

27 May 2019

Clarification Announcement Infill and Expansion Drilling Underway at Sorby Hills Lead-Silver-Zinc Project

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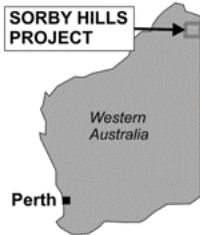
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ASX Code PMY

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With regard to the announcement below made by Pacifco Minerals Limited (**ASX: PMY**) ('Pacifco' or the 'Company') on 27 May 2019, Pacifco wishes to state that in accordance with listing rule 5.19, the Company can confirm that all material assumptions underpinning the production target or the forecast financial information referenced on 7 and 26 March 2019, continue to apply and have not materially changed.

Further the Company can also state that with regard to the cross references made in relation to the exploration results of 14 February 2019 and 6 May 2019, the Company can confirm that it is not aware of any new information or data that would materially affect the information included in the announcement and that all material assumptions and technical parameters underpinning the estimates in the referenced market announcements continue to apply and have not materially changed.



Pacifico Minerals Limited (**ASX: PMY**) (**'Pacifico'** or the **'Company'**) is pleased to announce the commencement of its Phase II Infill and Expansion drilling campaign at its Sorby Hills Lead-Silver-Zinc Project (**'Sorby Hills'** or the **'Project'**) located 50km northeast of Kununurra in Western Australia.

HIGHLIGHTS

- 6,000m of Diamond and RC drilling underway at Sorby Hills following the highly successful Phase I campaign completed in late 2018.
- Three drill rigs (two diamond and one RC) will target Inferred Mineral Resources above 100m depth.
- Phase II drill program aims to increase Indicated Resources and gather both geotechnical information for pit designs and samples for further metallurgical testwork.
- Following Phase II, a further Mineral Resource Estimate ('MRE') update will be carried out to support an optimised Pre-Feasibility Study ('PFS') (by Q4 2019) ahead of completion of a Definitive Feasibility Study ('DFS') in 2020.
- Phase I drilling underpinned an updated MRE and PFS with highly positive results.
- Significant holes from the Phase I drill program include:
 - **9.0m at 8.3% Pb equivalent** (7.6% Pb, 32g/t Ag) and 1.1% Zn from 37m in drill hole AB033.
 - **9.7m at 9.1% Pb equivalent** (7.5%Pb, 68g/t Ag) and 1.1% Zn from 76m in drill hole ACD01.
 - **20.0m at 8.6% Pb equivalent** (7.3% Pb, 56g/t Ag) and 0.4% Zn from 11m in drill hole ACD046.
 - **11.7m at 13.2% Pb equivalent** (10.8% Pb, 105g/t Ag) and 0.4% Zn from 75.7m in drill hole AF005 and;
 - **7.3m at 5.8% Pb equivalent** (4.1% Pb, 70g/t Ag) and 0.02% Zn from 110.7m in drill hole AF048.

Note: Zinc has not been included in Pb equivalent calculations at this time, however work currently being completed by Pacifico may provide the supporting data to include in future calculations. Refer ASX announcements 14 February and 6 May 2019.

INTRODUCTION

Since taking control of the Sorby Hills Project, the Company's strategic focus has been on commercialising the Project with the initial steps of declaring a maiden JORC 2012 compliant MRE, increasing the confidence level of the MRE and further optimising the project economics given recent advances in processing technologies.

In Q4 2018, the Phase I drilling program was completed to upgrade and expand the resource. 72 drill holes were completed for a total of 5,372m drilled. Drilling comprised a combination of reverse circulation (**'RC'**) to end of hole and RC pre-collar with diamond drilled tails to end of hole.

Significant intercepts from the Phase I drill program include:

- B Deposit: **9.0m at 8.3% Pb equivalent** (7.6% Pb, 32g/t Ag) and 1.1% Zn from 37m in drill hole AB033.
- CD Link: **9.7m at 9.1% Pb equivalent** (7.5%Pb, 68g/t Ag) and 1.1% Zn from 76m in drill hole ACD01.
- DE Deposit: **20.0m at 8.6% Pb equivalent** (7.3% Pb, 56g/t Ag) and 0.4% Zn from 11m in drill hole ACD046.
- F Deposit: **11.7m at 13.2% Pb equivalent** (10.8% Pb, 105g/t Ag) and 0.4% Zn from 75.7m in drill hole AF005 and **7.3m at 5.8% Pb equivalent** (4.1% Pb, 70g/t Ag) and 0.02% Zn from 110.7m in drill hole AF048.

Note: Zinc has not been included in Pb equivalent calculations at this time, however work currently being completed by Pacífico may provide the supporting data to include in future calculations. Refer ASX announcements 14 February and 6 May 2019

Phase I drilling results confirmed that C, DE, and F deposits are linked and can now be referred to as a single deposit with a strike length of 1.7k, in addition, the Phase I drilling results underpinned updates to the MRE and PFS.

The updated MRE completed in March 2019 resulted in a 123% increase in the tonnage of Indicated Resources to 10.85Mt of 5.0% Pb equivalent (3.9% Pb, 46g/t Ag) and 0.4% Zn and an 82% increase in the tonnage of Global Resource to 29.97Mt of 4.7% Pb equivalent (3.7% Pb, 43g/t Ag) and 0.6% Zn (Refer to ASX announcement 7 March 2019).

The updated PFS confirmed that Sorby Hills is a high-quality, high-margin base metals project and is strongly positioned for development (Refer to ASX Announcement 26 March 2019). Highlights from the updated PFS include:

- 1Mtpa operation producing high-grade concentrate containing 249kt lead and 9.35Moz silver;
- 8 year initial mine life based solely on Indicated Resources;
- Pre-tax NPV₈ A\$243M and IRR 62%;
- Pre-production capital expenditure A\$95.4M;
- Pre-tax payback 16months from commercial production; and
- C1 direct cash cost of production US\$0.06/lb including silver credits.

PHASE II DRILLING PROGRAM

The Phase II drilling program was planned with the assistance of geotechnical consultants Entech Mining to optimise the increase of Indicated Resources from the Inferred Resources, to provide geotechnical information for pit designs, and to deliver representative samples for further metallurgical work. The program targets B, and CDEF Inferred Mineral Resources above 100m depth.

Our Phase II infill and expansion drilling program is to include approximately 6,000m of diamond and RC drilling across a planned 68 drill holes. It follows on from the very encouraging results of our Phase I drilling program at Sorby Hills (refer ASX announcements 14 February and 6 May 2019). Results from the Phase II drilling program will be combined with the Phase I drilling results and used to convert Inferred Resources to Indicated Resources, as part of the next MRE. The updated MRE will support an optimised PFS expected to be completed by Q4 2019, ahead of a planned DFS in 2020.

Pacífico Minerals Limited Managing Director, Simon Noon, commented: *“Following the exceptional results of the Phase I drilling program, we are excited to undertake follow up drilling. This drilling program represents another significant investment by Pacífico and Henan Yuguang and aims to move a portion of the resource to an Ore Reserve to enable planning for a future mining operation. 2019 is the most important and exciting year in the company’s history.”*

The Company looks forward to providing updates through the course of its Phase II drilling program.

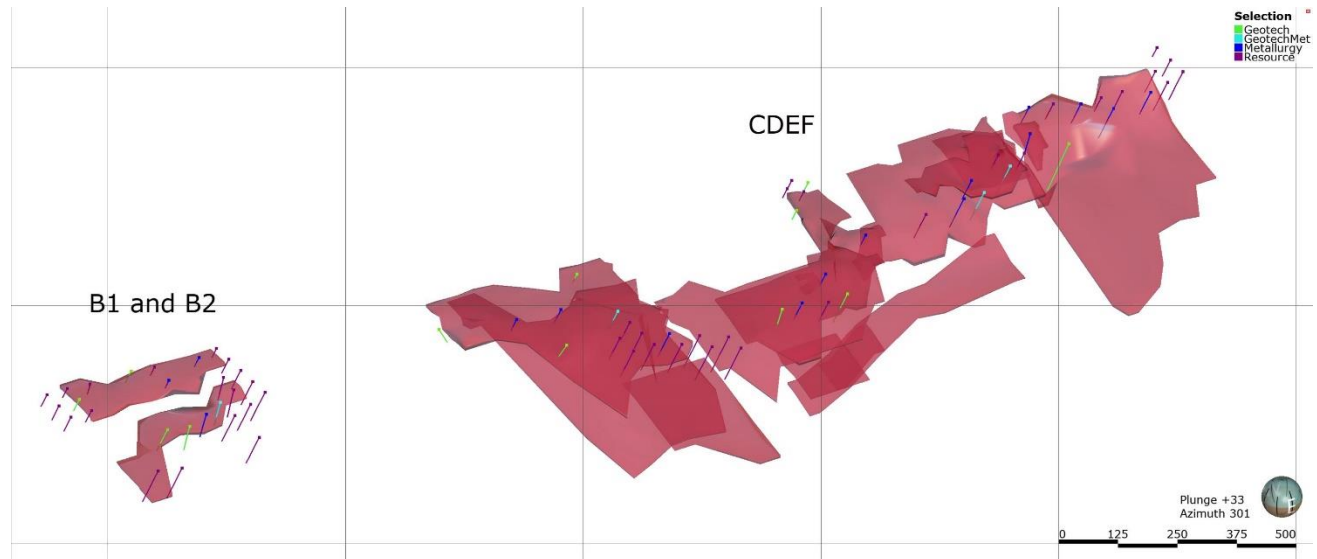


Figure 1. Planned Drilling Colour Coded by Purpose.

UPCOMING ACTIVITIES AND NEWSFLOW

JUNE – JULY 2019

- Phase II drilling program update;
- Metallurgical testwork – flotation; and
- Ore sorting testwork and optimisation.

AUGUST – DECEMBER 2019

- Update MRE;
- Mining studies, pit planning and optimisations; and
- Optimized Pre-Feasibility Study.

FURTHER INFORMATION PLEASE CONTACT:

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ABOUT PACIFICO MINERALS LIMITED

Pacifico Minerals Limited (“**Pacifico**”) (ASX: PMY) is a Western Australian based exploration company. In Australia, the company is currently focused on advancing the Sorby Hills Lead-Silver-Zinc Joint Venture project in WA. Pacifico owns a 75% interest in the Joint Venture with the remaining 25% (contributing) interest held by Henan Yuguang Gold & Lead Co. Ltd.

ABOUT HENAN YUGUANG GOLD AND LEAD CO LTD

Henan Yuguang Gold and Lead Co., Ltd was established in 1957 by the government of Jiyuan City which is in Henan Province in North China. In July 2002, HYG (exchange code: 600531) was listed on the Shanghai Stock Exchange (SSX). Current ownership is approximately 29.61% by Jiyuan City. HYG is the largest lead smelting company and silver producer in China and has been among the Top 500 Chinese enterprises and Top 500 China manufacturing enterprises for the last five consecutive years. The main products produced by HYG are electrolytic lead, gold, silver and copper which are all registered at LME and LBMA respectively. In 2017, HYG produced 415,100 tonnes of electrolytic lead, 110,000 tonnes of copper, 958 tonnes of silver, 7,383 kg of gold and achieved sales of about US\$2,684 million. HYG’s plants are largely modern, focussed on development of industrial technology and are environmentally-friendly. Its recently-refurbished lead smelting plant has achieved full automation. More information can be found on the HYG website; <http://www.yggf.com.cn/en/>.

FORWARD LOOKING STATEMENTS

Certain statements in this document are or maybe “forward-looking statements” and represent Pacifico’s intentions, projections, expectations or beliefs concerning among other things, future exploration activities. The projections, estimates and beliefs contained in such forward-looking statements necessarily involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Pacifico, and which may cause Pacifico’s actual performance in future periods to differ materially from any express or implied estimates or projections. Nothing in this document is a promise or representation as to the future. Statements or assumptions in this document as to future matters may prove to be incorrect and differences may be material. Pacifico does not make any representation or warranty as to the accuracy of such statements or assumptions.