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DIAMONDS CORP

Malatswae Diamond Project Up-Date, Botswana

Highlights

- **Anomalous number of kimberlite indicators found in soil samples**
- **Four white diamonds recovered in soil samples from two different areas**
- **MSC Grid area being reviewed in advance of the next drilling phase**
- **Two additional areas of anomalous concentrations of kimberlite indicators being considered for follow-up exploration**

TORONTO, ONTARIO (March 3, 2015) - Pangolin Diamonds Corp. (TSX-V: PAN) (the "Company" or "Pangolin") is pleased to provide an up date for the Company's wholly owned Malatswae Project in Botswana.

The Malatswae Diamond Project consists of three prospecting licences totaling 1059.55 km², PL063/2011, PL100/2011 and PL247/2014. Pangolin received Prospecting Licence 247/2014 on 1 July 2014. The Licence was obtained to follow up the recovery of a single diamond from a soil sample (MSC-119) (see news release 22 July 2014).

A series of 213 samples were collected surrounding sample MSC 119 on a 200 x 200m grid covering approximately 3 km², known as the MSC Grid. A further two diamonds along with micro-ilmenite, pyrope garnets, forsteritic olivines and a garnet-spinel peridotite fragment from the mantle (see the Company news release dated 7 November 2014) were recovered from the soil samples. Observed surface textures on the ilmenites and garnets, the unweathered state of the olivines, the recovery of the garnet-spinel peridotite and the presence of magnesium-rich clay attached to one of the diamonds are all indicators of the presence of a possible source or sources in close proximity, which deserve further follow-up exploration.

The recovery of diamonds from exploration soil samples is a relatively rare phenomenon in Botswana. The MSC Grid has produced three diamond-positive samples from 214 samples, which we consider to be, based on our knowledge of the area, very anomalous.

The grid sampling was further refined with the addition of 39 sites to close the spacing to 100 x 100 m within a specific area of interest. The latter soil samples from the MSC Grid are currently being processed for kimberlite indicator minerals in Francistown, Botswana. The concentrates will then be "picked" by an independent sorter to separate the kimberlite indicators for microprobe analysis in Canada. The results will be reported when the analysis are complete.

Additionally the MSC Grid was covered by a ground magnetic survey. The full 3 km² area was surveyed on 50m section lines for a total of 183 line kilometres. Target areas identified from the magnetic results were selectively covered with ground gravity measurements covering 6.5 line kilometres. A number of further interesting targets were identified.

Two of the identified targets were drill tested. In total 355m of core drilling were completed, but

kimberlite was not intersected. The depth of the Kalahari Formation cover has however been established at 15 metres. The results of the recent drilling are being utilized to further process the ground magnetic and gravity data. This work is presently underway and is expected to further refine future drill target selection. Gravity modeling was also completed to characterize a large target on the southern portion of the MSC Grid.

Table 1: MSC Grid Kimberlite Indicator Results

(February 28, 2014)

Indicator	Number	Type
Garnet	4	G-11
Garnet	1	G-9
Ilmenite	19	Picro-ilmenite
Ilmenite	6	Mg-ilmenite
Olivine	3	Forsterite

Table 2: MSC Grid Diamond Characteristics

Diamond	Colour	Retained on Sieve	Carat
MSC-119	white	0.60	0.005484
MSCd-067	white	0.85	0.014770
MSCd-095	white	0.60	0.005185

Table 3: MSC Grid Exploration Statistics

(February 28, 2014)

Type	Collected	Units
soil samples	252	sites
ground magnetic survey	183	km
ground gravity survey	6.5	km
core drilling	355	m

In addition to the detailed work at the MSC Grid, a regional soil sampling survey is underway with the objective of collecting 921 20L samples on a 1 x 1 km² grid. To date, the Company has collected and processed 625 samples.

A fourth diamond was recovered in a regional soil sample (see the Company news release dated 13 January 2015). This is the largest diamond found to date by the Company within the Malatswae Diamond Project, weighing 0.023624 carats. The diamond was measured between the 1.18mm and 1.70mm standard diamond sieves. This area is designated the Modala Grid and will be an additional area of focus over the coming months.

Several anomalous regional samples geographically separate from the samples mentioned above have returned on visual identification ilmenites and garnets with rims in tact suggesting proximal source areas. In addition, further work is required on a number of large to very large ilmenites recovered in the regional soil samples. These indicators are presently in Canada for analysis. The results will be reported when available.

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 Diamonds and is a Qualified Person as

defined by National Instrument 43-101.

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