

15 July 2020

QUARTERLY REPORTS – JUNE 2020

Pacifco Minerals Limited (ASX: PMY) ('Pacifco' or the 'Company') is pleased to provide the following activity and cashflow reports for the June 2020 quarter.



During the quarter, the Company continued to advance its 75% owned Sorby Hills Joint Venture Project ('Sorby Hills' or the 'Project'), located approximately 50km northeast of Kununurra in Western Australia. The Project is a significant lead/silver project with over 44mt of resource at an average lead equivalent grade of 4.5%. The project is near surface, located close to existing infrastructure, and has WA Environmental protection authority (EPA) approval for an open pit mining operation, allowing fast track into production.

HIGHLIGHTS

- **Updated Mineral Resource Estimate ('MRE')** for Sorby Hills following the integration of drilling and a comprehensive review of the Project's geological and analytical database
 - 9% overall increase in Global MRE contained lead to 44Mt at 4.5% Pb equivalent¹ (3.3% Pb, 38g/t Ag and 0.5% Zn).
 - 20% increase in contained lead in the Measured & Indicated resource category to 20.8Mt at 4.9% Pb equivalent (3.6% Pb, 40g/t Ag).
- The Company **delivered a progress update on the Optimised Pre-Feasibility Study ('Op. PFS')**, which highlighted the exceptional economic and operational parameters of the Project
 - Significant Increase in process plant throughput.
 - Improved Pb recovery estimates confirmed by extensive metallurgical testwork.
 - June 2020 MRE to underpin Op. PFS Pit Optimisations.
 - Op. PFS on track for completion in late July 2020.
- **Acquisition of Eight Mile Creek land package** adding 30km of strike length adjacent to Sorby Hills of prospective exploration ground.
- **BurnVoir appointed to secure development funding** for Sorby Hills following strong interest from multiple parties for potential offtake and debt financing.
- Consolidated **cash balance at quarter-end of A\$3M.**
- Outlook: The Company is progressing the Optimised Pre-Feasibility Study at Sorby Hills and anticipates updating the market in late July 2020.

Commenting on the quarter Pacifco **Managing Director Mr Simon Noon** said *"I am incredibly pleased with recent progress at Sorby Hills. The significant upgrade in the Mineral Resource Estimate increases confidence in the geological and resource model, which underpins the mining assumptions in the Optimised PFS. The addition of BurnVoir will allow Pacifco to progress funding options for the project in parallel with our ongoing technical work. We will continue to work hard to advance the project and I would like to thank the team for their efforts. We look forward to shortly updating the market on our Optimised PFS."*

Managing Director
Simon Noon
Company Secretary
Jerry Monzu

Directors
Gary Comb (Chairman)
Richard Monti (Non Exec)
Andrew Parker (Non Exec)

Registered Office
Level 1
105 St Georges Terrace
Perth WA 6000

Telephone
+61 8 6268 0449
ASX Code PMY
ABN 43 107 159 713

For personal use

MINERAL RESOURCE UPDATE

Following a comprehensive review of geological and analytical databases, and integration of Phase III drilling results, the Company released an updated JORC 2012 Mineral Resource Estimate ('MRE') (ASX announcement 2 June 2020).

The updated Global MRE is reported by classification in the following table.

Table 1. Sorby Hills Mineral Resource (lead domains only, reported from blocks where Pb > 1.0%).

JORC Classification	Tonnes (Mt)	Pb %	Zn %	Ag g/t	Pb eq%	Pb eq Metal (Mt)
Measured	7.1	4.3	0.4	57	6.1	0.43
Indicated	13.7	3.3	0.4	31	4.3	0.59
Inferred	23.4	3.0	0.5	36	4.2	0.98
Total	44.1	3.3	0.5	38	4.5	1.99

Note: Tonnes/grade are rounded. See Appendix 1 for Pb equivalent calculation.

Highlights from the updated MRE include:

- Measured Resources of 7.1MT at 6.1% Pb equivalent¹ (4.3% Pb, 57g/t Ag) and 0.4% Zn.
- 20% increase in contained lead in the Measured & Indicated resource category to 20.8MT at 4.9% Pb equivalent (3.6% Pb, 40g/t Ag).
- 19% overall increase in contained Silver to 54.8Moz (includes 28% increase in the M & I category (26.8Moz)).
- 9% increase in contained lead to 44MT at 4.5% Pb equivalent (3.3% Pb, 38g/t Ag) and 0.5% Zn

¹Zinc grades have not been included in the Pb equivalent calculation (refer Appendix 1 ASX Announcement 2 June 2020).

Pacífico expects the updated MRE to have a material, positive, impact on the Optimised Pre-Feasibility Study that is due for completion by late July 2020. It is likely the updated Resource will allow for the conversion of a significant portion of the Measured and Indicated Resources ('M&I') to Probable and Proven Reserves and that the new interpretation will result in a simpler, more continuous, ore body geometry.

The following grade/tonnage graph shows that metal content in the M&I categories is only marginally susceptible to a significant change in cut-off grade, demonstrating impressive Project robustness.

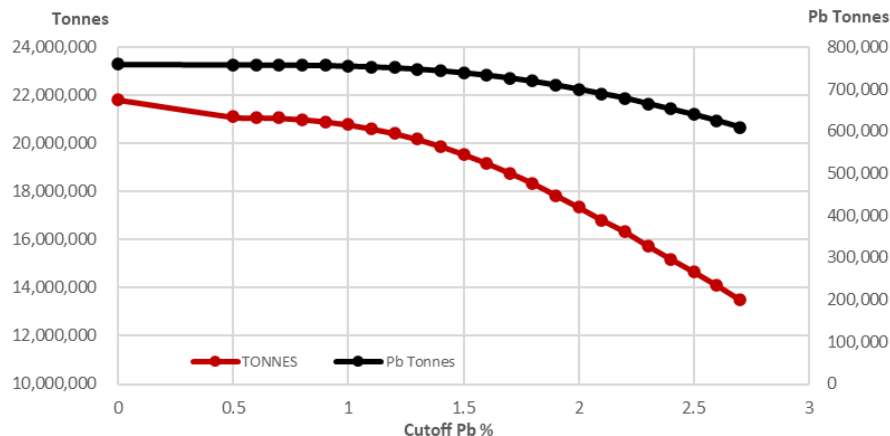


Figure 1. Sorby Hills Mineral Resource grade/tonnage for M&I classifications.

For personal use only

OPTIMISED PRE-FEASIBILITY STUDY PROGRESS

Pacífico is completing an Optimised Pre-Feasibility Study ('Op. PFS'), which targets an increased mining rate and processing capacity, and seeks to further de-risk the Project through additional testwork (ASX Announcement 30 April 2020). The Op. PFS is due to be completed in late July 2020.

The following table provides an overview of Pacífico's progress on the Op.PFS in conjunction with the Company's consultants Entech (mining) and DRA Global (engineering):

Mining (Entech)	<ul style="list-style-type: none"> • Geotechnical site investigations complete. • Hydrogeological site investigations complete; • Two process plant configurations are being investigated in mine optimisation studies: <ul style="list-style-type: none"> ○ Whole ore flotation; and ○ Low-grade beneficiation by DMS and direct feed of high-grade; • Pit optimisations completed for both options; • Preliminary scheduling completed for both options; • Mining contract cost estimation in progress; • Preliminary designs commencing; • Surface water drainage and pit dewatering studies commenced.
Metallurgical Testwork (DRA Global and Pacífico)	<ul style="list-style-type: none"> • Comminution testwork complete for crushing and milling circuit design; • HLS testwork complete for DMS circuit design; • Flotation testwork complete <ul style="list-style-type: none"> ○ Metallurgical testwork and final PFS recovery performance estimates complete; ○ Reagent scheme improved with low operating cost; and ○ Simplified circuit design.
Process Plant and Infrastructure Engineering (DRA Global)	<ul style="list-style-type: none"> • Option studies completed covering the following selections: <ul style="list-style-type: none"> ○ Grinding circuit design – single-stage SAG mill selected; ○ DMS has been identified as being a viable option to upgrade low-grade ore; ○ Power supply – site diesel power station selected. • Project throughput increased; • Two flowsheet options being developed to PFS level of detail for consideration: <ul style="list-style-type: none"> ○ Whole ore direct milling and flotation without beneficiation; and ○ Low-grade beneficiation by DMS with high-grade feed direct to flotation. • Process engineering is complete; • Discipline engineering nearing completion; • Tailings storage facility design complete (Coffey); • Concentrate transport study completed (Minerals to Market).

For personal use only

PACIFCO STRATEGICALLY EXPANDS SOUTH OF SORBY HILLS

On 21 April 2020, the Company announced the acquisition of tenement E80/5317 'Eight Mile Creek'. This strategic landholding has the potential to become a new mining district (Figure 2) and the Company is paving the way for a long-term future within the region.

Eight Mile Creek is 100% Pacifco owned, covers 217km² and adds a further 30km strike length of near-surface prospective horizon for exploration adjacent the Sorby Hills deposit (ASX Announcement 21 April 2020).

Pacifco now holds all unrestricted exploration property surrounding the Pincombe Inlier which provides the potential for extensions to the Sorby Hills mineralisation corridor.

During the quarter, a native title and mineral exploration agreement were executed for the tenement that not only lays the foundation for a productive and collaborative relationship with the traditional owners, but also provides employment and economic opportunities (ASX Announcement 4 May 2020).

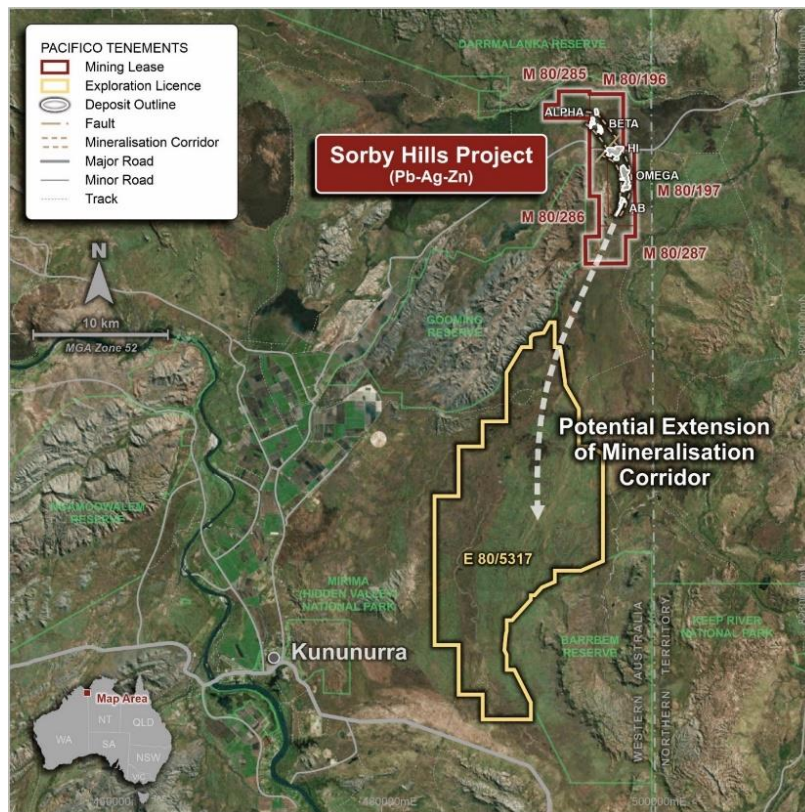


Figure 2: Location of the E80/5317 'Eight Mile Creek' tenement with respect to the Sorby Hills Project.

NON-CORE ASSETS

During the quarter, Pacifco's South Australian tenements (EL6168 and EL6169) were relinquished.

Exploration work on non-core assets remains on hold to allow the Company to focus on the development of the Sorby Hills Project.

For personal use only

CORPORATE

The consolidated cash balance at quarter-end was approximately A\$3.0M.

BurnVoir Corporate Finance, a leading independent finance advisory group, was appointed to assist Pacifico in securing an attractive and flexible funding package for the development of the Sorby Hills Project (ASX Announcement 29 June 2020).

A total of 13 million performance rights were issued to Mr Gary Comb (Executive Chairman) on April 7 2020 under the terms of his employment contract (ASX Announcement 8 April 2020). Gary also purchased 5 million shares in the Company for a total of \$30,000 during the period (ASX Announcement 26 May 2020).

During the period, the Company paid \$57k to related parties, these payments were made to Directors of Pacifico Minerals Limited for salaries and directors fees, on normal commercial terms.

The Board of Directors have authorised this announcement for release to the market.

FOR FURTHER INFORMATION PLEASE CONTACT:

Simon Noon
Managing Director
Phone: +61 (0)8 6268 0449
Email: info@pacificominerals.com.au

ABOUT PACIFICO MINERALS LIMITED

Pacifico Minerals Ltd is a Western Australian based exploration company with interests in both Australia and Colombia. The company is currently focused on advancing the Sorby Hills Lead-Silver-Zinc Joint Venture Project in WA. Pacifico holds a 75% interest with the remaining 25% contributing interest held by Henan Yuguang Gold & Lead Co. Ltd.

ABOUT HENAN YUGUANG GOLD AND LEAD CO., LTD

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

NO NEW INFORMATION

This report contains references to exploration results and Mineral Resource estimates, all of which have been cross-referenced to previous announcements made by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant announcements and in the case of estimates of Mineral Resources, that Page 9 all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

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,

For personal use only

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 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.

COMPETENT PERSON STATEMENTS

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves.

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

The information in this release that relates to Exploration Results is based on information prepared by Dr Simon Dorling. Dr Dorling is a member of the Australasian Institute of Geoscientists (Member Number: 3101). Dr Dorling has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the JORC Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Dorling consents to the inclusion in the release of the matters based on their information in the form and context in which it appears.

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

For personal use only

APPENDIX 1
INTERESTS IN TENEMENTS

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

For personal use only

Appendix 5B

Mining Exploration Entity or Oil and Gas Exploration Entity

Quarterly Cash Flow Report

PACIFICO MINERALS LIMITED	
ABN 43 107 159 713	Quarter ended ("current quarter")
	June 2020

Consolidated statement of cash flows		Current quarter	Year to date (12 months)
		\$A'000	\$A'000
1	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(509)	(2,336)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(103)	(424)
	(e) administration and corporate costs	(68)	(463)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	4	36
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other		
	* (Recharge of staff costs and other administration costs to the Sorby JV)	18	(168)
	* (Covid-19 Boost Payment)	50	50
1.9	Net cash from / (used in) operating activities	(608)	(3,305)

2	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

For personal use only

For personal use only

3	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	4,600
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(304)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.1	Net cash from / (used in) financing activities	-	4,296

4	Net increase / (decrease) in cash and cash equivalents for the		
4.1	Cash and cash equivalents at beginning of period	3,564	1,964
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(608)	(3,305)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10)	-	4,296
4.5	Effect of movement in exchange rates on cash held	-	1
4.6	Cash and cash equivalents at end of period	2,956	2,956

5	Reconciliation of cash and cash equivalents	Current quarter	Previous
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	\$A'000	\$A'000
5.1	Bank balances	2,895	3,504
5.2	Call deposits	61	61
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,956	3,565

6	Payments to related parties of the entity and their associates	Current quarter	
		\$A'000	
6.1	Aggregate amount of payments to related parties and their associates included in item 1	57 *	
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-	
Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.			
*(Salaries and Director fees paid on normal commercial terms.)			

7	Financing facilities	Total facility amount at quarter end	Amount drawn at quarter end
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>	\$A'000	\$A'000
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-

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

8	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(608)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(608)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	2,956
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	2,956
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	4.86
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
	2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
	3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	

Compliance statement

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

Sign here:  Date: 15 July 2020
 Jerry Monzu (Company Secretary)

Authorised for release by the Board of Directors of Pacífico Minerals Limited

Notes

- This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
- Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

For personal use only

4. If this report has been authorised for release to the market by your board of directors, you can insert here: “By the board”. If it has been authorised for release to the market by a committee of your board of directors, you can insert here: “By the [name of board committee – e.g. Audit and Risk Committee]”. If it has been authorised for release to the market by a disclosure committee, you can insert here: “By the Disclosure Committee”.
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council’s *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

For personal use only