

29 December 2017

Exploration Activities Update

ASX Code: PMY

ABN 43 107 159 713

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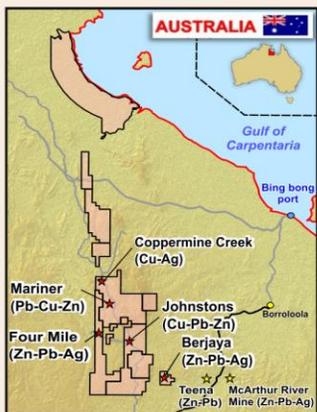
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Highlights

Borrooloola West Project, NT, Australia - Copper/Zinc/Lead/Cobalt/Silver (51% Pacifico and 49% Sandfire).

- Aircore program at Lorella to test strike extensions of previously intersected oxide copper mineralisation, now planned for post-wet season 2018, with RC and diamond drilling following to establish Inferred Resources of oxide copper.
- At Mariner recent fieldwork has extended lead and zinc anomalism north into the projected Barney Creek Formation.
- Highly prospective diamond drilling targets for primary sediment hosted zinc-lead and copper (cobalt) in 2018

Limestone Creek, NT, Australia (100% Pacifico)

- Highly prospective RC/diamond drilling targets for primary sediment hosted zinc-lead in 2018

Berio Gold project, Colombia (100% Pacifico)

- Auger sampling through January aiming to delineate high priority drill targets for diamond drilling.

The Borrooloola West Joint Venture consists of 12 exploration licences and 1 mining licence (1,817 km²). The parties to the BWJV are 51% Pacifico Minerals Limited ("Pacifico" or "Company") (ASX code: PMY) and 49% Sandfire Resources NL ("Sandfire Resources") (ASX code: SFR). Sandfire Resources continues to fund its share (49%) of exploration costs towards the Borrooloola West Joint Venture.

Fieldwork at the Coppermine Creek and Mariner Prospects has recently been completed.

Lorella – Oxide and primary copper - (cobalt)

The planned Aircore program at Lorella to test strike extensions of previously intersected oxide copper mineralisation, and for indications of significant down-dip primary sulphide mineralisation is now planned for post-wet season 2018 ahead of reverse circulation (RC) and diamond drilling. Following this, work will then be undertaken to establish Inferred Resources of oxide copper. The program was postponed due to the early arrival of rains which have inundated the area to be drilled.

As previously announced (see ASX announcement 20 November 2017) an Exploration Target* of 5 to 10Mt of 0.8% Cu to 1.1% Cu of oxide copper mineralisation is estimated at Lorella. The grades of the Exploration Target are derived from the grades of mineralised blocks defined by 18 RC and diamond holes in the drilled area of oxide copper mineralisation (see Appendix 1 of ASX announcement 20 November 2017). The tonnage estimates are based on an estimate of the occurrence of pods of oxide copper mineralisation over 12km of strike under shallow alluvial cover.

*Exploration Targets are conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource under the JORC code, 2012 edition. It is uncertain if further exploration will result in the estimation of a Mineral Resource.

The oxide copper mineralisation is flat or gently dipping and beneath just 20 to 30m of unconsolidated alluvial overburden. Preliminary acid leach test work carried out at SGS Metallurgy in Perth indicated that leaching the oxide copper material could be economically viable (see ASX announcement 6 November 2017).

The aircore program is designed to confirm the strike extension of the oxide copper mineralisation, prior to reverse circulation and diamond drilling programs to establish an Inferred Resource. The aircore program will also test for indications of significant down-dip primary sulphide mineralisation.

Significantly anomalous values of cobalt have been previously obtained in reverse circulation chips and drill core. Diamond hole 11BLDD0006 reported 19m of 0.02% Co (and 1.1% Cu). Future programs will also be designed to evaluate areas of higher grades of cobalt.

Mariner (zinc – lead)

Diamond drilling in 2017 at the Mariner Prospect established the presence of the Barney Creek Formation carbonaceous and pyritic shales and siltstones (ASX announcement 17 October 2017).

The Barney Creek Formation is host to the world class McArthur River zinc-lead deposit and therefore of potential for the discovery of further zinc-lead deposits. It had never been previously recognised or mapped in the Mariner prospect area. The Barney Creek Formation sub-basin could extend to the north beneath the younger Roper Formation.

Recent geological mapping and portable X-Ray Fluorescence instrument reconnaissance has identified anomalous lead and zinc rock chip geochemistry (values to 0.21% Pb and 510ppm Zn) 2km north of the previous diamond drilling, confirming the prospectivity of the sub-basin of Barney Creek Formation, that extends north beneath Roper Group sediments (figure 1).

Coppermine Creek (copper – cobalt)

Copper mineralisation is extensive, stratabound, gently dipping and there are large areas where the depths of this layer are at only 50m to 250m depth. This was confirmed by diamond drilling in 2017 (ASX announcement 17 October 2017) which intersected copper mineralisation over significant widths. In addition, anomalous cobalt has been intersected in previous drilling. GPRC07 contained 30m of 0.04% Co (and 1.2% Cu), see Figure 1.

Geological mapping and rock chip geochemistry traverses were recently made over the prospective area to define targets for large economic concentrations of copper (cobalt) mineralisation.

Extensive barite veining was observed associated with the fault bounding the eastern contact of McArthur Group sediments against the Scrutton Volcanics. There are similarities in this area with the geology of the Mount Isa Copper deposit, which is also close to a major fault and adjacent to older volcanics. The copper mineralised horizon is projected to lie beneath the outcropping Tootla Sandstone and is a future target for diamond drilling.

Limestone Creek (zinc - lead) ELA 31354, 100% Pacifico

Rock chip sampling has obtained values of up to 2.0% Pb and 0.49% Zn over a strike length of 1km (Quarterly Activities Report 30 October 2017). The values are obtained from ferruginous and gossanous material within the Amelia Dolomite, which in this area comprises dolomite, ex-evaporite beds, carbonaceous shale, conglomerate, grits and sandstone. The poorly outcropping area is considered highly prospective for sediment hosted zinc-lead mineralisation.

It is expected that ELA 31354 will be granted during the next quarter.

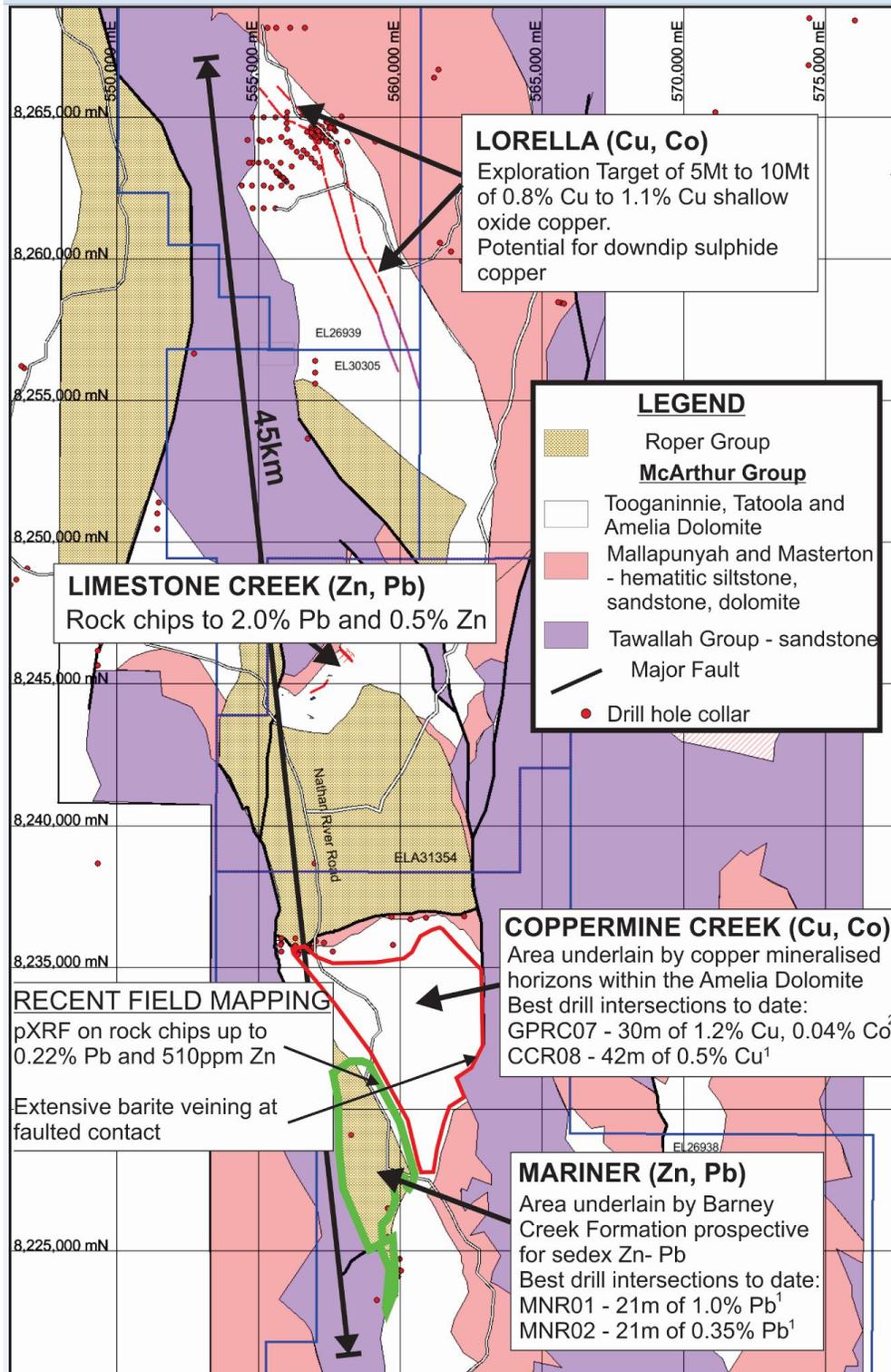


Figure 1: Major prospects of the Borroloola West Project

¹Pacifico Minerals Ltd – ASX announcements of 23 Nov 2016

²Mount Carrington Mines Ltd - Northern Territory Geological Survey open file report, January 1994. Eupene Exploration Enterprises for Mount Carrington Mines Ltd.

Berrio Gold Project, Colombia (100% Pacífico)

As previously announced (see ASX announcement 24 October 2017) gold analyses received from auger soil sampling grids delineated several anomalies over an area of 1.2km x 1.0km. Sampling grids covered areas of the Segovia Batholith and adjoining Berrio Sediments and are prospective for large gold vein and stockwork systems.

The gold anomalous areas defined as a result of this soil sampling program, will continue to be followed up through January with 100m x 100m soils, and if appropriate power auger drilling, pitting and trenching to define diamond drill targets.

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About Pacífico Minerals Ltd

Pacífico Minerals Ltd (“Pacífico”) (ASX: PMY) is a Western Australian based exploration company with interests Australia and Colombia. In Australia the company is focussed on advancing the Borroloola West project in the Northern Territory. The Borroloola West Project covers an outstanding package of ground north-west of the McArthur River Mine (the world’s largest producing zinc – lead mine) with high potential for the discovery of world class base metal deposits. In Colombia the company is focussed on advancing its Berrio Gold Project. Berrio is situated in the southern part of the prolific Segovia Gold Belt and is characterised by a number of operational, artisanal-scale adits. The project is 35km from the Magdalena River which is navigable to the Caribbean Sea and has excellent infrastructure in place including hydro power, sealed roads, a water supply and telecommunications coverage.

Competent Person Statement

The information in this announcement that relates to the Borroloola West Project, Limestone Creek project and Berrio Gold project is based on information compiled by Mr David Pascoe, who is a Member of the Australian Institute of Geoscientists. Mr Pascoe is contracted exclusively to Pacífico Minerals Limited. Mr Pascoe has sufficient experience which is 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 “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Pascoe consents to the inclusion in this announcement of the matters based on information in the form and context in which it appears.

Forward Looking Statements

Certain statements in this document are or maybe “forward-looking statements” and represent Pacífico’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 Pacífico, and which may cause Pacífico’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. Pacífico does not make any representation or warranty as to the accuracy of such statements or assumptions.

JORC Code, 2012 Edition – Table 1 report

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> RC samples (previous exploration reported) were taken at 1m intervals from which about 1.5kg was crushed and pulverised for analysis. Diamond drill core (previously reported exploration) was halved with a core saw diamond core samples were taken over 1m intervals. About 3.5kg was crushed and pulverised for analysis. Samples were submitted to ALS Laboratories in Townsville. Sample were analysed using an aqua regia digestion and ICP-MS multi-element analysis. Samples containing +1% Cu, Zn, Pb were automatically re-analysed with an aqua regia digestion and an ore grade analysis using an ICP-AES finish to more accurately determine the high grade Cu assays. Handheld XRF results (pXRF) considered as qualitative only.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Reverse circulation, face sampling bit. (previous exploration) Diamond drilling, HQ and NQ2 core (previous exploration) Core orientated using ACT Mk 2 HQ and NQ core orientation instruments.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Diamond drill recoveries recorded every run (usually 3m). Drillers maximise recoveries with due care. No significant core losses in mineralised ground. Sufficient analyses not received to assess recovery related sample result bias.

Criteria	JORC Code explanation	Commentary
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> All RC chips and core were geologically logged. All logging is descriptive and qualitative
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Mineralised diamond drill core was halved with a core saw. One half of every meter was sent for analysis. RC chips are rotary split and taken every meter. Both dry and wet samples were taken. Samples are crushed, pulverised and a 250g split taken for analysis. Standards, duplicates and blanks were inserted for quality control Sample sizes are correct for the style of copper mineralisation sampled, however studies and checks are ongoing.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> Standards, duplicates and blanks were inserted into the sample sequence before sending to the laboratory for analyses and checked when results were received. No bias was detected with these small batches of samples, but studies are ongoing. The acid digestions are sufficient to provide a total copper analysis. ICP-AES is used on higher grade copper samples to give a more accurate analysis.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Still at exploration and discovery stage, however visual estimates of the copper grade, assisted with a pXRF, correspond to the laboratory results.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Holes located by handheld GPS and accurate to 4 or 5m. When significant mineralisation continues to be intersected the collars will be picked up using differential GPS. WGS 84 grid coordinates.

Criteria	JORC Code explanation	Commentary
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Only exploration drilling. • No sample compositing
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • Drillholes designed to be at approximately right angles to the dominant bedding plane orientation. Once a complete understanding is achieved, corrections will be made to estimate true widths. Any intersections described refer to down hole lengths.
<i>Sample security</i>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Core removed from drill site daily to a secure drill core layout yard. • Split core samples delivered directly by Pacifco personnel to ALS preparation facility in Mt Isa
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • None required at this preliminary exploration stage.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> • <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> • The Borroloola West JV Project consists of EL's 26939, 30305, 26938, 28659, 28540, 28541, 28534, 28658, 30302, 28657, 28508, MLN 624 and ELA 26599. The Borroloola West Project is a joint venture with Sandfire. Pacifco is the operator. Some of the licence areas are covered by the Limmen National Park and permissions for exploration have been obtained from both the traditional owners and the Parks and Wildlife Commission. • Berjaya (EL28508) lies on McArthur River Station and permissions for exploration have been obtained from the traditional owners and Glencore. • Granted licences - No known security of tenure issues or anticipated impediments to operate.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • Various companies have explored the area now covered by the Borroloola West Project including Sandfire Resources NL, Mount Isa Mines Ltd and BHP Exploration Pty Ltd.
<i>Geology</i>	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • The Borroloola West Project is considered prospective for sediment hosted massive sulphide zinc lead silver deposits and structurally controlled copper deposits in the Proterozoic sedimentary sequence. Manganese deposits may be present in Cretaceous sediments. Diamonds may occur in concealed kimberlitic pipes.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> • <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the</i> 	<ul style="list-style-type: none"> •

Criteria	JORC Code explanation	Commentary
	<i>Competent Person should clearly explain why this is the case.</i>	
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> All drill core and chip analyses were taken over 1m and no weighting techniques have been used. No grades have been cut. Cut-off grades are clearly stated when used. Aggregations of grades are listed in the intercepts quoted No metal equivalent values have been used.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> Down-hole lengths only have been reported. The geometry of the mineralisation is known with insufficient certainty to estimate true widths.
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> Map provided (figure 1)
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> A summary of all results is reported.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> Some additional geological observations and geochemical data are included
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Further step-out drilling Map shows interpreted extensions of mineralisation.