

Panoro Minerals Completes Sale of Kusiorcco Project to Hudbay Minerals for up to US\$5 million plus a 2% NSR Royalty

Vancouver, B.C., January 8, 2018 - **Panoro Minerals Ltd.** (TSXV: PML, Lima: PML, Frankfurt: PZM) ("Panoro", the "Company") is pleased to announce that its wholly-owned subsidiary, Panoro Apurimac S.A., has transferred a 100% interest in the 12 mining concessions that comprise the Kusiorcco project in southern Peru to a wholly owned subsidiary of Hudbay Minerals Inc. ("Hudbay"). The Kusiorcco project is located near Hudbay's Constancia mine.

In consideration for the transfer of the mining concessions, Panoro has received an upfront cash payment of US\$3 million from Hudbay and will receive additional payments totalling US\$2 million upon the completion of certain milestones by Hudbay. Hudbay has also granted Panoro a 2% net smelter returns ("NSR") royalty on mineral production from the Kusiorcco project.

In connection with the acquisition, Hudbay has agreed to exercise, on or before January 31, 2018, 2,060,484 common share purchase warrants of Panoro which are held by Hudbay and exercisable at a price of C\$0.27 per share, for aggregate proceeds of C\$556,330. These warrants otherwise would have been exercisable until August 26, 2018.

Panoro will use the US\$3 million upfront payment and proceeds from the exercise of the warrants for exploration activities on its Cotabambas project.

"We are grateful for Hudbay's continued strong relationship with, and support for, Panoro. They are a premier mine building team with a track record of successful community relations and mine development in Peru," commented Luquman Shaheen, CEO and President of Panoro. "This transaction successfully monetizes a non-core asset for Panoro, and will allow Panoro to deploy the proceeds to further advance our core Cotabambas project, while retaining upside in Kusiorcco through the royalty. The proceeds from the transfer of concessions plus early exercise of warrants will be directed to exploration and step out drilling at both Cluster 1 and Cluster 2 at the Cotabambas project. The 2017 exploration work at Cotabambas has identified growth potential at both the Maria Jose and Petra-David Targets in Cluster 1. The Chaupec skarn target in Cluster 2 presents yet another intriguing target. The proceeds from this transaction together with scheduled payments from Wheaton Precious Metals are expected to provide funding for Panoro's exploration activities through to the end of 2019."

Milestone payments by Hudbay to Panoro will be made as follows:

- US\$500,000 upon the execution of agreements with local communities and surface titleholders necessary for Hudbay to access and carry out a drill program on the project
- US\$500,000 upon completion of Hudbay's first drill hole on the project;
- US\$500,000 upon completion of Hudbay's fifth drill hole on the project; and
- US\$500,000 upon completion of Hudbay's tenth drill hole on the project.

If all of the above milestones are not achieved within five years of the acquisition, Hudbay will either pay Panoro the remaining milestone payments or return the Kusiorcco mining concessions to Panoro, free and clear of all encumbrances.

Hudbay has the option to buyback half of the NSR royalty (reducing the royalty to a 1% NSR) for US\$2 million within five years of the acquisition and for US\$5 million thereafter.

The Kusiorcco project consists of strong, coincident 1-km by 2-km induced polarization and resistivity anomalies overlying a 300m by 500m alteration zone characterized by an intensive stockwork of quartz veins with the weathered out voids filled by iron oxides after sulphides.

About Panoro

Panoro Minerals is a uniquely positioned Peru focused copper exploration and development company. The Company is advancing its flagship project, Cotabambas Copper-Gold-Silver Project and its Antilla Copper-Molybdenum Projects located in the strategically important area of southern Peru. The Company is well financed to expand, enhance and advance its projects in the region where infrastructure such as railway, roads, ports, water supply, power generation and transmission are readily available and expanding quickly. The region boasts the recent investment of over \$US 15 billion into the construction or expansion of four large open pit copper mines.

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	Indicated	117.1	0.42	0.23	2.74	0.001
Cu/Au/Ag	Inferred	605.3	0.31	0.17	2.33	0.002
@ 0.20% CuEq cutoff, effective October 2013, Tetratech						
Antilla	Indicated	291.8	0.34	-	-	0.01
Cu/Mo	Inferred	90.5	0.26	-	-	0.007
@ 0.175% CuEq cutoff, effective May 2016, Tetratech						

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 = US\$3.00/lb, Au = US\$1,250/oz, Ag = US\$18.50/oz, Mo = US\$12/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 Shaheen. PEng, PE, MBA
President & CEO

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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 including, but not limited to, completion of milestones and milestone payments by Hudbay, mineral production being achieved at the Kusiorcco project and royalty payments being made on such, Hudbay exercising its option to buyback half of the royalty, and mineral resource and PEA estimates proving to be accurate.

Forward-looking statements are based on certain key expectations and assumptions made by Panoro, including expectations and assumptions concerning: economic and financial conditions; commodity prices; exploration and development results; the accuracy of mineral resource PEA estimates; permitting; and community relations. Although Panoro believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Panoro can give no assurance that they will prove to be correct.

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.