



Initial Drill Program Completed at Pangolin Diamonds' Malatswae Kimberlite Project in Botswana

- **Project is 70 km Southeast of Debswana's Orapa Mine, the World's Second Largest Open Pit Diamond Mine**
- **Soil Sample Garnet Concentrations Similar to Those Associated With Petra Diamonds' KX36 Kimberlite**
- **Garnet Compositions Suggest Different Mantle Source to Orapa Kimberlite Field**

TORONTO, ONTARIO (October 21, 2013) - Pangolin Diamonds Corp. (TSX-V: PAN), (the "Company" or "Pangolin") announced that it has completed down-the-hole percussion hammer drilling of 10 holes at the Company's 100% owned Malatswae Kimberlite Project (the "Project") in northeastern Botswana. Malatswae is one of the four project areas for which Pangolin has exploration licences in the country.

The holes were drilled to a maximum depth of 130 metres. Samples of drill chips have been sent to an independent laboratory for the recovery of any possible indicator garnets and diamonds. The sample analysis results are pending.

Malatswae Project highlights include:

- Pangolin's targets are significantly larger than Petra Diamonds' KX36 kimberlite and have yielded similar concentrations of indicator garnets from soil samples;
- Aeromagnetic positive and negative anomalies, similar to those of Petra Diamonds' KX36 kimberlite, with a surface area of approximately 5 hectares;
- Significant concentrations of mantle-derived garnets recovered from sampling, inclusive of G10 garnets; and
- Garnet chemistry confirms a new kimberlite source is in the area rather than the Orapa kimberlite field.

The goal of Pangolin's initial drilling of the Malatswae Project was to obtain a better understanding of the area's geology and to test a number of geophysical targets of diverse magnetic character. The concentration of kimberlite indicators within the Project area is an order of magnitude less than in the Orapa kimberlite field.

The geology of the area has been complicated by the presence of a ferricrete horizon between two (2) and five (5) metres thick. Ferricrete is a hard, erosion-resistant layer of surface material cemented by [iron oxide](#). It appears to have had a detrimental geochemical effect on the survival of kimberlite indicators, particularly

garnets, in a secondary environment, resulting in a diffuse distribution of indicators that is more difficult to interpret. The drilling program is intended to help overcome these challenges.

The results from the samples now being analyzed by an independent laboratory will assist in determining the second phase of drilling in this area. The new drilling will mainly target kimberlites.

Two of Pangolin's prospecting licences in Malatswae, PL 561 and 562 of 2009, have not been renewed. No drill targets were identified by the Company in those two licence areas after several years of exploration.

Dr Leon Daniels, B.Sc., Ph.D., Chairman of Pangolin, stated, "*The history of the kimberlitic garnets in the Malatswae Project is complex. Their chemistry strongly suggests that there is an undiscovered kimberlite source within the Project area and we intend to make the discovery. The completed drill program will assist us towards that goal.*"

About the Malatswae Kimberlite Project

The Malatswae Kimberlite Project covers 400 km² and is located 70 km southeast of the Orapa Mine. The Project area consists of kimberlite targets. The chemical compositions of the garnets from the Malatswae Project are distinctly different from the garnets from the Orapa kimberlite field, indicating an undiscovered kimberlite source.

The technical disclosure in this news release has been reviewed and approved by Dr. Leon Daniels, Ph.D., Member of AIG, Chairman of the Board of Pangolin, and a Qualified Person under National Instrument 43-101 rules.

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 Prospecting Licences that encompass the Tsabong North, Jwaneng South, Malatswae and Mmadinare Projects. Pangolin's management and team leaders have over 135 years of combined diamond exploration experience in southern Africa. This makes the Company the most experienced diamond explorer in Botswana other than De Beers Exploration and Debswana. The Company is equipped for exploration, with two diamond drill rigs and a fully portable one-tonne per hour Dense Media Separation Plant used to prepare samples and make diamond concentrates.

Pangolin is well-funded to continue its exploration programs into the next year.

For more information on Pangolin Diamonds Corp, please go to www.pangolindiamondscorp.com

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The Company cautions that information regarding the Orapa and Petra Diamonds Limited kimberlites, or Orapa Mine, are not necessarily indicative of the kimberlite or kimberlite targets being tested by the Company. There is no guarantee that the kimberlite and/or kimberlite targets will return diamond results of any economic significance.

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

References:

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Petra Diamonds Limited:
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