

Panoro Reports Updated Preliminary Economic Assessment Results for Cotabambas Copper-Gold-Silver Project, Peru

Vancouver, B.C., September 22, 2015 – **Panoro Minerals Ltd.** (TSXV: PML, Lima: PML, Frankfurt: PZM) (“Panoro”, the “Company”) is pleased to announce that it has received the results of an updated independent Preliminary Economic Assessment (“PEA”) of the Company’s 100% owned Cotabambas porphyry copper-gold-silver project in Peru. The results show strongly improved economics compared with PEA results announced on April 9, 2015 as the result of an optimized mine plan and processing cut-off grade strategy along with associated improvements to waste rock and tailings management.

Highlights

- At the updated base case prices of copper at \$3.00/lb, gold at \$1,250/oz and silver at \$18.50/oz:
 - After tax economic metrics of:
 - NPV_(7.5%) of \$US 683.9 million, increased from \$US 379.4 million;
 - IRR of 16.7%, increased from 11.8%; and
 - Payback of 3.6 years, decreased from 4.8 years
 - Pretax economic metrics of:
 - NPV_(7.5%) of \$US 1,052.6 million, increased from \$US 647.9 million;
 - IRR of 20.4%, increased from 14.2%; and
 - Payback of 3.2 years, decreased from 4.4 years
- Decreased average direct cash costs (C1) to \$US1.22 per pound of copper, decreased from \$US1.26, net of by product credits
- Increased average annual payable metal of:
 - Copper 155.1 million pounds, increased from 143.3 million pounds;
 - Gold 95.1 thousand ounces, increased from 88.0 thousand ounces; and
 - Silver 1,018.4 million ounces, increased from 967.2 thousand ounces.
- As a comparison only with the now superseded prices used in the April 2015 PEA: copper at \$3.25/lb, gold at \$1,300/oz and silver at \$20.50/oz, after tax economic metrics of:
 - NPV_(7.5%) of \$US 961.6 million, increased from \$US 627.5 million;
 - IRR of 19.9%, increased from 14.4%; and
 - Payback of 3.1 years, decreased from 4.0 years

Luquman Shaheen, President & CEO of Panoro Minerals states, “We are pleased to have updated the PEA for the Cotabambas Project realizing more of the project’s potential which was not fully captured in the April 2015 PEA. The optimized mine plan together with the resulting changes and improvements to the mine wasterock and tailings management plan have resulted in strongly improved project economics. There are more project enhancement opportunities which will be investigated at the Prefeasibility stage of the project but let’s not forget the significant upside to the project in the excellent remaining exploration potential. The current resource is open along strike and at depth and there are a number of clustered porphyry and skarn zones in the vicinity of the current resource that have not yet been drilled. The scale of the growth potential for the Cotabambas Project remains impressive.”

The PEA was prepared by Amec Foster Wheeler Americas Ltd. ("Amec Foster Wheeler") and Moose Mountain Technical Services Ltd. ("MMTS") in accordance with the definitions in Canadian National Instrument 43-101. All dollar amounts are US currency. The PEA is considered preliminary in nature. It includes 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 PEA will be realized. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

Project Economics

Project economics were estimated on the basis of average long term consensus metal price forecasts periodically published by a number of large banking and financial institutions and included copper at \$US 3.00/lb, gold at \$US 1,250/oz and silver at \$US 18.50/oz. These base case price assumptions are lower than those used in the April 2015 PEA..

The table below summarizes updated base case economic metrics for the project as well as their sensitivity to the prices of copper and gold:

Table: Sensitivity of Pre-Tax Project NPV (Million \$US) & IRR (%)

Cu Price (US\$/lb)	Gold Price (\$US/oz)				
	1,100	1,200	1,250	1,300	1,400
2.75	612.4 / 15.5	692.9 / 16.4	733.1 / 16.9	773.3 / 17.3	853.1 / 18.2
3.00	933.1 / 19.1	1,012.7 / 19.9	1,052.6 / 20.4	1,092.3 / 20.8	1,171.5 / 21.6
3.25	1,251.1 / 22.4	1,330.1 / 23.3	1,369.6 / 23.7	1,408.9 / 24.1	1,487.5 / 24.9

Note: base case at Cu=\$US 3 and Au=\$US 1,250 (Ag=US\$18.50) in bold

Table: Sensitivity of After-Tax Project NPV (Million \$US) & IRR (%)

Cu Price (US\$/lb)	Gold Price (\$US/oz)				
	1,100	1,200	1,250	1,300	1,400
2.75	351.7 / 12.6	412.9 / 13.4	443.4 / 13.8	473.8 / 14.2	534.3 / 14.9
3.00	594.5 / 15.6	654.1 / 16.4	683.9 / 16.7	713.7 / 17.1	773.0 / 17.8
3.25	832.8 / 18.4	891.6 / 19.1	921.0 / 19.5	950.3 / 19.8	1,008.8 / 20.5

Note: base case at Cu=\$US 3 and Au=\$US 1,250 (Ag=US\$18.50) in bold

For comparative purposes only, the following table summarizes changes to after tax project economic metrics with the former and now superseded base case commodity prices from the April 2015 PEA, namely, copper at \$3.25/lb, gold at \$1,300/oz and silver at \$20.50/oz.

Table: Changes to Economics at Constant Commodity Prices

After Tax Economics	April 2015 PEA	Updated PEA	Change
NPV (Million \$US)	627.5	961.1	+333.6
IRR (%)	14.4	19.9	+5.5
Payback (years)	4.0	3.1	-0.9

Updated PEA Improvements

The improved project economics have been achieved principally with mine planning improvements and optimization of cut-off grade strategy. There has been no change to the resource classification from the April 2015 PEA nor has there been a change to the proposed processing throughput of 80,000 tonnes per day. The more significant improvements are listed below:

Optimized Mine Plan

- Speedier ramp up of process plant to design capacity
- Processing of higher grade mineralization early in mine life;
- Stockpiling of low grade mineralization for processing near end of mine life; and
- Elimination of low margin mineralization from processing plan, resulting in;
 - Higher head grades in early part of mine life;
 - Higher average life of mine grades;
 - Reduced mineral processing tonnes; and
 - Reduced mine life.

The Updated PEA mine plan has 10% less mill feed tonnes at 7% higher copper grade, 6% higher gold grade and 4% higher silver grade than the April 2015 PEA. There are 10% more waste tonnes in the updated PEA than in the April 2015 PEA.

Modified Wasterock Storage Plan

- Replacement of crusher, conveyor, tunnel and stacker for Wasterock transport with truck haulage along surface roads resulting in reduced risk of operations disruptions from downtime of crusher, conveyor and stacker.

Tailings Management

- Tailings Dam construction reduced near end of mine life with reduction in mineral resources included in mine plan, resulting in;
 - Reduced sustaining capital for tailings dam construction.

Capital Costs

The initial capital costs have increased from \$US 1.38 billion to \$US 1.53 billion principally due to the increased mine fleet size to accommodate the haulage of the low grade mineralization to the stockpile. The impacts on the financial metrics from this increase are offset by the:

- Reduced capital cost due to the elimination of the crusher/tunnel/conveyor/stacker arrangement for wasterock;
- Reduction in sustaining capital costs for the mine and tailings management; and most significantly,
- Increased revenues earlier in the mine plan which has significantly improved payback.

Mineral Resources

The updated PEA was completed based on the October 2013 resource estimate of the Cotabambas Project prepared by Tetra Tech. Their estimate utilized all drill and assay results available to June 20, 2013 including 56,813 meters of drilling by Panoro and 9,923 meters of drilling from legacy campaigns.

The mineral resource estimate includes hypogene and supergene sulphides and oxide copper and gold mineralization from the Ccalla and to a lesser extent the Azulccacca zones. Full details of the Mineral Resource Estimate can be found in the Tetra Tech report filed on SEDAR: “Technical Report and Resource Estimate of the Cotabambas Copper-Gold Project, Peru.”, dated 7th July 2014.

Table: Mineral Resources, Tetra Tech, October 2013.

Resources Category	Zone	Cut-Off Grade% CuEq	Million Tonnes	Cu (%)	Au (g/t)	Ag (g/t)	Mo (%)	Cu (Bib)	Au (Moz)	Ag (Moz)	Mo (Mlb)
Indicated	Hypogene Sulphide	0.2	84.2	0.37	0.21	2.73	0.0018	0.69	0.58	7.39	3.43
	Supergene Sulphide	0.2	8.9	0.73	0.31	3.07	-	0.14	0.09	0.88	0.01
	Oxide Copper-Gold	0.2	23.8	0.49	0.24	2.63	-	0.26	0.18	2.01	0.01
	Oxide Gold	Na	0.2	-	0.66	3.74	-	-	0	0.02	-
	Total			117.1	0.42	0.23	2.74	0.0013	1.09	0.86	10.3
Inferred	Hypogene Sulphide	0.2	521	0.29	0.18	2.41	0.0021	3.36	2.94	40.35	24.22
	Supergene Sulphide	0.2	7.4	0.73	0.18	1.93	0.0007	0.12	0.04	0.46	0.11
	Oxide Copper-Gold	0.2	75.8	0.41	0.15	1.82	0.0003	0.68	0.37	4.44	0.5
	Oxide Gold	Na	1.2	-	0.61	3.27	-	-	0.02	0.12	-
	Total	0.2	605.3	0.31	0.17	2.33	0.0019	4.16	3.38	45.37	24.83

*Mineral Resources have an effective date of June 20, 2013 and were estimated by Qualified Person Robert Morrison, P.Geo. (APGO, 1839). The estimate is based on 56,813 meters of drilling by Panoro and 9,923 meters of drilling from legacy campaigns. Copper equivalent (CuEq) is calculated using the equation: $CuEq = Cu + 0.4422 Au + 0.0065 * Ag$, based on the differentials of long range metal prices net of selling costs and metallurgical recoveries for gold and copper and silver. Mineralization would be mined from open pit and treated using conventional flotation and hydrometallurgical flow sheets. Rounding in accordance with reporting guidelines may result in summation differences. CuEq cut-offs were used to report almost all of the resource. These cut-offs are a function of metal price and recoveries. In the in situ resource, estimated gold, silver and molybdenum are then converted to US dollars and combined. The combined funds are re-converted to copper and added to the in situ copper values. The following metal prices are used: copper – \$US3.20/lb; gold – \$US1,350/troy oz; silver – \$US23.00/troy oz; molybdenum – \$US12.50/lb. The following metal recoveries were applied to the in situ resource: molybdenum – 40%; gold – 64%; silver – 63%. As the resource is reported as in situ, no recovery is applied to copper.*

Subsequent to the publication of this Resource, a reclassification of oxide material for leach amenability according to an Amec Foster Wheeler study was undertaken by Tetra Tech. Inside the Oxide Copper-Gold Zone, sub-zones of Mixed, Oxides Copper and Oxide Copper-Gold were identified using information from sequential copper assay results and the results were announced in April 2015. The Model was regularized and extra fields were calculated to report the Resources with new categories for this specific zone, to guide future mining studies such as the current PEA update. This recoding of the oxide zone did not constitute a material change to the published Resource.

The subset of the Mineral Resources contained within the Azulccaca and Ccalla open pits that are included in the updated PEA mine plan is shown in the table below.

Table: Subset of Mineral Resources Contained in the Update PEA Mine Plan

Classification	In-situ Tonnes	NSR (\$US/tonne)	In-situ (undiluted) grades		
	(Million)		Cu (%)	Au (g/t)	Ag (g/t)
Indicated	127.3	21.1	0.37	0.21	2.58
Inferred	355.8	17.8	0.30	0.17	2.30

1. The PEA mine plan is preliminary in nature as it includes Inferred Mineral Resources which are considered too speculative to have the economic considerations applied that would enable classification as Mineral Reserves. There is no certainty that any of the resources will be upgraded to Reserves. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
2. The cut-off grade used to calculate the in-pit resources is $NSR \geq 6$. NSR is calculated using the following formula $NSR = [Cu (\%) * Cu Recovery (\%) * 22.046 * 2.48] + [Au (g/t) * Au Recovery (\%) * 36] + [Ag (g/t) * Au Recovery (\%) * 0.5]$

Total waste in the mine plan is 604.2 million tonnes for an average LOM strip ratio of 1.25. The mine plan uses a variable cut-off grade strategy to increase the mill feed grade in the earlier parts of the schedule by stockpiling marginal economic material. The stockpiled material is processed towards the end of the mine life. The mine plan supports a mine life of 17 years.

Projected production of payable metals and operating costs are summarized in the tables below.

Table: Summary of Annual Average and Life of Mine Payable Metals

Metal	April 2015 PEA		Updated PEA		Changes	
	Annual Average	Life of Mine	Annual Average	Life of Mine	Annual Average	Life of Mine
Copper (Mlbs)	143.4	2,725	155.1	2,638	+11.7	- 87
Gold (koz)	88.0	1,671	95.1	1,618	+7.1	- 53
Silver (koz)	967.2	18,377	1,018.4	17,314	+51.2	- 1,063

Table: Cotabambas Operating Costs (\$US per tonne milled)

	April 2015 PEA	Updated PEA	Changes
Mining Cost	3.33	3.59	+ 0.26
Processing Cost	4.47	4.38	- 0.09
G&A Costs	0.41	0.41	-
Total Operating Cost	8.22	8.38	+ 0.16

C1 and C2 cash costs (as defined by Brook Hunt) per pound of payable copper are listed in the table below.

Table: Cotabambas Average Cash Costs (\$US) per Lb Payable Copper

	April 2015 PEA	Updated PEA	Changes
C1 - Direct Cash Cost	1.26	1.22	- 0.04
C2 - Production Cost	2.02	1.92	- 0.10

Opportunities for Project Growth and Enhanced Economics

- Copper-Gold Oxide mineralization that will be stockpiled for potential future processing
- Good potential to expand the resource base at the Ccalla and Azulccaca deposits with additional drilling
- The potential for a gravity circuit and on-site production of doré will be investigated with additional metallurgical testing
- Potential to increase recoveries with additional metallurgical testing and to improve discrimination between metallurgical types within the deposit
- Higher grades of molybdenum have been intersected below and lateral to the current PEA pit limits and with continued exploration success, there is potential to add molybdenum as a third byproduct to the operation
- As detailed in a June 23, 2014 news release, eight other mineralized prospects have been identified in the general vicinity of the known deposits and represent excellent upside potential to add to the known Mineral Resources with additional drilling.

Future Work

Further work leading to a Pre-Feasibility Study is recommended and will include drilling, engineering and marketing studies, hydrological and geotechnical analysis, as well as various baseline environmental and archeological studies. In addition, exploration work will be conducted over the other targets in the vicinity of the known deposits.

The complete technical report constituting the PEA will be filed within 45 days and will be available on Panoro's website and on SEDAR. The technical report will be authored by the following Qualified Persons:

Qualified Person	Firm
Jesse Aarsen	Moose Mountain Technical Services
William Colquhoun	AMEC Foster Wheeler
Khera Vikram	AMEC Foster Wheeler
Stewart Twigg	AMEC Foster Wheeler
Robert Morrison	Tetra Tech

Information in this news release which is derived from the PEA has been reviewed by the Qualified Persons of Moose Mountain, Tetra Tech and Amec Foster Wheeler.

About Panoro

Panoro is advancing its significant portfolio of copper and gold projects 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 the delineation of mineral resources in late 2013 of:

- Cotabambas: Indicated Resource 117.1 Mt @ 0.42% Cu, 0.23g/t Au, 2.74 g/t Ag & 0.001%Mo (@0.2% CuEq cutoff)
Inferred Resource 603.5 Mt @ 0.31% Cu, 0.17g/t Au, 2.33 g/t Ag and 0.002 %Mo (@0.2% CuEq cutoff)
(Tetra Tech, with an effective date of October 2013)
- Antilla: Indicated Resource 188.5 Mt @ 0.40% Cu and 0.009% Mo (@0.2% CuEq cutoff)
Inferred Resource 145.9 Mt @ 0.28% Cu and 0.009%Mo (@0.2% CuEq cutoff)
(Tetra Tech, with an effective date of December 2013)

To date exploration at the Cotabambas Project has focused on the Ccalla and Azulccaca deposits. However, at least eight other porphyry and skarn target zones have been identified within the company's Cotabambas mineral concession blocks. Drilling at these targets is planned.

The allocation of resources to the updated PEA for Cotabambas has deferred completion of the PEA for the Antilla project, which will now become the Company's focus. Since that Assessment is not yet at a definitive stage, the Company will lift the trading blackout to which the Directors and Insiders have been subject since August 19, 2014.

In addition to the Cotabambas and Antilla Projects, Panoro's portfolio includes more than 10 earlier stage projects in primarily the same region of south central Peru. Peru's national objective of doubling copper production together with the development of the many copper projects in the region, together with the private and public investments into rail, road, power generation and transmission and port infrastructure are leading to the rapid growth of an important global center for copper production. Panoro's large portfolio is situated here along with the Las Bambas, Tintaya, Antapaccay, Haquira, Constancia, Las Chancas and Trapiche projects, all of which are either in exploration stage, construction or already in production.

Luis Vela, a P. Geo 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

FOR FURTHER INFORMATION, CONTACT:

Panoro Minerals Ltd.

Luquman A. Shaheen, President & CEO
Phone: 604.684.4246 Fax: 604.684.4200
Email: info@panoro.com
Web: www.panoro.com

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