

Pacífico Minerals Ltd (PMY)

Rating: Buy | Risk: High | Price Target: \$0.037

Take a ride in my silver machine – Initiation of Coverage

Key Information

Current Price (\$ps)	0.016
12m Target Price (\$ps)	0.037
52 Week Range (\$ps)	0.00-0.03
Target Price Upside (%)	131%
TSR (%)	131%
Reporting Currency	AUD
Market Cap (\$m)	61
Sector	Materials
Avg Daily Volume (m)	22.1
ASX 200 Weight (%)	0

Fundamentals

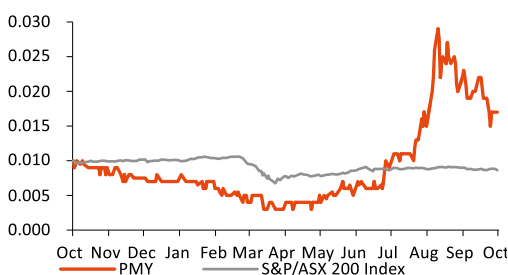
YE 30 Jun (AUD)	FY20A	FY21E	FY22E	FY23E
Sales (\$m)	0	0	0	0
NPAT (\$m)	(3)	(5)	(6)	(3)
EPS (cps)	(0.1)	(0.1)	(0.1)	(0.1)
EPS Growth (%)	42.3%	(15.4%)	10.4%	52.6%
DPS (cps) (AUD)	0.0	0.0	0.0	0.0
Franking (%)	0%	0%	100%	100%

Ratios

YE 30 Jun	FY20A	FY21E	FY22E	FY23E
P/E (x)	(7.5)	(11.5)	(12.9)	(27.1)
EV/EBITDA (x)	(16.7)	(13.1)	(13.1)	(26.3)
Div Yield (%)	0.0%	0.0%	0.0%	0.0%
Payout Ratio (%)	0.0%	0.0%	0.0%	0.0%

Price Performance

YE 30 Jun	1 Mth	2 Mth	3 Mth	1 Yr
Relative (%)	(23.8%)	15.2%	72.0%	83.7%
Absolute (%)	(26.1%)	13.3%	70.0%	70.0%
Benchmark (%)	(2.3%)	(1.9%)	(2.0%)	(13.7%)



Price performance indexed to 100

Source:

Major Shareholders

Villiers Queensland Pty Ltd.	10.6%
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Event

We initiate coverage on Pacífico Minerals (PMY) with a Buy recommendation and A\$0.037ps price target. Pacífico Minerals is developing the Sorby Hills Lead-Silver Project in the Kimberley Region of Western Australia. Pacífico holds a 75% interest in the Sorby Hills JV with China's largest lead smelting and silver producer Henan Yuguang holding 25%.

Highlights

- In August 2020, Pacífico released the results of a Sorby Hills Pre-Feasibility Study (PFS). The PFS outlined a A\$183m project mining 1.5Mtpa of ore and producing 78ktpa of a lead/silver concentrate over a 10 year mine life. The annual production of contained metals is expected to be ~50ktpa of lead and 1.5Mozpa of silver.
- The PFS resulted in an estimated pre-tax NPV of A\$303M (at an 8% discount rate) and an IRR of 46% (assuming 10-year historical average prices of US\$0.95/lb lead and US\$21/oz silver). Our post-tax NPV of A\$189m is lower than the PFS, mainly due to a higher WACC assumption of 10%.
- Pacífico is progressing to a Definitive Feasibility Study (DFS) and is conducting additional exploration and Resource definition drilling in anticipation of a Final Investment Decision in late 2021, a 12-18-month construction period and first production in mid-2023.
- The Sorby Hills Reserve currently stands at 13.6Mt at 3.6% Pb for 490kt of lead and at 40g/t Ag for 18 Moz of silver. There is likely to be Reserve upside given;
 - ~5Mt of Resource has been excluded from the PFS to ensure the Project does not step outside the existing Environmental Protection Authority (EPA) approved development zones.
 - Pacífico has commenced a 68-hole (5,200m) drilling campaign that will include in-fill drilling of high-grade zones and target shallow extensions to presently defined mineralisation.
 - Exploration upside in a license 100% held by Pacífico immediately to the south of the JV Project.
- We model a further A\$150m of capital requirements to fund Pacífico's 75% share of pre-production capex, working capital and ongoing exploration. We expect PMY to split the funding roughly A\$50m/A\$100m equity/debt. We forecast gearing to peak at 44% in FY23.
- Pacífico's Sorby Hills Lead-Silver project is comparable to Galena's (ASX: G1A) Abra Lead-Silver Project. Compared to Abra, Sorby Hills is a shallow Resource suitable for open cut mining (Abra is underground), has a better-defined Resource and Mine Plan, is higher silver grade and is closer to export facilities.
- Sorby Hills has successfully passed the Strategic Assessment Stage of the Federal Government's Northern Australia Infrastructure Facility (NAIF) funding assessment process.

Recommendation

We initiate coverage on Pacífico Minerals (PMY) with a Buy recommendation and A\$0.037ps price target. There are limited opportunities to gain exposure to silver on the ASX and Pacífico is an attractive option. We have set our price target at a fully diluted DCF valuation.

Catalysts for the stock to reach our price target include;

- Further Resource upgrades post ongoing drilling programs.
- Delivery of the Sorby Hills Project through the course of FY21/22.
- Resolution of financing options.

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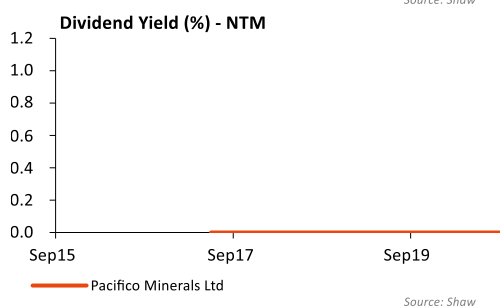
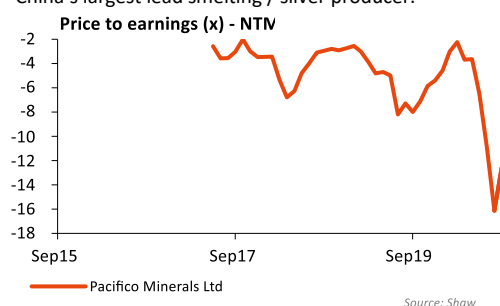
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Pacifco Minerals Ltd
Materials
Materials
FactSet: PMY-AU / Bloomberg: PMY AU

Key Items	Data
Recommendation	BUY
Risk	HIGH
Price (\$ps)	0.016
Target Price (\$ps)	0.037
52 Week Range (\$ps)	0.00-0.03
Shares on Issue (m)	3,463
Market Cap (\$m)	61
Enterprise Value (\$m)	48
TSR (%)	131%

Company Description

Pacifco Minerals Limited is a base metal exploration and development company, primarily focused on its flagship Sorby Hills Project in Kununurra, Western Australia. The flagship Project is the largest undeveloped, near surface lead-silver-zinc deposit in Australia. Sorby Hills is 75%-owned by Pacifco and 25% owned by Henan-Yuguang - China's largest lead smelting / silver producer.



Financial Year End: 30 June

Investment Summary (AUD)	FY19A	FY20A	FY21E	FY22E	FY23E
EPS (Reported) (cps)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)
EPS (Underlying) (cps)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)
EPS (Underlying) Growth (%)	(7.2%)	42.3%	(15.4%)	10.4%	52.6%
PE (Underlying) (x)	(2.9)	(7.5)	(11.5)	(12.9)	(27.1)
EV / EBIT (x)	(15.6)	(16.6)	(13.1)	(13.1)	(26.3)
EV / EBITDA (x)	(15.6)	(16.7)	(13.1)	(13.1)	(26.3)
DPS (cps) (AUD)	0.0	0.0	0.0	0.0	0.0
Dividend Yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Franking (%)	0%	0%	0%	100%	100%
Payout Ratio (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Free Cash Flow Yield (%)	(63.6%)	(14.0%)	(26.0%)	(118.0%)	(84.6%)
Profit and Loss (AUD) (m)	FY19A	FY20A	FY21E	FY22E	FY23E
Sales	0	0	0	0	0
Other Operating Income	0	0	0	0	0
EBITDA	(3)	(3)	(4)	(4)	(2)
EBITDA Margin (%)	nm	nm	nm	nm	nm
Depreciation & Amortisation	0	0	0	0	0
EBIT	(3)	(3)	(4)	(4)	(2)
EBIT Margin (%)	nm	nm	nm	nm	nm
Net Interest	0	0	(1)	(2)	(1)
Pretax Profit	(3)	(3)	(5)	(6)	(3)
Minorities	0	0	0	0	0
NPAT Underlying	(3)	(3)	(5)	(6)	(3)
Significant Items	0	0	0	0	0
NPAT Reported	(3)	(3)	(5)	(6)	(3)
Cashflow (AUD) (m)	FY19A	FY20A	FY21E	FY22E	FY23E
EBIT	(3)	(3)	(4)	(4)	(2)
Tax Paid	0	0	0	0	0
Net Interest	0	0	(1)	(2)	(1)
Change in Working Capital	0	0	0	0	0
Depreciation & Amortisation	0	0	0	0	0
Other	1	(0)	1	2	4
Operating Cashflow	(3)	(3)	(4)	(4)	0
Capex	(3)	0	(10)	(85)	(76)
Acquisitions and Investments	0	0	(2)	(2)	(1)
Disposal of Fixed Assets/Investments	0	0	0	0	0
Other	0	(0)	3	21	19
Investing Cashflow	(3)	(0)	(10)	(66)	(58)
Free Cashflow	(6)	(3)	(14)	(89)	(76)
Equity Raised / Bought Back	8	5	16	50	0
Dividends Paid	0	0	0	0	0
Change in Debt	0	0	0	100	0
Other	(1)	(0)	(1)	(2)	(4)
Financing Cashflow	7	4	14	148	(4)
Net Change in Cash	1	1	1	78	(61)
Balance Sheet (AUD) (m)	FY19A	FY20A	FY21E	FY22E	FY23E
Cash	2	3	4	82	21
Accounts Receivable	0	0	0	0	0
Inventory	0	0	0	0	0
Other Current Assets	0	0	0	0	0
PPE	5	5	17	104	181
Total Assets	8	8	21	187	202
Accounts Payable	1	0	0	0	0
Short Term Debt	0	0	0	0	0
Long Term Debt	0	0	0	100	100
Total Liabilities	1	1	1	101	101
Ratios	FY19A	FY20A	FY21E	FY22E	FY23E
ROE (%)	(82.3%)	(44.9%)	(36.6%)	(14.7%)	(5.5%)
Gearing (%)	(35.6%)	(58.5%)	(25.2%)	22.6%	57.5%
Net Debt / EBITDA (x)	0.5	0.9	0.9	(4.5)	(39.7)

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Pacifico Minerals Key financials

Profit & Loss	FY18	FY19	FY20	FY21f	FY22f	Company Information					
Revenue	0.0	0.0	0.0	0.0	0.0	Financial Year End Date	30 June				
Expenses	-1.6	-3.4	-3.2	-4.0	-4.0	Share Price	0.016				
Underlying EBITDA	-1.6	-3.4	-3.2	-4.0	-4.0	Market Capitalisation	61				
Depreciation & Amort	0.0	0.0	0.0	0.0	0.0	Valuation	0.037				
Underlying EBIT	-1.6	-3.4	-3.2	-4.0	-4.0	Recommendation	Buy				
Net Interest	0.0	0.0	0.0	-0.7	-1.9						
Profit Before Tax	-1.6	-3.3	-3.1	-4.7	-5.9						
Tax	0.0	0.0	0.0	0.0	0.0						
NPAT (Underlying)	-1.6	-3.3	-3.1	-4.7	-5.9						
Exceptional items	0.0	0.0	0.0	0.0	0.0						
NPAT (reported)	-1.6	-3.3	-3.1	-4.7	-5.9						
Balance Sheet	FY18	FY19	FY20	FY21f	FY22f	Per Share Data (c)					
Cash	0.8	2.0	2.9	3.7	82.0	Shares (m)	893	2,313	2,888	3,841	5,582
Net Receivables	0.0	0.4	0.2	0.2	0.2	Normalised EPS	-0.2	-0.2	-0.1	-0.1	-0.1
Other	0.0	0.0	0.0	0.0	0.0	Dividends	0.0	0.0	0.0	0.0	0.0
Current Assets	0.8	2.4	3.1	3.9	82.2	Dividend Yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Property, Plant & Equipment	0.0	0.0	0.0	10.0	95.0	Book Value	0.00	0.00	0.00	0.01	0.02
Other	1.3	5.2	5.4	7.4	9.4	P/E (x)	-5.1	-2.9	-7.5	-11.5	-12.9
Non Current Assets	1.3	5.3	5.4	17.4	104.4	EV/EBITDA (x)	-3.8	-3.3	-7.3	-14.7	-21.6
Total Assets	2.1	7.6	8.5	21.3	186.6						
Trade Creditors	0.1	0.7	0.5	0.5	0.5						
Borrowings	0.0	0.3	0.1	0.1	0.1						
Other	0.0	0.1	0.1	0.1	0.1						
Current Liabilities	0.1	1.1	0.6	0.6	0.6						
Borrowings	0.0	0.0	0.0	0.0	100.0						
Other	0.2	0.2	0.2	0.2	0.2						
Non Current Liabilities	0.2	0.2	0.2	0.2	100.2						
Net Assets	1.8	6.3	7.6	20.4	85.7						
Shareholder Capital	20.9	28.7	33.0	47.9	97.9						
Retained earnings	-20.5	-23.8	-27.0	-31.6	-37.5						
Minorities/others	1.4	1.5	1.6	4.1	25.4						
Total Equity	1.8	6.3	7.6	20.4	85.7						
Cash Flow	FY18	FY19	FY20	FY21f	FY22f	Valuation - fully diluted for \$50m equity raise					
Receipts	0.0	0.0	0.0	0.0	0.0		A\$m	A\$ps			
Payments	-0.7	-0.9	-0.9	-4.0	-4.0	Sorby Hills (75%)	141	0.025			
Other Operating Cash Flow	-0.7	-1.9	-2.3	0.0	0.1	Net cash	13	0.002			
Operating Cash Flow	-1.4	-2.8	-3.3	-4.0	-3.9	Exploration	10	0.002			
Capex	0.0	0.0	0.0	-10.0	-85.0	Cash from options + raise	57	0.010			
Other Investing Cash Flow	-0.1	-3.3	-0.1	0.5	19.3	Corporate costs	-15	-0.003			
Investing Cash Flow	-0.1	-3.3	-0.1	-9.5	-65.8	Total Valuation	206	0.037			
Dividends Paid	0.0	0.0	0.0	0.0	0.0						
Net Borrowings	0.0	0.0	0.0	0.0	100.0						
Share capital raised	0.8	7.9	4.6	15.7	50.0						
Other	0.0	-0.6	-0.3	-1.4	-2.0						
Financing Cash flow	0.7	7.3	4.3	14.3	148.0						
Total Cash Change	-0.8	1.2	0.9	0.8	78.3						
						Assumptions					
						FY18	FY19	FY20	FY21f	FY22f	
						Prices					
						A\$/US\$	0.77	0.71	0.67	0.70	0.73
						Lead (US\$/lb)	110	91	87	90	102
						Silver (US\$/oz)	17	15	17	26	36
						Zinc (US\$/lb)	144	119	100	97	112
						Operating Metrics					
						FY18	FY19	FY20	FY21f	FY22f	
						Ore processed (ktpa)	0	0	0	0	0
						Lead concentrate (kt)	0	0	0	0	0
						Payable lead (kt)	0	0	0	0	0
						Payable silver (Moz)	0	0	0	0	0
						Average price (A\$/t)	0	0	0	0	0
						Average cost (A\$/t)	0	0	0	0	0
						Average margin (A\$/t)	0	0	0	0	0
						Financial metrics (%)					
						FY18	FY19	FY20	FY21f	FY22f	
						EBITDA margin	0.0%	0.0%	0.0%	0.0%	0.0%
						EBIT margin	0.0%	0.0%	0.0%	0.0%	0.0%
						ROIC	0.0%	0.0%	0.0%	0.0%	0.0%
						Return on Assets	-76.0%	-68.9%	-38.9%	-31.4%	-5.6%
						Return on Equity	-89.2%	-82.3%	-44.9%	-33.4%	-11.0%
						Balance sheet metrics					
						FY18	FY19	FY20	FY21f	FY22f	
						Net Debt (m)	-1	-2	-3	-4	18
						ND / ND+E	0.0%	0.0%	0.0%	0.0%	17.4%

Pacifico Minerals overview

Pacifico Minerals Limited (ASX:PMY) owns 75% of the Sorby Hills Lead-Silver Project. The 25% JV partner is Henan Yuguang Gold and Lead Co. Ltd. Henan Yuguang is China's largest lead smelting enterprise and silver producer.

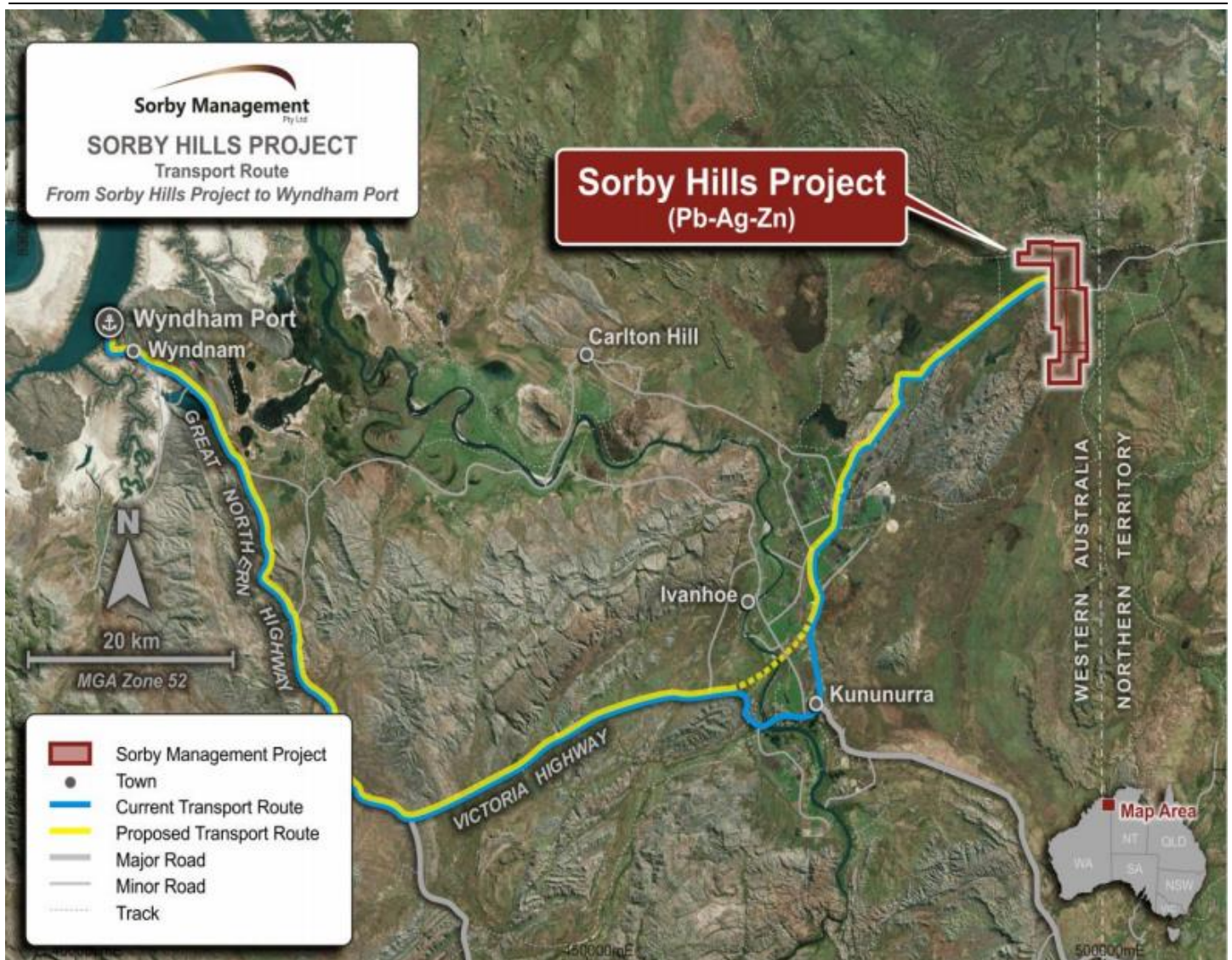
Sorby Hills is located 50km from the regional centre of Kununurra in the East Kimberley and is 150km from Wyndham Port via a sealed road.

In August 2020, Pacifico released the results of an updated Sorby Hills Pre-Feasibility Study (PFS). The PFS outlined a A\$183m project mining 1.5Mtpa of ore and producing 78ktpa of a lead/silver concentrate over an initial 10 year mine life. The annual production of contained metals is expected to be approximately 50ktpa of lead and 1.5Mozpa of silver.

The PFS resulted in an estimated NPV of A\$303M (at an 8% discount rate) and an IRR of 46% (assuming 10-year historical average prices of US\$0.95/lb lead and US\$21/oz silver).

Pacifico has progressed immediately to a Definitive Feasibility Study (DFS) and is conducting additional exploration and Resource definition drilling in anticipation of a Final Investment Decision in late 2021, a 12-18-month construction period and first production in FY24.

Figure 1: Sorby Hills Project location

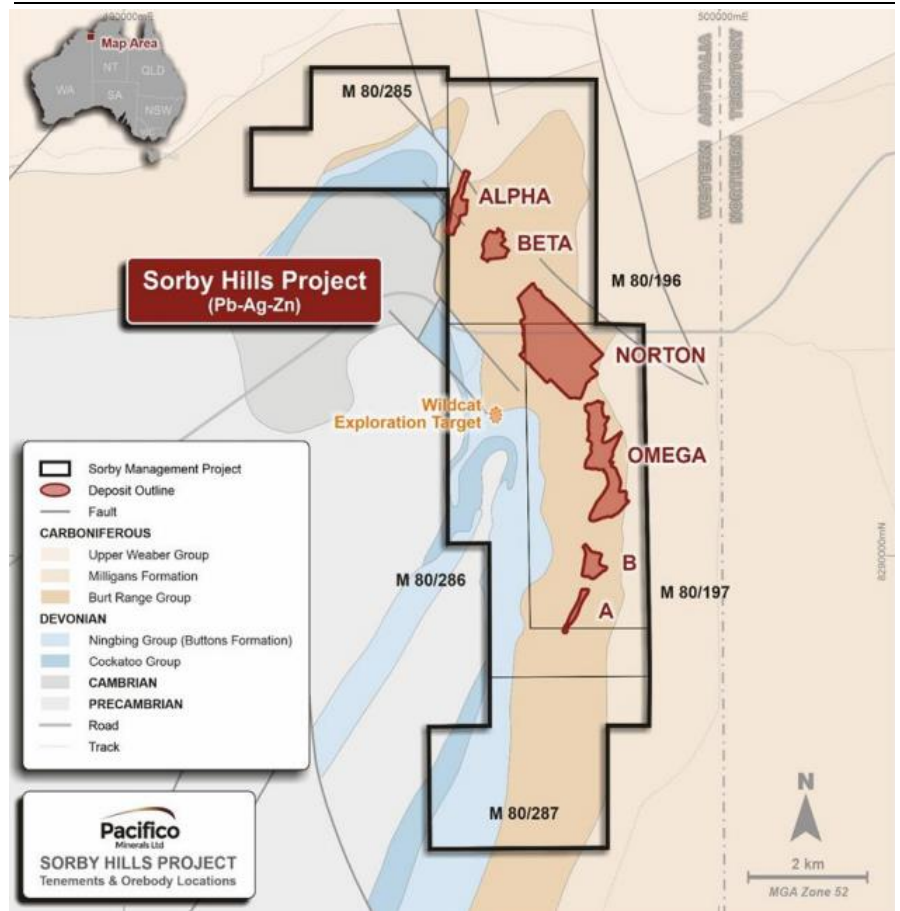


Source: Pacifico presentation September 2020

Sorby Hills - Resource and exploration upside

The Sorby Hills Resource is spread over six main deposits named Alpha, Beta, Norton, Omega, A and B. The Alpha and Beta deposits are on a granted mining permit that sits outside the EPA approved development zone and have been excluded from the PFS. The incorporation of these deposits in the Mine Plan represents additional upside once the project is in operation.

Figure 2: Sorby Hills Project – main deposits



Source: Pacifico presentation September 2020

Figure 3: Sorby Hills main deposits cross section

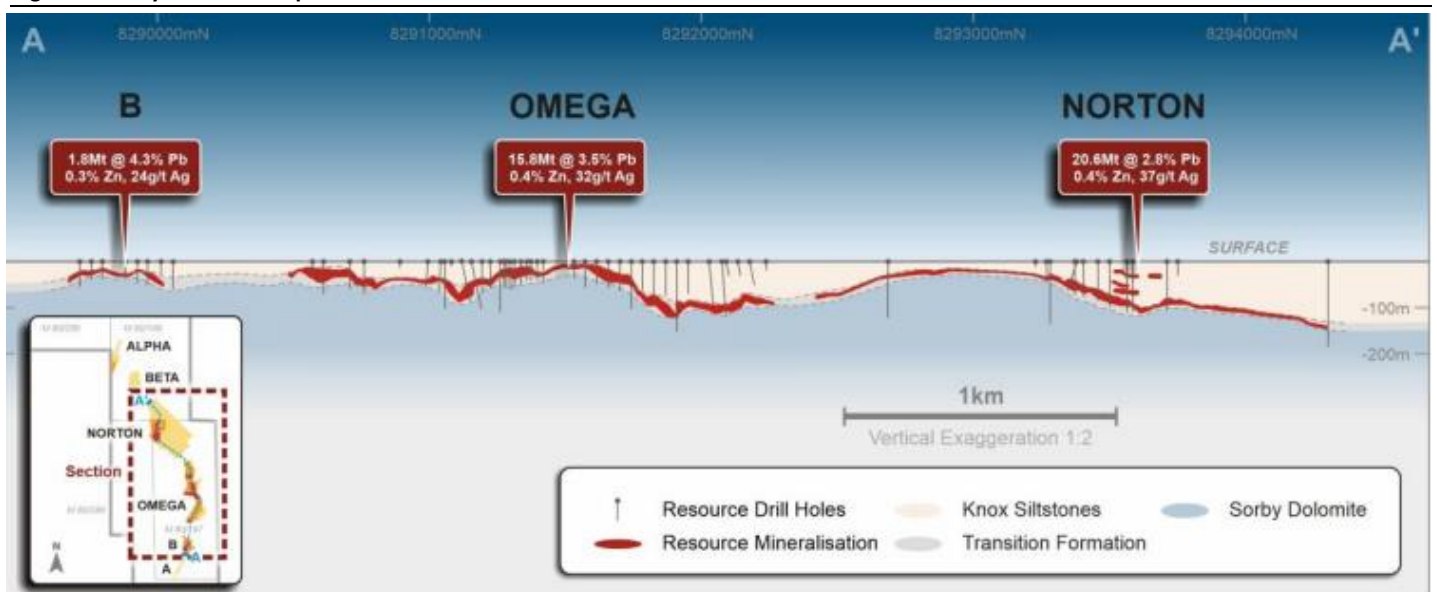


Image: Long section looking west. Red blocks represent mineralisation from the MRE block model.

Source: Pacifico presentation September 2020

Pacifico has a total Resource base of 44.1Mt at 3.3% Pb and 38 g/t Ag. 53% of the Resource is in the Inferred category which has largely been excluded from the Mine Plan. The Reserve that was included in the PFS totals 13.6Mt at 3.6% Pb and 40.2g/t silver.

It is interesting to note that the silver grade is higher in the Measured Resource category than the Inferred category. This suggests that additional drilling could result in an improvement in the silver grade and hence the project economics.

Figure 4: Pacifico Resources

Deposit	Measured				Indicated				Inferred				Total			
	Mt	Pb (%)	Ag (g/t)	Zn (%)	Mt	Pb (%)	Ag (g/t)	Zn (%)	Mt	Pb (%)	Ag (g/t)	Zn (%)	Mt	Pb (%)	Ag (g/t)	Zn (%)
A	-	-	-	-	-	-	-	-	0.6	6.1	32	1.2	0.6	6.1	32	1.2
B	0.5	4.3	24	0.3	1.3	4.2	24	0.3	-	-	-	-	1.8	4.3	24	0.3
Omega	4.2	4.3	45	0.4	9.2	3.2	29	0.4	2.5	3.0	23	0.6	15.8	3.5	32	0.4
Norton	2.4	4.3	83	0.3	2.2	3.4	38	0.5	16.0	2.5	30	0.4	20.6	2.8	37	0.4
Alpha	-	-	-	-	1.0	2.8	50	0.6	1.0	3.4	85	1.4	2.0	3.1	67	1.0
Beta	-	-	-	-	-	-	-	-	3.3	4.6	61	0.4	3.3	4.6	61	0.4
Total	7.1	4.3	57	0.4	13.7	3.3	31	0.4	23.4	3.00	36	0.5	44.1	3.3	38	0.5

Source: Pacifico presentation September 2020

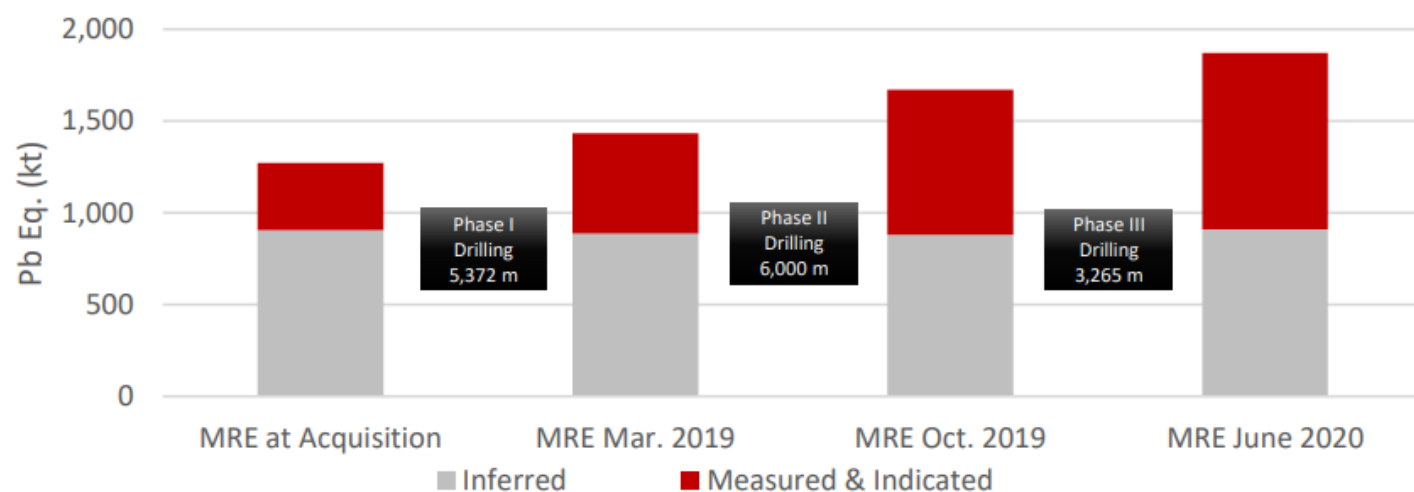
Figure 5: Pacifico Reserves

Classification	Tonnes (Mt)	Pb (%)	Pb (kt)	Ag (g/t)	Ag (Moz)
Proved	6.8	4.1	275	53.0	11.5
Probable	6.9	3.2	219	27.6	6.1
Total	13.6	3.6	494	40.2	17.6

Source: Pacifico presentation September 2020

Pacifico acquired the project in March 2018 from the administrators of KBL Mining and since acquisition has completed 193 drill holes for over 14,500m of drilling in three phases. The Resource base has increased by around 50% in the past two years with the growth largely in the Measured and Indicated category.

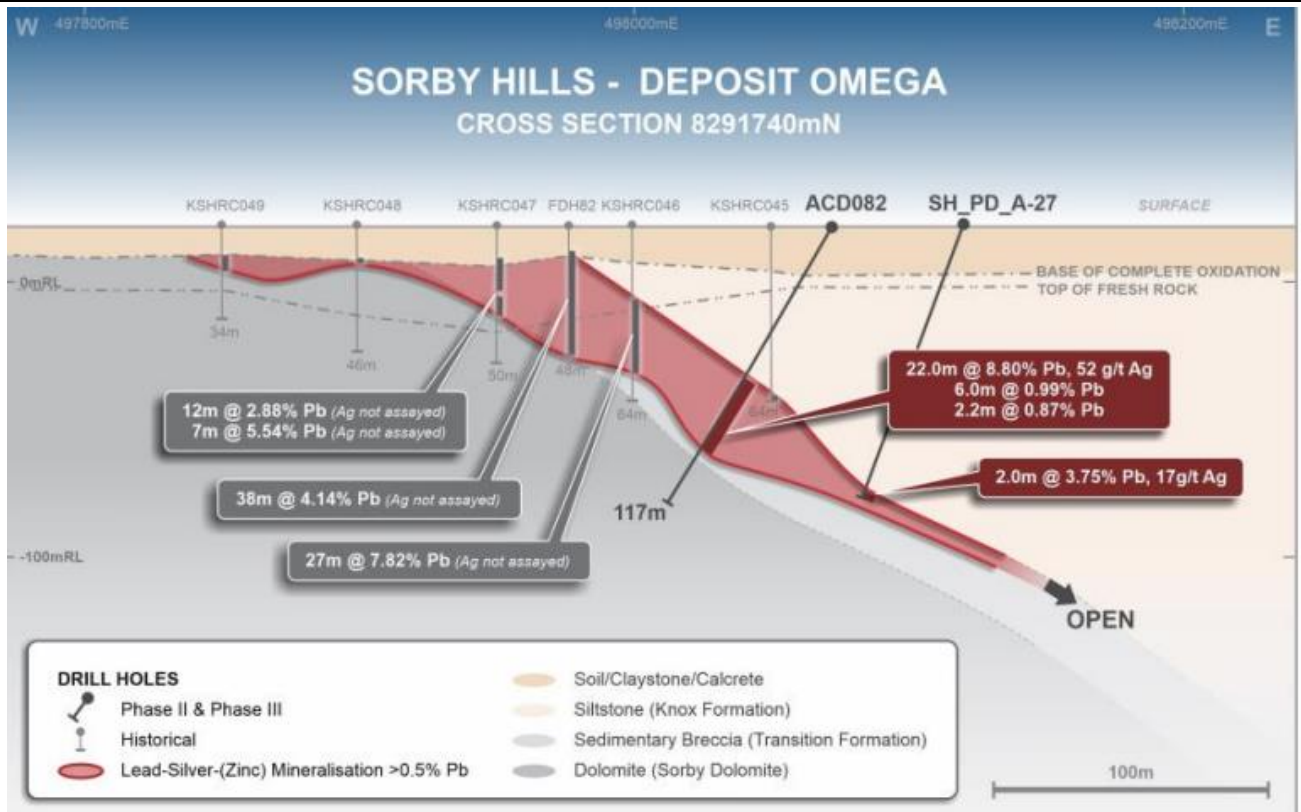
Figure 6: Sorby Hills Resource growth since March 2018



Source: Pacifico presentation September 2020

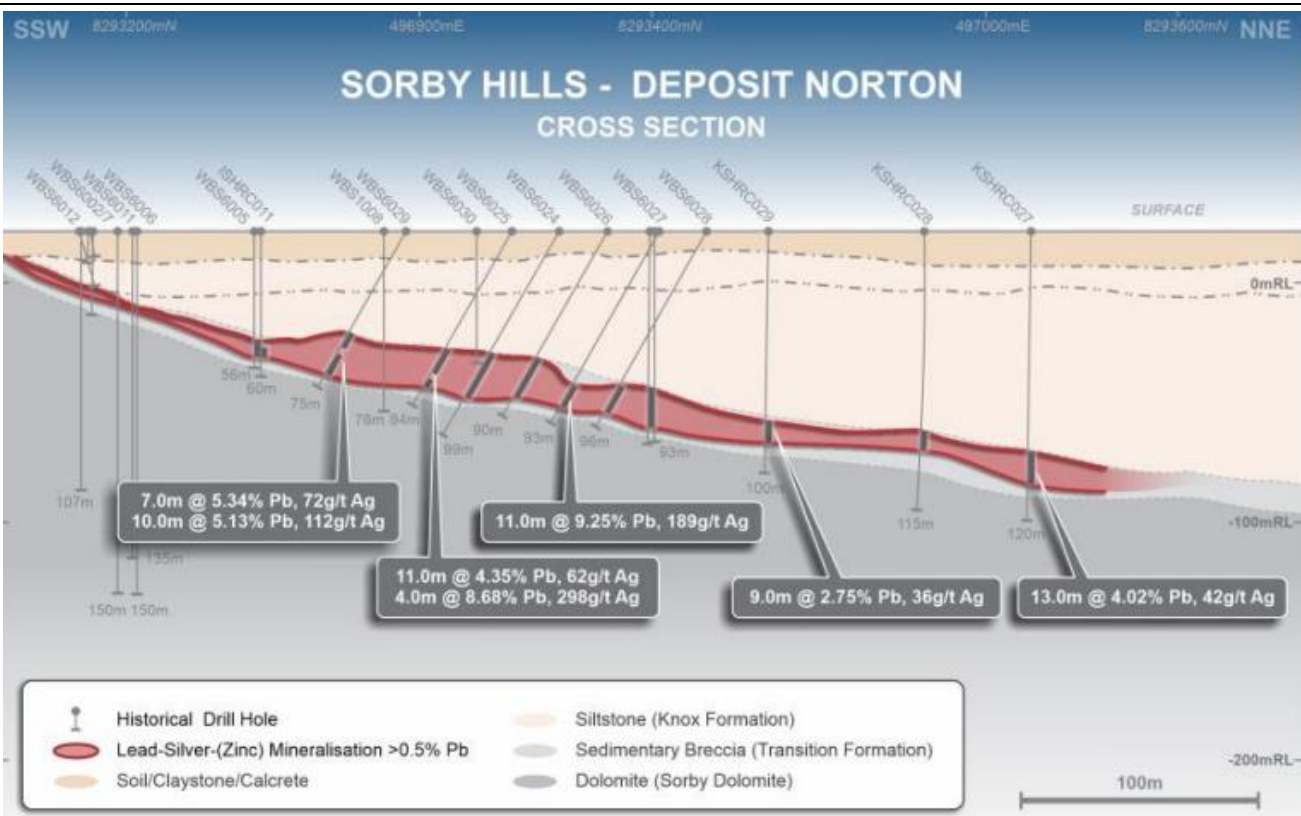
Recent drilling has increased the confidence in the Resource base and the following diagrams outline a number of notable drill intercepts.

Figure 7: Sorby Hills Resource growth since March 2018



Source: Pacifico presentation September 2020

Figure 8: Sorby Hills resource growth since March 2018



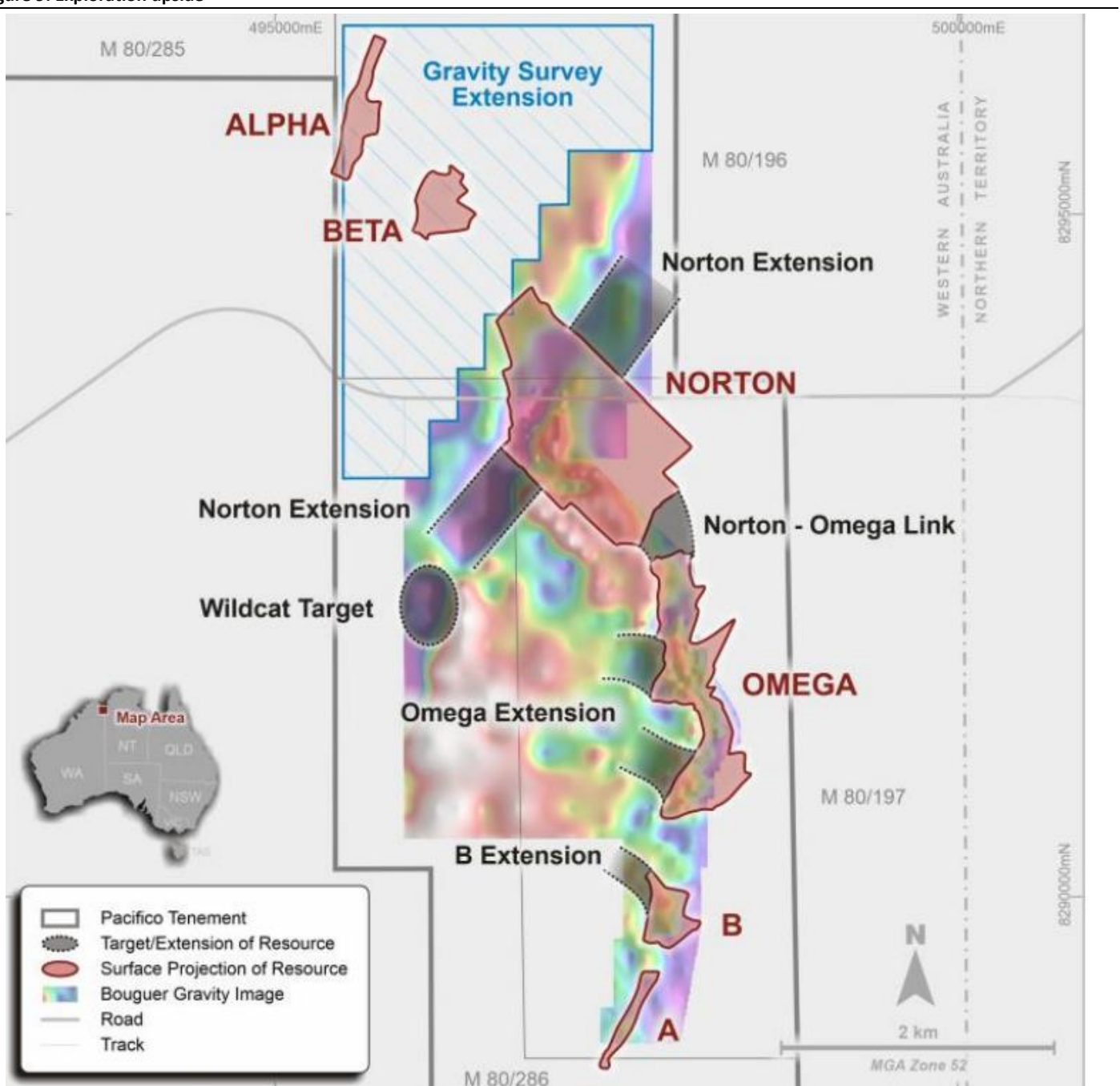
Source: Pacifico presentation September 2020

A new phase of drilling commenced in September 2020 with Pacifico intending to drill a further 68 drill holes for a 5,200m drilling program. Around half of the drilling is for metallurgical and sterilisation test work with the balance targeting;

- Extensions of the mineralisation between Norton and Omega deposits;
- The continuity of high-grade zones of mineralisation;
- Verification of RC drilling results in the Wildcat target area;
- Follow up of high-grade historic intercepts south of the known deposits identified in a recent project data review;
- Near pit opportunities to expand shallow mineralisation; and
- Follow-up drilling where high-grade silver mineralisation has been intersected previously.

Pacifico will also be conducting a gravity survey over the northern deposits.

Figure 9: Exploration upside



Source: Pacifico presentation September 2020

Sorby Hills Pre- Feasibility Study (PFS)

The Sorby Hills PFS was released in August 2020. The key operating and financial parameters from the PFS are outlined in the tables below. The key features of the PFS include;

- A pre-tax NPV(8%) of A\$303m, IRR of 46% and payback of 1.6yrs from first concentrate production.
- Total ore mined of 14.8Mt at 3.6% Pb and 39.5g/t Ag.
- Annual processing ~1.5Mtpa of ore to produce around 50ktpa of lead and 1.5Mozpa of silver.
- C1 cash costs at 40 USc/lb, and All-in-sustaining-cost (AISC) at 47c USc/lb.
- The capital cost is expected to be A\$183m to first production.
- A Decision to Mine is expected by year end 2021 with first production in mid-2023.

Figure 10: Life of Mine metrics

Item	Unit	Base Case
Economic Assumptions		
Lead Price	US\$/t	2,095
Silver Price	US\$/oz	21.10
Exchange Rate	A\$:US\$	0.70
Physicals		
Life of Mine (LOM)	Years	9.9
Mined Ore	KBCM	5,161
Strip Ratio	Waste : Ore	8.0x
Processed Tonnes	kt	14,760
Processed Lead Grade	%	3.63
Processed Silver Grade	g/t	39.5
Lead Recovery	%	93.3
Silver Recovery	%	80.3
Recovered Lead	kt	500.2
Recovered Silver	Moz	15.1
Concentrate Produced	kdmt	806.8
Payable Lead	kt	475.2
Payable Silver	Moz	14.3

Source: Pacifico PFS August 2020

Figure 12: Capital cost estimates

Capital Item	A\$M
Pre Production Mining	24.3
Process Plant incl. EPC fee	105.4
Infrastructure	20.5
Owners Costs	13.1
Contingency	19.6
Total Pre-Production CAPEX	182.8
Sustaining Capital	32.2
Total CAPEX	215.0
Throughput Capacity - Mtpa	1.50
Concentrate Produced - '000 dmt	806.8
Upfront Capex A\$ per tonne throughput capacity	122
Upfront Capex A\$ per tonne concentrate	227

Source: Pacifico PFS August 2020

Figure 11: Life of mine metrics

Item	Unit	Base Case
Cash Flow		
Lead Revenue	A\$M	1,422.3
Silver Revenue	A\$M	431.1
Gross Revenue	A\$M	1,853.3
Royalties	A\$M	(69.5)
TC/RC & Transport	A\$M	(290.3)
Net Revenue	A\$M	1,493.6
On Site Operating Costs	A\$M	(746.3)
Net Operating Cash Flow	A\$M	747.3
Upfront Capital Cost	A\$M	(182.8)
Sustaining Capital Costs	A\$M	(32.2)
Net Project Cash Flow (Pre-Tax)	A\$M	532.3
Value Metrics		
Pre-Tax NPV_g	A\$M	303.4
Pre-Tax IRR	%	46
Pre-Tax Payback Period¹	Years	1.6

1. Payback calculated from first production.

Source: Pacifico PFS August 2020

Figure 13: Operating cost estimates

Cost Centre	A\$M	A\$/t ore	A\$/lb ²	US\$/lb ²
Mining	347	23.48	0.33	0.23
Processing	292	19.80	0.28	0.20
G & A	107	7.28	0.10	0.07
Transport	108	7.35	0.10	0.07
Lead Treatment Charges	161	10.93	0.15	0.11
C1 Costs excl. Credits	1,016	68.85	0.97	0.68
Silver Revenue	(431)	(29.21)	(0.41)	(0.29)
Silver Refining Charge	20	1.38	0.02	0.01
C1 Costs incl. Credits	606	41.03	0.58	0.40
Lead Royalty	59	4.01	0.06	0.04
Silver Royalty	10	0.70	0.01	0.01
Sustaining Capex	32	2.18	0.03	0.02
AISC³	707	47.91	0.67	0.47

1. PFS assumptions include lead price US\$2,095/t, and silver price US\$21.1/oz and A\$1=US\$0.70.
2. Unit costs quoted as pounds (lb) Lead Payable, 3. No Interest Charge has been assumed

Source: Pacifico PFS August 2020

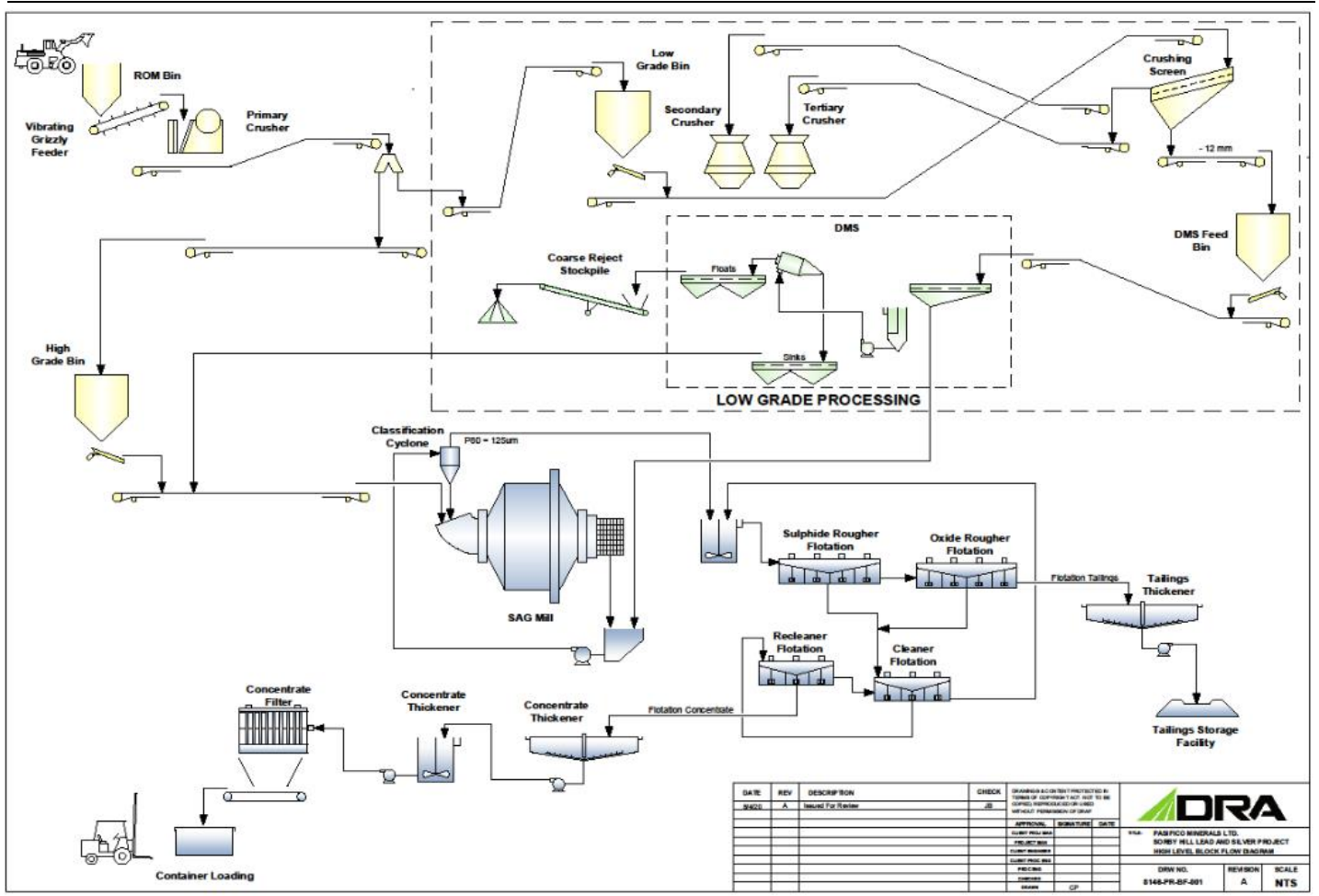
The PFS considered two processing options;

- Whole Ore (“WO”) Option: Where all of the ore reports directly from the primary crusher to the milling and flotation circuit without beneficiation; and
- Dense Media Separation (“DMS”) Option: Where the high-grade ore reports from primary crushing directly to the flotation circuit, and the low-grade ore is beneficiated via parallel DMS circuit to produce a product that supplements the high-grade direct flotation feed.

The base case for the PFS is the Whole Ore option and we have based our financial model on this option. The potential advantage of the DMS option is that the processing facility could economically treat lower grade material allowing for additional current Resource tonnes and future low-grade discoveries to be incorporated into the Mine Plan.

The technical and economic aspects of the DMS option will be further considered during the DFS phase of the project.

Figure 14: Process flow sheet (inclusive of additional optional DMS circuit – dashed box)



Source: Pacifico presentation September 2020

Water management

The Sorby Hills Project is set in a complex hydrogeological system, especially given the region is prone to flooding. In the Kimberley region, almost 90% of the annual rainfall occurs during the Wet Season. The most extreme storms are often associated with cyclone events. As such, a key risk for the project is water management.

The Pacifico management team have attempted to manage this risk by engaging technical geoscience consultants Pennington Scott (P-S) for contribution to the PFS. We make note of the following from P-S's hydrogeological study:

- A comprehensive Conceptual Site Model (CSM) – benchmarked against historical (1979-2011) and new test pumping data – has been built to simulate regional groundwater systems across the life of the Sorby Hills Project. This has significantly improved estimates of pit dewatering requirements and the overall site water balance.
- The revised methods have derived hydraulic properties that are about one order of magnitude lower than determined by previous technical consultants in the 1980s.
- P-S has evaluated the effectiveness of several dewatering techniques, including dewatering bores and in-pit sump pumping. In-pit sump pumping has been selected as the preferred disposal option in conjunction with aquifer reinjection and seasonal discharge into nearby rivers. The final water disposal option will be selected after consultation with regulators during the DFS study phase.

Sorby Hills comparison to Abra

Pacifico's Sorby Hills Lead-Silver project is comparable to Galena's Abra lead/silver project with the added benefit of being a low-risk open-pit proposition with significant upside potential between this point in time and project construction. The broad differences stem from the respective Project Deposits and Mine Plans:

- Sorby Hills begins 20m from surface and is 100% open pitable, whereas the Abra lies +250m below the surface and will be a 100% underground operation.
- Sorby Hills comprises a 44Mt Resource of which 16% falls into the Measured (most confident) classification, Abra is yet to report a Resource at the Measured level.
- Whilst the Abra Mine Plan spans 16 years versus the current 10-year life of Sorby Hills, the Sorby Hills Mine Plan incorporates 92% Reserves (of which 50% are considered Proved), whereas Abra comprises 67% Reserves, none of which is considered Proved as this point in time.
- Being shallow, the opportunity to efficiently and effectively expand and further upgrade the Sorby Hills Resource and Mine Life is significant as highlighted by previous drilling programs which have almost doubled the Resource size over the past 2 years.
- Pacifico has commenced a 68-hole (5,200m) drilling campaign that will include in-fill drilling of high-grade zones and target shallow extensions to presently defined mineralisation.
- Sorby Hills contains less Lead but approximately double the silver of Abra. Furthermore, the Pre-Feasibility Study has demonstrated that the Sorby Hill deposit is amendable to further grade enhancement via conventional beneficiation processes.

Figure 15: Comparison between Pacifico's Sorby Hills project and Galena's Abra project

	Pacifico (PMY) - Sorby Hills project	Galena (G1A) - Abra project
Project Location	Kimberley Region, Western Australia, 50km from Kununurra and 150km from the Port of Wyndham	Mid-West Region of Western Australia, 110km from Meekatharra and 650km from the Port of Geraldton
Market capitalisation	A\$59m (3,463m shares at 1.7cps) Additional 450m options (i.e. +A\$7m at 2.0cps)	A\$109m (462m shares at 24cps) Additional 37.3m options / rights issue (i.e. +A\$10m at 26cps)
Financials	NPV A\$303m (pre tax at 8%) IRR: 46% (pre-tax) EBITDA - A\$75m years 2-10	NPV A\$550m (pre tax at 8%) / A\$381m (post-tax) IRR: 39% (pre-tax) / 32% (post-tax) EBITDA - A\$115m years 3-15
Assumptions	From the PFS (100%) Mine life 10 yrs, 1.5Mtpa throughput for 14.8Mt LOM average concentrate production 81kt per annum containing - 50kt per annum Lead; and - 1.5Moz per annum Silver Pre-production capital: A\$183m Stripping ratio - 8x (100% open pit) Lead C1 direct cash cost A\$0.61/lb / US\$0.42/lb, royalties US\$0.05/lb Pricing: Lead (US\$0.95/lb), Silver (US\$21.1/oz) , AUDUSD 0.70	From the FS (100%) Mine life 16 yrs, 1.2Mtpa throughput for 16.3Mt LOM average concentrate production 126kt per annum containing - 85ktpa per annum Lead; and - 0.8Moz per annum Silver Pre-production capital: A\$170m Stripping ratio N/A (100% underground operation) Lead C1 direct cash cost A\$0.63/lb / US\$0.44/lb, royalties US\$0.07/lb Pricing: Lead (US\$0.92/lb), Silver (US\$16/oz) , AUDUSD 0.70
Resource	44.1Mt (3.3% lead / 38 g/t silver) 13.6Mt Reserve (3.6% lead and 40 g/t silver) Resource depth +20m	41.1Mt (7.3% lead / 18 g/t silver) 10.3Mt Reserve (8.8% lead and 24 g/t silver) Resource depth +250m
Offtake	N/A - the lead-silver concentrate product looks fine (no penalties anticipated)	100% committed to IXM - 60% of offtake at a premium
Funding	Total uses: N/A Pre-production capital: A\$183m (includes contingency & owners cost) A\$12m net cash (end Sep20q, with up to an additional A\$2m via a Share Placement Plan) Henan Yuguang Gold and Lead is a supportive and contributing Joint Venture partner with a 25% interest on a project basis (China's largest lead smelting company and silver producer) The project will be able to attract conventional project finance debt (given the level of Reserves and Reserve Tail), rather than having to pursue relatively higher cost debt funding from the PE debt funding route (which was required due to the high percentage of Inferred Resources within the mine plan with Abra).	Total uses A\$215-255m , composed of: Pre-production capital: A\$170m (some contingency) Initial financing costs: A\$7m Other: A\$38-78m (some contingency + owners cost etc.) A\$255m funding in place , composed of: A\$20m already completed (to end Jun) A\$9m net cash end Jun20q A\$11m raised 11th July A\$60m additional equity from Toho for 40% JV (A\$90m total) A\$155m / US\$110m project debt from Taurus Funds management

Source: Company reports, Shaw and Partners analysis

Commodity analysis

Silver 101

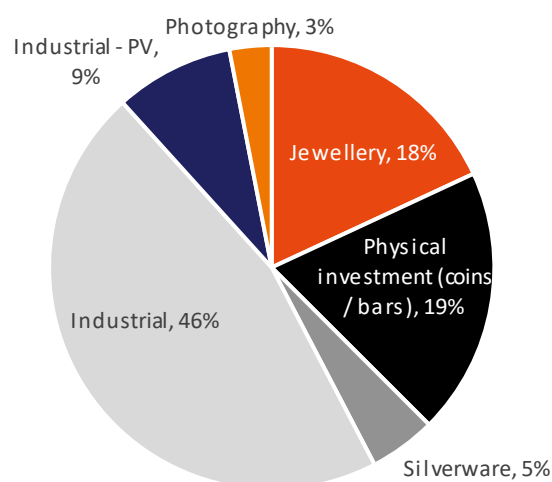
Silver is a soft and lustrous metallic element that is unique as a commodity and currency. Of all metals, it has the highest electrical and thermal conductance and optical reflectivity. Throughout history it has been used as a white metal in jewellery or coins; as with other precious metals, a protection against inflation. More recently it is being used for industrial purposes. Solar panels are now ~9% of total silver demand. Its extensive industrial use is somewhat regulated by silver's higher relative cost to other metals (figure 16).

Figure 16: Relative electrical and thermal conductance of metals

	Electrical conductivity relative to silver	Thermal conductivity relative to silver	Price (US\$/t)
Silver	100	100	727,583
Copper	94	95	6,530
Gold	71	75	59,704,852
Aluminium	59	56	1,710
Molybdenum	30	33	22,855
Zinc	27	28	2,365

Source: TIBTECH innovations, LME, Factset, Shaw and Partners

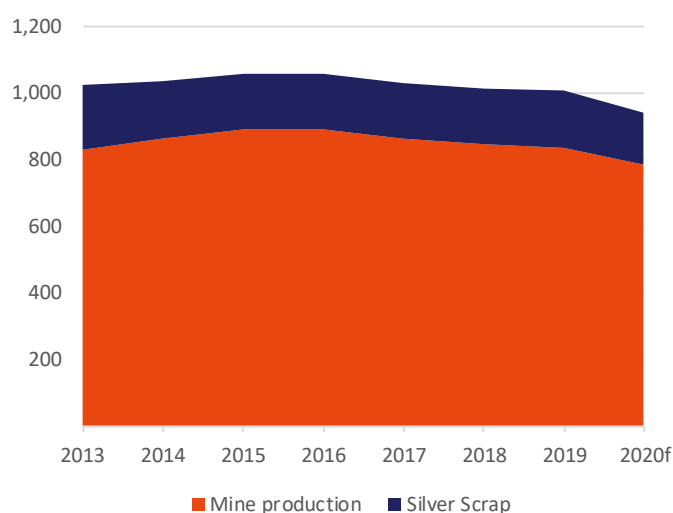
Figure 17: Silver – demand by end use (2019)



Source: Statista, Shaw and Partners

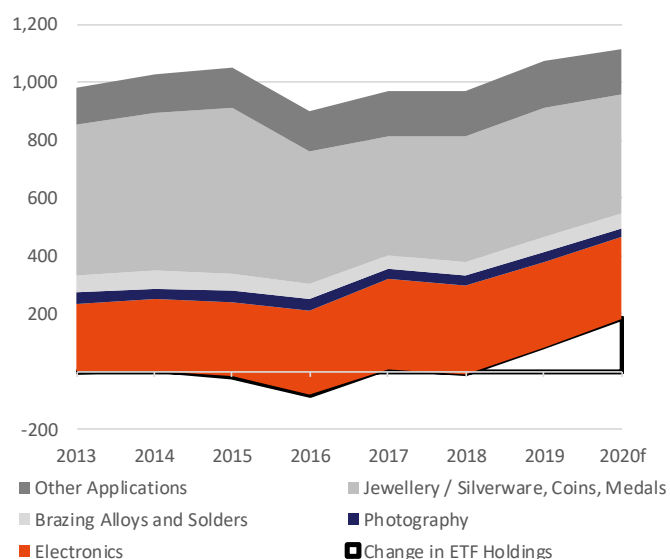
Silver supply is different from gold supply, in that it increases as base metals production increases. Primary gold supply tends to remain relatively stable (between the range of 90-115Moz since 2010). A relatively small percentage of silver production comes from primary silver mines, but the majority comes as a by-product from base metal mines. This is an important feature because rising silver prices may not necessarily drive new mine supply investments (this year's ~170Moz estimated market deficit is mainly driven by increased ETF inflows – figures 19, 22). Mine production is dominated by the major producers Mexico, China and Peru.

Figure 18: Silver supply (Moz)



Source: GFMS, CRU, Shaw and Partners

Figure 19: Silver demand (Moz)



Source: GFMS, CRU, Shaw and Partners

Silver price forecast

Silver is traded on many exchanges around the globe and in many forms (i.e. silver paper, bullion, coins and fabricated items). Its price has been historically highly dependent on the gold price direction. Comparatively, silver is much cheaper than gold, and consequently, it is more accessible to investors and prices more volatile.

The long-run gold: silver price ratio is ~68:1, which is used to determine the optimal times to buy and sell precious metal. Generally, when the ratio is higher than long-run averages (as it is now, ~80), silver is favoured. Conversely a low ratio tends to favour the purchase of gold.

We use a long-run silver price of US\$19/oz, which is based on a gold : silver ratio converging from current levels to a long run value of 65 by the start of 2022, and a long run gold price of US\$1,250/oz (2025+). We expect the recent gold price strength – driven by negative real interest rates - to continue for 2-3 years. We expect gold to peak at US\$2,500/oz in late 2022, before reducing to long-run levels in 2025.

Figure 20: Shaw and Partners – silver price forecast (US\$/oz)

CY commodity prices		2015	2016	2017	2018	2019	2020f	2021f	2022f	2023f	LT Real	Spot
Silver	US\$/oz	15.7	17.1	17.1	15.7	16.5	21.0	30.6	37.9	32.7	19.3	23.0
Gold	US\$/oz	1,160	1,248	1,259	1,269	1,425	1,812	2,250	2,463	2,125	1,251	1,815
Gold : silver ratio		74	73	74	81	86	86	74	65	65	65	79
AU\$/US\$		0.74	0.75	0.77	0.73	0.70	0.67	0.72	0.74	0.74	0.75	0.70

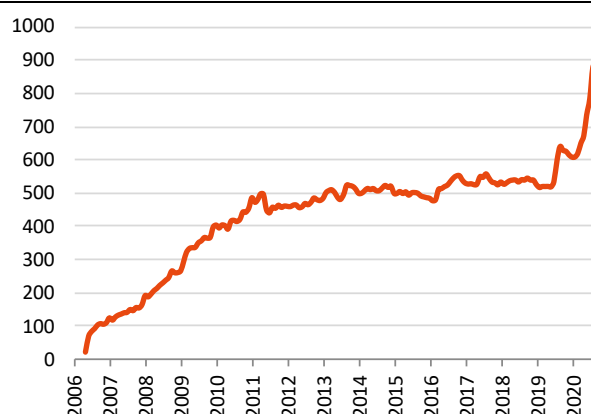
Source: Bloomberg, LBMA, Factset, Shaw and Partners analysis

Figure 21: Silver price forecast (US\$/oz)



Source: World Bank, Bloomberg, Shaw and Partners

Figure 22: Silver's total ETF holdings worldwide (Moz)



Source: Bloomberg, Shaw and Partners

Figure 23: silver ratio (since 2000)



Source: World Bank, Bloomberg, Shaw and Partners

Figure 24: Gold : silver ratio (2020)



Source: Bloomberg, Shaw and Partners

Lead 101 and price forecast

Humans have used lead for at least 7,000 years mainly because deposits containing lead are widespread and it is easy to extract and work with. Properties of the metal responsible for its variety of uses include its malleability, ductility, low melting point, high density, ability to absorb radiation, and high resistance to corrosion.

Due to its various health hazards, lead use is now dominated by lead-acid batteries for combustion engines in transportation. This is approximately 80% of the globe's ~12Mtpa market. China has become the dominant producer (~50%) and consumer (~45%).

There are two types of lead supply - primary and secondary (figure 28). Primary lead is mined, separated from ore, and refined into various products. Zinc, silver and copper is usually extracted together with lead. Secondary lead is recovered from used objects (i.e. lead-acid batteries) for reuse in other products. We note that the lead industry is not a concentrated market, with the 10 largest company suppliers of lead being responsible for only ~30% of global mined supply.

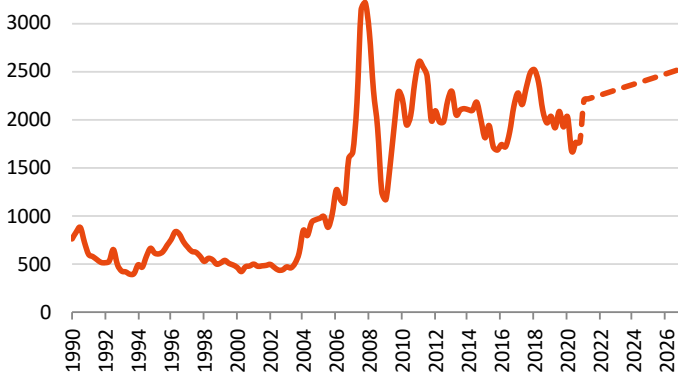
We use a relatively stable long-run lead price outlook at ~US\$2,200/t or USc98/lb (2020 Real). Accelerating competition from lithium ion batteries in the longer term is likely to keep lead's demand growth rate suppressed (*N.B. Electric vehicles use a separate lead battery to run their battery management and safety systems, however EVs use lead batteries that are ~60% smaller than regular ICE vehicles*). On the supply side, declining primary mine supply is partially balance by secondary supply – the glob's swing factor - which keeps prices stable.

Figure 25: Shaw and Partners – lead price forecast (US\$/oz)

CY commodity prices		2015	2016	2017	2018	2019	2020f	2021f	2022f	2023f	LT Real	Spot
Lead	USc/lb	81	85	105	102	90	82	101	103	106	98	82
Lead	US\$/t	1,787	1,867	2,314	2,241	1,989	1,810	2,225	2,278	2,333	2,164	1,805

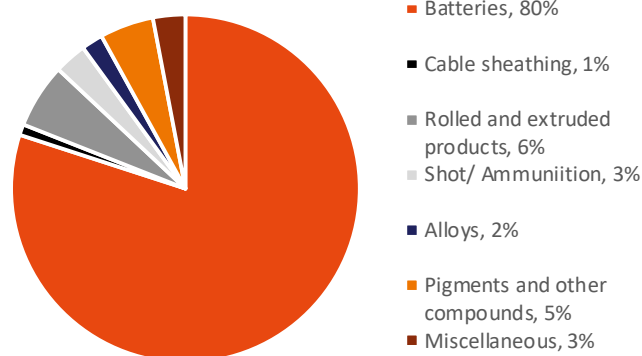
Source: Bloomberg, LME, Factset, Shaw and Partners analysis

Figure 26: Lead price forecast (US\$/t)



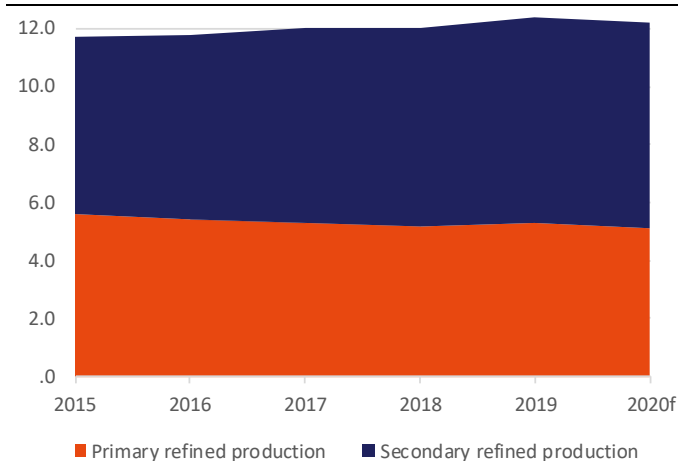
Source: LME, Factset, Shaw and Partners

Figure 27: Lead – demand by end use (2015-20)



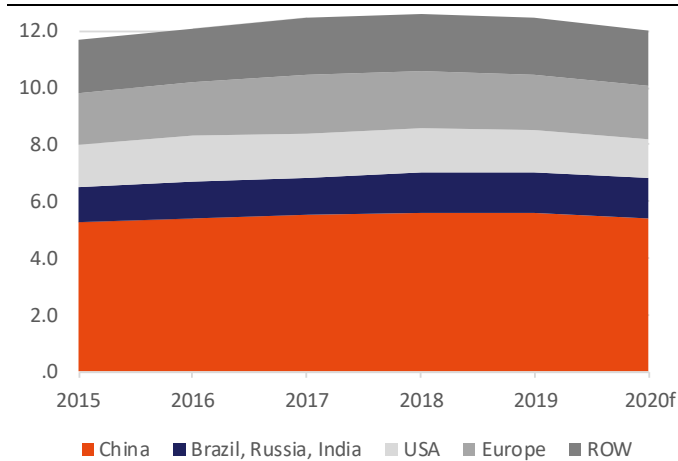
Source: ILZSG, Shaw and Partners

Figure 28: Refined lead supply (Mt)



Source: ILZSG, Shaw and Partners

Figure 29: Refined lead demand (Mt)



Source: ILZSG, Shaw and Partners

Pacifico P&L

Sorby Hills will be Pacifico's only producing asset, and so 75% of the Group P&L (to account for Henan Yuguang Gold & Lead's 25% project equity) will look very similar to the asset P&L – just additional corporate overheads and financing costs.

We model first production from Sorby Hills in FY24, and a full ramp-up by FY25. This is slightly delayed to the company's PFS schedule, which uses a May-23 date for first production.

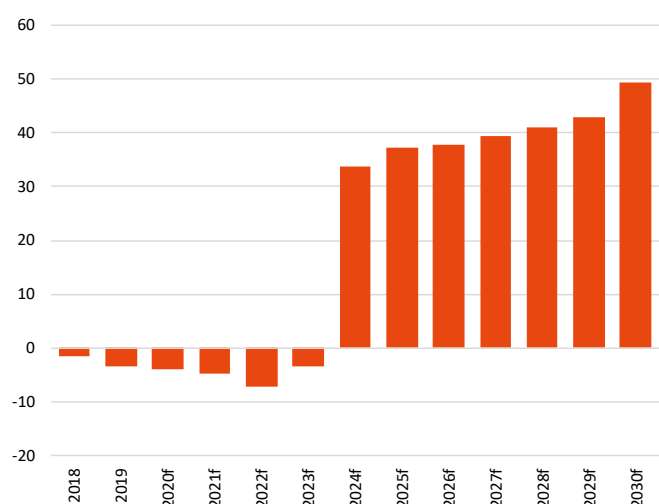
Once in production, the main driver of profitability will be movements in the lead and silver prices. In figure 32 we show our forecast of NPAT to percentage movements in commodity prices away from our base case forecast. Every 10% move in the price is worth around A\$11m to NPAT in 2025.

Figure 30: Pacifico Minerals P&L (A\$m)

Profit & Loss (A\$m)	2018	2019	2020f	2021f	2022f	2023f	2024f	2025f	2026f	2027f	2028f	2029f	2030f
Ore processed (kt)	0	0	0	0	0	0	1,200	1,500	1,500	1,500	1,500	1,500	1,500
Lead concentrate (kt)	0	0	0	0	0	0	63	78	78	78	78	78	78
Payable lead (kt)	0.0	0.0	0.0	0.0	0.0	0.0	40.8	51.0	51.0	51.0	51.0	51.0	51.0
Revenue	0	0	0	0	0	0	182	217	219	224	229	234	240
Total cost of sales	0	0	0	0	0	0	-102	-129	-132	-135	-138	-141	-144
Admin & other expenses	-2	-3	-4	-4	-4	-2	-2	-2	-2	-2	-2	-2	-2
Total costs	-2	-3	-4	-4	-4	-2	-104	-131	-134	-137	-140	-143	-146
EBITDA	-2	-3	-4	-4	-4	-2	79	86	85	87	89	91	93
Depreciation & Amortisation	0	0	0	0	0	0	-12	-14	-14	-14	-14	-14	-6
EBIT	-2	-3	-4	-4	-4	-2	67	71	71	73	75	77	88
Net Finance Expense	0	0	0	-1	-3	-1	-3	-1	1	2	4	5	6
Profit before tax	-2	-3	-4	-5	-7	-3	64	71	72	75	78	82	94
Income tax (expense)/benefit	0	0	0	0	0	0	-19	-21	-22	-23	-23	-25	-28
Minorities	0	0	0	0	0	0	-11	-12	-13	-13	-14	-14	-16
Reported NPAT	-2	-3	-4	-5	-7	-3	34	37	38	39	41	43	49

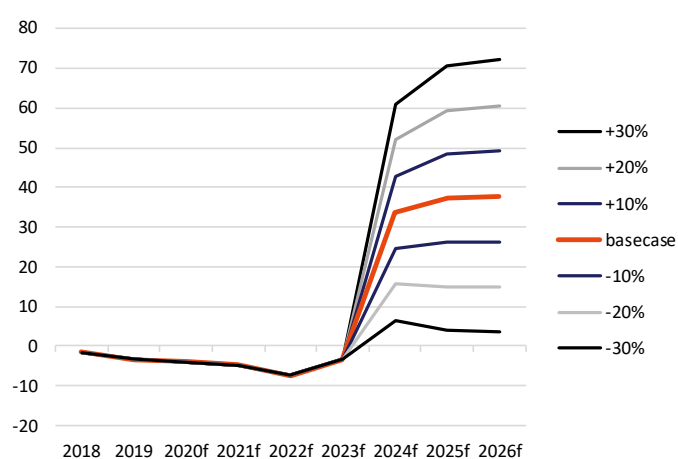
Source: Company reports, Shaw and Partners analysis

Figure 31: NPAT (A\$m)



Source: Company reports, Shaw and Partners analysis

Figure 32: Pacifico NPAT sensitivity to commodity prices (A\$m)



Source: Company reports, Shaw and Partners analysis

Financing - balance sheet and cash flow

We estimate that Pacifico will need to raise around A\$150m of new capital to fund its 75% share of the pre-production capex, working capital and to maintain an active ~\$4mpa exploration program. Peak cash outflow will occur in 2HFY22, post a Sorby Hills Final Investment Decision (end 1HFY22 / CY21).

Pacifico raised \$10m of equity capital in September 2020 (with up to an additional A\$2m via a Share Placement Plan) to fund ongoing exploration and the DFS. We anticipate a further A\$50m equity raise in FY22 along with an \$100m debt finance package. We expect the debt finance package to be in two tranches, a consortium of commercial banks (tranche A) and NAIF (Northern Australia Infrastructure Facility, tranche B).

At peak funding, this would leave Pacifico with a gearing level of 44% which appears manageable given the strong free cash flow expected post start-up and ongoing support from project partner Henan Yuguang Gold & Lead. Our base case forecast has the company back in a net cash position by FY25.

Figure 33: Pacifico Cash flow (A\$m)

CASH FLOW (A\$m)	2019	2020	2021f	2022f	2023f	2024f	2025f	2026f	2027f	2028f	2029f	2030f
Operating activities												
Receipts from customers	0	0	0	0	0	182	217	219	224	229	234	240
Payments to suppliers and employe	-1	-1	-4	-4	-2	-104	-131	-134	-137	-140	-143	-146
Income taxes paid	0	0	0	0	0	0	-19	-21	-22	-23	-24	-25
Working capital movement	0	0	0	0	0	0	0	0	0	0	0	0
Other	-2	-2	0	0	2	1	2	2	3	4	5	6
Net cash flow from operating activities	-3	-3	-4	-4	0	79	68	66	68	70	73	75
Investing activities												
Payments for PPE	0	0	-10	-85	-76	-22	-4	-4	-4	-4	-4	-4
Other	-3	0	1	19	18	4	0	0	0	0	0	0
Net cash flow from investing activities	-3	0	-10	-66	-58	-17	-4	-4	-4	-4	-4	-4
Free cash flow	-6	-3	-14	-89	-76	57	65	63	64	66	69	71
Financing activities												
Net proceeds from issue of shares	8	5	16	50	0	0	0	0	0	0	0	0
Proceeds from borrowings	0	0	0	100	0	0	0	0	0	0	0	0
Repayments of borrowings	0	0	0	0	0	-25	-30	-30	-15	0	0	0
Dividends paid	0	0	0	0	0	0	-7	-19	-19	-20	-21	-23
Other	-1	0	-1	-2	-4	-3	-2	-1	0	0	0	0
Net cash flow from financing activities	7	4	14	148	-4	-28	-39	-50	-34	-20	-21	-23
Net increase/(decrease) in cash	1	1	1	78	-61	33	26	13	30	46	48	49

Source: Company reports, Shaw and Partners analysis

Figure 34: Pacifico Balance Sheet (A\$m)

BALANCE SHEET (A\$m)	2019	2020	2021f	2022f	2023f	2024f	2025f	2026f	2027f	2028f	2029f	2030f
Cash and cash equivalents	2	3	4	82	21	54	80	92	122	169	216	265
Trade and other receivables	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0
Total current assets	2	3	4	82	21	54	80	92	122	169	216	265
Property, plant and equipment	0	0	10	95	171	181	171	160	149	139	129	127
Exploration and evaluation	5	5	7	9	10	11	12	13	14	15	16	17
Total non-current assets	5	5	17	104	181	193	183	173	164	154	145	144
TOTAL ASSETS	8	8	21	187	202	247	263	266	286	323	361	409
Trade and other payables	1	0	0	0	0	0	0	0	0	0	0	0
Total current liabilities	1	1	1	1	1	0	0	0	0	0	0	0
Deferred tax	0	0	0	0	0	19	21	22	23	24	25	28
Borrowings	0	0	0	100	100	75	45	15	0	0	0	0
Total non-current liabilities	0	0	0	100	100	95	66	37	23	24	25	28
TOTAL LIABILITIES	1	1	1	101	101	95	67	37	23	24	25	29
NET ASSETS	6	8	20	86	101	152	196	229	263	299	336	381
Net debt	-2	-3	-4	18	79	21	-34	-77	-122	-168	-216	-265
Gearing (ND/ND+E %)	0%	0%	0%	17%	44%	12%	0%	0%	0%	0%	0%	0%

Source: Company reports, Shaw and Partners analysis

Valuation and Price Target

Our preferred valuation technique is a discounted cash flow (DCF) valuation with post-tax operational cash flows discounted at our assumed Pacifico's weighted average cost of capital of 10%. Our undiluted DCF valuation is \$0.043ps and Pacifico is currently trading at a 60% discount to this valuation.

In our base case forecast we assume that Pacifico will raise A\$50m of equity at a share price of A\$0.03ps. In figure 36 we show a forward DCF valuation of Pacifico post the dilutive equity raising. The valuation drops to A\$0.037ps due to the dilution, but this is highly dependent on the price the additional equity is issued at.

Figure 35: DCF valuation - undiluted

Pacifico Valuation	A\$m	A\$ps
Sorby Hills (75%)	141	0.041
Net cash	13	0.004
Exploration	10	0.003
Corporate costs	-15	-0.004
Total Valuation	149	0.043

Source: Company reports, Shaw and Partners analysis

Figure 36: DCF valuation - diluted for A\$50m equity raising

Pacifico Valuation - diluted	A\$m	A\$ps
Sorby Hills (75%)	141	0.025
Net cash	13	0.002
Exploration	10	0.002
Cash from options + raise	57	0.010
Corporate costs	-15	-0.003
Total Valuation	206	0.037

Source: Company reports, Shaw and Partners analysis

We also show the PMY valuation at spot prices on both an undiluted and fully diluted basis. At spot prices, our PMY DCF valuation does not change - A\$0.043ps, or A\$0.037ps on a fully diluted basis.

Figure 37: DCF valuation – spot prices undiluted

Pacifico Valuation	A\$m	A\$ps
Sorby Hills (75%)	141	0.041
Net cash	13	0.004
Exploration	10	0.003
Corporate costs	-15	-0.004
Total Valuation	149	0.043

Source: Company reports, Shaw and Partners analysis

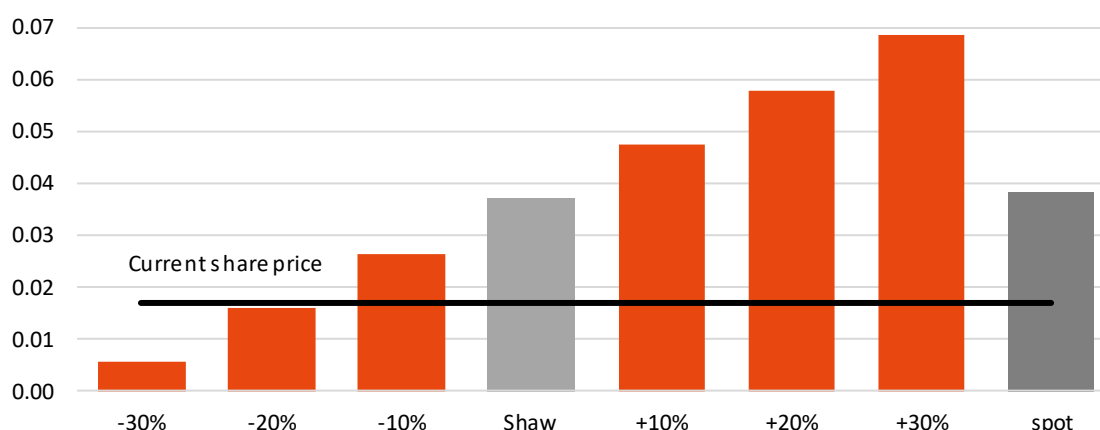
Figure 38: DCF valuation – spot prices diluted for A\$50m equity raising

Pacifico Valuation - diluted	A\$m	A\$ps
Sorby Hills (75%)	141	0.025
Net cash	13	0.002
Exploration	10	0.002
Cash from options + raise	57	0.010
Corporate costs	-15	-0.003
Total Valuation	206	0.037

Source: Company reports, Shaw and Partners analysis

The main valuation sensitivity is to lead and silver prices. In figure 39, we outline the Pacifico DCF valuation at a range of prices at +/- 10% increments to our base case forecasts. Every 10% move in commodity prices adds or subtracts A\$0.010ps to our valuation.

Figure 39: Pacifico DCF Valuation sensitivity to nickel price (A\$ps v's +/- 10% variation to base case)



Source: Company reports, Shaw and Partners analysis

Key risks

As a small mining company with exposure to lead and silver and a single asset we consider an investment in Pacifico Minerals to be high risk. The key risks include;

- The prices of silver and lead are volatile and difficult to forecast. The actual prices may differ substantially from our forecasts.
- The Sorby Hills project is not yet producing and there is a risk that Pacifico is unable to bring the operation in to production. The project may cost more than expected to build and may not operate as expected.
- Pacifico requires around \$150m of new capital to finance its 75% share of the Sorby Hills Project. There is a risk that capital markets are not willing to fund the project.
- Forecasting future operating costs has considerable uncertainty. Our forecasts may prove to be too optimistic. If Pacifico Resource's costs are higher than we expect then our cash flow forecasts will be too high.
- Smaller companies carry more significant 'key personnel' risk than larger organisations. If senior management depart the company, then it could delay projects or exacerbate operational risks.

Appendix: Key Personnel

Gary Comb | Executive Chairman

Gary is an engineer with over 30 years' experience in the Australian mining industry, with a strong track record in successfully commissioning and operating base metal mines. Gary was Chairman of Finders Resources Limited from 2013 until its takeover in 2018, and was previously the Managing Director of Jabiru Metals Limited and the CEO of BGC Contracting Pty Ltd.

Simon Noon | Managing Director

Simon is an experienced executive having spent the past 10 years' managing listed resources companies. Simon has a strong background in strategic management, business planning, finance and capital raising, and experience with a variety of commodities.

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, Simon co-founded West Rock Resources Limited where he held the position of Managing Director until the company was acquired by Pacifico in 2013. While managing West Rock, Simon secured and operated joint ventures and strategic alliances with mid and top tier miners.

As the Managing Director at Pacifico, Simon has led the company from a greenfields explorer to a company that has the potential to become a significant global lead and silver producer.

Simon is a passionate member of the WA resources industry, a member of the Australian Institute of Company Directors and an Associate Fellow of the Australian Institute of Management.

Richard Monti | Non-Executive Director

Richard is a geologist with over thirty years' experience in many facets of the exploration and mining industry including technical, commercial, marketing, and finance. Prior to joining Pacifico, Richard held roles at several international and Australian companies including Anaconda Nickel, Azimuth Resources Limited, The North Group, Normandy Group, and RTZ Exploration. Richard gained extensive business experience through founding and working at Ventnor Capital Pty Ltd, a boutique consultancy firm providing corporate advisory and investment banking services to junior and mid cap listed resource companies.

Richard is currently a director at Black Dragon Gold Limited.

Andrew Parker | Non-Executive Director

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.

Kevin Reynolds | 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.

Simon Dorling | Project Manager

Geologist with more than 26 years' experience in exploration, development and the mining of base metals, precious metals, energy minerals and industrial minerals.

Rating Classification

Buy	Expected to outperform the overall market
Hold	Expected to perform in line with the overall market
Sell	Expected to underperform the overall market
Not Rated	Shaw has issued a factual note on the company but does not have a recommendation

Risk Rating

High	Higher risk than the overall market – investors should be aware this stock may be speculative
Medium	Risk broadly in line with the overall market
Low	Lower risk than the overall market

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