

BY-LAW NO. 1A

A by-law amending By-Law No. 1 of

**PANGOLIN DIAMONDS CORP.
(the “Corporation”)**

(Adopted by the Board of Directors with immediate effect on February 6, 2014)

By-Law No. 1 of the by-laws of the Corporation is hereby amended by adding thereto, following Article 3 thereof and preceding Article 4 thereof, the following:

ARTICLE 3.1 – NOMINATION OF DIRECTORS

3.1.1 Nomination Procedure

Only persons who are nominated in accordance with the procedures set out in this section 3.1.1 shall be eligible for election as directors to the board. Nominations of persons for election to the board may only be made at an annual meeting of shareholders, or at a special meeting of shareholders called for any purpose which includes the election of directors to the board, as follows:

- (a) by or at the direction of the board or an authorized officer of the Corporation, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of a meeting of shareholders made in accordance with the provisions of the Act; or
- (c) by any person entitled to vote at such meeting (a “**Nominating Shareholder**”), who: (A) is, at the close of business on the date of giving notice provided for in section 3.1.3 below and on the record date for notice of such meeting, either entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) has given timely notice in proper written form as set forth in this section 3.1.1.

3.1.2 Exclusive Means to Bring Nomination

For the avoidance of doubt, the foregoing section 3.1.1 shall be the exclusive means for any person to bring nominations for election to the board before any annual or special meeting of shareholders.

3.1.3 Timely Notice

For a nomination made by a Nominating Shareholder to be timely notice (a “**Timely Notice**”), the Nominating Shareholder's notice must be received by the Secretary at the registered office of the Corporation:

- (a) in the case of an annual meeting of shareholders, not later than the close of business on the 30th day and not earlier than the opening of business on the 65th day before the date

of the meeting: provided, however, if the first public announcement made by the Corporation of the date of the annual meeting is less than 50 days prior to the meeting date, not later than the close of business on the 10th day following the day on which the first public announcement of the date of such annual meeting is made by the Corporation; and

- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes the election of directors to the board, not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting is made by the Corporation.

3.1.4 Time Period for Giving Timely Notice

The time periods for giving of a Timely Notice shall in all cases be determined based on the original date of the annual meeting or the first public announcement of the annual or special meeting, as applicable. In no event shall an adjournment or postponement of an annual meeting or special meeting of shareholders or any announcement thereof commence a new time period for the giving of a Timely Notice.

3.1.5 Form of Notice

To be in proper written form, a Nominating Shareholder's notice to the Secretary must comply with all the provisions of this section 3.1.5 and:

- (1) disclose or include, as applicable, as to each person whom the Nominating Shareholder proposes to nominate for election as a director (a “**Proposed Nominee**”):
 - (a) their name, age, business and residential address, principal occupation or employment for the past five years and status as a “resident Canadian” (as such term is defined in the Act);
 - (b) their direct or indirect beneficial ownership in, or control or direction over, any class or series of securities of the Corporation, including the number or principal amount and the date(s) on which such securities were acquired;
 - (c) any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between (i) the Proposed Nominee (or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Proposed Nominee), and (ii) the Nominating Shareholder;
 - (d) a statement that the Proposed Nominee would not be disqualified from being a director pursuant to subsection 118(1) of the Act;
 - (e) a statement as to whether the Proposed Nominee would be an “independent” director (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected and the reasons and basis for such determination;
 - (f) any other information that would be required to be disclosed in a dissident proxy circular or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to the Act or applicable securities law; and

- (g) a duly completed personal information form in respect of the Proposed Nominee in the form prescribed by the principal stock exchange on which the securities of the Corporation are then listed for trading; and
- (2) disclose or include, as applicable, as to each Nominating Shareholder giving the notice and each beneficial owner, if any, on whose behalf the nomination is made:
 - (a) their name, business and residential address, direct or indirect beneficial ownership in, or control or direction over, any class or series of securities of the Corporation, including the number or principal amount and the date(s) on which such securities were acquired;
 - (b) their interests in, or rights or obligations associated with, an agreement, arrangement or understanding, the purpose or effect of which is to alter, directly or indirectly, the person's economic interest in a security of the Corporation or the person's economic exposure to the Corporation;
 - (c) any proxy, contract, arrangement, agreement or understanding pursuant to which such person, or any of its affiliates or associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of the Corporation or the nomination of directors to the board;
 - (d) any direct or indirect interest of such person in any contract with the Corporation or with any of the Corporation's affiliates or principal competitors;
 - (e) a representation that the Nominating Shareholder is a holder of record of securities of the Corporation, or a beneficial owner, entitled to vote at such meeting, and intends to appear in person or by proxy at the meeting to propose such nomination;
 - (f) a representation as to whether such person intends to deliver a proxy circular and/or form of proxy to any shareholder in connection with such nomination or otherwise solicit proxies or votes from shareholders in support of such nomination; and
 - (g) any other information relating to such person that would be required to be included in a dissident proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the Act or as required by applicable securities law.

3.1.6 Currency of Information

All information to be provided in a Timely Notice pursuant to section 3.1.5 shall be provided as of the date of such notice. The Nominating Shareholder shall update such information forthwith so that it is true and correct in all material respects as of the date that is 10 business days prior to the date of the meeting, or any adjournment or postponement thereof.

3.1.7 Corporate Governance

To be eligible to be a candidate for election as a director and to be duly nominated, a Proposed Nominee must have previously delivered to the Secretary at the registered office of the Corporation, not less than five days prior to the date of the meeting of shareholders, a written representation and agreement (in form provided by the Corporation) that the Proposed Nominee, if elected as a director, will comply with all applicable corporate governance, conflict of interest,

confidentiality and insider trading policies and guidelines of the Corporation in effect during the Proposed Nominee's term in office as a director. Upon the request of a Proposed Nominee or a Nominating Shareholder, the Secretary shall provide copies of all such policies and guidelines then in effect.

3.1.8 Additional Information

If requested by the Corporation, a Proposed Nominee shall furnish any other information as may reasonably be required by the Corporation to determine the eligibility of such Proposed Nominee to serve as a director of the Corporation or a member of any committee, with respect to any relevant criteria for eligibility, or that could be material to a shareholder's understanding of the eligibility, or lack thereof, of such Proposed Nominee.

3.1.9 Notice

Notwithstanding any other provision of this by-law, any notice, or other document or information required to be given to the Secretary pursuant to this Article 3.1 may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Secretary for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Secretary at the address of the registered office of the Corporation, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.

3.1.10 Additional Matters

- (a) The chair of any meeting of shareholders shall have the power to determine whether any proposed nomination is made in accordance with the provisions of this Article 3.1, and if any proposed nomination is not in compliance with such provisions, must declare that such defective nomination shall not be considered at any meeting of shareholders.
- (b) Despite any other provision of this Article 3.1, if the Nominating Shareholder (or a qualified representative of the Nominating Shareholder) does not appear in person at the meeting of shareholders of the Corporation to present the nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by the Corporation.
- (c) Nothing in this Article 3.1 shall obligate the Corporation or the board to include in any proxy statement or other shareholder communication distributed by or on behalf of the Corporation or board any information with respect to any proposed nomination or any Nominating Shareholder or Proposed Nominee.
- (d) The board may, in its sole discretion, waive any requirement of this Article 3.1.
- (e) For the purposes of this Article 3.1:

- (1) "public announcement" means disclosure in a press release disseminated by the Corporation through a national news service in Canada, or in a document filed by the Corporation for public access under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and
 - (2) "business day" means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by law to be closed in the City of Toronto, Ontario.
- (f) This Article 3.1 is subject to, and should be read in conjunction with, the Act and the articles. If there is any conflict or inconsistency between any provision of the Act or the articles and any provision of this Article 3.1, the provision of the Act or the articles will govern.

ARTICLE 3.2 - ANNUAL OR SPECIAL MEETINGS OF SHAREHOLDERS

3.2.1 Business to be Transacted

No business may be transacted at an annual or special meeting of shareholders other than business that is either (i) specified in the Corporation's notice of meeting (or any supplement thereto) given by or at the direction of the board, (ii) otherwise properly brought before the meeting by or at the direction of the board, or (iii) otherwise properly brought before the meeting by any shareholder of the Corporation who complies with the proposal procedures set forth in section 3.2.2 below.

3.2.2 Proposal

- (1) For business to be properly brought before a meeting by a shareholder, such shareholder must submit a proposal to the Corporation for inclusion in the Corporation's management proxy circular in accordance with the requirements of the Act; provided that any proposal that includes nominations for the election of directors shall also comply with the requirements of Article 3.1.
- (2) By-Law No. 1, as amended from time to time, of the by-laws of the Corporation and this by-law shall be read together and shall have effect, so far as practicable, as though all the provisions thereof were contained in one by-law of the Corporation. All terms contained in this by-law which are defined in By-Law No. 1, as amended from time to time, of the by-laws of the Corporation shall, for all purposes hereof, have the meanings given to such terms in the said By-Law No. 1 unless expressly stated otherwise or the context otherwise requires.

ENACTED by the Board on the 6th day of February, 2014.

"Leon Daniels"

Dr. Leon Daniels
Chairman