

QUARTERLY REPORTS - JUNE 2019

31 July 2019

Pacifco Minerals Limited (ASX: PMY) ('Pacifco' or the 'Company') is pleased to provide the following activities and cashflow reports for the June 2019 quarter.

CORPORATE DIRECTORY

Managing Director

Simon Noon

Directors

Richard Monti (Chairman)

Peter Harold (Non-Exec.)

Andrew Parker (Non-Exec.)

Company Secretary

Jerry Monzu

Registered Office

Level 10

105 St Georges Terrace

Perth WA 6000

Telephone

+61 8 6268 0449

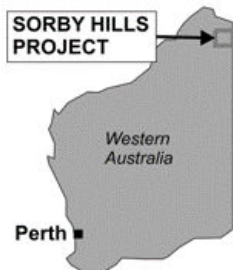
ASX Code PMY

ABN 43 107 159 713

HIGHLIGHTS

SORBY HILLS JOINT VENTURE PROJECT

- Final results were received from the Phase I drilling program, confirming the C, DE, and F deposits are linked and can be referred to as a single deposit (CDEF) with a strike length of 1.7km.
- Phase II drilling commenced during the quarter and was completed subsequent to quarter end with 75 drill holes for 5,959m (30 reverse circulation holes and 45 HQ3 diamond holes).
 - Logging of abundant coarse galena through many of the Phase II drill holes indicates that significant intersections have been obtained.
 - Phase II drilling is expected to increase Indicated Resources within the Mineral Resource Estimate ('MRE') for inclusion in the upcoming Optimised Pre-Feasibility Study.
 - Observed zinc mineralisation confirms significant potential for future zinc production.
 - Assay results are expected to flow through August ahead of the completion of a revised MRE in September.
- Subsequent to quarter end, metallurgical results confirmed the potential for the Project to produce high quality lead concentrate containing appreciable silver credits.
- Materially higher flotation recoveries than the recent Pre-Feasibility Study ('PFS') assumptions:
 - Rougher flotation testing with sulphidisation indicates up to 96% Pb and 95% Ag recovery on Fresh composite and up to 91% Pb and 95% Ag recovery on Oxide composite.
 - Cleaner flotation testing confirms final concentrate grade of 65% Pb.
- Heavy liquid separation testwork ('HLS') to upgrade ores has returned highly impressive results with lead losses lower than assumed in the recent PFS.
- Ministerial confirmation received for an extension of the timeframe for substantial commencement of the Sorby Hills Project to 2 April 2024.
- Highly experienced Project Manager appointed to progress the optimised PFS (Q4) and a planned Definitive Feasibility Study ('DFS') in 2020.



CORPORATE

- Completion of \$4 million capital raising (before costs).
- Final acquisition payment made for the 75% interest in the Sorby Hills Joint Venture Project.

SORBY HILLS JOINT VENTURE PROJECT *Western Australia (Lead, Silver, Zinc)*

Pacifico intends to develop a large near-surface flat-lying lead-silver-zinc deposit. The Sorby Hills Joint Venture Project (**‘Sorby Hills’**) is located approximately 50km northeast of Kununurra. There are existing sealed roads to transport concentrate from the Sorby Hills site to the facilities at Wyndham Port (150km from the Project). Established infrastructure and permitting allow for fast tracked production. The PFS estimated a CAPEX of A\$95.4M to develop the mine, with a 16-month payback and a pre-tax NPV8 of A\$243M¹ (See ASX Announcement 26 March 2019).

¹ The company confirms all material assumptions underpinning the production target or the forecast financial information referenced on 26 March 2019, continue to apply and have not materially changed.

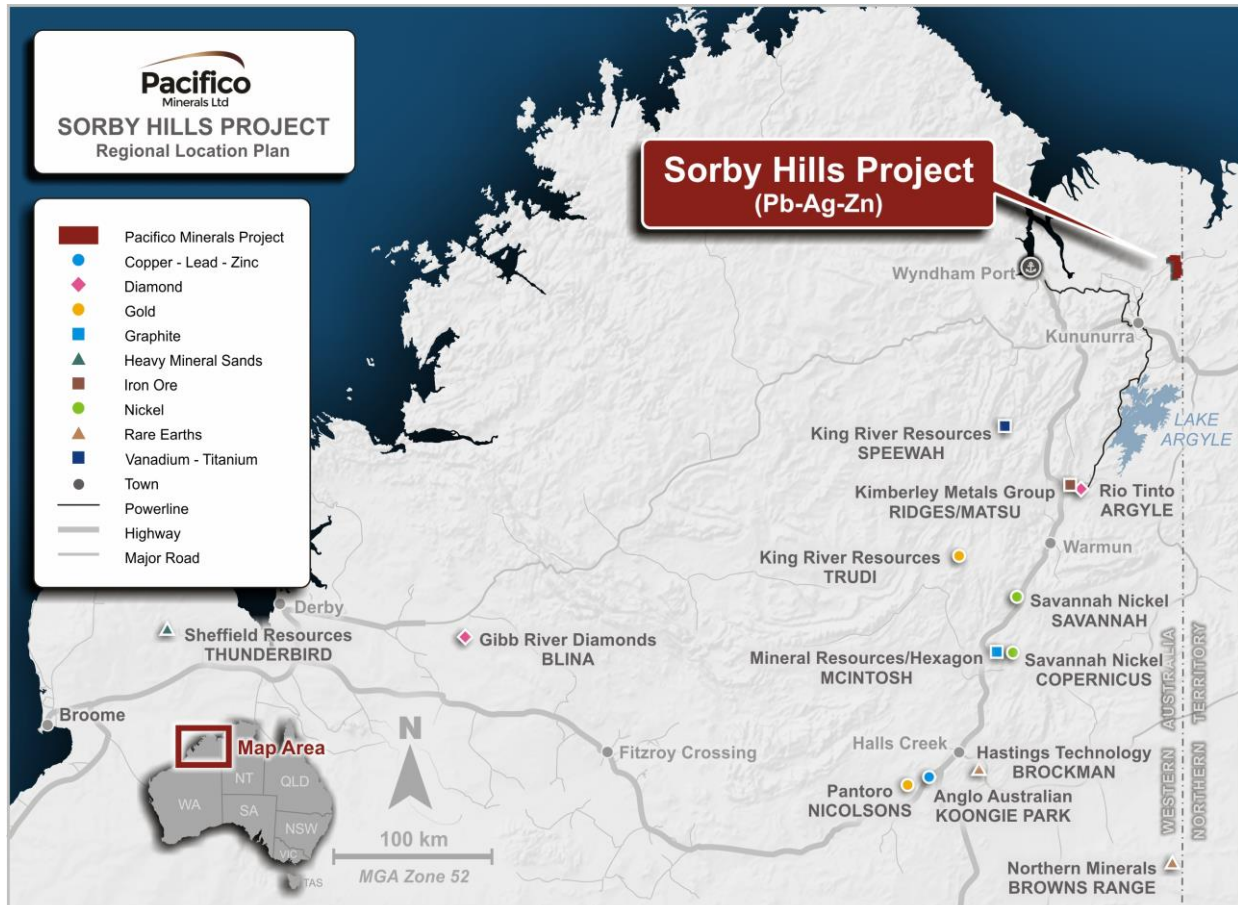


Figure 1. Sorby Hills Joint Venture Project Regional Location.

PHASE I DRILLING CAMPAIGN RESULTS

During the quarter, the Company released assay results for the final 12 holes of the Phase I drilling campaign which tested the B, C, DE, F and I deposits (**‘Phase I’** or the **‘Program’**) at the Sorby Hills Project. The latest assay results received will assist in converting Inferred Resources to Indicated Resources, particularly in the F Deposit and be included in the next MRE to be completed once Phase II drilling results have been received.

Importantly, Phase I drilling results confirmed that C, DE, and F deposits are linked and can be referred to as a single deposit (CDEF) with a strike length of 1.7km and may be minable with a single open cut.

CDEF DEPOSIT

Phase I drilling at the CDEF Deposit provided a geological understanding of the controls and continuity, which has enabled a significant portion of the Inferred Resources to be converted to Indicated Resources. Intersections in the central part of the CDEF Deposit include ACD046 with **20.0m of 7.3% Pb, 56g/t Ag and 0.4% Zn**. Mineralisation consists of shallow, flat lying moderate grade mineralisation on the western side of the deposit. To the east there is a major fault zone (overall drop of 60 - 100m). The greatest mineralisation lies immediately to the west of, and within, the fault zone. Mineralisation continues east at depth as a flat to gently dipping horizon. In the northern part of the CDEF Deposit drill hole AF012 intersected **15.0m of 5.8% Pb, 81g/t Ag and 0.1% Zn** and AF005 intersected **11.7m of 10.8% Pb, 105g/t Ag and 0.4% Zn**.

I DEPOSIT

Results showed that the I Deposit forms a relatively flat lying horizon of mineralisation. Drill hole AI010 intersected **9.4m of 6.6%Pb, 53g/t Ag and 0.9%Zn** and AI011 intersected **12.3m of 5.5% Pb, 0.23% Zn and 42g/t Ag**.

B DEPOSIT

The B Deposit is interpreted as forming two lenses separated by a low angle fault. The mineralisation may extend further along strike to the north and south (targeted by the Phase II drilling program). Intersections include AB033: **16m of 4.9% Pb, 0.69% Zn and 20g/t Ag** (ASX announcement 6 May 2019).

PHASE II INFILL AND EXPANSION DRILLING CAMPAIGN

The Phase II infill and extension drilling program ('Phase II') commenced in May 2019 with an intention to combine an updated MRE with the recently improved metallurgical testwork results and mining studies that are currently underway, to enhance the economics and improve confidence of an Optimised PFS, scheduled for completion during Q4 2019.

The drilling program was designed with the assistance of mining and geotechnical consultants Entech Mining to convert Inferred Resources to Indicated Resources (currently at **10.9Mt of 5.0% Pb equivalent (3.9% Pb and 46g/t Ag)** as per ASX Announcement 7 March 2019) provide geotechnical (pit wall stability) information for pit designs, and to deliver representative samples for further metallurgical work. The program was focused on shallow mineralisation above 100m depth, that may be mineable by open pit, at B and CDEF deposits.

Phase II drilling consisted of 30 reverse circulation (RC) holes, including ten as pre-collars to diamond drilled tails, and 45 HQ3 diamond holes for a combined total of 5,959m (inclusive of 427m mud rotary). The majority of holes were inclined at 60° and drilled towards the west (azimuth 270°).

Most of the core, and all the RC samples have now been logged. Visual assessment of lead mineralisation indicates that significant intersections have been obtained. As well as expected galena (lead sulphide) (Figures 1, 2 and 3) in mineralised intersections, significant amounts of sphalerite (zinc sulphide) were observed in the drill core (Figures 4 and 5).



Figure 1: Semi Massive Galena (Grey, Metallic) Replacement. ACD080, 32.8m. Part of an Interval 25.7m to 37.9m (12.2m Length) of Well Mineralised Core – Consisting of Strong Galena, Some Pyrite and Minor Sphalerite.



Figure 2: Crystalline Galena in ACD080 32.8m (Freshly Broken Core). Part of an Interval 25.7m to 37.9m of Well Mineralised Core – Consisting of Strong Galena, Some Pyrite and Minor Sphalerite.



Figure 3: Crystalline Dark Grey Galena in AB034 56.4m (Freshly Broken Core). Part of an Interval 52.1m to 59.6m With Strong Galena Hosted by Slump Breccia and Knox Sediments.

CDEF DEPOSIT

The logging of abundant coarse galena through many of the Phase II program drill holes in the northern section of CDEF deposit is of interest.

Analyses of 12 drill holes with significant intersections at the northern part of the CDEF deposit had not been received prior to the completion of the March 2019 MRE. Combined with the 2019 drill program infill results, it is expected that a significant portion of the current Inferred Resource at the northern part of the CDEF deposit may be convertible to Indicated Resource.

This northern section of the CDEF deposit was excluded from the mine plan in the March PFS as Pacifico took a very conservative approach and only included resources in the indicated category.

ZINC MINERALISATION

Zinc mineralisation has not been considered in Project economics to date, however it was commonly observed during the Phase II program. There is an existing Inferred Resource of zinc dominant mineralisation at the Alpha Zinc Deposit (2.34Mt of 0.5% Pb, 3.1% Zn, 29g/t Ag Inferred Resource as per ASX Announcement 7 March 2019).

The Company’s technical team sees great potential for the delineation of further zinc resources to add significant value and enhance Project economics. The relatively low zinc content of the Sorby Hills lead ore could also be extractable if a zinc circuit can be justified by increasing the zinc dominant resource at Alpha Zinc Deposit.

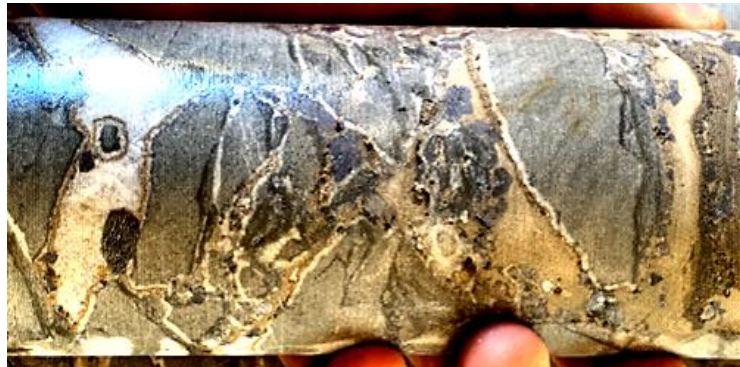


Figure 4: Abundant Pale Brown Sphalerite and Coarse Galena Crystals (Grey) in Matrix of Sedimentary Breccia in ACD81, 61.5m. Part of an Interval 60.5m to 64.5m of Well Mineralised Core Consisting of Strong Galena and Pyrite, and Common Sphalerite.



Figure 5: Abundant Cream Coloured Sphalerite in ACD63, 76.7m. Part of an Interval 75.3m to 79.1m With Common Sphalerite as Veins and Matrix Fill in Slump Breccia.

PHASE I METALLURGICAL TESTWORK PROGRAM

Subsequent to quarter end, Pacifico released results from their Phase I metallurgical testwork program at the Sorby Hills Project. ALS Metallurgical Services (under management by Simulus) conducted a metallurgical testwork program to assess beneficiation options for the Project and to confirm previous flotation performance.

Highly positive results confirmed the potential for the Project to produce high quality lead concentrate containing appreciable silver credits. Flotation recoveries were higher than the assumptions used in the recent PFS with cleaner flotation testing confirming final concentrate grade of 65% Pb can be produced and rougher flotation testing with sulphidisation indicating up to 96% Pb and 95% Ag recovery on Fresh composite and up to 91% Pb and 95% Ag recovery on Oxide composite.

Further heavy liquid separation testwork to upgrade the ores returned impressive results with lead losses lower than the 10% assumed in the recent PFS. Results showed:

- Lead grade upgrade for fresh ore of 1.85x with lead losses of 3.3% at Specific Gravity ('SG') 2.75 and 3.36x with lead losses of 6.6% at SG 2.93.
- Lead upgrade for oxide ore of 1.22x with lead losses of 4.1% at SG 2.75 and 2.15x with lead losses of 9.1% at SG 2.93.

Preliminary ore sorting testwork returned 1.3x and 1.4x upgrades (respectively) for both Pb and Ag using XRT with lead losses of 2-3%.

Ongoing metallurgical testwork will support the Optimised PFS (Q4 2019) and a DFS planned for 2020 using samples from the Phase II drilling program.

OTHER

Ministerial confirmation was received stating that condition 3 of Ministerial Statement 964 had been amended to allow for the timeframe for substantial commencement of the Sorby Hills Silver Lead Zinc proposal, to be extended for a further 5 years, to 2 April 2024 (ASX announcement 29 May 2019).

Pacifico also announced the appointment of Mr Aaron King as Project Manager for the Sorby Hills Project during the quarter. Mr King is qualified metallurgist with 25 years' experience and proven track record in technology and process development in the mining and resources sector both in Australia and overseas (ASX announcement 25 June 2019).

NON-CORE ASSETS

Exploration work on our non-core assets remains on hold to allow the Company to focus on the development of the Sorby Hills Project. Pacifico continues to seek buyers or to establish Joint Ventures for their non-core assets to realise value for shareholders.

CORPORATE

The consolidated cash balance as at 30 June 2019 was approximately **\$2 million** with JV reimbursements of approximately **\$230,000** expected to be received during the September quarter.

\$4 MILLION CAPITAL RAISING COMPLETED

The Company finalised a placement to sophisticated and professional investors to raise \$4 million (before costs) from an issue of approximately 666 million shares at \$0.006 per share (ASX announcements 9 April 2019, 15 April 2019, and 24 May 2019).

FINAL PAYMENT MADE FOR SORBY HILLS PROJECT

During the quarter Pacifico made the final payment for the acquisition of the Company's 75% interest in the Sorby Hills Project, giving the Company full and unencumbered access (ASX announcement 15 April 2019).

GENERAL MEETING OF SHAREHOLDERS

A General Meeting of Shareholders was held 21 May 2019 with all resolutions supported by shareholders and passed based on a show of hands (ASX announcement 21 May 2019).

PACIFICO BOARD ADOPTS NEW EMPLOYEE INCENTIVE PLAN

Subsequent to quarter end, Pacifco announced that the board had adopted a new Employee Securities Incentive Plan (the 'Plan'). The purpose of the Plan is to assist in the reward, retention and motivation of eligible participants. The initial performance rights issued under the Plan will be offered to the Directors and Senior Management of the Company and, along with the Plan itself, will be subject to shareholder and ASX approval at the next General or Annual General Meeting of the Company (ASX announcement 3 July 2019).

FOR FURTHER INFORMATION PLEASE CONTACT:

Simon Noon

Managing Director

Phone: +61 (0)8 6268 0449

Email: info@pacificominerals.com.au

ABOUT PACIFICO MINERALS LIMITED

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

ABOUT HENAN YUGUANG GOLD AND LEAD CO LTD

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

COMPETENT PERSON STATEMENTS AND JORC INFORMATION

The information in this report that relates to Mineral Resources is based on, and fairly reflects, information compiled by Mr David Williams, a Competent Person, who is an employee of CSA Global Pty Ltd and a Member of the Australian Institute of Geoscientists (#4176). Mr Williams has enough experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code). Mr Williams consents to the disclosure of information in this report in the form and context in which it appears.

The information contained in this announcement that relates to geology and exploration results is based, and fairly reflects, information compiled by Mr David Pascoe, who is a Member of the Australian Institute of Geoscientists. Mr Pascoe is a consultant to Pacifco Minerals Limited. Mr Pascoe has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Pascoe consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

The interpretations and conclusions reached in this announcement are based on current geological theory and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for absolute certainty. Any economic decisions which might be taken on the basis of interpretations or conclusions contained in this announcement will therefore carry an element of risks.

FORWARD LOOKING STATEMENTS

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

APPENDIX – INTERESTS IN TENEMENTS

Farm-In Agreements/Projects/Tenements	Location	Held at End of Quarter	Acquired During the Quarter	Disposed During the Quarter
Sorby Hills Project M80/196 M80/197 M80/285 M80/286 M80/287	WA, Australia	75% 75% 75% 75% 75%		
South Australian Project EL6168 EL6169	SA, Australia	100% 100%		
Borrooloola West Project EL31354 EL26938 EL26939 EL28508 EL28658 EL30157 EL30305 MLN624	NT, Australia	100% 51% 51% 51% 51% 51% 51% 51%		
Mount Jukes Project EL51/2008 EL12/2009	TAS, Australia	13.74% 13.74%		
Berrio Project 6822 IDI-16112X IDI-16113X HINN-02 JG1-09552 T1935005 IHF-08012 T1928005	Colombia	100% 8.6% 8.6% 8.6% 8.6% 8.6% 7.5% 5.7%		
Urrao Project 2791	Colombia	100%		

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Pacifico Minerals Ltd	
ABN	Quarter ended ("current quarter")
43 107 159 713	30 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(898)	(2,110)
(b) development	-	-
(c) production	-	-
(d) staff costs	(90)	(363)
(e) administration and corporate costs	(200)	(727)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	19
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(1,182)	(3,181)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(17)	(19)
	(b) tenements (Sorby deposit)	(2,264)	(3,214)
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material) (JV Cash Gained on Sorby Acquisition)	-	92
2.6	Net cash from / (used in) investing activities	(2,281)	(3,141)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	4,000	7,792
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(197)	(308)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	3,803	7,484

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,624	791
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,182)	(3,181)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,281)	(3,141)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,803	7,484
4.5	Effect of movement in exchange rates on cash held	-	11
4.6	Cash and cash equivalents at end of period	1,964	1,964

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,927	1,587
5.2	Call deposits	37	37
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,964	1,624

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
49
-

Directors' fees and wages – all payments are on normal commercial terms.

7. Payments to related entities of the entity and their associates

7.1 Aggregate amount of payments to these parties included in item 1.2

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

N/A

8. Financing facilities available
Add notes as necessary for an understanding of the position

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

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

N/A

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	1,030
9.2 Development	-
9.3 Production	-
9.4 Staff costs	100
9.5 Administration and corporate costs	220
9.6 Other (Capital Raising Fees and Final Sorby Acquisition Payment)	-
9.7 Total estimated cash outflows	1,350

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/A			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	N/A			

Compliance statement

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



Sign here:
Jerry Monzu (Company Secretary)

Date: 31 July 2019

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.