

ANNUAL REPORT

ABN 43 107 159 713

2019



CORPORATE DIRECTORY

DIRECTORS

Richard Monti (Non-Executive Chairman)

Simon Noon (Managing Director)

Peter Harold (Non-Executive Director)

Andrew Parker (Non-Executive Director)

COMPANY SECRETARY

Jerry Monzu

REGISTERED OFFICE

Level 10, 105 St Georges Terrace

PERTH WA 6000

SHARE REGISTRY

Automic Group Pty Ltd

Level 2, 267 St Georges Terrace

PERTH WA 6000

BANKERS

Australian and New Zealand Banking Group Limited

Level 1, 1275 Hay Street

WEST PERTH WA 6005

AUDITOR

Stantons International

Level 2, 1 Walker Avenue

WEST PERTH WA 6005

STOCK EXCHANGE LISTING

Pacifico Minerals Limited shares are listed on the

Australian Stock Exchange under the ticker code 'PMY'.

WEBSITE ADDRESS

www.pacificominerals.com.au

Cover Image: Sealed road from Kununurra to Sorby Hills

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FORWARD LOOKING STATEMENTS

This Annual Report may contain forward looking statements. Such statements are only predictions, based on certain assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control. Actual events or results may differ materially from the events or results expected or implied in any forward-looking statement. The inclusion of such statements should not be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions or that any forward-looking statements will be or are likely to be fulfilled. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this document (subject to securities exchange disclosure requirements). The information in this document does not consider the objectives, financial situation or needs of any person. Nothing contained in this document constitutes investment, legal, tax, or other advice.

CHAIRMAN'S REPORT



Dear Fellow Shareholders,

On behalf of your Board of Directors, I am delighted to present the 2019 Annual Report.

It has been another difficult year for the junior resource sector with a challenging market sentiment and an uncertain global political and economic environment. Moreover, recent times have been especially tough for junior explorers. Pacifico undertook a significant change of tack just over a year ago when we acquired the Sorby Hills Lead-Silver-Zinc deposit. After spending numerous years exploring in Australia and South America with limited luck, we made the deliberate decision to acquire a more advanced project. The Sorby Hills deposit has an interesting history. It was discovered in the 1970's by Elf Aquitaine in their search for petroleum in the

onshore Bonaparte Basin. Sorby Hills has subsequently been held by both junior and major resource companies, but it would seem none with the true conviction to develop the deposit into a profitable mine.

What Pacifico brings to the project is just that – the dedication and conviction to make this deposit a profitable mine. To this end we have updated a pre-existing PFS in March this year and are now well into an optimised PFS study which will be completed by January 2020. Our belief in the Sorby Hills Project is based on its many positive attributes – a large global resource, mineable by open pit, great metallurgy, outstanding existing infrastructure, granted Mining Leases and Western Australian Environmental Protection Authority approval in place. We also have a very supportive 25% Joint Venture partner for the Project– Henan Yuguang Gold and Lead Co. Ltd.– who controls China's largest lead smelting capacity and is the country's largest silver producer.

To you our Shareholders, the Board is grateful for your continued support. To our committed and exceptional team, your Board commend you for your dedicated services. To my fellow Board members, your support has been invaluable during the past year.

We look forward to an exciting year as we move the Sorby Hills Project through feasibility and towards development.

A handwritten signature in blue ink, appearing to read 'Richard Monti'. The signature is stylized and cursive.

Richard Monti

Chairman

OPERATIONS REPORT

PROJECTS

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

The Project is 50km from the regional centre of Kununurra (Figure 1). There are existing sealed roads to transport concentrate from site to the facilities at Wyndham Port, a distance of 150km, and established infrastructure allows for fast track production. Pacifco completed the acquisition of its 75% interest in the Project on 5 October 2018 and our Joint Venture Partner, with a contributing 25% interest, is Henan Yuguang Gold and Lead Co Ltd.

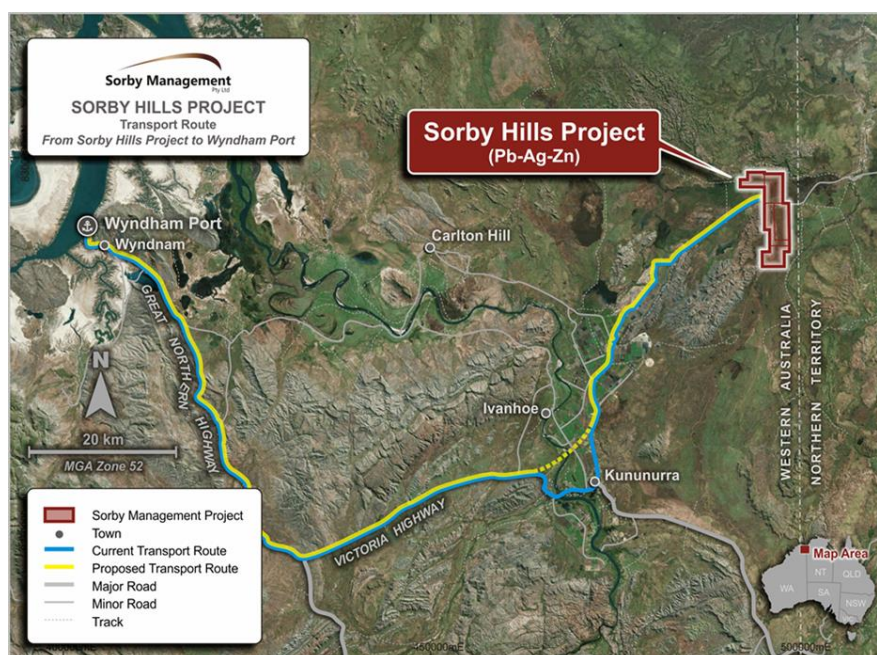


Figure 1: Transport Route from the Project to Wyndham Port.

Geology

Most of the mineralisation occurs as a sediment replacement deposit predominantly along the flat-lying contact between an upper siltstone (Knox Sediments) and a lower dolomite (Sorby Dolomite), confirmed by geological logging and interpreted rock geochemistry using a portable XRF.

Phase I Drilling Campaign

Completed in 2018, the Phase I drilling campaign included a combination of reverse circulation ('RC') to end of hole and RC pre-collar with diamond drilled tails to end of hole and was designed to provide angled and oriented diamond drill core into the B, C, CD link, D, F and I deposits.

Drill core demonstrated simple mineralisation consisting mostly of coarse silver bearing galena (lead sulphide). The campaign clearly delineated between ore and waste and highlighted the coarse-grained nature of the galena (favourable for pre-concentration prior to grinding and flotation). Drill core from the campaign is being utilised to assess various density separation techniques to separate ore from waste rock to form a pre-concentrated product prior to further concentration via a lead flotation circuit.

Final assay results for Phase I were received in the June quarter. Drilling results confirmed that C, DE, and F deposits are linked and can be referred to as a single deposit (CDEF) with a strike length of 1.7km and which may be minable with a single open cut.

OPERATIONS REPORT (CONTINUED)

CDEF Deposit

Drilling at this deposit provided an understanding of the geological controls and continuity, enabling a significant portion of the Inferred Resources to be converted to Indicated Resources. Intersections at the centre of this deposit include ACD046 with **20.0m of 7.3% Pb, 56g/t Ag and 0.4% Zn**.

The western side of this deposit has shallow, flat-lying, moderate-grade mineralisation on the western side of the deposit. To the east there is a fault zone with an overall drop of 60 to 100m. The greatest mineralisation lies immediately to the west of, and within, this fault zone. Mineralisation continues east at depth as a flat to gently dipping horizon. In the northern part of the deposit, drill hole AF012 intersected **15.0m of 5.8% Pb, 81g/t Ag and 0.1% Zn** and AF005 intersected **11.7m of 10.8% Pb, 105g/t Ag and 0.4% Zn**.

I Deposit

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

B Deposit

The B deposit is interpreted as two lenses separated by a low angle fault. Intersections include AB033 with **16m of 4.9% Pb, 0.69% Zn and 20g/t Ag**.



Figure 2: Drilling at the Sorby Hills Joint Venture Project.

Updated Mineral Resource Estimate

The Company completed an updated Mineral Resource Estimate ('MRE') during the March quarter based on analyses received from an initial 34 holes from the Phase I drilling program, initial results from an independent mining study supporting a change in cut-off grade, and a greater understanding of the geological stratigraphy and structure.

Results saw an 82% increase in the tonnage of the Global Resource, now **29.97Mt of 4.7% Pb equivalent** ((3.7% Pb, 43g/t Ag) and 0.6% Zn using a 1.0% Pb cut off). Within the Global Resource there was a 123% increase in the tonnage of Indicated Resources, now **10.85Mt with a grade of 5.0% Pb equivalent** ((3.9% Pb, 46g/t Ag) and 0.4% Zn using a 1.0% Pb cut off).

Table 1. JORC MRE at 1.0% Pb Cut Off Grade (Except Alpha Zn Deposit, Zn > 1.0%)

JORC Classification	Tonnes (kt)	Pb%	Zn %	Ag g/t
Indicated	10,850	3.9	0.4	46
Inferred	19,130	3.6	0.7	42
Total	29,980	3.7	0.6	43

OPERATIONS REPORT (CONTINUED)

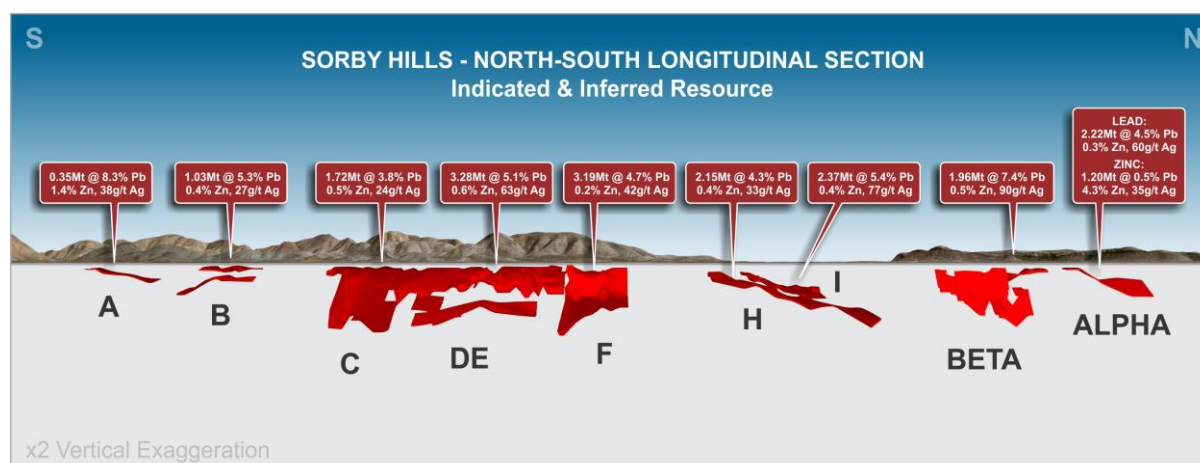


Figure 3: Sorby Hills Looking West Showing Mineralisation at a Slight Oblique View. Red Blocks Represent Mineralisation from the Block Model of the MRE Drilling at the Project.

Updated Pre-Feasibility Study

During the period, the Company released the results of an updated Pre-Feasibility Study ('PFS'). Working with an update of the most recent MRE, the PFS envisaged a 1Mtpa throughput rate over an initial 8-year mine life. The proposed mine plan targets high grade lead-silver mineralisation within the Indicated Resources category. The PFS combines ore drawn from three open pits with a processing plant employing conventional milling and flotation with a beneficiation plant between the coarse crush (dry end) and the grind and flotation circuit (wet end).

The PFS indicated steady state annual production of concentrate containing approximately 31.125ktpa of lead and 1.17Mozpa of silver. Pre-production capital expenditure is estimated to be A\$95.4M (including A\$10.5M contingency) and lead C1 direct cash costs of production of US\$0.06/lb (inclusive of silver by-product credits). Using a lead price of US\$0.92/lb and silver price of US\$15.40/oz with an exchange rate of A\$1= US\$0.70 results in an estimated NPV of A\$243M (at an 8% discount rate) and an IRR of 62%.

Key outcomes of the PFS are presented in Tables 2 and 3 below.

Table 2. Production Metrics

Mining Rate	1 Mtpa
Initial Mine Life	8 Years
LOM Lead Metal Production	249 Kt
LOM Silver Metal Production	9.35 Moz
Lead C1 Direct Cash Costs (including Silver Credits)	US\$ 0.16/lb A\$ 0.24/lb

Table 3. Capital Investments and Project Economics

Pre-Production Capital	\$95.4M
Steady-State Average Cashflows	\$60M
Project Payback from Commercial Production	16 Months
Pre-Tax NPV (8% Discount Rate)	\$243M
Pre-Tax IRR	62%

OPERATIONS REPORT (CONTINUED)

Phase II Drilling Campaign

The Phase II infill and extension drilling campaign commenced in May 2019 with an intention to combine the updated MRE with recent metallurgical testwork results and progressing mining studies to enhance Project economics and improve confidence in an Optimised PFS scheduled for completion in January 2020.

The program focused on shallow mineralisation at the B and CDEF deposits above 100m depth, that may be mineable by open pit. It was designed with assistance from mining and geotechnical consultants Entech Mining with an aim to convert Inferred Resources to Indicated Resources, provide geotechnical information for pit designs (pit wall stability), and deliver representative samples for further metallurgical work.



Figure 3: Semi Massive Galena (Grey, Metallic) Replacement. ACD080, 32.8m.

Part of an Interval 25.7m to 37.9m (12.2m Length) of Well Mineralised Core – Consisting of Strong Galena, Some Pyrite and Minor Sphalerite.

Drilling consisted of thirty RC holes, including ten as pre-collars to diamond drilled tails, and forty-five HQ3 diamond holes for a total of 5,959m (including 427m mud rotary). Most holes were inclined at 60° and drilled towards the west (azimuth 270°).

Most of the core, and all the RC samples were logged during the report period and visual assessment of lead mineralisation indicates that significant intersections were obtained. As well as expected galena (lead sulphide) (Figures 3, 4 and 5) in mineralised intersections, significant amounts of sphalerite (zinc sulphide) were observed in the drill core (Figures 6 and 7).

CDEF DEPOSIT

Abundant coarse galena was logged through many of the Phase II drill holes in the northern section of CDEF deposit.

Analysis results for twelve drill holes with significant intersections at the northern part of this deposit were outstanding at the completion of the Updated MRE in the March quarter. Through combining these with Phase II infill results, it is expected that the Company will be able to convert a significant portion of the current Inferred Resource to Indicated Resource.



Figure 4: Crystalline Galena in ACD080 32.8m (Freshly Broken Core). Part of an Interval 25.7m to 37.9m of Well Mineralised Core – Consisting of Strong Galena, Some Pyrite and Minor Sphalerite.

Phase I Metallurgical Testwork Program

During the period, Pacifico released results from the Phase I metallurgical testwork program conducted by ALS Metallurgical Services (under management by Simulus) to assess beneficiation options and support previous flotation performance.

Results confirmed the potential for the Project to produce high quality lead concentrate containing appreciable silver credits. Flotation recoveries were higher than the assumptions used in the recent PFS. Cleaner flotation testing confirmed that a final concentrate grade of 65% Pb can be produced. Meanwhile, rougher flotation testing with sulphidisation indicated up to 96% Pb and 95% Ag recovery on Fresh composite and up to 91% Pb and 95% Ag recovery on Oxide composite. Favourable results were received from further heavy liquid separation testwork to upgrade the ores with lead losses lower than the 10% assumed in the recent PFS.

OPERATIONS REPORT (CONTINUED)

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

Preliminary ore sorting testwork returned 1.3x and 1.4x upgrades for lead and silver respectively using XRT with lead losses of 2-3%.

Ongoing testwork will support both the Optimised PFS and the Definitive Feasibility Study planned to commence in 2020 using samples from the Phase II drilling program.

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

The Project consists of eight exploration licences and one mining licence spanning approximately 1,376 km² within the McArthur and Mt Isa Basins, host to several world-class mines including McArthur River, Mount Isa, Teena, and Century. Our Joint Venture Partner, with a contributing 49% interest, is Sandfire Resources NL. Pacifico also owns a 100% interest in the strategically located tenement EL31354.

During the September quarter EL28540, EL28541 and EL28534 were relinquished as part of an ongoing ground rationalisation.

No significant exploration was carried out during the reporting period and further work is on hold as the Company focuses on the Sorby Hills Project.

MOUNT JUKES PROJECT, TASMANIA – GOLD, BASE METALS (PACIFICO 15%)

The Mt Jukes Project is adjacent to the Mt Lyell copper-gold project in Tasmania. Corona Resources Limited is the operator and manager of this Project. Further details can be found at www.coronaresources.com.au.

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

Pacifico controls two prospective exploration licences in South Australia (EL6168 and EL6169). The tenements lie in the central part of the Adelaide Geosyncline of South Australia.

During the period, Pacifico conducted a reconnaissance program focusing on confirming highly anomalous cobalt, manganese and zinc grades previously documented at the Muttabee and Prouts mines in the area.

Further exploration work is on hold to allow the Company to focus on the Sorby Hills Project.

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

The Violin Project is about 250km south-west of Mexico City, within the Guerrero Gold Belt which contains several major gold deposits and mines.

While Pacifico's exploration results were encouraging, the Company elected to relinquish its option to acquire the 100% interest in the Project as the Board thought it prudent to focus on the Sorby Hills Project.

COLOMBIAN PROJECTS – GOLD, COPPER, SILVER (PACIFICO 100%)

The Berrio Project is situated within the southern part of the Segovia Gold Belt, from which several million ounces of gold have been produced over the past century. The Project is 35km from the Magdalena River, which is navigable to the Caribbean Sea, and has excellent infrastructure in place. The Project area is underlain by the Segovia and Antioquia Batholiths which are prospective for large gold systems in vein and stockwork systems.

The Natagaima Project is situated in the department of Tolima, 5km west of the Magdalena River. It is located within the Middle Cauca Porphyry Belt.

The Urrao Project is part of the Choco Porphyry copper belt and is located 35km northwest of Tarso.

OPERATIONS REPORT (CONTINUED)

Pacifico's Urrao and Natagaima Projects are considered highly prospective for the discovery of economic copper-gold deposits.

Work on the Colombian Projects has been suspended while the Company focuses on the Sorby Hills Project. Pacifico is working towards securing Joint Venture Partners or buyers for the Colombian Projects to add value their shareholders.

COMPETENT PERSON STATEMENTS

DAVID PASCOE

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

GEOFF REED

The information that relates to Mineral Resources for the DE pod is based on, and fairly represents, information compiled by Mr Geoff Reed, a Competent Person, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Reed is employed by Breakaway Mining Services, an independent consulting company. Mr Reed has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Reed consents to the inclusion in this 2019 Annual Report of the matters based on his information in the form and context in which it appears. Pacifico is not aware of any new information or data, other than that disclosed in this report, that materially affects the information included in this report and that all material assumptions and parameters underpinning Mineral Resource Estimates continue to apply and have not materially changed.

DAVID WILLIAMS

The information that relates to Mineral Resources for the A, B, C, F, H, I, Alpha and Beta pods is based on, and fairly represents, information compiled by Mr David Williams, a Competent Person, who is a Member of The Australian Institute of Geoscientists. Mr Williams is employed by CSA Global Pty Ltd, an independent consulting company. Mr Williams has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Williams consents to the inclusion in this 2019 Annual Report of the matters based on his information in the form and context in which it appears. Pacifico is not aware of any new information or data, other than that disclosed in this report, that materially affects the information included in this report and that all material assumptions and parameters underpinning Mineral Resource Estimates continue to apply and have not materially changed.

DIRECTORS' REPORT

Your Board of Directors ('Board' or 'Directors') present their report on the consolidated entity (referred to hereafter as the Group) consisting of Pacifico Minerals Limited and the entities it controlled at the end of, or during, the year ended 30 June 2019.

FINANCIAL AND OPERATING REVIEW

FINANCIAL REVIEW

The Group began the financial year with a cash reserve of \$791,267. During the year total exploration expenditure incurred by the Group amounted to \$2,220,830 (2018: \$685,058). In line with the Group's accounting policies, all exploration expenditure incurred in the ordinary course of operations was expensed. The result for the year was an operating loss after income tax of \$3,344,077 (2018: \$1,590,379). During the year, Pacifico completed capital raisings for \$7,907,042 before costs. At 30 June 2019, available cash funds totalled \$1,983,359 (2018: \$791,267).

OPERATING REVIEW

Summarised operating results for the year are as follows:

Geographic Segments	2019	
	Revenues \$	Results \$
<i>Australia</i>	348,643	(3,266,091)
Revenues and loss from ordinary activities before income tax expense		
<i>Colombia</i>	1,005	(77,986)
Revenues and loss from ordinary activities before income tax expense		
<i>Consolidation</i>	(244,771)	-
Elimination		
Revenue/ (Loss before income tax)	104,877	(3,344,077)

Shareholder Returns	2019	2018
	Basic Loss per share (cents per share)	(0.22)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 2 September 2019, the Company announced that it had received firm commitments for a placement of 575,000,000 shares at an issue price of \$0.008 per share to raise \$4.6 million before costs. Proceeds from the placement will be used towards the Phase III drilling program, completing the PFS, advancing the DFS work program and for general working capital requirements.

There were no further matters or circumstances that arose since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of the Group in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

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

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is subject to substantial environmental regulation regarding its exploration activities. The Group endeavours to maintain an appropriate standard of environmental care through awareness of, and compliance with, new and existing environmental legislation. The Directors are not aware of any breach of environmental legislation for the year under review.

DIRECTORS' REPORT (CONTINUED)

RISK MANAGEMENT

The Board is responsible for ensuring that risks and opportunities are identified on a timely basis and that activities are aligned with these. The Board has not established a separate risk management committee under the belief that it is crucial for all Board members to be a part of this process. The Board has several mechanisms in place to ensure that managements' objectives are aligned with Board identified risks. Mechanisms include board approval of a strategic plan (designed to meet stakeholders' needs and reduce business risk), and Board approved operating plans and budgets (with progress monitored by the Board).

CORPORATE GOVERNANCE

The Directors support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. The Directors are focused on fulfilling their responsibilities individually, and as a Board, for the benefit of all Company stakeholders. That involves recognition of, and a need to adopt, principles of good corporate governance. The Board supports the guidelines on the *'Principles of Good Corporate Governance and Recommendations – 3rd Edition'* established by the ASX Corporate Governance Council. Given the size and structure of the Group, the nature of its business activities, the stage of its development and the cost of strict and detailed compliance with all of the recommendations, it has adopted a range of modified systems, procedures and practices which enable it to meet the principles of good corporate governance. The Groups' practices are consistent with the guidelines and where these do not directly relate to the recommendations in the guidelines the Group considers that its adopted practices are appropriate. Corporate Governance policies can be found on the Company website.

INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Group has paid an insurance premium in respect of a Directors' and Officers' Liability insurance contract. The insurance premium relates to liabilities that may arise from an officer's position, except for conduct involving a wilful breach of duty or improper use of information or position to gain personal advantage. The contract of insurance prohibits the disclosure of the nature of the liabilities and the amount of premium.

DIRECTORS MEETINGS

During the year the Company held a total of five Directors' meetings, each with full attendance (no change from 2018).

DIRECTORS' REPORT (CONTINUED)

INFORMATION ON DIRECTORS

RICHARD MONTI

BSc (Hons), Grad Dip AppFin., MAusIMM

Non-Executive Chairman

Richard was appointed 12 October 2009. Richard is a geologist with a successful career of over thirty years in the international mineral resource industry resulting in broad industry knowledge and strong strategic planning capabilities. Richard has over forty-six director-years' experience on thirteen ASX and TSX listed mining and exploration companies from micro-caps through to mid-size miners and has built and managed teams of up to seventy personnel. Richard was principal of a corporate advisory firm, Ventnor Capital, from 2005 to 2010 and is currently principal of Terracognita which supplies advice to resource industry companies.

Other Directorships

Zinc of Ireland NL, Black Dragon Gold Corp, and Troy Resources Limited (resigned June 2016).

Interests in Shares and Options

22,718,766 ordinary shares.

1,941,729 listed options

4,000,000 unlisted options.

PETER HAROLD B. AppSc (Chem), AFAICD

Non-Executive Director

Peter was appointed 8 October 2013. Peter is a process engineer with over thirty years' experience in the minerals industry. Peter specialises in finance, marketing and business development and has extensive experience in the development and operation of base and precious metal projects. Peter has held several senior executive positions, notably at Australian Consolidated Minerals Limited, MPI Mines Limited, Normandy Mining Limited, and Shell Australia. Peter co-founded Panoramic Resources Limited, a base metal exploration and development company, in 2001, and currently holds the position of Managing Director.

Other Directorships

Panoramic Resources Limited, Horizon Gold Limited, Ocean Grown Abalone Limited, and Peak Resources Ltd (resigned December 2017).

Interests in Shares and Options

4,250,495 ordinary shares.

4,000,000 unlisted options.

ANDREW PARKER LLB

Non-Executive Director

Andrew was appointed 12 October 2009. Andrew is a lawyer with significant experience in the exploration and mining industry and a wealth of expertise in corporate advisory, strategic consultancy and capital raisings. Before Andrew joined Pacifico, he co-founded Trident Capital Pty Ltd, a corporate advisory and venture capital firm where he held the position of Managing Director until 2008.

Interests in Shares and Options

5,384,262 ordinary shares.

833,333 listed options.

4,000,000 unlisted options.

SIMON NOON MAICD, AFAIM

Managing Director

Simon was appointed 19 October 2013. Simon is an executive with a strong background in the exploration and mining sector. Key strengths include securing and operating joint ventures with mid and top tier miners, marketing and finance. Simon is well versed in sophisticated and institutional investor engagement.

Simon's career highlights include managing Groote Resources Limited from a market capitalisation of less than \$5M, to market highs in excess of \$100M as the Executive Director. After leaving Groote Resources Limited, Simon co-founded West Rock Resources Limited where he held the position of Managing Director until the company was acquired by Pacifico in 2013.

Interests in Shares and Options

26,400,000 ordinary shares.

2,100,000 listed options.

8,500,000 unlisted options.

JERRY MONZU FGIA, CPA, BBus

Company Secretary

Jerry is a corporate executive with over 25 years' experience gained in corporate governance, finance and accounting. Jerry has worked across industry sectors globally acting as Company Secretary, Chief Financial Officer and Director of several private and listed ASX, JSE and AIM companies throughout his career.

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT

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

- A. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION;
- B. DETAILS OF REMUNERATION;
- C. SERVICE AGREEMENTS;
- D. SHARE-BASED COMPENSATION; and
- E. ADDITIONAL INFORMATION.

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

A. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION (AUDITED)

Remuneration Policy

The remuneration policy of the Group aligns Directors and executives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board believes the policy is appropriate and effective in its ability to attract and retain high calibre executives and Directors.

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

- All executives receive a base salary (based on factors such as experience) plus statutory superannuation.
- The Board reviews executive packages with reference to the Group's performance, executive performance and information from relevant industry sectors and comparable listed companies. Independent external advice is sought where required.
- The Board may exercise discretion in relation to approving incentives, bonuses, and the issue of options.
- All remuneration paid to Directors and executives is valued at the cost to the Group and expensed.

The maximum aggregate amount of fees that can be paid to Directors is subject to approval by shareholders at the Annual General Meeting (currently \$200,000). Director fees are not linked to the performance of the Group however, to align Director and shareholder interests, the Directors are encouraged to hold Company shares.

Performance Based Remuneration

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

Group Performance, Shareholder Wealth and Directors' and Executives' Remuneration

The Group remuneration policy encourages the alignment of personal and shareholder interests through the issue of options to Directors and executives. The Board believes this policy is effective in increasing shareholder wealth.

B. DETAILS OF REMUNERATION (AUDITED)

Details of the remuneration of the Directors as defined in AASB 124 *Related Party Disclosures* of the Group are set out in the following table. Given the size and nature of operations of the Group, no other employees are required to have their remuneration disclosed in accordance with the Corporations Act 2001.

DIRECTORS' REPORT (CONTINUED)

Director		Salary & Fees \$	Non-Monetary ⁽¹⁾ \$	Superannuation \$	Options \$	Total \$
R. Monti						
	2019	43,200	-	4,104	-	47,304
	2018	43,200	-	4,104	8,640	55,944
S. Noon						
	2019	209,539	58,826	19,906	-	288,271
	2018	176,539	5,665	16,771	18,360	217,335
P. Harold						
	2019	32,400	-	3,078	-	35,478
	2018	32,400	-	3,078	8,640	44,118
A. Parker						
	2019	36,400	-	3,458	-	39,858
	2018	32,400	-	3,078	8,640	44,118
Totals						
	2019	321,539	58,826	30,546	-	410,911
	2018	284,539	5,665	27,031	44,280	361,515

⁽¹⁾ Relates to the movement in leave provisions for the period.

No retirement benefits are payable post-employment under the Group's executive services agreements.

C. SERVICE AGREEMENTS (AUDITED)

During the period, Simon Noon's Executive Services Agreement was updated. Material terms of the amended contract are:

- Remuneration is \$240,000 per annum plus statutory superannuation;
- Either party may terminate the agreement without cause on three months' written notice;
- Simon will have the right to participate in the Company's share incentive program approved by the Board; and
- Simon will not be paid a separate Director's fee for service to the Board.

D. SHARE-BASED COMPENSATION (AUDITED)

There were no options issued to Directors as part of their remuneration during the year (2018: 20,500,000). No ordinary shares were issued to Directors upon exercise of remuneration options during the year (2018: Nil).

Performance Income as a Proportion of Total Compensation

No performance-based bonuses were paid during the period (2018: Nil).

DIRECTORS' REPORT (CONTINUED)

E. ADDITIONAL INFORMATION (AUDITED)

Movements in Shares

Movement in the number of ordinary shares in the Company held (directly, indirectly or beneficially) by each Director, including their related parties, is shown below. There were no ordinary shares issued as part of Director remuneration during the year (2018: Nil).

KMP	Held at 1 July 2018	Participation in Capital Raising	Held at 30 June 2019
R. Monti	18,835,308	3,883,458	22,718,766
S. Noon	22,200,000	4,200,000	26,400,000
P. Harold	4,250,495	-	4,250,495
A. Parker	3,717,596	1,666,666	5,384,262
	49,003,399	9,750,124	58,753,523

KMP	Held at 1 July 2017	Purchased	Held at 30 June 2018
R. Monti	18,835,308	-	18,835,308
S. Noon	22,200,000	-	22,200,000
P. Harold	4,250,495	-	4,250,495
A. Parker	3,717,596	-	3,717,596
	49,003,399	-	49,003,399

Movements in Options

Movement in the number of options in the Company held (directly, indirectly or beneficially) by Directors, including their related parties, during the reporting period is as follows:

KMP	Held at 1 July 2018	Other Changes ⁽¹⁾	Held at 30 June 2019	Vested at 30 June 2019
R. Monti	4,000,000	1,941,729	5,941,729	5,941,729
S. Noon	8,500,000	2,100,000	10,600,000	10,600,000
P. Harold	4,000,000	-	4,000,000	4,000,000
A. Parker	4,000,000	833,333	4,833,333	4,833,333
	20,500,000	4,875,062	25,375,062	25,375,062

⁽¹⁾ Shows free attaching options on a 1-for-2 basis relating to the pro-rata issue in September 2018.

DIRECTORS' REPORT (CONTINUED)

E. ADDITIONAL INFORMATION (AUDITED) (CONTINUED)

KMP	Held at 1 July 2017	Other Changes ⁽¹⁾	Held at 30 June 2018	Vested at 30 June 2018
R. Monti	-	4,000,000	4,000,000	4,000,000
S. Noon	-	8,500,000	8,500,000	8,500,000
P. Harold	-	4,000,000	4,000,000	4,000,000
A. Parker	-	4,000,000	4,000,000	4,000,000
	-	20,500,000	20,500,000	20,500,000

⁽¹⁾ Granted as remuneration during the period.

Options issued to Directors during the period pursuant to terms approved by shareholders at the 2018 Annual General Meeting are shown below. All options vested on grant date. No options were exercised during the year and all were held at year end.

KMP	Number Granted	Exercise Price	Grant Date	Fair Value at Grant Date	Expiry Date
R. Monti	1,941,729	0.015	3/10/2018	-	21/11/2020
S. Noon	2,100,000	0.015	3/10/2018	-	21/11/2020
P. Harold	-	0.015	3/10/2018	-	21/11/2020
A. Parker	833,333	0.015	3/10/2018	-	21/11/2020

NON-AUDIT SERVICES

No non-audit services were provided by the Group's auditor during the period.

AUDITOR'S INDEPENDENCE DECLARATION

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

Signed in accordance with a resolution of the Directors.



Richard Monti

Chairman

24 September 2019

AUDITOR'S INDEPENDENCE DECLARATION

Stantons International Audit and Consulting Pty Ltd trading as

Stantons International

Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

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

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

24 September 2019

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

Dear Sirs

RE: PACIFICO MINERALS LIMITED

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

As the Audit Director for the audit of the financial statements of Pacifico Minerals Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely,

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED



Martin Michalik

Director

Liability limited by a scheme approved under Professional Standards Legislation

Member of Russell Bedford International



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 \$	2018 \$
Revenue from Continuing Operations	5	104,877	86,070
Expenditure			
Exploration Expenses	6	(2,220,830)	(685,058)
Salaries and Employee Benefits Expenses		(499,481)	(360,571)
Depreciation Expenses	6	(3,139)	(11,897)
Corporate Expenses		(84,524)	(60,271)
Occupancy Expenses		(61,851)	(44,904)
Consulting Expenses		(85,958)	(372,128)
Administration Expenses		(231,201)	(82,220)
Share Based Payments		(53,185)	(59,400)
Other Expenses		(45,000)	-
Write Off Exploration and Evaluation Assets	6,10	(163,785)	-
(Loss) Before Income Tax		(3,344,077)	(1,590,379)
Income Tax	7	-	-
Total (Loss) for the Year		(3,344,077)	(1,590,379)
Other Comprehensive Income		-	-
Items That Will Not be Reclassified to Profit or Loss		-	-
Items That May be Reclassified Subsequently to Profit or Loss		-	-
Movement in Foreign Exchange Translation Reserve		(5,063)	19,047
Total Comprehensive (Loss)		(3,349,140)	(1,571,332)
(Loss) Attributed to the Members		(3,344,077)	(1,590,379)
Total Comprehensive (Loss) Attributed to the Members		(3,349,140)	(1,571,332)
Basic and Diluted Loss per Share for Loss Attributable to the Ordinary Equity Holders of the Company (Cents per Share)	26	(0.22)	(0.20)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Notes	2019 \$	2018 \$
Current Assets			
Cash and Cash Equivalents	8	1,983,359	791,267
Trade and Other Receivables	9	370,271	12,416
Other Assets	9	12,431	18,421
Total Current Assets		2,366,061	822,104
Non-Current Assets			
Exploration and Evaluation Assets	10	5,210,586	1,238,412
Other Assets	11	24,514	24,637
Plant and Equipment	12	19,238	8,843
Total Non-Current Assets		5,254,338	1,271,892
Total Assets		7,620,399	2,093,996
Current Liabilities			
Trade and Other Payables	13	654,270	69,445
Provisions	14	83,512	22,431
Other Liabilities	13	316,357	-
Total Current Liabilities		1,054,139	91,876
Non-Current Liabilities			
Deferred tax liability	15	221,008	221,008
Total Non-Current Liabilities		221,008	221,008
Total Liabilities		1,275,147	312,884
Net Assets		6,345,252	1,781,112
Equity			
Contributed Equity	16	28,705,740	20,856,645
Reserves	18	1,475,264	1,416,142
Accumulated Losses		(23,835,752)	(20,491,675)
Total Equity		6,345,252	1,781,112

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	Issued Capital \$	Share / Option Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total \$
2019					
Balance at 1 July 2018	20,856,645	1,459,717	(43,575)	(20,491,675)	1,781,112
(Loss) for the Year	-	-	-	(3,344,077)	(3,344,077)
Other Comprehensive (Loss) for the Year	-	-	(5,063)	-	(5,063)
Total Comprehensive (Loss) for the Year	-	-	(5,063)	(3,344,077)	(3,349,140)
Issue of Shares/Options	7,907,042	-	-	-	7,907,042
Share/Option Issue Expense	(587,947)	-	-	-	(587,947)
Share Based Payments	530,000	64,185	-	-	594,185
Balance at 30 June 2019	28,705,740	1,523,902	(48,638)	(23,835,752)	6,345,252
2018					
Balance at 1 July 2017	19,852,657	1,400,317	(62,622)	(18,901,296)	2,289,056
(Loss) for the Year	-	-	-	(1,590,379)	(1,590,379)
Other Comprehensive (Loss) for the Year	-	-	19,047	-	19,047
Total Comprehensive (Loss) for the Year	-	-	19,047	(1,590,379)	(1,571,332)
Issue of Shares	1,015,000	59,400	-	-	1,074,400
Share/Option Issue Expense	(11,012)	-	-	-	(11,012)
Balance at 30 June 2018	20,856,645	1,459,717	(43,575)	(20,491,675)	1,781,112

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 \$	2018 \$
Cash Flows from Operating Activities			
Expenditure on Mining Interests		(1,952,023)	(1,103,075)
Payments to Suppliers and Employees		(899,512)	(731,471)
Receipts from JV Partner/Government Grants		-	406,626
Interest Received		23,286	15,158
Net Cash Outflow from Operating Activities	25	(2,828,249)	(1,412,762)
Cash Flows from Investing Activities			
Payments for Purchase of Tenements/Projects		(3,278,602)	(113,739)
Payments for Purchase of Property, Plant and Equipment		(15,089)	-
Net Cash (Outflow)/Inflow from Investing Activities		(3,293,691)	(113,739)
Cash Flows from Financing Activities			
Proceeds from Issues of Shares		7,907,042	750,000
Payment of Share Issue Costs		(587,947)	(11,012)
Net Cash Inflow from Financing Activities		7,319,095	738,988
Net Decrease/(Increase) in Cash and Cash Equivalents			
Cash and Cash Equivalents at the Beginning of the Financial Year		791,267	1,568,577
Effects of Foreign Exchange		(5,063)	10,203
Cash and Cash Equivalents at the End of the Financial Year	8	1,983,359	791,267

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

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all years presented unless otherwise stated. The financial report includes the financial statements for Pacifico Minerals Limited ('Parent' or 'Company') and its subsidiaries (the 'Group') for the year ended 30 June 2019. The financial report was authorised for issue in accordance with a resolution of the Board of Directors of Pacifico Minerals Limited on 24 September 2019. Pacifico Minerals Limited is a company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group is exploration of mineral tenements in Australia and Latin America.

(a) BASIS OF PREPARATION

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

(i) Compliance with IFRS

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

(ii) Historical Cost Convention

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

(iii) Going Concern Basis

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

(b) PRINCIPLES OF CONSOLIDATION

(i) Subsidiaries

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

(ii) Investment in Joint Ventures

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

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not amortised or tested individually for impairment. Dividends received or

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

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

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

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

(iii) *Investment in Joint Operations*

A joint arrangement occurs whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under a joint arrangement, the Group as operator, recognises in relation to its interest in a joint arrangement its:

- assets, including its share of any assets held jointly;
- liabilities, including its share of any liabilities incurred jointly;
- revenue from the sale of its share of the output arising from the joint operation;
- share of the revenue from the sale of the output by the joint operation; and
- expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRS Standards applicable to the certain assets, liabilities, revenue and expenses. When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation. When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

(c) FOREIGN CURRENCY TRANSLATION

(i) *Functional and presentation currency*

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

(ii) *Transactions and balances*

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(iii) *Group companies*

The results and financial position of foreign operations that have a functional currency other than the presentation currency are translated into the presentation currency as follows:

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

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

(d) **BUSINESS COMBINATIONS**

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

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

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

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

(e) **SEGMENT REPORTING**

Operating segments are identified, and segment information disclosed based on internal reports received by the Board.

(f) **REVENUE RECOGNITION**

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) INCOME TAX

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

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

(h) LEASES

Leases of property, plant and equipment where the Group, as lessee, has substantially borne all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations (net of finance charges) are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases where a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of incentives received from the lessor) are charged to the income statement on a straight-line basis over the lease period.

AASB 16 removes the classification of leases as either operation, or finance leases, for the lessee, effectively treating all leases as financial leases. Short term leases (less than 12 months) and leases of a low value are exempt from the lease accounting requirements. Lessor accounting remains similar to current practice.

(i) IMPAIRMENT OF ASSETS

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

(j) CASH AND CASH EQUIVALENTS

For presentation purposes on the cash flow statement, cash and cash equivalents includes cash on hand and deposits held by financial institutions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) TRADE AND OTHER RECEIVABLES

Receivables are recognised and carried at the original invoice amount less any provisions for doubtful debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable, and these are written-off as required. Trade and other receivables include amounts due from customers for goods and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(l) FINANCIAL INSTRUMENTS

(i) *Recognition, Initial Measurement and Derecognition*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transactions costs, except for those carried "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(ii) *Classification and Subsequent Measurement*

Financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

- The contractual cash flow characteristics of the financial assets; and
- The entities business model for managing the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income (Equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 *Financial Instruments: Presentation* and are not held for trading.

Financial assets at fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

(iii) Impairment

From 1 July 2018, the Group assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Comparative Information

The Group has applied AASB 9 *Financial Instruments* retrospectively but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

Until 30 June 2019, the group classified its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- loans and receivables;
- held-to-maturity investments; and
- available-for-sale financial assets.

The classification depended on the purpose for which the investments were acquired. Management determined the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluated this designation at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Valuation Techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

(vi) Fair Value Hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) PLANT AND EQUIPMENT

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

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

(n) EXPLORATION AND EVALUATION COSTS

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

(o) TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Group during the financial year which remain unpaid at the end of the period. The amounts are unsecured and are paid on standard commercial terms.

(p) EMPLOYEE BENEFITS

(i) *Wages and Salaries, Leave and Other Employee Benefits*

Provisions are made for employee benefits for services rendered during the period. These benefits include salaries and leave benefits. Liabilities arising in respect of employee benefits are measured at their nominal amounts based on remuneration rates to be paid when the liability is settled.

(ii) *Share-Based Payments*

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

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired and the number of options that the Directors think will vest ultimately. This opinion is formed based on the information available at balance date.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) CONTRIBUTED EQUITY

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

(r) EARNINGS PER SHARE

(i) *Basic Earnings Per Share*

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

(ii) *Diluted Earnings Per Share*

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

(s) GOODS AND SERVICES TAX ('GST')

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(t) ROUNDING OF AMOUNTS

Amounts in the financial report have been rounded to the nearest dollar under ASIC Corporations Rounding in Financial Directors' Reports instrument 2016/191, issued by the Australian Securities and Investments Commission.

(u) SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

(i) *Deferred Taxation*

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

(ii) *Capitalised Exploration Costs*

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

(iii) *Share-Based Payments*

The Group measures the cost of equity-settled and cash-settled transactions by reference to the fair value of the goods and services received or, if this cannot be reliably measured, the fair value of the equity instruments at the date at which they are granted. The fair value of the equity instruments is determined by using the Black-Scholes model and the assumptions and carrying amount at the reporting date is disclosed in Note 28.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. NEW STANDARDS AND INTERPRETATIONS ADOPTED AND NOT YET ADOPTED

NEW STANDARDS AND INTERPRETATIONS ADOPTED IN THE 2019 FINANCIAL YEAR

The Group has adopted AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers* which became effective for financial reporting periods commencing post 1 January 2018. The adoption of AASB 9 and AASB 15 does not have a significant impact on the financial report.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory have not been early adopted by the Group for the period ended 30 June 2019. The consolidated entity's assessment of the impacts of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

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

This Standard supersedes AASB 117 *Leases*, Interpretation 4 *Determining Whether an Arrangement Contains a Lease*, AASB interpretation 115 *Operating Leases-Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of Lease*. AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117.

The key features of AASB 16 are as follows:

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

Lessor accounting:

- AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. A lessor continues to classify its leases as operating leases or finance leases, and account for those types of leases differently.
- AASB 16 requires enhanced disclosures to be provided by lessors that will increase information regarding lessor risk exposure, particularly to residual value risk.

The estimated impact of AASB 16 when applied is that the Group's operating profit and interest expense will increase due to the change in the accounting for expenses of leases that were classified as operating leases under AASB 117. The board has estimated the impact of AASB 16 will not be material as the Group only has short-term leases. Under the standard, instead of recognising a right-of-use asset and a lease liability, the payment in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

3. FINANCIAL RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Various methods are used to measure risks to which the Group is exposed, including sensitivity analysis for interest rate, foreign exchange and other price risks, and ageing analysis for credit risk.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

Risk management is carried out by the accounting team under Board approved policies covering identification and analysis of risk exposure, risk limits, and appropriate procedures and controls. Reporting is provided to the Board on a monthly basis.

MARKET RISK

(i) Foreign Currency Risk

The Group completes certain transactions denominated in foreign currency and is exposed to foreign currency risk through exchange rate fluctuations. Foreign currency risk arises from future commercial transactions and recognised financial assets and financial liabilities in a currency other than the Group's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. The carrying amount of the Group's foreign currency financial assets and financial liabilities at the reporting date was as follows:

Consolidated	Financial Assets		Financial Liabilities	
	2019	2018	2019	2018
	AUD\$	AUD\$	AUD\$	AUD\$
Colombian Pesos (COP)	66,674	141,888	5,874	3
Total	66,674	141,888	5,874	3

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

Currency Translation Effect	Change	Profit / Loss		Equity	
		2019	2018	2019	2018
		\$	\$	\$	\$
COP Strengthens Against AUD	10%	(8,665)	(14,499)	7,625	16,853
COP Weakens Against AUD	-10%	7,090	11,863	(6,239)	(13,789)

(ii) Price Risk

Presently, the Group is not directly exposed to commodity price risk as it is in the exploration phase. The Group is indirectly exposed to price movements for commodities such as gold, copper and silver as these may affect the Group's ability to access capital markets.

(iii) Interest Rate Risk

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

(iv) Credit Risk

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

(v) Liquidity Risk

Liquidity risk management requires the Group to maintain enough liquid assets to pay debts as and when they fall due. The Group manages liquidity risk by maintaining adequate cash reserves through continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

INTEREST RATE RISK

The Group is exposed to market interest rate movements on short-term deposits. Group policy is to monitor the interest rate yield curve to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. At 30 June 2019, if interest rates had changed by +/- 100 basis points from the year-end rates with all other variables held constant, pre-tax loss would have been \$11,143 lower/higher (2018 – change of 100 bps: \$10,038 lower/higher) as a result of lower interest income. The Group's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial Instrument	Floating	Fixed Interest Rate Maturing in:			Non-Interest	Total Carrying
	Interest Rate	>1 Year	1 - 5 Years	<5 Years	Bearing	Amount
	\$	\$	\$	\$	\$	\$
2019						
<i>Financial Assets</i>						
Cash and Cash Equivalents	1,131,693	-	-	-	851,666	1,983,359
Trade & Other Receivables	-	-	-	-	370,271	370,271
Security Deposits	-	-	-	-	24,514	24,514
Total Financial Assets	1,131,693	-	-	-	1,246,451	2,378,144
<i>Financial Liabilities</i>						
Trade Creditors	-	-	-	-	618,076	618,076
Other Creditors and Accruals	-	-	-	-	36,194	36,194
Total Financial Liabilities	-	-	-	-	654,270	654,270

Weighted average effective interest rate is 0.85%

2018

<i>Financial Assets</i>						
Cash and Cash Equivalents	535,222	-	-	-	256,045	791,267
Trade & Other Receivables	-	-	-	-	12,579	12,579
Security Deposits	-	-	-	-	24,315	24,315
Total Financial Assets	535,222	-	-	-	292,939	828,161
<i>Financial Liabilities</i>						
Trade Creditors	-	-	-	-	48,520	48,520
Other Creditors and Accruals	-	-	-	-	20,922	20,922
Total Financial Liabilities	-	-	-	-	69,442	69,442

Weighted average effective interest rate is 1.02%

NET FAIR VALUES

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

CREDIT RISK EXPOSURES

The Group has no significant concentrations of credit risk. The maximum exposure to credit risk at balance date is the carrying amount (net of provision for doubtful debts) of those assets as disclosed in the balance sheet and notes to the financial statements. A formal credit risk management policy is not maintained.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified based on internal reports provided to the Board in order to allocate resources to the segments and assess performance. Information reported to the Board is based on exploration in the principal locations of the Group's projects, Australia and Colombia. The revenues and profit generated by each of the Group's operating segments, assets and liabilities are summarised as follows:

	Australia		Colombia		Elimination		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
Segment Revenues	348,643	84,317	1,005	1,753	(244,771)	-	104,877	86,070
Segment Operating (Losses)	(3,266,091)	(1,459,887)	(77,986)	(130,492)	-	-	(3,344,077)	(1,590,379)
Segment Assets	7,772,424	1,981,271	74,502	156,976	(226,527)	(44,251)	7,620,399	2,093,996
Segment Liabilities	1,230,537	(86,580)	5,874	(5,296)	38,735	(221,008)	1,275,147	(312,884)

5. REVENUE

	Consolidated	
	2019	2018
	\$	\$
From Continuing Operations		
Other Revenue	81,591	-
Interest	23,286	15,158
Government Exploration Grant	-	70,912
	104,877	86,070

6. EXPENSES

	Consolidated	
	2019	2018
	\$	\$
Loss Before Income Tax Includes the Following Expenses:		
Depreciation of Plant and Equipment	3,139	11,897
Exploration and Evaluation Expenditure	2,220,830	685,058
Exploration and Evaluation Asset Write-Off	163,785	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. INCOME TAX

	Consolidated	
	2019	2018
	\$	\$
Income Tax Expense/(Benefit)		
Current Tax	-	-
Deferred Tax	-	-
Adjustments for Current Tax of Prior Years	-	-
	-	-
Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable		
Loss from Continuing Operations Before Income Tax Expense	(3,344,077)	(1,590,379)
Prima Facie Tax Benefit at the Australian Tax Rate of 27.5%	(919,621)	(437,354)
Tax Effect of Amounts Which are not Deductible (Taxable) in Calculating Taxable Income: Other Items	133,429	85,098
	(786,192)	(352,256)
Unrecognised Temporary Differences	(232,785)	(18,304)
Tax Effect of Current Year Tax Losses for Which no Deferred Tax Asset Has Been Recognised	1,018,977	370,560
Income Tax Expense/(Benefit)	-	-
Unrecognised Temporary Differences		
Deferred Tax Assets		
<i>On Income Tax Account</i>		
S. 40-880 Deductions	130,108	10,633
Write off Acquired Tenement Costs over 15 years	1,686,596	-
Accruals and Provisions for Employee Entitlements	30,794	15,402
Carry Forward Tax Losses	4,961,942	3,942,964
	6,809,440	3,968,999
Deferred Tax Liabilities Prepayments	(3,418)	(559)
Total Unrecognised Temporary Differences	6,806,022	3,968,440
Deferred Tax Liabilities		
Beginning Exploration and Evaluation on Acquisition	221,008	221,008
Reduction of Deferred Tax Liability Due to Impairment	-	-
Deferred Tax Liability - Exploration and Evaluation Assets	221,008	221,008

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

8. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	Consolidated	
	2019	2018
	\$	\$
Cash on Hand	-	20
Cash at Bank ⁽¹⁾	1,983,359	791,247
Cash and Cash Equivalents as Shown in the Consolidated Statement of Financial Position and the Consolidated Statement of Cash Flows	1,983,359	791,267

⁽¹⁾ Restricted cash is \$37,362 and includes security deposits in relation to a credit card facility and the heads of agreement for the Perth office.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. CURRENT ASSETS - OTHER

	Consolidated	
	2019	2018
	\$	\$
Goods and Services Tax Receivable	100,547	8,638
Other Receivables	269,724	3,778
Prepayments	12,431	18,421
	382,702	30,837

The above receivables are within initial trade terms and therefore have not been impaired.

10. NON-CURRENT ASSETS – EXPLORATION AND EVALUATION ASSETS

	Note	Consolidated	
		2019	2018
		\$	\$
Balance at Beginning of the Year		1,238,412	1,024,673
Acquisition of Sorby Hills PL and Sorby Management PL	30	4,123,333	213,739
Other Additions		12,626	-
Violin Project Write-Off		(163,785)	-
Foreign Exchange Translation		-	-
Balance at the End of the Year		5,210,586	1,238,412

11. NON-CURRENT ASSETS – OTHER

	Consolidated	
	2019	2018
	\$	\$
Bonds and Security Deposits	24,315	24,315
VAT Receivable	199	163
Other	-	159
	24,514	24,637

12. NON-CURRENT ASSETS - PLANT AND EQUIPMENT

	Consolidated	
	2019	2018
	\$	\$
Plant and Equipment		
Cost	140,026	89,820
Accumulated Depreciation	(120,788)	(80,977)
Net Carrying Amount	19,238	8,843
Plant and Equipment - Movement		
Opening Net Book Amount	8,843	19,884
Additions	15,089	-
Depreciation Charge	(3,139)	(11,897)
Foreign Exchange Translation	(1,555)	856
Closing Net Carrying Amount	19,238	8,843

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. LIABILITIES - TRADE AND OTHER PAYABLES

	Consolidated	
	2019	2018
	\$	\$
Trade Payables	618,076	48,523
Other Payables and Accruals	36,194	20,922
	654,270	69,445

The above payables are within initial trade terms and therefore are not past due.

	Consolidated	
	2019	2018
	\$	\$
Other Liabilities - Deferred Rent Sorby Hills Project	316,357	-

14. CURRENT LIABILITIES – PROVISIONS

	Consolidated	
	2019	2018
	\$	\$
Provision for Annual Leave	83,512	22,431

15. NON-CURRENT LIABILITIES – DEFERRED TAX LIABILITIES

	Consolidated	
	2019	2018
	\$	\$
Deferred Tax Liabilities Comprise Temporary Differences Attributable to:		
Beginning Exploration and Evaluation on Acquisition	221,008	221,008
Reduction of Deferred Tax Liability Due to Impairment	-	-
Deferred Tax Liability	221,008	221,008

16. CONTRIBUTED EQUITY

SHARE CAPITAL

	2019		2018	
	Shares	\$	Shares	\$
Ordinary Shares Fully Paid	2,313,104,604	28,705,740	893,063,749	20,856,645
Total Contributed Equity	2,313,104,604	28,705,740	893,063,749	20,856,645

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. CONTRIBUTED EQUITY (CONTINUED) MOVEMENTS IN ORDINARY SHARE CAPITAL

	2019		2018	
	Shares	\$	Shares	\$
Beginning of the Financial Year	893,063,749	20,856,645	741,365,653	19,852,657
Issued During the Year:				
22 Nov. 2017 (Services Rendered)	-	-	5,698,096	40,000
31 Jan. 2018 (Cash at 0.6 Cents)	-	-	125,000,000	750,000
31 Jan. 2018 (Services Rendered)	-	-	5,000,000	35,000
22 Mar. 2018 (Violin Project Fee)	-	-	10,000,000	100,000
24 Apr. 2018 (Services Rendered)	-	-	6,000,000	90,000
5 Sept. 2018 (Rights Issue at \$0.006)	213,333,333	1,280,000	-	-
3 Oct. 2018 (Rights Issue at \$0.006)	158,506,899	951,041	-	-
16 Oct. 2018 (Placement at \$0.005144)	97,200,622	500,000	-	-
22 Nov. 2018 (Placement at \$0.006)	262,666,667	1,576,000	-	-
22 Nov. 2018 (Services Rendered)	5,000,000	30,000	-	-
18 Dec. 2018 (Placement at \$0.006)	16,666,667	100,000	-	-
15 Apr. 2019 (Placement at \$0.006)	410,000,000	2,460,000	-	-
23 May 2019 (Placement at \$0.006)	256,666,667	1,540,000	-	-
Less: Transaction Costs	-	(587,946)	-	(11,012)
End of the Financial Year	2,313,104,604	28,705,740	893,063,749	20,856,645

ORDINARY SHARES

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

CAPITAL RISK MANAGEMENT

Safeguarding its ability to continue as a going concern is the Group's objective when it comes to managing capital in order to provide benefits to both shareholders and stakeholders and maintain an optimal capital structure to reduce cost of capital. When an opportunity to invest in, or explore, a project is seen as value adding relative to the share price at the time of investment, the Group will seek to raise capital if required.

17. DIVIDENDS

No recommendation for payment of dividends or dividend payments were made during the report period.

18. RESERVES

SHARE/OPTION RESERVE

Share/option reserve is used to recognise the fair value of shares and options issued.

	Consolidated	
	2019	2018
	\$	\$
Share/Option Reserve	1,523,902	1,459,717
Foreign Currency Translation Reserve	(48,638)	(43,575)
	1,475,264	1,416,142

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. RESERVES (CONTINUED)

MOVEMENTS IN OPTIONS ON ISSUE

	Consolidated	
	2019	2018
	\$	\$
Balance at Beginning of Year	1,459,717	1,400,317
Issue of Shares / Options	64,185	59,400
Balance at End of Year	1,523,902	1,459,717

FOREIGN CURRENCY TRANSLATION RESERVE

Foreign currency translation reserve is used to recognise exchange differences arising from the translation of financial statements of foreign operations that do not use Australian dollars as their functional currency.

	Consolidated	
	2019	2018
	\$	\$
Balance at Beginning of Year	(43,575)	(62,622)
Exchange Differences Arising on Translating the Foreign Operations	(5,063)	19,047
Balance at End of Year	(48,638)	(43,575)

19. PARENT ENTITY INFORMATION

	Parent	
	2019	2018
	\$	\$
Total Current Assets	1,254,646	625,389
Total Non-Current Assets	8,042,005	1,119,022
Total Assets	9,296,651	1,744,411
Total Current Liabilities	704,129	85,690
Total Non-Current Liabilities	-	-
Total Liabilities	704,129	85,690
Equity		
Issued Capital	28,705,740	20,856,645
Share Based Payments Reserve	1,523,902	1,459,717
Accumulated Losses	(21,637,120)	(20,657,640)
Total Equity	8,592,522	1,658,722
Results of The Parent Entity		
Loss for the Year	(979,480)	(1,430,265)
Other Comprehensive Income	-	-
Total Comprehensive Loss for the Year	(979,480)	(1,430,265)

CAPITAL AND CONTINGENT LIABILITIES

The parent entity had no capital or contingent liabilities at 30 June 2019 (2018: \$3,541,000).

SIGNIFICANT ACCOUNTING POLICIES

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. INTERESTS IN SUBSIDIARIES

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

Subsidiary	Incorporated	Ownership	
		2019	2018
West Rock Resources Pty Ltd	Australia	100%	100%
Sorby Hills Pty Ltd	Australia	100%	-
Sorby Management Pty Ltd	Australia	100%	-
West Rock Resources Panama Corp.	Panama	100%	100%
Pacifico Minerals Sucursal Colombia (Branch)	Colombia	100%	100%
Golden Pacifico Exploration SAS	Colombia	100%	100%
Pacifico Holdings SAS	Colombia	100%	100%

21. REMUNERATION OF AUDITORS

During the period the following fees were paid, or payable, for services provided by the auditors of the Group.

	Consolidated	
	2019	2018
	\$	\$
Audit Services		
Stantons International – Audit and Review of Financial Reports	32,966	24,042
Total Remuneration for Audit Services	32,966	24,042
Non-Audit Services		
Nil	-	-

22. COMMITMENTS AND CONTINGENCIES

The Group plans to conduct exploration work on its tenements to meet obligations and retain rights of tenure. If required, the Group can reduce these expenditure obligations by establishing joint venture agreements, applications for expenditure exemptions, or selective relinquishment of exploration tenements. Due to the nature of the Group's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast future expenditure. The annual commitment across the Group for the next year is \$360,072 (2018: \$549,019).

There are no material contingent assets of the Group at balance date (2018: Nil). Acquisition of the Sorby Hills Project included a provision for a 1% net smelter royalty to Quintana MH Holding Company LLC that has been classified as a material contingent liability (2018: Nil).

23. INTERESTS IN JOINT OPERATIONS

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

- Berrio Gold Project (Pacifico 5.7 – 8.6%). Net assets carried as at 30 June 2019 are nil (2018: Nil).
- Borrooloola West Project (Pacifico 51%). Net assets carried as at 30 June 2019 are \$1,024,673 (2018: \$1,024,673).
- Mt Jukes Project (Pacifico 14.8%). Net assets carried as at 30 June 2019 are nil (2018: Nil).
- Sorby Hills Project (Pacifico 75%). Net assets carried as at 30 June 2019 are \$4,173,332 (2018: Nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

On 2 September 2019, the Company announced that it had received firm commitments for a placement of 575,000,000 shares at an issue price of \$0.008 per share to raise \$4.6 million before costs. Proceeds from the placement will be used towards the Phase III drilling program, completing the Optimised PFS, advancing the DFS work program and for general working capital requirements.

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

25. CASH FLOW RECONCILIATION

RECONCILIATION OF NET LOSS AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Consolidated	
	2019	2018
	\$	\$
Net Loss for the Year	(3,344,077)	(1,590,379)
Non-Cash Items		
Depreciation of Non-Current Assets	3,139	11,897
Share Based Payments - Inc. in Operational Expenses	53,185	165,000
Share Based Payments - Director/Staff Options	-	59,400
Write Off Exploration and Evaluation Assets	163,785	-
Foreign Exchange (Gain)/Loss	-	-
Change in Operating Assets and Liabilities		
Decrease/(Increase) in Trade and Other Receivables	(357,855)	4,789
Decrease/(Increase) in Prepayments	5,990	
Decrease/(Increase) in Other Assets	123	2,729
(Decrease)/Increase in Trade and Other Payables	586,380	(70,138)
Increase/(Decrease) in Provisions	61,081	3,940
Net Cash Outflow from Operating Activities	(2,828,249)	(1,412,762)

Non-Cash Financing and Investing Activities

Nil.

26. LOSS PER SHARE

RECONCILIATION OF EARNINGS USED IN CALCULATING LOSS PER SHARE

	Consolidated	
	2019	2018
	\$	\$
Loss attributable to the ordinary equity holders of the Parent Entity used in calculating basic and diluted loss per share	(3,344,077)	(1,590,379)

WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR

	Number of Shares	
	2019	2018
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	1,535,211,939	802,065,875

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. SHARE BASED PAYMENTS

ORDINARY SHARES

During the period, a total of 5,000,000 (2018: 16,698,096) shares were issued to consultants for marketing services. Total share-based payments booked during the period amounted to \$30,000 (2018: \$165,000) and these are reported under consulting expenses in the Statement of Profit or Loss and Other Comprehensive Income. The Company also issued 97,200,622 (2018: Nil) ordinary shares at a value of \$500,000 (2018: nil) to Quintana MH Holding Company LLC as a part consideration for the acquisition of the Sorby Hills Project (Note 30).

OPTIONS OVER ORDINARY SHARES

A total of 361,271,969 options (2018: 27,500,000) were granted during the period to Directors, staff, and consultants (all of which vested immediately). Share-based payments booked during the period amounted to \$53,185 (2018: \$59,400).

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

Details	Options	Exercise Price	Grant Date	Expiry Date
Free Attaching Rights Issue Options (Listed)	79,253,429	\$0.015	3/10/2018	21/11/2020
Consideration Options (Unlisted)	10,000,000	\$0.020	8/10/2018	16/10/2021
Free Attaching Placement Options (Listed)	106,666,667	\$0.015	25/10/2018	21/11/2020
Free Attaching Rights Issue Shortfall Options (Listed)	133,833,333	\$0.015	22/11/2018	21/11/2020
Free Attaching Rights Issue Shortfall Options (Listed)	8,333,333	\$0.015	18/12/2018	21/11/2020
Free Attaching Placement Options (Listed)	23,185,207	\$0.015	24/05/2019	21/11/2020

During the period, the Group issued 10,000,000 unlisted options to Quintana MH Holding Company LLC as part consideration for the Sorby Hills Project acquisition. These options were valued at \$41,000 using the Black-Scholes valuation method.

- Grant Date – 8 October 2018
- Options – 10,000,000
- Expiry Date – 16 October 2021
- Share Price at Grant Date – \$0.0055
- Exercise Price – \$0.02
- Expected Volatility – 165%
- Risk-Free Interest Rate – 2.1%
- Fair Value at Grant Date – \$41,000

Options on issue at the end of the period had the following expiry dates and exercise prices:

Expiry Date	Status	Exercise Price	Options
23/04/2020	Unlisted	\$0.020	2,000,000
6/05/2020	Unlisted	\$0.015	62,500,000
21/11/2020	Unlisted	\$0.015	26,500,000
21/11/2020	Listed	\$0.015	351,271,969
16/10/2021	Unlisted	\$0.020	10,000,000

Options on issue at the end of the period had a weighted average exercise price of 1.51 cents and a weighted average expiry period of 1.34 years.

2018:

Expiry Date	Status	Exercise Price	Options
23/04/2020	Unlisted	\$0.020	2,000,000
6/05/2020	Unlisted	\$0.015	62,500,000
21/11/2020	Unlisted	\$0.015	26,500,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28. RELATED PARTY TRANSACTIONS

During the period the Group sublet office premises from Panoramic Resources Limited, of which Peter Harold is the Managing Director. The agreement was on a month-to-month basis and under standard commercial terms. In February 2019 Pacifico leased a new premise and the agreement with Panoramic Resources Limited was terminated as a result. Total expenses for the period amounted to \$21,836.

29. KEY MANAGEMENT PERSONNEL COMPENSATION

	Consolidated	
	2019	2018
	\$	\$
Short Term Employee Benefit	380,365	290,204
Share Based Payments	-	44,280
Post-Employment Benefit	30,546	27,031
	410,911	361,515

30. ACQUISITION OF EXPLORATION ASSETS

ACQUISITION OF SORBY HILLS PTY LTD AND SORBY MANAGEMENT PTY LTD

On 5 October 2018 ('Acquisition Date'), the Company completed all conditions precedent to its binding terms sheet signed with Quintana MH Holding Company LLC to obtain all the share capital in KBL Sorby Hills Pty Ltd (subsequently renamed Sorby Hills Pty Ltd) and Sorby Management Pty Ltd. Through this acquisition, the Company purchased a 75% direct interest in the Sorby Hills Joint Venture Project with Henan Yuguang Gold and Lead Co. Ltd. owning the remaining 25%.

Consideration for the acquisition was satisfied through the issue of cash, shares, and options (shares and options were issued post shareholder approval which was obtained at the General Meeting held 8 October 2018). The Group also agreed to a 1% Net Smelter Royalty payable to Quintana MH Holding Company LLC.

Consideration Transferred

	Fair Value
	\$
Cash Paid	1,000,000
Cash - Deferred Settlement (i)	2,500,000
Non-Cash (Fully Paid Ordinary Shares) (ii)	500,000
Non-Cash (Unlisted Options) (iii)	41,000
	4,041,000

- (i) Cash settlement payable six months post acquisition.
- (ii) Issue of 97,200,622 ordinary shares at a value of \$0.0051.
- (iii) Issue of 10,000,000 free attaching unlisted options exercisable at 2 cents and expiring on or before 16 October 2021.

	\$
Current Assets	
Cash and Cash Equivalents	91,671
Trade and Other Receivables	1,838
Current Liabilities	
Trade and Other Payables	(179,394)
Net Assets/(Liabilities)	(85,885)

Excess Arising on Acquisition

	\$
Consideration Transferred	4,041,000
Capitalised Legal and Corporate Expenditure	46,448
Fair Value of Identifiable Net Liabilities Assumed	85,885
Excess Allocated to Exploration and Evaluation Expenditure	4,173,333

As at the acquisition date, consideration exceeding the fair value of net liabilities acquired of \$4,173,333. This balance less the \$50,000 deposit paid and capitalised in prior year which amounted to \$4,123,333, was capitalised to exploration and evaluation expenditure (Note 10).

DIRECTORS' DECLARATION

The Directors of the Group declare that:

1. The financial statements accompanying the notes are in accordance with the Corporations Act 2001, and:
 - a. Comply with Accounting Standards, the Corporations Act 2001 and other mandatory professional reporting requirements;
 - b. Give a true and fair view of the financial position as at 30 June 2019 and of the performance for the report period for the consolidated entity.
2. In the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
3. In the Directors' opinion, the financial statements and notes are prepared in compliance with IFRS and interpretations alerted by the International Accounting Standards Board.
4. The remuneration disclosures as set out on pages 11 to 14 of the Directors' Report comply with Accounting Standards AASB 124 *Related Party Disclosures* and section 300A of the Corporations Act 2001.
5. The Directors have been given the declarations required under section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors.



Richard Monti
Chairman

24 September 2019

INDEPENDENT AUDITOR'S REPORT

Stantons International Audit and Consulting Pty Ltd trading as

Stantons International

Chartered Accountants and Consultants

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Australia

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Pacifico Minerals Limited (the Company and its subsidiaries ("the Group")), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

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

Key Audit Matters

We have determined the matters below to be Key Audit Matters communicated in our report.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Key Audit Matters	How the matter was addressed in the audit
<p>Sorby Hills Acquisition and Subsequent Joint Operation Accounting</p> <p>During the year, the Company acquired 75% of the Sorby Hills Project (through the 100% acquisition of Sorby Hills Pty Ltd and Sorby Management Pty Ltd).</p> <p>At 30 June 2019, the Sorby acquisition totalling \$4,173,333 has been capitalised and included within Exploration and Evaluation Assets (as disclosed under Note 30).</p> <p>The Sorby Hills acquisition and subsequent accounting of Joint Operations is a key audit matter due to</p> <ul style="list-style-type: none"> • The significance of the transaction (55% of total assets); • the judgement required in the determination of whether the acquisition was a business combination (and therefore accounted for under AASB 3 Business Combinations ("AASB 3")) or as an acquisition of Tenements and accounted for under AASB 2 Share-Based Payments ("AASB 2"); and • The assessment of significant judgements made by management in relation to the acquisition. 	<p>Inter alia, our audit procedures included the following:</p> <ol style="list-style-type: none"> i. Examining the acquisition contract to assess whether the acquisition qualified as a business combination (and thus should be accounted for under AASB 3) or whether it was an acquisition of assets (accounted for under AASB 2); ii. Reviewing and assessing the determination made by the Group whether the transaction is an asset acquisition or a business combination; iii. An assessment of the valuation assumptions used in determining the fair value of the acquired tenements; iv. Reviewing the consolidated balances for the Joint Venture to ensure that the 75% ownership is correctly accounted for and disclosed; and v. Considering the adequacy of the financial report disclosures contained in Note 30.
<p>Carrying Value of Exploration and Evaluation Assets</p> <p>As at 30 June 2019, the carrying value of the Group's Exploration and Evaluation Assets totalled \$5,210,586, as disclosed in note 10.</p> <p>As at 30 June 2019, the carrying value of the Group's Exploration and Evaluation Assets totalled \$5,210,586, as disclosed in note 10.</p> <p>The carrying value of the Exploration and Evaluation Assets is a key audit matter due to:</p> <ul style="list-style-type: none"> • The significance of the total balance (68% of total assets); • The necessity to assess management's application of the requirements of the accounting standard Exploration for and Evaluation of Mineral Resources ("AASB 6"), in light of any indicators of impairment that may be present; and • The assessment of significant judgements made by management in relation to the Exploration and Evaluation Assets. 	<p>Inter alia, our audit procedures included the following:</p> <ol style="list-style-type: none"> i. Assessing the Group's right to tenure over exploration assets by corroborating the ownership of the relevant licences for mineral resources to government registries and relevant third-party documentation; ii. Reviewing the directors' assessment of the carrying value of the exploration and evaluation expenditure, ensuring the veracity of the data presented and that management has considered the effect of potential impairment indicators, commodity prices and the stage of the Group's projects against AASB 6; iii. Evaluation of Group documents for consistency with the intentions for the continuation of exploration and evaluation activities in certain areas of interest and corroborated with enquiries of management. Inter alia, the documents we evaluated included: <ul style="list-style-type: none"> • Minutes of meetings of the board and management; • Announcements made by the Group to the Australian Securities Exchange; and • Cash flow forecasts; and iv. Consideration of the requirements of accounting standard AASB 6. We assessed the financial statements in relation to AASB 6 to ensure appropriate disclosures are made.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019 but does not include the financial report and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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

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

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

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 14 of the directors' report for the year ended 30 June 2019. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion on the Remuneration Report

In our opinion the Remuneration Report of Pacifico Minerals Limited for the year ended 30 June 2019 complies with section 300A of the Corporations Act 2001.

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

Stantons International Audit & Consulting Pty Ltd



Martin Michalik

Director

West Perth, Western Australia
24 September 2019

SHAREHOLDER INFORMATION

Additional information is set out below in accordance with the listing rules of the Australian Stock Exchange Limited and is current as at 23 September 2019.

1. STATEMENT OF ISSUED CAPITAL

- a) Distribution of fully paid ordinary shareholders:

Number of Holders by Holding Size	Ordinary Shares	Unlisted Options
1 - 1,000	87	-
1,001 - 5,000	22	-
5,001 - 10,000	66	-
10,001 - 100,000	394	-
100,001 and over	977	33
Total	1,546	33

- b) Ordinary shares carry one vote per share without restriction. Unlisted options do not have any voting rights.
 c) The number of fully paid ordinary shareholdings held in less than marketable parcels is 290 (based on a share price of \$0.01).

2. SUBSTANTIAL SHAREHOLDERS

Holder	Number	%
VILLIERS QUEENSLAND PL*	314,085,874	11.91
ZERO NOMINEES PL	258,055,555	8.94
AIGLE ROYAL SUPER FUND PL*	150,000,000	5.19

*Denotes merged holders.

3. QUOTATION

Fully paid ordinary shares are quoted on the Australian Stock Exchange Limited. There is a total of 2.89 billion shares on issue. The top twenty shareholders, as listed below, hold 52.03% of these shares:

Holder	Number	%
1 VILLIERS QUEENSLAND PL*	344,085,874	11.91
2 ZERO NOMINEES PL	258,055,555	8.94
3 AIGLE ROYAL SUPERANNUATION PL*	150,000,000	5.19
4 CITICORP NOMINEES PL	143,107,322	4.96
5 CHAPMAN CRAIG GRAEME*	114,619,999	3.97
6 EQUITY TRUSTEES LTD	64,583,333	2.24
7 HARMANIS HOLDINGS PL	59,750,000	2.07
8 SCINTILLA STRATEGIC INVESTMENTS LTD	50,000,000	1.73
9 TUBECHANGERS PL	36,552,021	1.27
10 BUDWORTH CAPITAL PL	32,421,337	1.12
11 TRAVIS CLARK*	30,800,000	1.07
12 MERRILL LYNCH (AUSTRALIA) NOMINEES PL	28,000,000	0.97
13 SIMON NOON*	26,400,000	0.91
14 MR BARRIE RICHARD BOLTON AND MS HELEN LING	23,836,073	0.83
15 DR SALIM CASSIM	23,421,337	0.81
16 RICHARD MONTI*	22,718,766	0.79
17 BNP PARIBAS NOMINEES PL	21,508,971	0.74
18 PRECISION OPPORTUNITIES FUND LTD	20,000,000	0.69
18 GREENSEA INVESTMENTS PL	20,000,000	0.69
19 BRIDGEZONE PL	16,410,000	0.57
20 ANDREW MOLONEY <BOXWOOD>*	16,168,516	0.56
Total	1,502,439,104	52.03

*Denotes merged holders.

SHAREHOLDER INFORMATION (CONTINUED)

4. UNQUOTED SECURITIES

Holders with more than 20% of any unlisted class of security, other than those acquired under an employee incentive scheme, are listed below:

Holder	1.5c Options Expiring 6-May-20	1.5c Options Expiring 21-Nov-20	2c Options Expiring 23-Apr-20	2c Options Expiring 16-Oct-21
Simon Alexander Noon	-	8,500,000	-	-
Dyamond Developments PL	-	-	2,000,000	-
Quintana Resources Holdings LP	-	-	-	10,000,000
Other	62,500,000	18,000,000	-	-
	62,500,000	26,500,000	2,000,000	10,000,000
<i>Total holders</i>	24	8	1	1

SHAREHOLDER INFORMATION (CONTINUED)

5. SCHEDULE OF INTERESTS IN MINING TENEMENTS

Location and Project	Tenement ID	Percentage Held
Colombia		
Berrio	T1928005	5.7%
Berrio	IHF-08012	7.5%
Berrio	IDI-16112X	8.6%
Berrio	IDI-16113X	8.6%
Berrio	HINN-02	8.6%
Berrio	JG1-09552	8.6%
Berrio	T1935005	8.6%
Berrio	6822	100%
Urrao	2791	100%
Australia, Northern Territory		
Borrooloola West	EL26938	51%
Borrooloola West	EL26939	51%
Borrooloola West	EL28508	51%
Borrooloola West	EL28657	51%
Borrooloola West	EL28658	51%
Borrooloola West	EL28659	51%
Borrooloola West	EL30157	51%
Borrooloola West	EL30305	51%
Borrooloola West	MLN624	51%
Borrooloola West	EL31354	100%
Australia, South Australia		
South Australia Project	EL6168	100%
South Australia Project	EL6169	100%
Australia, Tasmania		
Mount Jukes	EL51/2008	13.7%
Miners Ridge	EL12/2009	13.7%
Australia, Western Australia		
Sorby Hills	M80/196	75%
Sorby Hills	M80/197	75%
Sorby Hills	M80/285	75%
Sorby Hills	M80/286	75%
Sorby Hills	M80/287	75%



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