



***Advancing an Exciting Near Surface Lead-Silver-Zinc Project in Western Australia.***

**Company Presentation – June 2020**



# DISCLAIMER

## **Forward-Looking Statements**

Certain statements in the presentation are or may be “forward-looking statements” and represent the Company’s intentions, projections, expectations or beliefs concerning, among other things, future operating and exploration results or the Company’s future performance. These forward-looking statements speak, and the presentation generally speaks, only at the date hereof. The projections, estimates and beliefs contained in such forward looking statements necessarily involve known and unknown risks and uncertainties, and are necessarily based on assumptions, which may cause the Company’s actual performance and results in future periods to differ materially from any express or implied estimates or projections.

## **General Disclaimer**

The information in this presentation remains subject to change without notice. This presentation may contain information (including information derived from publicly available sources) that has not been independently verified by the Company.

## **Not an Offer**

This presentation is for information purposes only. The presentation does not comprise a prospectus, product disclosure statement or other offering document under Australian law. The presentation does not constitute or form part of any invitation, offer for sale or subscription or any solicitation for any offer to buy or subscribe for any shares in Pacifco Minerals Limited.

## **No Liability**

Pacifco Minerals Limited has prepared this document based on information available at the time of preparation. No representation or warranty, express or implied is made as to the fairness, accuracy or completeness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, Pacifco Minerals Limited, its related bodies corporate and the officers, directors, employees, advisers and agents of those entities do not accept any responsibility or liability for any loss arising from the use of the presentation or its contents or otherwise arising in connection with it.

## **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.



## SHARE PRICE

A\$ 0.007

## ISSUED SHARES

2,890 M

## MARKET CAP

A\$ 20.2 M

## ENTERPRISE VALUE

A\$ 17.1 M

## CASH (June 8)

A\$ 3.1 M

## OPTIONS

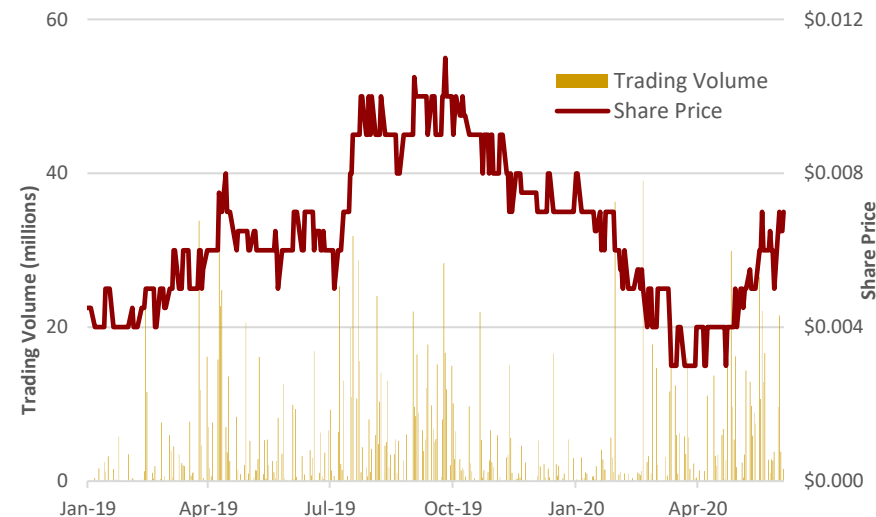
450 M

## Company Highlights

- ✓ ASX-listed base metal explorer and **developer**.
- ✓ Experienced Board and Management with a **proven track record in exploration and development**.
- ✓ Based and focused in Western Australia, **relatively unaffected by COVID-19 pandemic**.
- ✓ Partnered with **China's largest lead smelting and silver producer - Sorby Hills JV**.
- ✓ Low market cap with very significant upside.
- ✓ **Rare ASX exposure to Silver in a strong market for precious metals**.
- ✓ Top 20 shareholders hold 50% of issued capital.

**Unlisted Options:** 26.5M expiring 21/11/20 and exercisable at \$0.015. 10M expiring 16/10/21 and exercisable at \$0.020.  
**Performance Options:** 62.5M Expiring 30/06/22 zero priced **Listed Options:** 351M expiring 21/11/20 and exercisable at \$0.015.

## 12-Month Share Price Performance



## Top Shareholders

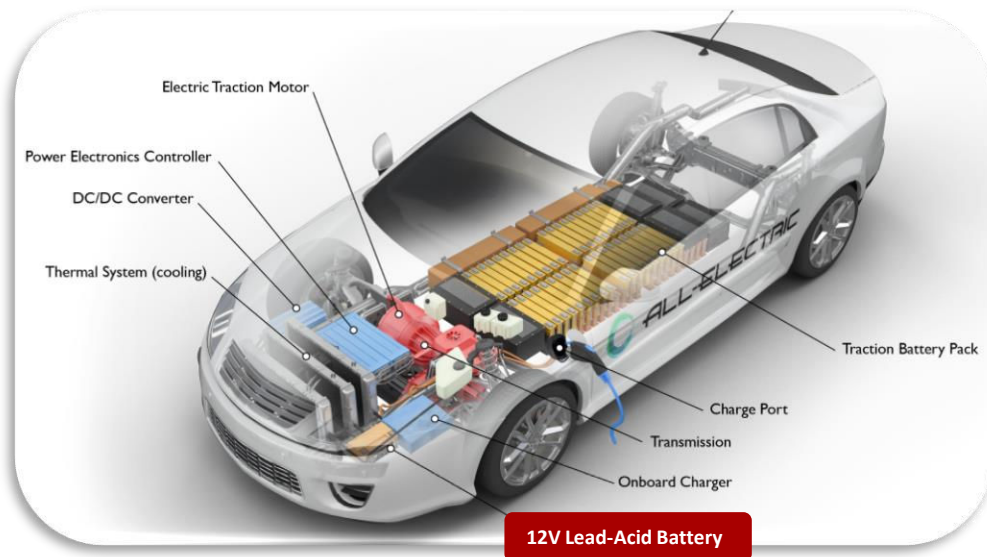
1. VILLIERS QUEENSLAND PL*	12.33%
2. ZERO NOMINEES PL	5.54%
3. AIGLE ROYAL SUPER FUND PL*	5.19%
3. CRAIG CHAPMAN*	5.19%
4. CITICORP NOMINEES PL	4.38%
5. EQUITY TRUSTEES LTD <LOWELL RESOURCES FUND A/C>	2.24%

\*Denotes merged holders.

# THE CASE FOR LEAD

## Lead Batteries Support Clean Energy Transition

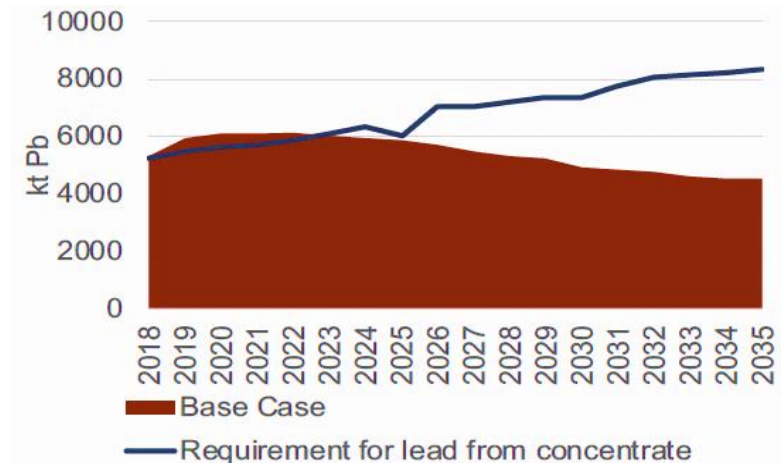
- **Lead batteries** are a key element in the transition to a low carbon economy, with **unrivalled sustainability credentials**<sup>2</sup>.
- **50% of all new vehicles will have stop-start technology by year end** and will contain **25% more lead**<sup>3</sup>.
- **Electric Vehicles use a separate lead battery** to run their battery management and safety systems.



## Supply and Demand

- **Lead batteries provide 75% of worldwide rechargeable energy storage**<sup>2</sup>.
- Predicted growth in global lead market demand - **CAGR of 6.74%** between 2018 and 2022<sup>1</sup>.
- **Short-term refined lead stock is close to record lows.**
- Base case for mined lead shows **deficit from 2023 without new mine supply.**

## Base Case Mined Lead Production vs. Demand<sup>4</sup>



<sup>1</sup>Business Wire ([www.businesswire.com/news/home/20180803005303/en/Global-Lead-Market-Analysis-Trends-Forecasts-2018-2022](http://www.businesswire.com/news/home/20180803005303/en/Global-Lead-Market-Analysis-Trends-Forecasts-2018-2022))

<sup>2</sup>IL2SG May 2019 Presentation 'Importance of Zinc to the Circular Economy.' <sup>3</sup>The Assay Group Mining Magazine (<https://www.theassay.com/articles/lead-5-things-to-look-for-in-2019>) <sup>4</sup> Source: ASX: G1A Feb 2019 Origin: Wood Mackenzie





## SORBY HILLS LEAD-SILVER-ZINC PROJECT

*Western Australia*

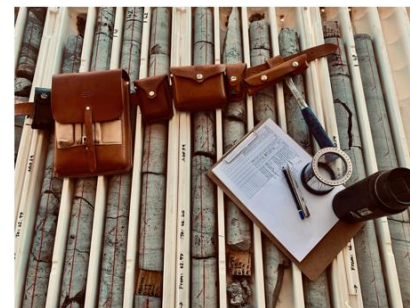




# PROJECT HIGHLIGHTS

*Reaching key investment catalysts with Optimised PFS and Ore Reserve planned for completion in July 2020.*

- ✓ **Partnered with lead and silver heavyweight** to develop the Project (Pacifico 75%, Henan Yuguang 25% contributing).
  - ✓ Large, **near-surface Pb-Ag-Zn deposit** in a **Tier 1 Jurisdiction**.
  - ✓ **Key approvals secured**, significantly derisking future development.
  - ✓ Located **close to existing infrastructure**.
  - ✓ **Simple, well-understood, geology and metallurgy**.
- ✓ Compelling economics including **modest CAPEX, fast payback**.
  - ✓ Recent **substantial Mineral Resource upgrade** to underpin Optimised PFS in Q2 2020.
  - ✓ Potential to become a **long life, high margin lead and silver producer**.
  - ✓ **Outstanding exploration upside**.



# PROJECT OVERVIEW

## Approvals

- **Granted mining tenements.**
- **Ministerial and WA Environmental Protection Authority ('EPA') approval** for an open pit mine and infrastructure.
- **Pre-native title tenements.**

## Location and Infrastructure

- ~50km north-east from the regional centre of Kununurra, Western Australia.
- **Existing sealed road** to transport concentrate from site to the facilities at Wyndham Port.
- Wyndham Port is already shipping metal concentrates.
- **Established infrastructure** allows for fast tracked production.

## Tenements

- Five mining licences totalling 42 km<sup>2</sup> (PMY 75%)
- One exploration licence covering 217 km<sup>2</sup> (PMY 100%)

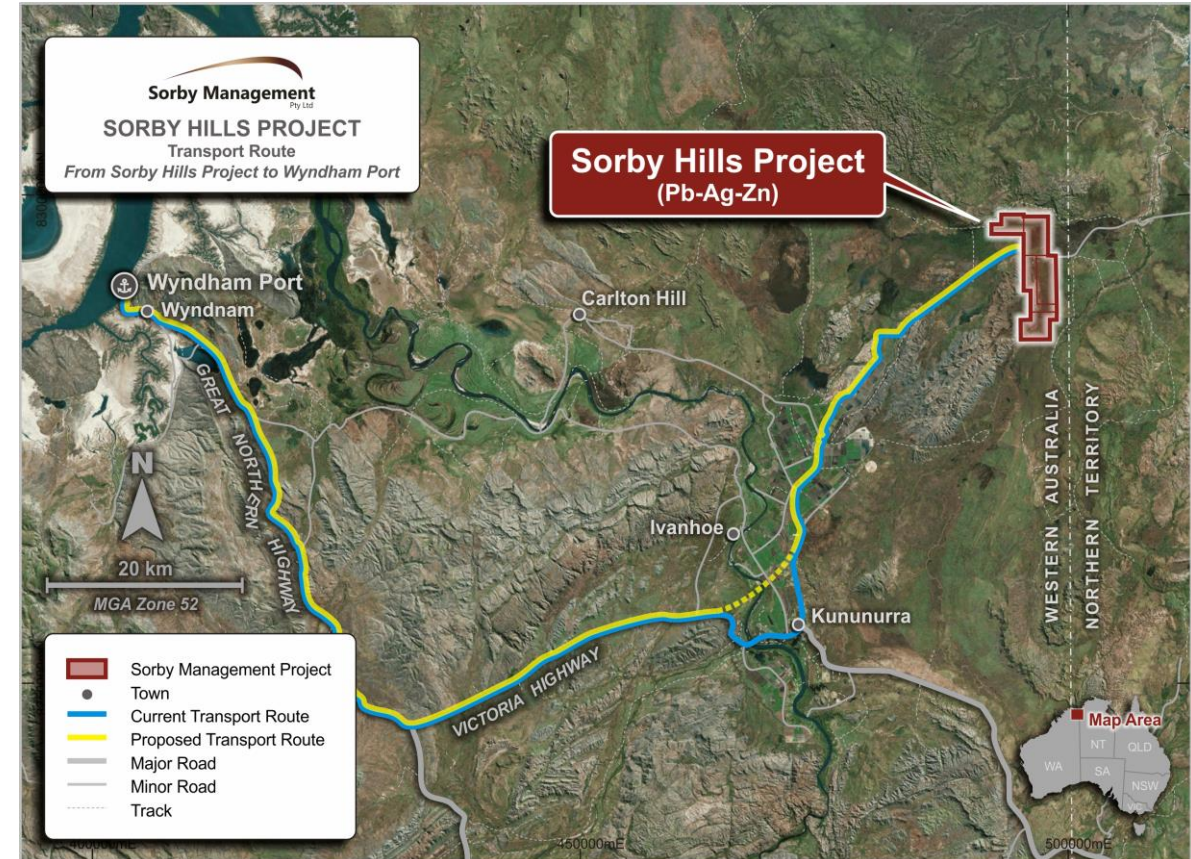


Image: Sorby Hills Regional Location.



# MINERAL RESOURCE ESTIMATE

- Global Resource of **44.1 Mt @ 4.5% Pb equivalent<sup>1</sup>** (3.3% Pb, 38g/t Ag) and 0.5% Zn from **20 m below surface** and open along strike and down dip<sup>2</sup>.
- Resource size and confidence level substantially increasing with each drilling program.

## JORC MINERAL RESOURCE ESTIMATE AT A 1.0% LEAD CUT-OFF GRADE<sup>1</sup>

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

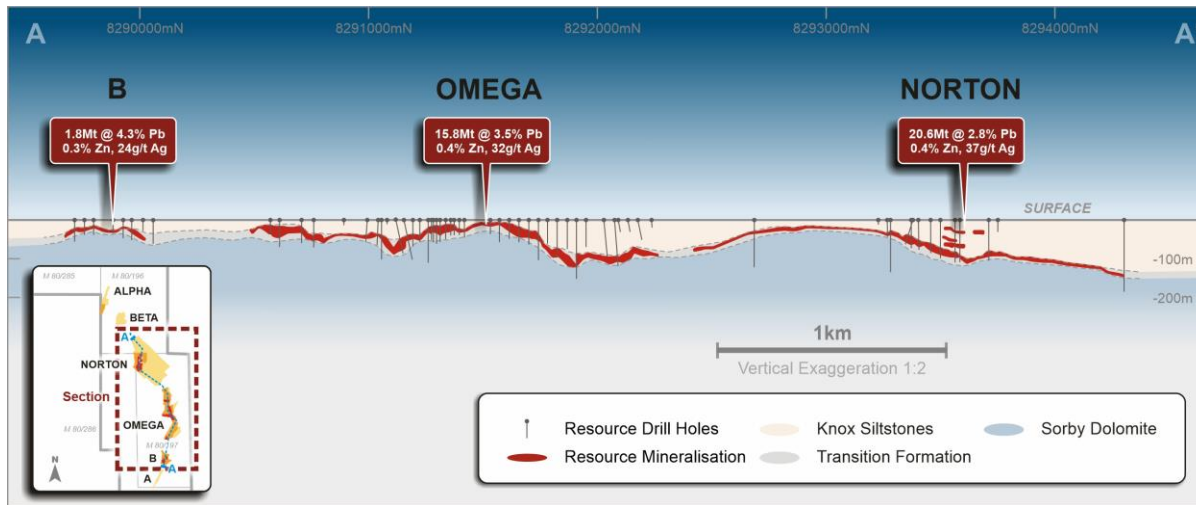
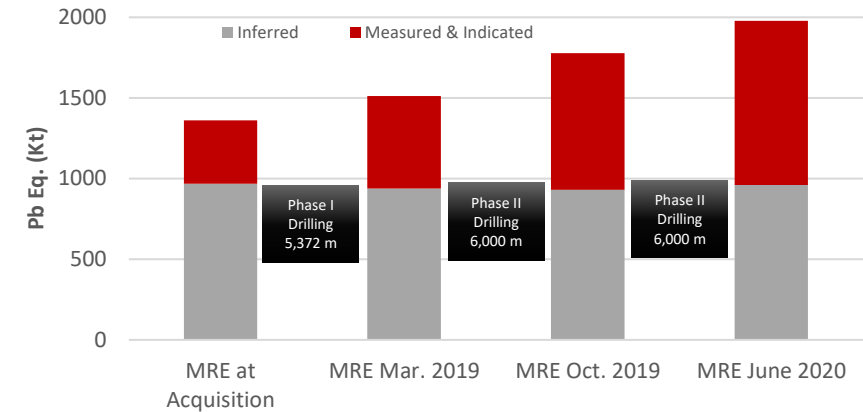


Image: Long section looking west. Red blocks represent mineralisation from the MRE block model.

## Resource Growth Since Oct. 2018 Acquisition (Pb Eq. Only at 1.0% Cut Off)<sup>1</sup>



## Pb Metal Tonnage Curve (M&I Only)

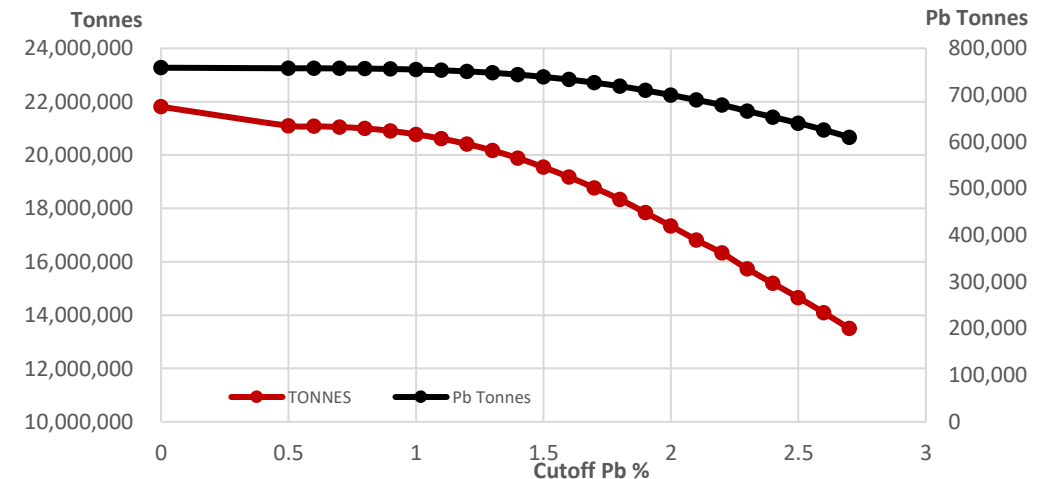


Image: Resource only marginally susceptible to a change in cut-off grade demonstrating impressive robustness.

<sup>1</sup>Zn is not included. Refer to appendix for equivalent calculations. <sup>2</sup>Source: PMY ASX Announcement 2 June 2020.



# PRE-FEASIBILITY STUDY ('PFS') HIGHLIGHTS

## March 2019 PFS

Highly Robust Financials

8 Year Initial Mine Life

CAPEX A\$95.4M

NPV<sub>8</sub> A\$243M

IRR 62%

## Optimised PFS – Completion July 2020

Principal consultants DRA Global (engineering) and Entech (mining). 

50% Increase to Mining Rate (1.5 Mtpa)



**Recent Resource upgrade has materially derisked the project**, justified an increase in plant throughput, and allows conversion of a significant portion of the M&I to Reserves.

Minimum 8 Year Initial Mine Life



Open pit optimisation and mine scheduling **maintains 8+ year mine life** at increased throughput rate.

Simplified Processing Method



**Simple process plant design** completed with engineering and cost estimation progressing.

Higher Lead Recoveries



Metallurgical testwork confirms **improved lead recovery estimates** and excellent results from Heavy Liquid Separation testwork support beneficiation on low-grade ore.

All material assumptions underpinning the production target, or the forecast financial information referenced on 26 March 2019, continue to apply and have not materially changed. PFS assumptions include lead price US\$0.92/lb, silver price US\$15.40/oz and A\$1=US\$0.70. PMY ASX announcements 26 March 2019 (March PFS), 30 April 2020 (Op PFS).

# MINING, METALLURGY, AND PROCESSING

*Open pit mining, high recoveries and simple processing to produce high quality concentrate.*

## Mining

- Initial 8-year production from shallow to medium depth open pits.
- Near-surface, shallow-dipping, ore body enables low cost pre-strip and access to ore.
- Flat topography and easy free dig in first 18m.
- Waste rock to be returned to pits to reduce waste dump footprint and rehabilitation.

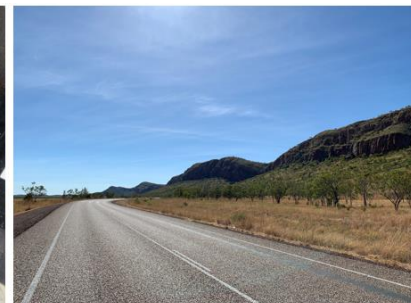
## Metallurgy

- Optimised PFS testwork confirmed average metal recoveries of 93% Pb and 85% Ag.
- Cleaner concentrate grade of 62.0% Pb.
- Dense Media Separation ('DMS') beneficiation effective on low grade ore with Pb upgrade ratio of 2.7 and 70% mass rejection.

## Processing

- Single stage SAG mill selected for direct flotation feed material and DMS product
- Coarse galena with primary grind size of 125um.
- Simple flotation with two stages of cleaning and no re-grind.
- Two flowsheet options being considered:
  1. Whole ore 1.5Mtpa mill feed; and
  2. Whole ore 1.275Mtpa direct feed and 225,000tpa mill feed from DMS.

PMY ASX announcement 30 April 2020.





# DRILLING SUCCESS

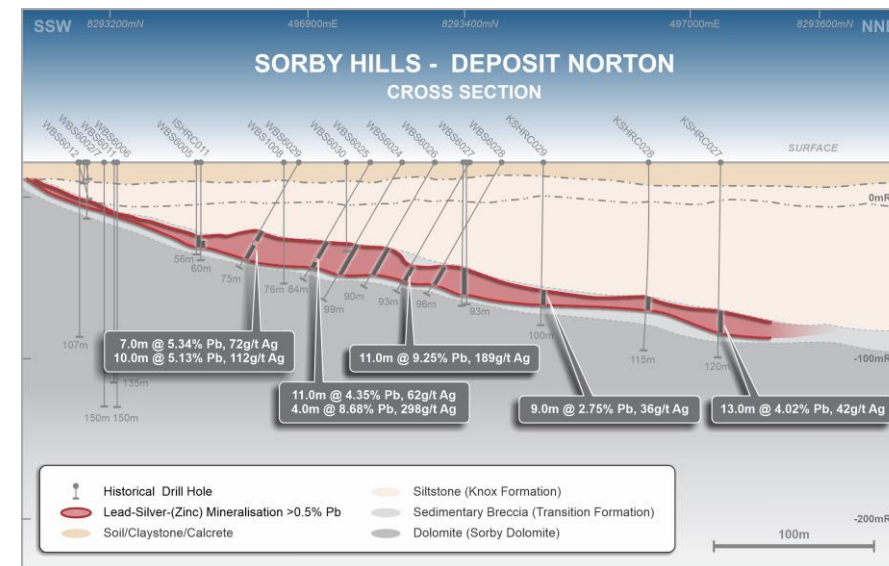
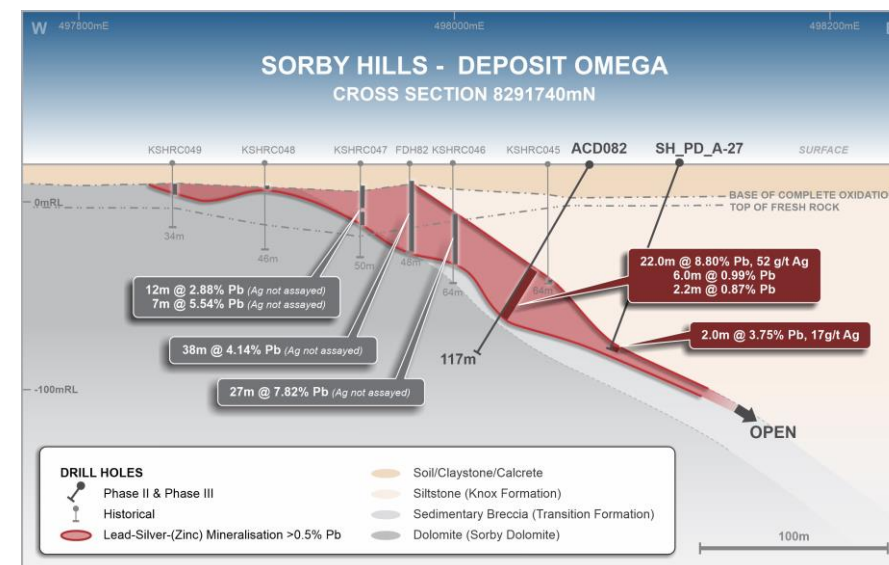
Pacifico's drilling has materially increased confidence in ore body geometry, grade, and continuity, resulting in the Omega and Norton deposits with a combined strike length of over 4 km.

## Noteworthy Expansion and Infill Drilling Intercepts

- **22.0m at 8.8% Pb, 52g/t Ag, 0.3% Zn** from 68m (ACD082).
- **20.0m at 7.3% Pb, 56g/t Ag, 0.4% Zn** from 11m (ACD046).
- **11.7m at 10.8% Pb, 105 g/t Ag, 0.4% Zn** from 75.7m (AF005).
- **14.0m at 13.0% Pb, 89g/t Ag, 1.0% Zn** from 24m (ACD080).
- **21.0m at 5.0% Pb, 21g/t Ag, 0.5% Zn** from 23m (ACD056).
- **23.0m at 9.0% Pb, 88g/t Ag, 1.2% Zn** from 59m (ACD071).
- **21.0m at 5.0% Pb, 21g/t Ag, 0.5% Zn** from 23m (ACD056).
- **10.0m at 7.16% Pb, 383g/t Ag, 0.43% Zn** from 110m (SHPDA31).
- **10.0m at 6.6% Pb, 53g/t, Ag 0.9% Zn** from 92m (Norton - AI010).
- **12.3m at 5.5% Pb, 42g/t, Ag 0.2% Zn** from 90m (Norton - AI011).



Image: Semi massive galena replacement. ACD080, 32.8m. Part of an interval 25.7m to 37.9m (12.2m) of well mineralised core consisting of strong galena (metallic grey), some pyrite and minor sphalerite.



# EXPLORATION UPSIDE AND NEXT STEPS

## Exploration Upside

- Gravity provides the best vectors and has identified several high priority targets for extensions of mineralisation. Mineralisation correlates with the transition from linear gravity lows to gravity highs.
- **Pacifico holds all unrestricted exploration property** surrounding the Pincombe Inlier, laying the foundation for a long-term future with an additional 30 km strike length of near-surface prospective horizon.

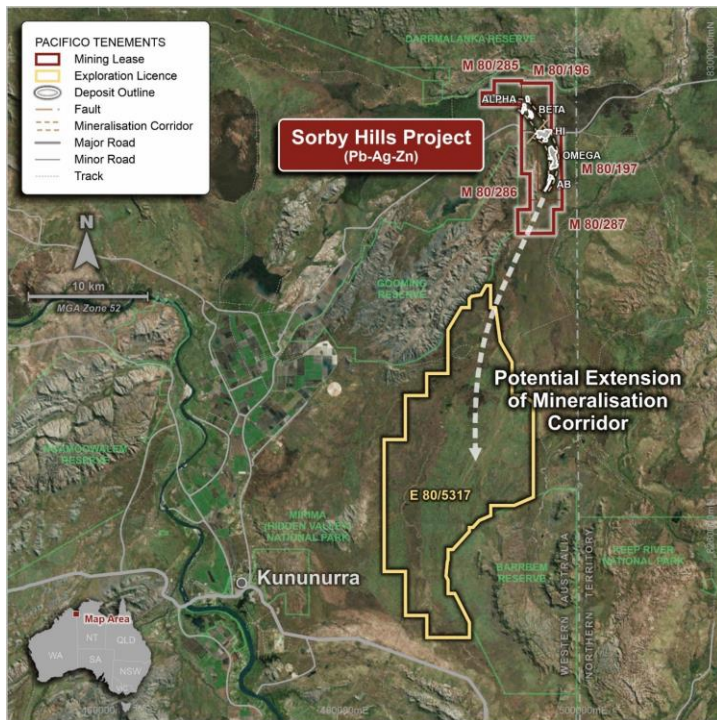


Image: PMY 100% owned E80/5317 to the south of the Sorby Hills JV Project.

*Potential to become a long life, high margin lead and silver producer.*

## Next Steps

- **Planned drilling is expected to confirm continuity between Norton and Omega deposits.**
- Extension of the gravity survey to cover full tenement package inc. recently acquired E80/5317.
- Four recent wildcat drillholes **confirmed continuity of shallow mineralisation** which is a priority target for follow up diamond drilling – **possible link to Norton.**

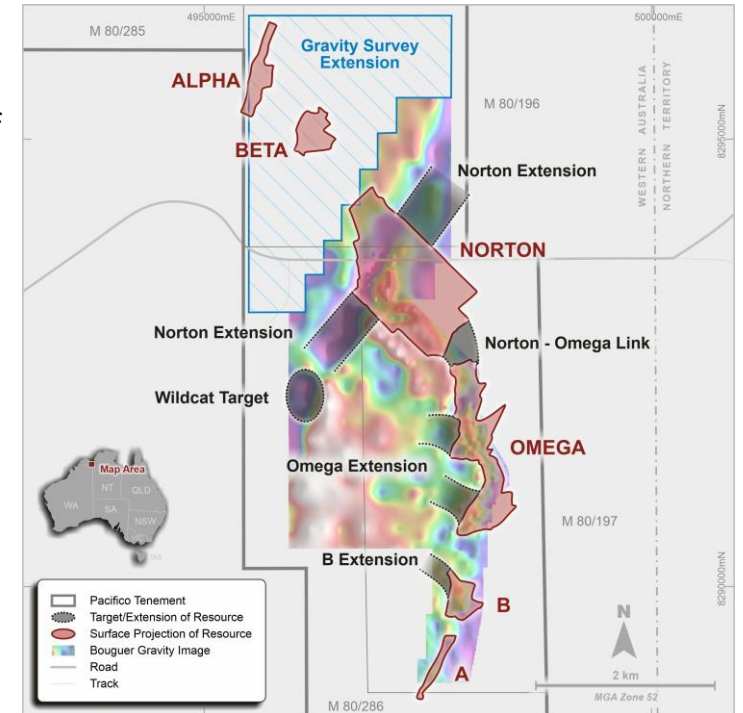


Image: Priority target areas.







## **CONTACT US**

**Simon Noon – Managing Director**

**L1, 105 St Georges Tce, Perth WA 6000**

**61 8 6268 0449**

**[info@pacificominerals.com.au](mailto:info@pacificominerals.com.au)**

**[www.pacificominerals.com.au](http://www.pacificominerals.com.au)**

**Research Coverage by Andrew Clayton from Euroz**





## APPENDICES

*A-F*



# BOARD AND MANAGEMENT

*Experienced Board and Management with a proven track record in exploration and development.*



**GARY COMB**  
Chairman

Engineer with over 30 years' experience in the Australian mining industry, with a strong track record in successfully commissioning and operating base metal mines.



**Simon Noon**  
Managing Director and CEO

Experienced executive with a strong background in strategic management, business planning, finance, capital raising and securing and operating joint ventures with mid to top tier miners in a variety of commodities.



**Richard Monti**  
Non-Exec. Director

Geologist with over 30 years' experience in technical, commercial, marketing and finance within the exploration and mining industry.



**Andrew Parker**  
Non-Exec. Director

Lawyer with extensive experience in the exploration and mining industry. Wealth of expertise in corporate advisory, strategic consultancy and vast experience in raising capital.

TECHNICAL TEAM	
<b>KEVIN REYNOLDS</b> Project Manager	Experienced metallurgist and project development manager of 30 years, covering mining and metallurgical operations, project development, process development, feasibility studies and project execution.
<b>SIMON DORLING</b> Exploration Manager	Geologist with more than 26 years' experience in exploration, development and the mining of base metals, precious metals, energy minerals and industrial minerals.



# RESOURCE ESTIMATE AT SELECTED CUT OFF GRADES

Cut-Off Grade Pb%	JORC Classification	Tonnes (Mt)	Pb %	Zn %	Ag g/t
1.0	Measured	7.1	4.3	0.4	57
	Indicated	13.7	3.3	0.4	31
	Inferred	23.4	3.0	.5	36
	Total	44.1	3.3	.5	38
1.5	Measured	6.9	4.4	.4	58
	Indicated	12.7	3.4	.4	32
	Inferred	19.8	3.3	.5	38
	Total	39.3	3.5	.5	40
2.0	Measured	6.4	4.6	.4	61
	Indicated	11.0	3.7	.4	35
	Inferred	15.6	3.7	.6	41
	Total	32.9	3.9	.5	43
2.5	Measured	5.7	4.9	.4	64
	Indicated	8.9	4.0	.5	37
	Inferred	11.6	4.2	.6	46
	Total	26.2	4.3	.5	47

Note: Tonnes and grades are rounded. Pb domains only.  
PMY ASX announcement 2 June 2020.

# EQUIVALENT CALCULATION

The contained metal equivalence formula is based on the published London Metal Exchange closing metal prices of 29 May 2020.

- Lead Price US\$ 1,615.50/t;
- Silver Price US\$ 17.87/oz;
- Lead recovery of 93.5% (weighted average of oxide/transition and fresh recoveries); and
- Silver recovery of 83.7% (weighted average of oxide/transition and fresh recoveries).

It is Pacífico'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:

$$\text{Metal Eq (percent)} = G_{pri} + (G_{pri} \times [\sum_i R_i S_i V_i G_i] / (R_{pri} S_{pri} V_{pri} G_{pri}))$$

where **R** is the respective metallurgical metal recovery rate, **S** is the respective smelter return rate, **V** is metal price/tonne or ounce, and **G** is the metal commodity grade for the suite of potentially recoverable commodities (**i**) relative to the primary metal (**pri**).

Metal equivalents are highly dependent on the metal prices used to derive the formula. Pacífico notes that the metal equivalence method used above is a simplified approach. Only preliminary metallurgical recoveries are available. The metal prices are based on average LME prices of 29 May 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.



# CAPITAL INVESTMENT AND OPERATING COSTS

## Sorby Hills Lead-Silver-Zinc Project March 2019 PFS

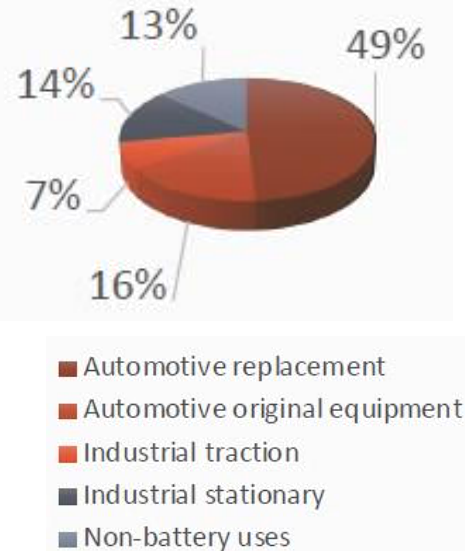
PRE-PRODUCTION CAPITAL EXPENDITURE (A\$M)	
On-site Capital Expenditure	52
EPCM	8
Owner's Project Costs	10
Mining (inc. de-watering, pre-strip)	14.9
Contingency	10.5
Total Pre-Production CAPEX	95.4

OPERATING COST ESTIMATES		
	A\$/lb	US\$/lb
Mining	0.31	0.22
Processing	0.11	0.07
TCRCs and Outbound Logistics	0.16	0.11
General and Admin	0.01	0.01
By-Product Deduction - Net Silver Revenue	-0.36	-0.25
Lead C1 (rounded up)	0.24	0.16
Royalties Payable	0.09	0.06

Pacifco confirms that all material assumptions underpinning the production target, or the forecast financial information referenced on 26 March 2019, continue to apply and have not materially changed. PFS assumptions include lead price US\$0.92/lb.; Silver price US\$15.40/oz and A\$1=US\$0.70 .  
PMY ASX Announcement 26 March 2019.

# LEAD MARKET OPPORTUNITY – DEMAND BY APPLICATION

## Lead Consumption By Sector



- **Automotive batteries are the largest sector of demand** - accounting for more than 86% of refined lead (of which 64% is used in replacement batteries)<sup>1</sup>.
- **Automotive demand expected to boost lead battery production** across 2019<sup>2</sup>. Car ownership in China alone reached 240M units by the end of 2018 – up 10.5% from 2017.
- **Lead-acid has a role in the electrification of bikes**. Each year there are roughly 15M e-bikes sold in China alone.
- **Growing use of lead in industry for energy storage systems**. Australia alone was tipped to add over 70,000 home batteries in 2019 due to government subsidies and incentives<sup>3</sup>.
- **Rollout of 5G networks supports demand for lead** as base stations currently use lead batteries<sup>4</sup>. In China alone base station production rose by 134% in 2018<sup>4</sup>.

<sup>1</sup> SMM Information & Technology Co Ltd 2018 (<https://news.metal.com/newscontent/100847146/smm-price-forecast-conference-2019-slowing-demand-new-capacity-to-grow-lead-supply-surplus/>)

<sup>2</sup> Wood Mackenzie January 2019 Report 'Lead: 5 things to look for in 2019.'

<sup>3</sup> The Assay Group Mining Magazine (<https://www.theassay.com/articles/lead-5-things-to-look-for-in-2019/>)

<sup>4</sup> RenewEconomy (<https://reneweconomy.com.au/australia-tipped-to-add-70000-home-batteries-in-2019-lead-global-demand-64414/>)



*Exploring opportunities to sell or establish Joint Ventures for our non-core assets to realise shareholder value.*

## BORROLOOLA WEST JOINT VENTURE (NORTHERN TERRITORY)

- Joint Venture Project in the McArthur Basin with Sandfire Resources NL (PMY 51%, SFR 49%).
- Potential for Mt Isa style copper-cobalt-zinc.

## SOUTH AUSTRALIA TENEMENTS

- Prospective for battery minerals (Co, Cu, Mn).

## COLOMBIAN PROJECTS

- Berrio, Urrao and Natagaima Projects are highly prospective for the discovery of economic copper-gold deposits.

