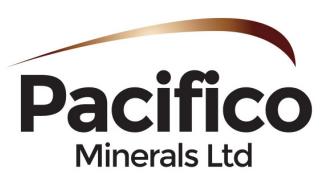




Annual Report

2015



THIS PAGE LEFT BLANK INTENTIONALLY

TABLE OF CONTENTS

CORPORATE DIRECTORY	4
CHAIRMAN'S ADDRESS	5
FORWARD LOOKING STATEMENT	6
OPERATIONS REPORT – COLOMBIA	7
OPERATIONS REPORT – AUSTRALIA	12
COMPETENT PERSONS STATEMENTS	14
ANNUAL FINANCIAL REPORT	15

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

Amanda Wilton-Heald

Registered Office

Level 10, 553 Hay Street
PERTH WA 6000
Tel: +61 (0)8 6266 8642
Fax: +61 (0)8 9421 1008
Email: info@pacificominerals.com.au
Web: www.pacificominerals.com.au

Stock Exchange Listing

Australian Securities Exchange
ASX Code: PMY

Share Registry

Security Transfer Registrars Pty Ltd
770 Canning Highway
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

Dear Fellow Shareholder,

I am delighted to present Pacifico's Annual Report for the year ending 30 June 2015. Over the past 12 months Pacifico delivered on our strategy of focusing on priority targets across our gold and base metals projects and rationalising our portfolio.

As you know, the 2015 financial year has been a very difficult one for the resources industry, particularly for companies at the exploration end of the industry spectrum like Pacifico.

Development of Pacifico's portfolio of assets has delivered an improved understanding of each project enabling an informed basis to plan the next stage of exploration with sensible management of available funds. Pacifico continues to explore with a clear objective of finding a world class mineral deposit but not without acknowledging the difficult equity market conditions and making sensible decisions when constrained by limited financial and personnel resources.

So let's touch on some of the year's highlights for the Company. In Colombia Pacifico struck a deal to acquire a 100% interest in a large exploration package at Berrio on favourable terms after which we exited the original Berrio JV. Surface and underground sampling demonstrated that high grade mineralisation continues into this new exploration package and strongly supports Pacifico's exploration strategy. At Natagaima Project mapping and sampling has outlined interesting gold/copper/silver targets. At the Borroloola Project in the Northern Territory of Australia we successfully managed the exit of Cliffs from the JV and continue to increase our interest at this project. Recently, drilling at Coppermine Creek confirmed extensive stratabound copper mineralisation in a favourable geological setting.

Market conditions remain difficult however I believe investment and reward are available to those juniors with the right portfolio, the right strategy and a clear path of how to return value to Shareholders. Pacifico sits in this space with its focus on priority assets and ability to progress them through prudent use of our shareholders funds.

To you our shareholders, the board is grateful for your continued support for Pacifico. To our committed and exceptional team, your board commend you for the dedicated services. To my fellow board members your support has been invaluable during this difficult year.

The year ahead does pose some challenges however I assure you that the team at Pacifico remain engaged and committed to fully exploiting the Group's exploration assets and delivering improved value to Shareholders.

Yours sincerely



Richard Monti
Chairman

FORWARD LOOKING STATEMENT

This review may include forward-looking statements regarding Pacifico Minerals Ltd and its consolidated entities' (the "Group") financial position, business strategy, and plans and objectives for future operations, which have been based on the Group's current expectations about future events. These forward-looking statements are, however, subject to known and unknown risks, uncertainties and assumptions that could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. The statements reflect views held only as at the date of this document. In light of these risks, uncertainties and assumptions, the forward-looking statements discussed in this document might not occur. Investors are therefore cautioned not to place undue reliance on these statements. Subject to any continuing obligations under applicable law or the Listing Rules, the Group expressly disclaims any obligation to disseminate after the date of this Report any updates or revisions to any such forward-looking statements to reflect any change in expectations or events, conditions or circumstances on which any such statements are based.

While this review is based on information from sources which the Group considers reliable, the Group, its Board of Directors, employees or associates do not represent, warrant, expressly or impliedly, that the information contained in this review is complete or accurate. Any opinions expressed reflect the Group's judgment at this date and is subject to change. The Group, its' Board of Directors and employees do not accept any liability for the results of any actions taken or not taken on the basis of information in this review, or for any negligent misstatements, errors or omissions. This report is made without consideration of any specific shareholders investment objectives, financial situation or needs. Those acting upon such information without first consulting an investment advisor do so entirely at their own risk. It is recommended that any persons who wish to act upon this review consult an investment advisor before doing so.

OPERATIONS REPORT – COLOMBIA

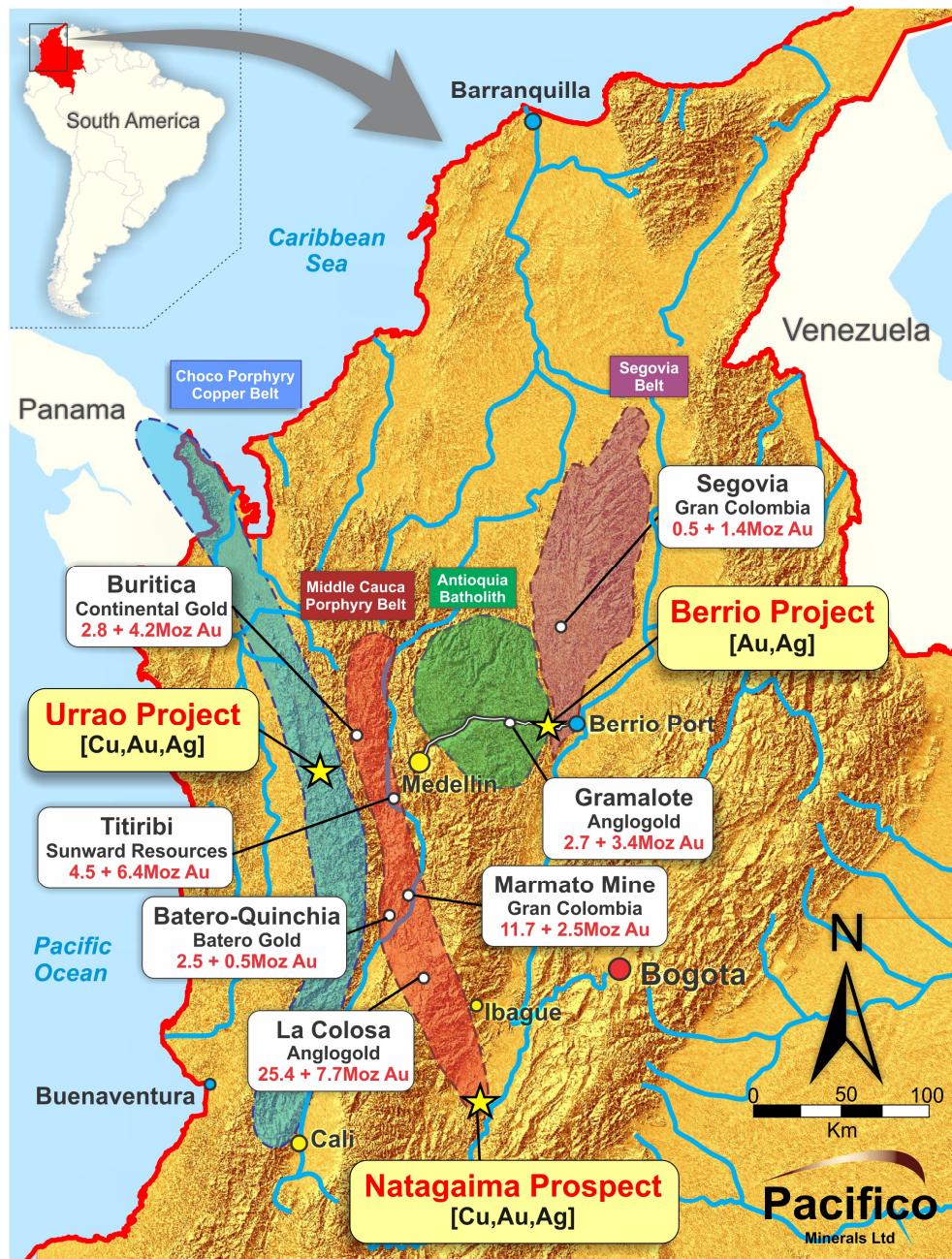


Figure 1: Pacifico project locations map

BERRIO PROJECT, COLOMBIA – GOLD (PACIFICO 100%)

The Berrio Gold Project is situated in the southern part of the prolific Segovia Gold Belt and is characterised by a number of operational, artisanal-scale adits, tunnels, and declines. It is considered to be an intrusion related mesothermal deposit with indications of epizonal mineralisation. 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 and telecommunications coverage.

During 2014 and 2015, Pacifico assessed the prospectivity of the existing 62 hectares held under an option agreement and it became apparent that prospective mineralisation extended outside the boundaries. Hence, the Board implemented a strategy to acquire adjacent titles and in early 2015 achieved this by acquiring ~14,300 hectares from Anglo. In January 2015, Pacifico entered into a binding agreement with AngloGold Ashanti Colombia S.A. ("Anglo") to acquire a 100% interest in a suite of tenements and tenement applications (~14,300 hectares) contiguous to Pacifico's existing Berrio Gold Project (~62 hectares).

Mapping confirmed that the expanded Berrio Gold Project contains a several fold increase of the highly prospective Berrio Sediment package as well as other prospective terrains including the prolific Segovia Batholith. Mapping also confirmed the faulted contact, considered by Pacifico to be highly prospective for gold, silver and base metals, lies west of the original 62ha project area. Company geologists have traced the faulted contact for 6.2km within the recently acquired tenements. Further, regional geological maps published by the Geological Survey of Colombia suggest that the contact continues south into recently acquired tenements 6825 and 6826 for a further 7.8km.

The recently acquired tenure, which significantly multiplies the size and prospectivity of Pacifico's ground holding at Berrio, was acquired at a fraction of the cost of the original agreement with only US\$600,000 payable in staged payments:

- US\$100,000 payable within 10 days of execution (subject to Anglo confirming receipt of certain regulatory approvals);
- US\$100,000 payable upon the first anniversary of the agreement;
- US\$100,000 payable upon the successful transfer of the properties to Pacifico;
- US\$300,000 payable upon the first anniversary of the transfer date; and
- 2% net smelter royalty payable on 6822, 6822B, 6856 and 6857 and a 3% net smelter royalty payable on the remaining titles and applications.

The Directors believed it was in the best interests of shareholders to maximise the cash reserves, and as such, on 17 March 2015, Pacifico terminated the agreement with the vendor in relation to the original seven titles. Pacifico is therefore no longer required to make the payment of US\$750,000, or any other payments contemplated under this option agreement. Pacifico retains the minor interests in the original seven titles (see Schedule of interests in mining tenements page 68) already purchased under the option agreement during 2014.

In June 2015, exploration teams completed soil sampling and underground channel sampling programs targeting the mineralised contact between the Berrio Sediments and Segovia Batholith. Further exploration along the contact is warranted and these channel sample results strongly support Pacifico's exploration strategy along the faulted contact between the Berrio Sediments and Segovia Batholith.

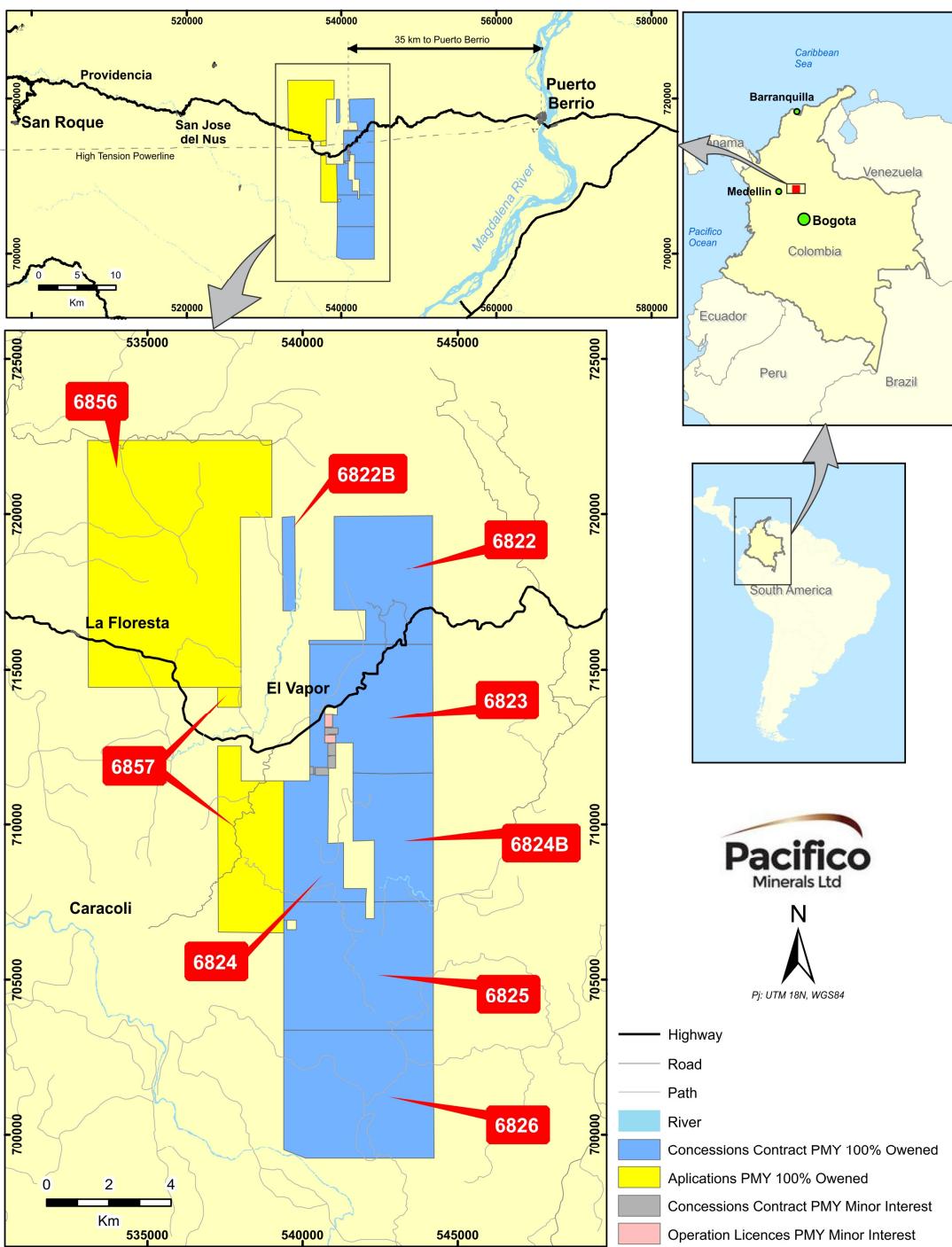


Figure 2: Berrio project location map and associated infrastructure

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

The Natagaima licence application is situated in the department of Tolima, approximately 5km west of the navigable Magdalena River which drains into the Caribbean Sea. It is located within the Middle Cauca Porphyry Belt.

In January 2015, Pacifico announced encouraging results from phase one reconnaissance. In April 2015, exploration teams completed phase two reconnaissance with a zone of high interest defined at the intersection of two mineralised structures coincident with strongly developed argillic alteration. Follow up exploration will continue only once the Natagaima tenement application is granted to Pacifico. Follow up exploration will include detailed mapping and trenching of areas of interest.

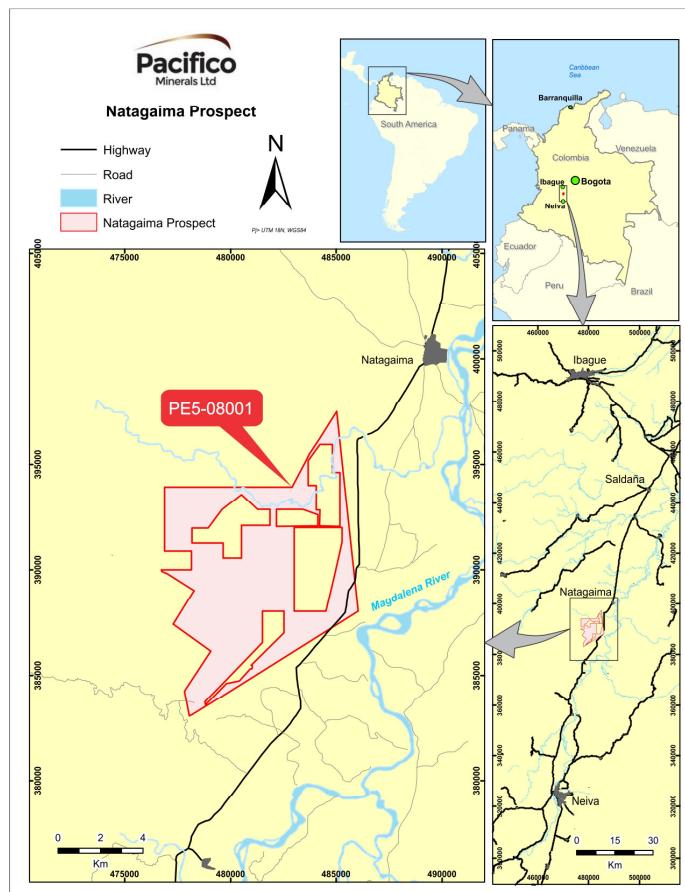


Figure 3: Tenement application location map

URRAO PROJECT, COLOMBIA – COPPER/GOLD/SILVER (PACIFICO 51%, EARNING UP TO 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. The project consists of two granted titles covering a total area of approximately 1105 hectares. Pacifico has also successfully registered exploration licence applications that include 23,781 hectares covering five new areas that are contiguous to or in close proximity to our present titles.

No significant exploration was undertaken during the year. Future exploration at Urrao will focus on a new stream sediment sampling program where historical stream sediment results show significantly anomalous gold and copper geochemical values over large areas in two of the main drainages. General geological and structural interpretations indicate that Urrao is host to rocks favourable to the development of large scale porphyry copper deposits.

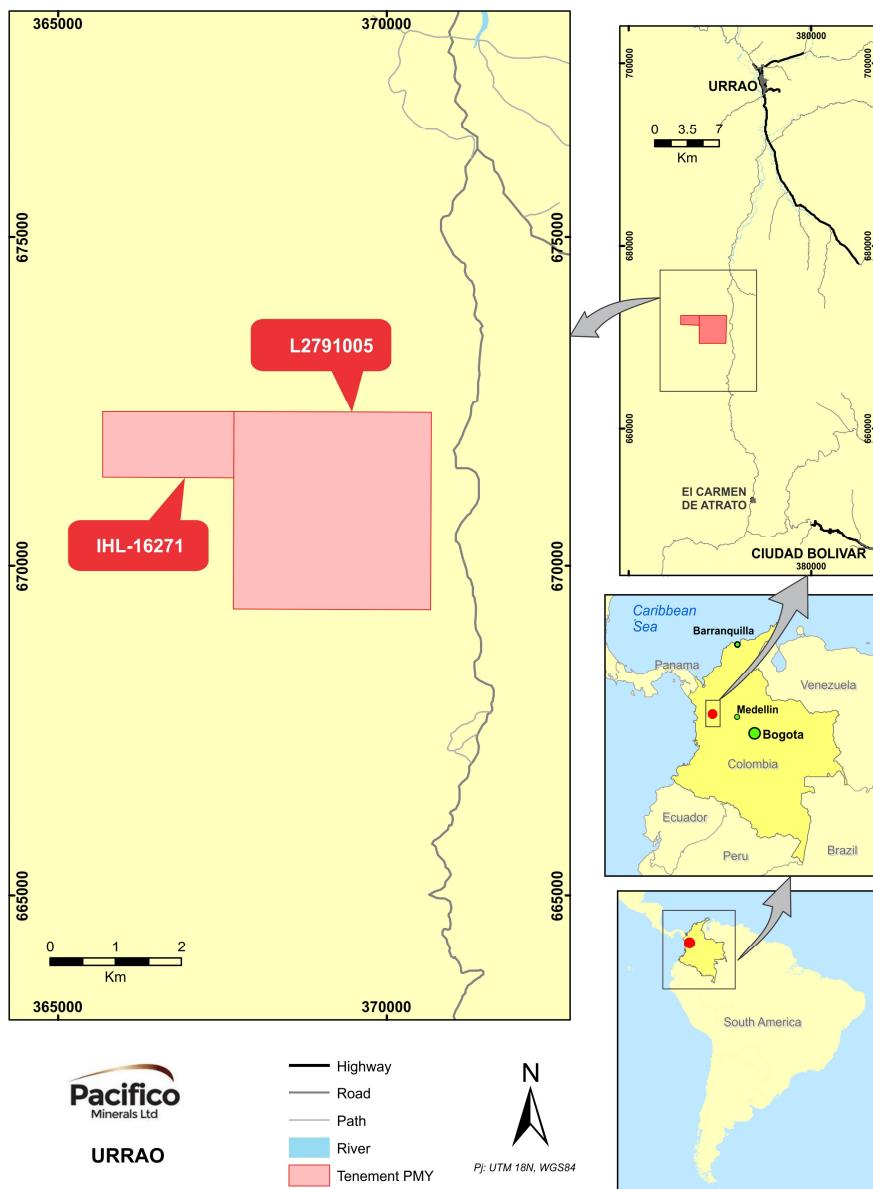


Figure 4: Urrao Project location map

OPERATIONS REPORT – AUSTRALIA

BORROLoola WEST PROJECT, NORTHERN TERRITORY – COPPER/ZINC/MANGANESE (PACIFICO EARNING UP TO 80%)

Pacifico is earning up to an 80% interest in the Borroloola West Project from Sandfire Resources NL (“Sandfire”) under a farm-in agreement through staged exploration expenditures. Borroloola West is a large exploration project covering 2,506 km² in East Arnhem Land of the Northern Territory, 600km southeast of Darwin. Comprising 15 exploration licences and 1 mining licence, the project area 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 Western Fold Belt copper deposits at Mt Isa and the zinc/lead/silver deposits currently being mined at the McArthur River (HYC) mine just 15km east of the project tenements. The project area also lies 175 km SSW of the world-class Groote Eylandt manganese mine and basement rocks, particularly in the northern parts of the tenement block, which are overlain by the same marine Cretaceous units as at Groote with a similar paleogeographic setting and depositional environment. The Cretaceous basins underlying the tenements are still relatively unexplored with several partly drilled manganese prospects and untested geophysical anomalies. The exploration conducted by Pacifico on the Borroloola West Project has further enhanced the regions prospectivity for sediment-hosted copper, SEDEX base metal mineralisation (zinc, lead and silver), and Groote Eylandt-style manganese deposits.

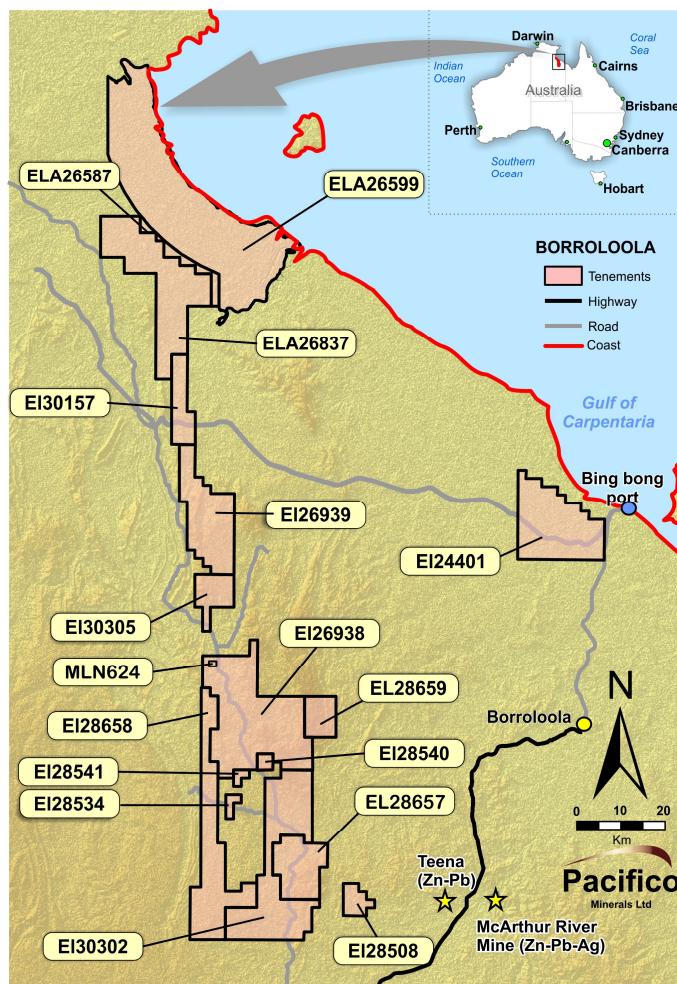


Figure 5: Borroloola West Project location map

During the year, Pacifico executed a Deed of Settlement and Release with Cliffs Natural Resources Inc. ("Cliffs") whereby Cliffs agreed to relinquish and transfer to the Company its interest in the Borroloola West Joint Venture (providing the Company with a 100% interest in the joint venture). In May 2015, exploration teams completed a field reconnaissance program and an assessment of Versatile Time Domain Electromagnetic ("VTEM") data flown for Pacifico, leading to the development of drill targets for zinc, lead, silver and copper. Exploration conducted by Pacifico on the Borroloola West Project since July 2013 includes compilation of all existing geophysical data, definition of preliminary target areas, geological mapping, rock chip sampling, aircore drilling targeting copper and manganese mineralisation, airborne magnetic and VTEM survey of three selected prospective areas – Berjaya, Bing Bong and Coppermine Creek.

In late June 2015, Pacifico announced that a dual purpose RC and diamond rig commenced drilling at Coppermine Creek and Bing Bong Prospects. At Coppermine Creek, two RC holes tested the western continuity of the copper mineralised Gordons Fault. A diamond drill hole will then test for an extension of stratabound copper mineralisation intersected by previous drilling. At Bing Bong, two diamond holes with RC pre-collars planned to test AEM anomalies for intrusive related copper-gold mineralisation. Co-funding for these two drill holes has been obtained from the Northern Territory Government.

Subsequent to the year end, Pacifico announced very encouraging results from its three hole drilling program at the Coppermine Creek Prospect. Drilling intersected extensive zones of intense fracturing that contained disseminations and lenses of semi-massive chalcopyrite. All three drill holes intersected copper mineralisation and extend the known mineralisation along the east-west trending Gordons Fault by more than 300m west of previous drilling, for a total strike length of just over 500m.

The drilling results at Coppermine Creek indicate Pacifico may have drilled the fringe of a major copper mineralised system.

In support of the Directors long term view on the value Borroloola presents for shareholders, the Company intends to continue to explore either solely or in conjunction with a joint venture partner. Pacifico is on target to meet its expenditure commitment by 20 December 2015 to earn a 51% interest in Borroloola from Sandfire.

MOUNT JUKES PROJECT, TASMANIA – GOLD/BASE METALS (PACIFICO 16%, CORONA MINERALS LTD 84%)

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.

SPRINGFIELD PROJECT, NEW SOUTH WALES – GOLD (PACIFICO 20%, STONEWALL RESOURCES LTD 80%)

The licence covers 70km² centred between Gulgong and Mudgee, 220km northwest of Sydney, NSW. Pacifico is awaiting notice of future exploration programs proposed by its JV partner, Stonewall Resources Ltd ("Stonewall"). Further details can be found on Stonewall's website www.stonewallresources.com.

WILSON RIVER PROJECT, TASMANIA – LEAD/ZINC/SILVER (PACIFICO 100%)

Mineral Resources Tasmania ("MRT") has conducted several site visits and has confirmed that rehabilitation undertaken by Pacifico was successful. During the quarter, Pacifico received a refund of the \$57,000 bond held by MRT and Pacifico no longer maintains any interest in Wilson River.

COMPETENT PERSONS STATEMENTS

The information in this Annual Report that relates to Berrio, Natagaima and Urrao Projects is based on information compiled by Mr David Seers, who is a Member of the Australian Institute of Mining and Metallurgy. Mr Seers is contracted exclusively to Pacifico Minerals Limited. Mr Seers 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 Seers consents to the inclusion in this announcement of the matters based on information in the form and context in which it appears.

The information in this Annual Report that relates to the Borroloola West 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 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.

ANNUAL FINANCIAL REPORT

YEAR ENDED 30 JUNE 2015

DIRECTORS' REPORT	16
AUDITOR'S INDEPENDENCE DECLARATION	25
CORPORATE GOVERNANCE STATEMENT	26
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	35
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	36
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	37
CONSOLIDATED STATEMENT OF CASH FLOWS	38
NOTES TO THE FINANCIAL STATEMENTS	39
DIRECTORS' DECLARATION	64
INDEPENDENT AUDIT REPORT	64
ASX ADDITIONAL INFORMATION	67

DIRECTORS' REPORT

Your Board of Directors ("Board" or "Directors") submit their report for the year ended 30 June 2015.

DIRECTORS

The names and details of the Directors of Pacifico Minerals Limited ("the Company") and its consolidated entities ("the Group") in office during the financial year and until the date of this report are as follows. Where applicable, all current and former directorships held in listed public companies over the last three years have been detailed below. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Non-Executive Chairman

Richard Monti BSc (Hons), Grad Dip Applied Finance & Investment, MAusIMM

Richard Monti has broad experience over a 27 year career working in the technical, commercial, marketing and financial fields of the international exploration and mining industry. He has worked for a number of international and Australian companies including Anaconda Nickel, RTZ Exploration, the North Group and the Normandy Group. In 2004, he founded Ventnor Capital Pty Ltd, a boutique consultancy firm which provides corporate advisory and investment banking services to junior and mid-cap listed resources companies. Mr Monti left Ventnor Capital in 2010 primarily to focus on Azimuth Resources Ltd which was subsequently acquired by Troy Resources Ltd.

Directorships of other listed companies held in the last 3 years:

- Azimuth Resources Ltd (acquired by Troy Resources Ltd)
- Poseidon Nickel Ltd
- Potash Minerals Ltd
- Triton Gold Ltd (now Triton Minerals Ltd)
- Troy Resources Ltd

Managing Director

Simon Noon MAICD, AFAIM

Simon Noon is an experienced business executive and was the co-founder and Managing Director of West Rock Resources until it was acquired by Pacifico Minerals Ltd in 2013. Mr Noon was instrumental in the planning and execution of West Rock Resources Colombian strategy, building a solid in-country team of industry professionals, developing key local relationships and securing the current projects and applications. He has a solid track record in business development with a proven ability to lead diverse teams of professionals, successfully identify potential opportunities and develop effective strategy. Prior to establishing West Rock Resources in 2011, he was Executive Director of ASX listed company Groote Resources Ltd (now Northern Manganese Ltd), where he managed the company from a market capitalisation of under \$5 million to market highs in excess of \$100 million.

Non-Executive Director

Peter Harold B.AppSc (Chem), AFAICD

Peter Harold is a process engineer with over 22 year's corporate experience in the minerals industry. Mr Harold is the founder and Managing Director of nickel producer Panoramic Resources Ltd which is currently producing 20kt Ni per annum and developing two gold and two PGM projects.

Directorships of other listed companies held in the last 3 years:

- Alloy Resources Ltd
- Panoramic Resources Ltd
- Spectrum Rare Earths Ltd

Non-Executive Director

Andrew Parker LLB

Andrew Parker holds a law degree from the University of Western Australia and has extensive experience in the exploration and mining industry. Mr Parker was the co-founder and until 2008 was the Managing Director of Perth based corporate advisory and venture capital firm, Trident Capital Pty Ltd. Prior to establishing Trident Capital Pty Ltd in 2002, he was legal counsel to B Digital Limited, an ASX listed company, with his principal role being to oversee the international expansion of the company into South Africa and the USA. Mr Parker has held a number of executive and non-executive directorships with ASX listed companies over the last 15 years.

Directorships of other listed companies held in the last 3 years:

- Indus Coal Ltd

DIRECTORS' REPORT

Company Secretary

Joshua Ward BCom, Grad Dip CA, Grad Dip Applied Finance

(Resigned 31 August 2015)

Joshua Ward is a Chartered Accountant with extensive experience with IPO's, capital raisings and financial compliance, predominantly in the resources industry. Mr Ward has worked in various corporate roles in Australia, UK and USA. Mr Ward has significant company secretarial and CFO experience in the junior resources sector and brings a strong financial reporting and governance background to the Company.

Company Secretary

Patrick Holywell BCom, Grad Dip CA, GAICD

(Appointed 1 July 2014; Resigned 23 July 2015)

Patrick Holywell is a Chartered Accountant with over ten years of experience in accounting and finance including employment with Deloitte Touche Tohmatsu Ltd and Patersons Securities Ltd. Mr Holywell has been employed by and acted as company secretary and/or director of a number of companies in the resources and services industries.

Company Secretary

Amanda Wilton-Heald

(Appointed 23 July 2015)

Amanda Wilton-Heald is a Chartered Accountant with over seventeen years of accounting and company secretarial experience within Australia and the UK.

Interests in the shares and options of the Company

As at the date of this report, the interests of the Directors in the shares and options of Pacifico Minerals Limited were:

Directors	Ordinary Shares	Options over Ordinary Shares
Richard Monti	18,835,308	7,500,000
Simon Noon	19,218,517	17,897,403
Peter Harold	4,250,495	7,875,000
Andrew Parker	3,717,596	7,500,000

DIRECTORS' REPORT

FINANCIAL AND OPERATING REVIEW

(a) Financial Review

The Group began the 2015 financial year with a cash reserve of \$5,534,789. During the year total exploration expenditure incurred by the Group amounted to \$1,902,576 (2014: \$1,200,236). In line with the Group's accounting policies, all exploration expenditure incurred in the ordinary course of operations was written off at year end. Net administration expenditure incurred amounted to \$42,299 (2014: \$48,014). The result for the year was an operating loss after income tax of \$2,741,909 (2014: \$2,854,204). At 30 June 2015 available cash funds totalled \$2,765,307 (2014: \$5,534,789).

(b) Operating Review

Summarised operating results for the year are as follows:

Geographic segments	2015	
	Revenues \$	Results \$
<i>Australia</i>		
Revenues and loss from ordinary activities before income tax expense	186,685	(3,273,966)
<i>Colombia</i>		
Revenues and loss from ordinary activities before income tax expense	397	(1,269,572)
<i>Consolidation</i>		
Elimination	-	1,801,629
<hr/>		
Shareholder Returns	2015	2014
Basic loss per share (cents per share)	(0.50)	(0.71)

RISK MANAGEMENT

The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the Board. The Board believes that it is crucial for all Board members to be a part of this process, and as such the Board has not established a separate risk management committee. The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- Board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholders' needs and manage business risk.
- Implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the affairs of the Group during the year.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

No matters or circumstances, besides those disclosed at note 27, have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Group expects to maintain the present status and level of operations and hence there are no likely developments in the Group's operations.

DIRECTORS' REPORT

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is subject to significant environmental regulation in respect to its exploration activities. The Group aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The Directors of the Company are not aware of any breach of environmental legislation for the year under review.

REMUNERATION REPORT

The remuneration report is set out under the following main headings:

- A. Principles used to determine the nature and amount of remuneration
- B. Details of remuneration
- C. Service agreements
- D. Share-based compensation
- E. Additional information

The information provided under headings A-D includes remuneration disclosures that are required under Accounting Standard AASB 1024 Related Party Disclosures. These disclosures have been transferred from the financial report and have been audited. The disclosures in Section E are additional disclosures required by the Corporations Act 2001 and the Corporations Regulations 2001 which have not been audited

A. Principles used to determine the nature and amount of remuneration (audited)

Remuneration Policy

The remuneration policy of the Company has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Group.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Group is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The Board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.
- The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.
- Executives are also entitled to participate in the employee share and option arrangements.
- The executive directors and executives receive superannuation guarantee contributions required by the government, amounting to 9.5% during the year and do not receive any other retirement benefits.
- All remuneration paid to directors and executives is valued at the cost to the Group and expensed. Options are valued using the Black-Scholes methodology.

The Board's policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently \$200,000). Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Performance based remuneration

The Group currently has no performance based remuneration component built into director and executive remuneration packages.

DIRECTORS' REPORT

Group performance, shareholder wealth and directors' and executives' remuneration

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and directors' and executives' performance. Currently, this is facilitated through the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests. The Board believes this policy will be effective in increasing shareholder wealth. At commencement of mine production, performance based bonuses based on key performance indicators are expected to be introduced.

B. Details of remuneration (audited)

Details of the remuneration of the Directors and the Key Management Personnel ("KMP" as defined in AASB 124 Related Party Disclosures) of the Group are set out in the following table. The key management personnel of the Group include the Directors and company secretary, as seen below. Given the size and nature of operations of the Group, there are no other employees who are required to have their remuneration disclosed in accordance with the Corporations Act 2001.

Key Management Personnel Compensation

KMP	Short-Term		Post-Employment		Share-based Payments Options	Total	Proportion of performance related remuneration %
	Salary & Fees \$	Non-Monetary \$	Super-annuation \$	Retirement Benefits \$			
Directors							
Richard Monti							
2015	47,600	-	4,522	-	-	52,122	-
2014	39,000	-	3,608	-	43,587	86,195	50.6%
Simon Noon							
2015	198,461	-	18,854	-	-	217,315	-
2014	158,965	-	14,718	-	-	173,683	-
Peter Harold							
2015	35,700	-	3,392	-	-	39,092	-
2014	31,258	-	2,891	-	-	34,149	-
Andrew Parker							
2015	35,700	-	3,392	-	-	39,092	-
2014	36,000	-	3,330	-	43,587	82,917	52.6%
John Hannaford (resigned 19 August 2013)							
2015	-	-	-	-	-	-	-
2014	4,742	-	431	-	-	5,173	-
Other Key Management Personnel							
Country Manager							
John Kieley							
2015	50,231	-	-	-	-	50,231	-
2014	101,720	-	-	-	7,484	109,204	6.9%
Company Secretary							
Joshua Ward (resigned 31 August 2015)							
2015	19,595	-	-	-	-	19,595	-
2014	19,250	-	-	-	5,613	24,863	22.6%
Company Secretary							
Patrick Holywell (resigned 23 July 2015)							
2015	98,461	-	9,354	-	-	107,815	-
2014	-	-	-	-	-	-	-
Company Secretary							
Lynton McCreery (resigned 30 November 2013)							
2015	-	-	-	-	-	-	-
2014	20,305	-	-	-	-	20,305	-
Total Key Management Personnel Compensation							
2015	485,748	-	39,514	-	-	525,262	
2014	411,240	-	24,978	-	100,271	536,489	

DIRECTORS' REPORT

The total amount of insurance contract premiums paid is \$7,346 (2014: \$7,224). This is not included in the Key Management Personnel Compensation table above. The insurance is split equally over all the Directors.

C. Service agreements (audited)

The service agreements of the KMP of the Company during the year are set out below:

(a) Executive Services Agreement with Mr Simon Noon

The material terms of this contract are:

- (i) The remuneration is \$200,000 exclusive of statutory superannuation.
- (ii) Either party may terminate this agreement without cause on 3 months written notice. The Group may elect to pay 3 months' salary and superannuation in lieu of notice.
- (iii) Mr Noon will have the right to participate in the Company's share incentive program as approved from time to time by the Board.
- (iv) During the term of this agreement, Mr Noon will not be paid a separate director's fee for service to the Board.

(b) Executive Services Agreement with Mr Joshua Ward

The material terms of this contract were:

- (i) The remuneration was \$300 per month exclusive of GST.
- (ii) Term is for 6 months and at the end of this period the parties agree to meet to review the performance of this agreement and negotiate the terms of renewed executive services agreement.

D. Share-based compensation (audited)

There were no options issued to Directors or other key management personnel as part of their remuneration during the year (2014: \$100,271). There were no ordinary shares issued upon exercise of remuneration options to Directors or other KMP of the Group during the year (2014: Nil).

E. Additional information (unaudited)

Performance income as a proportion of total compensation

No performance based bonuses have been paid to key management personnel during the financial year (2014: Nil). It is the intent of the Board to include performance bonuses as part of remuneration packages when mine production commences.

DIRECTORS' REPORT

Movements in shares

The movement during the reporting period in the number of ordinary shares in the Company held, directly, indirectly or beneficially by each KMP, including their related parties, is shown in the table below. There were no ordinary shares issued to directors or other KMP as part of their remuneration during the year (2014: Nil).

KMP	Held at 1 July 2014	Received on exercise of options	Other changes⁽¹⁾	Held at 30 June 2015
R. Monti	18,835,308	-	-	18,835,308
S. Noon	18,857,817	-	360,700	19,218,517
P. Harold	4,250,495	-	-	4,250,495
A. Parker	3,717,596	-	-	3,717,596
J. Kieley	-	-	-	-
P. Holywell ⁽³⁾	100,000	-	750,000	850,000
J. Ward	792,081	-	-	792,081
	46,553,297	-	1,110,700	47,663,997

KMP	Held at 1 July 2013	Received on exercise of options	Other changes⁽²⁾	Held at 30 June 2014
R. Monti	10,827,500	-	8,007,808	18,835,308
S. Noon	-	-	18,857,817	18,857,817
P. Harold	-	-	4,250,495	4,250,495
A. Parker	630,557	-	3,087,039	3,717,596
J. Kieley	-	-	-	-
J. Ward	-	-	792,081	792,081
	11,458,057	-	34,995,240	46,453,297

1. Other changes represent shares purchased and sold during the period.
2. Other changes for Mr S Noon, Mr P Harold, Mr J Kieley and Mr J Ward comprise balances held as at their respective dates of appointment, plus movements during the period.
3. Mr P Holywell was appointed as Company Secretary effective 1 July 2014

Movements in options

The movement during the reporting period in the number of options in Pacifico Minerals Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

KMP	Held at 1 July 2014	Granted as Remuneration	Other Changes	Held at 30 June 2015	Vested at 30 June 2015
R. Monti	7,500,000	-	-	7,500,000	7,500,000
S. Noon	17,897,403	-	-	17,897,403	17,897,403
P. Harold	7,875,000	-	-	7,875,000	7,875,000
A. Parker	7,500,000	-	-	7,500,000	7,500,000
P. Holywell	500,000	-	-	500,000	500,000
J. Kieley	800,000	-	-	800,000	800,000
J. Ward	600,000	-	-	600,000	600,000
	42,672,403	0	0	42,672,403	42,672,403

DIRECTORS' REPORT

KMP	Held at 1 July 2013	Granted as Remuneration	Other Changes ⁽¹⁾	Held at 30 June 2014	Vested at 30 June 2014
R. Monti	1,500,000	6,000,000	-	7,500,000	7,500,000
S. Noon	-	-	17,897,403	17,897,403	17,897,403
P. Harold	-	-	7,875,000	7,875,000	7,875,000
A. Parker	1,500,000	6,000,000	-	7,500,000	7,500,000
J. Kieley	-	800,000	-	800,000	800,000
J. Ward	-	600,000	-	600,000	600,000
	3,000,000	13,400,000	25,772,403	42,172,403	42,172,403

1. Other changes for Mr S. Noon, Mr P. Harold, Mr J. Kieley and Mr J. Ward comprise balances held as at their respective dates of appointment, plus movements during the period.

DIRECTORS' MEETINGS

During the year the Company held five meetings of Directors. The attendances of Directors at meetings of the Board were:

Directors	Directors Meetings 2015		Directors Meetings 2014	
	A	B	A	B
Richard Monti	5	5	6	6
Simon Noon	5	5	6	6
Peter Harold	5	5	5	6
Andrew Parker	5	5	6	6

A – Number of meetings attended.

B – Number of meetings held during the time the director held office during the year.

SHARES UNDER OPTION

At the date of this report there are 91,402,597 unissued ordinary shares in respect of which options are outstanding. The balance is comprised of the following:

Expiry date	Exercise price (cents)	Number of options
31 Dec 2015	3.5	5,200,000
19 Jul 2016	3.0	21,311,455
19 Jul 2016	6.0	20,791,142
19 Aug 2016	3.0	30,000,000
4 Oct 2016	3.0	6,000,000
4 Oct 2016	6.0	6,000,000
19 Dec 2016	3.0	1,150,000
19 Dec 2016	6.0	950,000
		91,402,597

No person entitled to exercise any option referred to above has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

INSURANCE OF DIRECTORS AND OFFICERS

During or since the start of the financial year, the Group has paid premiums insuring all the Directors and officers of the Group against costs incurred in defending proceedings for conduct involving:

- a wilful breach of duty; or
- a contravention of sections 182 or 183 of the Corporations Act 2001, as permitted by section 199B of the Corporations Act 2001.

DIRECTORS' REPORT

The total amount of insurance contract premiums paid is \$7,346 (2014: \$7,224). This is not included in the Key Management Personnel Compensation table.

NON-AUDIT SERVICES

No non-audit services were provided by the entity's auditor (Stantons International) or associated entities.

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 25.

Signed in accordance with a resolution of the Directors.



Richard Monti
Chairman
22 September 2015

22 September 2015

Board of Directors
Pacifico Minerals Limited
Level 10, 553 Hay St
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 the Audit Director for the audit of the consolidated financial statements of Pacifico Minerals Limited for the year ended 30 June 2015, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

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



Martin Michalik
Director

CORPORATE GOVERNANCE STATEMENT

THE BOARD OF DIRECTORS

The constitution of Pacifico Minerals Limited (the "Company") provides that the number of directors shall not be less than three and not more than nine. There is no requirement for any shareholding qualification.

As and if the Company's activities increase in size, nature and scope the size of the Board of Directors of the Company ("Board" or "Directors") will be reviewed periodically, and as circumstances demand. The optimum number of directors required to supervise adequately the Company's constitution will be determined within the limitations imposed by the constitution.

The membership of the Board, its activities and composition, is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company's scope of activities, intellectual ability to contribute to Board's duties and physical ability to undertake Board's duties and responsibilities.

The Board comprises individuals with the following skills that are deemed to be relevant to the organisations activities (ranked 1 to 5 with 5 being the highest ranking):

Skill	Requirements Overview	Director 1	Director 2	Director 3	Director 4
Mining	Experience with mining operations, management of mining equipment and human capital, including health and safety. Ability to analyse mining operations and make decisions to maximise profitability.	3	4	3	3
Mineral Exploration	Ability to plan, execute and analyse mineral exploration programs and results. Ability to progress exploration projects through to development and operation.	3	5	4	3
Risk & Compliance	Identify key risks to the organisation related to each key area of operations. Ability to monitor risk and compliance and knowledge of legal and regulatory requirements.	3	5	4	4
Financial & Audit	Experience in accounting and finance to analyse financial statements, assess financial viability, contribute to financial planning, oversee budgets, and oversee funding arrangements.	3	4	3	4
Strategy	Ability to identify and critically assess strategic opportunities and threats to the organisation. Develop strategies in context to our policies and business cycles.	3	5	4	4
Governance & Policy Development	Ability to identify key issues for the organisation and develop appropriate policy parameters within which the organisation should operate.	3	3	3	4

Directors are initially appointed by the full Board subject to election by shareholders at the next general meeting. Under the Company's constitution the tenure of a director (other than managing director, and only one managing director where the position is jointly held) is subject to reappointment by shareholders not later than the third anniversary following his or her last appointment. Subject to the requirements of the Corporations Act 2001, the Board does not subscribe to the principle of retirement age and there is no maximum period of service as a director. A managing director may be appointed for any period and on any terms the directors think fit and, subject to the terms of any agreement entered into, the directors may revoke any appointment.

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate or special committees at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

DISCLOSURE ON WEB SITE

The Company's Corporate Governance Policies can be viewed on its website www.pacificominerals.com.au.

CORPORATE GOVERNANCE STATEMENT

ROLE OF THE BOARD

The Board's primary role is the protection and enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for oversight of management and the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

APPOINTMENTS TO OTHER BOARDS

Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other Boards.

INDEPENDENT PROFESSIONAL ADVICE

The Board has determined that individual directors have the right in connection with their duties and responsibilities as directors, to seek independent professional advice at the Group's expense. With the exception of expenses for legal advice in relation to director's rights and duties, the engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably.

CONTINUOUS REVIEW OF CORPORATE GOVERNANCE

Directors consider, on an ongoing basis, how management information is presented to them and whether such information is sufficient to enable them to discharge their duties as directors of the Company. Such information must be sufficient to enable the directors to determine appropriate operating and financial strategies from time to time in light of changing circumstances and economic conditions. The directors recognise that mineral exploration is an inherently risky business and that operational strategies adopted should, notwithstanding, be directed towards improving or maintaining the net worth of the Group.

ASX PRINCIPLES OF GOOD CORPORATE GOVERNANCE

The Board has reviewed its current practices in light of the ASX Principles of Good Corporate Governance and Best Practice Guidelines with a view to making amendments where applicable after considering the Group's size and the resources it has available. As the Group's activities develop in size, nature and scope, the size of the Board and the implementation of any additional formal corporate governance committees will be given further consideration.

During the year ended 30 June 2015, the Company continued its governance arrangements in accordance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (2nd Edition). On 27 March 2014, the ASX Corporate Governance Council released the 3rd Edition Principles and Recommendations, effective from 1 July 2014. The Group decided to early adopt the 3rd Edition Recommendations effective from 1 July 2014, and updated its corporate governance reporting to report against the 3rd Edition Recommendations.

This statement is current as at 10 September 2015 and was approved by the Board on that date. The following table sets out the Company's position with regards to its compliance with ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd Edition):

A = Adopted

N/A = Not adopted

CORPORATE GOVERNANCE STATEMENT

ASX Principle	Status	Reference/comment
Principle 1: Lay solid foundations for management and oversight		
1.1 <i>A listed entity should disclose:</i>	A	<p>The Company has adopted this recommendation to disclose the functions reserved to the Board and those delegated to management. These functions can be viewed at the Company's website: www.pacificominerals.com.au.</p> <p>The Company's Board comprises four directors, being a non-executive Chairman, Managing Director and two non-executive Directors. Therefore the roles and functions of these directors within the Company are flexible to allow it to best function within its level of available resources.</p> <p>The full Board currently meets at least every second month or at such times as agreed. In addition, strategy meetings and any extraordinary meetings are held at such other times as may be necessary to address any specific significant matters that may arise.</p>
1.2 <i>A listed entity should:</i>	A	<p>The Group ensures it thoroughly analyses and reviews the qualifications and experience of any potential candidate. Background checks are performed, including speaking with personal and professional references of potential candidates, before they are put forward for election.</p> <p>The Company provides full biographical details of proposed candidates in any notice of meetings in which a new director is proposed to be appointed or ratified, as well as information relating to other directorships and interest which may reasonably be perceived to influence their capacity to bring independent judgement to the Board.</p>
1.3 <i>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</i>	A	<p>Each director and senior executive has a written contract that sets out the terms of their appointment, including their responsibilities and remuneration.</p>
1.4 <i>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</i>	A	<p>The company secretary is directly accountable to the Board in all its capacities. Communication between the Board and the company secretary is encouraged, and matters of corporate governance and compliance are a standing agenda item for Board discussion.</p> <p>Professional development of directors, officers and management are encouraged by the Company and facilitated through the company secretary.</p> <p>The Company adopts a policy of circulating Board minutes at the earliest possible opportunity following the Board meetings, to expedite the formalisation of items discussed at the meetings.</p>

CORPORATE GOVERNANCE STATEMENT

ASX Principle	Status	Reference/comment												
1.5 <i>A listed entity should:</i> a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; b) disclose that policy or a summary of it; and c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: 1. the respective proportions of men and women on the board, in senior management positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or 2. if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	A	<p>The Group is an equal opportunity employer and strives to foster diversity across the organisation. The Group has adopted a diversity policy that is disclosed on its Company website.</p> <p>As at the end of the year, the Group had the following proportion of men and women across the organisation:</p> <table border="1"> <thead> <tr> <th></th> <th>Men</th> <th>Women</th> </tr> </thead> <tbody> <tr> <td>Board</td> <td>4</td> <td>-</td> </tr> <tr> <td>Senior Executives</td> <td>1</td> <td>2</td> </tr> <tr> <td>Whole Organisation</td> <td>9</td> <td>4</td> </tr> </tbody> </table> <p>The Group does not have any set objectives or quotas for gender diversity across the organisation, rather it employs based on merit and taking into consideration the most qualified and suited individual for the role available.</p>		Men	Women	Board	4	-	Senior Executives	1	2	Whole Organisation	9	4
	Men	Women												
Board	4	-												
Senior Executives	1	2												
Whole Organisation	9	4												
1.6 <i>A listed entity should:</i> a) have and disclose the process for periodically evaluating the performance of the board, its committees and individual directors; and b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	N/A	<p>A periodic evaluation of the performance of the Board as a whole has not been undertaken in the current financial year however, a performance appraisal was undertaken for the Managing Director. Prior to the acquisition of West Rock Resources, the Board's primary objective was to secure a prospective mineral exploration project. Upon the acquisition of West Rock, this primary objective was satisfied and the performance of those existing Directors across the financial year is primarily measured by the achievement of this objective.</p> <p>The Company intends on undertaking performance reviews in the second half of 2015, where the key performance indicators of the Board will adapt to reflect the Company's focus on efficiently executed mineral exploration programs and project analysis.</p>												
1.7 <i>A listed entity should:</i> a) have and disclose a process for periodically evaluating the performance of senior executives; and b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	A	<p>The Board, excluding the Managing Director is responsible for evaluating the performance of the Managing Director. This is achieved by discussion at Board meetings.</p> <p>The Board as a whole is responsible for evaluating the performance of senior executives. This is achieved by discussion at Board meetings.</p> <p>Performance evaluations for senior executives were conducted during the year.</p>												

CORPORATE GOVERNANCE STATEMENT

Principle 2: Structure the board to add value

2.1	<i>The board of a listed entity should:</i>	N/A	The Board has no formal nomination committee. Acting in its ordinary capacity from time to time as required, the Board carries out the process of determining the need for, screening and appointing new directors as well as succession planning. In view of the size and resources available to the Company, it is not considered that a separate nomination committee would add any substance to this process.
	<i>a) have a nomination committee which:</i>		
	<i>1. has at least three members, a majority of whom are independent directors; and</i>		
	<i>2. is chaired by an independent director, and disclose</i>		
	<i>3. the charter of the committee;</i>		
	<i>4. the members of the committee; and</i>		
	<i>5. as at the end of the reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</i>		
	<i>b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</i>		
2.2	<i>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</i>	A	The Board considers that it currently possesses an appropriate mix of skills for the level of Group operations. The Company discloses the skills matrix above.
			The Board consists of 4 caucasian males. Candidates for Board positions are chosen on skills merit, and at this stage the Company is not seeking further representation on its Board.
			As the Group progresses in its business cycle, the Board will consider the requisite skills that will best complement the Company's corporate strategies.
2.3	<i>A listed entity should disclose:</i>	A	The Board considers the following Directors to be independent:
	<i>a) the names of the directors considered by the board to be independent directors;</i>		- Andrew Parker
	<i>b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</i>		- Peter Harold
	<i>c) the length of service of each director.</i>		Their experience and knowledge of the Company make their contribution to the Board such that it is appropriate for them to remain on the Board and in their position as a Non-Executive Directors.
			Director appointment and resignation dates are disclosed in the Company's annual report, within the Directors' report.

CORPORATE GOVERNANCE STATEMENT

2.4	<i>A majority of the board of a listed entity should be independent directors.</i>	N/A	Two of the four Directors are considered independent. The Company believes that the equity ownership of the non-executive Directors aligns the interests of the Directors with shareholders as a whole and does not bias the decisions of the Board towards any personal interests.
2.5	<i>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</i>	N/A	The Chairman of the Company, Richard Monti is a non-executive director, however, by virtue of his ownership percentage in the Company, he is not considered independent.
2.6	<i>A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</i>	A	The Company Secretary ensures that all new directors are inducted into the Company. Upon commencement, the director formalises a letter of appointment setting out the terms of their appointment and is provided with a 'Corporate Governance Pack' containing the Company's Constitution, Corporate Governance Policies and details of the Company's directors' and officers' insurance policies. The skill set of the Board is monitored regularly by the Board as a whole, taking into consideration the stage of development of the Group's assets, and the limited capital available to the Group.

Principle 3: Act ethically and responsibly

3.1	<i>A listed entity should:</i> (a) <i>have a code of conduct for its directors, senior executives and employees; and</i> (b) <i>disclose that code or a summary of it.</i>	A	The Group has formulated a code of conduct which can be viewed on the Company's website www.pacificominerals.com.au .
-----	--	---	--

Principle 4: Safeguard integrity in corporate reporting

4.1	<i>The board of a listed entity should:</i> (a) <i>have an audit committee which:</i> (1) <i>has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</i> (2) <i>is chaired by an independent director, who is not the chair of the board, and disclose:</i> (3) <i>the charter of the committee;</i> (4) <i>the relevant qualifications and experience of the members of the committee; and</i> (5) <i>in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</i> (b) <i>if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</i>	N/A	Given the Group's background, the nature and size of its business and the current stage of its development, the Board comprises only four Directors, two of whom are considered independent. The Company believes it is impractical to source additional directors at this stage of its development, without which it is not possible to form an independent audit committee. The Board has adopted an audit committee charter (which can be found on the Company's website) to assist in defining the roles and responsibilities of the Board as it acts in the capacity of an audit committee.
-----	--	-----	---

CORPORATE GOVERNANCE STATEMENT

4.2 *The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.*

4.3 *A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.*

A The Company obtains this declaration from the CEO and CFO for each of its annual and half year financial statements.

A The Company ensures that its external auditor attends its AGM and is available to answer questions.

Principle 5. Make timely and balanced disclosure

5.1 *A listed entity should:*

- (a) *have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and*
- (b) *disclose that policy or a summary of it.*

A The Company has instigated internal procedures designed to provide reasonable assurance as to the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with relevant laws and regulations. The Board is acutely aware of the continuous disclosure regime and there are strong informal systems in place to ensure compliance, underpinned by experience.

Principle 6: Respect the rights of security holders

6.1 *A listed entity should provide information about itself and its governance to investors via its website.*

A In line with adherence to continuous disclosure requirements of ASX all shareholders are kept informed of major developments affecting the Group. This disclosure is through regular shareholder communications including the Annual Report, Quarterly Reports, the Company website and the distribution of specific releases covering major transactions or events.

6.2 *A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.*

A The Company communicates with its shareholders publicly, primarily by posting this information on the Company's website, which in itself complements the official release of material information to the market.

Further, the annual general meeting is the central forum by which the Company is able to communicate effectively with shareholders, providing them with access to information about the Group and corporate proposals, and enable their participation in decision-making.

6.3 *A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.*

A The Company monitors the residency of its shareholders and considers the most appropriate location in which to hold its shareholder meetings.

Attendees are given opportunities to query the Board on operational and financial items at every meeting.

CORPORATE GOVERNANCE STATEMENT

6.4 *A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.*

A To the extent permissible by law, the Company sends all communication electronically, and tries to minimise the amount of paper used in shareholder communications.

As new shareholders join the Company, they are given the opportunity to receive the annual report electronically via correspondence from the Company's share registry.

Principle 7: Recognise and manage risk

7.1	<i>The board of a listed entity should:</i> (a) <i>have a committee or committees to oversee risk, each of which:</i> (1) <i>has at least three members, a majority of whom are independent directors; and</i> (2) <i>is chaired by an independent director, and disclose:</i> (3) <i>the charter of the committee;</i> (4) <i>the members of the committee; and</i> (5) <i>as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</i> (b) <i>if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</i>	N/A	While the Company does not have formalised policies on risk management the Board recognises its responsibility for identifying areas of significant business risk and for ensuring that arrangements are in place for adequately managing these risks. This issue is regularly reviewed at Board meetings and risk management culture is encouraged amongst employees and contractors.
7.2	<i>The board or a committee of the board should:</i> (a) <i>review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</i> (b) <i>disclose, in relation to each reporting period, whether such a review has taken place.</i>	A	See 7.1.
7.3	<i>A listed entity should disclose:</i> (a) <i>if it has an internal audit function, how the function is structured and what role it performs; or</i> (b) <i>if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</i>	N/A	The Company does not have an internal audit function. Due to the nature and size of the Company's operations, and the Company's ability to derive substantially all of the benefits of an independent internal audit function, the expense of an independent internal auditor is not considered to be appropriate.
7.4	<i>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</i>	A	The Group is a mineral exploration company and is inherently exposed to the economic, environmental and social sustainability risks that are associated with that industry. The Group carefully considers its operations and their impact on the environment and local communities.

The Group does not currently hedge its foreign currency expenditure and is exposed to fluctuations in the exchange rates of the Australian Dollar, the United States Dollar and the Colombian Peso.

CORPORATE GOVERNANCE STATEMENT

Principle 8: Remunerate fairly and responsibly

8.1	<p><i>The board of a listed entity should:</i></p> <ul style="list-style-type: none"><i>(a) have a remuneration committee which:</i><ul style="list-style-type: none"><i>(1) has at least three members, a majority of whom are independent directors; and</i><i>(2) is chaired by an independent director, and disclose:</i><ul style="list-style-type: none"><i>(3) the charter of the committee;</i><i>(4) the members of the committee; and</i><i>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</i><i>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</i>	N/A	<p>The Company does not consider it appropriate to have a sub-committee of the Board to consider remuneration matters.</p> <p>Remuneration levels are determined by the Board on an individual basis, the size of the Company making individual assessment more appropriate than formal remuneration policies. In doing so, the Board seeks to retain professional services as is required, at reasonable market rates, and seeks external advice and market comparisons where necessary.</p> <p>Acting in its ordinary capacity, the Board from time to time carries out the process of considering and determining performance issues including the identification of matters that may have a material effect on the price of the Company's securities. The Remuneration Charter can be found on the Company's website. Whenever relevant, any such matters are reported to ASX.</p>
8.2	<p><i>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</i></p>	N/A	<p>The remuneration of executive and non-executive Directors is reviewed by the Board with the exclusion of the director concerned. The remuneration of management and employees is reviewed by the Board and approved by the chairman.</p>
8.3	<p><i>A listed entity which has an equity-based remuneration scheme should:</i></p> <ul style="list-style-type: none"><i>a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</i><i>b) disclose the policy or summary of it.</i>	N/A	<p>The Group does not currently have a formal equity-based remuneration scheme.</p> <p>Issues of equity incentives to Board and management are approved or ratified at shareholder meetings.</p>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015	2014
		\$	\$
REVENUE FROM CONTINUING OPERATIONS	6	187,082	502,344
EXPENDITURE			
Exploration expenses	7	(1,902,576)	(1,200,236)
Salaries and employee benefits expenses		(539,942)	(364,046)
Depreciation expenses	7	(15,525)	(6,219)
Corporate expenses		(135,016)	(212,600)
Occupancy expenses		(66,034)	(33,114)
Consulting expenses		(68,391)	(143,439)
Administration expenses		(42,299)	(48,014)
Other expenses		(159,208)	(93,650)
Share based payments expenses	30	-	(107,135)
Write off of exploration expenditure	7,11	-	(1,148,095)
(LOSS) BEFORE INCOME TAX		(2,741,909)	(2,854,204)
INCOME TAX	8	-	-
TOTAL (LOSS) FOR THE YEAR		(2,741,909)	(2,854,204)
Other Comprehensive Income		-	-
Items that will not be re-classified to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Net unrealised fair value (loss)/gains on available for sale financial assets		-	-
Movement in foreign exchange translation reserve		(19,559)	(13,693)
TOTAL COMPREHENSIVE (LOSS)		(2,761,468)	(2,867,897)
(Loss) attributed to the Members		(2,761,468)	(2,867,897)
TOTAL COMPREHENSIVE (LOSS) ATTRIBUTED TO THE MEMBERS		(2,761,468)	(2,867,897)
Basic and diluted loss per share for loss attributable to the ordinary equity holders of the company (cents per share)	29	(0.50)	(0.71)

The above Statement of Profit or Loss & Other Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	Notes	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	9	2,765,307	5,534,789
Trade and other receivables	10	52,374	101,761
TOTAL CURRENT ASSETS		2,817,681	5,636,550
NON-CURRENT ASSETS			
Exploration and evaluation assets	11	3,171,796	2,392,201
Other assets	12	74,857	79,484
Plant and equipment	13	42,461	56,228
TOTAL NON-CURRENT ASSETS		3,289,114	2,527,913
TOTAL ASSETS		6,106,795	8,164,463
CURRENT LIABILITIES			
Trade and other payables	14	819,400	128,624
Provisions	15	26,005	12,981
TOTAL CURRENT LIABILITIES		845,405	141,605
NON-CURRENT LIABILITIES			
Deferred tax liability	16	459,238	459,238
TOTAL NON-CURRENT LIABILITIES		459,238	459,238
TOTAL LIABILITIES		1,304,643	600,843
NET ASSETS		4,802,152	7,563,620
EQUITY			
Contributed equity	17	18,521,280	18,521,280
Reserves	19	1,367,065	1,386,624
Accumulated losses		(15,086,193)	(12,344,284)
TOTAL EQUITY		4,802,152	7,563,620

The above Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2015

	Issued Capital	Share/Option Reserve	Foreign Currency Translation Reserve	Accumulated losses	Total
2015	\$	\$	\$	\$	\$
Balance at 1 July 2014	18,521,280	1,400,317	(13,693)	(12,344,284)	7,563,620
(Loss) for the year	-	-	-	(2,741,909)	(2,741,909)
Other comprehensive (loss) for the year	-	-	(19,559)	-	(19,559)
Total comprehensive (loss) for the year	-	-	(19,559)	(2,741,909)	(2,761,468)
Issue of shares	-	-	-	-	-
Share issue expense	-	-	-	-	-
Balance at 30 June 2015	18,521,280	1,400,317	(33,252)	(15,086,193)	4,802,152
2014					
Balance at 1 July 2013	9,253,222	602,883	-	(9,490,080)	366,025
(Loss) for the year	-	-	-	(2,854,204)	(2,854,204)
Other comprehensive (loss) for the year	-	-	(13,693)	-	(13,693)
Total comprehensive (loss) for the year	-	-	(13,693)	(2,854,204)	(2,867,897)
Issue of shares and options related to business combination	2,130,000	687,299	-	-	2,817,299
Issue of shares	7,522,959	-	-	-	7,522,959
Share/option based payment transactions	-	107,135	-	-	107,135
Options issued for cash		3,000			3,000
Share issue expense	(384,901)	-	-	-	(384,901)
Balance at 30 June 2014	18,521,280	1,400,317	(13,693)	(12,344,284)	7,563,620

The above Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE 2015

	Notes	2015	2014
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Expenditure on mining interests		(1,785,504)	(1,349,819)
Payments to suppliers and employees		(1,015,366)	(822,702)
Interest received		110,523	63,118
Other income received		-	-
NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES	28	(2,690,347)	(2,109,403)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of plant and equipment		(6,466)	(57,488)
Proceeds on sale of equipment and motor vehicle		-	-
Cash acquired on business combination		-	639,797
Net contributions from joint venture partners		50,000	-
Payments for purchase of mining properties		(121,421)	(402,171)
NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES		(77,887)	180,138
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares and options		-	7,525,959
Payment of share issue costs		-	(384,901)
NET CASH INFLOW FROM FINANCING ACTIVITIES		-	7,141,058
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(2,768,234)	5,211,793
Cash and cash equivalents at the beginning of the financial year		5,534,789	336,689
Effects of foreign exchange		(1,248)	(13,693)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	9	2,765,307	5,534,789

The above Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes the financial statements for Pacifico Minerals Limited ("Parent Entity" or "Company") and its subsidiaries (the "Group") for the year ended 30 June 2015.

The financial report of the Group for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the Board of Directors of Pacifico Minerals Limited ("Board" or "Directors") on 22 September 2015. 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.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Interpretations and the Corporations Act 2001.

(i) Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of Pacifico Minerals Limited comply with International Financial Reporting Standards (IFRS).

(ii) Historical cost convention

These 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 (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

The 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 financial report has been appropriately prepared on a going concern basis.

(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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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) Investment 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.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(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.

(e) Segment reporting

Operating segments are classified, identified and segment information disclosed on the basis of internal reports that are provided to or received by the Group's chief operating decision maker which, for the Group is its Board. The Group operates in Australia and Colombia and predominately in the field of mineral exploration.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Revenue recognition

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

(g) Income tax

The income tax expense or revenue for the year is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(h) Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases where a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(i) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for an impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

(k) Trade and other receivables

Receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

(l) Investments and other financial assets

(i) Classification

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term.

Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories.

They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

(ii) Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed to the income statement.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of revenue from continuing operations when the Group's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

(iv) Fair value

The fair values of quoted investments are based on last trade prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques.

These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

(v) Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or Group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired.

If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

(vi) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement, or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the last trade price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

(m) Plant and equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation of plant and equipment is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. The rates vary between 10% and 100% per annum. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(i)).

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(n) 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.

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are paid on normal commercial terms.

(p) Employee benefits

(i) Wages and salaries, annual leave and other employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, and long service leave. Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

(ii) Share-based payments

The Group provides benefits to employees (including Directors) and contractors of the Group in the form of share-based payment transactions, whereby employees and contractors render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- the extent to which the vesting period has expired; and
- the number of options that, in the opinion of the Directors of the Group, will ultimately vest.

This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, for the acquisition of a business, are not included in the cost of the acquisition as part of the purchase consideration.

(r) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Parent Entity, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(s) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(t) Rounding of amounts

The Group is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest \$1.

(u) Significant accounting estimates and judgements

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

(i) Deferred taxation

The potential deferred tax asset arising from the tax losses and temporary differences have not been recognised as an asset because recovery of the tax losses is not yet considered probable.

(ii) Capitalised exploration costs

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that future economic benefits are likely, either from exploration or sale, or where activities have not reached a stage which permits reasonable assessment.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

2. NEW STANDARDS AND INTERPRETATIONS ADOPTED AND NOT YET ADOPTED

(a) New standards and interpretations adopted in 2014/2015 financial year

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

- **Investment Entities – Amendments to AASB 10, AASB 12 and AASB 127**

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under AASB 10 Consolidated Financial Statements and must be applied retrospectively, subject to certain transition relief. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact on the Group, since none of the entities in the Group qualifies to be an investment entity under AASB 10.

- **AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets**

The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. This amendment has resulted in increased disclosures in the Group's financial statements.

- **Offsetting Financial Assets and Financial Liabilities - Amendments to AASB 132**

These amendments clarify the meaning of '*currently has a legally enforceable right to set-off*' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and is applied retrospectively. These amendments have no impact on the Group, since none of the entities in the Group has any offsetting arrangements.

- **AASB 2013-4 Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting**

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria and retrospective application is required. These amendments have no impact on the Group as the Group has not novated any of its derivatives during the current or prior periods.

- **Interpretation 21 Accounting for Levies**

Interpretation 21 clarifies that an entity recognises a liability for a levy when the activity that triggers the payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. Retrospective application is required for AASB Interpretation 21. This interpretation has no impact on the Group as it has applied the recognition principles under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* consistent with the requirements of AASB Interpretation 21 in prior years.

- **AASB 2014-1 Amendments to Australian Accounting Standards**

The adoption AASB 2014-1 has required additional disclosures in our segment note. Other than that, the adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

2. NEW STANDARDS AND INTERPRETATIONS ADOPTED AND NOT YET ADOPTED (CONTINUED)

(b) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Group have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

- *AASB 9 Financial Instruments* and associated Amending Standards (applicable for annual reporting period commencing 1 January 2018).

The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

Key changes made to this standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments it is impractical at this stage to provide a reasonable estimate of such impact.

- *AASB 15: Revenue from Contracts with Customers* (applicable to annual reporting periods commencing on or after 1 January 2017).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- *Other standards not yet applicable.*

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

3. FINANCIAL RISK MANAGEMENT

(a) Interest rate risk

The Group is exposed to movements in market interest rates on short-term deposits. The policy is to monitor the interest rate yield curve out to 120 days to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. At 30 June 2015, if interest rates had changed by +/- 100 basis points from the year-end rates with all other variables held constant, post-tax loss would have been \$26,231 lower/higher (2015 – change of 100 bps: \$54,547 lower/higher) as a result of lower interest income. The Group's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

	Fixed interest rate maturing in:						Weighted average effective interest rate
	Floating interest rate	1 year or less	1 to 5 years	More than 5 years	Non-interest bearing	Total carrying amount	
Financial instrument	\$	\$	\$	\$	\$	\$	%
<i>Financial assets</i>							
Cash and cash equivalents	2,623,063	-	-	-	142,244	2,765,307	2.7
Trade and other receivables	-	-	-	-	16,625	16,625	-
Other assets	-	-	-	-	16,884	16,884	-
Total financial assets	2,623,063	-	-	-	175,753	2,798,816	
<i>Financial liabilities</i>							
Trade creditors	-	-	-	-	135,169	135,169	-
Other creditors and accruals	-	-	-	-	684,231	684,231	-
Total financial liabilities	-	-	-	-	819,400	819,400	

	Fixed interest rate maturing in:						Weighted average effective interest rate
	Floating interest rate	1 year or less	1 to 5 years	More than 5 years	Non-interest bearing	Total carrying amount	
Financial instrument	\$	\$	\$	\$	\$	\$	%
<i>Financial assets</i>							
Cash and cash equivalents	5,454,668	-	-	-	80,121	5,534,789	3.1
Trade and other receivables	-	-	-	-	64,783	64,783	-
Other assets	-	-	-	-	79,484	79,484	-
Total financial assets	5,454,668	-	-	-	224,388	5,679,056	
<i>Financial liabilities</i>							
Trade creditors	-	-	-	-	59,811	59,811	-
Other creditors and accruals	-	-	-	-	68,813	68,813	-
Total financial liabilities	-	-	-	-	128,624	128,624	

(b) Net fair values

All financial assets and liabilities have been recognised, at the balance date, at amounts approximating their carrying value.

(c) Credit risk exposures

The Group has no significant concentrations of credit risk. The maximum exposure to credit risk, at balance date, is the carrying amount (net of provision of doubtful debts) of those assets as disclosed in the balance sheet and notes to the financial statements. As the Group does not presently have any debtors other than GST receivable, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

4. BUSINESS COMBINATION

On 19 August 2013, the Company acquired 100% of the issued share capital of West Rock Resources Limited ("West Rock Resources" now West Rock Resources Pty Ltd), a company based in Australia that, through its wholly owned subsidiaries, explores for minerals in Colombia. The details of the business combination are set out below:

Fair value of consideration transferred	\$		
Cash	-		
Equity instruments – 100,000,000 fully paid ordinary shares	1,500,000		
Equity instruments – 30,000,000 fully paid ordinary shares (Class A deferred shares)	630,000		
Equity instruments - options	561,298		
Fair value of consideration issued	<u>2,691,298</u>		
Contingent consideration			
30,000,000 fully paid ordinary shares to be issued upon satisfaction of Milestone 2 (Class B deferred Shares) – 20% probability applied	126,000		
Total fair value of consideration	<u>2,817,298</u>		
<hr/>			
Recognised amounts of identifiable net assets	Book Value	Fair Value Adjustment	Fair Value
	\$	\$	\$
Cash	639,797	-	639,797
Trade and other receivables	133,711	-	133,711
Total Current Assets	<u>773,508</u>	-	<u>773,508</u>
Plant and equipment	4,155	-	4,155
Exploration and evaluation properties	-	3,482,553	3,482,553
Total Non-Current Assets	<u>4,155</u>	<u>3,482,553</u>	<u>3,486,708</u>
Total Assets	<u>777,663</u>	<u>3,482,553</u>	<u>4,260,216</u>
Trade and other payables	(173,659)	-	(173,659)
Other financial liabilities	(465,593)	-	(465,593)
Total Current Liabilities	<u>(639,252)</u>	-	<u>(639,252)</u>
Deferred tax liability	-	(803,666)	(803,666)
Total Non-Current Liabilities	-	(803,666)	(803,666)
Total Liabilities	<u>(639,252)</u>	<u>(803,666)</u>	<u>(1,442,918)</u>
Identifiable Net Assets	<u>138,411</u>	<u>2,678,887</u>	<u>2,817,298</u>
Consideration transferred in cash			-
Cash and cash equivalents acquired			639,797
Net cash inflow on acquisition			<u>639,797</u>

(a) *Equity instruments issued*

The value of equity instruments issued was determined based on both a deemed issue price of \$0.015 per share, being the equivalent price of the capital raising that was a condition precedent to the transaction proceeding, and the share price on the date of the acquisition, 19 August 2013, being \$0.021.

The closing share price of the Parent Entity on the ASX on the day prior to the acquisition announcement dated 7 May 2013 was \$0.01 per share.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

4. BUSINESS COMBINATION (CONTINUED)

The milestone in relation to the issue of Class A Deferred Shares was the designation of one of West Rock Resource's projects as a 'project of merit' under the terms of the Strategic Alliance Agreement with Cliffs Natural Resources Inc. This milestone was satisfied prior to the date of acquisition. Consequently, the Class A Deferred Shares were issued on the date of acquisition and form part of the fair value of equity consideration issued. The milestone for the Class B Performance shares to be issued is the delineation, within 4 years of the date of the agreement of:

- a JORC code compliant inferred resource of 1m oz Au equivalent at > 2 grams per tonne gold equivalent; or
- a JORC code compliant inferred resource of 1Mt Cu equivalent at > 0.5% Cu equivalent; or
- a JORC code compliant inferred resource of 4.5m oz Au equivalent at > 0.75 g/t Au equivalent.

At acquisition date, management estimated the probability of the milestone for the Class B Performance shares being achieved as 20%.

(b) *Identifiable net assets*

The fair values of the identifiable net assets of West Rock Resources at 19 August 2013 have been adjusted via an increase in the value of exploration and evaluation assets. In accordance with the Group's accounting policy, the value of exploration and evaluation assets acquired are capitalised, and as further exploration and evaluation expenses are incurred, costs are written off during the period.

(c) *Impact of acquisition on the results of the Group*

In the period from 19 August 2013 to 30 June 2014, West Rock Resources contributed a loss of \$577,640 to the Group's result. If the acquisition had occurred on 1 July 2013, management estimates that the consolidated loss of the Group would have increased by \$85,880, as a result of additional exploration expenditure incurred by West Rock Resources in the period from 1 July 2013 to 19 August 2013.

5. 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 revenues and profit generated by each of the Group's operating segments and segment assets and liabilities are summarised as follows:

	\$ Australia		\$ Colombia		\$ Elimination		\$ Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Segment Revenues	186,685	502,344	397	-	-	-	187,082	502,344
Segment Operating (Losses)	(3,273,966)	(1,205,009)	(1,269,572)	(1,649,195)	1,801,629	-	(2,741,909)	(2,854,204)
Segment Assets	5,317,293	8,037,412	925,048	127,051	(135,546)	-	6,106,795	8,164,463
Segment Liabilities	(629,950)	(551,677)	(674,693)	(49,166)	-	-	(1,304,643)	(600,843)

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

6. REVENUE

	Consolidated	
	2015 \$	2014 \$
From continuing operations		
Other revenue	110,523	61,935
Interest	76,367	439,226
Contributions from Cliffs Natural Resources – Strategic Alliance	192	1,183
Sundry Income	187,082	502,344

7. EXPENSES

	Consolidated	
	2015 \$	2014 \$
Loss before income tax includes the following specific expenses:		
Depreciation of plant and equipment	15,525	6,219
Exploration and evaluation expenditure	1,902,576	1,200,236
Exploration and evaluation asset write-off	-	1,148,095

8. INCOME TAX

	Consolidated	
	2015 \$	2014 \$
(a) Income tax expense/(benefit)		
Current tax	-	-
Deferred tax	-	-
Adjustments for current tax of prior years	-	-
	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	(2,741,909)	(2,854,204)
Prima facie tax benefit at the Australian tax rate of 30% (2014: 30%)	(822,573)	(856,261)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Sundry items	486,962	549,861
	(335,611)	(306,400)
Unrecognised temporary differences	(25,190)	(23,606)
Tax effect of current year tax losses for which no deferred tax asset has been recognised	360,801	330,006
Income tax expense/(benefit)	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

8. INCOME TAX (CONTINUED)

(c) Unrecognised temporary differences

Deferred Tax Assets (at 30%)

On Income Tax Account

Section 40-880 deductions	74,496	87,587
Accumulated depreciation	-	-
Accruals and provisions for employee entitlements	13,538	12,159
Carry forward tax losses	3,318,944	2,995,776
	3,406,978	3,095,522
Deferred Tax Liabilities (at 30%)		
Exploration and evaluation assets	459,238	459,238

Net deferred tax assets have not been brought to account, as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

9. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	Consolidated	
	2015	2014
	\$	\$
Cash on hand	24	-
Cash at bank	2,765,283	5,534,789
Cash and cash equivalents as shown in the balance sheet and the statement of cash flows	2,765,307	5,534,789

10. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	Consolidated	
	2015	2014
	\$	\$
Goods and services tax receivable	5,510	16,774
Other receivables	11,115	48,009
Prepayments	35,749	36,978
	52,374	101,761

None of the above receivables are past due and therefore are not impaired and are within initial trade terms.

11. NON-CURRENT ASSETS – EXPLORATION AND EVALUATION ASSETS

	Consolidated	
	2015	2014
	\$	\$
Balance at beginning of the year	2,392,201	-
Additions	779,595	3,884,724
Reduction of Deferred Tax Liability (Note 16)	-	(344,428)
Write-downs	-	(1,148,095)
Balance at the end of the year	3,171,796	2,392,201

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

12. NON-CURRENT ASSETS – OTHER

	Consolidated	
	2015	2014
	\$	\$
Bonds and security deposits	16,884	79,484
VAT receivable	57,973	-
	<hr/>	<hr/>
	74,857	79,484

13. NON-CURRENT ASSETS - PLANT AND EQUIPMENT

	Consolidated	
	2015	2014
	\$	\$
Plant and equipment		
Cost	72,696	70,335
Accumulated depreciation	(30,235)	(14,107)
Net carrying amount	<hr/>	<hr/>
	42,461	56,228
Plant and equipment – movement		
Opening net book amount	56,228	804
Additions	6,466	57,488
Depreciation charge	(15,525)	(6,219)
Foreign exchange translation	(4,708)	4,155
Closing net carrying amount	<hr/>	<hr/>
	42,461	56,228

14. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	Consolidated	
	2015	2014
	\$	\$
Trade payables	135,169	59,811
Other payables and accruals	684,231	68,813
	<hr/>	<hr/>
	819,400	128,624

15. CURRENT LIABILITIES – PROVISIONS

	Consolidated	
	2015	2014
	\$	\$
Provision for Annual leave	26,005	12,981

16. NON-CURRENT LIABILITIES – DEFERRED TAX LIABILITIES

	Consolidated	
	2015	2014
	\$	\$
Deferred tax liabilities comprises temporary differences attributable to:		
Beginning Exploration and evaluation on acquisition	459,238	803,666
Reduction of Deferred Tax Liability due to impairment	-	(344,428)
Deferred Tax Liability	<hr/>	<hr/>
	459,238	459,238

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

17. CONTRIBUTED EQUITY

(a) Share capital

Notes	2015		2014	
	Number of shares	\$	Number of shares	\$
Ordinary shares fully paid	543,092,523	18,521,280	543,092,523	18,521,280
Total contributed equity	543,092,523	18,521,280	543,092,523	18,521,280

(b) Movements in ordinary share capital

	2015		2014	
	Number of shares	\$	Number of shares	\$
Beginning of the financial year	543,092,523	18,521,280	146,404,000	9,253,222
Issued during the year:				
26 March 2014 issued for cash at 3.8 cents	-	-	58,157,918	2,210,000
7 March 2014 issued for cash at 3.8 cents	-	-	95,000,000	3,610,000
19 August 2013 issued for cash at 1.5 cents	-	-	113,530,605	1,702,959
19 August 2013 issued as consideration for purchase of West Rock Resources	-	-	130,000,000	2,130,000
Less: Transaction costs	-	-		(384,901)
End of the financial year	543,092,523	18,521,280	543,092,523	18,521,280

(c) Movements in options on issue

	Number of options	
	2015	2014
Beginning of the financial year	91,402,597	5,200,000
Issued during the year:	-	104,100,000
Expired or lapsed during the year	-	(17,897,403)
End of the financial year	91,402,597	91,402,597

Options on issue at the end of the year have the following exercise prices and expiry dates:

2015				2014			
Issue Date	Number	Ex. Price	Expiry Date	Issue Date	Number	Ex. Price	Expiry Date
16 Nov 12	5,200,000	\$0.035	31 Dec 15	16 Nov 12	5,200,000	\$0.035	31 Dec 15
19 Aug 13	21,311,455	\$0.03	19 Jul 16	19 Aug 13	21,311,455	\$0.03	19 Jul 16
19 Aug 13	20,791,142	\$0.06	19 Jul 16	19 Aug 13	20,791,142	\$0.06	19 Jul 16
20 Aug 13	30,000,000	\$0.03	19 Aug 16	20 Aug 13	30,000,000	\$0.03	19 Aug 16
5 Nov 13	6,000,000	\$0.03	4 Oct 16	5 Nov 13	6,000,000	\$0.03	4 Oct 16
5 Nov 13	6,000,000	\$0.06	4 Oct 16	5 Nov 13	6,000,000	\$0.06	4 Oct 16
20 Dec 13	1,150,000	\$0.03	19 Dec 16	20 Dec 13	1,150,000	\$0.03	19 Dec 16
20 Dec 13	950,000	\$0.06	19 Dec 16	20 Dec 13	950,000	\$0.06	19 Dec 16
Total	91,402,597			Total	91,402,597		

Options on issue at the end of the year have a weighted average exercise price of 3.94 cents (2014: 3.94 cents) and a weighted average expiry period of 1.09 years (2014: 2.09 years).

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

17. CONTRIBUTED EQUITY (CONTINUED)

(d) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Parent Entity in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(e) Capital risk management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group looks to raise capital when an opportunity to invest in, or explore a project is seen as value adding relative to the Parent Entity's share price at the time of investment.

18. DIVIDENDS

No dividends were paid during the financial year. No recommendation for payment of dividends has been made.

19. RESERVES

Nature and purpose of reserves

(a) Share/Option reserve

The share/option reserve is used to recognise the fair value of shares/options issued.

	Consolidated	
	2015	2014
	\$	\$
Balance at beginning of year	1,400,317	602,883
Issue of options	-	797,434
Balance at end of year	1,400,317	1,400,317

(b) Foreign currency translation reserve

The foreign currency translation reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations that do not use Australian Dollars as their functional currency. It is also used to recognise gains and losses arising from hedges on the net investments in foreign operations.

	Consolidated	
	2015	2014
	\$	\$
Balance at beginning of year	(13,693)	-
Exchange differences arising on translating the foreign operations	(19,559)	(13,693)
Balance at end of year	(33,252)	(13,693)

20. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and ageing analysis for credit risk.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

20. FINANCIAL INSTRUMENTS (CONTINUED)

Risk management is carried out by senior finance executives ("Finance Executives") under policies approved by the Board. These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance Executives identify, evaluate and hedge financial risks within the consolidated entity's operating units. Finance Executives report to the Board on a monthly basis.

(b) Market risk

(i) Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date was as follows:

	Assets		Liabilities	
	2015	2014	2015	2014
Consolidated	\$	\$	\$	\$
Colombian Pesos	1,791,450	127,051	1,541,094	49,167

Based on the net exposure to foreign currencies, a change in the foreign exchange rate as at the end of the year would affect the Group's financial results as set out below:

Currency Translation Effect	% Change	Assets		Equity	
		2015	2014	2015	2014
Colombian Pesos strengthens against Australian Dollar	+10%	199,050	14,117	27,817	8,654
Colombian Pesos weakens against Australian Dollar	-10%	(162,859)	(11,550)	(22,760)	(7,081)

(ii) Price risk

The consolidated entity is not currently exposed to commodity price risk as it is in the exploration phase. The consolidated entity is indirectly exposed to commodity price movements such as gold, copper and silver as movements in the prices of these commodities may affect the ability of the consolidated entity to access capital markets.

(iii) Interest rate risk

The consolidated entity's main interest rate risk arises from cash and term deposits held at variable interest rates. Term deposits issued at fixed rates expose the consolidated entity to fair value risk. The Group policy is to maximise interest rate returns, having regard to the cash requirements of the exploration and administration operations of the business.

(iv) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

(v) Liquidity risk

Liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

21. PARENT ENTITY INFORMATION

	Parent	
	2015	2014
	\$	\$
Total current assets	2,773,635	5,565,725
Total assets	5,051,700	8,247,394
Total current liabilities	(170,712)	(92,440)
Total liabilities	(170,712)	(92,440)
Equity		
Issued capital	18,521,280	18,521,280
Share based payments reserve	1,400,317	1,400,317
Accumulated losses	(15,040,609)	(11,766,643)
Total equity	4,880,988	8,154,954

(a) Contingent Liabilities

The parent entity had no contingent liabilities as at 30 June 2015 and 30 June 2014.

(b) Capital Commitments

The parent entity had no capital commitments as at 30 June 2015 and 30 June 2014.

(c) Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

22. INTERESTS IN SUBSIDIARIES

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

Name	Principal Place of Business / Country of Incorporation	Ownership interest	
		2015	2014
West Rock Resources Pty Ltd	Australia	100%	100%
West Rock Resources Panama Inc	Panama	100%	100%
West Rock Resources Sucursal Colombia (Branch)	Colombia	100%	100%
Golden Pacifico Exploration SAS	Colombia	100%	100%
Pacifico Holdings SAS	Colombia	100%	100%

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

23. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditors of the Group, its related practices and non-related audit firms:

	Consolidated	
	2015	2014
	\$	\$
(a) Audit services		
Stantons International - audit and review of financial reports	28,536	34,589
Total remuneration for audit services	<u>28,536</u>	<u>34,589</u>

(b) Non-Audit services

None during the year

24. CONTINGENCIES

There are no material contingent liabilities or contingent assets of the Group at balance date other than the royalty payable on the AngloGold agreement. Should the Company develop the Berrio tenements into a mine, there will be a 2% net smelter royalty payable, upon commencement of production, to Anglogold Ashanti Colombia S.A. from any minerals extracted from the El Vapor properties owned by Anglogold Ashanti Colombia S.A. A number of the tenements the company acquired from Anglogold Ashanti Colombia S.A. had been previously owned by Mineros S.A. and have 3% net smelter royalty payable to Mineros S.A. upon commencement of production.

25. 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 balance sheet 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.

(a) Exploration commitments

	Consolidated	
	2015	2014
	\$	\$
Within one year	348,686	534,761
Later than one year but not later than five years	-	-
	<u>348,686</u>	<u>534,761</u>

(b) Remuneration commitments

	Consolidated	
	2015	2014
	\$	\$
Within one year	49,275	54,750
Later than one year but not later than five years	-	-
	<u>49,275</u>	<u>54,750</u>

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

25. COMMITMENTS (CONTINUED)

(c) Acquisition/vendor commitments

	Consolidated	
	2015	2014
	\$	\$
Within one year	1,475,776	1,716,601
Later than one year but not later than five years	4,321,825	7,860,287
	<hr/>	<hr/>
	5,797,601	9,576,888

26. INTERESTS IN JOINT OPERATIONS

The consolidated entity recognises its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated into the financial statements under the appropriate classifications. Information relating to joint operations that are material to the Group are set out below:

Berrio Gold Project assets under joint operation (Pacifico 8.6%)

Net assets carried as at 30 June 2015 \$337,137 (2014: \$337,137). The Directors believed it was in the best interests of shareholders to maximise the potential impact of its cash reserves, and as such, on 17 March 2015, Pacifico terminated the agreement with the vendor in relation to the original seven titles. Pacifico is therefore no longer required to make the payment of US\$750,000, or any other payments contemplated under this option agreement.

Borroloola West Project (Pacifico earning up to 80%)

Net assets carried as at 30 June 2015 \$1,293,520 (2014: \$1,293,520). The Group and Cliffs Natural Resources Inc ("Cliffs") previously had a contractual agreement to source and commercialise mineral projects (the "Alliance"). On 1 July 2013 the Alliance executed a binding agreement with Sandfire Resources NL to acquire up to an 80% interest in the Borroloola West Project. The Alliance has the right to 80% ownership of the license area under the following terms:

- (a) First earn-in: the Alliance to spend \$1,500,000 within 2 years (including minimum \$500k in year 1) to earn 51%;
- (b) Second earn-in: the Alliance may elect to earn an additional 19% by sole funding \$2,500,000 within a further period of 2 years; and
- (c) Third earn-in: the Alliance may elect to earn an additional 10% interest by spending a further \$3,000,000 within a further period of 2 years or sole funding a bankable feasibility study. Whilst Cliffs have withdrawn from the project, the Company will continue with the contract.

Mt Jukes Project (Pacifico 16%)

Net assets carried as at 30 June 2015 \$Nil (2014: \$Nil). The Mt Jukes Project is operated by Corona Gold Ltd, and comprises the Mt Jukes, EL 51/2008 and Miners Ridge, EL 12/2009 tenements. Pacifico has been diluted to a 16% equity level.

Springfield Project (Pacifico 20%)

Net assets carried as at 30 June 2015 \$Nil (2014: \$Nil). The Springfield project is operated by Meridien Resources Ltd and comprises one tenement in New South Wales. Pacifico's 20% interest will be free carried to feasibility.

27. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Since the end of the financial year, the Directors are not aware of any other matter or circumstance not otherwise dealt with in this report or the Financial Statements, that has significantly or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent years, the financial effects of which have not been provided for in the 30 June 2015 Financial Report.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

28. CASH FLOW STATEMENT

Reconciliation of net loss after income tax to net cash outflow from operating activities

	Consolidated	
	2015 \$	2014 \$
Net loss for the year	(2,741,909)	(2,854,204)
Non-Cash Items		
Depreciation of non-current assets	15,525	6,219
Write off exploration expenditure	-	1,148,095
Settlement	(76,367)	-
Share based payments	-	107,135
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	35,785	75,062
(Increase)/decrease in other assets	4,627	(2,484)
Increase/(decrease) in trade and other payables	58,968	(580,211)
Increase/(decrease) in provisions	13,024	(9,015)
Net cash outflow from operating activities	<u>(2,690,347)</u>	<u>(2,109,403)</u>
Non-cash financing and investing activities		
Acquisition of exploration assets	(658,174)	-

29. LOSS PER SHARE

(a) Reconciliation of earnings used in calculating loss per share

	Consolidated	
	2015 \$	2014 \$
Loss attributable to the ordinary equity holders of the Parent Entity used in calculating basic and diluted loss per share	(2,741,909)	(2,854,204)

(b) Weighted average number of shares used as the denominator

	Consolidated	
	2015	2014
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	543,092,523	402,503,727

(c) Information on the classification of options

As the Group has made a loss for the year ended 30 June 2015, all options on issue are considered antidilutive and have not been included in the calculation of diluted earnings per share. These options could potentially dilute basic earnings per share in the future.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

30. SHARE BASED PAYMENTS

Set out below are the terms of options issued during the prior period, and those that contributed to the share based payments expense disclosed in the statement of financial performance for the year ended 30 June 2014 (there were no options issued during the year ended 30 June 2015):

Grant Date	Expiry Date	Exercise Price	Number	Total Value	Share Based Payment
				\$	\$
19 August 2013 ⁽¹⁾	19 July 2016	\$0.03	30,000,000	327,976	327,976
19 August 2013 ⁽¹⁾	19 July 2016	\$0.06	30,000,000	233,322	233,322
20 August 2013 ⁽²⁾	19 August 2016	\$0.03	30,000,000	3,000	-
5 November 2013	4 October 2016	\$0.03	6,000,000	51,678	51,678
5 November 2013	4 October 2016	\$0.06	6,000,000	35,496	35,496
20 December 2013	19 December 2016	\$0.03	1,150,000	12,572	12,572
20 December 2013	19 December 2016	\$0.06	950,000	7,389	7,389
				104,100,000	671,433
					668,433

- (1) On 19 August 2013, 60,000,000 options were issued to vendors as consideration for the acquisition of West Rock Resources. The value of these options has been capitalised as part of the purchase price consideration, and do not form part of the share based payments disclosed in the statement of financial performance.
- (2) On 20 August 2013, 30,000,000 options were issued to clients of Argonaut Securities. Options were issued for cash consideration of \$3,000, and do not form part of share based payments disclosed in the statement of financial performance.

For options issued during the prior year, the valuation model inputs used to determine the fair value at grant date, are as follows:

Grant Date	Expiry Date	Share Price at Grant Date	Exercise Price	Volatility	Risk Free Interest Rate	Fair Value at Grant Date
19 August 2013	19 July 2016	\$0.021	\$0.03	92.6%	3.05%	\$0.0109
19 August 2013	19 July 2016	\$0.021	\$0.06	92.6%	3.05%	\$0.0078
5 November 2013	4 October 2016	\$0.018	\$0.03	92.6%	3.05%	\$0.0086
5 November 2013	4 October 2016	\$0.018	\$0.06	92.6%	3.05%	\$0.0059
20 December 2013	19 December 2016	\$0.021	\$0.03	92.6%	3.05%	\$0.0109
20 December 2013	19 December 2016	\$0.021	\$0.06	92.6%	3.05%	\$0.0078

The assumed dividend yield for Pacifico shares in relation to all options issued is Nil.

31. RELATED PARTY TRANSACTIONS

The Group has no transactions with related parties.

Shares and options issued as compensation in 2014 for acquisition of West Rock Resources are as follows:

	Shares	Options
Simon Noon	18,594,659	17,897,403
Peter Harold	4,250,945	7,875,000

There were no shares or options issued as share based payments during the year ended 30 June 2015.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2015

32. KEY MANAGEMENT PERSONNEL COMPENSATION

	Consolidated	
	2015	2014
	\$	\$
Short term employee benefit	485,748	411,240
Post employment benefit	39,514	24,978
Share based payments	-	100,271
	525,262	536,489

DIRECTORS DECLARATION

30 JUNE 2015

In accordance with a resolution of the Board of Directors of Pacifico Minerals Limited, I state that:

In the opinion of the Directors:

- the financial statements and notes set out on pages 39 to 63 are in accordance with the Corporations Act 2001, including:
 - complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
 - the audited remuneration disclosures set out on pages 19 to 19 of the Directors' report comply with Accounting Standards AASB 124 *Related Party Disclosures* and the Corporations Regulations 2001.
 - the financial statements and notes also comply with International Financial Reporting Standards
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2015.

On behalf of the Board



Richard Monti
Chairman

22 September 2015

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

Report on the Financial Report

We have audited the accompanying financial report of Pacifico Minerals Limited, which comprises the consolidated statement of financial position as at 30 June 2015, 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 year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error. In note 1(a), the directors also state, in accordance with Australian Accounting Standard AASB 101: *Presentation of Financial Statements* that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

- (a) the financial report of Pacifico Minerals Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) the financial report of the Company also complies with International Financial Reporting Standards as disclosed in note 1(a).

Report on the Remuneration Report

We have audited the remuneration report included in pages 19 to 24 of the directors' report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

Auditor's opinion

In our opinion the remuneration report of Pacifico Minerals Limited for the year ended 30 June 2015 complies with section 300 A of the Corporations Act 2001.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)

(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

Martin Michalik
Martin Michalik
Director

West Perth, Western Australia
22 September 2015

ASX ADDITIONAL INFORMATION

Additional information requested by the Australian Stock Exchange and not shown elsewhere in the report is as follows:

The information is current as at 10 September 2015.

(a) Distribution of equity securities

Ordinary Shares		
Analysis of numbers of equity security holders by size of holding	Number of holders	Number of shares
1-1,000	72	15,261
1,001 - 5,000	24	81,344
5,001 - 10,000	65	600,089
10,001 - 100,000	270	13,026,927
100,001 and over	445	529,368,902
Total on register	876	543,092,523
The number of equity security holders holding less than a marketable parcel of securities are:	311	4,639,631

(b) Twenty largest shareholders

	Listed ordinary shares	
	Number of shares	Percentage of ordinary shares
1. HSBC CUSTODY NOM AUST LIM	25,000,000	4.60%
2. NOON SIMON ALEXANDER	19,218,517	3.54%
3. BOLTON BARRIE R + LING H	19,019,407	3.50%
4. GREATCITY CORP PL	18,835,308	3.47%
5. CLARK TRAVIS ROHAN	15,835,000	2.92%
6. PAKSIAN PL	14,394,737	2.65%
7. PERSHING AUST NOM PL	14,250,000	2.62%
8. HOLMES DONALD SHANE + S	12,521,189	2.31%
9. JOSSELIN PL	12,250,000	2.26%
10. BEELONG PL	10,000,000	1.84%
11. BOXWOOD PL	9,181,711	1.69%
12. HOTLAKE PL	9,000,000	1.66%
13. J P MORGAN NOM AUST LTD	8,277,162	1.52%
14. MASSAWE ERNEST SARONGA	8,000,000	1.47%
15. CANTORI PL	7,596,252	1.40%
16. GECKO RES PL	6,600,000	1.22%
17. ARGONAUT EQUITY PTNRS PL	6,394,737	1.18%
18. JAKORY PL	6,000,000	1.10%
19. BEACON EXPL PL	5,000,000	0.92%
20. SDG NOM PL	5,000,000	0.92%
Top 20 Total	232,374,020	42.79%

ASX ADDITIONAL INFORMATION

(c) Substantial Shareholders

There are no substantial shareholders

(d) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(e) Schedule of interests in mining tenements

Location	Tenement ID	Percentage held/earning
Berrio - Colombia	IDI-16112X	8.6%
Berrio - Colombia	IDI-16113X	8.6%
Berrio - Colombia	HINN-02	8.6%
Berrio - Colombia	JG1-09552	8.6%
Berrio - Colombia	T1935005	8.6%
Berrio - Colombia	IHF-08012	7.5%
Berrio - Colombia	T1928005	5.7%
Berrio – Colombia	6822	100% / 100%
Berrio – Colombia	6822B	100% / 100%
Berrio – Colombia	6823	100% / 100%
Berrio – Colombia	6824	100% / 100%
Berrio – Colombia	6824B	100% / 100%
Berrio – Colombia	6825	100% / 100%
Berrio – Colombia	6826	100% / 100%
Urrao – Colombia	2791	51% / 100%
Urrao – Colombia	IHL-16271	51% / 100%
Borroloola – Northern Territory	EL24401	0% / 80%
Borroloola – Northern Territory	EL26587	0% / 80%
Borroloola – Northern Territory	EL26837	0% / 80%
Borroloola – Northern Territory	EL26938	0% / 80%
Borroloola – Northern Territory	EL26939	0% / 80%
Borroloola – Northern Territory	EL28508	0% / 80%
Borroloola – Northern Territory	EL28534	0% / 80%
Borroloola – Northern Territory	EL28540	0% / 80%
Borroloola – Northern Territory	EL28541	0% / 80%
Borroloola – Northern Territory	EL28657	0% / 80%
Borroloola – Northern Territory	EL28658	0% / 80%
Borroloola – Northern Territory	EL28659	0% / 80%
Borroloola – Northern Territory	MLN624	0% / 80%
Borroloola – Northern Territory	EL30157	0% / 80%
Borroloola – Northern Territory	EL30302	0% / 80%
Borroloola – Northern Territory	EL30305	0% / 80%
Mount Jukes – Tasmania	EL51/2008	16%
Miners Ridge – Tasmania	EL12/2009	16%
Springfield – NSW	EL4220	20%