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# Pacifico Expands Strategic Land Holding

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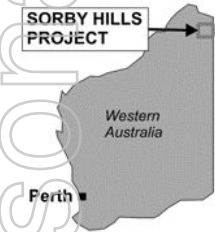
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Pacifico Minerals Limited (ASX: PMY) ('Pacifico' or the 'Company') is pleased to announce that the Company has bolstered its flagship lead-silver-zinc Sorby Hills Joint Venture Project through the acquisition of tenement E80/5317 ('Eight Mile Creek'). Eight Mile Creek is 100% owned by Pacifico and covers 217 km<sup>2</sup> to the northeast of Kununurra and south of the Sorby Hills Joint Venture Project, adding 30 km of strike length of prospective exploration ground adjacent to the Sorby Hills deposit.

## HIGHLIGHTS

- Strategic land holding expanded in potential new mining district to lay the foundation for a long-term future within the region.
- Newly acquired tenement adds a further 30 km strike length of near-surface prospective horizon for exploration.
- Pacifico now holds all unrestricted exploration property surrounding the Pincombe Inlier which may provide extensions of the Sorby Hills mineralisation corridor.

## BACKGROUND

The Sorby Hills Joint Venture Project ('Sorby Hills' or the 'Project') is located approximately 50 km northeast of Kununurra. There are existing sealed roads to transport concentrate from site to the facilities at Wyndham Port (150 km from the Project). Established infrastructure and existing permitting allow for fast tracked production. The Pre-Feasibility Study ('PFS') estimated a CAPEX of A\$95.4M to develop the mine, with a 16-month payback and a pre-tax NPV<sup>8</sup> of A\$243M (ASX Announcement 26 March 2019<sup>1</sup>).

Following on from a significant Resource upgrade in Q4 2019, resulting in a Global Resource estimate of 36 Mt @ 4.9% Pb equivalent<sup>1</sup> (3.7% Pb, 39g/t Ag) and 0.5% Zn (ASX Announcement 31 October 2019), which lies just 20 metres below surface and is open along strike and down dip, the Company is completing an Optimised PFS targeting an increased mining rate and greater processing capacity. The Optimised PFS is progressing well and is expected to be completed during Q2 2020.

<sup>1</sup> Pacifico confirms all material assumptions underpinning the production target or the forecast financial information continue to apply and have not materially changed.

## STRATEGY

The known distribution of mineralisation forms an arc shaped corridor with a rough north-south trend. This corridor follows the contours of the Pincombe Inlier, an island at the time of deposition of the Sorby Hills host rocks that is considered important in the localisation of mineralisation.

With the successful acquisition of the Eight Mile Creek tenement (Figure 1), which extends south along the Pincombe Inlier, the Company is excited at the prospect of further mineralisation discoveries. Pacifico now holds all unrestricted exploration property surrounding the Pincombe Inlier, adding a significant holding of the Burt Range Formation that hosts the mineralisation at Sorby Hills.

All known base metal mineralisation of the Bonaparte Basin, and particularly in the Burt Range Sub-Basin, is located along the basin margin (Figure 2). This tenement gives Pacifico access to an additional 30 km of strike length of prospective exploration ground adjacent to the most advanced deposit in the district.

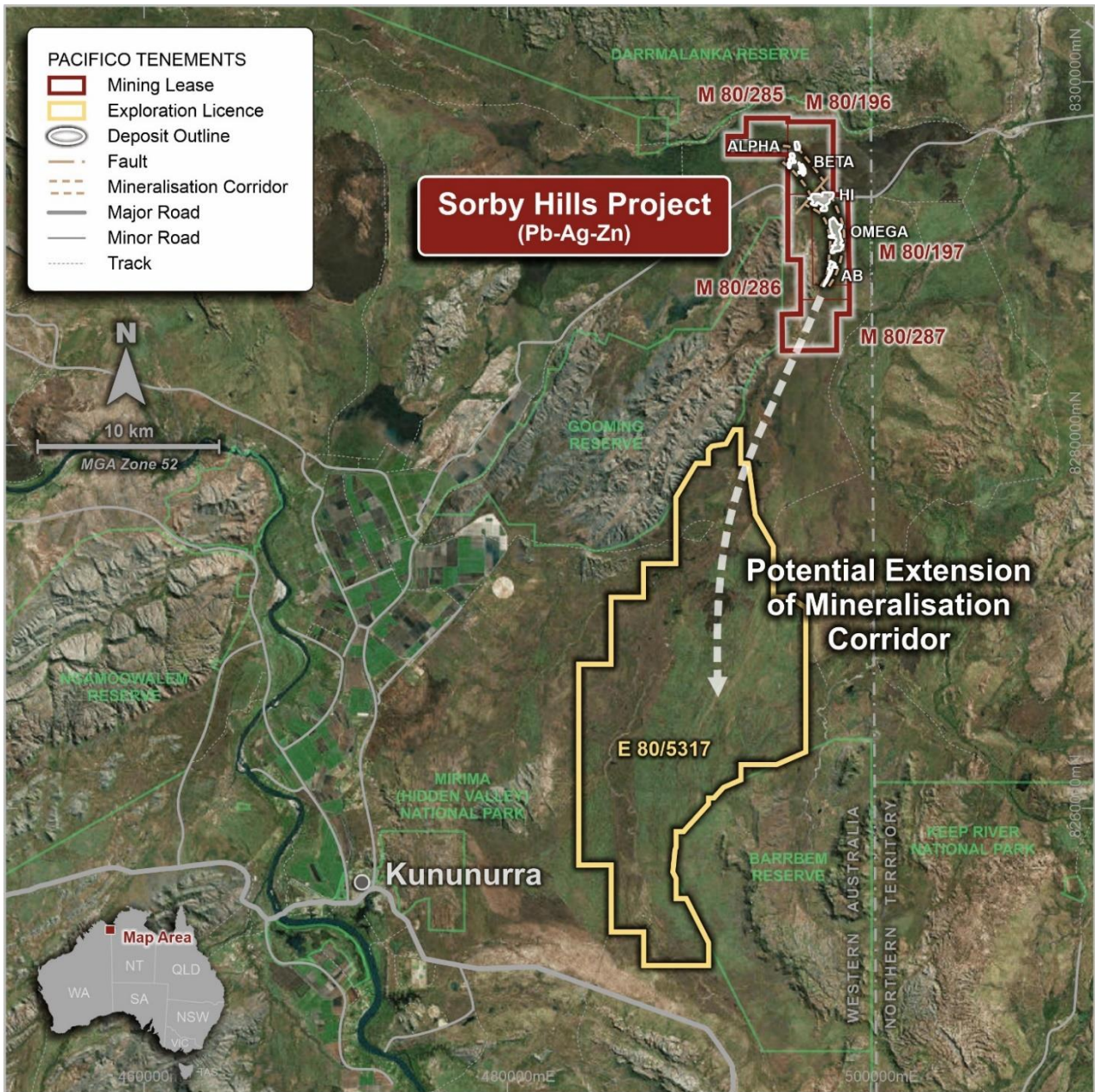


Figure 1: Location of the E80/5317 'Eight Mile Creek' tenement with respect to the Sorby Hills Project.

The strategic significance of the tenement is emphasised by several mineral occurrences and showings along the eastern margin of the Burt Range Sub-Basin and further northwest in the Carlton Sub-Basin (Figure 2).

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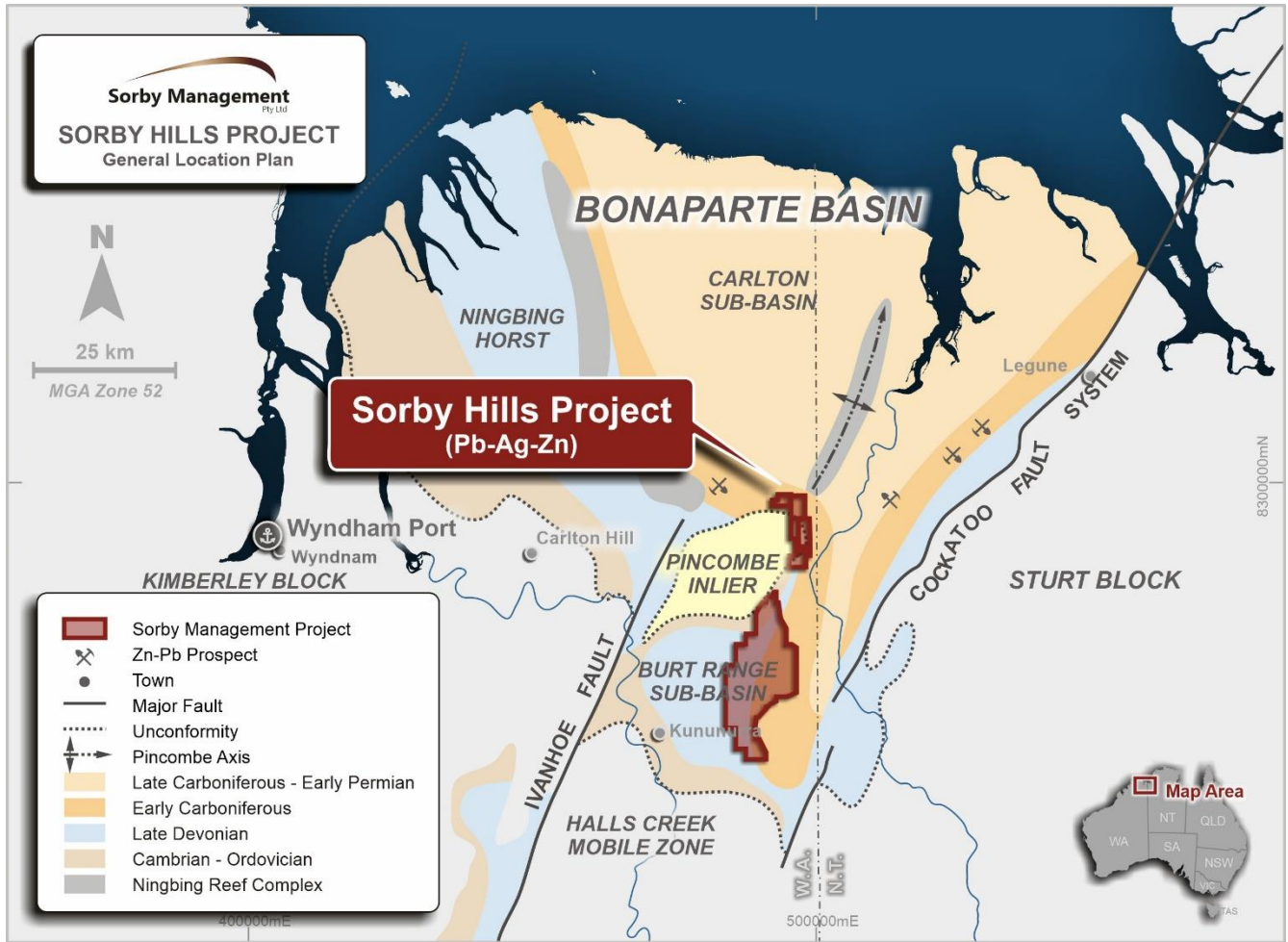


Figure 2: Distribution of mineral occurrences in the Bonaparte Basin and Burt Range Sub-Basin.

The discovery of base metal mineralisation at Sorby Hills dates to 1960 when base metal mineralisation was intersected in an oil well near the centre of the Burt Range Sub-Basin with an extensive history of mineral exploration subsequently. Drilling through the 1980s helped to define several high-grade deposits along a corridor hosted in carbonate rocks. Through successful exploration and development activities in 2018 and 2019 Pacifico has built confidence in the Sorby Hills Lead-Silver-Zinc Deposit and materially increased the size of the Global Mineral Resource Estimate. Recent Phase III drilling results indicate additional exploration potential to the west and openings down dip to the east.

### TECHNICAL BACKGROUND

The concept for the formation of carbonate-hosted mineralisation base metal deposit assumes the expulsion and migration of base metals charged brine from the basin centre and precipitation of base metal sulphides when it encounters carbonate rock along the basin margin (Figure 3). Carbonate-hosted base metal mineralisation around the globe tends to be discovered as clusters of deposit ranging on average in size from 1 to 10 Mt but forming districts with 100's Mt of mineralisation. The nearby deposits of the Lennard Shelf between Derby and Halls Creek (e.g. Cadjebut and Pillara) are the time equivalent deposits in a district that, to date, have revealed approximately 50 Mt of mineralisation and four economically exploited deposits.

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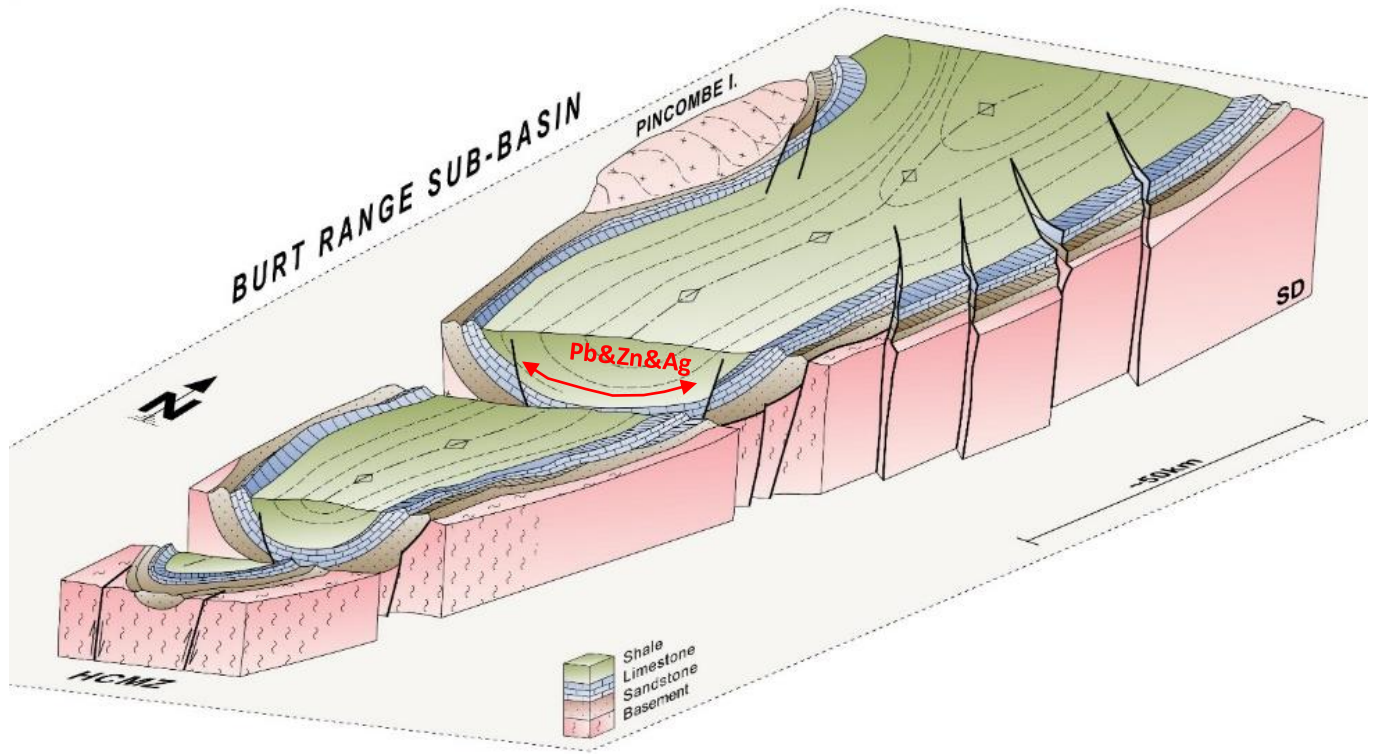


Figure 3: 3D illustration of the Burt Range Sub-Basin highlighting the geological setting and its perceived prospectivity.

This announcement has been approved for release by the Managing Director.

**FOR FURTHER INFORMATION PLEASE CONTACT:**

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**ABOUT PACIFICO MINERALS LIMITED**

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

**FORWARD LOOKING STATEMENTS**

Certain statements in this document are, or may be, 'forward-looking statements' and represent Pacifico's intentions, projections, expectations or beliefs concerning among other things, future exploration activities. The projections, estimates and beliefs contained in such forward-looking statements necessarily involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Pacifico, and which may cause Pacifico's actual performance in future periods to differ materially from any express or implied estimates or projections. Nothing in this document is a promise or representation as to the future. Statements or

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assumptions in this document as to future matters may prove to be incorrect and differences may be material. Pacifico does not make any representation or warranty as to the accuracy of such statements or assumptions.

## APPENDIX 1 - CALCULATION OF Pb EQUIVALENT GRADES

The contained metal equivalence formula is made on the following assumptions based on historical metallurgical work included in a Pre-Feasibility Study (KBL ASX Announcement, 8 April 2014) and modified by more recent metallurgical testwork results (PMY ASX Announcement 17 July 2019), and on the published London Metal Exchange closing spot metal prices of 16 April 2020.

- Lead price US\$ 1664/t;
- Silver price US\$ 0.508/g (US\$15.78/oz);
- Lead recoverable to concentrate 91%; and
- Silver recoverable to concentrate 90%.

It is Pacifico's opinion that all elements included in the metal equivalent calculation have a reasonable potential to be recovered and sold. The formula used to calculate lead equivalent grade is:

*Lead equivalent grade Pb% = ((Grade % Pb x recoverable % Pb x price US\$ per tonne Pb metal / 10,000) + (grade g/t Ag x recoverable % Ag x price US\$/g)) / (Grade % Pb x recoverable % Pb x price US\$ per tonne Pb metal / 10,000)*

Metal equivalents are highly dependent on the metal prices used to derive the formula. Pacifico notes that the metal equivalence method used above is a simplified approach. Only preliminary metallurgical recoveries are available. The metal prices are based on closing spot LME prices of 16 April 2020 and do not reflect the metal prices that a smelter would pay for concentrate nor are any smelter penalties or charges included in the calculation.

Owing to limited metallurgical data zinc grades are not included at this stage in the lead equivalent grade calculation.

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