

pangolin



DIAMONDS CORP

## **Pangolin Diamonds Corp. Announces Appointment of Gareth Penny as Chairman of the Board and Closing of \$560,794 Private Placement**

**TORONTO, ONTARIO (August 15, 2016)** - Pangolin Diamonds Corp. (TSX-V: PAN) (the "Company" or "Pangolin") is pleased to announce that Gareth Penny has been elected to the board of directors (the "Board") of Pangolin to hold the position of non-executive Chairman of the Board.

Mr. Penny has worked in various forms of mining over the past three decades. For 22 years, Mr. Penny was with De Beers and Anglo American, the last five of which he was Group CEO of De Beers. Mr. Penny is currently non-Executive Chairman of MMC Norilsk Nickel, a world leader in nickel and palladium production and a leading producer of platinum and copper. Mr. Penny also currently acts as non-Executive Director and RemCo Chairman of Julius Bär Holding Limited, a listed Swiss bank focused on wealth management.

During his tenure with De Beers, Mr. Penny was instrumental in reshaping not only the world's largest diamond company, but also the diamond industry. Mr. Penny was the prime architect in the change to the De Beers business model, which replaced over 100 years of supply-side management in the rough diamond business with demand-driven initiatives that have generated significant value creation for De Beers and the diamond industry.

Mr. Penny has had exposure across the diamond pipeline, spending time with geologists in the field, overseeing the development of new mining projects in Botswana, South Africa and Canada, managing mining operations in various countries, raising funds, and sorting, valuing and marketing diamonds. Mr. Penny has also been heavily involved in reputational and governance enhancements in the diamond industry.

"We are very pleased to have Mr. Penny join the Board of Pangolin. His lifetime industry experience and proven leadership and operational skills, coupled with his extensive international business management expertise, will be invaluable additions to our Board," commented Dr. Leon Daniels, President and Chief Executive Officer of the Company.

Mr. Penny's position on the Board is subject to the final approval of the TSX Venture Exchange (the "TSXV").

In connection with today's appointment, options to purchase up to 2,000,000 common shares ("Options") were granted to Mr. Penny pursuant to the Company's stock option plan (the "Plan"). The Options are subject to vesting provisions in accordance with the Plan and are exercisable at a price of \$0.15 per share for a period of five years.

### **Closing of Private Placement**

The Company is also pleased to announce the closing of a non-brokered private placement financing for aggregate gross proceeds of \$560,794 (the "Offering"). Proceeds of the Offering will be used to continue the exploration program, inclusive of drilling, at the Company's priority Malatswae project during 2016. In addition, the proceeds of the Offering will provide working capital to the Company in order to further its exploration commitments at its other 100% owned diamond projects in Botswana.

The Offering consisted of 5,607,944 units of the Company ("Unit") at a price of \$0.10 per Unit, with each Unit consisting of one common share in the capital of the Company ("Common Share") and one Common Share purchase warrant ("Warrant"). Each Warrant entitles the holder thereof to acquire one Common Share at a price of \$0.15 for a period of sixty (60) months from the date hereof. Insiders of Pangolin participated in an aggregate amount of \$94,000 representing 16.7% of the total Offering.

The financing was facilitated by Aberdeen Gould Capital Markets Ltd. ("Aberdeen"), a Toronto based exempt market dealer. In consideration for the services of Aberdeen, the Company paid a cash commission

of \$3,500 and issued 35,000 compensation warrants (“Compensation Warrants”) to Aberdeen, with each Compensation Warrant entitling Aberdeen to purchase one Unit for a period of two years from the date hereof on the same terms and pricing of the Units.

The Offering is subject to the final acceptance of the TSXV, and all securities issued pursuant to the Offering are subject to a four month and one-day hold period in compliance with Canadian securities laws.

***About Pangolin Diamonds Corp. and Our Social Connections***

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*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.*

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