

Vancouver, BC (FSCwire) - Prima Diamond Corp. (TSXv: PMD, FSE: 2P6) (the "Company") is pleased to announce that it has entered into an agreement to acquire a 100% interest in the Green Energy Lithium Property (the "Property") located in Grand County, Utah.

## Green Energy Lithium Property

The Green Energy Lithium Property encompasses 4,160 acres and is located 15km west of the city of Moab. The Property exists over an extensive area with historic fluid analysis assays ranging from 81-1,700 mg/l lithium in saturated brines. The brine was discovered in the 1960's when over pressurized oil exploration wells encountered blow-outs upon drilling. Approximately 20 wells have been drilled on the Green Energy Property. Of these, 5 have analytical data for lithium.

Historic exploration of the property was conducted by Fidelity Exploration and Production Co., U.S Borax, King Oil Co. and Amerada Co. since the 1960's. In March 2011, Mesa Exploration completed a NI 43-101 technical report which reviewed the geology and historic work performed on the property. This review concluded that there exists a historic resource estimate of 15 million barrels of brine containing 96,000 tons of sodium, 158,000 tons of potassium (302,400 tons of KCl), 5,750 tons of lithium (30,535 tons of Li<sub>2</sub>CO<sub>3</sub>), 157,000 tons of calcium and 147,000 tons of magnesium (576,450 tons of MgCl<sub>2</sub>) (Gwynn, 2008).

*All of the lithium, magnesium, sodium, potassium and calcium drill results and estimates are of historic resources. The Company is not treating the historical estimates as current mineral resources or reserves. The Company has not undertaken any independent investigation of the drill results or resource estimates nor has it independently analyzed the results of the previous exploration work in order to verify the resources. The Company is not treating the historical estimate as a current mineral resource or mineral reserves. The Company believes that these historical drill results and estimates provide a conceptual indication of the potential of mineral occurrences within the project and are relevant to ongoing exploration.*

Lithium occurs at the project in an over saturated brine (40% minerals, 60% water) and was discovered during oil exploration when drill wells intercepted Bed #31 of the Paradox Formation. Bed #31 is approximately 6,000 feet deep and consists of 30 feet of shale, anhydrite and dolomite; the bed is not part of any oil reservoir. Engineering reports from the 1960s conclude that the brine reservoir is extensive (over 10 square miles) and is recharged from fresh in-flows as indicated by well pressure measurements, drawdown tests and oxygen-deuterium isotopes.

[Prima Diamond Corp.](#) intends to conduct a review of recent and historic well logs, along with chemical analysis in the area and reprocessing of seismic data focusing on mineral brine. Evaluation of reservoir potential will be done in preparation for the re-entry of shut in wells.

## NI 43-101 Disclosure

Dana Durgin (P.Geol), a Qualified Person as defined by National Instrument 43-101, supervised the preparation of the technical information in this news release.

## Acquisition Terms

In consideration for a 100% interest in the Property, Prima has entered into an acquisition agreement with Zimtu Capital Corp. (Zimtu) and [Mesa Exploration Corp.](#) (Mesa), collectively the "Vendors". Prima will reimburse Zimtu \$10,000 acquisition costs and issue 3,000,000 post-consolidated shares to Mesa 1,500,000 shares issuable within 5 days of TSX Venture Exchange (Exchange) approval and 1,500,000 shares issuable one year from Exchange approval.

## Proposed Share Consolidation

The Company also announces that it has called an Annual and Special Meeting of shareholders scheduled for March 21, 2016 (the "Meeting") with record date being February 12, 2016. As part of that Meeting, shareholders of the Company will be asked to approve a special resolution (the "Consolidation Resolution") approving the consolidation of the issued and outstanding common shares of the Company on a one new (1) for five old (5) basis (the "Consolidation"). The 32,573,500 common shares of the Company outstanding would reduce to approximately 6,516,700 common shares, once approved by shareholders. The Board of Directors believes that the Consolidation will provide the Company with the opportunity to complete a financing in the near future and to advance future projects. The details of the share consolidation are included in the information circular posted on SEDAR.

## Debt Settlement

The company has entered into settlement agreements (the "Settlement Agreements") with various creditors of the Company

whereby the company would issue shares of the Company at a deemed price of \$0.05 per share on a post consolidated basis representing a settlement of the amounts owing to such creditors (the "Shares for Debt Settlement"). Pursuant to the Settlement Agreements, CDN\$791,000 would be settled and a total of 15,820,000 common shares would be issued to the creditors. The Settlement Agreements are subject to acceptance by the Exchange. All the securities issued under the Settlement Agreements are subject to voluntary 4 month hold and where required, escrow under applicable securities legislation.

## Financing & Use of Proceeds

The Company also announces that it has proposed a non-brokered private placement (the "Private Placement") of up to 15,000,000 units (the "Units") post consolidation at a price of \$0.05 per Unit to raise gross proceeds of up to \$750,000. Each Unit will consist of one common share of the Company and one transferable share purchase warrant (a "Warrant"). Each whole Warrant shall be exercisable to acquire one additional common share of the Company (a "Warrant Share") for a period of 24 months at a price of \$0.075 per Warrant Share in the first 12 months and \$0.10 in the second 12 months.

The proceeds from the Unit sale will be used by the Company to fund exploration on the Green Energy property in Utah as well as general administrative purposes. The Private Placement is subject to acceptance by the TSX Venture Exchange. All the securities issued under the Private Placement are subject to resale restrictions under applicable securities legislation.

## ON BEHALF OF THE BOARD

PRIMA DIAMOND CORP.

*David Hodge*

David Hodge

President and CEO

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*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

## Forward-Looking Statements

This news release contains forward-looking information which is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ from those projected in the forward-looking statements. For example forward looking statements in this press release include and are not limited to the acquisition of the property and any reference to future work commitments; shareholder approval of the proposed share consolidation; completion of the proposed shares for debt settlements and the proposed private placement. These forward-looking statements are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. Risks that could change or prevent these statements from coming to fruition include that our shareholders may not approve the share consolidation, the TSXV may not approve the acquisition on the negotiated terms, creditors may not complete debt settlements, we may not raise sufficient funds to carry out our plans, changing costs for mining and processing; increased capital costs; the timing and content of upcoming work programs; geological interpretations based on current data that may change with more detailed information; potential process methods and mineral recoveries assumption based on limited test work and by comparison to what are considered analogous deposits that with further test work may not be comparable; the availability of labour, equipment and markets for the products produced; and despite the current expected viability of the project, that the minerals on our property cannot be economically mined, or that the required permits to build and operate the envisaged mine cannot be obtained. The forward-looking information contained herein is given as of the date hereof and the Company assumes no responsibility to update or revise such information to reflect new events or circumstances, except as required by law.

To view this press release as a PDF file, click onto the following link:  
public://news\_release\_pdf/prima02182016.pdf

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