PANGOLIN DIAMONDS CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED

MARCH 31, 2016 AND 2015

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Notice to Reader

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed consolidated interim financial statements have not been reviewed by the Company's auditors.

PANGOLIN DIAMONDS CORP.

Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

As at		March 31, 2016		June 30, 2015
ASSETS				
Current assets				
Cash	$	183,140	$	97,138
Receivables and prepaids		94,738		118,940
Total current assets		277,878		216,078
Non-current assets				
Equipment (note 3)		30,937		29,466
Total assets	$	308,815	$	245,544
LIABILITIES AND DEFICIENCY				
Current liabilities				
Amounts payable and accrued liabilities (note 11)	$	487,546	$	404,022
Shareholders' loan (note 11)		61,228		13,431
Total current liabilities		548,774		417,453
Deficiency				
Share capital (note 4)		7,567,510		7,384,212
Shares to be issued (note 4)		151,243		-
Contributed surplus		1,592,720		1,249,263
Cumulative translation adjustment		18,242		18,242
Deficit		(9,569,674)		(8,823,626)
Total deficiency		(239,959)		(171,909)
Total liabilities and deficiency	$	308,815	$	245,544

Nature of operations and going concern (note 1)
Commitments and contingencies (notes 7 and 10)
Subsequent event (note 12)

The accompanying notes are an integral part of these condensed consolidated interim financial statements

PANGOLIN DIAMONDS CORP.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015	Nine Months Ended March 31, 2016	Nine Months Ended March 31, 2015
Expenses				
Consulting fees (note 11)	**$ 51,275**	$ 88,077	**$ 100,956**	$ 271,681
Exploration and evaluation expenditures (notes 7 and 11)	**149,942**	66,634	**461,522**	382,774
Administrative costs	**67,578**	52,718	**178,151**	224,405
Professional fees (note 11)	**9,996**	7,768	**34,795**	16,250
Share-based compensation (note 5)	**-**	-	**26,320**	132,300
Investor relations, promotion, travel	**4,285**	15,174	**22,060**	62,851
Loss on disposition of equipment (note 3)	**-**	33,561	**-**	33,561
Depreciation (note 3)	**-**	-	**-**	24,559
Foreign exchange loss (gain)	**28,773**	15,287	**41,370**	(11,405)
Net loss and other comprehensive loss for the period	**$ (311,849)**	$ (279,219)	**$ (865,174)**	$ (1,136,976)
Basic and diluted net loss per share (note 8)	**$ (0.00)**	$ (0.00)	**$ (0.01)**	$ (0.01)
Weighted average number of common shares - outstanding - basic and diluted	**100,727,075**	80,421,671	**97,799,250**	77,039,454

Condensed Consolidated Interim Statements of Deficit
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015	Nine Months Ended March 31, 2016	Nine Months Ended March 31, 2015
Balance, beginning of period	**$ (9,257,825)**	$ (8,693,763)	**$ (8,823,626)**	$ (7,836,006)
Stock options expired	**-**	-	**119,126**	-
Net loss for the period	**(311,849)**	(279,219)	**(865,174)**	(1,136,976)
Balance, end of period	**$ (9,569,674)**	$ (8,972,982)	**$ (9,569,674)**	$ (8,972,982)

The accompanying notes are an integral part of these condensed consolidated interim financial statements

PANGOLIN DIAMONDS CORP.

Condensed Consolidated Statements Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

For the nine months ended March 31,	2016	2015
Operating activities		
Net (loss) for the period	$ (865,174)	$ (1,136,976)
Adjustments for:		
Share-based payments	26,320	132,300
Depreciation	-	24,559
Loss on disposal of equipment	-	33,561
Changes in non-cash working capital items:		
Receivables and prepaids	24,202	(30,134)
Amounts payable and accrued liabilities	83,524	42,988
Net cash used in operating activities	(731,128)	(933,702)
Investing activities		
Equipment purchases	(1,471)	-
Net cash used in investing activities	(1,471)	-
Financing activities		
Proceeds from issuance of common shares	628,621	832,291
Share issue costs	(9,060)	(37,642)
Proceeds received for shares to be issued	151,243	-
Shareholders' loan	47,797	-
Net cash provided by financing activities	818,601	794,649
Net change in cash	86,002	(139,053)
Cash, beginning of period	97,138	441,895
Cash, end of period	$ 183,140	$ 302,842

The accompanying notes are an integral part of these condensed consolidated interim financial statements

PANGOLIN DIAMONDS CORP.

Condensed Consolidated Interim Statements of Changes in Equity (Deficiency)
(Expressed in Canadian Dollars)
(Unaudited)

	Share Capital Number	Share Capital Amount	Shares to be Issued	Contributed Surplus	Cumulative Translation Adjustment	Deficit	Total
Balance, June 30, 2014	72,935,210	$ 6,923,991	$ -	$ 1,197,943	$ 18,242	$ (7,836,006)	$ 304,170
Issuance of common shares in private placements	15,219,440	794,649	-	-	-	-	794,649
Issuance of warrants	-	(551,023)	-	551,023	-	-	-
Issuance of broker warrants	-	(20,049)	-	20,049	-	-	-
Exercise of stock options	-	-	-	132,300	-	-	132,300
Net loss for the period	-	-	-	-	-	(1,136,976)	(1,136,976)
Balance, March 31, 2015	**88,154,650**	**$ 7,147,568**	**$ -**	**$ 1,901,315**	**$ 18,242**	**$ (8,972,982)**	**$ 94,143**
Balance, June 30, 2015	88,154,650	$ 7,384,212	$ -	$ 1,249,263	$ 18,242	$ (8,823,626)	$ (171,909)
Issuance of common shares in private placement	12,572,425	628,621	-	-	-	-	628,621
Share issue costs	-	(9,060)	-	-	-	-	(9,060)
Proceeds received for shares to be issued	-	-	151,243	-	-	-	151,243
Issuance of warrants	-	(436,263)	-	436,263	-	-	-
Expiration of options	-	-	-	(119,126)	-	119,126	-
Share-based payments	-	-	-	26,320	-	-	26,320
Net loss for the period	-	-	-	-	-	(865,174)	(865,174)
Balance, March 31, 2016	**100,727,075**	**$ 7,567,510**	**$ 151,243**	**$ 1,592,720**	**$ 18,242**	**$ (9,569,674)**	**$ (239,959)**

The accompanying notes are an integral part of these condensed consolidated interim financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Pangolin Diamonds Corp. (the “Company” or "Pangolin") was incorporated under the Ontario Business Corporations Act on November 9, 2011. The Company is currently engaged in the acquisition, exploration and development of mineral properties in Botswana. The head office and principal address of the Company is 25 Adelaide Street East, Suite 1614, Toronto, Ontario M5C 3A1.

The Company is in the process of exploring its exploration properties for diamond resources and has not determined whether the properties contain economically recoverable reserves. The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of amounts expended on exploration properties and the Company’s continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company’s ability to dispose of its interests on an advantageous basis. All of the Company’s exploration property interests are located outside of Canada and are subject to the risk of foreign investment, including increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and political uncertainty.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements and noncompliance with regulatory requirements.

These condensed consolidated interim financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of operations. The Company has incurred a comprehensive loss during the nine months ended March 31, 2016 of $865,174 (nine months ended March 31, 2015 - $1,136,976) and has a working capital deficiency of $270,896 as at March 31, 2016 (June 30, 2015 - a working capital deficiency of $201,375) and has a deficit of $9,569,674 (June 30, 2015 - $8,823,626). Further financing will be required for working capital and exploration expenditures. The Company is uncertain whether it can obtain, in the current environment, financing to complete its current work programs. This and other conditions reflect material uncertainties that cast significant doubt about the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not reflect any adjustments to amounts that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material.

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

Statement of Compliance

The Corporation applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the IFRS Interpretations Committee (“IFRIC”). These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these condensed interim consolidated financial statements are based on IFRS issued and outstanding as of May 26, 2016, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended June 30, 2015. Any subsequent changes to IFRS that are given effect in the Corporation’s annual financial statements for the year ending June 30, 2016 could result in restatement of these condensed interim financial statements.

(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES (Continued)

Basis of Consolidation

The condensed consolidated interim financial statements of the Company consolidate the accounts of Pangolin Diamonds Corp., and its subsidiaries. All intercompany transactions are eliminated on consolidation.

Subsidiaries are those entities which the Company controls by having the power to govern the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are de-consolidated from the date that control ceases.

Name of Subsidiary	Principal Activity	Location	Proportion Ownership Interest and Voting Power Held
Pangolin Diamonds Limited ("PDL")	holding company	Seychelles	100%
Pangolin Diamonds (Pty) Limited	diamond exploration	Botswana	100%
Geocontracts Botswana (Pty) Limited	exploration consulting, and diamond exploration	Botswana	100%

Future Accounting Changes

The following standards have not yet been adopted and are being evaluated to determine their impact on the Company.

(i) IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in October 2010 and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 will be effective as at January 1, 2018. Earlier adoption is permitted.

(ii) IFRS 10 Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

(iii) IAS 1 Presentation of Financial Statements ("IAS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.

(Expressed in Canadian Dollars)

3. EQUIPMENT

Cost		Field Equipment		Vehicle		Computer Equipment		Total
Balance, June 30, 2014	$	160,730	$	34,564	$	8,115	$	203,409
Additions		-		-		-		-
Dispositions		(101,778)		(14,313)		(2,223)		(118,314)
Balance, June 30, 2015	$	58,952	$	20,251	$	5,892	$	85,095
Additions		-		1,471		-		1,471
Balance, March 31, 2016	**$**	**58,952**	**$**	**21,722**	**$**	**5,892**	**$**	**86,566**
Accumulated Depreciation								
Balance, June 30, 2014	$	71,080	$	24,552	$	3,137	$	98,769
Depreciation		7,514		6,001		334		13,849
Dispositions		(50,469)		(5,679)		(841)		(56,989)
Balance, June 30, 2015	$	28,125	$	24,874	$	2,630	$	55,629
Depreciation		-		-		-		-
Balance, March 31, 2016	**$**	**28,125**	**$**	**24,874**	**$**	**2,630**	**$**	**55,629**
Carrying Value								
At June 30, 2015	$	30,827	$	(4,623)	$	3,262	$	29,466
At March 31, 2016	**$**	**30,827**	**$**	**(3,152)**	**$**	**3,262**	**$**	**30,937**

(Expressed in Canadian Dollars)

4. SHARE CAPITAL

Common share

a) Authorized capital

Unlimited number of common shares without par value.

b) Issued and outstanding

	Number		Amount
Balance, June 30, 2014	**72,935,210**	**$**	**6,923,991**
Shares issued on private placement	15,219,440		832,291
Costs of issue	-		(37,642)
Issuance of warrants - valuation	-		(551,023)
Issuance of agents options - valuuation	-		(20,049)
Balance, March 31, 2015	**88,154,650**	**$**	**7,147,568**
Balance, June 30, 2015	**88,154,650**		**7,384,212**
Shares issued on private placement (i)	12,572,425		628,621
Costs of issue (i)	-		(9,060)
Issuance of warrants - valuation (i)	-		(436,263)
Balance, March 31, 2016	**100,727,075**	**$**	**7,567,510**

i) On September 3, 2015, the Company completed a private placement financing of 12,572,425 units for gross proceeds of $628,621 at an issue price of $0.05 per unit. Each unit consisted of one common share and one common share purchase warrant, entitling the holder to acquire an additional common share for $0.05 for five years from the date of issuance. Cash costs of issue incurred under this private placement amounted to $9,060. Officers and directors of the Company participated in the total amount of $39,623 as settlement of debt.

The 12,572,425 warrants issued in connection with this private placement were assigned a grant date fair value of $463,263 using the Black-Scholes option pricing model, based on a risk-free rate of 0.75%, an expected life of 5 years, an expected volatility of 138.62% and an expected dividend yield of 0%.

ii) During the three months ended March 31, 2016 the Company received cash proceeds of $151,243 pertaining to a private placement closing subsequent to March 31, 2016 (see note 12)

5. STOCK OPTIONS

In June 2012, the directors of the Company approved the adoption of a stock option plan (the “Plan”). Under the Plan, the Board of Directors of the Company, may from time to time at its discretion, grant to directors, officers, employees and consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the common shares outstanding at that time. Such options may be exercisable for a period of up to 10 years from the date of grant. The exercise price of the options is not to be less than the Company’s closing market price on the day prior to the grant of the options.

(Expressed in Canadian Dollars)

5. STOCK OPTIONS (Continued)

The following table shows the continuity of stock options for the nine months ended March 31, 2016 and 2015.

	Number of Options Outstanding	Weighted Average Exercise Price ($)
Balance, June 30, 2015	7,875,000	0.13
Granted (i)	800,000	0.10
Expired	(1,600,000)	0.13
Balance, March 31, 2016	**7,075,000**	**0.13**
Balance, June 30, 2014	2,675,000	0.20
Granted	1,750,000	0.11
Balance, March 31, 2015	**4,425,000**	**0.16**

i) On October 14, 2015, the Company granted an aggregate of 800,000 stock options to a director and two consultants for a period of five years, at an exercise price of $0.10 per share, vesting immediately upon grant. The stock options were valued at the grant date at $26,320, using the Black-Scholes option pricing model, based on a risk-free rate of 0.88%, an expected life of 5 years, an expected volatility of 140% and an expected dividend yield of 0%.

The following table summarizes information about stock options outstanding as at March 31, 2016:

Number of Options Outstanding	Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Number of Options Vested (Exercisable)	Grant Date Black Scholes Value ($)
450,000	0.10	1.18	450,000	22,342
300,000	0.10	1.92	300,000	28,800
1,325,000	0.25	2.06	1,325,000	191,011
800,000	0.10	4.54	800,000	26,320
1,350,000	0.11	3.37	1,350,000	118,884
2,850,000	0.10	4.18	2,850,000	91,200
7,075,000	0.13	3.38	7,075,000	478,557

(Expressed in Canadian Dollars)

6. WARRANTS

The following table shows the continuity of warrants for the nine months ended March 31, 2016 and 2015:

	Number of Warrants Outstanding	Warrants Weighted Average Exercise Price ($)
Balance, June 30, 2014	**14,549,520**	**0.29**
Issued	15,790,290	0.09
Balance, March 31, 2015	**30,339,810**	**0.18**
Balance, June 30, 2015	**23,374,890**	**0.12**
Issued (Note 5(b)(i))	12,572,425	0.05
Balance, March 31, 2016	**35,947,315**	**0.10**

The following table summarizes information about warrants outstanding as at March 31, 2016:

	Number of Warrants Outstanding	Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Black Scholes Value ($)
May 15, 2016	7,180,000	0.20	0.12	193,270
May 15, 2016*	404,600	0.10	0.12	25,490
October 29, 2016	7,131,940	0.12	0.58	137,327
October 29, 2016**	206,850	0.06	0.58	8,895
March 27, 2020	8,087,500	0.06	3.99	168,415
March 27, 2017	364,000	0.05	0.99	6,552
September 30, 2020	12,572,425	0.05	4.43	436,263
	35,947,315	0.10	2.60	976,212

* Each warrant is exercisable into one common share and one common share purchase warrant, with each warrant being further exercisable into one common share at a price of $0.20 until May 15, 2016.

** Each warrant is exercisable into one common share and one common share purchase warrant, with each warrant being further exercisable into one common share at a price of $0.12 until October 29, 2016.

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION EXPENDITURES

The Company holds prospecting diamond licences in Botswana through its wholly owned Botswana subsidiaries.

During the three and nine months ended March 31, 2016 and 2015, the Company incurred the following exploration and evaluation expenditures:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2016	**2015**	**2016**	**2015**
Exploration drilling	**$ 70,969**	$ 9,425	**$ 125,339**	$ 117,639
Exploration sample analysis	**8,163**	20,740	**27,805**	27,235
Fuels and oils	**5,932**	3,591	**19,119**	18,014
Motor vehicle expenses and transport	**5,437**	2,708	**32,129**	18,886
Field consumables and equipment	**1,661**	966	**7,749**	5,410
Repairs and maintenance	**506**	1,431	**5,899**	8,077
Exploration expenses	**57,274**	27,773	**243,482**	187,513
	$ 149,942	$ 66,634	**$ 461,522**	$ 382,774

The Botswana government retains a 10% net royalty on the market value of produced diamonds and can select to participate in development by contribution of its share of development costs. Nomathata Diamonds Inc., a corporation incorporated in the Republic of the Seychelles, which is controlled by a significant shareholder who is also a director and officer of the Company, holds a 1.2% net smelter royalty calculated on the same basis as the government's royalty.

8. NET LOSS PER COMMON SHARE

The calculation of basic and diluted loss per share for the three and nine months ended March 31, 2016 and 2015 was based on the loss attributable to common shareholders of $311,849 and $865,174**,** respectively, (three and nine months ended March 31, 2015 - $279,219 and $1,136,976), repectively and the weighted average number of common shares outstanding of 100,727,075 and 97,799,250**,** repectively (three and nine months ended March 31, 2015 - 80,421,671 and 77,039,454, respectively). Diluted loss per share does not include the effect of stock options or warrants as they are anti-dilutive.

9. SEGMENTED INFORMATION

The Company conducts its business as a single operating segment, being diamond exploration and evaluation in Botswana. As at March 31, 2016, cash of $153,074 (June 30, 2015 - $86,040) is held in Canadian chartered banks, with a balance of $30,066 (June 30, 2015 - $11,098) being held in Botswana. All of the Company's equipment is held in Botswana.

10. COMMITMENTS AND CONTINGENCIES

Environmental contingencies

The Company's exploration activities are subject to various federal and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Finder's agreement

Effective December 22, 2011, the Company entered into a finder's agreement with Aberdeen Gould Capital Markets Ltd. ("Aberdeen Gould"), a corporation controlled by a shareholder of the Company. Pursuant to this agreement, Pangolin granted Aberdeen Gould a right of first refusal for a period of fifty-four months from the date of the agreement, to act as the exclusive finder for Pangolin in respect to all financings of Pangolin. Pangolin may pay Aberdeen Gould a cash fee to be determined, but subject to a maximum of 10% of the gross proceeds raised. Pangolin may also issue to Aberdeen Gould, finder warrants to be determined, but subject to a maximum of 10% of the number of securities issued and sold, at the same purchase price and terms of the offered securities.

Pursuant to a share purchase agreement dated December 22, 2011, as amended November 8, 2012, relating to the reverse acquisition, the Company has agreed to pay Leon Daniels, the former majority shareholder of PDL and a current director and officer of the Company, $1,200,000 only in the event that the Company discovers at least five Kimberlites in connection with its properties, payable within 24 months of the discovery of such Kimberlites and further assuming such discovery of Kimberlites is verified by a qualified person. On December 1, 2013, the parties to the share purchase agreement have agreed that the $1.2 million payment obligation will now be payable within 24 months of the discovery of the 10th (not 5th) Kimberlite, provided that each such Kimberlite is "diamondiferous" as verified by a Qualified Person (as such term in defined in NI 43-101). In addition, the parties have agreed that for a Kimberlite to be diamondiferous, it must be a Kimberlite in which a "macro" diamond is contained – namely a diamond being greater than 0.5 mm in size. If a known diamondiferous Kimberlite is acquired by the Company, it will not be counted as one of the 10 as described above.

Corporate finance advisory agreement

On July 17, 2012, the Company entered into an agreement with Aberdeen Gould whereby Aberdeen Gould was engaged to perform corporate financial advisory services for a monthly fee of $6,000. This agreement was effective for a period of twenty-four months and will continue thereafter until such time as a three month termination notice is provided in writing. Effective April 1. 2015, the monthly amount was reduced to $2,000. As of January 1, 2016 terms of service were amended, increasing the monthly fee to $4,000.

Consulting agreement

On September 7, 2012, the Company entered into a consulting agreement with an individual to perform functions as the Chief Financial Officer of the Company for a monthly fee of $6,000, effective March 4, 2013, the close of the amalgamation with Key Gold.

(Expressed in Canadian Dollars)

11. KEY MANAGEMENT PERSONNEL COMPENSATION AND RELATED PARTY TRANSACTIONS

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

Compensation of key management personnel of the Company:

The remuneration of directors and other members of key management personnel during the three and nine months ended March 31, 2016 and 2015 were as follows:

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015	Nine Months Ended March 31, 2016	Nine Months Ended March 31, 2015
Share-based payments	**$ -**	$ -	**$ 9,870**	$ 132,300
Consulting fees	**45,000**	85,773	**125,000**	257,396
Consulting fees included in exploration expenses	**27,000**	27,773	**74,000**	68,396
	$ 72,000	$ 113,546	**$ 208,870**	$ 458,092

Related party transactions:

The Company had the following balances payable to related parties that are not subsidiaries of the Company:

	March 31, 2016	June 30, 2015
Shareholders' loans	**$ 61,228**	$ 13,431

Shareholders' loans payable are unsecured, non-interest bearing and due on demand.

During the three and nine months ended March 31, 2016, the Company incurred legal fees of $3,105 and $17,834 respectively (three and nine months ended March 31, 2015 - $11,105 charged by a law firm of which a director of the Company is a partner. Included in accounts payable as at March 31, 2016 was $nil (June 30, 2015 – $nil) owing to this law firm. This amount is subject to the Company's normal trade accounts payable terms.

During the three and nine months ended March 31, 2016, the Company incurred rent expense of $4,500 and $13,500, respectively (three and nine months ended March 31, 2015 - $5,491 and $16,875, respectively) charged by a director of the Company for use of a facility in Botswana. As at March 31, 2016, $4,500 (June 30, 2015 - $5,600) was included in accounts payable and accrued liabilties pertaining to rent incurred.

In connection with the private placement which closed September 3, 2015, the Company's Chief Executive Officer and Chief Financial Officer subscribed to shares for $22,013, and $17,610 respectively, or $39,623 in aggregate. Such amounts were accrued and owing and were converted at the issue price of this private placement.

See also note 7.

The above noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

To the Company's knowledge, significant shareholders of the Company (defined as those holding greater than 10%) include only Dr. Leon Daniels, who held 10.28% of the Company's issued and outstanding common shares as at March 31, 2016. The remaining 89.72% of the shares are widely held.

12. SUBSEQUENT EVENT

On April 19, 2016, the Company closed a non-brokered private placement financing for aggregate gross proceeds of $693,453 (the "Offering").

The Offering consisted of 13,869,060 units of the Company ("Unit") at a price of $0.05 per Unit. Each Unit consisted 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 $0.05 for a period of sixty (60) months from the date hereof.

Insiders of Pangolin participated in the amount of $101,600 representing 14.7% 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 and certain other finders (the "Finders"), the Company issued an aggregate of 665,000 Units to the Finders on the same terms as the Units issued pursuant to the Offering.

On May 16, 2016, 7,584,600 warrants with exercise prices between $0.10 and $0.20 expired unexercised.