

PANCON GOLD CLOSSES ITS ACQUISITION OF THE JEFFERSON GOLD PROJECT IN SOUTH CAROLINA, UNITED STATES

NOT FOR DISSEMINATION INTO THE USA

August 18, 2016

Pancontinental Gold Corporation (TSX-V:PUC.H) (“Pancon Gold” or the “Company”) is pleased to announce that it has closed the acquisition of the Jefferson Gold Project located in South Carolina, United States, first announced on May 25, 2016.

The acquisition has been completed pursuant to the purchase agreement with Firebird Resources Inc. (“Firebird”, TSX-V:FIX), Pageland Minerals Ltd. (“Pageland”) and Appalachian Resources LLC (“Appalachian”) dated May 20, 2016, and Pancon Gold has acquired a 100% interest in the high-potential, advanced exploration stage gold project (the “Jefferson Gold Project” or “Jefferson”).

In 2011, Firebird and Pageland drilled a total of four holes at Jefferson with very positive results, providing a base for establishing a significant gold resource. All four holes encountered mineralization, with the best hole averaging 1.27 grams per tonne over 539 feet (164.3 metres) - true width unknown. The drill hole details for all four holes were included in the Company's news release of May 25, 2016.

The Jefferson Gold Project is located within one of the most significant historic gold trends in the United States. It contains the nearby Haile Gold Mine, which is less than 7 miles (12 km) from Jefferson. Haile is currently being developed by Oceanagold Corporation (TSX: OGC) and is expected to begin production in 2017, according to Oceanagold's website.

Also on this trend is the former Brewer Gold Mine, which was last mined in the 1980's and 1990's and forms the western border of Jefferson Gold Project. The region also includes the former Ridgeway Gold Mine, about 35 miles (56 km) away, which was a 15,000 tons per day open pit mine operated by Kennecott Minerals and produced in excess of 1.6 million ounces of gold from 1988 to 1999.

The Jefferson Gold Project consists of over 1,500 acres under lease from private landowners who own the surface and sub-surface mineral rights. Jefferson is along a nearly continuous northeast-striking structural trend of hydrothermal alteration and gold mineralization. The mineralized footprint of Jefferson is similar in magnitude to the footprints of the Haile and Ridgeway mines. Jefferson contains multiple drill targets within a mineralized trend over 1.2 miles (2 km) wide.

Pancon Gold has engaged the services of Dr. Dennis LaPoint, PhD, LGeo, to manage the exploration programs at Jefferson. Dr. LaPoint, who originally assembled the Jefferson property package, managed and was responsible for the 2011 exploration program at Jefferson and was the QP when the assay results were originally released in Firebird's March 1, 2012 press release. Pancon Gold is currently reviewing the historic data and is planning for an effective staged drilling and exploration program to develop an initial gold resource at Jefferson. The initial drilling by Pancon Gold will commence in the 4th Quarter of 2016 following a financing, subject to regulatory approval including the approval of the TSX Venture Exchange.

Dr. Dennis LaPoint is a qualified person under National Instrument 43-101 “Standards of Disclosure for Mineral Projects” and has approved the technical information contained in this news release. Dr. LaPoint is not independent of Pancon Gold, as he is a consultant of the Company. Dr. LaPoint has verified all the technical data in this release.

As consideration for acquiring the 100% ownership in the Jefferson Gold Project, Pancon Gold agreed to pay and issue:

- to Firebird and Pageland, in aggregate, cash totalling \$100,000 (\$30,000 was paid on May 25 and a further \$70,000 paid on closing), and 1,000,000 common shares (issued); and,

- to Appalachian, 1,000,000 common shares (issued).

In addition, Pancon agreed to settle Firebird's and Pageland's lease arrears with the private landowners of approximately USD \$183,000.

The common shares of Pancon Gold issued pursuant to the Jefferson Gold Project acquisition are subject to a resale restriction until December 18, 2016.

About Pancontinental Gold Corporation

Pancontinental Gold Corporation is a Canadian-based mining company listed on the NEX Board of the TSX Venture Exchange, trading under the symbol PUC.H. In 2015, Pancon sold its interest in its Australian rare earth element (REE) and uranium properties, formerly held through a joint venture, and retains a 1% gross overriding royalty on 100% of future production. Pancon Gold is now focused on the exploration and development of the Jefferson Project gold properties.

ON BEHALF OF THE BOARD OF DIRECTORS

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Cautionary Language and Forward Looking Statements

This news release contains forward-looking information which is not comprised of historical facts. Forward-looking information is characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking information involves risks, uncertainties and other factors that could cause actual events, results, and opportunities to differ materially from those expressed or implied by such forward-looking information. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to, changes in the state of equity and debt markets, fluctuations in commodity prices, delays in obtaining required regulatory or governmental approvals, and other risks involved in the mineral exploration and development industry, including those risks set out in the Company's management's discussion and analysis as filed under the Company's profile at www.sedar.com. Forward-looking information in this news release is based on the opinions and assumptions of management considered reasonable as of the date hereof, including that all necessary governmental and regulatory approvals will be received as and when expected. Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information. The Company disclaims any intention or obligation to update or revise any forward-looking information, other than as required by applicable securities laws.