

ASX ANNOUNCEMENT

28 April 2016

MARCH 2016 QUARTERLY REPORT

The Directors of Pacific Ore Limited ("**Pacific**" or "**Company**") are pleased to present its quarterly report for the period ended 31 March 2016.

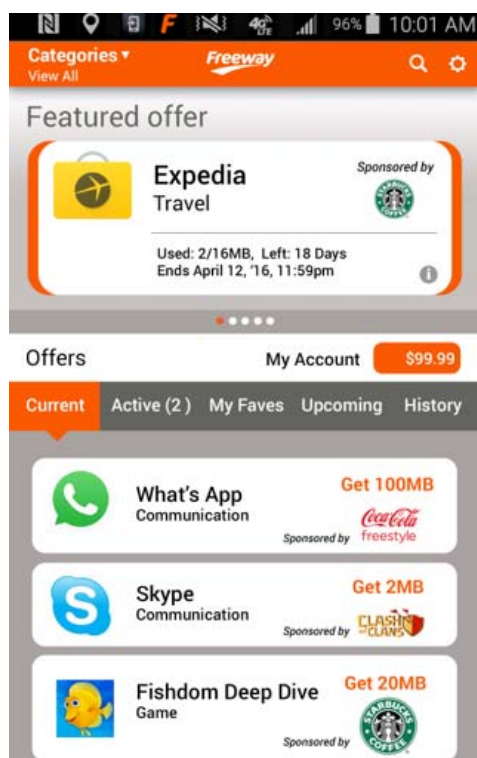
Highlights during, and subsequent to, the quarter were as follows:

- Progressed the Company's proposed acquisition of Syntonic Wireless, Inc. ("**Syntonic**"), a leader in mobile connected services, by completing due diligence on Syntonic, exercising Pacific's option to acquire Syntonic, and dispatching a Notice of General Meeting to seek approval of the acquisition of Syntonic at a shareholder meeting on 23 May 2016;
- 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 sponsor the data; and **Syntonic DataFlex**[®], allows businesses to manage split billing expenses for employees when using their personal mobile phones for work;
- Syntonic announced that it had entered into an agreement with Tata Communications Inc. ("**Tata Communications**") to license Syntonic's platform services for deployment across their worldwide network of mobile operator partners. Tata Communications is the world's largest wholesale voice carrier connecting more than 70% of the world's mobile carriers and handles more than 24% of the world's internet traffic;
- Syntonic announced that its Freeway by Syntonic application will be made available in Southeast Asia shortly. Southeast Asia represents the world's highest concentration of smartphones as well as prepaid data plans, making it the most attractive market for sponsored data services. The market expansion will enable leading mobile operators the opportunity to offer subscribers in the region with free mobile access to an inaugural list of popular messaging and social media applications including Clash of Clans, WhatsApp, BBM, WeChat, and Twitter;
- Syntonic unveiled Freeway by Syntonic 2.0, a major update of its Freeway by Syntonic 1.0 solution that was first introduced on the AT&T network as the world's first sponsored content store. In addition to sponsored data, Freeway by Syntonic 2.0 offers "data rewards" where sponsors can provide data credits to the consumer as a reward for taking some action such as installing an application, subscribing to a music service, or purchasing a product;
- Syntonic appointed Mr. John Landau, former Senior Vice President of Technology and Services Evolution at Tata Communications, to its Advisory Board. Mr. Landau will work with existing advisory board members Mr. Bill Richter, former President at EMC, Mr. Rudy Gadre, former VP and General Counsel at Facebook, and Mr. Steve Elfman, former President at Sprint;
- Syntonic's CEO and Co-Founder, Mr Gary Greenbaum, attended and presented at the Consumer Electronics Show (Las Vegas) in January, Mobile World Congress (Barcelona) in February, and TechKnow Invest Roadshow (Melbourne, Sydney and Brisbane) in April, which resulted in accelerated business opportunities for Syntonic. A recording of the presentation given by Syntonic's CEO, Mr Gary Greenbaum, at the TechKnow Invest Roadshow is available at: <https://vimeo.com/162586903/fafb1a0e3e>;
- 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;

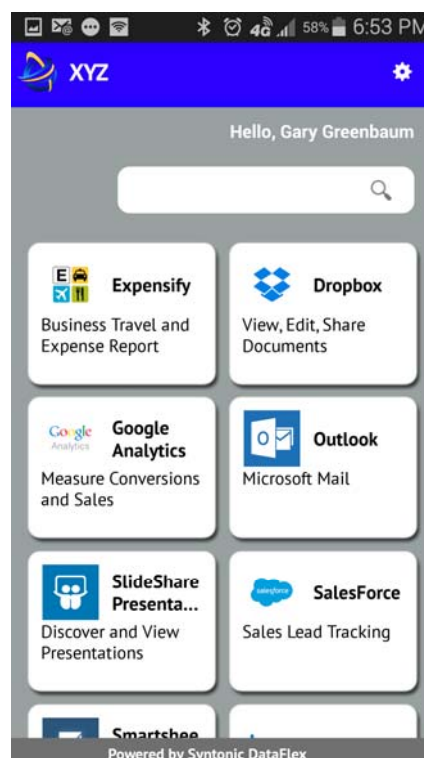
- Successfully renegotiated the consideration payable by Pacific to acquire 100% of Syntonic which will now comprise 1,200 million Pacific ordinary shares and 500 million performance shares subject to achievement of key business milestones;
- Cancelled the Company's planned capital raising of A\$7 million, due to sooner than expected revenues from Syntonic's business (including Syntonic's distribution and license agreement with Tata Communications and Freeway by Syntonic's service launch in Southeast Asia) and accelerated sales pipeline opportunities with global tier-1 mobile carriers and major content providers seeking to expand their audience reach with sponsored data;
- With the sooner than expected revenues and Pacific's existing cash reserves, Syntonic will have sufficient funding for its business expansion plans. The Company will now only undertake a A\$1 million capital raising through the issue of 50 million shares at not less than A\$0.02 per share, with provision to raise an additional A\$1 million in oversubscriptions on the same terms at the Directors' discretion;
- The Company will lodge a prospectus for the capital raising with ASIC before Pacific's shareholder meeting on 23 May 2016 to approve the acquisition of Syntonic; and
- As at 31 March 2016, the Company had cash reserves of approximately A\$2.0 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



Freeway



**SYNTONIC
DataFlex**

Note: Example offers mean to illustrate product functionality

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, 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.

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 Tata Communications which is the world's largest wholesale voice carrier connecting more than 70% of the world's mobile carriers and handles more than 24% of the world's internet traffic.

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.

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.

During the quarter, the Company exercised its option to acquire 100% of the issued share capital of Syntonic, following completion of due diligence by Pacific and Syntonic on the other party's business and operations which was completed to the satisfaction of both parties.

The Company's proposed acquisition of Syntonic requires the approval of Pacific's shareholders, which will be sought at a shareholder meeting on 23 May 2016. A Notice of Meeting has been dispatched to shareholders which sets out various other resolutions relating to the acquisition, including approval for the change of the Company's name to "Syntonic Limited".

Capital Raising

During the quarter, the Company cancelled its planned capital raising of A\$7 million, due to sooner than expected revenues from Syntonic's business (including Syntonic's distribution and license agreement with Tata Communications and Freeway by Syntonic's service launch in Southeast Asia) and accelerated sales pipeline opportunities with global tier-1 mobile carriers and major content providers seeking to expand their audience reach with sponsored data.

With the sooner than expected revenues from Syntonic and Pacific's existing cash reserves, Syntonic will have sufficient funding for its business expansion plans.

For the purposes of the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules, the Company will now only undertake a A\$1 million capital raising through the issue of 50 million shares at not less than A\$0.02 per share (with provision to raise an additional A\$1 million in oversubscriptions on the same terms at the Directors' discretion).

The Company expects to lodge a prospectus for the capital raising with ASIC before Pacific's shareholder meeting on 23 May 2016 to approve the acquisition of Syntonic.

Cash Position

As at 31 March 2016, the Company had cash reserves of approximately \$2.0 million placing the Company in a strong position to conduct its current activities.

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 which is expected to recover an additional 1,200 nickel tonnes in concentrate per annum and will employ the BioHeap™ bacterial leaching technology.

Tenement Information

During the quarter, the Company was granted an exploration tenement (E59/2138) in Western Australia targeting zinc-copper-gold, which it had previously applied for. The tenement is located in the Gullewa Greenstone belt, approximately 270 kilometres northeast of Perth. The Company will now review available data in the tenement.

During the quarter, the Company and its joint venture partner decided not to renew the Perinvale North Tenement (E57/818), located approximately 550km northeast of Perth in the Southern Cross Domain of the Yilgarn Craton, following a review of exploration results to-date.

As at 31 March 2016, the Company has an interest in the following exploration tenements:

Tenement Name	Holder	Percentage Interest	Status
E59/2138	Pacific Ore limited	100%	Granted

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 MARCH 2016

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for:		
	(a) exploration & evaluation	(1)	(7)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(58)	(205)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	13	38
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material):		
	(a) business development	(49)	(53)
Net Operating Cash Flows		(95)	(227)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	(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	(250)	(250)
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		(250)	(600)
1.13	Total operating and investing cash flows (carried forward)	(345)	(827)

+ 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)	(345)	(827)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	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)
	Net financing cash flows	-	716
	Net increase (decrease) in cash held	(345)	(111)
1.20	Cash at beginning of quarter/year to date	2,317	2,083
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,972	1,972

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	53
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

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
Total	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	1,972	2,317
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,972	2,317

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			

+ 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	Preference +securities (description)	-	-	-	-
7.2	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	+Ordinary securities	656,776,880	656,776,880	Not applicable	Not applicable
7.4	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5	+Convertible debt securities (description)	-	-	-	-
7.6	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through securities matured, converted	-	-	-	-
7.7	Options (description and conversion factor)	-	-	-	-
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures (totals only)	-	-		
7.12	Unsecured notes (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: 28 April 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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+ See chapter 19 for defined terms.