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ACN 107 159 713

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at the offices of the Australian Institute of Company Directors, Level 1, 77 St Georges Terrace, Perth, Western Australia on Friday, 29th November 2019 at 11.00am (WST).

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on (08) 6268 0449.

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice

PACIFICO MINERALS LIMITED

ACN 107 159 713

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Pacifico Minerals Limited (**Company**) will be held at the offices of the Australian Institute of Company Directors, Level 1, 77 St Georges Terrace, Perth, Western Australia on Friday, 29th November 2019 at 11.00 (WST) (Meeting).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Wednesday, 27th November 2019 at 5pm (WST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

AGENDA

1. Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 30 June 2019, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2. Resolution 1 - Remuneration Report

To consider and, if thought fit, to pass with or without amendment, as a **non-binding** ordinary resolution the following:

"That the Remuneration Report be adopted by Shareholders on the terms and conditions in the Explanatory Memorandum."

Voting Prohibition

In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly

authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

3. Resolution 2 - Re-election of Mr Andrew Parker

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That Mr Andrew Parker, who retires in accordance with Clauses 13.1 and 13.2 of the Constitution, Listing Rule 14.4 and for all other purposes, and, being eligible and offering himself for re-election, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."

4. Resolutions 3(a) and 3(b) - Ratification of prior issues of Placement Shares

To consider and, if thought fit, to pass with or without amendment, each as a **separate** ordinary resolution the following:

"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the following issues of Placement Shares at \$0.008 per Share:

(a) 346,965,691 Placement Shares under Listing Rule 7.1; and

(b) 228,034,309 Placement Shares under Listing Rule 7.1A,

on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue of the Placement Shares, or any of their respective associates.

However, the Company need not disregard a vote if:

(a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

(b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. Resolution 4- Approval of 10% Placement Facility

To consider and, if thought fit, to pass with or without amendment, as a **special** resolution the following:

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any persons who are expected to participate in, or who will obtain a material benefit as a result of, an issue under the 10% Placement Facility (except a benefit solely by reason of being a holder of Shares) or any associate of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. Resolution 5 - Approval of Employee Securities Incentive Plan

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That, pursuant to and in accordance with exception 9(b) of Listing Rule 7.2 and for all other purposes, Shareholders approve the establishment of the employee incentive scheme of the Company known as the "Pacifico Minerals Ltd Employee Securities Incentive Plan" and the issue of Securities under that plan, on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) or any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and

- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

7. Resolutions 6(a) to 6(d) - Approval to issue Performance Rights to Directors

To consider and, if thought fit, to pass with or without amendment, each as a separate ordinary resolution the following:

"That, subject to Resolution 5 being passed and pursuant to and in accordance Listing Rule 10.14, sections 195(4), 200E and 208 of the Corporations Act and for all other purposes, Shareholders approve the issue of Performance Rights to Directors (or their respective nominees) under the Plan as follows:

- (a) up to 36,000,000 Performance Rights to Mr Simon Noon;
- (b) up to 7,500,000 Performance Rights to Mr Richard Monti;
- (c) up to 6,000,000 Performance Rights to Mr Peter Harold; and
- (d) up to 6,000,000 Performance Rights to Mr Andrew Parker,

on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast in favour of these Resolutions by or on behalf of any Director who is eligible to participate in any employee incentive scheme of the Company or any of their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibitions

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on these Resolutions if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and

- (b) the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Further, in accordance with section 200E(2A) of the Corporations Act, a vote on:

- (a) Resolution 6(a) must not be cast (in any capacity) by or on behalf of Mr Simon Noon (and his nominees) or any of their respective associates;
- (b) Resolution 6(b) must not be cast (in any capacity) by or on behalf of Mr Richard Monti (and his nominees) or any of their respective associates;
- (c) Resolution 6(c) must not be cast (in any capacity) by or on behalf of Mr Peter Harold (and his nominees) or any of their respective associates; and
- (d) Resolution 6(d) must not be cast (in any capacity) by or on behalf of Mr Andrew Parker (and his nominees) or any of their respective associates.

However, a vote may be cast by such a person if:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of the relevant Director (or his respective nominees) or an associate of those persons.

Further, in accordance with section 224 of the Corporations Act, a vote on these Resolutions must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

However, the above prohibition does not apply if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) it is not cast on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party.

Please note: If the Chair is a person referred to in the section 224 Corporations Act voting prohibition statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on the relevant Resolution.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

8. Resolution 7 - Amendment to the Constitution

To consider and, if thought fit, to pass with or without amendment, as a **special resolution** the following:

"That, pursuant to and in accordance with section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to modify its Constitution by making the amendment contained in the document tabled at the Meeting and signed by the Chair for the purposes of identification, with effect from the close of the Meeting."

BY ORDER OF THE BOARD



Simon Noon
Managing Director
Dated: 11 October 2019

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PACIFICO MINERALS LIMITED

ACN 107 159 713

EXPLANATORY MEMORANDUM

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the meeting to be held at the offices of the Australian Institute of Company Directors, Level 1, 77 St Georges Terrace, Perth, Western Australia on Friday the 29th, November 2019 at 11.00 am (WST) (**Meeting**).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

| | |
|------------|--|
| Section 2 | Action to be taken by Shareholders |
| Section 3 | Annual Report |
| Section 4 | Resolution 1 - Remuneration Report |
| Section 5 | Resolution 2 - Re-election of Mr Andrew Parker |
| Section 6 | Resolutions 3(a) and 3(b) - Ratification of prior issues of Placement Shares |
| Section 7 | Resolution 4- Approval of 10% Placement Facility |
| Section 8 | Resolution 5 - Approval of Employee Securities Incentive Plan |
| Section 9 | Resolutions 6(a) to 6(d) - Approval to issue Performance Rights to Directors |
| Section 10 | Resolution 7 - Amendment to the Constitution |
| Schedule 1 | Definitions |
| Schedule 2 | Securities issued in the last 12 months |
| Schedule 3 | Summary of terms of the Plan |
| Schedule 4 | Terms and conditions of Performance Rights |
| Schedule 5 | Valuation of Performance Rights |

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Voting in person

To vote in person, attend the Meeting on the date and at the place set out above.

2.2 Proxies

(a) Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

(b) Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution - the proxy must not vote on a show of hands;
- (iii) if the proxy is the chair of the meeting at which the resolution is voted on - the proxy must vote on a poll, and must vote that way (i.e. as directed); and

- (iv) if the proxy is not the chair - the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).
- (c) Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

2.3 Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)

In accordance with sections 250BD and 250R of the Corporations Act, votes on Resolutions 1, 5 and 6 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolutions 1, 5 and 6 if the vote is not cast on behalf of a person who is excluded from voting on the relevant Resolution and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution, but expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

2.4 Chair's voting intentions

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention. If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 5 or 6 by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

3. Annual Report

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2019.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at www.pacificominerals.com.au;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 - Remuneration Report

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director (if any).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another

meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2018 annual general meeting. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the 2020 annual general meeting, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution.

5. Resolution 2 - Re-election of Mr Andrew Parker

Clause 13.1 of the Constitution provides that no Director (other than the Managing Director) shall be entitled to hold office for more than 3 years without rotation. Similarly, Listing Rule 14.4 provides that a Director (excluding the Managing Director) must not hold office without re-election past the third annual general meeting following that Director's appointment or 3 years, whichever is longer.

In addition, Clause 13.2 of the Constitution requires that one third of the Directors (excluding the Managing Director) must retire at each annual general meeting, or, if their number is not a multiple of 3, then such number as is appropriate to ensure that no Director (other than the Managing Director) holds office for more than 3 years. A retiring director is eligible for re-election.

As at the date of this Notice, the Company has 4 Directors and accordingly, one Director must retire.

Non-Executive Director Mr Andrew Parker was last elected at the annual general meeting held on 16 November 2016. Accordingly, Mr Parker retires at this Meeting and, being eligible, seeks re-election pursuant to Resolution 2.

Andrew Parker holds a law degree from the University of Western Australia and as 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. Mr Parker does not currently hold any other directorships in ASX listed companies.

If re-elected, the Board considers Mr Parker to be an independent Director.

Resolution 2 is an ordinary resolution.

The Board (other than Mr Parker) recommends that Shareholders vote in favour of Resolution 2.

6. Resolutions 3(a) and 3(b) - Ratification of prior issues of Placement Shares

6.1 General

On 2 September 2019, the Company announced that it had received binding commitments for a placement to raise approximately \$4.6 million (before costs) (**Placement**) by the issue of Shares at \$0.008 each (**Placement Shares**) to sophisticated and professional investors (**Placement Participants**).

On 9 September 2019, the Company issued a total of 575 million Placement Shares to Placement Participants using the Company's placement capacity under Listing Rules 7.1 and 7.1A.

Resolutions 3(a) and 3(b) seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Placement Shares.

Resolutions 3(a) and 3(b) are ordinary resolutions.

The Board recommends that Shareholders vote in favour of Resolutions 3(a) and 3(b).

6.2 Listing Rules 7.1, 7.1A and 7.4

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

Listing Rule 7.1A provides that an eligible entity may seek shareholder approval at its annual general meeting to allow it to issue Equity Securities comprising up to 10% of its issued capital. The Company obtained this approval at its annual general meeting held on 30 November 2018.

Listing Rule 7.4 provides an exception to Listing Rule 7.1 and 7.1A. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 or 7.1A (and provided that the previous issue did not breach Listing Rule 7.1 or 7.1A), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1 or 7.1A.

The effect of Shareholders passing Resolution 3(a) and 3(b) will be to restore the Company's ability to issue further Equity Securities, without the requirement to obtain prior Shareholder approval.

6.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Placement Shares:

- (a) a total of 575,000,000 Placement Shares were issued on 9 September 2019 as follows:
 - (i) 346,965,691 Shares were issued within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval; and

- (ii) 228,034,309 Shares were issued within the 10% limit permitted under Listing Rule 7.1A, without the need for Shareholder approval;
- (b) the Placement Shares were issued at \$0.008 per Share;
- (c) the Placement Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Placement Shares were issued to the Placement Participants, being sophisticated and professional investors introduced to the Company by Euroz Securities Limited, and none of whom is a related party of the Company;
- (e) the proceeds from the issue of the Placement Shares are intended to be used towards completing the phase III drilling program, completion of the pre-feasibility study, advancing the definitive feasibility study and for general working capital purposes; and
- (f) a voting exclusion statement is included in the Notice.

7. Resolution 4- Approval of 10% Placement Facility

7.1 General

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1.

Resolution 4 seeks Shareholder approval by way of a special resolution to provide the Company the ability to issue Equity Securities under the 10% Placement Facility during the 10% Placement Period (refer to Section 7.2(f) below). The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2(c) below).

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 4.

7.2 Listing Rule 7.1A

(a) **Is the Company an eligible entity?**

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a market capitalisation of approximately \$29 million, based on the closing price of Shares \$0.010 on Wednesday, 9th October 2019.

(b) **What Equity Securities can be issued?**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the company.

As at the date of the Notice, the Company has on issue two quoted class of Equity Securities; Shares and Quoted Options.

(c) **How many Equity Securities can be issued?**

Listing Rule 7.1A.2 provides that under the approved 10% Placement Facility, the Company may issue or agree to issue a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the number of Shares on issue 12 months before the date of issue or agreement:

(A) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;

(B) plus the number of partly paid shares that became fully paid in the 12 months;

(C) plus the number of fully paid Shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4. This does not include any issue of Shares under the Company's 15% annual placement capacity without Shareholder approval; and

(D) less the number of fully paid Shares cancelled in the 12 months.

Note that "A" has the same meaning in Listing Rule 7.1 when calculating the Company's 15% annual placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

(d) **What is the interaction with Listing Rule 7.1?**

The Company's ability to issue Equity Securities under Listing Rule 7.1A will be in addition to its 15% annual placement capacity under Listing Rule 7.1.

(e) **At what price can the Equity Securities be issued?**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class

calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued,

(Minimum Issue Price).

(f) When can Equity Securities be issued?

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid from the date of Meeting and will expire on the earlier to occur of:

- (i) the date that is 12 months after the date of the Meeting; or
- (ii) the date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

(g) What is the effect of Resolution 4?

The effect of Resolution 4 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without further Shareholder approval or using the Company's 15% annual placement capacity under Listing Rule 7.1.

7.3 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the 10% Placement Facility:

(a) Minimum issue price

If the Company issues Equity Securities for cash consideration under the 10% Placement Facility, then the issue price will be not less than the Minimum Issue Price.

If the Company issues Equity Securities for non-cash consideration under the 10% Placement Facility, then, in accordance with the Listing Rules, the Company will provide a valuation of the non-cash consideration to the market that demonstrates that the issue price of the Equity Securities complies with Listing Rule 7.1A.3.

(b) Risk of economic and voting dilution

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' economic and voting power in the Company will be diluted

as shown in the below table (in the case of Options, only if the Options are converted into Shares).

The below table shows:

- (i) the dilution of existing Shareholders based on the current market price of Shares and the current number of Shares for "A" calculated in accordance with the formula in Listing Rule 7.1A.2 (see Section 7.2(c)) as at the date of the Notice (**Variable A**);
- (ii) two examples where Variable A has increased, by 50% and 100%; and
- (iii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

| Share on issue Variable A in Listing Rule 7.1A.2 | Dilution | | | |
|--|--------------------------|---|------------------------|---|
| | Issue price per Share | \$0.005 50% decrease in Issue Price | \$0.010 Issue Price | \$0.020 100% increase in Issue Price |
| 2,888,104,604 Shares Current Variable A | 10% Voting Dilution | 288,810,460 Shares | 288,810,460 Shares | 288,810,460 Shares |
| | Funds raised | \$1,444,052 | \$2,888,105 | \$5,776,209 |
| 4,332,156,906 Shares 50% increase in current Variable A | 10% Voting Dilution | 433,215,691 Shares | 433,215,691 Shares | 433,215,691 Shares |
| | Funds raised | \$2,166,078 | \$4,332,157 | \$8,664,314 |
| 5,776,209,208 Shares 100% increase in current Variable A | 10% Voting Dilution | 577,620,921 Shares | 577,620,921 Shares | 577,620,921 Shares |
| | Funds raised | \$2,888,105 | \$5,776,209 | \$11,552,418 |

Notes:

1. The table has been prepared on the following assumptions:
 - (a) the issue price is \$0.01 being the closing price of the Shares on ASX on Wednesday, 9th October 2019.
 - (b) Variable A is 2,888,104,604, comprising:
 - (i) 2,313,104,604 existing Shares on issue as at the date of this Meeting, assuming the Company has not issued any Shares in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 and 7.4; and

- (ii) a total of 575,000,000 Shares ratified if Resolutions 3(a) and 3(b) are passed at the Meeting;
 - (c) the Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
 - (d) no convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities; and
 - (e) the issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
2. The number of Shares on issue (i.e. Variable A) may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue, scrip issued under a takeover offer or upon exercise of convertible securities) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting.
 3. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
 5. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

(c) **Final date for issue**

The Company will only issue the Equity Securities under the 10% Placement Facility during the 10% Placement Period.

Shareholder approval of the 10% Placement Facility will cease to be valid if Shareholders approve a transaction under Listing Rule 11.1.2 or 11.2.

(d) Purposes of issues under 10% Placement Facility

The Company may seek to issue Equity Securities under the 10% Placement Facility for the following purposes:

- (i) cash consideration, in which case the Company intends to use funds raised for continued investment in the Company's current assets (including exploration activities and feasibility study expenditure), the acquisition of new resources assets or investments (including expenses associated with such an acquisition), and/or for general working capital; or
- (ii) non-cash consideration for the provision of services to the Company or the acquisition of new resources projects, assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required under Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

(e) Allocation policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company.

Further, if the Company is successful in acquiring new projects, assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new projects, assets or investments.

(f) Issues in the past 12 months

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 30 November 2018.

In the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has issued 1,691,351,874 Equity Securities. This represents 103% of the total number of Equity Securities on issue at the commencement of that 12 month period.

Details of each issue of Equity Securities by the Company during the 12 months preceding the date of the Meeting are set out in Schedule 2.

(g) **Voting exclusion statement**

A voting exclusion statement is included in the Notice.

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

8. Resolution 5 - Approval of Employee Securities Incentive Plan

8.1 General

The Company considers that it is desirable to maintain an employee incentive scheme pursuant to which the Company can issue Equity Securities to attract, motivate and retain key Directors, employees and consultants and provide them with the opportunity to participate in the future growth of the Company.

Resolution 5 seeks Shareholders' approval of the employee incentive scheme titled "Pacifco Minerals Ltd Employee Securities Incentive Plan" (**Plan**) in accordance with Listing Rule 7.2 exception 9(b).

Under the Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Equity Securities in the Company as the Board may decide and on the terms set out in the rules of the Plan.

As announced on 3 July 2019, the Board adopted the Plan earlier in the year and anticipates issuing up to 64.5 million Performance Rights under the Plan to Directors and senior management (refer to Resolutions 6(a) to (d) (inclusive)). A summary of the key terms of the Plan were announced by the Company on 3 July 2019 and is set out in Schedule 3.

In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

Resolution 5 is an ordinary resolution.

The Directors decline to make a recommendation in relation to Resolution 5 due to their material personal interest in the outcome of the Resolution.

8.2 Listing Rules 7.1 and 7.2, exception 9(b)

A summary of Listing Rule 7.1 is contained in Section 6.2 above.

Listing Rule 7.2, exception 9(b) provides an exception to Listing Rule 7.1 such that issues of Equity Securities under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of Equity Securities under the scheme as an exception to Listing Rule 7.1.

If Resolution 5 is passed, the Company will be able to issue Equity Securities under the Plan to eligible participants over a period of 3 years without using the Company's 15% annual placement capacity under Listing Rule 7.1.

However, any future issues of Equity Securities under the Plan to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under Listing Rule 10.14 at the relevant time. For this reason, the Company is also seeking approval under Resolutions 6(a) to (d) (inclusive) for the issue of Performance Rights to Directors under to the Plan.

Shareholders should note that no Equity Securities have previously been issued under the Plan.

9. Resolutions 6(a) to 6(d) - Approval to issue Performance Rights to Directors

9.1 General

The Company is proposing, subject to obtaining Shareholder approval and the adoption of the Plan (refer to Resolution 5), to issue up to a total of 55.5 million Performance Rights to Directors, or their respective nominees, as follows:

| Director | Class A Performance Rights | Class B Performance Rights | Class C Performance Rights | TOTAL |
|---------------|----------------------------|----------------------------|----------------------------|-------------------|
| Simon Noon | 12,000,000 | 12,000,000 | 12,000,000 | 36,000,000 |
| Richard Monti | 2,500,000 | 2,500,000 | 2,500,000 | 7,500,000 |
| Peter Harold | 2,000,000 | 2,000,000 | 2,000,000 | 6,000,000 |
| Andrew Parker | 2,000,000 | 2,000,000 | 2,000,000 | 6,000,000 |
| TOTAL | 18,500,000 | 18,500,000 | 18,500,000 | 55,500,000 |

The Company is in an important stage of development with significant opportunities and challenges in both the near and long-term, and the proposed issue seeks to align the efforts of the Directors in seeking to achieve growth of the Share price and in the creation of Shareholder value. In addition, the Board also believes that incentivising with Performance Rights is a prudent means of conserving the Company's available cash reserves. The Board believes it is important to offer these

Performance Rights to continue to attract and maintain highly experienced and qualified Board members in a competitive market.

The Performance Rights are to be issued under the Company's Plan, the key terms of which were announced by the Company on 3 July 2019.

Subject to the terms and conditions in Schedule 4, the Performance Rights will vest and become convertible into Shares at the holder's election upon satisfaction of the following Milestones on or before 30 June 2022:

| Performance Rights | Milestones |
|--------------------|---|
| Class A | Upon the latter of the following: <ul style="list-style-type: none">- successful completion and announcement of a preliminary feasibility study; and- the VWAP of the Company's Shares as traded on the ASX equals or exceeds A\$0.012 per Share for 10 consecutive Business Days. |
| Class B | Upon the latter of the following: <ul style="list-style-type: none">- successful completion of a definitive feasibility study; and- the VWAP of the Company's Shares as traded on the ASX equals or exceeds A\$0.024 per Share for 10 consecutive Business Days. |
| Class C | Upon the latter of the following: <ul style="list-style-type: none">- the Company successfully securing project finance in an amount of not less than \$50 million (including, not limited to, financing such as off-take agreements, debt, equity, streaming, Build Own Operate and Build Own Operate Transfer); and- the VWAP of the Company's Shares as traded on the ASX equals or exceeds A\$0.04 per Share for 10 consecutive Business Days. |

Subject to adoption of the Plan (refer to Resolution 5),] Resolutions 6(a) to (d) (inclusive) seek Shareholder approval pursuant to Listing Rule 10.14 and sections 195(4), 200E and 208 of the Corporations Act for the issue of up to a total of 55,500,000 Performance Rights under the Plan to the Directors, or their respective nominees.

Resolutions 6(a) to (d) (inclusive) are ordinary resolutions.

9.2 Section 195(4) of the Corporations Act

Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a 'personal interest' are being considered.

All Directors may have a personal interest in the outcome of Resolutions 6(a) to (d) (inclusive) and therefore are not able to form a quorum at a Directors' meeting necessary to carry out the terms of Resolutions 6(a) to (d) (inclusive).

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve upon and make no recommendation as to how Shareholders should vote with respect to Resolutions 6(a) to (d) (inclusive).

9.3 Listing Rule 10.14

Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rules 7.1 or 10.11 is not required.

9.4 Specific information required by Listing Rule 10.15

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Performance Rights:

- (a) the Performance Rights will be issued under the Plan to Messrs Simon Noon, Richard Monti, Peter Harold and Andrew Parker (or their respective nominees), each of whom is a Director;
- (b) the maximum number of Performance Rights to be issued to the Directors (or their respective nominees) is 55,500,000, in the proportions set out in Section 9.1 above;
- (c) the Performance Rights will have an issue price of nil as they will be issued as part of each Director's remuneration package;
- (d) no Securities have previously been issued under the Plan nor has the Plan previously been adopted by Shareholders;
- (e) the persons referred to in Listing Rule 10.14 who are entitled to participate in the Plan are the current Directors, namely Messrs Noon, Monti, Harold and Parker;
- (f) no loan will be provided to the Directors in relation to the issue of the Performance Rights;
- (g) the Performance Rights will be issued no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules); and
- (h) a voting exclusion statement is included in the Notice.

9.5 Section 200E of the Corporations Act

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a "managerial or executive office"

(as defined in the Corporations Act) if an exemption applies or if the benefit is approved by shareholders in accordance with section 200E of the Corporations Act.

The Directors hold "managerial or executive offices" as their details are included in the Directors' Report by virtue of being Directors.

Under the terms and conditions of the Plan and the Performance Rights, circumstances in which the early vesting of Performance Rights are permitted at the Board's discretion include, amongst other things, termination of a participant's employment, engagement or office with the Company, or in other circumstances where the Board exercises its discretion to allow early vesting as well as change of control events, notwithstanding that the Company will comply with its obligations under Listing Rules 10.18 and 10.19.

The termination "benefit" under section 200B of the Corporations Act has a wide operation and relevantly includes, in the context of Resolutions 6(a) to (d) (inclusive), the early vesting of Performance Rights upon the exercise of the Board's discretion or the Board determining to provide that the Performance Rights do not lapse but will continue and be vested in the ordinary course.

Resolutions 6(a) to (d) (inclusive) therefore also seek approval of any termination benefit that may be provided to a Director under the terms and conditions of the Performance Rights proposed to be issued.

9.6 Specific information required by section 200E(2) of the Corporations Act

The value of the potential termination benefits cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Share price at the time of vesting and the number of Performance Rights that will vest or otherwise be affected. The following additional factors may also affect the benefit's value:

- (a) the Director's length of service and the status of the vesting conditions attaching to the relevant Performance Rights at the time the Director's employment or office ceases; and
- (b) the number of unvested Performance Rights that the Director (or their nominee) holds at the time the relevant Director ceases employment or office.

9.7 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Performance Rights constitutes giving a financial benefit and the Directors are related parties of the Company by virtue of being Directors.

It is the view of the Board that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, the Company is seeking approval for the purposes of Chapter 2E of the Corporations Act in respect of the Performance Rights proposed to be issued to the Directors pursuant to Resolutions 6(a) to (d) (inclusive).

9.8 Information requirements for Chapter 2E of the Corporations Act

Pursuant to and in accordance with section 219 of the Corporations Act, the following information is provided in relation to the proposed issue of the Performance Rights:

(a) **Identity of the related parties to whom Resolutions 6(a) to (d) (inclusive) permit financial benefits to be given**

The Performance Rights will be issued to Messrs Simon Noon, Richard Monti, Peter Harold and Andrew Parker, or their respective nominees.

(b) **Nature of the financial benefit**

Resolutions 6(a) to (d) (inclusive) seek approval from Shareholders to allow the Company to issue the Performance Rights in the amounts specified in Section 9.1 above to the Directors or their respective nominees. The Performance Rights are to be issued in accordance with the Plan and otherwise on the terms and conditions in Schedule 4.

The Shares to be issued upon conversion of the Performance Rights will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares. The Company will apply for official quotation of the Shares on ASX.

(c) **Valuation of financial benefit**

The Company has obtained a valuation of the Performance Rights based on the Black Scholes options valuation methodology as set out in Schedule 5, with a summary for each Director below:

| Director | Value of Performance Rights | | | |
|---------------|-----------------------------|----------|----------|----------|
| | Class A | Class B | Class C | TOTAL |
| Simon Noon | \$54,000 | \$32,000 | \$10,800 | \$96,800 |
| Richard Monti | \$11,250 | \$6,750 | \$2,250 | \$20,250 |
| Peter Harold | \$9,000 | \$5,400 | \$1,800 | \$16,200 |
| Andrew Parker | \$9,000 | \$5,400 | \$1,800 | \$16,200 |

(d) **Remuneration of Directors**

The total annual remuneration arrangements current for each of the Directors as at the date of this Notice are set out below:

| Director | Salary and fees (exclusive of superannuation) |
|---------------|---|
| Simon Noon | \$240,000 |
| Richard Monti | \$43,200 |
| Peter Harold | \$32,400 |
| Andrew Parker | \$32,000 |

(e) **Existing relevant interests**

At the date of this Notice, the Directors hold the following relevant interests in Equity Securities of the Company:

| Director | Shares | Quoted Options ¹ | Unquoted Options ² |
|---------------|------------|-----------------------------|-------------------------------|
| Simon Noon | 26,400,000 | 2,100,000 | 8,500,000 |
| Richard Monti | 22,718,766 | 1,941,729 | 4,000,000 |
| Peter Harold | 4,250,495 | 0 | 4,000,000 |
| Andrew Parker | 5,384,262 | 833,333 | 4,000,000 |

Notes:

1. Quoted Options are exercisable at \$0.015 each on or before 21 November 2020.
2. Unquoted Options are exercisable at \$0.015 each on or before 21 November 2020.

Assuming that Resolutions 6(a) to (d) (inclusive) are approved by Shareholders, all of the Performance Rights are issued, vested and exercised into Shares, and no other Equity Securities are issued or exercised, the respective interests of the Directors in the Company would be as follows:

- (i) Mr Noon's interest would represent approximately 2.12% of the Company's expanded capital;
- (ii) Mr Monti's interest would represent approximately 1.03% of the Company's expanded capital;
- (iii) Mr Harold's interest would represent approximately 0.35% of the Company's expanded capital; and
- (iv) Mr Parker's interest would represent approximately 0.39% of the Company's expanded capital.

(f) **Trading history**

The highest and lowest closing market sale prices of the Shares on ASX during the 12 months prior to the date of this Notice were:

Highest: \$0.011 per Share on 26 September 2019

Lowest: \$0.004 per Share on 13, 19, 21 & 27 December 2018;
7, 10, 11, 14, 21, 23, 25 & 30 January 2019; 1, 4, 5,
11, 12, 13, 21, 22 & 28 February 2019

The latest available closing market sale price of the Shares on ASX prior to the date of this Notice was \$0.010 per Share on Wednesday, 9th October 2019.

(g) **Dilution**

The issue of the Performance Rights will have a diluting effect on the percentage interest of existing Shareholders' holdings if the Performance Rights vest and are exercised. The potential (cumulative) dilution effect is summarised below:

| Performance Rights | Dilutionary effect |
|---------------------------|---------------------------|
| Class A | 0.64% |
| Classes A and B | 1.26% |
| Classes A, B and C | 1.89% |

The above table assumes the current Share capital structure as at the date of this Notice being 2,888,104,604 Shares on Wednesday, 9th October 2019 and that no Shares are issued other than the Shares issued on exercise of the Performance Rights. The actual dilution will depend on the extent that additional Shares are issued by the Company.

(h) **Corporate governance**

Mr Noon is an executive director of the Company and therefore the Board believes that the grant of the Performance Rights is in line with Recommendation 8.2 of the 3rd and 4th editions of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The Board acknowledges the grant of the Performance Rights to the non-executive Directors, Messrs Monti, Harold and Parker is contrary to Recommendation 8.2 of the 3rd and 4th editions of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. However, the Board considers the grant of Performance Rights to the non-executive Directors reasonable in the circumstances for the reasons set out in Section 9.1.

(i) **Taxation consequences**

There are no taxation consequences for the Company arising from the issue of the Performance Rights (including fringe benefits tax).

(j) **Director recommendations**

The Directors decline to make a recommendation to Shareholders in relation to Resolutions 6(a) to (d) (inclusive) due to their material personal interests in the outcome of the Resolutions.

(k) **Other information**

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 6(a) to (d) (inclusive).

10. Resolution 7 - Amendment to the Constitution

10.1 General

Under section 136(2) of the Corporations Act, a company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 8 seeks the approval of Shareholders to modify the Company's Constitution by replacing Clause 2.13 as set out in Section 10.2 below.

A copy of the amended constitution is available for review by Shareholders at the office of the Company. A copy of the amended constitution can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

Resolution 8 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board recommends that Shareholders vote in favour of Resolution 8.

10.2 Proposed amendment

ASX is proposing to introduce a number of changes to the escrow regime in the Listing Rules in December 2019 to make aspects of the listing process and ongoing compliance with the Listing Rules more efficient for issuers and for ASX.

Amongst these, ASX is proposing to introduce a two-tier escrow regime where ASX can and will require certain more significant holders of restricted securities and their controllers to execute a formal escrow agreement in the form of Appendix 9A, as is currently the case. However, for less significant holdings, ASX will instead permit entities to rely on a provision in their constitution imposing appropriate escrow restrictions on the holder of restricted securities and to simply give a notice to the holder of restricted securities in the form of a new Appendix 9C advising them of those restrictions.

Accordingly, the Company is seeking Shareholder approval to amend the Constitution to meet the requirements of proposed amended Listing Rules 9 and 15.12 by deleting the current Clause 2.13 and replacing it with the following:

"2.13 Restricted Securities

- (a) *While the Company is on the official list of ASX, the Company must recognise and comply with the Listing Rules with respect to Restricted Securities.*
- (b) *Notwithstanding the generality of clause 2.13(a):*
- (i) *a holder of Restricted Securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;*
 - (ii) *if the Restricted Securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored sub-register and are to have a holding lock applied for the duration of the escrow period applicable to those securities;*
 - (iii) *the Company will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of Restricted Securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;*
 - (iv) *a holder of Restricted Securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX; and*
 - (v) *if a holder of Restricted Securities breaches a restriction deed or a provision of the Constitution restricting a disposal of the Restricted Securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues."*

Schedule 1 - Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$ or A\$ means Australian Dollars.

10% Placement Facility has the meaning given in Section 7.1.

10% Placement Period has the meaning given in Section 7.2(f).

Annual Report means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2019.

ASX means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors.

Chair means the person appointed to chair the Meeting of the Company convened by the Notice.

Clause means a clause of the Constitution.

Closely Related Party has the meaning given in section 9 of the Corporations Act, and includes a spouse or child of the member.

Company means Pacifico Minerals Limited (ACN 107 159 713).

Constitution means the constitution of the Company as at the date of the Meeting.

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

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Security has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the listing rules of ASX.

Meeting has the meaning given in the introductory paragraph of the Notice.

Milestones has the meaning given in Section 9.1.

Notice means this notice of annual general meeting.

Option means an option to acquire a Share.

Performance Rights means up to 55,500,000 performance rights to be issued to Directors on the terms and conditions set out in Schedule 4, which are the subject to Resolutions 6(a) to (d) (inclusive).

Placement has the meaning given in Section 6.1.

Placement Shares means the 575,000,000 Shares issued on 9 September 2019 to the Placement Participants under the Placement, which are the subject of Resolutions 3(a) and 3(b).

Placement Participants has the meaning given in Section 6.1.

Plan means the Company's Employee Securities Incentive Plan which is the subject of Resolution 5, the key terms of which were announced by the Company on 3 July 2019 and are set out in Schedule 3.

Proxy Form means the proxy form attached to the Notice.

Quoted Options means the 351,271,969 Options quoted on the official list of ASX, exercisable at \$0.015 each on or before 21 November 2020.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution referred to in the Notice.

Schedule means a schedule to the Notice.

Section means a section of the Explanatory Memorandum.

Securities means any Equity Securities of the Company (including Shares, Options and Performance Rights).

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

Shareholder means a shareholder of the Company.

Strike means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.

Trading Day has the meaning given in the Listing Rules.

Variable A has the meaning given in Section 7.3(b).

VWAP means volume weighted average market price.

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

Schedule 2 - Securities issued in the last 12 months

Details of each issue of Equity Securities by the Company during the 12 months preceding the date of the Meeting are set out in the table below:

| Date of Issue | Number of Securities | Type of Security | Recipient of Security | Issue Price and details of any discount to Market Price ¹ (if applicable) | Consideration, Use of Funds and Current Value ² as at the date of this Notice |
|---------------|----------------------|-----------------------------|---|---|---|
| 22.11.18 | 267,666,667 | Shares | Professional and sophisticated investors in shortfall from a rights issue announced 7 September 2018 (Rights Issue) | \$0.006 per Share, representing the Market Price on the date of issue | \$1,606,000 (before costs) was raised, all of which has been expended on the acquisition of and an exploration program designed to add to the existing resource base and development studies of the Sorby Hills project, and on working capital requirements. |
| 22.11.18 | 133,833,333 | Quoted Options ³ | Professional and sophisticated investors under the Rights Issue shortfall | Nil issue price (free-attaching to Shares on a 1 for 2 basis) | Nil cash consideration. Free-attaching to Shares under the Rights Issue shortfall. Current Value: \$401,500 |
| 18.12.18 | 16,666,667 | Shares | Professional and sophisticated investors under the Rights Issue shortfall | \$0.006 per Share, representing a premium of 20% to the Market Price on the date of issue | \$100,000 (before costs) was raised, all of which has been expended on the acquisition of and an exploration program designed to add to the existing resource base and development studies of the Sorby Hills project, and on working capital requirements. |
| 18.12.18 | 8,333,333 | Quoted Options ³ | Professional and sophisticated investors under the Rights Issue shortfall | Nil issue price (free-attaching to Shares on a 1 for 2 basis) | Nil cash consideration. Free-attaching to Shares under the Rights Issue shortfall. Current Value: \$25,000 |

| Date of Issue | Number of Securities | Type of Security | Recipient of Security | Issue Price and details of any discount to Market Price ¹ (if applicable) | Consideration, Use of Funds and Current Value ² as at the date of this Notice |
|---------------|----------------------|-----------------------------|--|--|--|
| 15.04.19 | 410,000,000 | Shares | Sophisticated and professional investors introduced to the Company by Euroz Securities Limited under the first tranche of the placement announced 9 April 2019 (April Placement) | \$0.006 per Share, representing the Market Price on the date of issue | \$2,460,000 (before costs) was raised, all of which has been expended on finalising the 75% acquisition of the Sorby Hills project, continued phase II infill and expansion drilling, updating the Mineral Resource estimate for the Sorby Hills project to underpin an optimised pre-feasibility study, and for working capital requirements. |
| 23.05.19 | 256,666,667 | Shares | Sophisticated and professional investors introduced to the Company by Euroz Securities Limited under the second tranche of the April Placement as approved at the Shareholder's meeting on 21.05.19. | \$0.006 per Share, representing the Market Price on the date of issue | \$1,540,000 (before costs) was raised, \$1,200,000 of which has been expended, with the remainder intended to also be spent on finalising the 75% acquisition of the Sorby Hills project, continued phase II infill and expansion drilling, updating the Mineral Resource estimate for the Sorby Hills project to underpin an optimised pre-feasibility study, and for working capital requirements. |
| 23.05.19 | 23,185,207 | Quoted Options ³ | PAC Partners, Discovery Capital and Hartleys (or their respective nominees) for their assistance with the Rights Issue as approved at the Shareholder's meeting on 21.05.19. | Nil issue price (nil cash consideration) | Part consideration for advisory services provided to the Company in connection with the Rights Issue. Current Value: \$69,555 |

| Date of Issue | Number of Securities | Type of Security | Recipient of Security | Issue Price and details of any discount to Market Price ¹ (if applicable) | Consideration, Use of Funds and Current Value ² as at the date of this Notice |
|---------------|----------------------|------------------|--|--|---|
| 09.09.19 | 575,000,000 | Shares | Sophisticated and professional investors under the Placement introduced to the Company by Euroz Securities Limited | \$0.008 per Share, representing a discount of 20% to the Market Price on the date of issue | \$4,600,000 (before costs) was raised, none of which has yet been expended. It is intended that the amount raised will be spent on completing the phase III drilling program and pre-feasibility study, advancing the definitive feasibility study, and for working capital requirements. |

Notes:

1. "Market Price" means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. In respect of quoted Equity Securities the current value is based on the closing price of the Shares (\$0.010) and Quoted Options (\$0.002) on ASX on Wednesday, 9th October 2019.
3. Quoted Options exercisable at \$0.015 each on or before 21 November 2020 (ASX Code: PMYO).

Schedule 3 - Summary of Terms of Plan

1. **(Eligible Participant):** Eligible Participant means a person that:
 - (a) is an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
 - (b) has been determined by the Board to be eligible to participate in the Plan from time to time.
2. **(Purpose):** The purpose of the Plan is to:
 - (a) assist in the reward, retention and motivation of Eligible Participants;
 - (b) link the reward of Eligible Participants to Shareholder value creation; and
 - (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

3. **(Plan administration):** The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.
4. **(Eligibility, invitation and application):** The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part. If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

5. **(Grant of Securities):** The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
6. **(Terms of Convertible Securities):** Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

7. **(Vesting of Convertible Securities):** Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

8. **(Exercise of Convertible Securities and cashless exercise):** To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

9. **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

10. **(Forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that

any applicable vesting conditions have not been met or cannot be met by the relevant date; and

any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

11. **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
12. **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Plan Shares**) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
13. **(Disposal restrictions on Plan Shares):** If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or

take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

14. **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

15. **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
16. **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.
17. **(Plan duration):** The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

Schedule 4 - Terms and conditions of Performance Rights

1. Performance Rights and Milestones

The following Performance Rights are granted under the Plan:

| Performance Rights | Milestones |
|--------------------|---|
| Class A | Upon the latter of the following: <ul style="list-style-type: none">- successful completion and announcement of a preliminary feasibility study; and- the VWAP of the Company's Shares (as defined in the Listing Rules) as traded on the ASX equals or exceeds A\$0.012 per Share for 10 consecutive Business Days. |
| Class B | Upon the latter of the following: <ul style="list-style-type: none">- successful completion of a definitive feasibility study; and- the VWAP of the Company's Shares traded on the ASX equals or exceeds A\$0.024 per Share for 10 consecutive Business Days. |
| Class C | Upon the latter of the following: <ul style="list-style-type: none">- the Company successfully securing Project Finance* in an amount of not less than \$50 million; and- the VWAP of the Company's Shares traded on the ASX equals or exceeds A\$0.04 per Share for 10 consecutive Business Days. |

* Project Finance includes but is not limited to financing such as off-take agreements, debt, equity, streaming, Build Own Operate and Build Own Operate Transfer.

In the event of any inconsistency between the Plan and these terms and conditions, these terms and conditions will apply to the extent of the inconsistency.

2. Vesting

The Performance Rights will vest on the date the Milestone relating to those Performance Rights has been satisfied. The Company will notify the Participant in writing when the relevant Milestones have been satisfied (**Vesting Notice**).

3. Consideration

The Performance Rights will be granted to the Participant (or their permitted nominee) for nil cash consideration.

4. Exercise Price

The Exercise Price of each vested Performance Right is nil.

5. Expiry Date

Each Performance Right will expire on the earlier to occur of:

- (a) 30 June 2022; and
- (b) the Performance Right lapsing and being forfeited under the Plan or these terms and conditions,

(Expiry Date). For the avoidance of doubt any vested but unexercised Performance Rights will automatically lapse on the Expiry Date.

6. Conversion

Upon vesting, each Performance Right will, at the Participant's election, convert into one fully paid ordinary share in the Company (**Share**). The Participant may apply to exercise vested Performance Rights at any time prior to the Expiry Date by filling out a notice of exercise in the form provided by the Company and returning to the Company Secretary (**Notice of Exercise**).

7. Transfer

The Performance Rights are not transferable unless they have vested and only with the prior written approval of the Board and subject to compliance with the Corporations Act and the Listing Rules.

8. Quotation

No application for quotation of the Performance Rights will be made by the Company.

9. Participation in entitlements and bonus issues

Subject always to the rights under items 10 and 11, holders of Performance Rights will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

10. Adjustment for bonus issue

If securities are issued pro-rata to shareholders generally by way of bonus issue (other than an issue in lieu of dividends by way of dividend reinvestment), the number of Performance Rights to which the holder is entitled will be increased by that number of securities which the holder would have been entitled if the Performance Rights held by the holder were exercised immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Listing Rules at the time of the bonus issue.

11. Reorganisation of capital

In the event that the issued capital of the Company is reconstructed, all the holder's rights as a holder of Performance Rights will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the holder's economic and other rights are not diminished or terminated.

12. Dividend and voting rights

The Performance Rights do not confer on the holder an entitlement to vote at general meetings of the Company or to receive dividends.

13. Shares issued on exercise

All Shares issued upon the exercise of Performance Rights will upon issue rank *pari passu* in all respects with the then Shares of the Company.

14. Timing of issue of Shares and quotation of Shares on exercise

As soon as practicable after the issue of a Notice of Exercise by the Participant, the Company will:

- (a) issue, allocate or cause to be transferred to the Participant the number of Shares to which the Participant is entitled under the Plan;
- (b) issue a substitute Certificate for any remaining unexercised Performance Rights held by the Participant;
- (c) if required and subject to paragraph 15, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (d) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules and subject to the expiry of any restriction period that applies to the Shares under the Corporations Act or the Listing Rules.

15. Restrictions on transfer of Shares

If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on conversion of the Performance Rights may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

16. Leavers

The Participant will become a "Leaver" when the Participant ceases employment, engagement or office with the Company or any of its subsidiaries. Where the Participant becomes a Leaver, all unvested Performance Rights will automatically be forfeited, unless the Board otherwise determines in its discretion to permit some or all of the Performance Rights to vest.

17. Change of Control Event

If a Change of Control Event occurs, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Performance Rights will be dealt with, including, without limitation, in a manner that allows the holder of the Performance Rights to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.

Schedule 5 - Valuation of Performance Rights

Stantons International Securities

PO Box 1908
West Perth WA 6872
Australia

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West Perth WA 6005
Australia

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24 September 2019

The Directors
Pacifco Minerals Limited
Level 10, 105 St Georges Terrace
PERTH WA 6000

Dear Sirs,

At the request of Jerry Monzu on behalf of Pacifco Minerals Limited ("**Pacifco**" or the "**Company**") on 20 September 2019, Stantons International Securities Pty Ltd hereby sets out our technical valuation for the following performance rights, to be granted to the directors of the Company on shareholder approval:

(i) **Class A Performance Rights** – 18,500,000 performance rights to be granted on shareholder approval, with an expiry date of 30 June 2022. The performance rights will vest on the latter of the following:

- Successful completion and announcement of a preliminary feasibility study
- The volume weighted average price ("**VWAP**") of the Company's shares as traded on the ASX being equal to or exceeding 1.2 cents for 10 consecutive business days

Each performance right will convert to one ordinary share on the vesting conditions being met. The performance rights will be issued to the directors as follows:

- Mr Simon Noon – 12,000,000
- Mr Richard Monti – 2,500,000
- Mr Peter Harold – 2,000,000
- Mr Andrew Parker – 2,000,000

(ii) **Class B Performance Rights** – 18,500,000 performance rights to be granted on shareholder approval, with an expiry date of 30 June 2022. The performance rights will vest on the latter of the following:

- Successful completion of a definitive feasibility study
- The VWAP of the Company's shares as traded on the ASX being equal to or exceeding 2.4 cents for 10 consecutive business days

Each performance right will convert to one ordinary share on the vesting conditions being met. The performance rights will be issued to the directors as follows:

- Mr Simon Noon – 12,000,000
- Mr Richard Monti – 2,500,000
- Mr Peter Harold – 2,000,000
- Mr Andrew Parker – 2,000,000

(iii) **Class C Performance Rights** – 18,500,000 performance rights to be granted on shareholder approval, with an expiry date of 30 June 2022. The performance rights will vest on the latter of the following:

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- The Company successfully securing project finance in an amount of not less than \$50 million (including, but not limited to, financing such as off-take agreements, debt, equity, streaming, Build Own Operate and Build Own Operate Transfer); and
- The VWAP of the Company's shares as traded on the ASX being equal to or exceeding 4.0 cents for 10 consecutive business days

Each performance right will convert to one ordinary share on the vesting conditions being met. The performance rights will be issued to the directors as follows:

- Mr Simon Noon – 12,000,000
- Mr Richard Monti – 2,500,000
- Mr Peter Harold – 2,000,000
- Mr Andrew Parker – 2,000,000

We note that there are no additional vesting conditions other than that the holder continuously acts as a director of the Company.

Additionally, we note that the Company is seeking shareholder approval for a 15:1 consolidation of the shares simultaneously to the issue of the performance rights, which will alter the number and terms of the performance rights on issue.

This valuation is prepared for financial reporting purposes in accordance with AASB 2: *Share Based Payments* ("AASB 2").

Performance Right Valuation

In arriving at our performance rights valuation, we note the following.

1. The Black Scholes option valuation methodology has been used.
2. The performance rights are issued for nil consideration, and therefore are treated as zero exercise price options under Black Scholes methodology.
3. The undiscounted fair value for a performance right, as a zero exercise option, is equivalent to the underlying share price on the date of issue.
4. The closing price of Pacifico shares as at the close of business on 23 September 2019 was 0.9 cents. This date is the deemed date of grant for the performance rights issue, and this price is the deemed spot prices for the valuation purpose.
5. We have used the three year Australian Government bond rate as a proxy for the risk free rate, being approximately 0.73% as at 23 September 2019.
6. We have assumed that no dividends are expected to be announced or paid during the term of the performance rights.
7. We note the historical volatility factor for Pacifico shares over the 12 month period to 23 September 2019 was 135.29% and we have used this as the expected volatility factor.
8. As the performance rights are subject to a market based vesting condition, under AASB 2 the effect of this vesting condition should be included in the valuation of the Performance Rights on the date of issue, by applying a discount factor. This factor takes into account the probability that the vesting conditions will not be met by the expiration date and reduces the fair value accordingly.
9. The discount factor for the market based vesting conditions has been estimated by a probability proxy that the Pacifico share price will reach at least 1.2 cents, 2.4 cents and 4.0

cents for the three classes respectively by 30 June 2022. It is assumed that returns follow a normal probability distribution, and the corresponding required returns are 33.33%, 166.67% and 344.44% over the initial 0.9 cent share price. The assumption that the annual volatility is 135.29% is equivalent to an expected volatility factor of 225.05% over the period of the performance rights. Furthermore, we have assumed an annual expected mean return of 10% per annum, equivalent to an expected return of 30% over the period of the performance rights.

Using a normal probability distribution and the above assumptions, the probability that the returns exceed the required amounts for vesting are 49.44%, 27.21% and 8.13% respectively, which implies a discount rate of 50.56%, 72.79% and 91.87% respectively.

We note the approach above is an imperfect proxy, as it only considers the required return being achieved on the expiration date, whereas under the performance right terms a VWAP needs to be achieved for 10 consecutive days, and can be done so at any time prior to the expiration date. On balance we have chosen to apply discount factors of 50%, 70% and 90% to the undiscounted fair value of the performance rights to account for the market based vesting conditions.

We note that over the one year period up to and including 23 September 2019 the shares of Pacifico as traded on the ASX had a range of 0.4 cents to 1.1 cent.

10. We note that under AASB 2, as the initial valuation accounts for the market based vesting condition, the fair value is not adjusted in the future irrespective of changes in the probability of meeting the vesting condition. Also, the Company cannot in future years reverse the recognised expense should the performance vesting condition not be met.
11. In addition, the performance rights are subject to non-market service conditions. In accordance with AASB 2.19, non-market vesting conditions are not taken into account for assessing the fair value at the measurement date. As per AASB 2.19 and 2.20, they should be assessed separately, and recognised by adjusting the number of performance rights based on the best available estimate of the number of rights that are expected to vest, according to the probability of meeting the vesting conditions. If subsequent information indicates that the number of performance rights expected to vest differs from previous estimates, then this value should be revised.

In accordance with AASB 2, at the date of issue of the performance rights, the Company's directors will need to estimate the date on which each non-market based performance condition will be met, and account for (i.e. expense) the value of the performance right over the period from date of issue to this date (the maximum time will be the expiry period as noted above). At this time, the value of the performance rights will need to be adjusted to account for the value over the estimate vesting period.

Our assessment of the value of each class of performance rights is summarised below.

| Holder | Class | Number | Undiscounted value (cents) | Discount factor (%) | Discounted value (cents) | Total value (\$) |
|---------------|-------|------------|----------------------------|---------------------|--------------------------|------------------|
| Simon Noon | A | 12,000,000 | 0.90 | 50 | 0.45 | 54,000 |
| Richard Monti | A | 2,500,000 | 0.90 | 50 | 0.45 | 11,250 |
| Peter Harold | A | 2,000,000 | 0.90 | 50 | 0.45 | 9,000 |
| Andrew Parker | A | 2,000,000 | 0.90 | 50 | 0.45 | 9,000 |
| Simon Noon | B | 12,000,000 | 0.90 | 70 | 0.27 | 32,400 |
| Richard Monti | B | 2,500,000 | 0.90 | 70 | 0.27 | 6,750 |
| Peter Harold | B | 2,000,000 | 0.90 | 70 | 0.27 | 5,400 |
| Andrew Parker | B | 2,000,000 | 0.90 | 70 | 0.27 | 5,400 |
| Simon Noon | C | 12,000,000 | 0.90 | 90 | 0.09 | 10,800 |
| Richard Monti | C | 2,500,000 | 0.90 | 90 | 0.09 | 2,250 |
| Peter Harold | C | 2,000,000 | 0.90 | 90 | 0.09 | 1,800 |
| Andrew Parker | C | 2,000,000 | 0.90 | 90 | 0.09 | 1,800 |

12. The valuations noted above are not necessarily the market prices that the performance rights could be traded at and are not necessarily the market prices for taxation purposes. The recipients of these performance rights should seek their own advice as to the tax treatments of receiving these rights.

Should you wish to discuss the above, do not hesitate to contact the undersigned.

Yours faithfully

STANTONS INTERNATIONAL SECURITIES PTY LTD
(Trading as Stantons International Securities)



James Turnbull

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If you are attending the meeting in person, please bring this with you for Securityholder registration.

[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

[HolderNumber]

Holder Number:
[HolderNumber]

Vote by Proxy: [CompanyASXCode]

Your proxy voting instruction must be received by **11.00pm (WST) on Wednesday 27 November 2019**, being not later than **48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the Investor portal: <https://investor.automic.com.au/#/home>. Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly, or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided.

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all of the Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.

| | | | | |
|---------|---|---|---|---|
| Contact | Return your completed form | | All enquiries to Automic | |
| | BY MAIL Automic GPO Box 5193 Sydney, NSW 2001 | IN PERSON Automic Level 5, 126 Philip Street Sydney, NSW 2000 | BY EMAIL meetings@automicgroup.com.au | WEBCHAT https://automic.com.au/ |

STEP 1: Appoint Your Proxy

Complete and return this form as instructed only if you do not vote online

I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of Pacifico Minerals Ltd, to be held at **11.00am (WST) on Friday 29 November at Level 1, 77 St Georges Terrace, Perth Western Australia** hereby:

Appoint the Chairman of the Meeting (Chair) OR if you are not appointing the Chairman of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

| | | | | | | | | | | | | | | | | | | | | | | | |
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| | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.
 Unless indicated otherwise by ticking the "or," against" or "contest" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS
 Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 5 and 6 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 5 and 6 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

STEP 2: Your Voting Direction

| Resolutions | For | Against | Abstain | Resolutions | For | Against | Abstain |
|--|--------------------------|--------------------------|--------------------------|--|--------------------------|--------------------------|--------------------------|
| 1. Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 6a. Approv. to issue Performance Rights to Directors - Mr Simon Noon | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Re-election of Mr Andrew Parker | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 6b. Approv. to issue Performance Rights to Directors - Mr Richard Monaghan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3a. Ratification of Prior Issues of Placement: Shares – 7.1 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 6c. Approv. to issue Performance Rights to Directors - Mr Peter Harold | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3b. Ratification of Prior Issues of Placement: Shares – 7.1A | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 6d. Approv. to issue Performance Rights to Directors - Mr Andrew Parker | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Approv. of 10% Placement: Facility | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 7. Amendment to the Constitution | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Approv. of Employee Securities Incentive Plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3: Sign Here + Contact Details

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

| | | |
|---|--|---|
| Individual or Securityholder 1 | Securityholder 2 | Securityholder 3 |
| <div style="border: 1px solid black; width: 100%; height: 100%;"></div> | <div style="border: 1px solid black; width: 100%; height: 100%;"></div> | <div style="border: 1px solid black; width: 100%; height: 100%;"></div> |
| Sole Director and Sole Company Secretary | Director | Director / Company Secretary |
| Contact Name: | | |
| <div style="border: 1px solid black; width: 100%; height: 100%;"></div> | | |
| Fmcl. Address: | | |
| <div style="border: 1px solid black; width: 100%; height: 100%;"></div> | | |
| Contact Daytime Telephone: | Date (DD/MM/YY) | |
| <div style="border: 1px solid black; width: 100%; height: 100%;"></div> | <div style="border: 1px solid black; display: inline-block; padding: 2px 5px;"> </div> / <div style="border: 1px solid black; display: inline-block; padding: 2px 5px;"> </div> / <div style="border: 1px solid black; display: inline-block; padding: 2px 5px;"> </div> | |

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).