



SPEC BUY

Current Price \$0.021

Shares on Issue (m):	543.1
Market Cap (\$m):	11.4
Cash Estimate (\$m)*:	3.1
Enterprise Value (\$m):	8.3

*at 31st March

52 wk High/Low:	\$0.05	\$0.01
12m Av Daily Vol (m):		0.58

Directors and management:

Richard Monti	Non-Executive Chairman
Simon Noon	Managing Director
Andrew Parker	Non-Executive Director
Peter Harold	Non-Executive Director
Barrie Bolton	Head of Project Development

Substantial Shareholders:

Management	12%
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Share Price Graph



Tuesday, 14 July 2015

Pacifico Minerals

Copper hits at Borroloola West

Analysts | Patrick Chang, CFA | Matthew Keane

Quick Read

Pacifico Minerals (PMY) intersected copper mineralisation (assay pending, see below) at its Borroloola West Project in the Northern Territory (earning 80% from Sandfire Resources, SFR). The program tested a sparsely drilled target, confirming the geological model. Although early stage, this target could have scale given a strike length of ~1.0km. Importantly, a “bullseye” EM anomaly, located ~2.5km SE of this prospect remains untested and will likely be followed up as a priority target in the next program. PMY has also completed a significant amount of soil and underground channel sampling at its Berrio project in Colombia, targeting a prospective contact. Following a deal with AngloGold in early CY15, PMY’s tenement package now covers a ~14km strike length (6.2km mapped, 7.8km projected) of the contact. A potential reconnaissance drilling program could commence in H2 CY15. SPEC BUY maintained.

Event & Impact | Positive

Copper hits at Borroloola: PMY has intersected copper mineralisation (assay pending) over significant widths at its Borroloola Project (PMY earning 80%). All three holes intersected copper mineralisation. Intersects include (downhole widths):

- 29m from 38m, veins and disseminated chalcopyrite (CCD03)
- 6m from 67m, bands of semi-massive chalcopyrite and fracture fill (CCD03)
- 11m from 135m, disseminated and stringer chalcopyrite (CCD02)
- 15m from 44m, visual copper mineralisation in RC chips (CCR01)

Sediment hosted deposits: The targets within the Borroloola Project (15 EL, 1 ML) are large scale, strata-bound or structurally controlled base metal deposits. Borroloola is underlain by the Neoproterozoic McArthur Basin, the northern extension of the Mt Isa Basin and host to several world-class SEDEX deposits including the HYC zinc/lead/silver deposits and the Western Fold Belt copper deposits at Mt Isa. At Coppermine Creek, where recent drilling took place, the target associated with the Gordons Fault has a strike of ~1.0km, which could translate to significant tonnage if economic mineralisation is proven up. Importantly, a nearby, untested “bullseye” EM anomaly ~1.0km in strike length remains untested by drilling. This will likely be followed up as a priority target in the next program.

Progressing Berrio: Following the deal with AngloGold Ashanti in early CY15, the Company’s tenement package and more importantly the strike over this prospective contact has significantly extended to ~14km. A potential reconnaissance drilling program, targeting the contact could commence in H2 CY15.

Recommendation

SPECULATIVE BUY recommendation maintained.

PMY intersected copper mineralisation (assay pending) over significant width...

...at its Borroloola Project (PMY earning 80% from SFR)...

...with assays anticipated in the next two weeks...

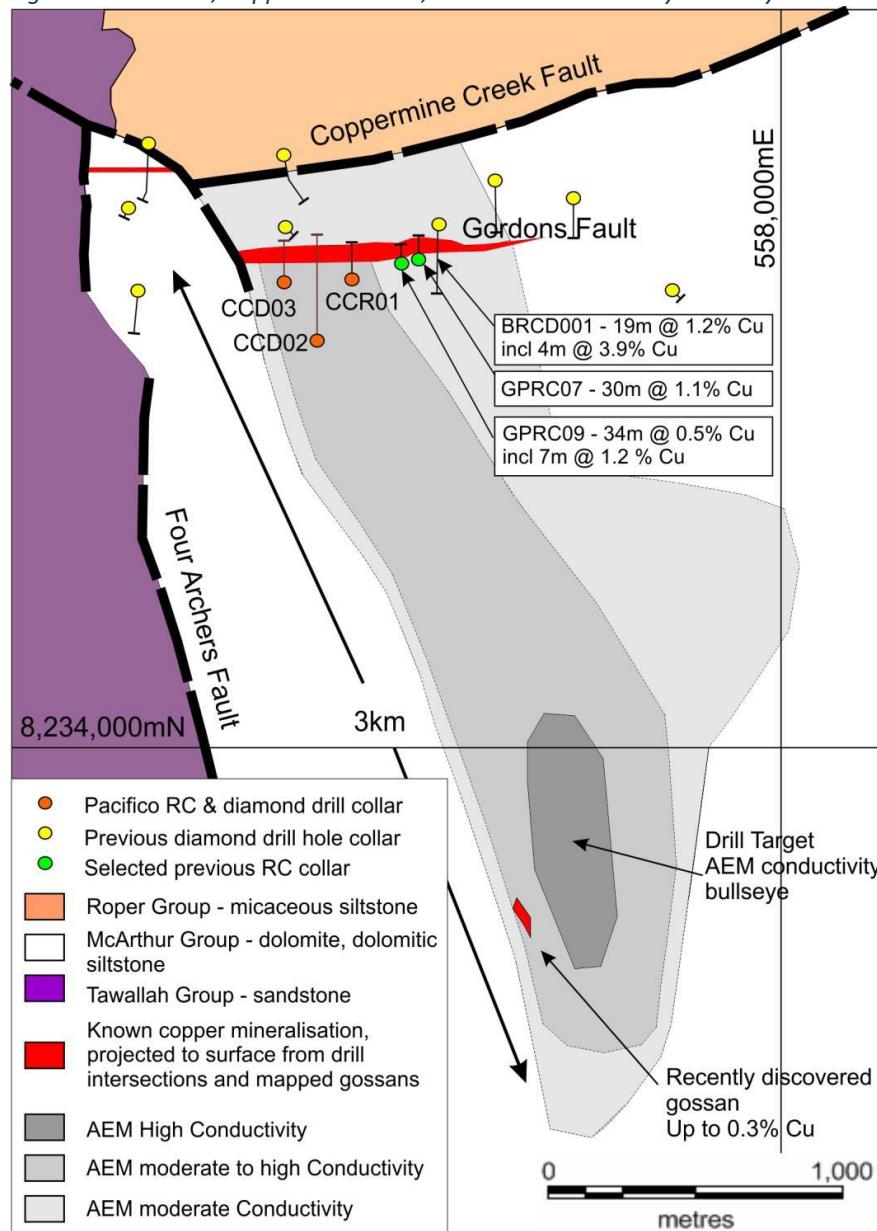
Copper hit at Borroloola West

PMY has intersected copper mineralisation (assay pending, see below) at its Borroloola Project (PMY earning 80% from SFR). All three holes intersected copper mineralisation.

Better intersects include (downhole widths):

- 29m from 38m, veins and disseminated chalcopyrite (CCD03)
- 6m from 67m, bands of semi-massive chalcopyrite and fracture fill (CCD03)
- 11m from 135m, disseminated and stringer chalcopyrite (CCD02)
- 15m from 44m, visual copper mineralisation in RC chips (CCR01)

Figure 1: Plan view, Coppermine Creek, with AEM conductivity anomaly



Source: PMY

The results confirmed the Company's geological model...

This result confirmed the Company's geological model and highlighted the potential of Borroloola to host scalable base metal deposits.

Exploring for large sediment hosted deposits

The targets within the Borroloola Projects (15 EL, 1 ML) are large scale, sediment hosted base metal deposits (strata-bound or structurally controlled). Borroloola is underlain by the Neoproterozoic McArthur Basin, the northern extension of the Mt Isa Basin and host to several world-class Sedimentary Exhalative (SEDEX) deposits including the HYC zinc/lead/silver deposits and the Western Fold Belt copper deposits at Mt Isa.

...highlight potential for scalable deposits

At Coppermine Creek, the target associated with the Gordons Fault (see Figure 1) has a significant strike of ~1,000m, which could translate to significant tonnage if economic mineralisation is proven up. Mineralisation is associated with chalcopyrite and bands of semi-massive chalcopyrite at Coppermine Creek.

Assay results are anticipated in the next two weeks.

Testing a “bullseye” EM anomaly

A “bullseye” EM anomaly of ~1km strike...

Importantly, a nearby, untested “bullseye” anomaly (see Figure 1, Page 2) remains untested by drilling.

This target is located ~2.5km south east of the drilled “Gorgon’s Fault” target. Airborne electromagnetic conductivity profiles indicate a large 3km x 1km anomaly. Field reconnaissance work has identified an outcropping gossan containing >0.3% Cu (portable XRF reading).

...will likely be followed up in the next campaign

The strike of this anomaly appears north-south. The orientation of the sediments and potential underlying geological structures at this prospect is not understood due to a lack of drilling.

Given potential size and geological setting, this target will likely be followed up as a priority drill target in the next program.

Berrio moving towards drilling

PMY expanded its footprint at Berrior significantly...

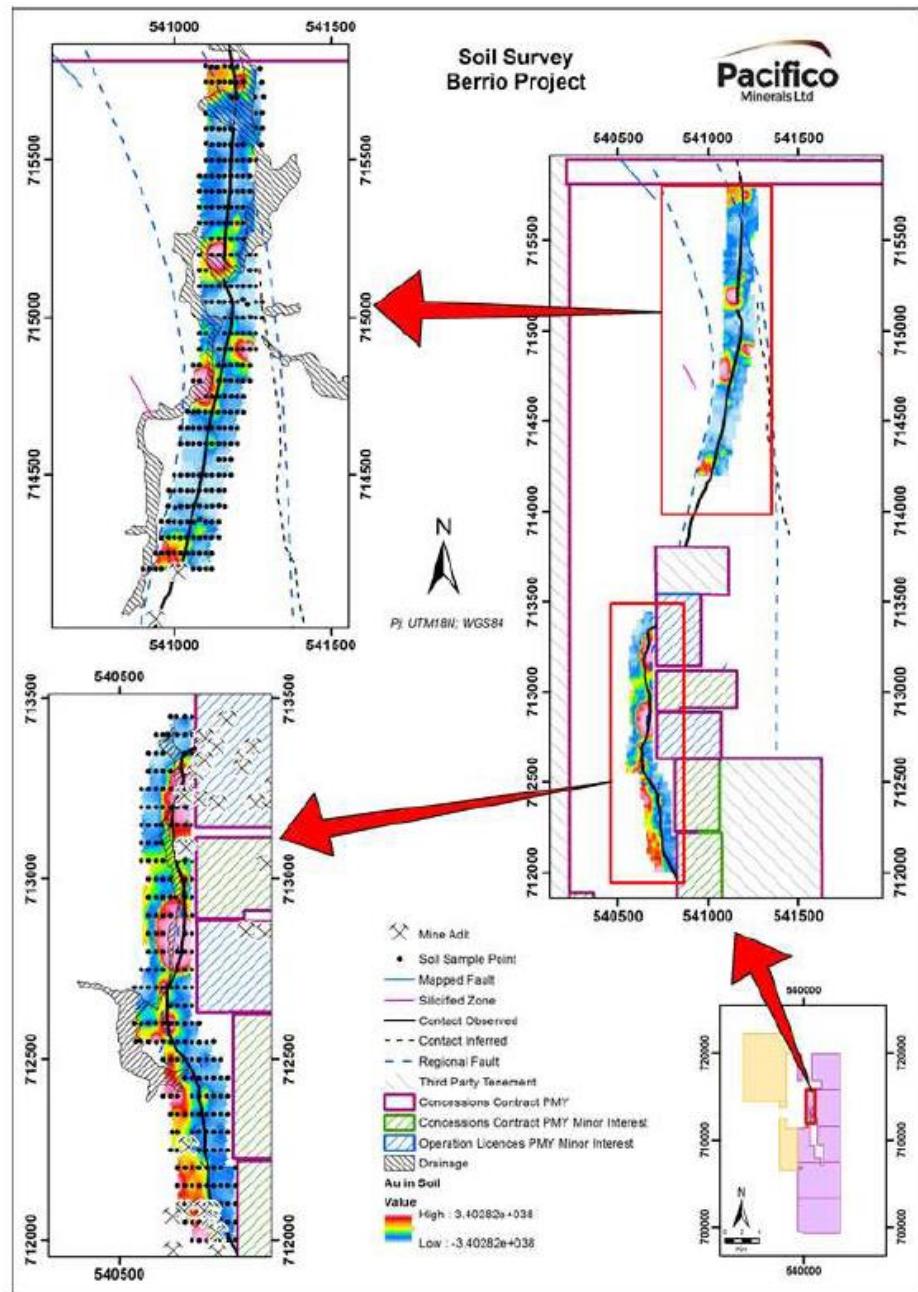
Following the deal with AngloGold Ashanti in early CY15, PMY has significantly expanded its footprint at Berrio (acquiring 100%). Its expanded tenement package now covers ~14km (6.2km mapped, 7.8km projected) of a prospective strike between the Segovia batholith and the Berrio Sediments.

Limited underground sampling returned high grade, albeit narrow mineralisation, affirming the high grade potential of the project. Better results include (from remnant faces and pillars left behind):

- 0.5m @ 42g/t Au, 77g/t Ag and 0.2% Cu
- 0.5m @ 33g/t Au, 146g/t Ag and 0.3% Cu
- 0.8m @ 31.4g/t Au, 106g/t Ag and 0.2% Cu

Figure 2: Berrio Project, soil sampling covering prospective strike

...following a deal in early 2015...



Source: PMY

Drilling could commence in H2
CY15

The soil sampling and channel sampling programs are ongoing. Given significant work completed to date, a potential reconnaissance drilling program, targeting the contact could commence in H2 CY15.

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Important Disclosure

Argonaut has acted as Corporate Adviser to PMY in the previous 12 months. Argonaut currently owns and/or controls 6,394,737 PMY Shares and 12,135,006 Options exercisable at \$0.03 on or before 19 August 2016.

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