

## ASX ANNOUNCEMENT

29 January 2016

### DECEMBER 2015 QUARTERLY REPORT

The Directors of Pacific Ore Limited ("**Pacific**" or "**Company**") are pleased to present its quarterly report for the period ended 31 December 2015.

Highlights during, and subsequent to, the quarter were as follows:

- Entered into a conditional agreement to acquire 100% of the issued share capital of US-based Syntonic Wireless, Inc. ("**Syntonic**"), a leader in mobile connected services with market leading solutions, including:
  1. **Freeway by Syntonic®**, which allows free-of-charge, mobile internet access on smartphones by having advertisers sponsoring the data; and
  2. **Syntonic DataFlex®**, which allows businesses to manage split billing expenses for employees when using their personal mobile phones for work.
- Syntonic announced that AT&T customers will have free mobile data access to the Consumer Electronics Show ("**CES**") conference site using Freeway by Syntonic, the company's sponsored data application. CES is an internationally renowned electronics and technology trade show that takes place every year in Las Vegas and provides a unique opportunity to showcase the power of Syntonic's sponsored data solution.
- 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 following upcoming milestones: expanding Freeway by Syntonic into South East Asia; broadening the reach of Syntonic DataFlex in North America; and entrance of Syntonic DataFlex into Europe.
- Successfully renegotiated the consideration payable by Pacific to acquire 100% of Syntonic which will now comprise 1,200 million Pacific shares and 500 million performance shares subject to achievement of key business milestones.
- As at 31 December 2015, the Company had cash reserves of approximately \$2.3 million placing the Company in a strong position to conduct its current activities.

For all enquiries, please contact:

**Greg Swan** | Company Secretary  
Tel: +61 8 9322 6322

## **Proposed Acquisition of Syntonic**

In December 2015, the Company entered into a conditional binding agreement to acquire 100% of the issued share capital of Syntonic.

Syntonic is a Seattle-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](http://www.syntonic.com).

Syntonic already has revenue generating operator deployments with worldwide tier-1 mobile carriers, including AT&T which has more than 60 million eligible subscribers, and others in the rapidly expanding Asian markets.

Syntonic's proven executive team, including co-founders Gary S. Greenbaum and Rahul Agarwal, has more than 60 years of mobile technology experience with senior executive positions at Microsoft, Hutchison Whampoa, RealNetworks, Adobe, and EA Games.

Syntonic's Advisory Board providing business expertise and guidance includes: Steve Elfman, former President of Sprint; Rudy Gadre, former VP and General Counsel of Facebook; and Bill Richter, former President of EMC, Isilon Storage Division.

The proposed acquisition of Syntonic by Pacific will provide an ASX-listed platform for Syntonic to grow its global business and to capture the sales pipeline in the U.S., Europe, and emerging markets in South East Asia and Latin America.

Under the revised agreement between Pacific and Syntonic, the consideration payable by Pacific to acquire 100% of Syntonic will comprise: 1,200,000,000 ordinary shares to the security holders of Syntonic, subject to ASX escrow provisions; and 500,000,000 performance shares which shall convert into an equal number of ordinary shares upon satisfaction of key business milestones.

Pacific and Syntonic 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.

## **Corporate**

In November 2015, the Company completed a share placement of 110 million shares at \$0.007 each to sophisticated investors to raise gross proceeds of \$770,000. The Placement was arranged by CPS Capital Group Pty Ltd.

As at 31 December 2015, the Company had cash reserves of approximately \$2.3 million placing the Company in a strong position to conduct its current activities.

## **Perivale North Tenement**

The Perivale North Tenement consists of Exploration Licence E57/818 covering an area of 120km<sup>2</sup> and is located approximately 550km northeast of Perth, Western Australia in the Southern Cross Domain of the Yilgarn Craton. The tenement is considered prospective for iron and other minerals including gold. The Company continues to assess its options and plans for further exploration at the Perivale North Tenement.

### BioHeap™ Royalty

In consideration for the sale of the Company's BioHeap™ technology business and associated entities to Western Areas in 2009, the Company is entitled to a 2% net royalty on revenues (net of costs) attributable to ore processed using the BioHeap™ bacterial leaching technology. Western Areas has completed a feasibility study for its Forrestania Mill Recovery Enhancement Project ("Mill Enhancement") which is expected to recover an additional 1,200 nickel tonnes in concentrate per annum and will employ the BioHeap™ bacterial leaching technology.

### Other Tenements

During the March 2015 quarter the Company applied for an exploration tenement in Western Australia targeting zinc-copper-gold. The tenement is located in the Gullewa Greenstone belt, approximately 270 kilometres northeast of Perth. The timing for the grant of the tenement is unknown at this stage. Once the tenement is granted, the Company will review available data to determine the initial exploration activities to be undertaken.

### Tenement Information

As at 31 December 2015, the Company has an interest in the following exploration tenements:

Project Name	Permit Number	Percentage Interest	Status
Perinvale North Tenement	E57/818	Nil *	Granted
ELA59/2138 Tenement	ELA59/2138	100%	Application

\*The Company has entered into a farm-in agreement to earn up to a 70% interest in the Perinvale North Project.

# Appendix 5B

## Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

PACIFIC ORE LIMITED

ABN

68 123 867 765

Quarter ended ("current quarter")

31 DECEMBER 2015

### Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for:		
	(a) exploration & evaluation	(1)	(6)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(86)	(147)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	13	25
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material):		
	(a) business development	(4)	(4)
<b>Net Operating Cash Flows</b>		(78)	(132)
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	(350)	(350)
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
<b>Net investing cash flows</b>		(350)	(350)
1.13	Total operating and investing cash flows (carried forward)	(428)	(482)

+ See chapter 19 for defined terms.

**Appendix 5B****Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(428)	(428)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	770	770
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material): (a) capital raising costs	(54)	(54)
	<b>Net financing cash flows</b>	716	716
	<b>Net increase (decrease) in cash held</b>	288	234
1.20	Cash at beginning of quarter/year to date	2,029	2,083
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	2,317	2,317

**Payments to directors of the entity and associates of the directors****Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	55
1.24	Aggregate amount of loans to the parties included in item 1.10	-

## 1.25 Explanation necessary for an understanding of the transactions

Payments include directors' fees, superannuation, company secretarial services and provision of a fully serviced office.

**Non-cash financing and investing activities**

## 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not applicable

## 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not applicable

+ See chapter 19 for defined terms.

### **Financing facilities available**

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### **Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	10
4.2 Development	-
4.3 Production	-
4.4 Administration	40
<b>Total</b>	50

### **Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,317	2,029
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	2,317	2,029

### **Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

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+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

#### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference +securities</b> (description)	-	-	-	-
7.2	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	<b>+Ordinary securities</b>	656,776,880	656,776,880	Not applicable	Not applicable
7.4	Changes during quarter				
	(a) Increases through issues	110,000,000	110,000,000	\$0.007	\$0.007
	(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5	<b>+Convertible debt securities</b> (description)	-	-	-	-
7.6	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through securities matured, converted	-	-	-	-
7.7	<b>Options</b> (description and conversion factor)	-	-	-	-
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	<b>Debentures</b> (totals only)	-	-		
7.12	<b>Unsecured notes</b> (totals only)	-	-		

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX \(see note 5\)](#).
- 2 This statement does ~~/does not~~\* [\(delete one\)](#) give a true and fair view of the matters disclosed.

Sign here: ..... Date: 29 January 2016  
(~~Director~~/Company secretary)

Print name: GREGORY SWAN

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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