



1 February 2017

## Paramount Mining Corporation Limited – Proposed Acquisition and Fundraising

Paramount Mining Corporation Limited ('PCP' or 'the Company') announces that it has executed a binding but highly conditional Term Sheet with an unlisted company ('Target company') that, if implemented, would result in:

- An acquisition of all or most of the Target company's issued shares by way of a share swap for ordinary shares in PCP;
- Dilution, by way of that Target company acquisition, of the shareholdings of existing shareholders of the Company to approximately 13.33% of the enlarged share capital (post the share swap, but before the fundraising mentioned below);
- A further fundraising of up to US\$10 million, which would bring in further investors owning 25% of the further enlarged share capital;

The parties have agreed to negotiate in good faith and agree on the terms of definitive agreements to be entered into by 31 March 2017. In the event the Definitive Agreements are not in place by that date, the Term Sheet will lapse, unless extended as agreed between the parties.

In connection with the transaction, PCP would be renamed and rebranded as a diversified energy resources company. PCP will continue to have an energy resources focus.

The Term Sheet contains several conditions precedent to the acquisition and share swap, including:

- completion by the Target company of its proposed acquisition of 100% of the share capital of another unlisted company;
- completion of an initial investment of a minimum of US\$500,000 into PCP by 10 February 2017 and an additional Investment of US\$500,000 by 24 February 2017, or both dates as otherwise agreed by the Target company and PCP;
- the execution of the Definitive Agreements;
- approval of the acquisition of the Target company and issuance of consideration shares by PCP's board of directors, shareholders and regulatory authorities, where applicable;
- approval of the transaction by the Target company's board of directors and shareholders;

- PCP being reasonably satisfied with the results of the due diligence to be performed on the Target company;
- The Target company being reasonably satisfied with the results of the due diligence to be performed on PCP; and
- no material adverse change in the existing or prospective legal, financial, operational, contractual, business, tax and other positions of PCP and the Target company (as the case may be) occurring on or before completion.

The Company is now an 'unlisted disclosing entity' for the purposes of the Corporations Act. This announcement constitutes continuous disclosure material information and will be prominently disclosed on the PCP website ([www.paramountmining.com](http://www.paramountmining.com)) in a timely way. PCP intends to continue to comply with ASIC's good practice guidance for website disclosure, and does not propose to lodge the information with ASIC under s675(2) of the Corporations Act. PCP considers that information that is prominently disclosed on its website in a timely way will generally be more accessible to investors than information that is lodged with ASIC.

The Company presently has 722,449,105 ordinary shares on issue, held by 452 registered shareholders.

For further information please contact:

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