PANGOLIN DIAMONDS CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

PANGOLIN DIAMONDS CORP.

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

As at		September 30, 2018		June 30, 2018
ASSETS				
Current assets				
Cash (note 8)	**$**	**45,720**	$	167,415
Receivables, prepaids and deposits (note 8)		**64,833**		66,224
Total current assets		**110,553**		233,639
Non-current assets				
Equipment (note 3)		**133,035**		133,035
Total assets	**$**	**243,588**	$	366,674
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Amounts payable and accrued liabilities (note 11)	**$**	**533,664**	$	503,010
Shareholders' loan (note 11)		**28,711**		34,411
Total current liabilities		**562,375**		537,421
Shareholders' (deficiency) equity				
Share capital (note 4)		**9,082,012**		9,009,542
Shares to be issued (note 4)		**54,353**		54,353
Contributed surplus		**1,974,216**		1,999,065
Cumulative translation adjustment		**18,242**		18,242
Deficit		**(11,447,610)**		(11,251,949)
Total shareholders' (deficiency) equity		**(318,787)**		(170,747)
Total liabilities and shareholders' (deficiency) equity	**$**	**243,588**	$	366,674

Nature of operations and going concern (note 1)
Commitments and contingencies (notes 8 and 10)
Subsequent event (note 16)

Approved on behalf of the Board:

(Signed) "Louis Peloquin", Director

(Signed) "Thomas A. Fenton", Director

PANGOLIN DIAMONDS CORP.

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

For the three months ended September 30,		2018		2017
Expenses				
Consulting fees (note 11)	$	**24,000**	$	31,016
Exploration and evaluation expenditures (notes 7 and 11)		**81,313**		110,180
Administrative costs		**80,854**		64,563
Professional fees (note 11)		**8,828**		14,178
Share-based compensation (note 5)		**-**		86,130
Investor relations, promotion, travel		**4,382**		7,634
Foreign exchange (gain)/loss		**(1,337)**		5,610
Net loss and other comprehensive loss for the period	$	**(198,040)**	$	(319,311)
Basic and diluted net loss per share (note 8)	$	**(0.00)**	$	(0.00)
Weighted average number of common shares - outstanding - basic and diluted		**133,067,884**		125,825,418

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

PANGOLIN DIAMONDS CORP.
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

For the three months ended September 30,	2018	2017
Operating activities		
Net (loss) for the period	**$ (198,040)**	$ (319,311)
Adjustments for:		
Share-based payments	**-**	86,130
Changes in non-cash working capital items:		
Receivables, prepaids and deposits	**1,391**	97,864
Amounts payable and accrued liabilities	**30,654**	46,458
Net cash used in operating activities	**(165,995)**	(88,859)
Investing activities		
Equipment purchases	**-**	(705)
Net cash used in investing activities	**-**	(705)
Financing activities		
Proceeds from warrant exercise	**50,000**	-
Shareholders' loan	**(5,700)**	-
Net cash provided by financing activities	**44,300**	-
Net change in cash	**(121,695)**	(89,564)
Cash, beginning of period	**167,415**	420,530
Cash, end of period	**$ 45,720**	$ 330,966

The accompanying notes are an integral part of these consolidated 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, 2017	128,825,418	$ 8,707,402	$ -	$ 2,270,618	$ 18,242	$ (10,424,385)	$ 571,877
Share-based payments	-	-	-	86,130	-	-	86,130
Net loss for the year	-	-	-	-	-	(319,311)	(319,311)
Balance, September 30, 2017	**128,825,418**	**$ 8,707,402**	**$ -**	**$ 2,356,748**	**$ 18,242**	**$ (10,743,696)**	**$ 338,696**
Balance, June 30, 2018	132,925,418	9,009,542	54,353	1,999,065	18,242	(11,251,949)	(170,747)
Exercise of warrants	1,000,000	72,470	-	(22,470)	-	-	50,000
Expiry of warrants	-	-	-	(2,379)	-	2,379	-
Net loss for the period	-	-	-	-	-	(198,040)	(198,040)
Balance, September 30, 2018	**133,925,418**	**$ 9,082,012**	**$ 54,353**	**$ 1,974,216**	**$ 18,242**	**$ (11,447,610)**	**$ (318,787)**

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 interim consolidated financial statements have been prepared using accounting policies applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of operations. The Company has incurred a comprehensive loss during the three months ended September 30, 2018 of $198,040 (three months ended September 30, 2017 - $319,311) and has working capital deficiency of $451,822 (June 30, 2018 - a working capital deficiency of $303,782) and has a deficit of $11,447,610 (June 30, 2018 - $11,251,949) as at September 30, 2018. 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. These condensed interim consolidated 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.

The Company currently does not have sufficient cash on hand to meet all exploration and operational expenses for the 2019 fiscal year. Accordingly, there is a material uncertainty that results in significant doubt regarding the applicability of the Company's going concern assumption. The Company plans to raise additional capital to further develop and explore its projects, however the Company may increase or decrease expenditures as necessary to adjust to a changing capital market environment.

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.

(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES (Continued)

Statement of Compliance (Continued)

The policies applied in these condensed interim consolidated financial statements are based on IFRS issued and outstanding as of November 28, 2018, 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, 2018. Any subsequent changes to IFRS that are given effect in the Corporation's annual financial statements for the year ending June 30, 2019 could result in restatement of these condensed interim consolidated financial statements.

Basis of Consolidation

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

Subsidiaries are entities over which the Company has control, where control is defined to exist when the Company is exposed to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date control is transferred to the Company, and are de-consolidated from the date 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%

New Accounting Policies Adopted

In July 2014, the IASB issued IFRS 9 to replace IAS 39. IFRS 9, which is to be applied retrospectively, will be effective for annual periods beginning on or after January 1, 2018.

IFRS 9 – Financial instruments ("IFRS 9") addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009, October 2010, November 2013 and finalized in July 2014. It replaces the parts of IAS 39 Financial Instruments: Recognition and Measurement that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value through profit or loss and those measured at amortized cost, with the determination made at initial recognition. The classification depends on an entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that in cases where the fair value option is selected for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the statements of operations, unless this creates an accounting mismatch. IFRS 9 has also been updated to amend the requirements around hedge accounting. However, there is no impact to the Company from these amendments as it does not apply hedge accounting. On January 1, 2018, the Company adopted these amendments.

The new hedge accounting guidance had no impact on the Company's unaudited condensed interim financial statements.

(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES (Continued)

New Accounting Policies Adopted (Continued)

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit and loss (FVTPL).

Below is a summary showing the classification and measurement bases of the financial instruments as at January 1, 2018 as a result of adopting IFRS 9 (along with comparison to IAS 39).

Classification	IAS 39	IFRS 9
Cash and cash equivalents	FVTPL	FVTPL
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

There was no impact on the Company's unaudited condensed interim financial statements as result of adopting IFRS 9.

Future Accounting Changes

In January 2016, the IASB issued IFRS 16, Leases ("IFRS 16"). IFRS 16 is effective for periods beginning on or after January 1, 2019, with early adoption permitted. IFRS 16 eliminates the current dual model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting.

There are no other relevant IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

3. EQUIPMENT

Cost	Field Equipment	Vehicle	Computer Equipment	Total
Balance, June 30, 2017	$ 201,153	$ 21,705	$ 8,343	$ 231,201
Additions	2,303	-	-	2,303
Balance, June 30, 2018	$ 203,456	$ 21,705	$ 8,343	$ 233,504
Additions	-	-	-	-
Balance, September 30, 2018	**$ 203,456**	**$ 21,705**	**$ 8,343**	**$ 233,504**
Accumulated Depreciation				
Balance, June 30, 2017	$ 35,847	$ 33,738	$ 4,680	$ 74,265
Depreciation	24,809	377	1,018	26,204
Balance, June 30, 2018	$ 60,656	$ 34,115	$ 5,698	$ 100,469
Depreciation	-	-	-	-
Balance, September 30, 2018	**$ 60,656**	**$ 34,115**	**$ 5,698**	**$ 100,469**
Carrying Value				
At June 30, 2018	$ 142,800	$ (12,410)	$ 2,645	$ 133,035
At September 30, 2018	**$ 142,800**	**$ (12,410)**	**$ 2,645**	**$ 133,035**

(Expressed in Canadian Dollars)

4. SHARE CAPITAL

Common shares

a) Authorized capital

Unlimited number of common shares without par value.

b) Issued and outstanding

	Number		Amount
Balance, June 30, 2017 and September 30, 2017	**115,661,135**	**$**	**8,120,928**
Balance, June 30, 2018	**132,925,418**		**9,009,542**
Exercise of warrants - cash	1,000,000		50,000
Exercise of warrants - valuation	-		22,470
Balance, September 30, 2018	**133,925,418**	**$**	**9,082,012**

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.

The following table shows the continuity of stock options for the three months ended September 30, 2018 and 2017:

	Number of Options Outstanding	Weighted Average Exercise Price ($)
Balance, June 30, 2017	11,125,000	0.13
Granted	1,650,000	0.10
Balance, September 30, 2017	**12,775,000**	**0.12**
Balance, June 30, 2018 and September 30, 2018	**11,500,000**	**0.11**

(Expressed in Canadian Dollars)

5. STOCK OPTIONS (Continued)

The following table summarizes information about stock options outstanding and exercisable as at September 30, 2018:

Number of Options Outstanding and Exercisable	Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Number of Options Vested (Exercisable)	Grant Date Black Scholes Value ($)
1,200,000	0.11	0.87	1,200,000	110,400
2,185,000	0.10	1.68	2,185,000	69,920
800,000	0.10	2.04	800,000	26,320
2,850,000	0.12	2.67	2,850,000	304,380
2,000,000	0.15	2.88	2,000,000	247,400
150,000	0.10	3.46	150,000	6,965
515,000	0.10	3.69	515,000	21,682
150,000	0.10	3.65	150,000	4,950
1,650,000	0.10	3.97	1,650,000	86,130
11,500,000	**0.11**	**2.54**	**11,500,000**	**878,147**

6. WARRANTS

The following table shows the continuity of warrants for the three months ended September 30, 2018 and 2017:

	Number of Warrants Outstanding	Warrants Weighted Average Exercise Price ($)
Balance, June 30, 2017 and September 30, 2017	**42,496,775**	**0.06**
Balance, June 30, 2018	39,827,268	0.07
Exercised	(1,000,000)	0.05
Expired	(35,000)	0.15
Balance, September 30, 2018	**38,792,268**	**0.07**

(Expressed in Canadian Dollars)

6. WARRANTS (Continued)

The following table summarizes information about warrants outstanding as at September 30, 2018:

Expiry Date	Number of Warrants Outstanding	Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Black Scholes Value ($)
December 6, 2021	4,628,666	0.07	3.19	126,847
December 6, 2021	125,673	0.07	3.19	5,479
March 27, 2020	6,573,500	0.06	1.49	174,237
September 3, 2020	7,322,425	0.05	1.93	164,536
April 19, 2021	13,869,060	0.05	2.56	301,238
April 19, 2021	665,000	0.05	2.56	15,295
August 15, 2021	5,607,944	0.15	2.88	308,437
	38,792,268	**0.07**	**2.37**	**1,096,069**

7. EXPLORATION AND EVALUATION EXPENDITURES

The Company holds prospecting diamond licences in Botswana through its wholly owned Botswana subsidiaries that expire over the period December 31, 2018 to March 31, 2020.

During the three months ended September 30, 2018 and 2017, the Company incurred the following exploration and evaluation expenditures:

For the three months ended September 30,	**2018**	2017
Exploration drilling	**$ 14,390**	$ 35,183
Exploration sample analysis	**11,133**	9,724
Fuel and oil	**7,728**	6,323
Motor vehicle expenses and transport	**10,568**	11,290
Field consumables and equipment	**6,024**	6,806
Repairs and maintenance	**2,363**	838
Geological consulting and licenses	**29,107**	40,016
	$ 81,313	$ 110,180

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 ("NSR") calculated on the same basis as the government's royalty.

On April 1, 2018 Company signed an option agreement (the “Agreement”) with Makanwu Civil Blasting (PTY) Ltd. (“MCB”), a private company incorporated under the laws of the Republic of Botswana. Under the Agreement, MCB has granted Pangolin the sole and exclusive option to earn up to a 75% interest in respect of MCB’s precious stone AK10 Diamond Project located in the Central District of Botswana, Africa. In connection with this Agreement, the Company signed a joint venture agreement on June 30, 2018.

7. EXPLORATION AND EVALUATION EXPENDITURES (Continued)

On May 23, 2017, the Company reached an agreement with Umgeni Holdings International Limited ("Umgeni"), an arm's length company. Under the terms of the agreement with Umgeni, Umgeni paid Pangolin $600,000 to acquire the following royalty interests in Pangolin's Malatswae, Moenyenana and Motloutse diamond projects ("Licences"):

- a 1.3% gross overriding royalty of an amount equal to 97% of gross proceeds from the sale of diamonds ("GOR") and a 1.3% NSR on an amount equal to 97% of gross proceeds from the sale of base and precious metals over the licences issued to Pangolin Diamonds (Pty) Limited and Geocontracts Botswana (Pty) Limited, as well as an adjacent area of interest.

During the year ended June 30, 2017, the Company received $500,000 with the balance of $100,000 received during the year ended June 30, 2018. The Company has agreed to spend the $600,000 received on its property interests. As at September 30, 2018, the expenditure commitment had been met. See note 12, "Subsequent Events".

The Company has minimum spending requirements of $255,000 over the next three years to maintain the Company's prospecting licences in good standing.

8. NET LOSS PER COMMON SHARE

The calculation of basic and diluted loss per share for the three months ended September 30, 2018 was based on the loss attributable to common shareholders of $198,040 (three months ended September 30, 2017 - $319,311), and the weighted average number of common shares outstanding of 133,067,884 (three months ended September 30,2017 - 125,825,418). 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 June 30, 2018, cash of $22,544 (June 30, 2018 - $146,366) is held in Canadian chartered banks, with a balance of $23,176 (June 30, 2018 - $21,049) 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.

Pursuant to a share purchase agreement dated December 22, 2011, as amended November 8, 2012, and December 1, 2013, 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 in the event that the Company discovers at least ten kimberlites in connection with its properties, payable within 24 months of the discovery of such kimberlites, 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. There have been no such kimberlites discovered by the Company to date.

(Expressed in Canadian Dollars)

10. COMMITMENTS AND CONTINGENCIES (Continued)

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 January 1, 2018, the fee was reduced to $2,000 per month.

Consulting agreements

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. Such agreement was renewed on September 7, 2017 and will expire on December 31, 2020 unless terminated earlier in accordance with the agreement. The agreement stipulates a 90 day notice provision in the event of an early termination.

The Company has also entered into a consulting agreement, effective September 1, 2017, with an individual to perform functions as the Chief Executive Officer of the Company for a monthly fee of US $6,000 and will expire on December 31, 2020 unless terminated earlier in accordance with the agreement. The agreement stipulates a 90 day notice provision in the event of an early termination.

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 months ended September 30, 2018 and 2017 were as follows:

	2018	2017
Share-based payments	**$ -**	$ 86,130
Consulting fees	**18,000**	41,000
Consulting fees included in exploration expenses	**23,000**	23,000
	$ 41,000	$ 150,130

Related party transactions:

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

	Sept. 30 2018	June 30 2018
Shareholders' loans	**$ 28,711**	$ 34,411

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

During the three months ended September 30, 2018, the Company incurred legal fees of $nil (three months ended September 30, 2017 - $4,512) charged by a law firm of which a director of the Company is a partner. Included in accounts payable as at June 30, 2018 was $7,000 (June 30, 2018 - $7,000) owing to this law firm. This amount is unsecured, non-interest bearing, with no fixed terms for repayment.

11. KEY MANAGEMENT PERSONNEL COMPENSATION AND RELATED PARTY TRANSACTIONS (Continued)

During the three months ended September 30, 2018, the Company incurred rent expense of $4,500 (three months ended Septemebr 30, 2017 - $4,500) charged by a director of the Company for use of a facility in Botswana. As at September 30, 2018, $4,500 (June 30, 2018 - $nil) was included in accounts payable and accrued liabilities pertaining to rent incurred.

Included in accounts payable is $49,680 (June 30, 2018 - $41,850) owed to the Company's Chief Financial Officer and $115,000 (June 30, 2018 - $92,000) owed to the Company's Chief Executive Officer who is also a director of the Company for consulting fees and sundry expense reimbursements.

The above noted transactions are approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

12. SUBSEQUENT EVENTS

On October 17, 2018 1,000,000 $0.05 warrants were exercised for proceeds of $50,000.

On November 9, 2018 the Company granted 1,500,000 options under its Stock Option Plan, each share under option having a 5 year term and an exercise price of $0.05. The options in question were granted to nine different recipients consisting of directors, senior officers, key employees and certain consultants.

On November 27, 2018, the Company announced it had reached an agreement with Umgeni Holdings International Limited ("Umgeni") under which Umgeni has agreed to acquire a royalty interest in Pangolin’s Licences located within the Central District of Botswana, as well as an area defined as the Adjacent Area of Interest for $600,000. Umgeni is a private company of which Dr. Christopher Jennings is a beneficiary of the sole shareholder that initially purchased a 1.3% GOR and a 1.3% NSR for $600,000 in May of 2017.

Under the terms of the agreement, Umgeni has agreed to pay Pangolin an additional $600,000 (for a total of $1,200,000 in funding to date) to acquire the following royalty interests in Pangolin’s Malatswae, Moenyenana and Motloutse diamond projects:

- a 2.6% gross overriding royalty on diamonds ("GOR") and a 2.6% net smelter returns royalty on base and precious metals ("NSR") over the Licences issued to Pangolin Diamonds (Pty) Limited and Geocontracts Botswana (Pty) Limited, located within the Central District of the Republic of Botswana and valid as at 01 April 2017, as well as a defined Adjacent Area of Interest. Pangolin Diamonds (Pty) Limited and Geocontracts Botswana (Pty) Limited are 100% owned subsidiaries of Pangolin Diamonds Corp.