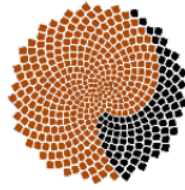


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DIAMONDS CORP

Update for the Botswana Exploration Projects – DMS plant and soil sampling

Highlights

- **1 TPH DMS plant is now processing soil samples from six project areas**
- **A total of 362 soil samples to be processed**
- **Detailed grid sampling of priority kimberlite targets at Malatswae Project**
- **An additional Prospecting licence awarded contiguous with Jwaneng South Project**

TORONTO, ONTARIO (July ,29 2015) - Pangolin Diamonds Corp. (TSX-V: PAN) (the "Company" or "Pangolin") is pleased to provide an update for the Company's wholly-owned Diamond Projects, located in Botswana.

The Company currently has 362 exploration soil samples from its wholly owned projects awaiting processing through the 1 tph DMS plant facility.

Malatswae Project

Two sets of samples from the Malatswae Project are in the process production line. Thirty seven (37) samples were collected from the MSC Grid where three diamonds have previously been reported from. An additional 50 regional samples have been collected and are awaiting processing. Two additional soil sampling teams are being deployed to focus on detailed sample grids targeting the announced anomalous soil sample results and the +20 aeromagnetic targets identified from regional data (See NR June, 30 2015 and July, 15 2015). The size of the individual samples have been increased to a minimum of 100 litre per sample to increase the probability of recovering kimberlite indicator minerals.

Rehoboth Project

The samples from the Rehoboth Project (125 samples) are 40 litre regional soil samples collected on a 4km x 4 km GPS controlled grid. This is a similar sampling density used by Falconbridge Exploration Botswana in the 1980's that resulted in the Khutse and Meratswe groups of kimberlites. The Rehoboth Terrane has not been explored before by other diamond exploration companies. Recent re-evaluation of the geology of the Rehoboth Terrane has determined the area is cratonic and prospective for the exploration of diamonds. The Rehoboth Prospecting Licences are valid from 01 January 2015 to 31 December 2017 and cover an area of 378,300 hectares (3,783 km²).

Jwaneng South Project

Eighty (80) grid samples covering two aeromagnetic targets in the Jwaneng South Project are streamlined to be processed during the next two weeks. In addition, a new Prospecting Licence (PL170/2015) covering 72,000 hectares (720 km²) adjunct to the Jwaneng South Project has been issued to the Pangolin 100% subsidiary Geocontracts Botswana (Pty) Limited valid for three years

from 01 July 2015 to 30 June 2018. The area will be subject to regional soil sampling during the fourth quarter.

Motloutse River Project

A kimberlite dyke was discovered in the Motloutse River Project in 2006 within an area where diamonds were historically reported. An orientation sampling programme of 25 samples has been completed in this area. These samples are being prioritised as part of a programme to follow up possible extensions of the kimberlite dyke.

Machaneng South Project

Soil sampling commenced this quarter in the Machaneng South Project (PL 228/2014 covering 99,000 hectares). The soil sampling programme targets specific geobotanical targets. Twenty (20) samples were collected to date. The strategy employed in the Macahaneng Prospecting Licence was successful in discovering the SWS-21 which contained kimberlite indicator minerals (NR Sept, 18 2013).

Historical kimberlite indicators reported by De Beers have been followed up with a small 25 sample orientation programme in the **Mmadinare Project**.

At current throughput rates it is expected that the samples currently at the DMS plant will be processed by the end of the quarter. In addition to these current samples, the detailed grid samples being collected this quarter from the Malatswae Project will be prioritised for processing.

Any kimberlite indicator minerals recovered from these samples will be submitted for microprobe analyses to obtain their detailed compositions which may assist in discriminating between different target areas.

The technical disclosure in this news release has been reviewed and approved by Dr. Leon Daniels, Ph.D., Member of AIG, President and CEO of Pangolin Diamonds and is a Qualified Person as defined by National Instrument 43-101.

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