

VANCOUVER, British Columbia, Aug. 29, 2016 (GLOBE NEWSWIRE) -- [Panoro Minerals Ltd.](#) (TSX-V:PML) (Lima:PML) (Frankfurt:PZM) ("Panoro" or the "Company") is pleased to announce the closing of the non-brokered private placement of 36,717,817 units at \$0.18 per unit for gross proceeds of \$6,609,207. Each unit is comprised of one common share and one-half share purchase warrant. Each whole share purchase warrant is exercisable at a price of \$0.27 per common share for a period of 24 months from the closing date of the financing. The financing includes filling of the over-allotment limit as per the terms announced on August 8, 2016. Closing of the financing is subject to all regulatory approvals, including the approval of the TSX Venture Exchange. The securities issued in connection with the financing bear a four-month restriction on resale from the completion date.

Resource Capital Fund VI L.P. ("RCF VI") has subscribed to 14,233,333 units of the private placement for proceeds of \$2,562,000. Resource Capital Funds ("RCF") is a group of commonly managed private equity funds, established in 1998 with a mining sector specific investment mandate spanning all hard mineral commodities and geographic regions. Since inception, RCF has supported 155 mining companies, with projects located in 49 countries and across 29 commodities. The sixth fund, Resource Capital Fund VI L.P. ("RCF VI") with committed capital of \$2.04 billion, is now being invested. Further information about RCF can be found on its website (www.resourcecapitalfunds.com).

The Company also announces that [Hudbay Minerals Inc.](#) ("Hudbay") has exercised its pre-emptive right to participate in the private placement and thereby maintain its pro-rata ownership in Panoro of approximately 11.1%. A total of 4,120,968 units were issued and sold to Hudbay for proceeds of \$741,774.

Kallpa Securities SAB acted as lead agent for the placement of a total 16,799,516 units of the private placement for gross proceeds of \$3,023,913 with investors based in Peru. Finders fees of 6% of gross proceeds are payable to Kallpa Securities in connection with the private placement in Peru.

In addition, the private placement includes 1,564,000 units for proceeds of \$281,520 placed with investors in Canada, including 1,003,000 units for proceeds of \$180,540 subscribed to by insiders of the Company.

As previously announced by Panoro on August 8, 2016, Silver Wheaton will, subject to the satisfaction of certain conditions, advance another \$2.6 million (US\$ 2.0 million) under the terms of the Precious Metals Purchase Agreement (the "Cotabambas Early Deposit Agreement"). The Cotabambas Early Deposit Agreement between Panoro Trading (Caymans) Ltd., a wholly-owned subsidiary of [Panoro Minerals Ltd.](#), and Silver Wheaton (Caymans) Ltd., a wholly owned subsidiary of [Silver Wheaton Corp.](#) ("Silver Wheaton") (TSX:SLW) (NYSE:SLW) in respect of the Cotabambas project located in Peru which was announced on March 21, 2016, includes provisions, subject to certain conditions, to accelerate payments through Silver Wheaton's matching, of up to \$2.6 million (US\$ 2.0 million) in the first year of the agreement, of any third party equity financing by Panoro targeted for exploration or development of the Cotabambas Project. Provisions in the agreement also include acceleration, subject to certain conditions, of up to another US\$ 1.5 million in the second year of the agreement should Panoro be successful in arranging third party equity financing during that second year. This is in addition to the minimum US\$ 1.5 million to be advanced in each of 2017 and 2018.

Luquman Shaheen, President & CEO of Panoro, states, "The completion of this financing marks another key milestone for Panoro. For the short and medium term the financing provides the capital required to continue growing and enhancing the Cotabambas Project, but equally important, it adds another important strategic shareholder for Panoro with the participation of Resource Capital Funds. Resource Capital Funds, together with Hudbay's, Silver Wheaton's and our strong Peruvian shareholder base's investment into Panoro and the Cotabambas Project during an almost unprecedented low period for the base metal exploration industry, has been possible because of our common belief that the Cotabambas Project will be one of the next copper projects to be developed. This financing together with the Cotabambas Early Deposit Agreement with Silver Wheaton will provide Panoro with up to \$19 million of capital over the next 24 months. Panoro thanks our existing and new shareholders and strategic partners for their continued support."

The proceeds from the financing will be used primarily to enhance and expand the Company's Cotabambas Cu/Au/Ag Project, but also for the Company's Antilla Cu/Mo Project, both located in Peru, and for general working capital.

The Company is planning a work program at the Cotabambas Project to include the following;

- Step out drilling to delineate additional oxide mineralization at the Ccalla Deposit together with a metallurgical test program on the oxides in order to assess the potential to add a heap leach and SX/EW component to the project plan;
- Metallurgical test program on the hypogene and supergene sulphides, mixed and high-gold oxide mineralization zones to assess the potential for increasing estimated recoveries;
- Geophysical surveys and drilling at the Maria Jose target located to the north side of the Ccalla Deposit to test and delineate high-grade copper mineralization discovered during the Company's previous mapping, trenching and geochemical sampling work; and
- Advance permitting and exploration work leading to a drill program at the newly discovered Chaupec target at the Cotabambas Project.

Panoro Minerals is a uniquely positioned Peru and copper-focused exploration company. The company is advancing a significant project portfolio in the key Andahuaylas-Yauri belt in south central Peru, including its advanced stage Cotabambas Copper-Gold-Silver-Molybdenum and Antilla Copper-Molybdenum Projects.

Since 2007, the company has completed over 70,000 m of exploration drilling at these two key projects leading to substantial increases in the mineral resource base for each, as summarized in the table below.

Summary of Cotabambas and Antilla Project Resources

Project	Resource Classification	Million tonnes	Cu (%)	Au (g/t)	Ag (g/t)	Mo (%)
Cotabambas Cu/Au/Ag	Indicated	117.1	0.42	0.23	2.74	0.001
	Inferred	605.3	0.31	0.17	2.33	0.002
	@ 0.20% CuEq cutoff, effective October 2013, Tetrattech					
Antilla Cu/Mo	Indicated	291.8	0.34	-	-	0.01
	Inferred	90.5	0.26	-	-	0.007
	@ 0.175% CuEq cutoff, effective May 2016, Tetrattech					

Preliminary Economic Assessments (PEA) have been completed for both the Cotabambas and Antilla Projects, the key results are summarized below.

Summary of Cotabambas and Antilla Project PEA Results

Key Project Parameters			Cotabambas Cu/Au/Ag Project	Antilla Cu/Mo Project
Mill Feed, life of mine		million tonnes	483.1	350.4
Mill Feed, daily		tonnes	80,000	40,000
Strip Ratio, life of mine			1.25 : 1	0.85 : 1
Before Tax ¹	NPV _{7.5%}	million USD	1,053	491
	IRR	%	20.4	22.2
	Payback	years	3.2	3.3
After Tax ¹	NPV _{7.5%}	million USD	684	225
	IRR	%	16.7	15.1
	Payback	years	3.6	4.1
Annual Average Payable Metals	Cu	thousand tonnes	70.5	36.8
	Au	thousand ounces	95.1	-
	Ag	thousand ounces	1,018.4	-
	Mo	thousand tonnes	-	0.9
Initial Capital Cost		million USD	1,530	603

Project economics estimated at commodity prices of; Cu = \$US3.00/lb, Au = \$US1,250/oz, Ag = \$US18.50/oz, Mo = \$US12/lb

The PEAs are considered preliminary in nature and include Inferred Mineral Resources that are considered too speculative to have the economic considerations applied that would enable classification as Mineral Reserves. There is no certainty that the conclusions within the updated PEA will be realized. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

Luis Vela, a Qualified Person under National Instrument 43-101, has reviewed and approved the scientific and technical information in this press release.

On behalf of the Board of Panoro Minerals Ltd.

Luquman A. Shaheen, M.B.A., P.Eng., P.E.
President & CEO

CAUTION REGARDING FORWARD LOOKING STATEMENTS: Information and statements contained in this news release that are not historical facts are “forward-looking information” within the meaning of applicable Canadian securities legislation and involve risks and uncertainties. Examples of forward-looking information and statements contained in this news release include information and statements with respect to:

- acceleration of payments by Silver Wheaton to match third party financing by Panoro targeted for exploration at the Cotabambas Project
- payment by Silver Wheaton of US\$140 million in installments

- Panoro weathering the current depressed equity and commodity markets, minimizing dilution to existing shareholders and making targeted investments into exploration at the Cotabambas Project
- mineral resource estimates and assumptions
- the PEA, including, but not limited to, base case parameters and assumptions, forecasts of net present value, internal rate of return and payback;
- copper concentrate grade from the Cotabambas Project;

Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. In some instances, material assumptions and factors are presented or discussed in this news release in connection with the statements or disclosure containing the forward-looking information and statements. You are cautioned that the following list of material factors and assumptions is not exhaustive. The factors and assumptions include, but are not limited to, assumptions concerning: metal prices and by-product credits; cut-off grades; short and long term power prices; processing recovery rates; mine plans and production scheduling; process and infrastructure design and implementation; accuracy of the estimation of operating and capital costs; applicable tax and royalty rates; open-pit design; accuracy of mineral reserve and resource estimates and reserve and resource modeling; reliability of sampling and assay data; representativeness of mineralization; accuracy of metallurgical test work; and amenability of upgrading and blending mineralization.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ materially from those expressed or implied by the forward-looking statements, including, without limitation:

- risks relating to metal price fluctuations;
- risks relating to estimates of mineral resources, production, capital and operating costs, decommissioning or reclamation expenses, proving to be inaccurate;
- the inherent operational risks associated with mining and mineral exploration, development, mine construction and operating activities, many of which are beyond Panoro's control;
- risks relating to Panoro's ability to enforce Panoro's legal rights under permits or licenses or risk that Panoro's will become subject to litigation or arbitration that has an adverse outcome;
- risks relating to Panoro's projects being in Peru, including political, economic and regulatory instability;
- risks relating to the uncertainty of applications to obtain, extend or renew licenses and permits;
- risks relating to potential challenges to Panoro's right to explore and/or develop its projects;
- risks relating to mineral resource estimates being based on interpretations and assumptions which may result in less mineral production under actual circumstances;
- risks relating to Panoro's operations being subject to environmental and remediation requirements, which may increase the cost of doing business and restrict Panoro's operations;
- risks relating to being adversely affected by environmental, safety and regulatory risks, including increased regulatory burdens or delays and changes of law;
- risks relating to inadequate insurance or inability to obtain insurance;
- risks relating to the fact that Panoro's properties are not yet in commercial production;
- risks relating to fluctuations in foreign currency exchange rates, interest rates and tax rates; and
- risks relating to Panoro's ability to raise funding to continue its exploration, development and mining activities.

This list is not exhaustive of the factors that may affect the forward-looking information and statements contained in this news release. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking information. The forward-looking information contained in this news release is based on beliefs, expectations and opinions as of the date of this news release. For the reasons set forth above, readers are cautioned not to place undue reliance on forward-looking information. Panoro does not undertake to update any forward-looking information and statements included herein, except in accordance with applicable securities laws.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

FOR FURTHER INFORMATION, CONTACT:

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