

14 September 2020

NAIF Completes Strategic Assessment of Sorby Hills Project and Proceeds to Due Diligence



Highlights

- The Federal Government's Northern Australia Infrastructure Facility (NAIF) has completed its strategic assessment of the Sorby Hills Project.
- NAIF has advised that Sorby Hills will now proceed to a detailed due diligence phase.
- NAIF has A\$5 billion in debt finance available to be lent on concessional terms to support infrastructure development that generates public benefit for northern Australia.
- Sorby Hills will involve a peak of 163 construction personnel and an average of 186 operations personnel, with many of these jobs being sourced from the Kimberley Region.
- Pacifco is progressing with its Definitive Feasibility Study on the Sorby Hills Project.

Pacifco Minerals Limited (ASX: PMY) ("Pacifco" or "the Company") is pleased to announce that the Federal Government's Northern Australia Infrastructure Facility ("NAIF") has completed its strategic assessment of the Sorby Hills Lead-Silver-Zinc Project ("Sorby Hills" or "the Project") and confirmed it has proceeded to the detailed Due Diligence Stage of the NAIF assessment process.

NAIF is a Federal Government organisation with an aggregate of A\$5 billion of debt finance which may be lent on concessional terms to support infrastructure development that generates public benefit for northern Australia. It also seeks to encourage and complement private sector investment to further that objective and increase employment opportunities in the region.

Sorby Hills is a proposed major mining project located in the Kimberley Region of Western Australia approximately 50km northeast of Kununurra and 150km from the Port of Wyndham. The Project will involve a peak of 163 construction personnel and an average of 186 operations personnel, with many of these jobs being sourced from the Kimberley Region. The Project will also help create and maintain a pipeline of jobs and associated support industry in the region and support the local economy during a time when the region's premier mining project, Rio Tinto's Argyle Diamond Mine, is preparing for closure¹.

The Company has recently released a Pre-Feasibility Study ("PFS") that confirmed Sorby Hills is a technically and economically robust project delivering a Pre-Tax NPV₈ of A\$303M, Pre-Tax of IRR 46% and strong cash flows that can likely support a high level of debt for the upfront capital requirement.

On the NAIF decision, Pacifco Managing Director Simon Noon stated:

"Pacifco is delighted to have received confirmation that NAIF has progressed Sorby Hills to the Due Diligence Stage of its debt funding assessment process. NAIF's decision provides additional confidence as we progress our Definitive Feasibility Study. The decision also encourages us to explore opportunities that both add value to the Project and deliver positive economic and social outcomes for the local community."

Managing Director

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Pacifco will continue to assist NAIF with its required due diligence investigations regarding participation in any potential debt facilities to fund Sorby Hills' development. At this stage, NAIF has not made any decision to offer finance and there is no certainty that an agreement will be reached between the parties.

The Company's financial adviser in relation to the proposed NAIF funding is BurnVoir Corporate Finance.

About NAIF

NAIF was established on 1 July 2016 by the Northern Australia Infrastructure Facility Act 2016 (NAIF Act) and is a corporate Commonwealth entity. The objective of the NAIF Act is to provide financial assistance to the States of Queensland, Western Australia and the Northern Territory for the construction of infrastructure to benefit northern Australia. NAIF has made over A\$2 billion in investment decisions and conditional approvals for projects across Northern Australia as a whole, supporting projects forecast to create more than A\$4 billion of public benefit. Further information on the NAIF is available on the NAIF website www.naif.gov.au.

¹ Source: <https://www.riotinto.com/en/operations/australia/argyle>.

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

FOR FURTHER INFORMATION PLEASE CONTACT:

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Compliance Statements

Information relating to Production Targets and Financial Forecasts is sourced from an ASX announcements titled "Sorby Hills PFS Delivers Outstanding Results" and "Amended Announcements" released on 25th August 2020 and available at www.pacificominerals.com.au. The Company confirms that all material assumptions underpinning the Production Targets and Financial Forecasts included in these announcements continue to apply and have not materially changed.

About Pacifco Minerals Ltd

Pacifco Minerals Ltd ("**Pacifco**", ASX: PMY) is a Western Australian based exploration company with interests in Australia and Colombia. In Australia, the company is currently focused on advancing the Sorby Hills Lead-Silver-Zinc Joint Venture Project in WA. Pacifco owns a 75% interest in the Joint Venture with the remaining 25% (contributing) interest held by Henan Yuguang Gold & Lead Co. Ltd. The Company recently completed a Pre-Feasibility Study ("PFS") that confirmed Sorby Hills is a technically and economically robust project delivering a Pre-Tax NPV₈ of A\$303M, Pre-Tax of IRR 46%, and strong cash flows.

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