



Drilling Update from the SWS21 Target Mmadinare Diamond Project, Botswana

- The SWS21 intrusion is a flat-lying sill up to 53 metres true thickness
- 112 kilogram of drill core on route to Canada for diamond recovery work
- Blocks 01 and 02 Mn-ilmenite's have a lower-mantle diamond inclusion affinity

TORONTO, ONTARIO (August 19, 2014) - Pangolin Diamonds Corp. (TSX-V: PAN) (the "Company" or "Pangolin") announces that it has completed two inclined drill holes into the SWS21 intrusive target on its wholly owned Mmadinare Diamond Project in east-central Botswana. In total 400.5 metres were drilled.

Drill hole SWS21-001 intersected an intensely altered zone from 45.0 metres to 71.6 metres characterized by phlogopite (a hydrous magnesium-rich aluminosilicate), carbonate and clay minerals (hydrous aluminosilicates). This zone was previously sampled from surface pits and diamond stability-field lower-mantle minerals were recovered (*refer to the Pangolin news release September 18, 2013*).

Drill hole SWS21-002, collared 130 metres to the southeast of drill hole SWS21-001, intersected the same zone of intensely altered rock from 33.7 metres to 61.1 metres characterized by fine-grained olivine (a magnesium-iron silicate) and phlogopite bearing ultramafic rock observed in the less altered sections and phlogopite, carbonate and clay elsewhere in the interval.

The SWS21 intrusive target has a near flat-lying attitude and therefore the thickness from surface, where pits previously exposed the intrusive, to the lower contact represents a true thickness of 53 metres.

The drill core is now sampled and approximately 112 kilogram of samples are on route to Canada for diamond recovery work.

Soil sampling program at Mmadinare

In addition, the mineral chemistry of a number of indicator minerals recovered from the Blocks 01 and 02 soil sampling programs were also received by Pangolin. The soil samples were processed by Pangolin through its Dense Media Separation ("DMS") plant, and the indicator concentrates were then observed by an independent

mineral specialist in Botswana. The selected grains were then delivered to the independent C. F. Mineral Research Laboratory (CFM) in Canada for further analysis. CFM uses a Scanning Electron Microscope coupled with an energy-dispersive system (EDS) to identify minerals prior to electron micro-probe analysis. All grains were scanned using the EDS.

Based on the EDS results and in consultation with MCC Geoscience Inc., a subset of 67 grains representing manganese-ilmenites (manganese iron titanium oxides), picroilmenites (chromium magnesium ilmenites), crustal ilmenites (*for comparative purposes*) and one chromite (iron magnesium chromium oxide) were micro-probed. It should be noted that several of the samples had numerous indicator minerals with a few samples having in excess of 100 grains. The results were then examined by MCC Geoscience who report that one picroilmenite has a kimberlitic association (+10% MgO) and 14 manganese-ilmenite have a lower mantle diamond inclusion affinity. Pangolin is reviewing the results to determine how best to follow up on these observations.

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, one of the world's leading diamond producing countries. The Company is the 100% owner of four separate projects throughout Botswana inclusive of the Tsabong North, Jwaneng South, Malatswae and Mmadinare Projects. Pangolin's management and team leaders have over 100 years of combined diamond exploration experience.

For more information on Pangolin Diamonds Corp, please refer to the website at <http://pangolindiamonds.com>

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