

18 September 2020

Pacifico executes capital raising to fund Sorby Hills to Final Investment Decision



HIGHLIGHTS

- Binding commitments received for a \$10M share placement (Placement).
- Strongly supported by quality Institutional and Strategic Shareholders.
- Pacifico will also undertake a Share Purchase Plan (SPP) to raise up to \$2m.

Key development activities to be funded by the capital raising include:

- Completion of the Definitive Feasibility Study for the Sorby Hills Lead-Silver-Zinc Project;
- High-impact drilling program across multiple near-mine and quality exploration targets;
- Finalisation of permitting and approvals required to begin construction; and
- Finalisation of offtake and financing arrangements.

Pacifico Minerals Ltd (ASX:PMY) ("**Pacifico**" or "**the Company**") is pleased to announce a capital raising to raise up to \$12m via the Placement and an SPP to fully fund a Definitive Feasibility Study ("**DFS**") and reach a Final Investment Decision on its Sorby Hills Lead-Silver-Zinc Project, located in the Kimberley Region of Western Australia ("**Sorby Hills**" or "**the Project**").

The Project is a Joint Venture between Pacifico (75%) and contributing partner Yuguang (Australia) Pty Limited ("**Yuguang**") (25%), a wholly-owned subsidiary of China's largest Lead smelting and Silver producer, Henan Yuguang Gold and Lead Co. Ltd.

The Company has recently:

- released a Pre-Feasibility Study ("**PFS**") that confirmed Sorby Hills is a technically and economically robust project delivering a Pre-Tax NPV8 of A\$303M, Pre-Tax of IRR 46%, and strong cash flows that can support debt for a significant portion of the upfront capital requirement; and
- received confirmation that the Project has progressed to the Due Diligence Stage of the Federal Government's Northern Australia Infrastructure Facility ("**NAIF**") funding assessment process.

Pacifico Managing Director Simon Noon stated:

"The capital raising, whereby the Company received bids in excess of what was being offered under the Placement, provides the Company with a significantly strengthened balance sheet that will see the Company fully funded until a Financial Investment Decision is made on the Project. With a buoyant Silver market, a recently released quality PFS on Sorby Hills, the commencement of a 5,200m DFS drill program, and substantial progress being made on our financing strategy in the form of confirmed support from NAIF, it is very exciting times for the Company."

"Together with the funds raised from the capital raising and the quality of the investors that have participated in the Placement, the Company has a solid platform from which to launch into its DFS workstreams and fully focus on further de-risking and adding value to the Project ahead of a Final Investment Decision in 2021"

Managing Director
Simon Noon
Company Secretary
Jerry Monzu

Directors
Gary Comb (Chairman)
Richard Monti
Andrew Parker

Registered Office
Level 1
105 St Georges Terrace
Perth WA 6000

Telephone
+61 8 6268 0449
ASX Code PMY
ABN 43 107 159 713

The Company is pleased to offer its existing shareholders with the same opportunity to participate in the capital raising (and at the same \$0.018 Placement price) via an SPP and look forward to providing further details in due course."

Share Placement

The new shares to be issued under the Placement will rank equally with the existing ordinary shares on issue. The Placement will be undertaken within the Company's existing placement capacities under ASX Listing Rules 7.1 and 7.1A with:

- 436,076,072 Shares being issued pursuant to ASX Listing Rule 7.1; and
- 119,479,848 Shares being issued pursuant to ASX Listing Rule 7.1A,

(together **Placement Shares**).

Accordingly, no shareholder approval will be required for the issue of Placement Shares. Allotment of the Placement Shares is expected to occur on or around 24 September 2020.

The Placement price of \$0.018 per share represents:

- A 12.3% discount to the volume weighted average price (VWAP) in respect of the last 5 trading days, which was \$0.0205; and
- An 18.2% discount to the closing price of the Company's shares on 15 September 2020, which was \$0.0220.

The Company confirms that the issue price of \$0.018 satisfies the requirements of Listing Rule 7.1A

Shaw and Partners Limited and Euroz Securities Limited acted as Joint Lead Managers in respect of the Placement with BurnVoor Corporate Finance advising the Company.

Share Purchase Plan

In conjunction with the Placement, Pacifico will offer all existing eligible investors the opportunity to subscribe for new shares at A\$0.018 per Share (being the same price as the Placement Shares) up to a maximum of 1,666,667 shares (maximum of A\$30,000) per investor under a SPP. **The SPP will be capped at A\$2.0M.**

Further details for the SPP will be released in the coming days, an indicative timetable for the capital raisings is included in Annexure "A".

The Board of Directors have authorised this announcement for release to the market.

FOR FURTHER INFORMATION PLEASE CONTACT:

Simon Noon

Managing Director

Phone: +61 (0)8 6268 0449

Email: info@pacificominerals.com.au

ABOUT PACIFICO MINERALS LIMITED

Pacifico Minerals Ltd is a Western Australian based exploration company with interests in both Australia and Colombia. The company is currently focused on advancing the Sorby Hills Lead-Silver-Zinc Joint Venture Project in WA. Pacifico holds a 75% interest 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 (HYG) was established in 1957 by the government of Jiyuan City which is in the Henan Province in North China. In 2002, HYG was listed on the Shanghai Stock Exchange (exchange code: 600531). Current Jiyuan City ownership is approximately 29.61%. HYG is the largest lead smelting company and silver producer in China and has been among the Top 500 Chinese manufacturing enterprises for the last five consecutive years. HYG's signature are electrolytic lead, gold, silver, and copper which are 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 kilograms of gold and achieved sales of about \$2,684 million USDs. HYG's plants are predominantly modern and HYG continue to develop industrial technology that is environmentally friendly. Its recently refurbished lead smelting plant has achieved full automation. For further information visit <http://www.yggf.com.cn/en/>.

FORWARD LOOKING STATEMENTS

Certain statements in this document are, or may be, '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.

COMPLIANCE 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.

Annexure “A”

Timetable

Event	Date
Record date for eligibility to participate in the SPP	5.00pm (AWST), Thursday 17 September 2020
Trading Halt	16 to 17 September 2020
Trading halt lifted and announcement of completion of Placement	Friday, 18 September 2020
Settlement of Placement Shares	Wednesday, 23 September 2020
Allotment of Placement shares	Thursday, 24 September
Dispatch of SPP offer Documents and SPP offer open date	Friday, 25 September
SPP closing Date	Tuesday, 6 October
Announcement of SPP Participation Results	Friday, 9 October
Issue of new shares under the SPP	Monday, 12 October

The timetable is indicative only and remains subject to change at Pacifico’s discretion, subject to compliance with applicable laws and the ASX Listing Rules. Pacifico reserves the right to change the timetable or cancel the SPP at any time before new Shares are issued, subject to regulatory requirements. Pacifico encourages Eligible Shareholders who wish to participate to act promptly in submitting their application forms. The Company reserves the right to close the SPP early, in its sole and absolute discretion, should it be considered necessary to do so, by making an announcement to the ASX.