



Pangolin Diamonds Corp. updates shareholders on 2013 kimberlite diamond exploration activities in Botswana

- **Diamond drilling commenced on Tsabong North Project**
- **Over 80 priority kimberlite drill-ready targets identified**
- **Several priority targets exceed 20 hectares in surface area**
- **Financing of \$2.171 million completed to fund 2013 exploration activities**

TORONTO, ONTARIO (CANADA) (March 25, 2013) --- Pangolin Diamonds Corp. (TSX-V: PAN) (the "Company" or "Pangolin") is pleased to update shareholders on the Company's 2013 financing and kimberlite diamond exploration activities at the Company's 100% owned Tsabong North, Jwaneng South, Malatswae and Mmadinare Diamond projects (the "Projects") in Botswana, Africa.

Exploration activities 2008 to 2012

Prior to the reverse takeover transaction (the "Transaction") announced on February 21, 2012 (see Key Gold Holding Inc. [TSX.V: KGH] news release), Pangolin spent approximately \$1 million to better delineate potential kimberlite targets. The Company completed airborne magnetics, detailed prospecting, soil sampling, pitting, trace element geochemistry and heavy mineral sample processing on all of its Projects. Through this process, more than 80 priority kimberlite drill targets have been identified and prioritized for future drilling; of these, over 50 are situated in the Tsabong North Project.

2013 financing completed

Pangolin successfully completed a financing that raised \$2.171 million during the Transaction process. These funds are being used for the Company's 2013 exploration activities.

Current and planned exploration activities in 2013

The recently raised funds have been allocated to the diamond drilling program, detailed ground magnetics and gravity surveys, and detailed soil sampling of the priority kimberlite targets. Diamond drilling has commenced at the Tsabong North Project. The Company has acquired two diamond drill rigs and a fully portable 1 tonne per hour Dense Media Separation Plant (or "DMS Plant") capable of preparing samples and making diamond concentrates. Pangolin's management and team leaders have over 90 years of combined diamond exploration experience in Southern Africa.

Pangolin's Botswana diamond projects

Pangolin holds 11 Prospecting Licences in Botswana covering 5,307 km². The Project Areas are all 100% owned and are situated in multiple locations including Tsabong North, Jwaneng South, Malatswae, and Mmadinare.

Link to map of Botswana and Pangolin's Project locations : <http://www.pangolindiamondscorp.com/pdfs/PDC-Property-Map-Nov-2012.pdf>

Tsabong North Project

The Tsabong North Project, located approximately 100 km north of the town of Tsabong in southwestern Botswana, is 1,545 km² in size. It is comprised of anomalous concentrations of kimberlite indicators and has large geo-botanical features. Pangolin has already identified more than 50 drill-ready aeromagnetic targets in the Project area, several of which have surface areas exceeding 20 hectares. Exploration activities in the area are guided in part by the recommendations of a *National Instrument 43-101 Technical Report* prepared for the Project.

The Project is situated on the Archaean Kaapvaal Craton, immediately north of the diamondiferous Tsabong kimberlite field that hosts the M-1 pipe, the largest known diamondiferous kimberlite pipe in the world (www.firestonediamonds.com). Pangolin's Chairman and its single largest shareholder, Dr. Leon Daniels, was part of the Falconbridge Team that developed the geological model of the 180 hectare M-1 pipe that was discovered in 1980. He was also directly involved in the discovery of several new kimberlites in the Tsabong kimberlite field.

Pangolin's soil sampling has produced highly anomalous concentrations of kimberlite indicators within the Project area. Microprobe analyses of indicator minerals have confirmed the presence of G10 garnets, indicating the presence of a mantle conducive to the crystallization of diamonds. A number of indicators occur, including remnants of kelyphite that indicate close proximity to kimberlite. Enzyme-leach trace element results are consistent with orientation trace element results over known kimberlites near the Project.

Jwaneng South Project

The Jwaneng South Project is 799.4 km² in size. It is situated 50 km south of De Beers' Jwaneng Mine, which is the richest diamond mine in the world, having produced 12.5 to 15 million carats per annum since 1982 (www.debswana.com).

The Project area has large geo-botanical features and includes four targets believed to cover more than 20 hectares each. Indicator studies, aeromagnetic work and trace elements support these high priority targets.

Rooikoppie alluvial gravels have been discovered in the south of the Project area. These alluvial gravels, which have not been previously reported in Botswana, are a well known source of diamonds in South Africa.

Malatswae Project

The Malatswae Project covers an area of 1,174 km² and is located near De Beers' Orapa diamond mine. The primary targets identified are potential alluvial diamonds sourced from the Orapa Kimberlite Field

(www.debswana.com). De Beers' Orapa mine is one of the largest open pit diamond mines in the world, producing 17.3 million carats in 2006 alone.

A review of past diamond exploration programs conducted by several companies over the past 25 years has identified a wide scatter of kimberlitic garnets over the Malatswae Project area (Botswana Department of Mines Library). The wide spatial distribution and chemistry of the garnets indicate the area's potential to be a new kimberlite field. This enhances the potential for discovery of other kimberlite sources in the Project area.

Pangolin has therefore developed dual objectives for exploration in the Malatswae Project: to discover economically viable alluvial diamond deposits; and to discover primary sources of diamonds within the project area such as diamondiferous kimberlites.

Mmadinare Project

The Mmadinare Project is 1,345.6 km² in size. It has multiple geo-botanical features similar to known kimberlites, several of which are closely associated with indicator minerals. De Beers has previously reported kimberlite indicators in the Project area (Botswana Department of Mines Library). The geological environment is similar to operating diamond mines including Venetia, the Oaks, Martinsdrift and River Ranch.

The technical disclosure in this news release has been reviewed and approved by Dr. Leon Daniels, B.Sc., Ph.D., Member of AIG, Chairman of the Board of Pangolin, and Mr. Jean Lafleur, B.Sc., M.Sc., P. Geo., an independent Director of the Company. Both individuals are Qualified Persons under National Instrument 43-101 rules.

About diamond mining in Botswana

Botswana is the largest diamond producing country in the world by value, supplying 21% of global rough diamond production. It is the location of the world's two largest diamond mines, Jwaneng and Orapa, and four non-De Beers diamond mines – Gem, Firestone, Lucara and Mantle. Diamonds were first discovered in Botswana in 1959 and the first kimberlites were discovered in 1967. Since then, over 275 kimberlites have been discovered in the country. With a long and well-established Mining Code, Botswana is rated by the Fraser Institute as the best country in Africa for mining. The country has the highest sovereign credit rating in Africa. Since gaining independence in 1966, Botswana has been governed by the Botswana Democratic Party in a multi-party democracy.

Links: <http://www.heritage.org/index/country/botswana>

About Pangolin Diamonds Corp.

Pangolin Diamonds Corp. is building a leading diamond exploration and development company in the heart of Botswana, the world's leading diamond producing country by value. The Company is the 100% owner of 11 Prospecting Licenses covering 5,307 km², including the Tsabong North, Jwaneng South, Malatswae and Mmadinare Projects.

Pangolin's management and team leaders have over 90 years of combined diamond exploration experience in Southern Africa. The Company is equipped for exploration, with two diamond drill rigs and a fully portable 1 tonne per hour Dense Media Separation Plant for sample preparation and making diamond concentrates.

Pangolin has 58,706,401 issued common shares outstanding.

Please visit our website at: www.pangolindiamondscorp.com

You can download the latest Corporate Presentation at
<http://www.pangolindiamondscorp.com/pdfs/PAN-PPT-MineAfrica-2013.pdf>

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