



ASX ANNOUNCEMENT

29 January 2016

REVISED TERMS OF SYNTONIC ACQUISITION

HIGHLIGHTS:

- **Pacific and Syntonic have agreed to restructure the consideration to acquire Syntonic to 1,200 million Pacific shares and 500 million performance shares subject to achievement of key business milestones.**
- **Substantial news flow is expected over the next several months as Syntonic expands its worldwide operations and captures its growing sales pipeline in key markets including the U.S. and Southeast Asia.**

Pacific Ore Limited ("Pacific" or "Company") (ASX:PSF) is pleased to advise that it has successfully renegotiated the terms of its conditional binding agreement to acquire 100% of the issued share capital of US-based Syntonic Wireless, Inc. ("**Syntonic**").

As previously announced on 10 December 2015, Pacific entered into an agreement to acquire 100% of the issued share capital of US-based Syntonic, a leader in mobile connected services with market leading solutions: **Freeway by Syntonic®**, allows free-of-charge, mobile internet access on smartphones by having advertisers sponsoring the data; and **Syntonic DataFlex®**, allows businesses to manage split billing expenses for employees when using their personal mobile phones for work.

Mr. Gary Greenbaum, CEO of Syntonic, said *"We are pleased to reach agreement with Pacific for the acquisition of Syntonic. With renegotiated terms that include incentives for realising key success milestones, we believe this new structure provides greater investment return for Pacific and Syntonic shareholders, and provides the capital structure for Syntonic to capture its opportunity pipeline. Our mission remains the same --- to transform the mobile industry with an entirely new way of capitalizing the value of mobile applications, content, and network traffic. We are excited by Pacific's proposed acquisition and the opportunity it provides to accelerate our mobile services."*

Under the revised agreement between Pacific and Syntonic, the consideration payable by Pacific to acquire 100% of Syntonic will now comprise:

- (a) 1,200,000,000 ordinary shares (previously 2,650,000,000 ordinary shares) to the security holders of Syntonic, subject to ASX escrow provisions; and
- (b) 500,000,000 performance shares which shall convert into an equal number of ordinary shares upon satisfaction of the following milestones:
 - (i) One-third shall convert upon Freeway by Syntonic® (including the white-label version of the product sold by partners) having an addressable audience of 100,000,000 mobile subscribers within 12 months from the date of completion of the acquisition;
 - (ii) One-third shall convert upon Freeway by Syntonic® (including the white-label version of the product sold by partners) having an addressable audience of 150,000,000 mobile subscribers within 18 months from the date of completion of the acquisition; and
 - (iii) One-third shall convert upon Syntonic DataFlex® (including the white-label version of the product sold by partners) agreements with 50 businesses within 24 months from the date of completion of the acquisition.

Pacific and Syntonic now have 30 days to complete due diligence on the other party's business and operations, following which a Notice of Meeting is expected to be sent to Pacific shareholders which will include information on Syntonic and set out various resolutions relating to the acquisition.

In consideration for successful completion of due diligence, Pacific will provide an interim loan of A\$250,000 to Syntonic to fund their ongoing business activities. All other key terms of the acquisition, which is subject to approval by Pacific shareholders, remain unchanged.

Pacific is looking forward to completing its proposed acquisition of Syntonic and providing further announcements as Syntonic grows its global business and captures the sales pipeline in the U.S., Europe, and emerging markets in Southeast Asia and Latin America.

Revised Pro Forma Capital Structure

The Company's revised indicative capital structure following completion of the public offer and acquisition will be as follows:

Capital Structure	Shares	Performance Shares	Options
Current capital structure	656,776,880	-	-
Consideration Shares	1,200,000,000	500,000,000	-
Capital Raising	280,000,000	-	-
Capital Raising and Transaction Options	-	-	152,500,000
Total on completion of Acquisition	2,136,776,880	500,000,000	152,500,000

Syntonic News

Syntonic is working towards the following upcoming milestones in 2016:

- Expand Freeway by Syntonic into South East Asia in Q1 2016;
- Broader reach of Syntonic DataFlex in North America;
- Entrance of Syntonic DataFlex in Europe; and
- Finalise top-level management appointments to the Corporate and Strategic Advisory Boards.

Revised Indicative Timetable

Event	Date
Completion of due diligence period	26 February 2016
Despatch of Notice of General Meeting	9 March 2016
Lodge Prospectus with the ASIC and ASX	25 March 2016
Opening Date of the public offer	25 March 2016
General Meeting held to approve the Acquisition	8 April 2016
Closing Date of the public offer	22 April 2016
Re-compliance with Chapters 1 and 2 of the ASX Listing Rules	13 May 2016
Re-quotation of Pacific shares on ASX	20 May 2016

About Syntonic

Syntonic is a Seattle, US based software company which has developed two technology services: Freeway by Syntonic, allows free-of-charge, mobile internet access on smartphones by having advertisers sponsoring the data; and Syntonic DataFlex, allows businesses to manage split billing expenses for employees when using their personal mobile phones for work. Founded in 2013, Syntonic has developed worldwide strategic partnerships with leaders in the mobile ecosystem. To learn more about Syntonic, visit www.syntonic.com.

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