

INTERIM FINANCIAL REPORT

For the Half Year Ended
31 December 2017

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2017 and any public announcements made by Pacifico Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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CORPORATE DIRECTORY

Board of Directors

Richard Monti (Non-Executive Chairman)
Simon Noon (Managing Director)
Peter Harold (Non-Executive Director)
Andrew Parker (Non-Executive Director)

Company Secretary

Patrick Holywell

Registered Office

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Stock Exchange Listing

Australian Securities Exchange
ASX Code: PMY

Share Registry

Security Transfer Registrars Pty Ltd
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APPLECROSS WA 6153
Tel: +61 (0)8 9315 2333
Fax: +61 (0)8 9315 2233
Email: registrar@securitytransfer.com.au

Solicitors

Kings Park Corporate Lawyers
Level 2, 45 Richardson Street
WEST PERTH WA 6005

Bankers

Australian and New Zealand Banking Group Limited
Level 1, 1275 Hay Street
WEST PERTH WA 6005

Auditors

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

CHAIRMAN'S ADDRESS

To Our Shareholders,

On behalf of your Board of Directors, I am pleased to present to you the financial report of the consolidated entity for the six months ended 31 December 2017.

In Australia, diamond drilling was completed at Mariner and Coppermine Creek Prospects, designed to test for major primary copper and zinc-lead mineralisation. The model of extensive stratiform, shallow, flat to gently dipping, zone of copper mineralisation was confirmed at Coppermine Creek. Fieldwork at Mariner also extended lead and zinc anomalism north into projected Barney Creek Formation. Pacifico conducted acid leach testwork on oxide copper mineralisation from the Lorella prospect which returned positive results and indicates >90% recoveries, with low acid consumption.

In Colombia, reconnaissance geology and rock chip sampling at Berrio identified gold prospective areas for follow up. Auger sampling over the Sergovia and Antioquia Batholiths delineated several gold anomalies over an area of 1.2km x 1.0km.

Your Board has maintained prudent financial management and continues to explore with a clear objective of finding a world class deposit. New project opportunities are also continually being assessed. Subsequent to the period, the Company completed a capital raising of \$750,000 which will put it in a strong position to achieve its objectives and realise value for shareholders.

To our Shareholders, I thank you for your continued support and belief in the Company, its assets and its people.

Yours sincerely



Richard Monti
Chairman

DIRECTORS' REPORT

Your directors submit their report on Pacifico Minerals Limited ("Pacifico" or the "Company") and its controlled entities (the "Group") for the half year ended 31 December 2017.

DIRECTORS & COMPANY SECRETARY

The names of the Company's directors and secretary in office during the half year and until the date of this report are set out below.

Richard Monti (Non-executive Chairman)

Simon Noon (Managing Director)

Peter Harold (Non-executive Director)

Andrew Parker (Non-executive Director)

Patrick Holywell (Company Secretary)

RESULTS OF OPERATIONS

Net exploration expenditure of \$336,087 was incurred during the half year to 31 December 2017 (31 December 2016: \$565,776). The Group registered a net loss for the half year to 31 December 2017 of \$668,979 (31 December 2016: \$919,523). The Group had cash assets of \$840,869 as at 31 December 2017 (30 June 2017: \$1,568,577).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant changes have occurred in the state of affairs of the Group during the half year.

MATTERS SUBSEQUENT TO END OF THE HALF YEAR

In January 2018, the Company raised approximately \$750,000 before costs through a placement of 125 million new fully paid ordinary shares at an issue price of 0.6 cents per share (the "Placement"). In addition, and subject to shareholder approval, participants in the Placement will receive a free attaching unlisted option on the basis of 1 option for every 2 Shares subscribed for under the Placement. The Options will each have an exercise price of 1.5 cents and an expiry date of 2 years from the date of issue. No fees are payable for the placement.

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 page 14. This report is made in accordance with a resolution of the directors.



Richard Monti
Chairman

7 March 2018

OPERATIONS REPORT – AUSTRALIA

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

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

Pacifico has previously earned the right to a 51% interest in the Borroloola West Project from Sandfire Resources NL (“Sandfire”) under a farm-in agreement, through staged exploration expenditures. The Borroloola West Project consists of 12 exploration licences and 1 mining licence (1,784 km²) and lies west and northwest of the world class McArthur River zinc-lead mine and Teck Resources’ world class Teena zinc-lead deposit in the Northern Territory.

The project area is underlain by the Proterozoic age McArthur Basin, the northern extension of the Mt Isa Basin, and host to several world-class sediment hosted massive sulphide (“SHMS”) deposits including the major zinc/lead/silver and copper deposit at Mt Isa and the zinc/lead/silver deposit at the McArthur River mine just 25km east of the project tenements. The project area also lies 200km SW of the world-class Groote Eylandt manganese mine. The exploration conducted by Pacifico on the Borroloola West Project has further enhanced the region’s prospectivity for sediment-hosted copper, SHMS base metal mineralisation (zinc, lead and silver).

Joint Venture partner Sandfire has funded its 49% share of exploration costs since the joint venture was formed.

SUMMARY

- An oxide copper Exploration Target was estimated at the Lorella Prospect, using Sandfire’s historical drill data, from mineralisation which sub-outcrops beneath 20m to 30m of alluvium. An Exploration Target of 5Mt to 10Mt of 0.7% Cu to 1.0% Cu over 12km of strike was estimated. Acid leach testwork on oxide copper mineralisation from the Lorella prospect indicates that the material could be economically treatable with >90% recoveries and low net acid consumption.
- Diamond drilling (total 5 holes, 1403m) was completed at Mariner, Coppermine Creek and Berjaya Prospects, designed to test for major primary copper and zinc-lead mineralisation. The model of extensive stratiform, shallow, flat to gently dipping, zone of copper mineralisation was confirmed at Coppermine Creek. A previously unknown package containing pyritic black carbonaceous shales of the Barney Creek Formation was intersected at Mariner. Close association with observed lead and zinc mineralisation confirms high potential for sediment hosted zinc-lead mineralisation in this new sub-basin.
- Pacifico successfully secured co-funding from the Northern Territory Government for this drill program. The funding, which was provided through the Northern Territory’s Geophysics and Drilling Collaborations program covered 50% of all the direct diamond drilling costs at the Coppermine Creek, Mariner and Berjaya prospects.
- Fieldwork at Mariner extended lead and zinc anomalism north into the projected extent of the Barney Creek Formation sub-basin.



Figure 1: Borrooloola West Project location map

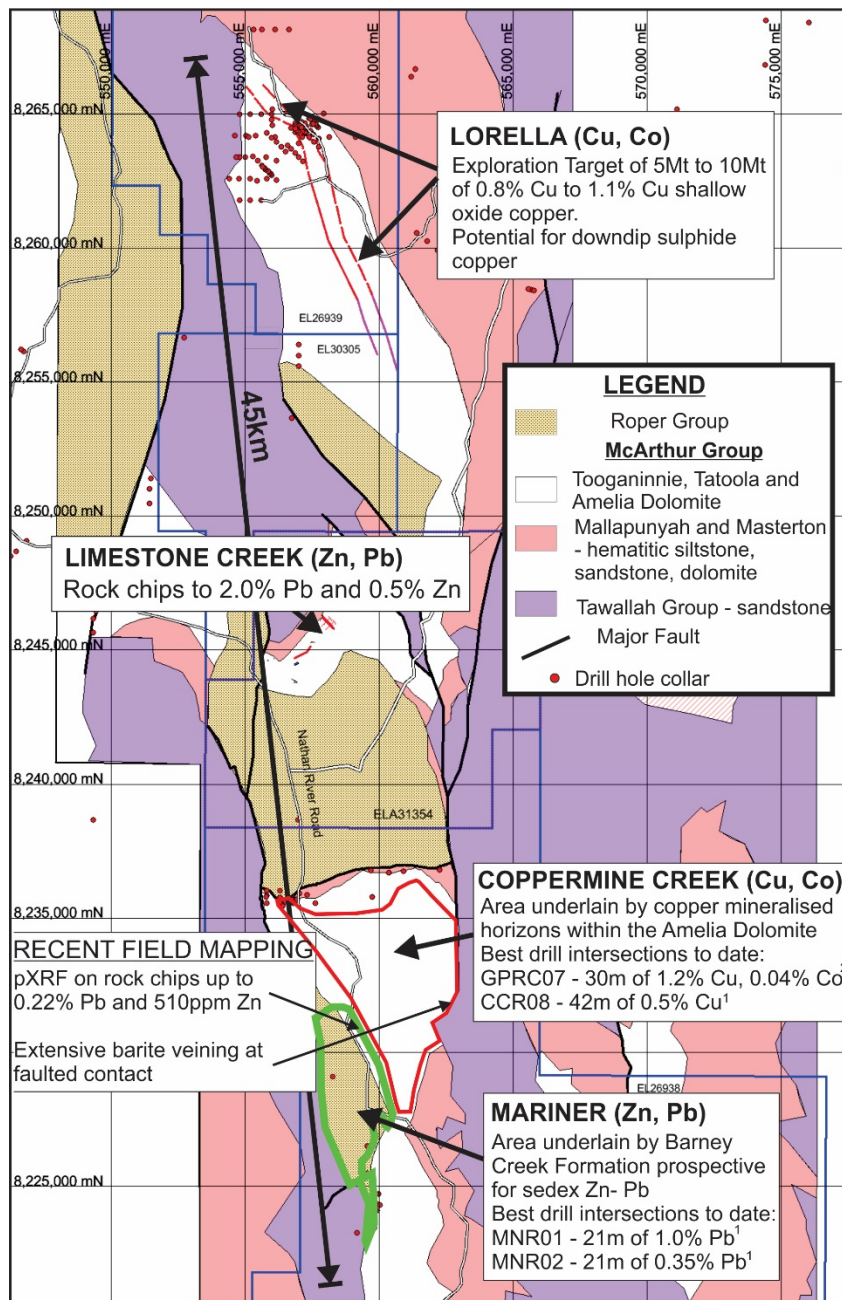


Figure 2: Mineralisation and main prospects in the Mariner to Lorella District

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.

Lorella prospect (copper)

Pacifico has established an Exploration Target* of 5 to 10Mt of 0.8% Cu to 1.1% Cu of oxide copper mineralisation at the Lorella prospect. The oxide copper mineralisation is flat or gently dipping and lies beneath just 20 to 30m of unconsolidated alluvial overburden.

Acid leach testwork on oxide copper mineralisation from the Lorella prospect returned highly positive results and indicates >90% recoveries, with low acid consumption.

An aircore program will proceed in April at Lorella to test for additional oxide copper mineralisation along strike, and will be followed up by RC and diamond drilling to establish Inferred Resources. The program was postponed in late 2017 due to weather and contractor availability.

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

Mariner prospect (zinc-lead)

Diamond drill holes MND05 and MND06 were completed.

MND05 passed from Roper Group sediments, through a fault breccia zone, and into moderately fractured dolomite interpreted as being part of the Mara Dolomite. The fractures were often oxidised and contained limonite and cerussite (lead carbonate).

MND06 drilled through a sequence of black carbonaceous, very pyritic shale and dolomite of the Barney Creek Formation to 204m depth. 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 has not been previously recognised or mapped in the Mariner prospect area.

Fieldwork at Mariner extended lead and zinc anomalism north into a projected sub-basin of Barney Creek Formation. Geological mapping and portable X-Ray Fluorescence instrument reconnaissance undertaken during the period identified anomalous lead and zinc rock chip geochemistry (values to 0.21% Pb and 510ppm Zn) two kilometres north of the previous diamond drilling, confirming its prospectivity. Further mapping is planned during 2018 to develop diamond drill targets.

Coppermine Creek prospect (copper)

At Coppermine Creek two diamond holes were drilled (CCD09 and CCD10). The objective of the diamond drilling program was to test for stratiform copper mineralization of Mount Isa or Nifty style, within the McArthur Group sediment and carbonate sequence. The two diamond holes drilled confirmed the model of a very extensive, relatively shallow, stratabound, copper mineralised zone at Coppermine Creek, within which there is potential for the development of a copper orebody with economic parameters.

Geological mapping and rock chip geochemistry traverses were carried out over the prospective area. Intense 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. There are future targets for diamond drilling, but subject to further surface sampling and mapping.

Berjaya prospect (zinc-lead)

The Berjaya Prospect lies west and northwest of the world class McArthur River zinc-lead mine and Teck Resources' zinc-lead resource at the world class Teena deposit. One diamond drill hole BJD04 was completed. The objective was to test for SHMS zinc-lead mineralization within the Barney Creek Formation of the McArthur Group. The hole passed through Cretaceous sediments with coal fragments into the Hot Springs Formation and was still in hanging wall Hot Springs Formation sediments at 300.2m when the hole terminated.

LIMESTONE CREEK PROSPECT (ZINC-LEAD)

The prospect lies within exploration licence application ELA 31354 which is 100% owned by Pacifico. It contains strike extensive gossanous breccias with highly anomalous zinc and lead values within a horizon of the Amelia Dolomite, associated in part with dolomitised evaporites. Once the licence is granted testing with RC drill holes targeted for sediment hosted zinc-lead mineralisation is planned.

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

MOUNT JUKES PROJECT, TASMANIA – GOLD/BASE METALS (PACIFICO 15%, CORONA MINERALS LTD 85%)

The Mt Jukes Project is adjacent to the Vedanta owned Mt Lyell copper/gold project in Tasmania. Corona Minerals Ltd ("Corona") is the operator and manager of this project. Further details can be found on Corona's website www.coronaminerals.com.

OPERATIONS REPORT – COLOMBIA

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

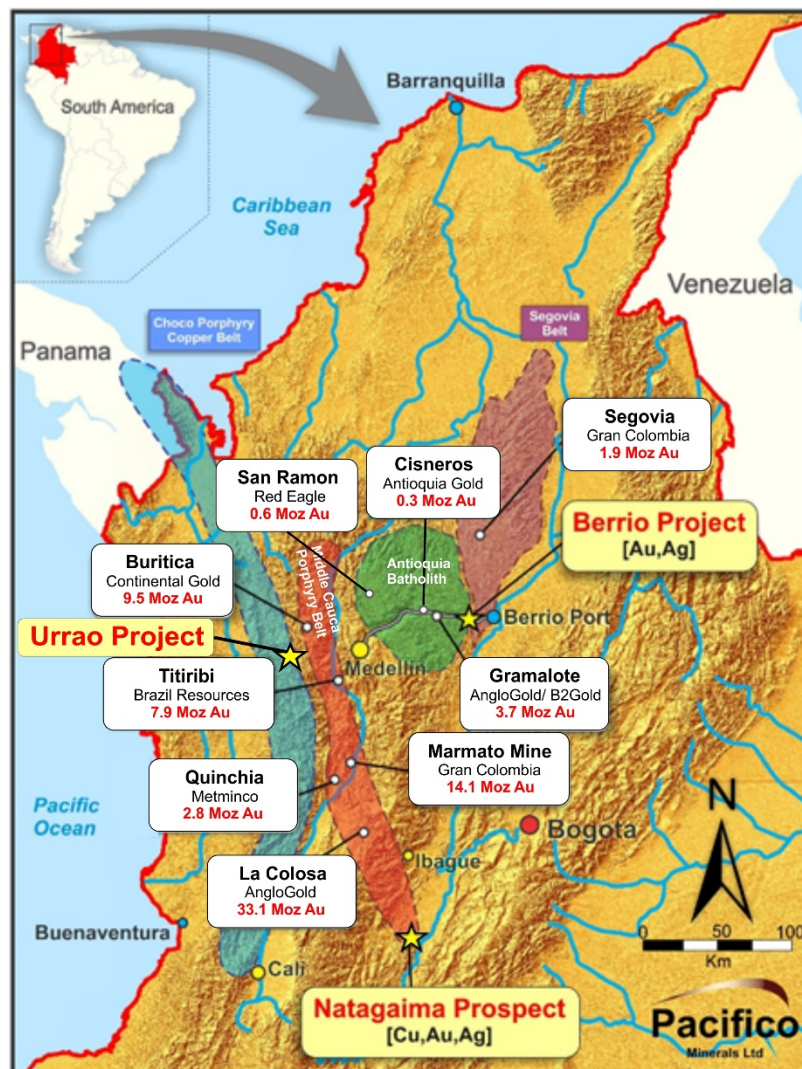


Figure 3: Colombian project locations map

BERRIO PROJECT, COLOMBIA – GOLD (PACIFICO 100%)

The Berrio Gold Project is situated in the southern part of the prolific Segovia Gold Belt. The project is 35km from the Magdalena River which is navigable to the Caribbean Sea and has excellent infrastructure in place including hydro power, water supply, sealed roads and telecommunications coverage.

The project area is underlain by the Segovia and Antioquia Batholiths which are prospective for large gold systems in vein and stockwork systems.

Auger sampling on a spacing of 200m x 200m at Berrio delineated several gold anomalies over an area of 1.2km x 1.0km. Three anomalies are identified within an overall area of 1.2 x 1.0km (targets

1, 2 and 3 - Figure 4). Values up to 71ppb Au, 43ppm As, 264ppm Cu and 360ppm Pb were obtained. There are abandoned artisanal adits in the vicinity of target 1.

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

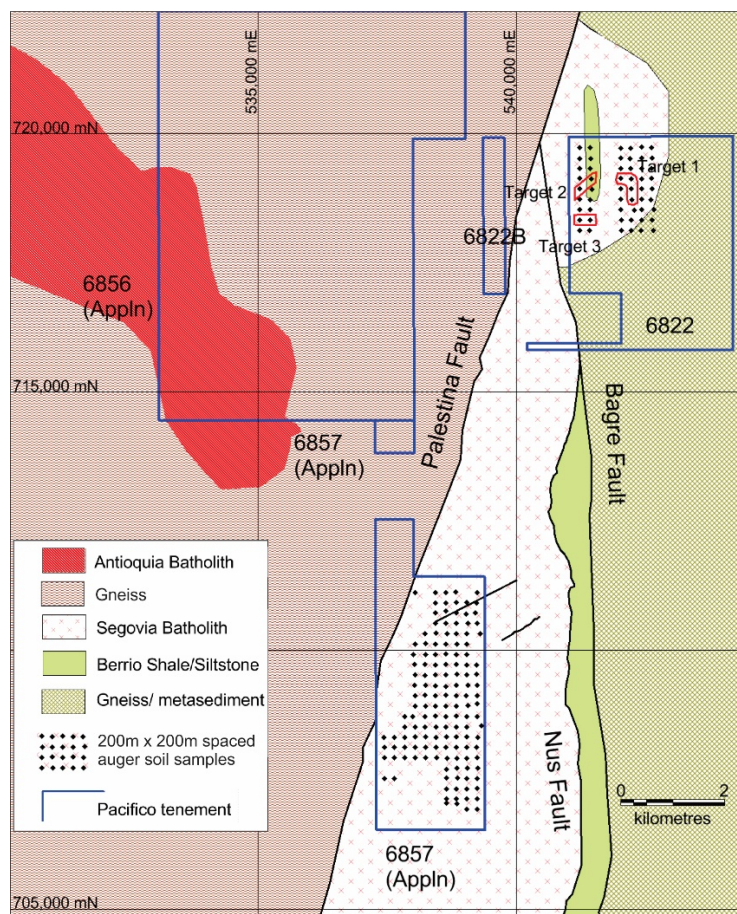


Figure 4: Geology and soil sample locations, with Pacifico (100%) owned tenements 6822, 6822B and tenement applications 6856 and 6857

NATAGAIMA PROJECT, COLOMBIA – COPPER/SILVER (PACIFICO LODGED APPLICATION FOR 100%)

The Natagaima tenement application is situated in the department of Tolima, approximately 5km west of the navigable Magdalena River. It is located within the Middle Cauca Porphyry Belt. There was no activity on the project during the period. Follow up exploration will continue when the Natagaima tenement application is granted to Pacifico and will include detailed mapping and trenching of areas of interest.

URRAO PROJECT, COLOMBIA – COPPER/GOLD/SILVER (PACIFICO 100%)

The Urrao Project is part of the Choco porphyry copper belt and is located 35km north west of Tarso in the municipality of Urrao and Salgar (see figure 3). The project consists of one granted tenement covering a total area of approximately 902 hectares. There was no activity on the project during the year. Pacifico has placed a number of exploration licence applications adjoining and in close proximity to the Urrao title and plans begin further exploration once some or all the applications have been granted.

Competent Persons Statement

The information in this report relating to projects in Australia & Colombia 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 Pacifico 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 report 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.

7 March 2018

The Directors
Pacifico Minerals Limited
Level 10
553 Hay Street
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 Audit Director for the review of the financial statements of Pacifico Minerals Limited for the half year ended 31 December 2017, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

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



Samir Tirodkar
Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	31 December 2017 \$	31 December 2016 \$
REVENUE FROM CONTINUING OPERATIONS	78,822	12,693
Administration expenses	(25,366)	(18,931)
Corporate expenses	(15,220)	(21,419)
Depreciation expense	(7,645)	(10,183)
Exploration expenses	(336,087)	(565,776)
Occupancy expenses	(23,687)	(23,727)
Other expenses	(63,750)	(98,455)
Salaries and employee benefits expenses	(176,646)	(193,725)
Share based payments	(99,400)	-
(LOSS) BEFORE INCOME TAX	(668,979)	(919,523)
Income tax	-	-
TOTAL (LOSS) FOR THE PERIOD	(668,979)	(919,523)
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss</i>	-	-
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences arising from foreign exchange translation	5,102	1,830
TOTAL COMPREHENSIVE (LOSS) FOR THE PERIOD	(663,877)	(917,693)
Loss attributed to the Members	(663,877)	(917,693)
TOTAL COMPREHENSIVE (LOSS) ATTRIBUTED TO THE MEMBERS	(663,877)	(917,693)
Basic and diluted loss per share for loss attributable to the ordinary equity holders of the company (cents per share)	(0.09)	(0.16)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Note	31 December	30 June
		2017	2017
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		840,869	1,568,577
Trade and other receivables		120,605	38,355
TOTAL CURRENT ASSETS		961,474	1,606,932
NON-CURRENT ASSETS			
Exploration and evaluation assets		1,024,673	1,024,673
Other assets		24,418	24,353
Plant and equipment		12,316	19,884
TOTAL NON-CURRENT ASSETS		1,061,407	1,068,910
TOTAL ASSETS		2,022,881	2,675,842
CURRENT LIABILITIES			
Trade and other payables		55,713	147,287
Provisions		23,603	18,491
TOTAL CURRENT LIABILITIES		79,316	165,778
NON-CURRENT LIABILITIES			
Deferred tax liability		221,008	221,008
TOTAL NON-CURRENT LIABILITIES		221,008	221,008
TOTAL LIABILITIES		300,324	386,786
NET ASSETS		1,722,557	2,289,056
EQUITY			
Contributed equity	3	19,890,635	19,852,657
Reserves		1,402,197	1,337,695
Accumulated losses		(19,570,275)	(18,901,296)
TOTAL EQUITY		1,722,557	2,289,056

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Issued Capital	Share/Option Reserve	Translation Reserve	Accumulated losses	Total
2017	\$	\$	\$	\$	\$
Balance at 1 July 2017	19,852,657	1,400,317	(62,622)	(18,901,296)	2,289,056
(Loss) for the period	-	-	-	(668,979)	(668,979)
Other comprehensive gain for the period	-	-	5,102	-	5,102
Total comprehensive loss for the period	-	-	5,102	(668,979)	(663,877)
Issue of share capital	-	-	-	-	-
Transaction costs	(2,022)	-	-	-	(2,022)
Share based payments	40,000	59,400	-	-	99,400
Balance at 31 December 2017	19,890,635	1,459,717	(57,520)	(19,570,275)	1,722,557
2016					
Balance at 1 July 2016	19,003,855	1,400,317	(42,568)	(17,277,489)	3,084,115
(Loss) for the period	-	-	-	(919,523)	(919,523)
Other comprehensive loss for the period	-	-	1,830	-	1,830
Total comprehensive loss for the period	-	-	1,830	(919,523)	(917,693)
Issue of share capital	-	-	-	-	-
Share based payments	-	-	-	-	-
Balance at 31 December 2016	19,003,855	1,400,317	(40,738)	(18,197,012)	2,166,422

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	31 December 2017 \$	31 December 2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Expenditure on mining interests	(674,386)	(577,147)
Payments to suppliers and employees	(343,912)	(449,613)
Interest received	7,891	12,693
Receipts from NT Government	69,522	-
Receipts from JV partner	211,853	320,546
Net cash used in operating activities	(729,032)	(693,521)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash used in investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash inflow from financing activities	-	-
Net decrease in cash and cash equivalents	(729,032)	(693,521)
Cash and cash equivalents at the beginning of the half year	1,568,577	1,440,230
Exchange rate items	1,324	335
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF YEAR	840,869	747,044

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

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 are the exploration of mineral tenements in Australia and Colombia. The annual financial report of the Group as at and for the year ended 30 June 2017 is available upon request from the Company's registered office at Level 10, 553 Hay Street, Perth WA 6000 or at www.pacificominerals.com.au.

The half year financial report includes the financial statements for Pacifico Minerals Limited ("Pacifico", "Parent Entity" or "Company") and its controlled entities (together referred to as the "Group") for the half year ended 31 December 2017. The principal accounting policies adopted in the preparation of the consolidated interim financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The half year financial report of the Group for the half year ended 31 December 2017 was authorised for issue in accordance with a resolution of the Board of Directors of Pacifico on 7 March 2018.

In the half year ended 31 December 2017, management has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2017. It has been determined that, there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and therefore no change is necessary to accounting policies. Management has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2017. It has been determined that, there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

(a) Basis of preparation

The half year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'.

(i) Compliance with IFRS

Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

(ii) Historical cost convention

The consolidated interim 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 where applicable.

(iii) Going concern basis

The half year financial report has been prepared on the 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 it maintaining sufficient funds for its operations and commitments. The Directors continue to monitor the ongoing funding requirements of the Group. The Directors are confident that sufficient funding can be secured if required to enable the Group to continue as a going concern and as such are of the opinion that the half year financial report has been appropriately prepared on a going concern basis.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iv) *Accounting policies*

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the financial year ended 30 June 2017. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards. Pacifico has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half year. The Group has considered the implications of new amended Accounting Standards but determined that their application to the financial statements is either not relevant or not material.

(b) *Principles of consolidation*

(i) *Subsidiaries*

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one 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 the policies adopted by the Group.

(ii) *Investment in associates and joint ventures*

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group has significant voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

A joint venture is an arrangement in 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 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 neither amortised nor individually tested for impairment. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the 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 its associate or joint venture. An impairment loss is measured by comparing the recoverable amount of the investment with its 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 associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(iii) Investments in joint operations

A joint operation is an arrangement in which the parties with joint control have rights to the assets and obligations for the liabilities relating to that arrangement. In respect of its interest in a joint operation, a joint operator must recognise all of its assets, liabilities, revenues and expenses, including its relative share of jointly controlled assets, liabilities, revenue and expenses.

(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 ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is Pacifico's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. 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 that relate 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 rates 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. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from 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 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 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.

The excess of the 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, being the 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.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) 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 exploitation 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 also 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. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

NOTE 2: SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. Information reported to the Group's chief operating decision makers for the purposes of resource allocation and assessment of performance is based on exploration in the two principal locations of its projects – Australia and Colombia. Information regarding these segments is presented below.

The following is an analysis of the Group's revenue and results by reportable operating segment for the half-years under review:

	Revenue		Operating (Losses)	
	Half-year ended		Half-year ended	
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
	\$	\$	\$	\$
Australia	77,818	12,635	(606,677)	(763,198)
Colombia	1,004	58	(62,302)	(156,325)
	<u>78,822</u>	<u>12,693</u>	<u>(668,979)</u>	<u>(919,523)</u>

The following is an analysis of the Group's assets and liabilities by reportable operating segment:

	Assets		Liabilities		Net Assets	
	31-Dec-17	30-Jun-17	31-Dec-17	30-Jun-17	31-Dec-17	30-Jun-17
	\$	\$	\$	\$	\$	\$
Australia	1,858,315	2,428,389	(76,424)	(137,196)	1,781,891	2,291,193
Colombia	208,817	271,602	(2,892)	(8,490)	205,925	263,112
Unallocated	(44,251)	(24,149)	(221,008)	(241,100)	(265,259)	(265,249)
	<u>2,022,881</u>	<u>2,675,842</u>	<u>(300,324)</u>	<u>(386,786)</u>	<u>1,722,557</u>	<u>2,289,056</u>

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 3: CONTRIBUTED EQUITY

(a) Share capital

	31 December 2017	30 June 2017	31 December 2017	30 June 2017
	No. shares	No. shares	\$	\$
Balance at beginning of period	741,365,653	593,092,523	19,852,657	19,003,855
Capital raisings	-	148,273,130	-	889,639
Consulting fees	5,698,096	-	40,000	-
Transaction costs arising on share issues	-	-	(2,022)	(40,837)
Balance at end of period	747,063,749	741,365,653	19,890,635	19,852,657

(b) Options

	31 December 2017	30 June 2017
	No. options	No. options
Balance at beginning of period	-	-
Director/consultant/staff options issued	27,500,000	-
Balance at end of period	27,500,000	-

NOTE 4: CONTINGENCIES

There has been no change in contingent liabilities or contingent assets since the last annual reporting date.

NOTE 5: COMMITMENTS

The Group has expenditure obligations with respect to tenement lease rentals and the minimum expenditure requirements with respect to mineral tenements. If the Group decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the statement of financial position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

NOTE 6: SUBSEQUENT EVENTS

In January 2018, the Company raised approximately \$750,000 before costs through a placement of 125 million new fully paid ordinary shares at an issue price of 0.6 cents per share (the "Placement"). In addition, and subject to shareholder approval, participants in the Placement will receive a free attaching unlisted option on the basis of 1 option for every 2 Shares subscribed for under the Placement. The Options will each have an exercise price of 1.5 cents and an expiry date of 2 years from the date of issue. No fees are payable for the placement.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

NOTE 7: INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1:

Name	Principal place of business/Country of incorporation	Ownership interest
West Rock Resources Pty Ltd	Australia	100%
West Rock Resources Panama Inc	Panama	100%
Pacifico Minerals Sucursal Colombia (Branch)	Colombia	100%
Pacifico Holdings SAS	Colombia	100%
Golden Pacifico Exploration SAS	Colombia	100%

DIRECTORS' DECLARATION

In the Directors' opinion:

1. the Financial Statements and Notes set out on pages 15 to 25 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standards including AASB 134: "Interim Financial Reporting", the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half year ended on that date.
2. there are reasonable grounds to believe that Pacifico Minerals Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a Resolution of the Directors.



Richard Monti

Chairman

Perth, 7 March 2018

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
PACIFICO MINERALS LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Pacifico Minerals Limited, which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Pacifico Minerals Limited (the consolidated entity). The consolidated entity comprises both Pacifico Minerals Limited (the Company) and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Pacifico Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Pacifico Minerals Limited on 7 March 2018.

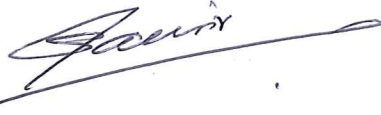
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Pacifico Minerals Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

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

Stantons International



Samir Tirodkar
Director

West Perth, Western Australia
7 March 2018