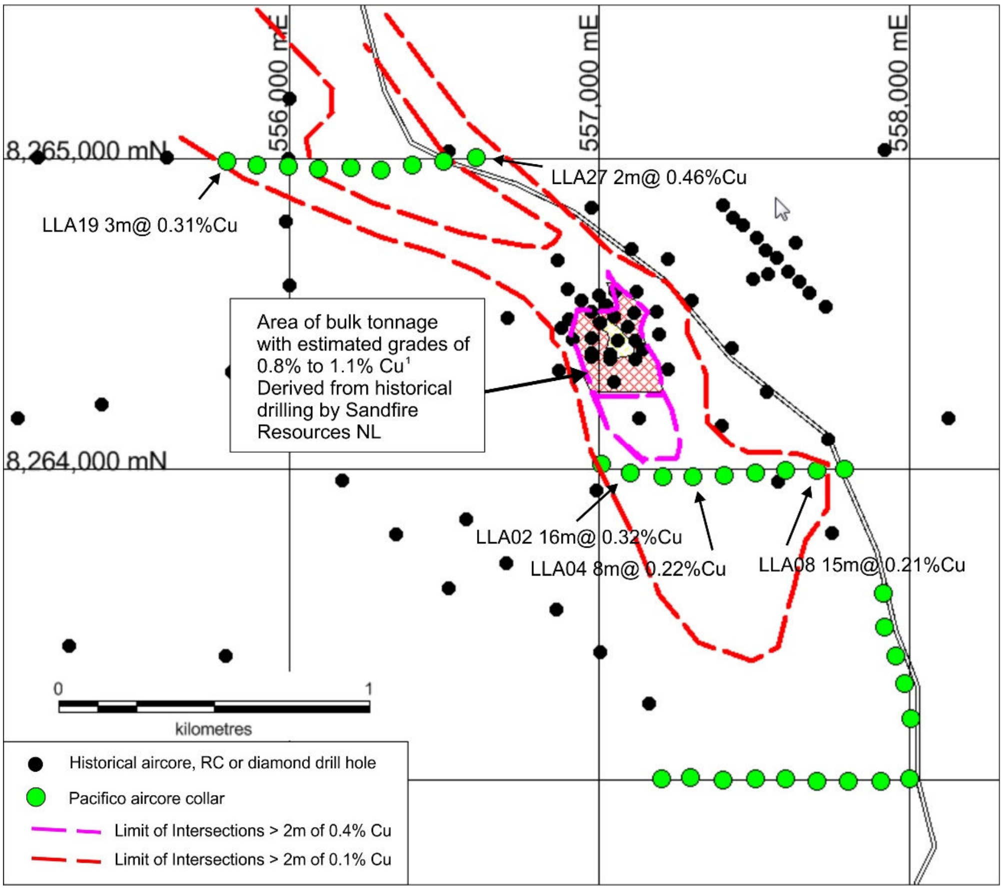

Figure 9: Lorella Prospect – annotated aircore drill results > 2m of 0.2%Cu

Future Exploration in the Borroloola project

Ongoing exploration for a major base metal deposit is currently concentrated on the zone from the Lorella Prospect south to the Mariner Prospect and including EL31354 (Figure 3). Drill targets have been established at the Mariner Prospect and at the Limestone Creek Prospect.

At Mariner the drill target lies in a sub-basin of prospective Barney Creek Formation, beneath younger Roper Formation cover, and where significant rock chip geochemistry (using a portable Z-Ray Fluorescence instrument) of up to 0.21%Pb and 500ppm Zn has been obtained from the eastern periphery of the sub-basin[1].

Outside of the Borroloola Joint Venture the tenement EL 31354 (100% owned by Pacifico) was granted during the year which contains the Limestone creek prospect. During reconnaissance a program, anomalous zinc and lead values (laboratory analyses) up to 0.5% Zn and 2.0% Pb were obtained[1] in rock chip samples from gossanous breccia within the Amelia Dolomite (host to copper mineralisation at Coppermine Creek and Lorella). Drill targets have been established to test the gossanous breccia zone which extends intermittently over an outcropping strike length of 600m, and probably extending further into no-outcrop areas.

[1] Quarterly Activities Report. ASX Announcement 30 October 2017

SOUTH AUSTRALIAN PROJECT – COBALT/COPPER/MANGANESE (PACIFICO 100%)

Pacifico completed an extensive geological review covering all of Australia, focused on securing exploration ground prospective for hosting economic concentrations of cobalt-bearing minerals in a bid to increase exposure to the fast-growing battery minerals industry (Co, Mn, Cu). As a result, the Company secured two prospective exploration licences in South Australia Figure 10).

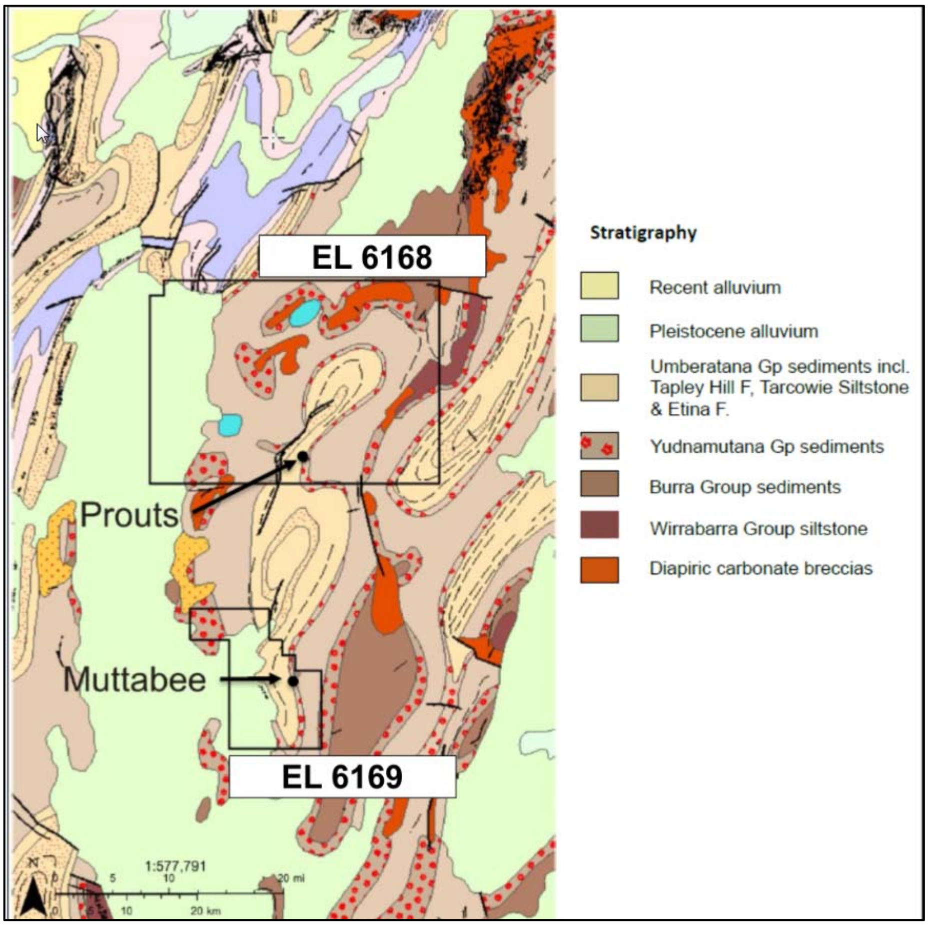

Figure 10: Pacifico's EL's, Geology Map and Sample Locations

The tenements lie in the central part of the Adelaide Geosyncline of South Australia. Previous exploration focused mainly on the discovery of economic deposits of copper and diamonds with very little consideration of the cobalt potential. A preliminary review has confirmed the documented presence of highly anomalous cobalt, as well as copper and zinc concentrations, in a sediment-hosted geologic setting. This includes up to 0.86% Co, 0.35% Cu and 0.21% Zn in recent rock chip samples taken at the historical Muttabee manganese mine on EL6169[1].

Cobalt, copper, zinc and manganese occurrences at these locations occur as structural and unconformity related replacement mineralisation, as well as stratabound sediment-hosted copper-cobalt mineralisation, similar to the world-class deposits in the Katangan Copperbelt of central Africa. High grade manganese deposits are also present. At the historical Muttabee manganese mine on EL6169, historical grab samples record manganese grades up to 58.1% Mn[1] while the Prouts mine on EL6168 contained up to 49.8% Mn[1].

[1]Research thesis by Christopher Gregory: https://digital.library.adelaide.edu.au/dspace/handle/2440/105734

Table 5: Historical sample locations and grades recorded

Prospect	Sample ID	Latitude	Longitude	% Mn	% Co	% Cu	% Zn
Prouts	895-W5	-32.2723	138.4140	49.8	0.0113	0.1503	0.0222
Muttabee	895-113	-32.5022	138.4044	53.5	0.8626	0.3539	0.2134
Muttabee	895-161	-32.5022	138.4044	58.1	0.0074	0.0120	0.0098

Cautionary Statement:

- The Exploration Results have not been reported in accordance with the JORC Code 2012;
- A Competent Person has not done sufficient work to disclose the Exploration Results in accordance with the JORC Code 2012; and
- It is possible that following further evaluation and/or exploration work, that the confidence in the prior reported Exploration Results may be reduced when reported under the JORC Code 2012.

Previous explorers have primarily relied on a syngenetic, or early diagenetic stratiform exploration model. Pacifico's review of the prospectivity of the area has strongly suggested an alternative model whereby hydrothermal fluids, focused on prominent structures located across both tenements have largely controlled the distribution of Co-Cu-Mn mineralisation. Key structures, and a series of regional, long-lived faults identified from existing geophysical data, that host historical base metal mines and prospects, will be examined in more detail with a view to define targets for drill testing.

Pacifico has commenced reconnaissance rock chip sampling and mapping around areas of known Co-Cu-Mn mineralisation. This information will be integrated with available geophysical data to identify targets for follow-up drill testing.

The reconnaissance program will initially focus on confirming highly anomalous cobalt, manganese and zinc grades previously documented at the Muttabee and Prouts mines and through mapping and rock chip geochemistry, seek to extend the zone of mineralisation and develop a better understanding of the stratigraphic and structural controls on its origin.

MOUNT JUKES PROJECT, TASMANIA – GOLD/BASE METALS
(PACIFICO 15%, CORONA RESOURCES LTD 85%)

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

VIOLIN PROJECT, GUERRERO, MEXICO – GOLD/COPPER (OPTION AGREEMENT TO ACQUIRE 100%)

The Violin Project lies in the Guerrero State of Mexico, about 250km south-west of Mexico City. A network of roads and tracks makes most of the area accessible. The Project lies within the Guerrero Gold Belt which contains several major gold deposits and mines (Figure 12 and Table 6). Mineralisation in the area is related to gold bearing iron skarn porphyries and occur within faults and as replacement deposits formed in and around the igneous intrusions. VMS-style massive sulphide deposits, such as Campo Morado, also occur in the region. The project has outstanding potential for a large and significant gold-copper deposit.

Figure 11: Violin Project location map

Figure 12: Major deposits of the Guerrero Gold Belt

Table 6: Significant deposits within the Guerrero Gold Belt

Deposit	Tonnes	Au (Cu) grade	Au oz	Company	Status
Los Filos & El Bermajal[1]	810 Mt (mined + reserves)	0.76g/t Au	**20Moz Au**	Leagold (sold by Goldcorp in 2016)	Mining
El Limon-Guajes[2]	46 Mt	2.7g/t Au	**4Moz Au**	Torex	Mining
Media Luna[3]	51 Mt	4.5g/t Au (and 0.99% Cu)	**7.4Moz Au**	Torex	Evaluation
Ana Paula[4]	18 Mt	2.2g/t Au	**1.3Moz Au**	Alio Gold (formerly Timmins Gold)	Feasibility
Esperanza[5]	34Mt	0.98g/t Au	**1.0Moz Au**	Alamos Gold	Evaluation
Campo Morado[6]	17Mt	1.8g/t Au	**0.9Moz Au + Ag, Cu, Pb, Zn**	Telson Resources	Evaluation

1. Leagold, NI 43-101 Technical Report, Los Filos, March 2017
2. Torex Gold Resources Inc website - https://www.torexgold.com/projects
3. Torex Gold Resources Inc, NI 43-101 Report, El Limon and Media Luna, Preliminary Economic Assessment, Sept 2015
4. Alio Gold website - https://www.aliogold.com/assets
5. Alamos Gold website - http://www.alamosgold.com/mines-and-projects/reserves-and-resources
6. Telson Resources website - http://www.telsonmining.com/projects/camp-morado-mine/campo-morado-resource-summary

The Coaxtlahuacan gold-copper prospect is the most advanced prospect of the Violin Project. Exploration programs to date have identified at surface massive lenses, stockworks and disseminations of magnetite, and gossan after sulphides, with chalcocite and malachite, in quartz monzonite or magnesian skarn. Recent rock chip and channel sampling of this poorly outcropping material is consistently anomalous in copper and gold with assays up to 3.28% Cu and 1.28g/t Au[7].

The mineralisation occurs at the complex contact of quartz monzonite with calcareous shales and interbedded limestone. The geology, distribution and extent of associated strong gold and copper geochemistry supports the skarn model of intrusive related mineralisation as found elsewhere at the major mines and deposits of the Guerrero Belt. At this stage the gold-copper mineralisation compares most closely to the Media Luna deposit (Resources of 51Mt of 4.5g/t Au and 0.99% Cu, Table 6).

Further supporting the skarn model, data from a previously completed ground magnetics survey (stations at 12.5m spacing along lines 200m apart) was reprocessed and reassessed by geophysics specialist ExploreGeo, based in Perth, which confirmed the broad relationship between strong gold and copper geochemistry and magnetic highs.

A more detailed ground magnetic survey with a continuous reading ground magnetometer (<1m stations) along lines 25m apart has recently commenced. This will increase the precision of drill hole targeting when combined with the geological modelling. A diamond drilling program to test for major skarn related gold-copper mineralisation is planned for October/November 2018.

Soil sampling to extend previous soil sampling grids has been completed. Gold in soil anomalies extend over a zone of 2km x 1km containing >100ppb Au gold and are still open to the north-west (Figure 13). In the north of the Coaxtlahuacan prospect area copper is probably leached out in the saprolitic weathering profile and copper anomalism is confined to the topographically southern part of the prospect area.

[7] Exploration Activities Update. ASX Announcement 30 July 2018

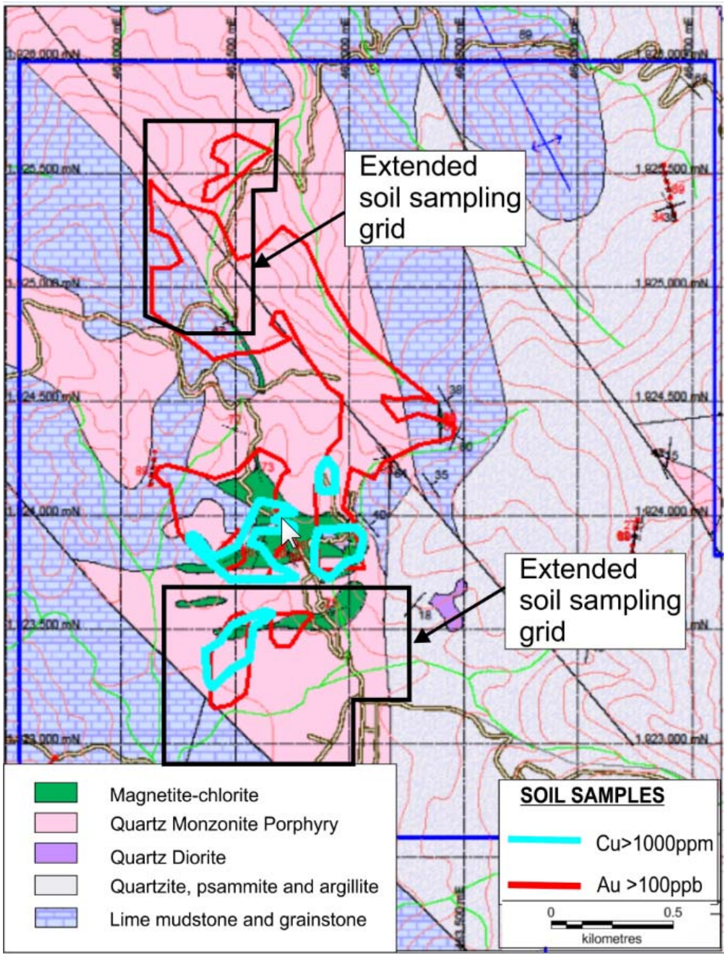

Figure 13: Coaxtlahuacan Prospect – preliminary geological interpretation map, overlain by anomalous copper and gold soil geochemistry outlines and recent extension soil sampling grid outlines.

COLOMBIAN PROJECTS – GOLD/COPPER/SILVER

The Berrio Gold Project is situated in the southern part of the prolific Segovia Gold Belt. The project is 35km from the Magdalena River which is navigable to the Caribbean Sea and has excellent infrastructure in place including hydro power, water supply, sealed roads and telecommunications coverage. The project area is underlain by the Sergovia and Antioquia Batholiths which are prospective for large gold systems in vein and stockwork systems. Work at the Berrio project has been suspended while the company focusses on higher priority projects.

The Natagaima tenement application is situated in the department of Tolima, approximately 5km west of the navigable Magdalena River. It is located within the Middle Cauca Porphyry Belt. Follow up exploration will continue when the Natagaima tenement application is granted to Pacifico and will include detailed mapping and trenching of areas of interest.

The Urrao Project is part of the Choco porphyry copper belt and is located 35km north west of Tarso in the municipality of Urrao and Salgar. Pacifico has placed a number of exploration licence applications adjoining and in close proximity to the Urrao title and plans to begin further exploration once some or all the applications have been granted.

Discussions regarding the Natagaima and Urrao projects are currently being held with potential joint venture partners.

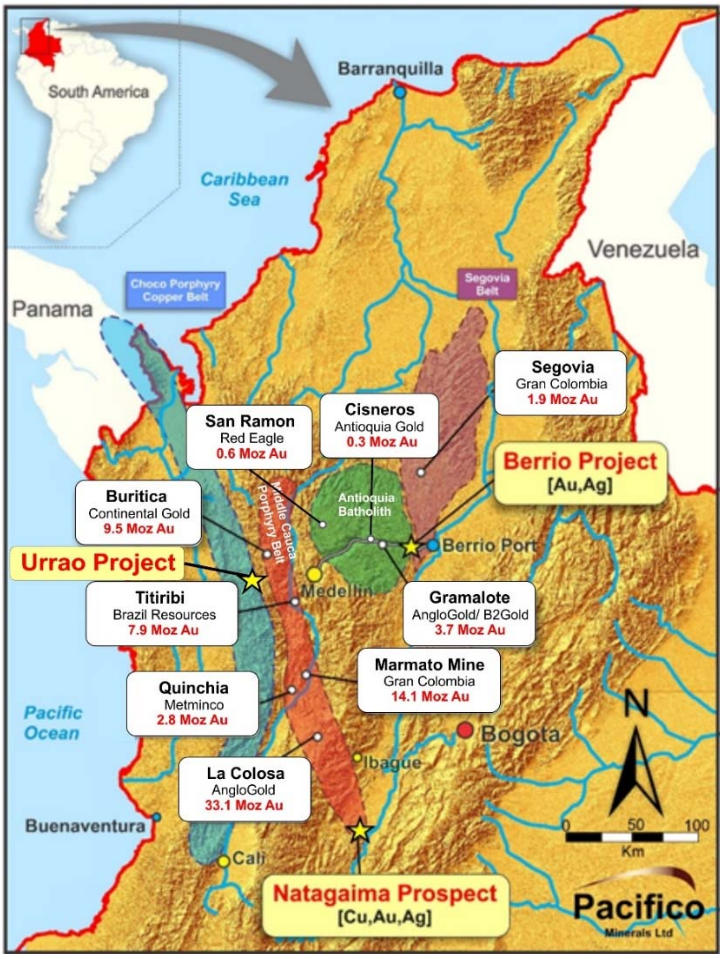

Figure 14: Colombian project locations and significant gold deposits and mines

COMPETENT PERSON STATEMENTS

David Pascoe

The information in this report that relates to Exploration Results and/or Exploration Targets at Sorby Hills, Borroloola, the South Australian projects, the Violin project and Colombian projects is information compiled by Mr David Pascoe, who is a Member of the Australian Institute of Geoscientists. Mr Pascoe is contracted to Pacifico Minerals Limited. Mr Pascoe has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Pacifico is not aware of any new information or data, other than that disclosed in this report, that materially affects the information included in this report and that all material assumptions and parameters underpinning Exploration Results and Exploration Targets continue to apply and have not materially changed.

Geoff Reed

The information that relates to Mineral Resources for the DE pod is based on, and fairly represents, information compiled by Mr Geoff Reed, a Competent Person, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Reed is employed by Breakaway Mining Services, an independent consulting company. Mr Reed has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Pacifico is not aware of any new information or data, other than that disclosed in this report, that materially affects the information included in this report and that all material assumptions and parameters underpinning Mineral Resource Estimates continue to apply and have not materially changed. Further information is contained within the ASX announcement released on 24 August 2018.

David Williams

The information that relates to Mineral Resources for the A, B, C, F, H, I, Alpha and Beta pods is based on, and fairly represents, information compiled by Mr David Williams, a Competent Person, who is a Member of The Australian Institute of Geoscientists. Mr Williams is employed by CSA Global Pty Ltd, an independent consulting company. Mr Williams has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Pacifico is not aware of any new information or data, other than that disclosed in this report, that materially affects the information included in this report and that all material assumptions and parameters underpinning Mineral Resource Estimates continue to apply and have not materially changed. Further information is contained within the ASX announcement released on 24 August 2018.

DIRECTORS' REPORT

Your Board of Directors ("Board" or "Directors") submit their report for the year ended 30 June 2018.

DIRECTORS

The names and details of the Directors of Pacifico Minerals Limited ("the Company") and its consolidated entities ("the Group") in office during the financial year and until the date of this report are as follows. Where applicable, all current and former directorships held in listed public companies over the last three years have been detailed below. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Non-Executive Chairman
Richard Monti BSc (Hons), Grad Dip Applied Finance & Investment, MAusIMM
Richard Monti has broad experience over a 30 year career working in the technical, commercial, marketing and financial fields of the international exploration and mining industry. He has worked for a number of international and Australian companies including Anaconda Nickel, RTZ Exploration, the North Group and the Normandy Group. In 2004, he founded Ventnor Capital Pty Ltd, a boutique consultancy firm which provides corporate advisory and investment banking services to junior and mid-cap listed resources companies. Mr Monti left Ventnor Capital in 2010 primarily to focus on Azimuth Resources Ltd which was subsequently acquired by Troy Resources Ltd.
Directorships of other listed companies held in the last 3 years:

- Zinc of Ireland NL
- Black Dragon Gold Corp
- Buddy Platform Ltd (previously called Potash Minerals Ltd, resigned December 2015)
- Troy Resources Ltd (resigned June 2016)

Managing Director
Simon Noon MAICD, AFAIM
Simon Noon is an experienced business executive and was the co-founder and Managing Director of West Rock Resources Pty Ltd until it was acquired by Pacifico Minerals Ltd in 2013. Mr Noon was instrumental in the planning and execution of West Rock Resources' Colombian strategy, building a solid in-country team of industry professionals, developing key local relationships and securing the current projects and applications. He has a solid track record in business development with a proven ability to lead diverse teams of professionals, successfully identify potential opportunities and develop effective strategy. Prior to establishing West Rock Resources in 2011, he was Executive Director of ASX listed company NTM Gold Ltd (previously Northern Manganese Ltd and prior to that Groote Resources Ltd), where he managed the company from a market capitalisation of under $5 million to market highs in excess of $100 million.
Directorships of other listed companies held in the last 3 years: n/a

Non-Executive Director
Peter Harold B.AppSc (Chem), AFAICD
Peter Harold is a process engineer with 30 years' corporate experience in the minerals industry. Mr Harold is the founder and Managing Director of ASX listed nickel company Panoramic Resources Ltd.
Directorships of other listed companies held in the last 3 years:

- Panoramic Resources Ltd
- Horizon Gold Ltd
- Ocean Grown Abalone Ltd
- Peak Resources Ltd (resigned December 2017)

Non-Executive Director
Andrew Parker LLB
Andrew Parker holds a law degree from the University of Western Australia and has extensive experience in the exploration and mining industry. Mr Parker was the co-founder and until 2008 was the Managing Director of Perth based corporate advisory and venture capital firm, Trident Capital Pty Ltd. Prior to establishing Trident Capital Pty Ltd in 2002, he was legal counsel to B Digital Limited, an ASX listed company, with his principal role being to oversee the international expansion of the company into South Africa and the USA. Mr Parker has held a number of executive and non-executive directorships with ASX listed companies over the last 15 years.
Directorships of other listed companies held in the last 3 years: n/a

Company Secretary
Patrick Holywell FGIA, Grad Dip CA, GAICD, BCom
Patrick Holywell is a Chartered Accountant with over fifteen years of experience in corporate governance, finance and accounting including employment with Deloitte Touche Tohmatsu Ltd and Patersons Securities Ltd. Mr Holywell has been employed by and acted as company secretary, CFO and/or director of a number of companies in the resources sector.

Interests in the shares and options of the Company

As at the date of this report, the interests of the Directors in the shares and options of Pacifico Minerals Limited were:

Directors	Ordinary Shares	Options over Ordinary Shares
Richard Monti	18,835,308	4,000,000
Simon Noon	22,200,000	8,500,000
Peter Harold	4,250,495	4,000,000
Andrew Parker	3,717,596	4,000,000

Shareholder approval was obtained at the Annual General Meeting held on 22 November 2017 for the issue of 8,500,000 options to the managing director and 4,000,000 options to each non-executive director, exercisable at $0.015 and expiring 21 November 2020. The options have a calculated value as at grant date of $0.0022 per option for a total expense of $44,280.

Shares under option

As at the date of this report, there are 91,000,000 shares under option (2017: nil).

FINANCIAL AND OPERATING REVIEW

(a) Financial Review

The Group began the 2018 financial year with a cash reserve of $1,568,577. During the year total exploration expenditure incurred by the Group amounted to $685,058 (2017: $361,818). In line with the Group's accounting policies, all exploration expenditure incurred in the ordinary course of operations was expensed. The result for the year was an operating loss after income tax of $1,590,379 (2017: $1,623,807). During the year, Pacifico completed capital raising for $750,000 before costs. At 30 June 2018, available cash funds totalled $791,267 (2017: $1,568,577).

(b) Operating Review

Summarised operating results for the year are as follows:

Geographic segments	2018 Revenues $	2018 Results $
Australia		
Revenues and loss from ordinary activities before income tax expense	84,317	(1,459,887)
Colombia		
Revenues and loss from ordinary activities before income tax expense	1,753	(130,492)
Consolidation		
Elimination	-	-

Shareholder Returns	2018	2017
Basic loss per share (cents per share)	(0.20)	(0.26)

RISK MANAGEMENT

The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the Board. The Board believes that it is crucial for all Board members to be a part of this process, and as such the Board has not established a separate risk management committee. The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- Board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholders' needs and manage business risk.
- Implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year there were no significant changes in the state of affairs of the Company other than as disclosed in this report or in the Financial Report.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 5 September 2018, the Company announced that it has completed a placement of 213,333,333 shares at an issue price of $0.006 per share to raise approximately $1.28 million. Subject to shareholder approval, placement participants will also be entitled to receive free attaching options on a 1 for 2 basis, exercisable at $0.015 each on or before 21 November 2020 ("Quoted Options").

On 7 September 2018, the Company announced a non-renounceable pro rata entitlement offer on a 3 for 7 basis to eligible shareholders to raise up to approximately $2.84 million. Participants in the entitlement offer will also receive 1 free attaching Quoted Option for every 2 new shares issued.

Proceeds from the placement and entitlement offers (approximately $4.1 million) will be used for project acquisition and on 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.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group will continue exploration and development activities. The Group assesses commercial opportunities for corporate growth, including the acquisition of interests in projects, as they arise. Due to the unpredictable nature of these opportunities, developments could occur at short notice.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is subject to significant environmental regulation in respect to its exploration activities. The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The Directors of the Company are not aware of any breach of environmental legislation for the year under review.

REMUNERATION REPORT

The remuneration report is set out under the following main headings:

A. Principles used to determine the nature and amount of remuneration
B. Details of remuneration
C. Service agreements
D. Share-based compensation
E. Additional information

The information provided under headings A-D includes remuneration disclosures that are required under Accounting Standard AASB 124 Related Party Disclosures. These disclosures have been transferred from the financial report and have been audited.

A. Principles used to determine the nature and amount of remuneration (audited)

Remuneration Policy

The remuneration policy of the Company has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Group is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The Board reviews executive packages by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.
- The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.
- Executives are also entitled to participate in the employee share and option arrangements.
- The executive directors receive superannuation guarantee contributions required by the government, amounting to 9.5% during the year and do not receive any other retirement benefits.
- All remuneration paid to directors and executives is valued at the cost to the Group and expensed. Options are valued using the Black-Scholes methodology.

The Board's policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently $200,000). Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Performance based remuneration

The Group currently has no performance based remuneration component built into director and executive remuneration packages.

Group performance, shareholder wealth and directors' and executives' remuneration

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and directors' and executives' performance. Currently, this is facilitated through the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests. The Board believes this policy will be effective in increasing shareholder wealth. At commencement of mine production, performance based bonuses based on key performance indicators are expected to be introduced.

B. Details of remuneration (audited)

Details of the remuneration of the Directors and the Key Management Personnel ("KMP" as defined in AASB 124 Related Party Disclosures) of the Group are set out in the following table. The key management personnel of the Group include the Directors as per below. Given the size and nature of operations of the Group, there are no other employees who are required to have their remuneration disclosed in accordance with the Corporations Act 2001.

Key Management Personnel Compensation

KMP		Short-Term		Post-Employment		Share-based Payments	Total	Proportion of performance related remuneration
		Salary & Fees	Non-Monetary [1]	Super-annuation	Retirement Benefits	Options		
		$	$	$	$	$	$	%
Directors								
Richard Monti								
	2018	43,200	-	4,104	-	8,640	55,944	-
	2017	43,200	-	4,104	-	-	47,304	-
Simon Noon								
	2018	176,539	5,665	16,771	-	18,360	217,335	-
	2017	183,462	-	17,429	-	-	200,891	-
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	-
Total Key Management Personnel Compensation								
	2018	284,539	5,665	27,031	-	44,280	361,515	-
	2017	291,462	-	27,689	-	-	319,151	-

[1] Relates to the movement in the annual leave provision for the period.

C. Service agreements (audited)

The service agreements of the KMP of the Company during the year are set out below:

(a) Executive Services Agreement with Mr Simon Noon

The material terms of this contract are:

(i) The remuneration is $180,000 per annum exclusive of statutory superannuation.
(ii) Either party may terminate this agreement without cause on three months written notice. The Group may elect to pay three months' salary and superannuation in lieu of notice.
(iii) Mr Noon will have the right to participate in the Company's share incentive program as approved from time to time by the Board.
(iv) During the term of this agreement, Mr Noon will not be paid a separate director's fee for service to the Board.

D. Share-based compensation (audited)

There were 20,500,000 options issued to Directors as part of their remuneration during the year (2017: Nil). There were no ordinary shares issued upon exercise of remuneration options to KMP of the Group during the year (2017: Nil).

E. Additional information (audited)

Performance income as a proportion of total compensation

No performance based bonuses have been paid to key management personnel during the 2018 financial year (2017: Nil). It is the intent of the Board to include performance bonuses as part of remuneration packages if mine production commences.

Movements in shares

The movement during the reporting period in the number of ordinary shares in the Company held, directly, indirectly or beneficially by each KMP, including their related parties, is shown in the table below. There were no ordinary shares issued to directors or other KMP as part of their remuneration during the year (2017: Nil).

KMP	Held at 1 July 2017	Received on exercise of options	Other changes[1]	Held at 30 June 2018 or at the date of resignation
R. Monti	18,835,308	-	-	18,835,308
S. Noon	22,200,000	-	-	22,200,000
P. Harold	4,250,495	-	-	4,250,495
A. Parker	3,717,596	-	-	3,717,596
	49,003,399	-	-	49,003,399

KMP	Held at 1 July 2016	Received on exercise of options	Other changes[1]	Held at 30 June 2017 or at the date of resignation
R. Monti	18,835,308	-	-	18,835,308
S. Noon	20,718,517	-	1,481,483	22,200,000
P. Harold	4,250,495	-	-	4,250,495
A. Parker	3,717,596	-	-	3,717,596
	47,521,916	-	1,481,483	49,003,399

1. Other changes represent shares purchased during the period, not shares issued as remuneration.

Movements in options

The movement during the reporting period in the number of options in Pacifico Minerals Limited held, directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

KMP	Held at 1 July 2017	Granted as remuneration	Other changes[1]	Held at 30 June 2018	Vested at 30 June 2018
R. Monti	-	4,000,000	-	4,000,000	4,000,000
S. Noon	-	8,500,000	-	8,500,000	8,500,000
P. Harold	-	4,000,000	-	4,000,000	4,000,000
A. Parker	-	4,000,000	-	4,000,000	4,000,000
	-	20,500,000	-	20,500,000	20,500,000

KMP	Held at 1 July 2016	Granted as Remuneration	Other Changes[1]	Held at 30 June 2017	Vested at 30 June 2017
R. Monti	6,000,000	-	(6,000,000)	-	-
S. Noon	17,897,403	-	(17,897,403)	-	-
P. Harold	7,875,000	-	(7,875,000)	-	-
A. Parker	6,000,000	-	(6,000,000)	-	-
	37,772,403	-	(37,772,403)	-	-

1. Other changes comprise options that expired during the year.

The options issued to KMP during the current period pursuant to terms approved by shareholders at the 2017 Annual General Meeting are detailed below. All options vested on grant date. No options were exercised by key management personnel during the year and all were held at year end.

KMP	Number granted	Exercise price	Grant date	Fair value of option at grant date	Expiry date
R. Monti	4,000,000	$ 0.015	22-Nov-17	$ 0.0022	21-Nov-20
S. Noon	8,500,000	$ 0.015	22-Nov-17	$ 0.0022	21-Nov-20
P. Harold	4,000,000	$ 0.015	22-Nov-17	$ 0.0022	21-Nov-20
A. Parker	4,000,000	$ 0.015	22-Nov-17	$ 0.0022	21-Nov-20

---End of remuneration report---

DIRECTORS' MEETINGS

During the year the Company held the following meetings of Directors. The attendances of Directors at meetings of the Board were:

	Directors Meetings 2018		Directors Meetings 2017	
Directors	A	B	A	B
Richard Monti	5	5	6	6
Simon Noon	5	5	6	6
Peter Harold	5	5	6	6
Andrew Parker	5	5	6	6

A – Number of meetings attended.
B – Number of meetings held during the time the director held office during the year.

INSURANCE OF DIRECTORS AND OFFICERS

During or since the start of the financial year, the Group has paid premiums insuring all the Directors and officers of the Group against costs incurred in defending proceedings for conduct involving:

- a wilful breach of duty; or
- a contravention of sections 182 or 183 of the Corporations Act 2001, as permitted by section 199B of the Corporations Act 2001.

The total amount of insurance contract premiums paid is $7,800 (2017: $7,346). This is not included in the Key Management Personnel Compensation table.

NON-AUDIT SERVICES

No non-audit services were provided by the entity's auditor (Stantons International) or associated entities.

AUDITOR'S INDEPENDENCE DECLARATION

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

Signed in accordance with a resolution of the Directors.

Richard Monti
Chairman
27 September 2018

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

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27 September 2018

Board of Directors
Pacifico Minerals Limited
Level 10, 553 Hay St
Perth, WA 6000

Dear Sirs

RE: PACIFICO MINERALS LIMITED

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

As the Audit Director for the audit of the financial statements of Pacifico Minerals Limited for the year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours faithfully

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

Samir Tirodkar
Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 $	2017 $
REVENUE FROM CONTINUING OPERATIONS	5	86,070	19,458
EXPENDITURE			
Exploration expenses	6	(685,058)	(361,818)
Salaries and employee benefits expenses		(360,571)	(379,071)
Depreciation expenses	6	(11,897)	(20,333)
Corporate expenses		(60,271)	(25,235)
Occupancy expenses		(44,904)	(49,179)
Consulting expenses		(372,128)	(171,678)
Administration expenses		(82,220)	(53,161)
Share based payments		(59,400)	-
Other expenses		-	87,270
Write off of exploration and evaluation assets	6,10	-	(670,060)
(LOSS) BEFORE INCOME TAX		(1,590,379)	(1,623,807)
INCOME TAX	7	-	-
TOTAL (LOSS) FOR THE YEAR		(1,590,379)	(1,623,807)
Other Comprehensive Income		-	-
Items that will not be re-classified to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss			
Movement in foreign exchange translation reserve		19,047	(20,054)
TOTAL COMPREHENSIVE (LOSS)		(1,571,332)	(1,643,861)
(LOSS) ATTRIBUTED TO THE MEMBERS		(1,590,379)	(1,623,807)
TOTAL COMPREHENSIVE (LOSS) ATTRIBUTED TO THE MEMBERS		(1,571,332)	(1,643,861)
Basic and diluted loss per share for loss attributable to the ordinary equity holders of the company (cents per share)	28	(0.20)	(0.26)

The above Consolidated Statement of Profit or Loss & Other Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Notes	2018 $	2017 $
CURRENT ASSETS			
Cash and cash equivalents	8	791,267	1,568,577
Other assets	9	30,837	38,355
TOTAL CURRENT ASSETS		822,104	1,606,932
NON-CURRENT ASSETS			
Exploration and evaluation assets	10	1,238,412	1,024,673
Other assets	11	24,637	24,353
Plant and equipment	12	8,843	19,884
TOTAL NON-CURRENT ASSETS		1,271,892	1,068,910
TOTAL ASSETS		2,093,996	2,675,842
CURRENT LIABILITIES			
Trade and other payables	13	69,445	147,287
Provisions	14	22,431	18,491
TOTAL CURRENT LIABILITIES		91,876	165,778
NON-CURRENT LIABILITIES			
Deferred tax liability	15	221,008	221,008
TOTAL NON-CURRENT LIABILITIES		221,008	221,008
TOTAL LIABILITIES		312,884	386,786
NET ASSETS		1,781,112	2,289,056
EQUITY			
Contributed equity	16	20,856,645	19,852,657
Reserves	18	1,416,142	1,337,695
Accumulated losses		(20,491,675)	(18,901,296)
TOTAL EQUITY		1,781,112	2,289,056

The above Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Issued Capital	Share/Option Reserve	Foreign Currency Translation Reserve	Accumulated losses	Total
2018	**$**	**$**	**$**	**$**	**$**
Balance at 1 July 2017	19,852,657	1,400,317	(62,622)	(18,901,296)	2,289,056
(Loss) for the year	-	-	-	(1,590,379)	(1,590,379)
Other comprehensive (loss) for the year	-	-	19,047	-	19,047
Total comprehensive (loss) for the year	-	-	19,047	(1,590,379)	(1,571,332)
Issue of shares/options	1,015,000	59,400	-	-	1,074,400
Share/option issue expense	(11,012)	-	-	-	(11,012)
Balance at 30 June 2018	20,856,645	1,459,717	(43,575)	(20,491,675)	1,781,112
2017					
Balance at 1 July 2016	19,003,855	1,400,317	(42,568)	(17,277,489)	3,084,115
(Loss) for the year	-	-	-	(1,623,807)	(1,623,807)
Other comprehensive (loss) for the year	-	-	(20,054)	-	(20,054)
Total comprehensive (loss) for the year	-	-	(20,054)	(1,623,807)	(1,643,861)
Issue of shares	889,639	-	-	-	889,639
Share issue expense	(40,837)	-	-	-	(40,837)
Balance at 30 June 2017	19,852,657	1,400,317	(62,622)	(18,901,296)	2,289,056

The above Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Expenditure on mining interests		(1,103,075)	(872,528)
Payments to suppliers and employees		(731,471)	(636,810)
Receipts from JV partner/Government grants		406,626	501,244
Interest received		15,158	20,135
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	27	(1,412,762)	(987,959)
CASH FLOWS FROM INVESTING ACTIVITIES			
Reimbursement from AngloGold		-	269,163
Payments for purchase of tenements/projects		(113,739)	-
NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES		(113,739)	269,163
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares		750,000	889,639
Payment of share issue costs		(11,012)	(40,837)
NET CASH INFLOW FROM FINANCING ACTIVITIES		738,988	848,802
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(787,513)	130,006
Cash and cash equivalents at the beginning of the financial year		1,568,577	1,440,230
Effects of foreign exchange		10,203	(1,659)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	8	791,267	1,568,577

The above Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes the financial statements for Pacifico Minerals Limited (”Parent Entity” or “Company”) and its subsidiaries (the “Group”) for the year ended 30 June 2018. The financial report of the Group for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of the Board of Directors of Pacifico Minerals Limited (“Board” or “Directors”) on 27 September 2018. Pacifico Minerals Limited is a company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group are the exploration of mineral tenements in Australia and Latin America.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Interpretations and the Corporations Act 2001.

(i) Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (“AIFRS”). Compliance with AIFRS ensures that the financial statements and notes of Pacifico Minerals Limited comply with International Financial Reporting Standards (“IFRS”).

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, certain classes of property, plant and equipment.

(iii) Going concern basis

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

On 5 September 2018, the Company announced that it has completed a placement of 213,333,333 shares at an issue price of $0.006 per share to raise approximately $1.28 million. On 7 September 2018, the Company announced a non-renounceable pro rata entitlement offer on a 3 for 7 basis to eligible shareholders to raise up to approximately $2.84 million. Proceeds from the placement and entitlement offers (approximately $4.1 million) will be used for project acquisition and on 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.

(b) Principles of Consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group (refer to note 1(d)). Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) Investment in associates and joint ventures

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group has significant voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Joint control is defined as the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Interests in joint ventures are accounted for using the equity method.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. An impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(iii) Investment in joint operations

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

(c) Foreign Currency Translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(iii) Group companies

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

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

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

(d) Business Combinations

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

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

(e) Segment reporting

Operating segments are classified, identified and segment information disclosed on the basis of internal reports that are provided to or received by the Group's chief operating decision maker which, for the Group is its Board. The Group operates in Australia and Colombia and predominately in the field of mineral exploration.

(f) Revenue recognition

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Income tax

The income tax expense or revenue for the year is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(h) Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially borne all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term. Leases where a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(i) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for an impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(j) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Trade and other receivables

Receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

(l) Investments and other financial assets

(i) Classification

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date. Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets. Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

(ii) Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed to the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

(iii) Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of revenue from continuing operations when the Group's right to receive payments is established. Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iv) Fair value

The fair values of quoted investments are based on last trade prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

(v) Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or Group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

(vi) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement, or for disclosure purposes. The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the last trade price. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

(m) Plant and equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation of plant and equipment is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. The rates vary between 10% and 100% per annum. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(i)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(n) Exploration and evaluation costs

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right of tenure of the area of interest is current, and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Where an area of interest is abandoned, or the Directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are paid on normal commercial terms.

(p) Employee benefits

(i) Wages and salaries, annual leave and other employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, and long service leave. Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

(ii) Share-based payments

The Group provides benefits to employees (including Directors) and contractors of the Group in the form of share-based payment transactions, whereby employees and contractors render services in exchange for shares or rights over shares ('equity-settled transactions'). The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- the extent to which the vesting period has expired; and
- the number of options that, in the opinion of the Directors of the Group, will ultimately vest.

This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award.

(q) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, for the acquisition of a business, are not included in the cost of the acquisition as part of the purchase consideration.

(r) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Parent Entity, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.
Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(t) Rounding of amounts

The Group is of a kind referred to ASIC Corporations Rounding in financial Directors' Reports instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest $1.

(u) Significant accounting estimates and judgements

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

(i) Deferred taxation

The potential deferred tax asset arising from the tax losses and temporary differences have not been recognised as an asset because recovery of the tax losses is not yet considered probable.

(ii) Capitalised exploration costs

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that future economic benefits are likely, either from exploration or sale, or where activities have not reached a stage which permits reasonable assessment.

(iii) Share-based payments

The Group measures the cost of equity-settled and cash-settled transactions by reference to the fair value of the goods and services received or, if this cannot be reliably measured, the fair value of the equity instruments at the date at which they are granted. The fair value of the equity instruments is determined by using the Black-Scholes model and the assumptions and carrying amount at the reporting date is disclosed in note 29.

2. NEW STANDARDS AND INTERPRETATIONS ADOPTED AND NOT YET ADOPTED

(a) New standards and interpretations adopted in the 2018 financial year

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial year. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(b) New standards and interpretations not yet adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2018. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

2. NEW STANDARDS AND INTERPRETATIONS ADOPTED AND NOT YET ADOPTED (CONTINUED)

AASB 9 Financial Instruments and associated Amending Standards (applicable for annual reporting period commencing 1 January 2018)

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard.

Following the changes approved by the AASB in December 2014, the Company no longer expects any impact from the new classification, measurement and derecognition rules on the Company's financial assets and financial liabilities. While the Company has yet to undertake a detailed assessment of the financial instruments classified as available-for-sale financial assets, it would appear that they would satisfy the conditions for classification as available for sale and hence there will be no change to the accounting for these assets.

The new hedging rules would not impact the Company as the Company does not have any hedging arrangements. The new impairment model is an expected credit loss model which may result in the earlier recognition of credit losses. The Company has not yet assessed how its own impairment provisions would be affected by the new rules.

AASB 15 Revenue from Contracts with Customers (applicable for annual reporting period commencing 1 January 2018)

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for good and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial recognition without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application.

This is unlikely to impact the Company as the Company does not have any revenue from contracts with customers at this stage.

AASB 16: Leases applies to annual reporting periods beginning on or after 1 January 2019

This Standard supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease,IC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of lease.

Early application of the Standard is permitted provided the new revenue standard, AASB 15 Revenue from Contracts with Customers, has been applied or is applied at the same date as AASB 16. The key features of AASB 16 are as follows:

- Leases are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.
- A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities.
- Assets and Liabilities arising from the lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be mad in optional periods if the lessee is reasonably certain to exercise an option to extend to lease, or not to exercise an option to terminate the lease.
- AASB 16 contains disclosure requirements for leases.

Lessor accounting

- AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.
- AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.

When this standard is first adopted for the year ending 30 June 2020, there will be no material impact on the transactions and balances recognised in the financial statements.

3. FINANCIAL RISK MANAGEMENT

(a) Interest rate risk

The Group is exposed to movements in market interest rates on short-term deposits. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. At 30 June 2018, if interest rates had changed by -/+ 100 basis points from the year-end rates with all other variables held constant, pre-tax loss would have been $10,038 lower/higher (2017 – change of 100 bps: $10,779 lower/higher) as a result of lower interest income. The Group's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

2018		Fixed interest rate maturing in:					
	Floating interest rate	1 year or less	1 to 5 years	More than 5 years	Non-interest bearing	Total carrying amount	Weighted average effective interest rate
Financial instrument	$	$	$	$	$	$	%
Financial assets							
Cash and cash equivalents	535,222	-	-	-	256,045	791,267	1.02
Other assets - Trade & other receivables	-	-	-	-	12,579	12,579	
Other assets - Deposits	-	-	-	-	24,315	24,315	
Total financial assets	535,222	-	-	-	292,939	828,161	
Financial liabilities							
Trade creditors	-	-	-	-	48,520	48,520	
Other creditors and accruals	-	-	-	-	20,922	20,922	
Total financial liabilities	-	-	-	-	69,442	69,442	

2017		Fixed interest rate maturing in:					
	Floating interest rate	1 year or less	1 to 5 years	More than 5 years	Non-interest bearing	Total carrying amount	Weighted average effective interest rate
Financial instrument	$	$	$	$	$	$	%
Financial assets							
Cash and cash equivalents	1,077,882				490,695	1,568,577	1.6
Trade and other receivables	-	-	-	-	17,205	17,205	
Other assets	-	-	-	-	24,315	24,315	
Total financial assets	1,077,882	-	-	-	532,215	1,610,097	
Financial liabilities							
Trade creditors	-	-	-	-	120,781	120,781	
Other creditors and accruals	-	-	-	-	26,506	26,506	
Total financial liabilities	-	-	-	-	147,287	147,287	

(b) Net fair values

All financial assets and liabilities have been recognised, at the balance date, at amounts approximating their carrying value.

(c) Credit risk exposures

The Group has no significant concentrations of credit risk. The maximum exposure to credit risk, at balance date, is the carrying amount (net of provision of doubtful debts) of those assets as disclosed in the balance sheet and notes to the financial statements. As the Group does not presently have any debtors other than GST receivable, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

4. SEGMENT INFORMATION

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

	$		$		$		$	
	Australia		Colombia		Elimination		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Segment Revenues	84,317	19,157	1,753	301	-	-	86,070	19,458
Segment Operating (Losses)	(1,459,887)	(2,019,790)	(130,492)	(121,349)	-	517,332	(1,590,379)	(1,623,807)
Segment Assets	1,981,271	2,428,389	156,976	271,602	(44,251)	(24,149)	2,093,996	2,675,842
Segment Liabilities	(86,580)	(137,196)	(5,296)	(8,490)	(221,008)	(241,100)	(312,884)	(386,786)

5. REVENUE

	Consolidated	
From continuing operations	2018 $	2017 $
Other revenue		
Interest	15,158	19,458
Government exploration grant	70,912	-
	86,070	19,458

6. EXPENSES

Loss before income tax includes the following specific expenses:		
Depreciation of plant and equipment	11,897	20,333
Exploration and evaluation expenditure	685,058	361,818
Exploration and evaluation asset write-off	-	670,060

7. INCOME TAX

	Consolidated 2018 $	Consolidated 2017 $
(a) Income tax expense/(benefit)		
Current tax	-	-
Deferred tax	-	-
Adjustments for current tax of prior years	-	-
	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	(1,590,379)	(1,623,807)
Prima facie tax benefit at the Australian tax rate of 27.5%	(437,354)	(446,547)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Other items	85,098	157,021
	(352,256)	(289,526)
Unrecognised temporary differences	(18,304)	(33,353)
Tax effect of current year tax losses for which no deferred tax asset has been recognised	370,560	322,879
Income tax expense/(benefit)	-	-
(c) Unrecognised temporary differences		
Deferred Tax Assets at 27.5%		
On Income Tax Account		
Section 40-880 deductions	10,633	33,029
Accruals and provisions for employee entitlements	15,402	14,096
Carry forward tax losses	3,942,964	3,572,404
	3,968,999	3,619,529
Deferred Tax Liabilities at 27.5%		
Exploration and evaluation assets	221,008	221,008

The deferred tax assets have not been brought to account, as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

8. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2018	2017
Cash on hand	20	2
Cash at bank	791,247	1,568,575
Cash and cash equivalents as shown in the Consolidated statement of financial position and the Consolidated statement of cash flows	791,267	1,568,577

Note: Restricted cash is $20,109 and relates to a security deposit in relation to a credit card facility.

9. CURRENT ASSETS - OTHER

	Consolidated 2018 $	Consolidated 2017 $
Goods and services tax receivable	8,638	13,704
Other receivables	3,778	3,501
Prepayments	18,421	21,150
	30,837	38,355

None of the above receivables are past due and therefore are not impaired and are within initial trade terms.

10. NON-CURRENT ASSETS – EXPLORATION AND EVALUATION ASSETS

Balance at beginning of the year	1,024,673	2,503,440
Additions	213,739	-
Reduction of Deferred Tax Liability (Note 15)	-	(100,458)
Write-downs	-	(1,378,309)*
Foreign exchange translation	-	-
Balance at the end of the year	1,238,412	1,024,673

*Comprise of $670,060 impairment of exploration costs incurred during the year and $708,249 due to the renegotiation agreement with AngloGold Ashanti Colombia which resulted in a reduction of capitalised exploration assets.

11. NON-CURRENT ASSETS – OTHER

Bonds and security deposits	24,315	24,315
VAT receivable	163	38
Other	159	-
	24,637	24,353

12. NON-CURRENT ASSETS - PLANT AND EQUIPMENT

Plant and equipment		
Cost	89,820	85,907
Accumulated depreciation	(80,977)	(66,023)
Net carrying amount	8,843	19,884
Plant and equipment – movement		
Opening net book amount	19,884	41,663
Depreciation charge	(11,897)	(20,333)
Foreign exchange translation	856	(1,446)
Closing net carrying amount	8,843	19,884

13. LIABILITIES - TRADE AND OTHER PAYABLES

Trade payables	48,523	120,781
Other payables and accruals	20,922	26,506
	69,445	147,287

14. CURRENT LIABILITIES – PROVISIONS

Provision for Annual leave	22,431	18,491

15. NON-CURRENT LIABILITIES – DEFERRED TAX LIABILITIES

	Consolidated 2018 $	Consolidated 2017 $
Deferred tax liabilities comprise temporary differences attributable to:		
Beginning exploration and evaluation on acquisition	221,008	321,466
Reduction of deferred tax liability due to impairment	-	(73,669)
Movement as a result of change in tax rate from 30% to 27.5%	-	(26,789)
Deferred Tax Liability	221,008	221,008

16. CONTRIBUTED EQUITY

(a) Share capital

	Notes	2018 Number of shares	2018 $	2017 Number of shares	2017 $
Ordinary shares fully paid	16(d)	893,063,749	20,856,645	741,365,653	19,852,657
Total contributed equity		893,063,749	20,856,645	741,365,653	19,852,657

(b) Movements in ordinary share capital

	Number of shares	$	Number of shares	$
Beginning of the financial year	741,365,653	19,852,657	593,092,523	19,003,855
Issued during the year:				
22 November 2017 issued for services received	5,698,096	40,000	-	-
31 January 2018 issued for cash at 0.6 cents	125,000,000	750,000	-	-
31 January 2018 issued for services rendered	5,000,000	35,000	-	-
22 March 2018 issued for Violin project fee	10,000,000	100,000	-	-
24 April 2018 issued for services received	6,000,000	90,000	-	-
4 April 2017 issued for cash at 0.6 cents	-	-	148,273,130	889,639
Less: Transaction costs	-	(11,012)	-	(40,837)
End of the financial year	893,063,749	20,856,645	741,365,653	19,852,657

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Parent Entity in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(d) Capital risk management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group looks to raise capital when an opportunity to invest in, or explore a project is seen as value adding relative to the Parent Entity's share price at the time of investment.

17. DIVIDENDS

No dividends were paid during the financial year. No recommendation for payment of dividends has been made.

18. RESERVES

	Consolidated 2018 $	Consolidated 2017 $
Share/option reserve	1,459,717	1,400,317
Foreign currency translation reserve	(43,575)	(62,622)
	1,416,142	1,337,695

(a) Share/Option reserve

The share/option reserve is used to recognise the fair value of shares/options issued.

	2018	2017
Balance at beginning of year	1,400,317	1,400,317
Issue of options	59,400	-
Balance at end of year	1,459,717	1,400,317

(b) Movements in options on issue

	Number of options 2018	Number of options 2017
Beginning of the financial year	-	85,102,597
Issued during the year:	92,000,000	-
Expired, cancelled or lapsed during the year	(1,000,000)	(85,102,597)
End of the financial year	91,000,000	-

(c) Foreign currency translation reserve

The foreign currency translation reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations that do not use Australian Dollars as their functional currency. It is also used to recognise gains and losses arising from hedges on the net investments in foreign operations.

	Consolidated 2018 $	Consolidated 2017 $
Balance at beginning of year	(62,622)	(42,568)
Exchange differences arising on translating the foreign operations	19,047	(20,054)
Balance at end of year	(43,575)	(62,622)

19. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and ageing analysis for credit risk. Risk management is carried out by senior finance executives (”Finance Executives”) under policies approved by the Board. These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance Executives identify, evaluate and hedge financial risks within the consolidated entity's operating units. Finance Executives report to the Board on a monthly basis.

19. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Market risk

(i) Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date was as follows:

	Financial Assets		Financial Liabilities	
	2018	2017	2018	2017
Consolidated	AUD$	AUD$	AUD$	AUD$
Colombian Pesos	141,888	255,222	3	8,490
American Dollar	-	-	-	-
Total	141,888	255,222	3	8,490

Based on the net exposure to foreign currencies, a change in the foreign exchange rate as at the end of the year would affect the Group's financial results as set out below:

		Profit/Loss		Equity	
Currency Translation Effect	% Change	2018	2017	2018	2017
		$	$	$	$
Colombian Pesos strengthens against Australian Dollar	10%	(14,499)	(13,473)	16,853	(23,919)
Colombian Pesos weakens against Australian Dollar	-10%	11,863	11,030	(13,789)	29,235
American Dollar strengthens against Australian Dollar	10%	-	-	-	-
American Dollar weakens against Australian Dollar	-10%	-	-	-	-

(ii) Price risk

The consolidated entity is not currently exposed to commodity price risk as it is in the exploration phase. The consolidated entity is indirectly exposed to commodity price movements such as gold, copper and silver as movements in the prices of these commodities may affect the ability of the consolidated entity to access capital markets.

(iii) Interest rate risk

The consolidated entity's main interest rate risk arises from cash and term deposits held at variable interest rates. Term deposits issued at fixed rates expose the consolidated entity to fair value risk. The Group policy is to maximise interest rate returns, having regard to the cash requirements of the exploration and administration operations of the business.

(iv) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

(v) Liquidity risk

Liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable. The consolidated entity manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

20. PARENT ENTITY INFORMATION

	Parent	
	2018	2017
	$	$
Total current assets	625,389	1,351,709
Total non-current assets	1,119,022	831,177
Total assets	1,744,411	2,182,886
Total current liabilities	85,690	157,287
Total non-current liabilities	-	-
Total liabilities	85,690	157,287
Equity		
Issued capital	20,856,645	19,852,657
Share based payments reserve	1,459,717	1,400,317
Accumulated losses	(20,657,640)	(19,227,375)
Total equity	1,658,722	2,025,599

	Parent	
	2018	2017
Results of the Parent Entity	$	$
Loss for the year	(1,430,265)	(2,019,789)
Other comprehensive income	-	-
Total comprehensive loss for the year	(1,430,265)	(2,019,789)

(a) Contingent Liabilities

See Note 23 for further details regarding the Sorby Hills contingent liabilities. The parent entity had no other contingent liabilities at 30 June 2018. The parent entity had no contingent liabilities at 30 June 2017.

(b) Capital Commitments

The parent entity had no capital commitments as at 30 June 2018 and 30 June 2017.

(c) Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for investments in subsidiaries being accounted for at cost, less any impairment, in the parent entity.

21. INTERESTS IN SUBSIDIARIES

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

		Ownership interest	
Name	Principal Place of Business / Country of Incorporation	2018	2017
West Rock Resources Pty Ltd	Australia	100%	100%
West Rock Resources Panama Corp.	Panama	100%	100%
Pacifico Minerals Sucursal Colombia (Branch)	Colombia	100%	100%
Golden Pacifico Exploration SAS	Colombia	100%	100%
Pacifico Holdings SAS	Colombia	100%	100%

22. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditors of the Group, its related practices and non-related audit firms:

	Consolidated	
	2018	2017
	$	$
(a) Audit services		
Stantons International – audit and review of financial reports	24,042	28,036
Total remuneration for audit services	24,042	28,036
(b) Non-Audit services		
None during the year		-

23. CONTINGENCIES

There are no material contingent assets of the Group at balance date.

Pacifico has the following material contingent liabilities assuming completion of the acquisition of the Sorby Hills project:

- $1,000,000 cash to the vendors at completion;
- $2,500,000 cash to the vendors within 6 months following completion;
- Issuance to the vendors of 10 million options in Pacifico exercisable at 2 cents each and expiring 3 years from the issue date; and
- 1% net smelter royalty to the vendors.

24. COMMITMENTS

The Group is planning exploration work on its exploration tenements in order to retain the rights of tenure. These obligations will be met, subject to availability of funds and can be reduced by entering into joint venture arrangements, selective relinquishment of exploration tenure or application for expenditure exemptions. Due to the nature of the Group's operations in exploring and evaluating areas of interest, it is very difficult to forecast the nature and amount of future expenditure. The annual commitment across the Group for the next year is $549,019 (2017: $575,840).

Remuneration commitments payable within one year are $49,275 (2017: $49,275).

25. INTERESTS IN JOINT OPERATIONS

The consolidated entity recognises its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated into the financial statements under the appropriate classifications. Information relating to joint operations that are material to the Group are set out below:

Berrio Gold Project assets under joint operation (Pacifico varies from 5.7%-8.6%)

Net assets carried as at 30 June 2018 are nil as all amounts were written off (2017: Nil).

Borroloola West Project (Pacifico maintaining 51%)

Net assets carried as at 30 June 2018 are $1,024,673 (2017: $1,024,673).

Mt Jukes Project (Pacifico 14.8%)

Net assets carried as at 30 June 2018 are nil (2017: Nil). The Mt Jukes Project is operated by Corona Resources Ltd.

26. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

On 5 September 2018, the Company announced that it has completed a placement of 213,333,333 shares at an issue price of $0.006 per share to raise approximately $1.28 million. Subject to shareholder approval, placement participants will also be entitled to receive free attaching options on a 1 for 2 basis, exercisable at $0.015 each on or before 21 November 2020 ("Quoted Options").

On 7 September 2018, the Company announced a non-renounceable pro rata entitlement offer on a 3 for 7 basis to eligible shareholders to raise up to approximately $2.84 million. Participants in the entitlement offer will also receive 1 free attaching Quoted Option for every 2 new shares issued.

Proceeds from the placement and entitlement offers (approximately $4.1 million) will be used for project acquisition and on 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.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

27. CASH FLOW RECONCILIATION

Reconciliation of net loss after income tax to net cash outflow from operating activities

	Consolidated	
	2018	2017
	$	$
Net loss for the year	(1,590,379)	(1,623,807)
Non-Cash Items		
Depreciation of non-current assets	11,897	20,333
Share based payments - included in operational expenses	165,000	-
Share based payments - Director/staff options	59,400	-
Write off exploration and evaluation assets	-	670,060
Foreign exchange (gain)/loss	-	(119,488)
Change in operating assets and liabilities		
Decrease/(increase) in trade and other receivables	4,789	(7,908)
Decrease in other assets	2,729	6,397
(Decrease)/increase in trade and other payables	(70,138)	73,009
Increase/(decrease) in provisions	3,940	(6,554)
Net cash outflow from operating activities	(1,412,762)	(987,958)

Non-cash financing and investing activities

Nil

28. LOSS PER SHARE

(a) Reconciliation of earnings used in calculating loss per share

Loss attributable to the ordinary equity holders of the Parent Entity used in calculating basic and diluted loss per share	(1,590,379)	(1,623,807)

(b) Weighted average number of shares used as the denominator

	Number of shares	
	2018	2017
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	802,065,875	628,434,338

29. SHARE BASED PAYMENTS

(a) Ordinary shares

During the current period, a total of 16,698,096 shares were issued to consultants in relation to fees for assistance with marketing campaigns. The total share based payments booked during the period amounted to $165,000 and is reported under Consulting expenses in the Statement of Profit or Loss and Other Comprehensive Income.

(b) Options over ordinary shares

During the current period, a total of 27,500,000 options were granted to directors/staff and consultants, all of which vested immediately. The total share based payment booked during the period amounted to $59,400.

The following table illustrates options granted and issued during the year. There are no vesting conditions. All options are exercisable at year end.

Details	Number granted	Exercise price	Grant date	Expiry date
Director options	20,500,000	$ 0.015	22-Nov-17	21-Nov-20
Staff/consultant options	7,000,000	$ 0.015	22-Nov-17	21-Nov-20
Free-attaching placement options (1)	62,500,000	$ 0.015	7-May-18	6-May-20
Free-attaching consultant options (2)	2,000,000	$ 0.020	24-Apr-18	23-Apr-20

[1] In January 2018, the Company raised approximately $750,000 before costs through a placement of 125 million new fully paid ordinary shares at an issue price of 0.6 cents per share. In addition, participants subsequently received (following shareholder approval) a free attaching unlisted option on the basis of 1 option for every 2 shares subscribed for.

[2] In April 2018, the Company issued 6,000,000 fully paid ordinary shares to a consultant in lieu of fees owing for assistance with marketing campaigns. The consultant also received 2,000,000 free attaching unlisted options.

For options granted to directors/staff and consultants during the current financial year, the Company used a Black-Scholes valuation model, with the following inputs used to determine the fair value at grant date:

Grant date	Number of options	Expiry date	Share price at grant date	Exercise price	Expected volatility	Risk-free interest rate	Fair value at grant date
22-Nov-17	27,500,000	21-Nov-20	$ 0.007	$ 0.015	75%	2.1%	$ 0.0022

Options on issue at the end of the year had the following exercise prices and expiry dates (2017: no options on issue):

Date of Expiry	Status	Exercise Price	Number of Options
April 23, 2020	Unlisted	$ 0.020	2,000,000
May 06, 2020	Unlisted	$ 0.015	62,500,000
November 21, 2020	Unlisted	$ 0.015	26,500,000

Options on issue at the end of the 2018 year had a weighted average exercise price of 1.51 cents and a weighted average expiry period of 2.02 years.

30. RELATED PARTY TRANSACTIONS

The Group has no transactions with related parties.

31. KEY MANAGEMENT PERSONNEL COMPENSATION

	Consolidated	
	2018	2017
	$	$
Short term employee benefit	290,204	291,462
Share based payments	44,280	-
Post-employment benefit	27,031	27,689
	361,515	319,151

DIRECTORS' DECLARATION

In accordance with a resolution of the Board of Directors of Pacifico Minerals Limited, I state that:

In the opinion of the Directors:

- the financial statements and notes set out on pages 31 to 55 are in accordance with the Corporations Act 2001, including:
    - complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
    - giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the financial year ended on that date;
    - the audited remuneration disclosures set out on pages 25 to 29 of the Directors' report comply with Accounting Standards AASB 124 *Related Party Disclosures* and the Corporations Regulations 2001; and
    - the financial statements and notes also comply with International Financial Reporting Standards.

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

- this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2018.

On behalf of the Board

Richard Monti
Chairman

27 September 2018

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Pacifico Minerals Limited (the Company and its subsidiaries ("the Group")), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined the matter below to be a Key Audit Matter communicated in our report.

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
Carrying Value of Exploration and Evaluation Assets As at 30 June 2018, the carrying value of the Group's Exploration and Evaluation Assets totalled $1,238,412, as disclosed in note 10. Under the Group's accounting policy in Note 1(n), exploration and evaluation expenditure is expensed as incurred. Acquisition costs are assessed on a case by case basis and may be capitalised to areas of interest where the right of tenure of the area of interest is current and these costs are expected to be recouped through sale or successful development and exploitation of the area of interest, or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.. The carrying value of the Exploration and Evaluation Assets is a key audit matter due to: • The significance of the total balance (59% of total assets); • The necessity to assess management's application of the requirements of the accounting standard Exploration for and Evaluation of Mineral Resources ("AASB 6"), in light of any indicators of impairment that may be present; and • The assessment of significant judgements made by management in relation to the Exploration and Evaluation Assets.	Inter alia, our audit procedures included the following: i. Assessing the Group's right to tenure over exploration assets by corroborating the ownership of the relevant licences for mineral resources to government registries and relevant third party documentation; ii. Reviewing the directors' assessment of the carrying value of the exploration and evaluation expenditure, ensuring the veracity of the data presented and that management has considered the effect of potential impairment indicators, commodity prices and the stage of the Group's projects against AASB 6; iii. Evaluation of Group documents for consistency with the intentions for the continuing of exploration and evaluation activities in certain areas of interest, and corroborated with enquiries of management. Inter alia, the documents we evaluated included: ▪ Minutes of meetings of the board and management; ▪ Announcements made by the Group to the Australian Securities Exchange; and ▪ Cash flow forecasts; and iv. Consideration of the requirements of accounting standard AASB 6. We assessed the financial statements in relation to AASB 6 to ensure appropriate disclosures are made.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 25 to 29 of the directors' report for the year ended 30 June 2018. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion on the Remuneration Report

In our opinion the Remuneration Report of Pacifico Minerals Limited for the year ended 30 June 2018 complies with section 300A of the Corporations Act 2001.

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

Stantons International Audit and Consulting Pty Ltd

Samir R Tirodkar
Director

West Perth, Western Australia
27 September 2018

ASX ADDITIONAL INFORMATION

Additional information required by the ASX Listing Rules and not shown elsewhere in the report is as follows. The information is current as at 12 September 2018.

(a) Twenty largest holders of quoted equity securities

	Name	Number	%
1	VILLIERS QUEENSLAND PL	58,333,333	5.27
2	SCINTILLA STRATEGIC INV L	39,833,333	3.60
3	GAKS INV HLDGS PL	34,794,141	3.14
4	OTIS DVLMTS PL	31,000,000	2.80
5	CLARK TRAVIS ROHAN	30,800,000	2.78
6	CHAPMAN CRAIG GRAEME	25,140,828	2.27
7	EQUITY TTEES LTD	25,000,000	2.26
8	ELITE SKY INV LTD	23,100,000	2.09
9	NOON SIMON ALEXANDER	22,200,000	2.01
10	BOLTON BARRIE R + LING H	20,836,073	1.88
11	GREATCITY CORP PL	18,835,308	1.70
12	BOXWOOD PL	16,168,516	1.46
13	BRIDGEZONE PL	15,110,000	1.37
14	RIMOYNE PL	15,000,000	1.36
15	WALLOON SEC PL	13,333,333	1.21
16	J P MORGAN NOM AUST LTD	12,827,245	1.16
17	VOGEL JOHN WILLIAM	12,000,000	1.08
18	JAKORY PL	10,000,000	0.90
19	VARADHARAJAH M	9,870,000	0.89
20	ROTHERWOOD ENTPS PL	8,516,667	0.77
	Total	**442,698,777**	**40.00**

There is a total of 1,106,397,082 fully paid ordinary shares on issue, all of which are listed on the Australian Securities Exchange.

(b) Substantial Shareholders

The names of the substantial shareholders and the number of shares in which they have a relevant interest are:

Substantial Shareholder	Number	%
VILLIERS QUEENSLAND PTY LTD	58,333,333	5.27

(c) Distribution of equity securities

Number of security holders by size of holding:	Ordinary shares	Unlisted options
1-1,000	85	-
1,001 - 5,000	23	-
5,001 - 10,000	66	-
10,001 - 100,000	350	-
100,001 and over	652	33
Total	**1,176**	**33**

The number of fully paid ordinary shareholdings held in less than marketable parcels is 452 (based on a share price of $0.005).

(d) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction. Unlisted options do not have any voting rights.

(e) Unquoted securities

The names of the security holders holding more than 20% or more of any unlisted class of security, other than those securities issued or acquired under an employee incentive scheme, are listed below:

Holder	1.5c options expiring 6-May-20	1.5c options expiring 21-Nov-20	2c options expiring 23-Apr-20
MR SIMON ALEXANDER NOON	-	8,500,000	-
DYAMOND DEVELOPMENTS PTY LTD	-	-	2,000,000
OTHER HOLDERS	62,500,000	18,000,000	-
	62,500,000	**26,500,000**	**2,000,000**
Total holders	*24*	*8*	*1*

(f) Corporate governance statement

The Directors support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. Please refer to the corporate governance statement and the Appendix 4G released to ASX and posted on the Company website. The Directors are focused on fulfilling their responsibilities individually, and as a Board, for the benefit of all the Company's stakeholders. That involves recognition of, and a need to adopt, principles of good corporate governance. The Board supports the guidelines on the "Principles of Good Corporate Governance and Recommendations – 3rd Edition" established by the ASX Corporate Governance Council. Given the size and structure of the Company, the nature of its business activities, the stage of its development and the cost of strict and detailed compliance with all of the recommendations, it has adopted a range of modified systems, procedures and practices which enables it to meet the principles of good corporate governance. The Company's practices are mainly consistent with those of the guidelines and where they do not correlate with the recommendations in the guidelines the Company considers that its adopted practices are appropriate to it.

(g) Schedule of interests in mining tenements

Location/Project	Tenement ID	Percentage held/earning
Colombia:		
Berrio	IDI-16112X	8.6%
Berrio	IDI-16113X	8.6%
Berrio	HINN-02	8.6%
Berrio	JG1-09552	8.6%
Berrio	T1935005	8.6%
Berrio	IHF-08012	7.5%
Berrio	T1928005	5.7%
Berrio	6822	100%
Urrao	2791	100%
Northern Territory, Australia:		
Borroloola	EL26938	51%
Borroloola	EL26939	51%
Borroloola	EL28508	51%
Borroloola	EL28657	51%
Borroloola	EL28658	51%
Borroloola	EL28659	51%
Borroloola	EL30157	51%
Borroloola	EL30305	51%
Borroloola	MLN624	51%
Borroloola	EL31354	100%
South Australia, Australia:		
	EL6168	100%
	EL6169	100%
Tasmania, Australia:		
Mount Jukes	EL51/2008	15%
Miners Ridge	EL12/2009	15%
Western Australia, Australia		
Sorby	M80/196	75%*
Sorby	M80/197	75%*
Sorby	M80/285	75%*
Sorby	M80/286	75%*
Sorby	M80/287	75%*

* As announced 26 June 2018, Pacifico entered into a binding agreement to acquire all the shares in KBL Sorby Hills Pty Ltd (“KBL Sorby Hills”) and Sorby Management Pty Ltd (“Sorby Management”). KBL Sorby Hill owns 75% of the Sorby Hills project with Henan Yuguang Gold & Lead Co. Ltd owning the remaining 25%. As at the date of this report, the Company is still progressing towards completion of the transaction.