ANNUAL REPORT

2020

Pacifico Minerals Ltd

ABN 43 107 159 713

CORPORATE DIRECTORY

DIRECTORS

Gary Comb (Executive Chairman)

Simon Noon (Managing Director)

Richard Monti (Non-Executive Director)

Andrew Parker (Non-Executive Director)

COMPANY SECRETARY

Jerry Monzu

REGISTERED OFFICE

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PERTH WA 6000

SHARE REGISTRY

Automic Group Pty Ltd
Level 2, 267 St Georges Terrace
PERTH WA 6000

BANKERS

Australian and New Zealand Banking Group Limited
Level 1, 1275 Hay Street

WEST PERTH WA 6005

AUDITOR

Stantons International
Level 2, 1 Walker Avenue
WEST PERTH WA 6005

STOCK EXCHANGE LISTING

Pacifico Minerals Limited shares are listed on the
Australian Stock Exchange under the ticker code 'PMY'.

WEBSITE ADDRESS

www.pacificominerals.com.au

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FORWARD LOOKING STATEMENTS

This Annual Report may contain forward looking statements. Such statements are only predictions, based on certain assumptions and involve known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control. Actual events or results may differ materially from the events or results expected or implied in any forward-looking statement. The inclusion of such statements should not be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions or that any forward-looking statements will be or are likely to be fulfilled. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this document (subject to securities exchange disclosure requirements). The information in this document does not consider the objectives, financial situation or needs of any person. Nothing contained in this document constitutes investment, legal, tax, or other advice.

CHAIRMAN'S REPORT

Dear Shareholders,

On behalf of your Board of Directors, I am delighted to present the 2020 Annual Report and report on the significant progress that Pacifico Minerals has made during the past financial year.

I was incredibly pleased to have joined Pacifico as Chairman in March 2020 and continue to be impressed by the outstanding calibre of the team and our partners. I share the team's very deserved enthusiasm about the significant opportunity presented by the Sorby Hills project which has the potential to be a regional project of scale given its well-defined large-scale Mineral Resource.

Firstly, let me acknowledge the outstanding work of the team in the preparation of the Optimised Pre – Feasibility Study ('PFS') on the Sorby Hills deposit, which was released following the conclusion of the financial year in August 2020. The PFS has further strengthened our view of the great opportunity presented by the Sorby Hills project and confirms the attractive economics of the project and rapid payback period, even when taking a conservative view on the 10-year average forecast prices for lead and silver.

We are particularly pleased by our continued progress towards de-risking the project and the team has made significant progress on this front with key approvals already secured, including Mining Leases and Western Australian Environmental Protection Authority approval.

The team continues to take a long-term view that will see shareholder value delivered. Consistent with this view, and to complement the already large global resource at Sorby Hills, Pacifico strategically expanded south of the deposit through the acquisition of tenement E80/5317 'Eight Mile Creek' during the financial year. This expanded tenement package is an attractive development that potentially lays the foundation for Pacifico's long term growth in the region and complements the existing Sorby Hills Project.

With the PFS now completed, it has strengthened our resolve and conviction to make this deposit a profitable mine. To help turn this into a reality, the team was pleased to execute a $10 million capital raising in September 2020 that will see Pacifico fully funded until a Financial Investment Decision is made on the Project.
The team has already started financial year 2021 strongly and following the recent capital raising, Pacifico is fully funded to progress its Definitive Feasibility Study of the proposed mine plan and operations at Sorby Hills.

The Board is thankful for the continued support of our shareholders and I would like to commend the Pacifico team for their hard work and dedication during the year.

We look forward to another exciting year as we continue to advance the Sorby Hills Project towards development.

Gary Comb

Executive Chairman

MANAGING DIRECTOR'S REPORT

The 2020 financial year ('**FY20**') has been a successful year for Pacifico Minerals and I would like to thank the team for their significant efforts.

Following an updated Mineral Resource Estimate earlier in the year, and just following the completion of FY20 in August 2020, we were pleased to release an Optimised Pre-Feasibility Study ('**PFS**') on the Sorby Hills Project.

The PFS confirms the attractiveness of the Sorby Hills project. Highlights from the PFS included the following:

- The Project delivers strong Pre-Tax economics with a Pre-Tax NPV_8 of A$303 million generating an IRR of 46% with a payback period of ~1.6 years (assuming conservative average 10-year lead and silver prices).
- Sorby Hills can be brought into production for an anticipated A$183 million of pre-production expenditure comprising:
  - Pre-Production Mining capex of A$24 million;
  - Process Plant & Infrastructure of A$126 million; and
  - Contingency and other capex of A$33 million.
- Sorby Hills will have a strong C1 cash costs position of US$0.40/lb payable Pb (including a Net Silver Credit of US$0.27lb/ payable Pb) delivering a life of mine ('**LoM**') operating margin of 40%.
- The Project is anticipated to produce an average 81kdmt of 62% Lead-Silver Concentrate, 50kt of recovered lead & 1.5Moz recovered silver per annum across an expected 10 years mine life.
- Sorby Hills is supported by a significant large, near surface Pb-Ag-Zn deposit. Mineral Resource of 44.1Mt at 3.3% Pb, 38g/t Ag and 0.5% Zn (4.2 % Pb equivalent) and Proved and Probable Reserves of 13.6Mt at 3.6%Pb and 40.2g/t Ag (5.0% Pb equivalent).
- Further significant expansion and exploration upside potential to Base Case assumptions through the inclusion of a Dense Media Separator ('**DMS**') within the process circuit and exploration upside from tenement E80/5317 – 'Eight Mile Creek.'

The advanced permitting of the Sorby Hills project, coupled with the detailed PFS, will allow Pacifico to progress to the immediate commencement of a Definitive Feasibility Study ('**DFS**'). Running concurrently with our DFS process, Pacifico focused on financing initiatives for the project, including discussions with potential offtake partners. Reflecting this, Pacifico was pleased to complete a $10 million Placement and launch a Share Purchase Plan ('**SPP**') to fully fund a DFS and Final Investment Decision on its Sorby Hills Lead-Silver-Zinc Project in September 2020.

To further bolster the already robust Sorby Hills project, Pacifico Minerals acquired a newly granted tenement E80/5317 – 'Eight Mile Creek' during the financial year. This strategic acquisition covers 217km^2 to the northeast of Kununurra and south of the Sorby Hills project and adds over 30km of strike length of prospective exploration ground adjacent to the Sorby Hills deposit. Pleasingly, this acquisition results in Pacifico Minerals now holding all unrestricted exploration property surrounding the Pincombe inlier which may provide extensions to Sorby Hills' mineralisation corridor. This will pave the way for Pacifico to operate a potential large scale mining district in the future.

Pacifico is committed to working with all local stakeholders and communities and with the Eight Mile Creek acquisition, we were pleased to have executed on a Native Title, Heritage Protection and Mineral Exploration Agreement for the tenement. This lays the foundation for a productive and collaborative relationship with the Miriuwung and Gajerrong

MANAGING DIRECTOR'S REPORT (CONTINUED)

Aboriginal people, who will benefit from future exploration and any future production from the Eight Mile Creek tenement.

Early during the 2020 financial year, we were pleased to have announced the completion of a $4.6 million capital raising at $0.008 per share. The funds raised were used to complete the phase III drilling program, complete the PFS, and advance the Definitive Feasibility Study. On behalf of the board and management team, we are thankful for the level of shareholder support received.

In September 2020 we were pleased to execute an over-subscribed $10 million capital raising to fund Sorby Hills to a final investment decision. The capital raising was strongly supported by quality institutional and strategic shareholders and provides Pacifico with a solid platform to launch into Sorby Hill's DFS workstreams and fully focus on further de-risking and adding value to the Project ahead of a Final Investment Decision in 2021. In addition to the $10 million Placement the company launched a Share Purchase Plan ('**SPP**') to raise up to $2 million at $0.018 per share.

I would like to thank the Board for their guidance and support this year and all Pacifico employees and partners for their contributions to our success. I would also like to reiterate my thanks to our shareholders who have continued to support Pacifico execute on its growth strategy.

I look forward to a productive and busy 2021 financial year.

Simon Noon

Managing Director

OPERATIONS REPORT

PROJECTS

SORBY HILLS PROJECT, WESTERN AUSTRALIA – LEAD, SILVER, ZINC (PACIFICO 75%)

The Sorby Hills Project (the **'Project'**) is the largest undeveloped, near-surface Lead-Silver-Zinc deposit in Australia. The Project is located in the Kimberley Region of Western Australia, 1.2 km west of the WA/NT border, 50km northeast of Kununurra and 130km east of Wyndham Port (Figure 1). The Project comprises granted mining leases covering six known Lead-Silver-Zinc deposits (Figure 2). Pacifico's 75% interest in the Project is via a Joint Venture with contributing partner Henan Yuguang Gold and Lead Co Ltd (**'Yuguang'**), China's largest Lead smelter and Silver producer.

During the period, the Pacifico undertook a Pre-Feasibility Study (**'PFS'**) on the Sorby Hills Project. The study comprised:

- over 9,200m of drilling and assaying across 124 drill holes;
- detailed metallurgical testwork;
- an updated Mineral Resource Estimate;
- detailed hydrological studies;
- revised mine, process plant and infrastructure design; and
- an Ore Reserve Estimate.

The work culminated with the release of the PFS results in August 2020 and confirmed Sorby Hills as a technically and economically robust project.

Based on the positive PFS results, Pacifico has immediately commenced a Definitive Feasibility Study ('**DFS'**) and is targeting a Decision to Mine in the second half of calendar year 2021.

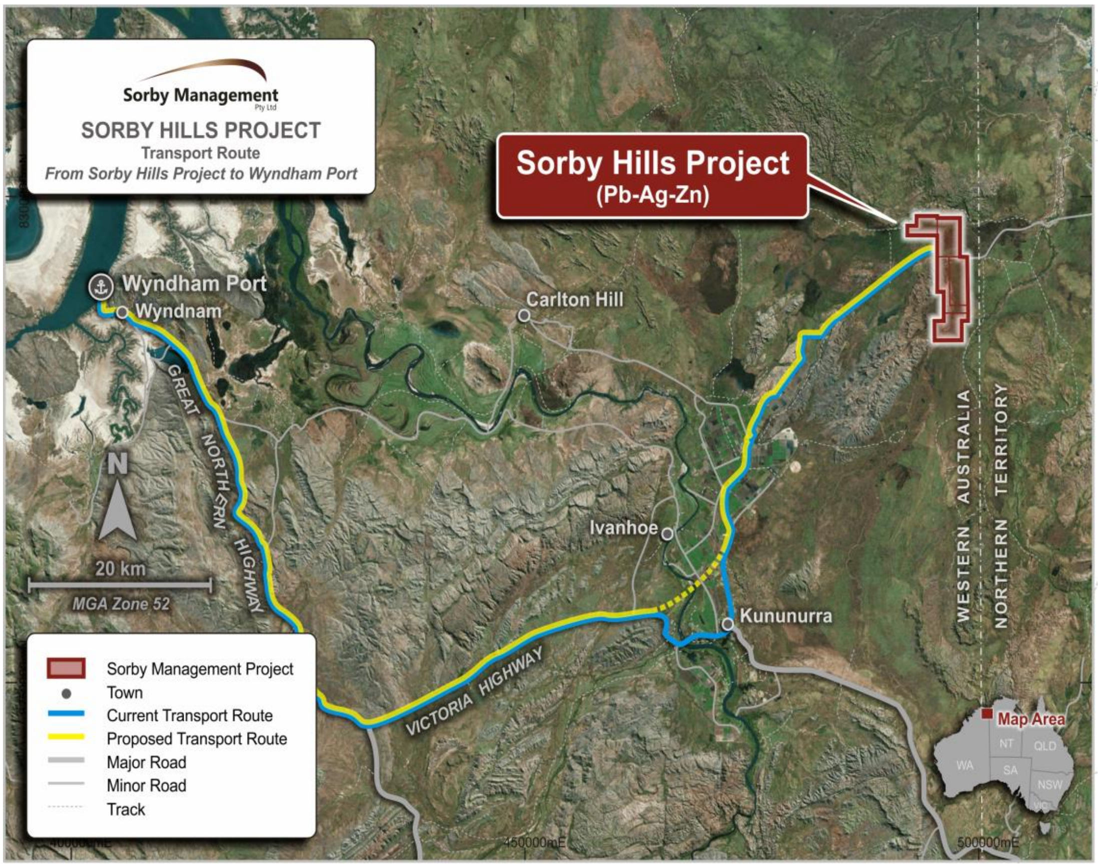

Figure 1: Transport Route from the Project to Wyndham Port.

OPERATIONS REPORT (CONTINUED)

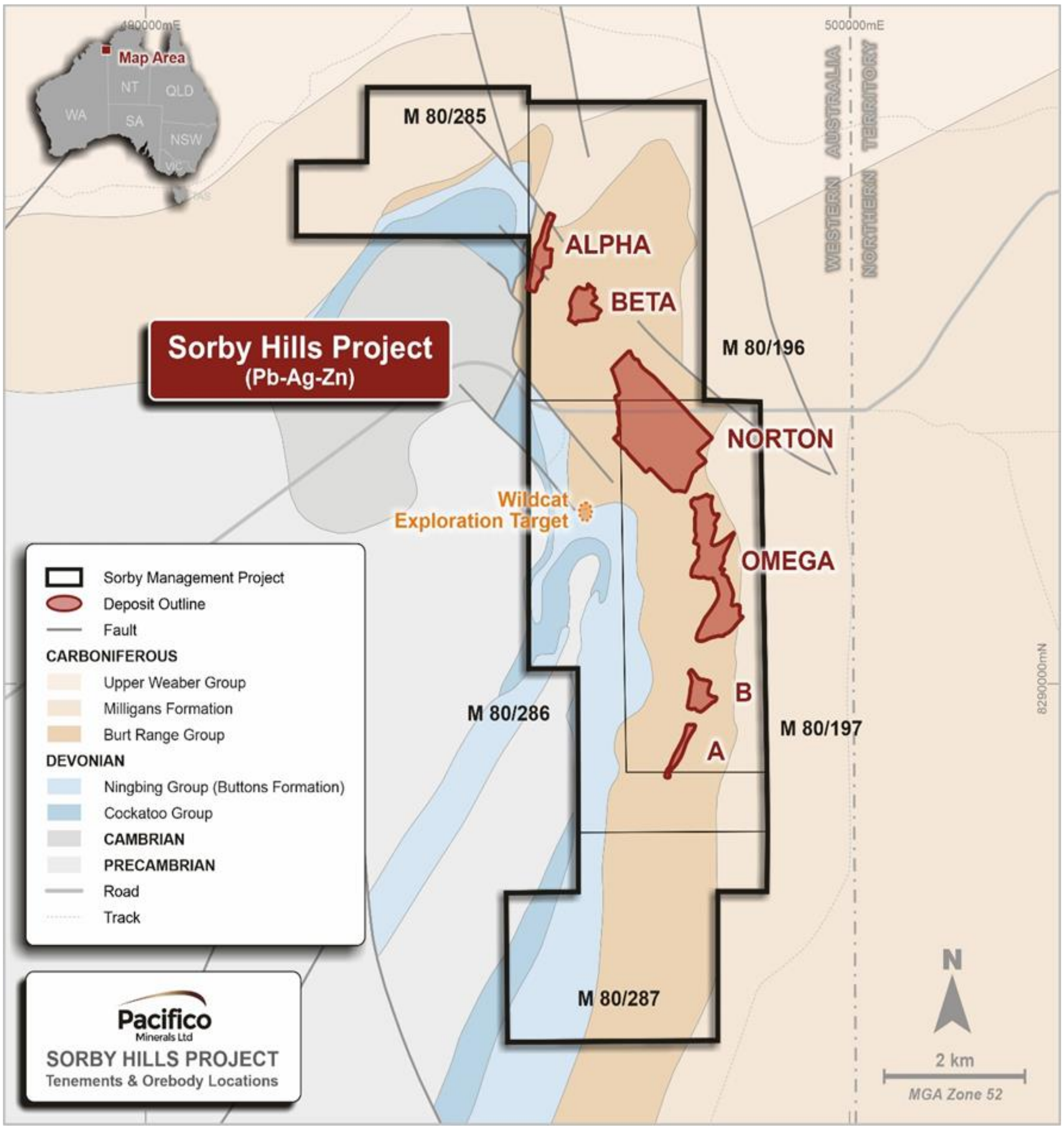

Figure 2: Location of the Sorby Hills deposits with respect to local Geology and the granted mining tenements.

Drilling Results

During the period, more than 9,200m across 124 holes were drilled and/or assayed. Drilling primarily focused on shallow extensions and infill drilling at the Omega deposit (previously deposits CDEF) and B deposit (Figure 3).

Notable results from the drilling program are shown in Table 1.

The combined results of the drilling program have confirmed the continuity of mineralisation across shallow and previously underexplored areas of the Sorby Hills deposit and discovered exciting new and shallow near-mine targets for follow-up in future drilling programs.

In September 2020, Pacifico announced the commencement of a 5,200m 68-hole drilling campaign aimed at providing material for DFS testwork, extending the size of the current Mineral Resource, and exploring new targets proximal to the Sorby Hills deposit.

OPERATIONS REPORT(CONTINUED)

Table 1: Significant results from drilling and assaying undertaken at Sorby Hills during the period.

Program	Hole ID	Deposit	Length	From	Pb	Ag	Zn
Phase II	ACD058	Omega	8.0m	80m	12.4%	51g/t	0.3%
	ACD082	Omega	22.0m	68m	8.8%	52g/t	0.3%
	ACD071	Omega	23.0m	59m	9.0%	88g/t	1.2%
	ACD080	Omega	14.0m	24m	13.0%	89g/t	1.0%
	ACD056	Omega	21.0m	23m	5.0%	21g/t	0.5%
	AB052	B	15.0m	15m	5.1%	18g/t	0.2%
	AB050	B	11.0m	29m	6.9%	26g/t	0.1%
	AB051	B	11.0m	25m	5.3%	31g/t	0.4%
Phase III	SH_PD_A-18	Omega	18.0m	10m	5.1%	36g/t	0.2%
	SH_PD_A-31	Omega	10.0m	110m	7.2%	383g/t	0.4%
	SH_PD_A-15	Omega	6.0m	47m	9.5%	55g/t	0.3%
	SH_PD_A-15	Omega	10.0m	25m	4.7%	34g/t	0.5%
	SH_PD_A-05	B	9.0m	36m	4.3%	37g/t	0.8%
	SH_PD_A-032	Wildcat	5.0m	5m	5.4%	24g/t	-
	SH_PD_A-35	Wildcat	7.0m	6m	2.3%	16g/t	-

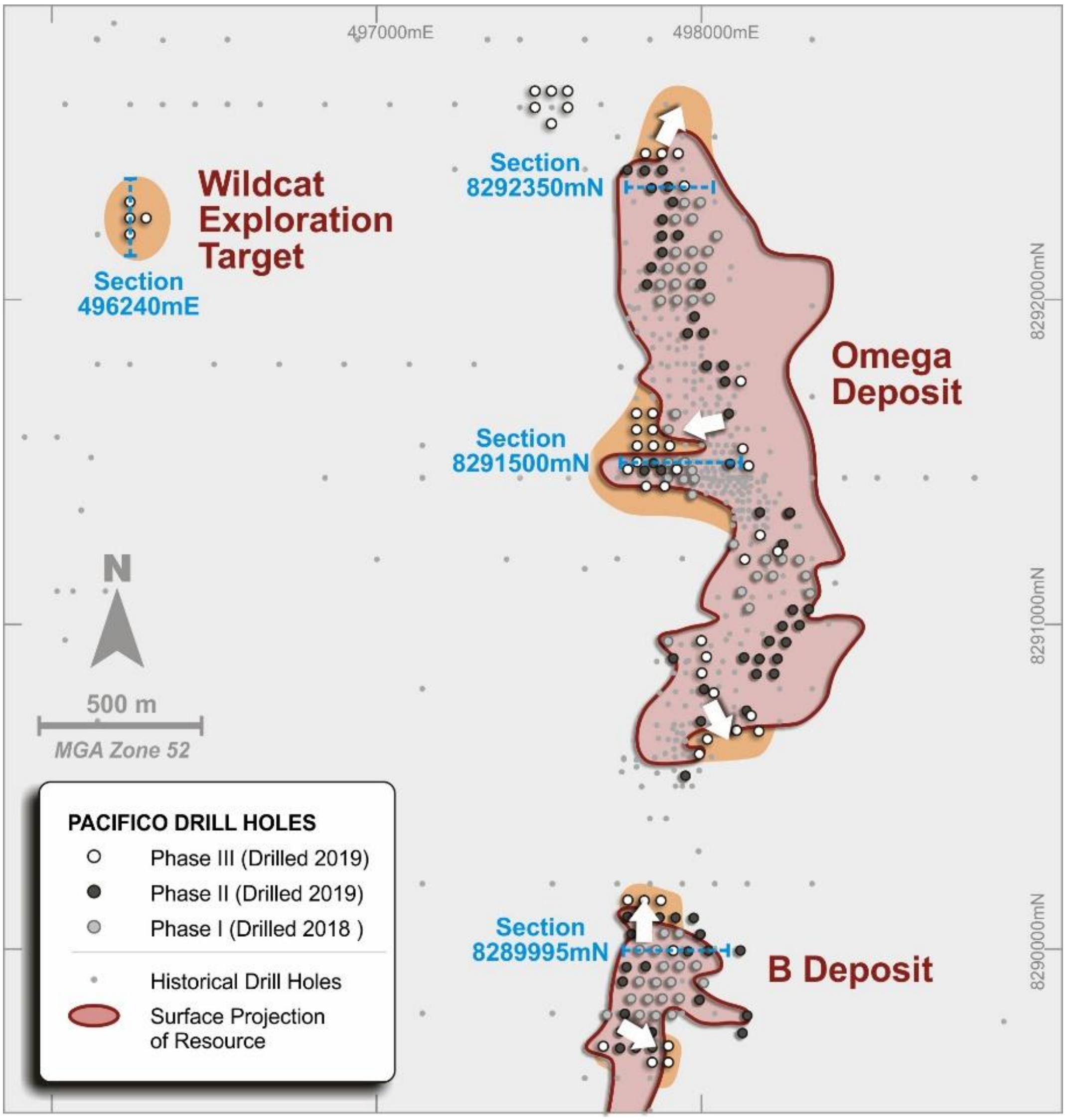

Figure 3: Location of drill hole collars relative to the surface projection of the Omega and B deposits.

OPERATIONS REPORT (CONTINUED)

Mineral Resource Estimate

During the period, the Company undertook two updates to the Sorby Hills Mineral Resource.

- The first, completed by CSA Global in October 2019, resulted in a 20% increase in the global Mineral Resource and a 53% increase in the Indicated portion Mineral Resource on a tonnage basis.
- The second, completed by CSA Global in June 2020 (Table 2), represented in a further 20% increase in the contained Lead within the Measured and Indicated Resource categories and a further 28% in the contained Silver within the Measured and Indicated Resource categories.

Since acquiring Sorby Hills in 2018, Pacifico has undertaken three phases of drilling that have increased the total Resource tonnage by more than 50% and almost tripled the contained metal classified as a Measured and Indicated Resource (Figure 4).

As part of the Mineral Resource update, the Pacifico undertook an in-depth review of both historic and recently acquired data and in doing so has, together with GSA Global, developed a significantly higher degree of confidence in the geological and mineralisation model for Sorby Hills and an invaluable tool for targeting orebody extensions.

Table 2: Sorby Hills Project June 2020 Mineral Resource Estimate

	Measured				Indicated				Inferred				Total			
Deposit	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	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	2.5	30	0.4	20.6	2.8	37	0.4
Alpha	-	-	-	-	1	2.8	50	0.6	1	3.4	85	1.4	2	3.1	67	1
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**	**36**	**0.5**	**44.1**	**3.3**	**38**	**0.5**

Notes. 1. Information is extracted from the report titled "Mineral Resource Update Sorby Hills Pb-Ag-Zn Project" released on 2 June 2020 and is available at www.pacificominerals.com.au/.

2. Tonnes and grade are rounded.

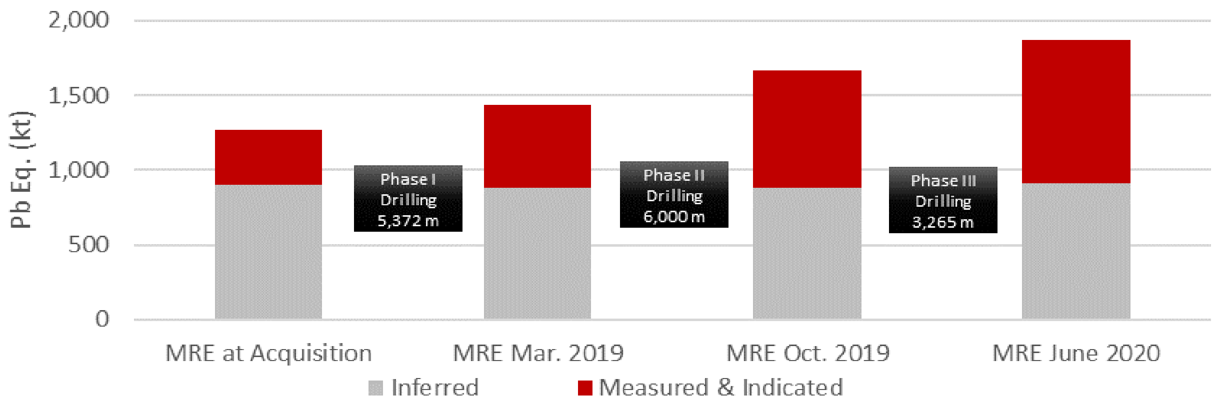

Figure 4: Increase in the Sorby Hills Mineral Resource since acquisition in 2018.

OPERATIONS REPORT(CONTINUED)

Metallurgical Testwork

During the period, Pacifico undertook a range of metallurgical testwork as part of the PFS to support process plant design calculations and engineering.

Comminution

Comminution (crushing and grinding) tests were performed on four composite samples to add to the existing database. The testwork included SMC Test, Bond rod and ball mill and abrasion index testing.
The testwork showed that Sorby Hills ore is amenable to semiautogenous grinding (‘**SAG**’), having medium-coarse competency and a medium hardness ball mill work index in the range 9 to12kWh/t.

Flotation Recovery

Updated flotation testwork was conducted on four composite samples (one oxide and three fresh ore types). The flotation circuit consists of a staged sulphide and oxide rougher followed by two stages of combined rougher concentrate cleaning. The primary grind size is P80 106µm. No regrind is necessary to sufficiently liberate the valuable minerals. The reagent regime is simple consisting of soda ash, collector, frother, and sodium hydrosulphide for oxide ore sulphidisation.

The testwork culminated with a locked cycle test of the prime life of mine (‘**LOM**’) grade fresh composite which represents the majority of the PFS feed schedule.

Heavy Liquid Separation (‘HLS’)

Updated HLS beneficiation testwork was carried out on six fresh (primary) ore composites with head grades ranging from 1.0 to 5.4%Pb to confirm amenability to beneficiation. The samples were tested at -12 to +1 mm size fraction over the specific gravity (‘**SG**’) range 2.7 to 3.0 in 0.1 increments

Results from HLS testwork on low-grade samples showed a good response averaging 79.5% Pb recovery to a -12 +1mm sinks + -1mm fines product containing 24.5% mass, equating to an upgrade ratio of 3.24x.

Good upgrades were also obtained from the higher-grade samples; however, the reject grade also increases and is considered too high at this stage.

While a conventional crush-mill-float processing circuit was adopted as the Base Case for the PFS, an alternative circuit employing HLS via a Dense Media Separator (‘**DMS**’) was also investigated in detail. Pacifico will continue to investigate the DMS option through the DFS work program as it has significant potential to enhance Project value by allowing for the economic treatment of lower grade ore.

Hydrological Studies

During the period, a detailed hydrogeological site investigation and modelling was completed by Pennington Scott.

The results of the investigation, together with Pacifico’s reinterpreted geological model were combined to develop a hydrogeological conceptual site model of the Sorby Dolomite and Webber Plane alluvial aquifers. Results from new pump tests as well as reinterpreted historical pump tests have indicated that the Sorby Dolomite is not as permeable as previously thought.

Modern radial flow analysis was undertaken to develop a regional groundwater model over the mining area. Additionally, water balance modelling, coupled with catchment modelling of the Keep River, was undertaken to develop a seasonal stormwater harvesting and surface water management strategy for the Project.

Pre-Feasibility Study

In August 2020, Pacifico released the results of the Sorby Hills PFS. The PFS Base Case incorporates the mining of 14.8Mt of ore from four deposits, namely: Omega, A, B and southern portion of Norton. Mined ore will be treated via a simple

OPERATIONS REPORT(CONTINUED)

crush-mill-flotation circuit at a rate of 1.5Mtpa over a nominal 10-year mine life to produce a Lead-Silver concentrate with an average grade of 62% Pb and 580 g/t Ag. Concentrate produced at the Project will be transported by road to Wyndham Port from where it will be shipped to customers.

Economic highlights of the Project include:

- **a strong Pre-Tax NPV_8 of A$303M** generating an IRR of 46% with a payback period of ~1.6 years and Pre-Tax Life of Mine Net Operating Cash Flow of A$747M or ~A$75M per annum;

- **low C1 cash costs position of US$0.40/lb payable Pb** (including a Net Silver Credit of US$0.27lb/ payable Pb1) delivering an LOM operating margin of 40%; and

- **and anticipated $183M of pre-production expenditure** comprising: Pre-Production Mining of A$24M; Process Plant (including EPC Fee) of A$105M; Infrastructure of A$21M, Contingency A$20M and Owners costs A$13M.

A summary of the PFS LOM metrics and Operating costs is shown in Table 3 and Table 4, respectively.

Well advanced opportunities exist to scale-up the Project including the incorporation of known near-surface Resources into the Mine Plan and the inclusion of a DMS within the processing circuit to increase throughput and allow for the economic treatment of lower grade ore.

Next Steps

Having finalised the PFS, Pacifico will move immediately to progress DFS, offtake, financing and approvals workstreams, with work expected to include:

- **Drilling.** The next phase of drilling program will endeavour to expand the Resource at the Alpha and Beta deposits, demonstrate continuity between the Norton deposit and the Omega deposit and target a range of exciting prospects located within the existing mining leases.

- **DFS.** The positive results of the PFS support progressing the Sorby Hills Project to a DFS level. Off the back of the upcoming drilling program, Pacifico will begin a range of studies to further refine and elevate the Project in preparation for securing financing during 2021.

- **Financing.** Pacifico will execute its Project Financing Plan in parallel to the planned technical and approvals workstream. To this end, Pacifico has received confirmation for the Federal Government's Northern Australia Infrastructure Facility that the Project had passed into the due diligence stage of its funding assessment process.

- **Offtake.** Sorby Hills' operations have demonstrated the ability to produce a lead-silver concentrate that is likely to attract high payability and no penalties. Discussions with potential offtake partners, including Joint Venture partner Yuguang, has commenced to both inform the optimisation of the concentrate specification, and establish a pathway to reaching a binding offtake agreement prior to final investment decision.

- **Approvals.** Sorby Hills Project has already received Approvals from the Western Australian Minister for Environment and EPA for an open pit mine and associated infrastructure. Moving forward with the DFS scope of work, Pacifico will follow due process to amend these approvals and conditions in line with advancements in the Project.

OPERATIONS REPORT(CONTINUED)

Table 3: Key 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 (BCM)	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
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$M	(182.8)
- *Mining Pre-Production*	A$M	(24.3)
- *Process Plant Incl. EPC Fee*	A$M	(105.4)
- *Infrastructure*	A$M	(20.5)
- *Owners Costs*	A$M	(13.1)
- *Contingency*	A$M	(19.6)
Sustaining Capital Costs	A$M	(32.2)
Net Project Cash Flow (Pre-Tax)	**A$M**	**532.3**
Value Metrics		
Pre-Tax NPV_8	**A$M**	**303.4**
Pre-Tax IRR	**%**	**46%**
Pre-Tax Payback Period#	**Years**	**1.6**

Payback calculated from first production.

OPERATIONS REPORT(CONTINUED)

Table 4: Unit Operating Costs

Cost Centre	A$M	A$/t ore	A$/lb Pb#	US$/lb Pb#
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 Cost excl. Silver 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 Cost incl. Silver 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
All-In Sustaining Cost	**707**	**47.91**	**0.67**	**0.47**

Payable Metal basis

Ore Reserve Estimate

In conjunction with the PFS, Pacifico released a maiden Ore Reserve Estimate for the Sorby Hills (Table 5). The Ore Reserve was prepared by independent mining consultants Entech Pty Ltd (**'Entech'**). The PFS was used as the basis to estimate Ore Reserves for the Project reported in accordance with the JORC Code 2012. The Ore Reserve was estimated from the Mineral Resource after consideration of the level of confidence in the Mineral Resource and taking into account material and relevant modifying factors.

The Ore Reserve Estimate represents a 100% conversion of Measured and Indicated Resource included in the PFS Mine Plan.

Table 5: Sorby Hill Ore Reserve Estimate (August 2020)

Classification	Mt	Pb		Ag	
		(%)	(kt)	(g/t)	(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**

Notes: *1. Ore Reserves are a subset of Mineral Resources.*

2. Ore Reserves are estimated using a lead price of US$2,095/tonne and silver price of US$21.10/ounce and USD/AUD exchange rate of 0.7.

3. Ore Reserves are estimated using a cut-off grade of 1.5% Pb.

4. The above data has been rounded to the nearest 100,000 tonnes, 0.1% lead grade and 10,000 lead tonnes, 1g/t silver grade and 1,000,000 silver ounces. Errors of summation may occur due to rounding.

OPERATIONS REPORT(CONTINUED)

EIGHT MILE CREEK – LEAD, SILVER, ZINC (PACIFICO 100%)

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 5) and the Company is paving the way for a long-term future within the region.

Eight Mile Creek is 100% Pacifico owned, covers 217km^2 and adds a further 30km strike length of near-surface prospective horizon for exploration adjacent the Sorby Hills deposit. Pacifico now holds all unrestricted exploration property surrounding the Pincombe Inlier which provides the potential for extensions to the Sorby Hills mineralisation corridor.

A native title and mineral exploration agreement has been executed for the tenement laying the foundation for a productive and collaborative relationship with the traditional owners and providing employment and economic opportunities.

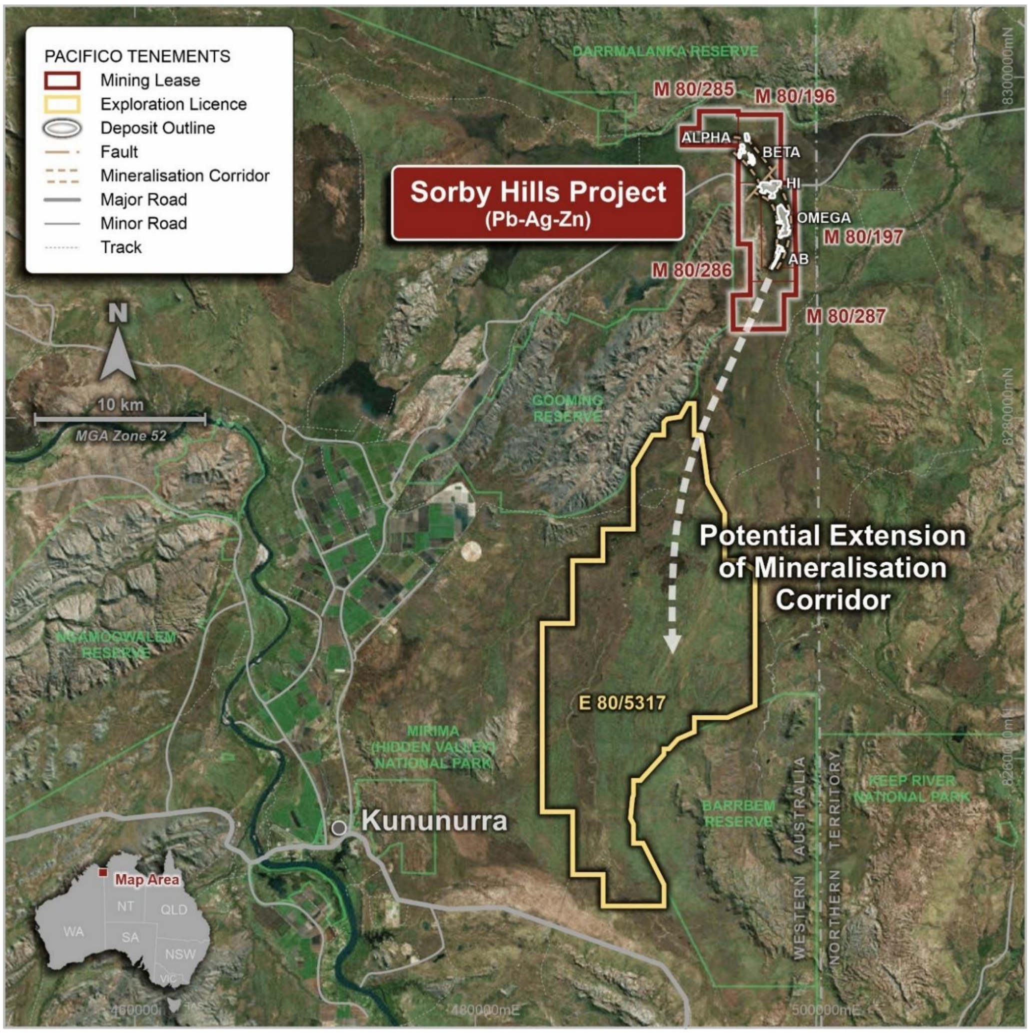

Figure 5: Location of the E80/5317 'Eight Mile Creek' tenement with respect to the Sorby Hills Project.

BORROLOOLA WEST PROJECT, NORTHERN TERRITORY – COPPER, ZINC, LEAD, SILVER (PACIFICO 51%)

The Project consists of five exploration licences and one mining licence spanning approximately 812 km^2 within the McArthur and Mt Isa Basins, host to several world-class mines including McArthur River, Mount Isa, Teena, and Century. Our Joint Venture Partner, with a contributing 49% interest, is Sandfire Resources NL. Pacifico also owns a 100% interest in the strategically located tenement EL31354 covering 122km^2. There is also an exploration licence application ELA26599 covering around 858km^2 (manganese potential).

OPERATIONS REPORT(CONTINUED)

During the period EL30157 was relinquished. Further exploration work is on hold to allow the Company to focus on the Sorby Hills Project.

MOUNT JUKES PROJECT, TASMANIA – GOLD, BASE METALS (PACIFICO 15%)

The Mt Jukes Project is adjacent to the Mt Lyell copper-gold project in Tasmania. Corona Resources Limited is the operator and manager of this Project. Further details can be found at www.coronaresources.com.au.

SOUTH AUSTRALIAN PROJECT – COBALT, COPPER, MANGANESE (PACIFICO 100%)

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

COLOMBIAN PROJECTS – GOLD, COPPER, SILVER (PACIFICO 100%)

The Berrio Project is situated within the southern part of the Segovia Gold Belt, from which several million ounces of gold have been produced over the past century. The Project is 35km from the Magdalena River, which is navigable to the Caribbean Sea, and has excellent infrastructure in place. The Project area is underlain by the Sergovia and Antioquia Batholiths which are prospective for large gold systems in vein and stockwork systems.

The Natagaima Project is situated in the department of Tolima, 5km west of the Magdalena River. It is located within the Middle Cauca Porphyry Belt.

The Urrao Project is part of the Choco Porphyry copper belt and is located 35km northwest of Tarso. The Projects are considered highly prospective for the discovery of economic copper-gold deposits.

Work on the Colombian Projects has been suspended while the Company focuses on the Sorby Hills Project. Pacifico is working towards securing Joint Venture Partners or buyers for the Colombian Projects.

COMPETENT PERSONS 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.

The information in this report that relates to Ore Reserves is based on information compiled by Mr Daniel Donald, who is a full-time employee of Entech Pty Ltd and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Donald consents to the inclusion in this report of the matters based on his information in the form and context in which it appears and is a Member of the AusIMM.

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.

OPERATIONS REPORT(CONTINUED)

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.

METAL EQUIVALENT CALCULATION METHOD

The contained metal equivalence formula is based on the Sorby Hills PFS including:

- Lead Price US$2,095/t;
- Silver Price US$21.1/oz;
- Silver recovery of 80.3% (weighted average of oxide and fresh Ag recoveries); and
- Silver Payability rate of 95%.

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

MetalEq (%) = $G_{pri} + (G_{pri} \times [\sum i\ R_i\ S_i\ V_i\ G_i\ ]/(R_{pri}\ S_{pri} V_{pri} G_{pri}))$

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. Pacifico notes that the metal equivalence method used above is a simplified approach. The metal prices are based on the PFS values adopted 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.

DIRECTORS' REPORT

Your Board of Directors ('**Board**' or '**Directors**') present their report on the consolidated entity (referred to hereafter as the Group) consisting of Pacifico Minerals Limited and the entities it controlled at the end of, or during, the year ended 30 June 2020.

FINANCIAL AND OPERATING REVIEW

FINANCIAL REVIEW

The Group began the financial year with a cash reserve of $1,983,359. During the year total exploration expenditure incurred by the Group amounted to $2,124,010 (2019: $2,220,830). In line with the Group's accounting policies, all exploration expenditure incurred in the ordinary course of operations was expensed. The result for the year was an operating loss after income tax of $3,132,179 (2019: $3,344,077). During the year, Pacifico completed capital raisings for $4,600,000 before costs. As at 30 June 2020, available cash funds totalled $2,908,551 (2019: $1,983,359).

OPERATING REVIEW

Summarised operating results for the year are as follows:

	2020	
	Revenues	Results
Geographic Segments	$	$
Australia		
Revenues and loss from ordinary activities before income tax expense	667,138	(3,073,688)
Colombia		
Revenues and loss from ordinary activities before income tax expense	154	(58,491)
Consolidation	(375,386)	-
Revenue/(Loss before income tax)	**291,906**	**(3,132,179)**

Shareholder Returns	**2020**	**2019**
Basic Loss per share (cents per share)	(0.11)	(0.22)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year there were no significant changes in the state of affairs of the Company other than as disclosed in this report.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 25 August the Company announced the results of its completed Pre-Feasibility study and updated its Ore Reserve Statement. It was noted that the Project delivers strong Pre-Tax Economics with a Pre-Tax NPV8 of A$303M generating an IRR of 46% with a payback period of ~1.6years[1]. Pre-Tax Life of Mine Net Operating Cash Flow of A$747M or ~A$75M per annum. The PFS base case ('**Whole Ore**') Production Target mines 14.7Mt (circa 92% Measured and Indicated, 8% Inferred) at an average grade of 3.6% Pb and 39 g/t Ag.

On 18 September 2020 the Company announced that it had executed a capital raising to fund the Sorby Hills Project to final investment decision. The Company had received binding commitments for a A$10 million Share Placement to professional and institutional investors at an issue price of $0.018 issuing a maximum of 555,555,920 ordinary shares. Concurrently the Company also announced that it would conduct a Share Purchase Plan to raise a maximum of A$2 million at an issue price of $0.018 per share, through the issue of up to 111,111,111 ordinary fully paid shares.

On 24 September 2020 the Company announced that the $10 million capital raising announced on the 18 September 2020 had been completed.

There were no further matters or circumstances that arose since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of the Group in future financial years.

[1] Economic assumptions are based on conservative 10-year average lead and silver prices

DIRECTORS' REPORT (CONTINUED)

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group will continue exploration and development activities and to assess commercial opportunities for corporate growth, including the acquisition of interests in projects, as they arise. Due to the unpredictable nature of these opportunities, developments may occur at short notice.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is subject to substantial environmental regulation regarding its exploration activities. The Group endeavours to maintain an appropriate standard of environmental care through awareness of, and compliance with, new and existing environmental legislation. The Directors are not aware of any breach of environmental legislation for the year under review.

RISK MANAGEMENT

The Board is responsible for ensuring that risks and opportunities are identified on a timely basis and that activities are aligned with these. The Board has not established a separate risk management committee under the belief that it is crucial for all Board members to be a part of this process. The Board has several mechanisms in place to ensure that managements' objectives are aligned with Board identified risks. Mechanisms include board approval of a strategic plan (designed to meet stakeholders' needs and reduce business risk), and Board approved operating plans and budgets (with progress monitored by the Board).

CORPORATE GOVERNANCE

The Directors support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. The Directors are focused on fulfilling their responsibilities individually, and as a Board, for the benefit of all Company stakeholders. That involves recognition of, and a need to adopt, principles of good corporate governance. The Board supports the guidelines on the '*Principles of Good Corporate Governance and Recommendations – 3rd Edition*' established by the ASX Corporate Governance Council. Given the size and structure of the Group, the nature of its business activities, the stage of its development and the cost of strict and detailed compliance with all of the recommendations, it has adopted a range of modified systems, procedures and practices which enable it to meet the principles of good corporate governance. The Groups' practices are consistent with the guidelines and where these do not directly relate to the recommendations in the guidelines the Group considers that its adopted practices are appropriate. Corporate Governance policies can be found on the Company website.

INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Group has paid an insurance premium in respect of a Directors' and Officers' Liability insurance contract. The insurance premium relates to liabilities that may arise from an officer's position, except for conduct involving a wilful breach of duty or improper use of information or position to gain personal advantage. The contract of insurance prohibits the disclosure of the nature of the liabilities and the amount of premium.

DIRECTORS MEETINGS

The following table sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director while they held the position. During the financial year, 4 board meetings were held (2019: 4).

	Board of Directors	
Directors	**Eligible**	**Attended**
Gary Comb	2	2
Simon Noon	4	4
Richard Monti	4	4
Andrew Parker	4	4
Peter Harold	3	3

DIRECTORS' REPORT (CONTINUED)

INFORMATION ON DIRECTORS

GARY COMB *BE(Mech), BSc, Dip Ed.*
Executive Chairman

Gary was appointed 9 March 2020. 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.

Interests in Shares, Options and Performance Rights
7,500,000 Ordinary Shares.
3,000,000 Class "B" Unlisted Performance Rights.
3,500,000 Class "C" Unlisted Performance Rights.
4,000,000 Class "D" Unlisted Performance Rights

Other Directorships in Listed Entities in the past three years
Flinders Resources Limited, Aurelia Metals Limited, Ironbark Zinc Limited and Cyprium Metals Limited.

RICHARD MONTI
BSc (Hons), Grad Dip AppFin., MAusIMM
Non-Executive Director

Richard was appointed 12 October 2009 and resigned as Non-Executive Chairman on 6 March 2020. Richard is a geologist with a successful career of over thirty years in the international mineral resource industry resulting in broad industry knowledge and strong strategic planning capabilities. Richard has over fourty-six director-years' experience on thirteen ASX and TSX listed mining and exploration companies from micro-caps through to mid-size miners and has built and managed teams of up to seventy personnel. Richard was principal of a corporate advisory firm, Ventnor Capital, from 2005 to 2010 and is currently principal of Terracognita which supplies advice to resource industry companies.

Interests in Shares, Options and Performance Rights
30,218,766 Ordinary Shares.
1,941,729 Listed Options.
4,000,000 Unlisted Options.
2,500,000 Class "B" Unlisted Performance Rights.
2,500,000 Class "C" Unlisted Performance Rights.

Other Directorships in Listed Entities in the past three years
Zinc of Ireland NL, Black Dragon Gold Corp, Alto Metals Limited and Caravel Minerals Limited.

PETER HAROLD *B. AppSc (Chem), AFAICD*
Non-Executive Director

Peter was appointed 8 October 2013 and resigned 7 April 2020.

Interests in Shares and Options at Resignation Date
4,250,495 Ordinary Shares.

Other Directorships in Listed Entities in the past three Years
Panoramic Resources Limited, Horizon Gold Limited, Ocean Grown Abalone Limited and Peak Resources Limited.

DIRECTORS' REPORT (CONTINUED)

ANDREW PARKER *LLB*
Non-Executive Director

Andrew was appointed 12 October 2009. 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.

Interests in Shares, Options and Performance Rights
7,384,262 Ordinary Shares.
833,333 Listed Options.
4,000,000 Unlisted Options.
2,000,000 Class "B" Unlisted Performance Rights.
2,000,000 Class "C" Unlisted Performance Rights.

Other Directorships in Listed Entities in the past three years
Nil.

SIMON NOON *MAICD, AFAIM*
Managing Director

Simon was appointed 19 October 2013. 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 Pacifico's Managing Director, 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.

Interests in Shares, Options and Performance Rights
41,000,000 Ordinary Shares.
2,100,000 Listed Options.
8,500,000 Unlisted Options.
12,000,000 Class "B" Unlisted Performance Rights.
12,000,000 Class "C" Unlisted Performance Rights.

Other Directorships in Listed Entities in the past three Years
Nil.

JERRY MONZU *FGIA, CPA, BBus*
Company Secretary

Jerry is a corporate executive with over 25 years' experience in corporate governance, finance and accounting across various industry sectors globally acting as Company Secretary, Chief Financial Officer and Director of several private and listed ASX, JSE and AIM companies throughout his career.

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (AUDITED)

Our remuneration report is set out under the following main headings:

A. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION;
B. DETAILS OF REMUNERATION;
C. SERVICE AGREEMENTS;
D. SHARE-BASED COMPENSATION; and
E. ADDITIONAL INFORMATION.

The information provided under headings A-D includes disclosures that are required under Accounting Standard AASB 124 *Related Party Disclosures*. These disclosures have been transferred from the financial report and have been audited.

A. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION (AUDITED)

Remuneration Policy

The remuneration policy of the Group aligns Directors and executives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board believes the policy is appropriate and effective in its ability to attract and retain high calibre executives and Directors.

The Board's policy for determining the nature and amount of remuneration for Directors and executives of the Group is as follows:

- All executives receive a base salary (based on factors such as experience) plus statutory superannuation.
- The Board reviews executive packages with reference to the Group's performance, executive performance and information from relevant industry sectors and comparable listed companies. Independent external advice is sought where required.
- The Board may exercise discretion in relation to approving incentives, bonuses, and the issue of options.
- All remuneration paid to Directors and executives is valued at the cost to the Group and expensed.

The maximum aggregate amount of fees that can be paid to Directors is subject to approval by shareholders at the Annual General Meeting (currently $200,000). Director fees are not linked to the performance of the Group however, to align Director and shareholder interests, the Directors are encouraged to hold Company shares.

Performance Based Remuneration

The Group currently has no performance-based remuneration component built into Director and executive remuneration packages.

Group Performance, Shareholder Wealth and Directors' and Executives' Remuneration

The Group's remuneration policy encourages the alignment of personal and shareholder interests through the issue of options to Directors and executives. The Board believes this policy is effective in increasing shareholder wealth.

Voting and comments on the Remuneration Report at the 2019 Annual General Meeting

At the Company's 2019 Annual General Meeting ("AGM"), a resolution to adopt the 2019 remuneration report was put to a vote and passed unanimously on a show of hands with proxies received also indicating majority. 99.59% of validly appointed proxies were in favour of adopting the remuneration report. No comments were made on the remuneration report at the AGM.

DIRECTORS' REPORT (CONTINUED)

B. DETAILS OF REMUNERATION (AUDITED)

Details of the remuneration of the Directors as defined in AASB 124 *Related Party Disclosures* of the Group are set out in the following table. Given the size and nature of operations of the Group, no other employees are required to have their remuneration disclosed in accordance with the Corporations Act 2001.

Director		Salary & Fees $	Non-Monetary [(1)] $	Superannuation $	Options $	Total $
G. Comb						
	2020	31,666	-	3,008	14,079	**48,753**
	2019	-	-	-	-	-
S. Noon						
	2020	240,000	15,037	22,800	83,888	**361,725**
	2019	209,539	58,826	19,906	-	288,271
R. Monti						
	2020	40,842	-	4,121	17,476	**62,439**
	2019	43,200	-	4,104	-	47,304
P. Harold						
	2020	25,725	-	2,629	-	**28,354**
	2019	32,400	-	3,078	-	35,478
A. Parker						
	2020	32,677	-	3,335	13,983	**49,995**
	2019	36,400	-	3,458	-	39,858
Totals						
	2020	**370,910**	**15,037**	**35,893**	**129,426**	**551,266**
	2019	321,539	58,826	30,546	-	410,911

(1) *Relates to the movement in leave provisions for the period.*

No retirement benefits are payable post-employment under the Group's executive services agreements.

C. SERVICE AGREEMENTS (AUDITED)

Material terms of the Executives service agreements are as follows:

Gary Comb – Executive Chairman

- Remuneration payable of $100,000 per annum plus statutory superannuation;
- At the Boards discretion up to 50% of the Executive Chairman's remuneration may be payable in shares, subject to shareholder approval;
- The right to participate in the Company's Employee Share Incentive Plan as approved by the Board; and
- The right to resign with no formal resignation period.

Simon Noon – Managing Director

- Remuneration payable of $240,000 per annum plus statutory superannuation;
- Either party may terminate the agreement without cause on three months' written notice;
- The right to participate in the Company's Employee Share Incentive Plan as approved by the Board; and
- The Managing Director will not be paid a separate Director's fee for service to the Board.

Richard Monti – Non-Executive Director

- Remuneration payable of $43,200 per annum plus statutory superannuation, on 9 March 2020 this was reduced to $32,400 per annum plus statutory superannuation, upon his resignation as Non-Executive Chairman;
- The right to participate in the Company's Employee Share Incentive Plan as approved by the Board; and
- The right to resign with no formal resignation period.

Andrew Parker – Non-Executive Director

- Remuneration payable of $32,400 per annum plus statutory superannuation;
- The right to participate in the Company's Employee Share Incentive Plan as approved by the Board; and
- The right to resign with no formal resignation period.

DIRECTORS' REPORT (CONTINUED)

D. SHARE-BASED COMPENSATION (AUDITED)

During the year 68,500,000 performance rights where issued to Directors (2019: Nil). No ordinary shares were issued to Directors upon exercise of remuneration options during the year (2019: Nil).

Performance Income as a Proportion of Total Compensation

No performance-based bonuses were paid during the period (2019: Nil).

E. ADDITIONAL INFORMATION (AUDITED)

Movements in Shares

Movement in the number of ordinary shares in the Company held (directly, indirectly or beneficially) by each Director, including their related parties, is shown below. There were no ordinary shares issued as part of Director remuneration during the year (2019: Nil).

KMP	Held at 1 July 2019	Movement	Held at 30 June 2020
G Comb	-	5,000,000	5,000,000
R. Monti	22,718,766	5,000,000	27,718,766
S. Noon	26,400,000	2,600,000	29,000,000
A. Parker	5,384,262	-	5,384,262
P. Harold	4,250,495	(4,250,495)*	-
	58,753,523	**8,349,505**	**67,103,028**

KMP	Held at 1 July 2018	Movement	Held at 30 June 2019
R. Monti	18,835,308	3,883,458	22,718,766
S. Noon	22,200,000	4,200,000	26,400,000
P. Harold	4,250,495	-	4,250,495
A. Parker	3,717,596	1,666,666	5,384,262
	49,003,399	**9,750,124**	**58,753,523**

* *Number of Ordinary Shares held by Mr. P Harold up to the date of his resignation on 7 April 2020.*

Movements in Options

Movement in the number of options in the Company held (directly, indirectly or beneficially) by Directors, including their related parties, during the reporting period is as follows:

KMP	Held at 1 July 2019	Other Changes [(1)]	Held at 30 June 2020	Vested at 30 June 2020
G. Comb	-	-	-	-
R. Monti	5,941,729	-	5,941,729	5,941,729
S. Noon	10,600,000	-	10,600,000	10,600,000
A. Parker	4,833,333	-	4,833,333	4,833,333
P. Harold	4,000,000	(4,000,000)	-	-
	25,375,062	**(4,000,000)**	**21,375,062**	**21,375,062**

KMP	Held at 1 July 2018	Other Changes [(2)]	Held at 30 June 2019	Vested at 30 June 2019
R. Monti	4,000,000	1,941,729	5,941,729	5,941,729
S. Noon	8,500,000	2,100,000	10,600,000	10,600,000
P. Harold	4,000,000	-	4,000,000	4,000,000
A. Parker	4,000,000	833,333	4,833,333	4,833,333
	20,500,000	**4,875,062**	**25,375,062**	**25,375,062**

(1) Shows number of Options held by Mr. P Harold up to the date of his resignation on 7 April 2020.

(2) Shows free attaching options on a 1-for-2 basis relating to the pro-rata issue in September 2018.

DIRECTORS' REPORT (CONTINUED)

E. ADDITTIONAL INFORMATION (AUDITED) CONTINUED

Movements in Performance Rights

Movement in the number of Performance Rights in the Company held (directly, indirectly or beneficially) by Directors, including their related parties, during the reporting period is as follows:

KMP	Held at 1 July 2019	Other Changes [(1)]	Held at 30 June 2020	Vested at 30 June 2020
G. Comb	-	13,000,000	13,000,000	-
R. Monti	-	7,500,000	7,500,000	-
S. Noon	-	36,000,000	36,000,000	-
A. Parker	-	6,000,000	6,000,000	-
P. Harold	-	-	-	-
	-	**62,500,000**	**62,500,000**	**-**

[(1)] Mr P Harold held 6,000,000 Performance Rights up to the date of his resignation on 7 April 2020, these Performance rights were cancelled on his resignation date.

Performance Rights issued to Directors during the period pursuant to terms approved by Shareholders at the 2019 Annual General Meeting are shown below, All Performance Rights have various vesting conditions based on the achievement of predetermined milestones.

KMP	Number Granted	Exercise Price	Grant Date	Fair Value at Grant Date	Expiry Date
G. Comb	13,000,000	Nil	6/03/2020	26,000	**Various**
R. Monti	7,500,000	Nil	29/11/2019	29,750	30/06/2022
S. Noon	36,000,000	Nil	29/11/2019	142,800	30/06/2022
A. Parker	6,000,000	Nil	29/11/2019	23,800	30/06/2022
	62,500,000				

Details	Performance Rights	Exercise Price	Grant Date	Expiry Date
Class "A" Performance Shares	19,000,000	Nil	29/11/2019	30/06/2022
Class "B" Performance Shares	19,500,000	Nil	29/11/2019	30/06/2022
Class "C" Performance Shares	20,000,000	Nil	29/11/2019	30/06/2022
Class "D" Performance Shares	4,000,000	Nil	6/03/2020	6/03/2025
	62,500,000			

On 2 September 2020, Class "A" Performance Rights vested as the milestones associated with this class of Performance Right were achieved, being the successful completion and announcement of the PFS and that the VWAP of the Company Shares traded on the ASX equalled or exceed $0.012 per share for 10 consecutive business days.

END OF THE REMUNERATION REPORT

DIRECTORS' REPORT (CONTINUED)

OPTIONS OVER ORDINARY SHARES

No Options were issued in 2020 (2019: 361,271,969).

Options on issue at the date of the Directors Report had the following expiry dates and exercise prices:

Expiry Date	Status	Exercise Price	Options
21/11/2020	Unlisted	$0.015	22,500,000
21/11/2020	Listed	$0.015	351,202,759
16/10/2021	Unlisted	$0.020	10,000,000

Performance Rights

A total of 68,500,000 Performance Rights (2019: Nil) were granted during the period to Directors with variable vesting conditions based on the achievement of Performance milestones. During the period 6,000,000 Performance Rights were cancelled on the resignation of Mr Peter Harold. Share-based payments booked during the period amounted to $129,426 (2019: $53,185).

Performance rights on issue at the date of the Directors Report had the following expiry dates and exercise prices:

Details	Performance Rights	Exercise Price	Grant Date	Expiry Date
Class "B" Performance Shares	19,500,000	Nil	29/11/2019	30/06/2022
Class "C" Performance Shares	20,000,000	Nil	29/11/2019	30/06/2022
Class "D" Performance Shares	4,000,000	Nil	6/03/2020	6/03/2025
	62,500,000			

NON-AUDIT SERVICES

A technical valuation of performance rights was completed by Stantons International Securities, a company affiliated with Stantons International who are the Auditors of the Company.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Signed in accordance with a resolution of the Directors.

Gary Comb
Executive Chairman
30 September 2020

AUDITOR'S INDEPENDENCE DECLARATION

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

PO Box 1908
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Australia

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ABN: 84 144 581 519
www.stantons.com.au

30 September 2020

Board of Directors
Pacifico Minerals Limited
Level 1, 105 St Georges Terrace
Perth, WA 6000

Dear Sirs

RE: PACIFICO MINERALS LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Pacifico Minerals Limited.

As the Audit Director for the audit of the financial statements of Pacifico Minerals Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely,

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED

Martin Michalik
Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 $	2019 $
Revenue from Continuing Operations	5	291,906	104,877
Expenditure			
Exploration Expenses	6	(2,124,010)	(2,220,830)
Salaries and Employee Benefits Expenses		(530,323)	(499,481)
Depreciation Expenses	6,12	(8,552)	(3,139)
Corporate Expenses		(147,147)	(84,524)
Occupancy Expenses		(53,451)	(61,851)
Consulting Expenses		(6,879)	(85,958)
Administration Expenses		(203,548)	(231,201)
Share Based Payments		(129,426)	(53,185)
Depreciation of Right of Use Assets	6,13	(9,019)	-
Interest paid on leased liabilities	13	(681)	-
Stamp Duty		(211,049)	(45,000)
Write Off Exploration and Evaluation Assets	6,10	-	(163,785)
(Loss) Before Income Tax		(3,132,179)	(3,344,077)
Income Tax	7	-	-
Total (Loss) for the Year		(3,132,179)	(3,344,077)
Other Comprehensive Income		-	-
Items That Will Not be Reclassified to Profit or Loss		-	-
Items That May be Reclassified Subsequently to Profit or Loss		-	-
Movement in Foreign Exchange Translation Reserve		(4,268)	(5,063)
Total Comprehensive (Loss)		**(3,136,447)**	**(3,349,140)**
(Loss) Attributed to the Members		**(3,132,179)**	**(3,344,077)**
Total Comprehensive (Loss) Attributed to the Members		**(3,136,447)**	**(3,349,140)**
Basic and Diluted Loss per Share for Loss Attributable to the Ordinary Equity Holders of the Company (Cents per Share)	28	(0.11)	(0.22)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Notes	2020 $	2019 $
Current Assets			
Cash and Cash Equivalents	8	2,908,551	1,983,359
Trade and Other Receivables	9	188,932	370,271
Other Assets	9	17,521	12,431
Total Current Assets		3,115,004	2,366,061
Non-Current Assets			
Exploration and Evaluation Assets	10	5,170,320	5,210,586
Other Assets	11	85,462	24,514
Plant and Equipment	12	10,076	19,238
ROU Asset	13	99,206	0
Total Non-Current Assets		5,365,064	5,254,338
Total Assets		8,480,068	7,620,399
Current Liabilities			
Trade and Other Payables	14	492,800	654,270
Provisions	15	95,905	83,512
Lease liability	16	52,922	0
Other Liabilities		0	316,357
Total Current Liabilities		641,627	1,054,139
Non-Current Liabilities			
Lease liability	16	46,719	0
Deferred tax liability	17	178,913	221,008
Total Non-Current Liabilities		225,632	221,008
Total Liabilities		867,259	1,275,147
Net Assets		7,612,809	6,345,252
Equity			
Contributed Equity	18	32,980,318	28,705,740
Reserves	20	1,600,422	1,475,264
Accumulated Losses		(26,967,931)	(23,835,752)
Total Equity		7,612,809	6,345,252

The above Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	Issued Capital	Share / Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
2020	**$**	**$**	**$**	**$**	**$**
Balance at 1 July 2019	28,705,740	1,523,902	(48,638)	(23,835,752)	6,345,252
(Loss) for the Year	-	-	-	(3,132,179)	(3,132,179)
Other Comprehensive (Loss) for the Year	-	-	(4,268)	-	(4,268)
Total Comprehensive (Loss) for the Year	**-**	**-**	**(4,268)**	**(3,132,179)**	**(3,136,447)**
Issue of Shares/Options	4,600,000	-	-	-	4,600,000
Share/Option Issue Expense	(325,422)	-	-	-	(325,422)
Share Based Payments	-	129,426	-	-	129,426
Balance at 30 June 2020	**32,980,318**	**1,653,328**	**(52,906)**	**(26,967,931)**	**7,612,809**
2019					
Balance at 1 July 2018	20,856,645	1,459,717	(43,575)	(20,491,675)	1,781,112
(Loss) for the Year	-	-	-	(3,344,077)	(3,344,077)
Other Comprehensive (Loss) for the Year	-	-	(5,063)	-	(5,063)
Total Comprehensive (Loss) for the Year	**-**	**-**	**(5,063)**	**(3,344,077)**	**(3,349,140)**
Issue of Shares	7,907,042	-	-	-	7,907,042
Share/Option Issue Expense	(587,947)	-	-	-	(587,947)
Share Based Payments	530,000	64,185	-	-	594,185
Balance at 30 June 2019	**28,705,740**	**1,523,902**	**(48,638)**	**(23,835,752)**	**6,345,252**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 $	2019 $
Cash Flows from Operating Activities			
Expenditure on Mining Interests		(2,551,427)	(1,952,023)
Payments to Suppliers and Employees		(923,367)	(899,512)
Receipts from Federal Government "Cashboost"		50,000	-
Interest Received		33,811	23,286
Management fees		123,732	-
Net Cash (Outflow) from Operating Activities	27	**(3,267,251)**	**(2,828,249)**
Cash Flows from Investing Activities			
Cash transferred into Security deposits		(60,948)	-
Payments for Purchase of Tenements/Projects		(1,829)	(3,278,602)
Payments for Purchase of Property, Plant and Equipment		(15,090)	(15,089)
Net Cash (Outflow) from Investing Activities		**(77,867)**	**(3,293,691)**
Cash Flows from Financing Activities			
Proceeds from Issues of Shares		4,600,000	7,907,042
Payment of Share Issue Costs		(325,422)	(587,947)
Net Cash Inflow from Financing Activities		**4,274,578**	**7,319,095**
Net Decrease in Cash and Cash Equivalents		929,460	1,197,155
Cash and Cash Equivalents at the Beginning of the Financial Year		1,983,359	791,267
Effects of Foreign Exchange		(4,268)	(5,063)
Cash and Cash Equivalents at the End of the Financial Year	8	**2,908,551**	**1,983,359**

The above Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all years presented unless otherwise stated. The financial report includes the financial statements for Pacifico Minerals Limited (‘**Parent**’ or ‘**Company**’) and its subsidiaries (the ‘**Group**’) for the year ended 30 June 2020. The financial report was authorised for issue in accordance with a resolution of the Board of Directors of Pacifico Minerals Limited on 30 September 2020. Pacifico Minerals Limited is a company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group is exploration of mineral tenements in Australia and Latin America.

(a) BASIS OF PREPARATION

This general-purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Interpretations, and the Corporations Act 2001.

(i) Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (‘**AIFRS**’). Compliance with AIFRS ensures that the financial statements and notes of Pacifico Minerals Limited comply with International Financial Reporting Standards (‘**IFRS**’).

(ii) Historical Cost Convention

Financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, certain classes of property, plant and equipment.

(iii) Going Concern Basis

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The going concern of the Group is dependent upon maintaining enough funds for its operations and commitments. The Directors continue to monitor the funding requirements of the Group and are confident that funding can be secured as required to enable the Group to continue as a going concern and are of the opinion that the financial report has been appropriately prepared on a going concern basis.

(b) PRINCIPLES OF CONSOLIDATION

(i) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 1(d)). Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with policies adopted by the Group.

(ii) Investment in Joint Ventures

A joint venture is an arrangement under which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Joint control is defined as the contractually agreed sharing of control of an arrangement, which exists only when decisions about the

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

relevant activities require the unanimous consent of the parties sharing control. Interests in joint ventures are accounted for using the equity method.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not amortised or tested individually for impairment. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

Financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in the joint venture. An impairment loss is measured by comparing the recoverable amount of the investment with the carrying amount. An impairment loss is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Upon loss of significant influence over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(iii) Investment in Joint Operations

A joint arrangement occurs whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under a joint arrangement, the Group as operator, recognises in relation to its interest in a joint arrangement its:

- assets, including its share of any assets held jointly;
- liabilities, including its share of any liabilities incurred jointly;
- revenue from the sale of its share of the output arising from the joint operation;
- share of the revenue from the sale of the output by the joint operation; and
- expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRS Standards applicable to the certain assets, liabilities, revenue and expenses. When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation. When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) FOREIGN CURRENCY TRANSLATION

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars, Pacifico's functional and presentation currency, unless otherwise stated.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. Foreign exchange gains and losses relating to borrowings are presented in the income statement within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(iii) Group companies

The results and financial position of foreign operations that have a functional currency other than the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing exchange rate.

(d) BUSINESS COMBINATIONS

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Excess consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate (rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions).

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

(e) SEGMENT REPORTING

Operating segments are identified, and segment information disclosed based on internal reports received by the Board.

(f) REVENUE RECOGNITION

Interest revenue is recognised on a time proportionate basis that considers the effective yield on the financial assets. Grant income received from Governments is recognised on a cash basis upon receipt. This includes grants received from the ATO from the Cashflow Boost during 2020.

(g) INCOME TAX

The income tax expense or revenue for the year is the tax payable on the current periods taxable income (based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses). Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax laws and rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) IMPAIRMENT OF ASSETS

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and value in use. To assess impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(i) CASH AND CASH EQUIVALENTS

For presentation purposes on the cash flow statement, cash and cash equivalents includes cash on hand and deposits held by financial institutions.

(j) TRADE AND OTHER RECEIVABLES

Receivables are recognised and carried at the original invoice amount less any provisions for doubtful debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable, and these are written-off as required. Trade and other receivables include amounts due from customers for goods and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(k) TRADE AND OTHER RECEIVABLES

Receivables are recognised and carried at the original invoice amount less any provisions for doubtful debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable, and these are written-off as required. Trade and other receivables include amounts due from customers for goods and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(l) TRADE AND OTHER RECEIVABLES

Receivables are recognised and carried at the original invoice amount less any provisions for doubtful debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable, and these are written-off as required. Trade and other receivables include amounts due from customers for goods and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(m) FINANCIAL INSTRUMENTS

(i) Recognition, Initial Measurement and Derecognition

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transactions costs, except for those carried "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(ii) Classification and Subsequent Measurement

Financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

- The contractual cash flow characteristics of the financial assets; and
- The entities business model for managing the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets at fair value through other comprehensive income (Equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 *Financial Instruments: Presentation* and are not held for trading.

Financial assets at fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

<u>Financial liabilities</u>
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

(iii) Impairment

The Group assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Valuation Techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

(v) Fair Value Hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

(n) PLANT AND EQUIPMENT

All plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation of plant and equipment is calculated using the straight-line method to allocate their cost (net of their residual values) over their estimated useful lives. The assets'

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1(h)).

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the income statement. When revalued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(o) EXPLORATION AND EVALUATION COSTS

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right of tenure of the area of interest is current, and they are expected to be recouped through sale or successful development and exploration of the area of interest, or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Where an area of interest is abandoned, or the Directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future.

(p) TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Group during the financial year which remain unpaid at the end of the period. The amounts are unsecured and are paid on standard commercial terms.

(q) EMPLOYEE BENEFITS

(i) *Wages and Salaries, Leave and Other Employee Benefits*

Provisions are made for employee benefits for services rendered during the period. These benefits include salaries and leave benefits. Liabilities arising in respect of employee benefits are measured at their nominal amounts based on remuneration rates to be paid when the liability is settled.

(ii) *Share-Based Payments*

The Group provides benefits to employees (including Directors) and consultants of the Group in the form of share-based payments whereby employees and contractors render services in exchange for shares or rights over shares ('**equity-settled transactions**'). The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired and the number of options that the Directors think will vest ultimately. This opinion is formed based on the information available at balance date.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where an equity-settled

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award.

(r) CONTRIBUTED EQUITY

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction (net of tax) from the proceeds. Incremental costs directly attributable to the issue of new shares or options, for the acquisition of a business, are not included in the cost of the acquisition as part of the purchase consideration.

(s) EARNINGS PER SHARE

(i) *Basic Earnings Per Share*

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Parent entity, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) *Diluted Earnings Per Share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(t) GOODS AND SERVICES TAX (‘**GST**’)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(u) SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The carrying amount of certain assets and liabilities is often determined based on estimates and assumptions of future events. The key estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

(i) Deferred Taxation

The potential deferred tax asset arising from the tax losses and temporary differences has not been recognised as an asset because recovery of the tax losses is not yet considered probable.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) Capitalised Exploration Costs

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement in determining whether future economic benefits are likely, either from exploration or sale, or where activities have not reached a stage which permits reasonable assessment.

(iii) Share-Based Payments

The Group measures the cost of equity-settled and cash-settled transactions by reference to the fair value of the goods and services received or, if this cannot be reliably measured, the fair value of the equity instruments at the date at which they are granted. The fair value of the equity instruments is determined by using the Black-Scholes model and the assumptions and carrying amount at the reporting date is disclosed in Note 29.

2. NEW STANDARDS AND INTERPRETATIONS ADOPTED AND NOT YET ADOPTED

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED BY THE GROUP

The Group has considered the implications of new and amended Accounting Standards which have become applicable for the current financial reporting period. The Group had to change its accounting policies and make adjustments as a result of adopting the following Standard:

(i) AASB 16: Leases applies to annual reporting periods beginning on or after 1 January 2019 and was adopted by the Group from 1 July 2019.

The Group has adopted AASB 16: Leases retrospectively with the cumulative effect of initially applying AASB 16 recognised as of 1 July 2019. As a result of the changes in Group's accounting policies, current or prior year financial statements were not required to be restated as the leases were deemed to be short term and minor.

The Group as lessee

At inception of a contract the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. leases with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses incremental borrowing rate.
Lease payments included in the measurement of the lease liability are as follows;

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of options to terminate the lease.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. NEW STANDARDS AND INTERPRETATIONS ADOPTED AND NOT YET ADOPTED (CONTINUED)

The right-of-use asses comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the costs of the right-of-use asset reflects that the Group anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The Group as lessor

The Group does not have any property which has been leased out, and therefore not applicable.

3. FINANCIAL RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Various methods are used to measure risks to which the Group is exposed, including sensitivity analysis for interest rate, foreign exchange and other price risks, and ageing analysis for credit risk.

Risk management is carried out by the accounting team under Board approved policies covering identification and analysis of risk exposure, risk limits, and appropriate procedures and controls. Reporting is provided to the Board on a monthly basis.

MARKET RISK

(i) Foreign Currency Risk

The Group completes certain transactions denominated in foreign currency and is exposed to foreign currency risk through exchange rate fluctuations. Foreign currency risk arises from future commercial transactions and recognised financial assets and financial liabilities in a currency other than the Group's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. The carrying amount of the Group's foreign currency financial assets and financial liabilities at the reporting date was as follows:

	Financial Assets		Financial Liabilities	
	2020	**2019**	**2020**	**2019**
Consolidated	**AUD$**	**AUD$**	**AUD$**	**AUD$**
Colombian Pesos (COP)	4,020	66,674	4,319	5,874
Total	**4,020**	**66,674**	**4,319**	**5,874**

Based on the net exposure to foreign currencies, a change in the foreign exchange rate as at the end of the year would not have a significant effect the Group's financial results.

(ii) Price Risk

Presently, the Group is not directly exposed to commodity price risk as it is in the exploration phase. The Group is indirectly exposed to price movements for commodities such as gold, copper and silver as these may affect the Group's ability to access capital markets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Interest Rate Risk

The Group's main interest rate risk arises from cash and term deposits held at variable interest rates as term deposits issued at fixed rates expose the Group to fair value risk. The Group's policy is to maximise interest rate returns, having regard to the cash requirements of the business.

(iv) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount (net of any provisions for impairment of those assets) as disclosed in the statement of financial position and notes to the financial statements.

(v) Liquidity Risk

Liquidity risk management requires the Group to maintain enough liquid assets to pay debts as and when they fall due. The Group manages liquidity risk by maintaining adequate cash reserves through continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

INTEREST RATE RISK

The Group is exposed to market interest rate movements on short-term deposits. Group policy is to monitor the interest rate yield curve to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. At 30 June 2020, if interest rates had changed by -/+ 100 basis points from the year-end rates with all other variables held constant, pre-tax loss would have been $20,125 lower/higher (2019 – change of 100 bps: $11,143 lower/higher) as a result of lower interest income. The Group's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

	Floating Interest Rate	Fixed Interest Rate Maturing in:			Non-Interest Bearing	Total Carrying Amount
		>1 Year	1 - 5 Years	<5 Years		
Financial Instrument	$	$	$	$	$	$
2020						
Financial Assets						
Cash and Cash Equivalents	1,992,492	-	-	-	916,059	2,908,551
Trade & Other Receivables	-	-	-	-	188,932	188,932
Deposits	-	20,000	-	-	65,462	85,462
Total Financial Assets	**1,992,492**	**20,000**	**-**	**-**	**1,170,453**	**3,182,945**
Financial Liabilities						
Trade Creditors	-	-	-	-	448,491	448,491
Other Creditors and Accruals	-	-	-	-	44,309	44,309
Lease Liabilities	-	52,922	46,719	-	-	99,641
Total Financial Liabilities	**-**	**52,922**	**46,719**	**-**	**492,800**	**592,441**

Weighted average effective interest rate is 0.18%

	Floating Interest Rate	>1 Year	1 - 5 Years	<5 Years	Non-Interest Bearing	Total Carrying Amount
2019						
Financial Assets						
Cash and Cash Equivalents	1,131,693	-	-	-	851,666	1,983,359
Trade & Other Receivables	-	-	-	-	370,271	370,271
Deposits	-	-	-	-	24,514	24,514
Total Financial Assets	**1,131,693**	**-**	**-**	**-**	**1,246,451**	**2,378,144**
Financial Liabilities						
Trade Creditors	-	-	-	-	618,076	618,076
Other Creditors and Accruals	-	-	-	-	36,194	36,194
Total Financial Liabilities	**-**	**-**	**-**	**-**	**654,270**	**654,270**

Weighted average effective interest rate is 0.85%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

NET FAIR VALUES

All financial assets and liabilities have been recognised at the balance date at amounts approximating their carrying value.

CREDIT RISK EXPOSURES

The Group has no significant concentrations of credit risk. The maximum exposure to credit risk at balance date is the carrying amount (net of provision for doubtful debts) of those assets as disclosed in the balance sheet and notes to the financial statements. A formal credit risk management policy is not maintained.

4. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified based on internal reports provided to the Board in order to allocate resources to the segments and assess performance. Information reported to the Board is based on exploration in the principal locations of the Group's projects, Australia and Colombia. The revenues and profit generated by each of the Group's operating segments, assets and liabilities are summarised as follows:

	Australia		Colombia		Elimination		Total	
	2020 $	2019 $	2020 $	2019 $	2020 $	2019 $	2020 $	2019 $
Segment Revenues	667,138	348,643	154	1,005	(375,386)	(244,771)	291,906	104,877
Segment Operating (Losses)	(3,073,688)	(3,266,091)	(58,491)	(77,986)	-	-	(3,132,179)	(3,344,077)
Segment Assets	14,974,840	7,772,424	9,802	74,502	(6,504,576)	(226,527)	8,480,066	7,620,399
Segment Liabilities	1,818,142	1,230,537	4,319	5,874	(955,202)	38,736	867,259	1,275,147

5. REVENUE

	Consolidated	
From Continuing Operations	**2020** **$**	**2019** **$**
Sorby Hills Project Revenue	123,732	81,591
Interest	33,811	23,286
Other Income	134,363	-
	291,906	**104,877**

6. EXPENSES

	Consolidated	
Loss Before Income Tax Includes the Following Expenses:	**2020** **$**	**2019** **$**
Depreciation of Plant and Equipment	8,552	3,139
Depreciation of ROU Asset	9,019	-
Exploration and Evaluation Expenditure	2,124,010	2,220,830
Exploration and Evaluation Asset Write-Off	-	163,785

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. INCOME TAX

	Consolidated 2020 $	Consolidated 2019 $
Income Tax Expense/(Benefit)		
Current Tax	-	-
Deferred Tax	-	-
Adjustments for Current Tax of Prior Years	-	-
	-	-
Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable		
Loss from Continuing Operations Before Income Tax Expense	(3,132,179)	(3,344,077)
Prima Facie Tax Benefit at the Australian Tax Rate of 27.5% (2019: 27.5%)	(861,349)	(919,621)
Tax Effect of Amounts Which are not Deductible (Taxable) in Calculating Taxable Income:		
Other Items	53,294	133,429
	(808,055)	**(786,192)**
Unrecognised Temporary Differences	(140,932)	(232,785)
Tax Effect of Current Year Tax Losses for Which no Deferred Tax Asset Has Been Recognised	948,987	1,018,977
Income Tax Expense/(Benefit)	-	-
Unrecognised Temporary Differences		
Deferred Tax Assets		
On Income Tax Account		
S. 40-880 Deductions	130,108	130,108
Write off Acquired Tenement Costs over 15 years	1,686,596	1,686,596
Accruals and Provisions for Employee Entitlements	27,008	30,794
Carry Forward Tax Losses	4,927,701	4,961,942
	6,771,413	**6,809,440**
Deferred Tax Liabilities Prepayments	216	3,418
Total Unrecognised Temporary Differences	**6,771,197**	**6,806,022**
Deferred Tax Liabilities		
Beginning Exploration and Evaluation on Acquisition	221,008	221,008
Reduction of Deferred Tax Liability Due to Impairment	(42,095)	-
Deferred Tax Liability - Exploration and Evaluation Assets	**178,913**	**221,008**

The deferred tax assets have not been brought to account, as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

8. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	Consolidated 2020 $	Consolidated 2019 $
Cash on Hand	-	-
Cash at Bank (1)	2,908,551	1,983,359
Cash and Cash Equivalents as Shown in the Consolidated Statement of Financial Position and the Consolidated Statement of Cash Flows	**2,908,551**	**1,983,359**

(1) Restricted cash is $85,285 (2019: $37,302) and includes security deposits in relation to a credit card facility and office lease obligations.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. CURRENT ASSETS - OTHER

	Consolidated	
	2020	2019
	$	$
Other Receivables	188,932	370,271
Prepayments	17,521	12,431
	206,453	**382,702**

The above receivables are within initial trade terms and therefore have not been impaired.

10. NON-CURRENT ASSETS – EXPLORATION AND EVALUATION ASSETS

	Consolidated	
	2020	2019
	$	$
Balance at Beginning of the Year	5,210,586	1,238,412
Additions	1,829	4,135,959
Reduction of Deferred Tax Liability	(42,095)	-
Violin Project Write-Off	-	(163,785)
Balance at the End of the Year	**5,170,320**	**5,210,586**

11. NON-CURRENT ASSETS – OTHER

	Consolidated	
	2020	2019
	$	$
Bonds and Security Deposits	85,285	24,315
VAT Receivable	177	199
	85,462	**24,514**

12. NON-CURRENT ASSETS - PLANT AND EQUIPMENT

	Consolidated	
	2020	2019
	$	$
Plant and Equipment		
Cost	132,929	140,026
Accumulated Depreciation	(122,853)	(120,788)
Net Carrying Amount	**10,076**	**19,238**
Plant and Equipment - Movement		
Opening Net Book Amount	19,238	8,843
Additions	15,090	15,089
Depreciation Charge	(8,552)	(3,139)
Foreign Exchange Translation	(15,700)	(1,555)
Closing Net Carrying Amount	**10,076**	**19,238**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. RIGHT OF USE ASSETS

	Consolidated	
	2020	2019
	$	$
ROU Asset - Building Lease		
Building Lease at cost	108,225	-
Accumulated Depreciation	(9,019)	-
Net Carrying Amount	**99,206**	**-**
ROU Asset - Movement		
Opening Net Book Amount	108,225	-
Depreciation Charge	(9,019)	-
Closing Net Carrying Amount	**99,206**	**-**
Amounts recognised in the Profit and Loss		
Depreciation Expense on Right of Use Asset	(9,019)	-
Interest Paid on lease liabilities	(681)	-

The Group has taken a lease of the premises at Level 1, 105 St George's Terrace, Perth, with an estimated remaining life of 12 months. Discounted cashflows were calculated on a discount rate of 3.5%.

14. LIABILITIES - TRADE AND OTHER PAYABLES

	Consolidated	
	2020	2019
	$	$
Trade Payables	448,491	618,076
Other Payables and Accruals	44,309	36,194
	492,800	**654,270**

The above payables are within initial trade terms and therefore are not past due.

	Consolidated	
	2020	2019
	$	$
Other Liabilities	**-**	**316,357**

15. CURRENT LIABILITIES – PROVISIONS

	Consolidated	
	2020	2019
	$	$
Provision for Annual Leave	95,905	83,512

16. LEASE LIABILITIES

	Consolidated	
	2020	2019
	$	$
Maturity Analysis		
Less than 1 year	52,922	-
Greater than 1 year	46,719	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. NON-CURRENT LIABILITIES – DEFERRED TAX LIABILITIES

	Consolidated 2020 $	2019 $
Deferred Tax Liabilities Comprise Temporary Differences Attributable to:		
Beginning Exploration and Evaluation on Acquisition	221,008	221,008
Movement in Deferred Tax Liability due to Impairment	(42,095)	-
Deferred Tax Liability	**178,913**	**221,008**

18. CONTRIBUTED EQUITY

SHARE CAPITAL

	2020		2019	
	Shares	$	Shares	$
Ordinary Shares Fully Paid	2,888,104,604	32,980,318	2,313,104,604	28,705,740
Total Contributed Equity	**2,888,104,604**	**32,980,318**	**2,313,104,604**	**28,705,740**

MOVEMENTS IN ORDINARY SHARE CAPITAL

	2020		2019	
	Shares	$	Shares	$
Beginning of the Financial Year	2,313,104,604	28,705,740	893,063,749	20,856,645
Issued During the Year:				
5 Sept. 2018 (Rights Issue at $0.006)		-	213,333,333	1,280,000
3 Oct. 2018 (Rights Issue at $0.006)		-	158,506,899	951,042
16 Oct. 2018 (Placement at $0.005144)		-	97,200,622	500,000
22 Nov. 2018 (Placement at $0.006)		-	262,666,667	1,576,000
22 Nov. 2018 (Services Rendered)		-	5,000,000	30,000
18 Dec. 2018 (Placement at $0.006)		-	16,666,667	100,000
15 Apr. 2019 (Placement at $0.006)		-	410,000,000	2,460,000
23 May 2019 (Placement at $0.006)		-	256,666,667	1,540,000
9 September 2019 (Placement at $0.008)	575,000,000	4,600,000	-	-
Less: Transaction Costs	-	(325,422)	-	(587,947)
End of the Financial Year	**2,888,104,604**	**32,980,318**	**2,313,104,604**	**28,705,739**

ORDINARY SHARES

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Parent entity proportionate to the number of and amounts paid for shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote and upon a poll each share is entitled to one vote.

CAPITAL RISK MANAGEMENT

Safeguarding its ability to continue as a going concern is the Group's objective when it comes to managing capital in order to provide benefits to both shareholders and stakeholders and maintain an optimal capital structure to reduce cost of capital. When an opportunity to invest in, or explore, a project is seen as value adding relative to the share price at the time of investment, the Group will seek to raise capital if required.

19. DIVIDENDS

No recommendation for payment of dividends or dividend payments were made during the report period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. RESERVES

Share/option reserve is used to recognise the fair value of shares and options issued.

	Consolidated 2020 $	Consolidated 2019 $
Share/Option Reserve	1,653,328	1,523,902
Foreign Currency Translation Reserve	(52,906)	(48,638)
	1,600,422	**1,475,264**

SHARE/OPTION RESERVE

	Consolidated 2020 $	Consolidated 2019 $
Balance at Beginning of Year	1,523,902	1,459,717
Issue of Options	129,426	64,185
Balance at End of Year	**1,653,328**	**1,523,902**

FOREIGN CURRENCY TRANSLATION RESERVE

Foreign currency translation reserve is used to recognise exchange differences arising from the translation of financial statements of foreign operations that do not use Australian dollars as their functional currency.

	Consolidated 2020 $	Consolidated 2019 $
Balance at Beginning of Year	(48,638)	(43,575)
Exchange Differences Arising on Translating the Foreign Operations	(4,268)	(5,063)
Balance at End of Year	**(52,906)**	**(48,638)**

21. PARENT ENTITY INFORMATION

	Parent 2020 $	Parent 2019 $
Total Current Assets	2,200,965	1,254,646
Total Non-Current Assets	6,197,729	8,042,005
Total Assets	**8,398,694**	**9,296,651**
Total Current Liabilities	1,613,757	704,129
Total Non-Current Liabilities	-	-
Total Liabilities	**1,613,757**	**704,129**
Equity		
Issued Capital	32,980,318	28,705,740
Share Based Payments Reserve	1,653,328	1,523,902
Accumulated Losses	(27,848,709)	(21,637,120)
Total Equity	**6,784,937**	**8,592,522**
Results of The Parent Entity		
Loss for the Year	(6,211,589)	(979,480)
Other Comprehensive Income	-	-
Total Comprehensive Loss for the Year	**(6,211,589)**	**(979,480)**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. PARENT ENTITY INFORMATION (CONTINUED)

CAPITAL AND CONTINGENT LIABILITIES

The parent entity had no capital or contingent liabilities as at 30 June 2020 (2019: Nil).

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in Note 1, except for investments in subsidiaries being accounted for at cost (less any impairment) in the parent entity.

22. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly owned subsidiaries in accordance with the accounting policy described in Note 1b(i):

Subsidiary	Incorporated	Ownership	
		2020	2019
West Rock Resources Pty Ltd	Australia	100%	100%
Sorby Hills Pty Ltd	Australia	100%	100%
Sorby Management Pty Ltd	Australia	100%	100%
West Rock Resources Panama Corp.	Panama	100%	100%
Pacifico Minerals Sucursal Colombia (Branch)	Colombia	100%	100%
Golden Pacifico Exploration SAS	Colombia	100%	100%
Pacifico Holdings SAS	Colombia	100%	100%

23. REMUNERATION OF AUDITORS

During the period the following fees were paid, or payable, for services provided by the auditors of the Group.

	Consolidated	
	2020	2019
	$	$
Audit Services		
Stantons International – Audit and Review of Financial Reports	40,378	32,966
Total Remuneration for Audit Services	**40,378**	**32,966**
Non-Audit Services		
Technical Valuation - Performance Rights	750	-

24. COMMITMENTS AND CONTINGENCIES

The Group plans to conduct exploration work on its tenements to meet obligations and retain rights of tenure. If required, the Group can reduce these expenditure obligations by establishing joint venture agreements, applications for expenditure exemptions, or selective relinquishment of exploration tenements. Due to the nature of the Group's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast future expenditure. The annual commitment across the Group for the next year is $230,094 (2019: $360,072).

	Consolidated	
Exploration Commitments	2020	2019
	$	$
Within One Year	230,094	360,072
Later than One Year But Not Later Than Five Years	920,375	1,459,617
	1,150,469	**1,819,689**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24. COMMITMENTS AND CONTINGENCIES (CONTINUED)

There are no material contingent assets of the Group at balance date (2019: Nil). In 2019 the acquisition of the Sorby Hills Project included a provision for a 1% net smelter royalty payable to Quintana MH Holding Company LLC that has been classified as a material Contingent Liability, this is still in existence in 2020.

25. INTERESTS IN JOINT OPERATIONS

The Group recognises its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated into the financial statements under the appropriate classifications. Information relating to joint operations that are material to the Group are set out below:

- Berrio Gold Project (Pacifico 5.7 – 8.6%). Net assets carried as at 30 June 2020 are nil (2019: Nil).
- Borroloola West Project (Pacifico 51%). Net assets carried as at 30 June 2020 are $982,532 (2019: $1,024,673).
- Mt Jukes Project (Pacifico 14.8%). Net assets carried as at 30 June 2020 are nil (2019: Nil).
- Sorby Hills Project (Pacifico 75%). Net assets carried as at 30 June 2020 are $4,187,787 (2019: $4,185,913).

26. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

On 25 August the Company announced the results of its completed Pre-Feasibility study and updated its Ore Reserve Statement. It was noted that the Project delivers strong Pre-Tax Economics with a Pre-Tax NPV8 of A$303M generating an IRR of 46% with a payback period of ~1.6years[1] . Pre-Tax Life of Mine Net Operating Cash Flow of A$747M or ~A$75M per annum. The PFS base case ('**Whole Ore**') Production Target mines 14.7Mt (circa 92% Measured and Indicated, 8% Inferred) at an average grade of 3.6% Pb and 39 g/t Ag.

On 18 September 2020 the Company announced that it had executed a capital raising to fund the Sorby Hills Project to final investment decision. The Company had received binding commitments for a A$10 million Share Placement to professional and institutional investors at an issue price of $0.018 issuing a maximum of 555,555,920 ordinary shares. Concurrently the Company also announced that it would conduct a Share Purchase Plan to raise a maximum of A$2 million at an issue price of $0.018 per share, through the issue of up to 111,111,111 ordinary fully paid shares.

On 24 September 2020 the Company announced that the $10 million capital raising announced on the 18 September 2020 had been completed.

There were no further matters or circumstances that arose since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of the Group in future financial years.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. CASH FLOW RECONCILIATION

RECONCILIATION OF NET LOSS AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Consolidated 2020 $	Consolidated 2019 $
Net Loss for the Year	(3,132,179)	(3,344,077)
Non-Cash Items		
Depreciation of Non-Current and ROU Assets	8,552	3,139
Share Based Payments - Inc. in Operational Expenses	-	53,185
Share Based Payments - Director/Staff Options	129,426	-
Write Off Exploration and Evaluation Assets	-	163,785
Foreign Exchange (Gain)/Loss	-	-
Change in Operating Assets and Liabilities		
Decrease/(Increase) in Trade and Other Receivables	197,472	(357,855)
Decrease/(Increase) in Prepayments	(5,088)	5,990
Decrease/(Increase) in Other Assets	-	123
(Decrease)/Increase in Trade and Other Payables	(477,827)	586,380
Increase/(Decrease) in Provisions	12,393	61,081
Net Cash Outflow from Operating Activities	**(3,267,251)**	**(2,828,249)**

Non-Cash Financing and Investing Activities

Nil.

28. LOSS PER SHARE

RECONCILIATION OF EARNINGS USED IN CALCULATING LOSS PER SHARE

	Consolidated 2020 $	Consolidated 2019 $
Loss attributable to the ordinary equity holders of the Parent Entity used in calculating basic and diluted loss per share	(3,132,179)	(3,344,077)

WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR

	Number of Shares 2020	Number of Shares 2019
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	2,784,167,904	1,535,211,939

29. SHARE BASED PAYMENTS

ORDINARY SHARES

During the period, no shares were issued to consultants for marketing services (2019: 5,000,000). There were no share-based payments resulting in the issue of ordinary shares (2019: $30,000).

OPTIONS OVER ORDINARY SHARES

No Options were issued in 2020 (2019: 361,271,969).

Options on issue at the end of the period had the following expiry dates and exercise prices:

Expiry Date	Status	Exercise Price	Options
21/11/2020	Unlisted	$0.015	26,500,000
21/11/2020	Listed	$0.015	351,271,969
16/10/2021	Unlisted	$0.020	10,000,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. SHARE BASED PAYMENTS (CONTINUED)

Options on issue at the end of the period had a weighted average exercise price of 1.30 cents and a weighted average expiry period of 0.66 years.

Performance Rights

A total of 68,500,000 Performance Rights (2019: Nil) were granted during the year to Directors with variable vesting conditions based on the achievement of performance milestones, (6,000,000 were subsequently cancelled on the resignation of Mr. P Harold). Share-based payments booked during the period amounted to $129,426 (2019: $53,185).

Details	Performance Rights	Exercise Price	Grant Date	Expiry Date
Class "A" Performance Shares	19,000,000	Nil	29/11/2019	30/06/2022
Class "B" Performance Shares	19,500,000	Nil	29/11/2019	30/06/2022
Class "C" Performance Shares	20,000,000	Nil	29/11/2019	30/06/2022
Class "D" Performance Shares	4,000,000	Nil	6/03/2020	6/03/2025
	62,500,000			

Performance Rights on issue at the end of the period had the following expiry dates and exercise prices:

Expiry Date	Status	Exercise Price	Performance Rights
30/06/2022	Unlisted	$0.000	19,000,000
30/06/2022	Unlisted	$0.000	19,500,000
30/06/2022	Unlisted	$0.000	20,000,000
6/03/2025	Unlisted	$0.000	4,000,000

30. RELATED PARTY TRANSACTIONS

There were no related party transactions to report for the period.

31. KEY MANAGEMENT PERSONNEL COMPENSATION

	Consolidated	
	2020	2019
	$	$
Short Term Employee Benefit	385,947	380,365
Share Based Payments	129,426	-
Post-Employment Benefit	35,893	30,546
	551,266	**410,911**

DIRECTORS' DECLARATION

The Directors of the Group declare that:

1. The financial statements accompanying the notes are in accordance with the Corporations Act 2001, and:

    a. Comply with Accounting Standards, the Corporations Act 2001 and other mandatory professional reporting requirements;

    b. Give a true and fair view of the financial position as at 30 June 2020 and of the performance for the report period for the consolidated entity.

2. In the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

3. In the Directors' opinion, the financial statements and notes are prepared in compliance with IFRS and interpretations issued by the International Accounting Standards Board.

4. The remuneration disclosures as set out on pages 19 to 22 of the Directors' Report comply with Accounting Standards AASB 124 *Related Party Disclosures* and section 300A of the Corporations Act 2001.

5. The Directors have been given the declarations required under section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors.

Gary Comb
Executive Chairman
30 September 2020

INDEPENDENT AUDITOR'S REPORT

Stantons International Audit and Consulting Pty Ltd
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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
PACIFICO MINERALS LIMITED**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Pacifico Minerals Limited (the Company and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matters	How the matter was addressed in the audit
Carrying Value of Exploration and Evaluation Assets As at 30 June 2020, the carrying value of the Group's Exploration and Evaluation Assets totalled $5,170,320, as disclosed in Note 10. The carrying value of the Exploration and Evaluation Assets is a key audit matter due to: • The significance of the total balance (61% of total assets); • The necessity to assess management's application of the requirements of the accounting standard Exploration for and Evaluation of Mineral Resources ("AASB 6"), in light of any indicators of impairment that may be present; and • The assessment of significant judgements made by management in relation to the Exploration and Evaluation Assets.	Inter alia, our audit procedures included the following: i. Assessing the Group's right to tenure over exploration assets by corroborating the ownership of the relevant licences for mineral resources to government registries and relevant third-party documentation; ii. Examined the directors' assessment of the carrying value of the exploration and evaluation expenditure, ensuring the veracity of the data presented and that management has considered the effect of potential impairment indicators, commodity prices and the stage of the Group's projects against AASB 6; iii. Evaluation of Group documents for consistency with the intentions for the continuation of exploration and evaluation activities in certain areas of interest, and corroborated with enquiries of management. Inter alia, the documents we evaluated included: ▪ Minutes of meetings of the board and management; ▪ Announcements made by the Group to the Australian Securities Exchange; and ▪ Cash flow forecasts; and iv. Assessed the financial statements to ensure appropriate disclosures are made.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Stantons International

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

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The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 19 to 22 of the directors' report for the year ended 30 June 2020. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion on the Remuneration Report

In our opinion the Remuneration Report of Pacifico Minerals Limited for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

Martin Michalik
Director

West Perth, Western Australia
30 September 2020

SHAREHOLDER INFORMATION

Additional information is set out below in accordance with the listing rules of the Australian Stock Exchange Limited and is current as at 30 September 2020.

1. STATEMENT OF ISSUED CAPITAL

Distribution of holdings for Ordinary Shares on Issue 'PMY':

Number of Holders by Holding Size	Holders	Total Units	% of Issued Capital
1 - 1,000	95	21,235	0.00%
1,001 - 5,000	22	71,389	0.00%
5,001 - 10,000	65	594,463	0.02%
10,001 - 100,000	1,053	57,706,049	1.67%
100,001 and over	1,879	3,404,336,598	98.31%
Total	**3,114**	**3,462,729,734**	**100.00%**

Ordinary shares carry one vote per share without restriction. The number of fully paid ordinary shareholdings held in less than marketable parcels is 420 (based on a share price of $0.017).

Distribution of holdings for Listed Option Holders 'PMYO' Ex Price $0.015, Exp 21 November 2020 is as follows:

Number of Holders by Holding Size	Holders	Total Units	% of Issued Capital
1 - 1,000	4	601	0.00%
1,001 - 5,000	8	24,963	0.01%
5,001 - 10,000	8	59,266	0.02%
10,001 - 100,000	44	2,359,452	0.67%
100,001 and over	138	348,758,477	99.30%
Total	**202**	**351,202,759**	**100.00%**

Listed Options do not carry any voting rights until they are exercised and converted into Ordinary Fully Paid Shares.

Distribution of holdings for Unlisted Option Holders Ex Price $0.015, Exp 21 November 2020 is as follows:

Number of Holders by Holding Size	Holders	Total Units	% of Issued Capital
1 - 1,000	0	0	0.00%
1,001 - 5,000	0	0	0.00%
5,001 - 10,000	0	0	0.00%
10,001 - 100,000	0	0	0.00%
100,001 and over	6	22,500,000	100.00%
Total	**6**	**22,500,000***	**100.00%**

Distribution of holdings for Unlisted Option Holders Ex Price $0.020, Exp 16 October November 2021 is as follows:

Number of Holders by Holding Size	Holders	Total Units	% of Issued Capital
1 - 1,000	0	0	0.00%
1,001 - 5,000	0	0	0.00%
5,001 - 10,000	0	0	0.00%
10,001 - 100,000	0	0	0.00%
100,001 and over	1	10,000,000	100.00%
Total	**1**	**10,000,000 ***	**100.00%**

*Unlisted Options do not carry any voting rights until they are exercised and converted into Ordinary Fully Paid shares

SHAREHOLDER INFORMATION (CONTINUED)

Distribution of holdings for Performance Rights on issue, Performance Rights have various expiry dates and vesting conditions. Each Performance Right vests into one Ordinary Fully Paid Share on conversion.

Number of Holders by Holding Size	Holders	Total Units	% of Issued Capital
1 - 1,000	0	0	0.00%
1,001 - 5,000	0	0	0.00%
5,001 - 10,000	0	0	0.00%
10,001 - 100,000	0	0	0.00%
100,001 and over	4	43,500,000	100.00%
Total	**4**	**43,500,000***	**100.00%**

*Performance Shares do not carry any voting rights until they vest and are converted into Ordinary Fully Paid shares.

SUBSTANTIAL SHAREHOLDERS

Holder	Number	%
VILLIERS QUEENSLAND PL*	368,203,340	10.63

**Denotes merged holders.*

2. QUOTATION

Fully paid ordinary shares are quoted on the Australian Stock Exchange Limited. There is a total of 3.46 billion shares on issue. The top twenty shareholders, as listed below, hold 42.68% of these shares:

	Holder	Number	%
1	VILLIERS QUEENSLAND PL *	368,203,340	10.63%
2	ZERO NOMINEES PTY LTD	174,530,272	5.04%
3	CITICORP NOMINEES PTY LIMITED	143,055,235	4.13%
4	BRENT CONNOLLY*	102,000,000	2.95%
5	NATIONAL NOMINEES LIMITED	88,898,889	2.57%
6	AIGLE ROYAL SUPER FUND PL*	85,000,000	2.45%
6	CRAIG CHAPMAN*	85,000,000	2.45%
7	EQUITY TRUSTEES LIMITED<LOWELL RESOURCES FUND A/C>	70,138,889	2.03%
8	MR GRAHAM CHARLES POWELL	65,000,000	1.88%
9	SIMON NOON*	41,000,000	1.18%
10	RICHARD MONTI*	30,218,766	0.87%
11	MIEI RAGAZZI PTY LTD <UGUCCIONI S/F A/C>	30,000,000	0.87%
12	TUBECHANGERS PTY LTD <KING FAMILY A/C>	28,600,000	0.83%
13	CS THIRD NOMINEES PTY LIMITED<HSBC CUST NOM AU LTD 13 A/C>	24,055,555	0.69%
14	MR JOHN WILLIAM VOGEL	22,200,000	0.64%
15	MR PHILLIP RICHARD PERRY	21,211,343	0.61%
16	BOLTON & LING SUPER PTY LTD<THE BOLTON LING S/F A/C>	20,836,073	0.60%
17	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	20,613,276	0.60%
18	BOXWOOD PTY LTD*	19,989,038	0.58%
19	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	19,121,853	0.55%
20	MR MICHAEL MRUK &MRS AGNIESZKA BELTER-MRUK	18,250,000	0.53%
	Total	**1,477,922,529**	**42.68%**

**Denotes merged holders.*

SHAREHOLDER INFORMATION (CONTINUED)

2. QUOTATION CONTINUED

Listed Options 'PMYO' Ex Price $0.015, Exp 21 November 2020 are quoted on the Australian Stock Exchange Limited. There are 351,202,759 Listed Options on issue. The top Twenty option holders, as listed below, hold 67.84% of these options:

	Holder	Number	%
1	BRENT CONNOLLY*	32,000,000	9.11%
2	LADAKH PTY LTD	20,872,541	5.94%
3	VILLIERS QUEENSLAND PL*	20,000,000	5.69%
4	TL POKADOM PTY LTD	18,000,000	5.13%
5	MR GRAHAM CHARLES POWELL	17,900,000	5.10%
6	HORIZON INVESTMENT SERVICES PTY LTD<THE HORIZON INVESTMENT A/C>	16,185,207	4.61%
7	DR JAN PAWEL WIECZOREK &MRS ANNA WIECZOREK	16,000,000	4.56%
8	EQUITY TRUSTEES LIMITED<LOWELL RESOURCES FUND A/C>	12,500,000	3.56%
9	MR GREGORY BRIAN WHITMORE	11,500,000	3.27%
10	COMSEC NOMINEES PTY LIMITED	11,471,183	3.27%
11	MR AARON JAMES GRACE	9,000,000	2.56%
12	MR CAMPBELL COLQUHOUN	8,055,166	2.29%
13	MR MOUNIR NADER	8,000,000	2.28%
14	MRS MEGAN LEANNE JOHNSON	7,250,000	2.06%
15	MRS KIRSTEN LOUISE BAILEY &MR MATTHEW RUSSELL BAILEY<BAILEY SUPER FUND A/C>	5,933,333	1.69%
16	MR SHANE DOUGLAS HOCKLEY &MRS MICHELE JANE HOCKLEY	5,000,000	1.42%
17	MR JOHN DONALD FLEAY	4,904,546	1.40%
18	DR RYAN PAUL FERGUSON	4,880,000	1.39%
19	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	4,513,714	1.29%
20	MR JOHN EDMUND SAINSBURY	4,300,000	1.22%
	Total	**238,265,690**	**67.84%**

**Denotes merged holders.*

3. UNQUOTED SECURITIES

Holders with more than 20% of any unlisted class of security, other than those acquired under an employee incentive scheme, are listed below:

Holder	2c Options Expiring 16-Oct-21
Quintana Resources Holdings LP	10,000,000
Total	10,000,000
Total holders	*1*

SHAREHOLDER INFORMATION (CONTINUED)

4. SCHEDULE OF INTERESTS IN MINING TENEMENTS

Project / Location	Tenement ID	Percentage Held
Colombia		
Berrio	T1928005	5.7%
Berrio	IHF-08012	7.5%
Berrio	IDI-16112X	8.6%
Berrio	IDI-16113X	8.6%
Berrio	HINN-02	8.6%
Berrio	JG1-09552	8.6%
Berrio	T1935005	8.6%
Berrio	6822	100%
Urrao	2791	100%
Australia, Northern Territory		
Borroloola West	EL26938	51%
Borroloola West	EL26939	51%
Borroloola West	EL28508	51%
Borroloola West	EL28658	51%
Borroloola West	EL30305	51%
Borroloola West	MLN624	51%
Borroloola West	EL31354	100%
Australia, Tasmania		
Mount Jukes	EL51/2008	13.7%
Miners Ridge	EL12/2009	13.7%
Australia, Western Australia		
Sorby Hills	M80/196	75%
Sorby Hills	M80/197	75%
Sorby Hills	M80/285	75%
Sorby Hills	M80/286	75%
Sorby Hills	M80/287	75%
Sorby Hills	E80/5317	100%

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