

January 10, 2018

**PANCONTINENTAL GOLD ACQUIRES STRATEGIC NICKEL-COPPER-COBALT
PROJECT IN CANADA**

The Board of Directors of Pancontinental Gold Corporation (TSX-V:PUC) (“Pancontinental” or the “Company”) is pleased to announce that it has entered into an option agreement (the “Agreement”), effective January 10, 2018 with 2522962 Ontario Incorporated, to acquire a 100% interest in the Montcalm West Nickel-Copper-Cobalt Project. The Montcalm West Project is located in the Porcupine Mining Division, approximately 65 kilometers northwest of Timmins, Ontario, Canada.

The Montcalm West Project is comprised of two separate properties, the Montcalm and Nova Properties. The Montcalm Property is contiguous and surrounds the western portion of the former Montcalm Mine, which had historical production of 3,931,610 tonnes of ore grading 1.25% nickel (Ni), 0.67% copper (Cu), and 0.051% cobalt (Co), and which produced in excess of 4 million pounds of Cobalt (Ontario Geological Survey, Atkinson, 2011). The Nova Property is located approximately 19 kilometers southwest of the mine. The Montcalm Property consists of 16 contiguous mining claims (3,312 hectares) and the Nova Property is made up of 4 contiguous mining claims (672 hectares).

The Company has the right to earn a 100% interest in the Montcalm West Project in exchange for cash payments totalling \$140,000 and the issuance of a total of 1,200,000 common shares in four equal payments over a three-year period. The claims are subject to a 2.5% net smelter return (NSR). The Company reserves the right to purchase 1% NSR for \$1 million. The Agreement is subject to regulatory approvals.

“We are excited to acquire this strategic Canadian project, allowing our shareholders to benefit from exposure to three key battery metals in addition to our gold assets in the southeastern United States,” said Layton Croft, Pancontinental President and Chief Executive Officer. “Nickel, copper and cobalt are all in strong demand due to electric vehicle and battery demand growth. This acquisition, combined with our Jefferson Gold Project in South Carolina, creates a portfolio of highly prospective North American strategic gold and battery metals projects located in close proximity to current and past producing mines, and with low political, social and environmental risk profiles.”

The Rise of Battery Metals

A key aspect of the Montcalm West Project is its high potential for cobalt, also known as ‘blue gold.’ According to Bloomberg, cobalt prices increased 120% in 2017, and cobalt is forecast to experience up to a 4,500% surge in global demand from now to 2030. Cobalt, primarily mined as a by-product of nickel and copper, is important as a key input for batteries, and thus electric vehicles. A laptop computer contains approximately one ounce of cobalt, while an average electric car battery typically contains more than 30 pounds of cobalt, according to Bloomberg.

Nickel and copper are also essential to battery and electric vehicle production. According to the International Energy Agency, global electric vehicle sales were about 2 million units in 2016, and annual sales are expected to grow to 20 million by 2020, and to 70 million per year by 2025.

Pancontinental: A Growing Company

The Montcalm West Project allows Pancontinental to prudently expand its commodity focus, taking advantage of rising demand and value for cobalt, nickel and copper. Adding the Montcalm West Project to Pancontinental's portfolio is a timely strategic acquisition. Like the Jefferson gold Project in South Carolina, the nickel-copper-cobalt Montcalm West Project is:

- A highly prospective project adjacent to a former mine in a proven historic mining region that is underexplored; and
- Located in a safe, low-risk jurisdiction with a stable, predictable and pro-mining legal, regulatory and political regime, excellent infrastructure, and strong community support.

Montcalm West Project Highlights

Montcalm Property:

- Pancontinental's Montcalm West Project covers 3,984 hectares of the Montcalm Gabbro Complex. The property is contiguous and surrounds the western portion of the former producing Ni-Cu-Co Montcalm Mine. The gabbro-hosted Montcalm Mine and the surrounding Montcalm Gabbro Complex host geology bear a distinct geological resemblance to other known gabbro-hosted Ni-Cu-Co deposits and former mines in Canada. This suggests excellent potential for new discoveries.
- The current Pancontinental boundary is approximately 1 kilometer west of the former Montcalm Mine. On Pancontinental's land holdings, previous owners left numerous near-surface, high priority, untested geophysical electromagnetic conductors. Historical drilling also intersected zones of anomalous nickel and copper mineralization.

Nova Property:

- The main highlight of the Nova Property is the presence of numerous highly anomalous historical cobalt samples associated with sulphide mineralization in surface outcrops. Of particular interest is a historical occurrence which returned 6.46 pounds of cobalt per tonne (3,230 ppm Co) in a single surface rock sample taken by a Teck Corporation geologist in 1991. This sample is a selected sample and it not necessarily representative of the mineralization hosted on the property.
- Past operators on this property also detected substantial sulphide mineralization in surface trenches and limited drilling of geophysical targets. There is no record of sampling of the sulphide occurrences for nickel, copper or cobalt in drill holes.
- Government airborne geophysical surveys have outlined numerous untested electromagnetic anomalies in association with strong magnetic responses across the property. These targets require further evaluation for their cobalt-nickel-copper potential, as they represent excellent targets in proximal known surface cobalt mineralization.

The reader is cautioned that the reported information above is historical in nature, and taken from government assessment file reports by previous property operators and from government publications, all of which pre-date NI-43-101. This information is understood to be reliable, but

the Company has not yet completed sufficient work to verify this information as of the date of this press release. The Company obtained the information with respect to the adjacent Montcalm Mine through publicly available documents, however, it has not verified the information and the historic information with respect to the Montcalm Mine is not necessarily indicative of the mineralization on the Montcalm West Project.

Exploration Plans

Due to the limited outcrop exposure on the Montcalm Property, Pancontinental intends to fly a state of the art VTEM (electromagnetic survey) and airborne gravity survey to detect potential targets at depth. Documentation from the Montcalm Mine shows that the deeper lenses in the mine start at 250 meters below surface. Modern VTEM technology and newly developed airborne gravity systems have the capability to search below 200 meters. Pancontinental's work will be conducted in conjunction with an evaluation of higher priority near-surface geophysical targets that were left untested by previous operators. Upon completion of this work the higher priority targets will be selected for drill testing.

At the Nova Property, the Company plans to conduct preliminary prospecting efforts over key portions of the property to fully evaluate known cobalt mineralization. This work will be conducted along with a mobile metal ion geochemical survey, to assist in evaluation of areas without exposure but proximal to known cobalt occurrences. This initial program has been designed to evaluate the Nova Property for a potential near-surface bulk tonnage deposit.

Qualified Person

The Company has not yet completed the work necessary to verify the historical data and past exploration results, as they pre-date National Instrument 43-101 standards. In addition, a Qualified Person has not yet completed sufficient work to verify these historical data and results. The technical information in this news release has been prepared in accordance with Canadian regulatory requirements as set out in NI 43-101 and reviewed and approved by J. Kevin Filo, PGeo, a Qualified Person as defined by NI 43-101 and a technical advisor for Pancontinental Gold Corporation.

Option Grant

The Company also announces that it has granted 1,200,000 options to a Company officer/director and a consultant to purchase common shares at an exercise price of \$0.05 cents per common share, expiring on January 10, 2023.

About Pancontinental Gold Corporation

Pancontinental Gold Corporation is a Canadian-based mining company focused on the exploration and development of its 100%-owned Jefferson gold project in South Carolina, USA, and its Montcalm West nickel-copper-cobalt project in Ontario, Canada. The Company continues to focus on acquiring additional prospective properties in low-risk areas in proximity to producing mines. The Company's shares are listed on the TSX Venture Exchange, trading under the symbol PUC. In 2015, Pancontinental 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.

ON BEHALF OF THE BOARD OF DIRECTORS

Layton Croft

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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.