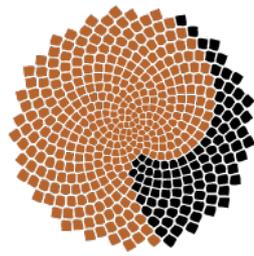


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D I A M O N D S C O R P

Pangolin Recovers 177 Kimberlite Indicators and Defines Three Exploration Focus Areas within the MTS Grid, Malatswae Diamond Project, Botswana

- **A total of 177 kimberlite indicators recovered from 99 soil samples collected within a 0.8 km² area of the larger grid**
- **The majority of indicators have surface textures suggesting a proximal source**
- **Two microilmenites have fragile surface features suggesting a very close source**
- **Most of the garnets have compositions similar to garnets from diamonds**
- **A diamond from the grid supports the presence of diamondiferous kimberlites in the area**
- **Drilling for kimberlite within the MTS Grid will be undertaken in 2016**

TORONTO, ONTARIO March 29, 2016 - Pangolin Diamonds Corp. (TSX-V: PAN) (the "Company" or "Pangolin") is pleased to report that an integrated study of mineral chemistry and surface textures of kimberlite indicators recovered from soil samples at the MTS Grid has been completed. The MTS Grid is within the Company's wholly-owned Malatswae Diamond Project ("Malatswae"), located 105 km southeast of the Karowe Diamond Mine of Lucara Diamonds in Botswana.

The MTS Grid is a defined area of 1.5 km² in the northern portion of the Malatswae Diamond Project. Pangolin previously reported a diamond from a sample near the northern edge of the MTS Grid, confirming it as the third and newest diamond-bearing target area in the Malatswae Project sample (see press release March 21, 2016). These latest results are from 99 soil samples collected on a 100m x 100m grid that covers 0.8 km² within the MTS Grid.

In total 174 kimberlitic garnets and three kimberlitic microilmenites were recovered from the samples. A surface texture analysis of the garnets concluded that the majority have surface textures consistent with a proximal source. Two samples contained five garnets with proximal features including one having a G10 composition. A total of eleven G10

garnets were identified within the grid. Both in-house ranking and ranking developed by CF Minerals (Kelowna, B.C.) suggests that many of the other garnets also have diamond-stable compositions. Additionally, two microilmenites in a sample that also contained a near-source pyrope have fragile surface features suggesting a very close source. Based on these results, three focus areas are defined by anomalous concentrations of kimberlitic indicators with surface textures indicative of a proximal source.

A detailed magnetic survey is being conducted over the entire grid. An infill gravity survey will be conducted at the completion of the sampling and groundmagnetic programmes to increase the gravity survey data.

A synthesis of all the soil sample results, surface texture analyses and geophysical data will be integrated towards selecting future drill targets at the MTS Grid. Drilling will take place in 2016.

The indicators in this study were recovered from unscreened 20-litre samples collected on a 100 metre x 100metre grid within a 50 metre radius of a GPS-controlled sample site. The material was dry screened in the field to recover the +0.425-2.0 millimetre size fraction, then transported to Francistown, Botswana and processed through Pangolin's 1-tph DMS plant. The entire process was conducted under the scrutiny of Mr. Miracle Muusha (MSc, MAIG, Pr. Sci. Nat.), appointed as independent QP in Botswana. The concentrates were subsequently delivered to an independent mineral specialist in Gaborone, Botswana who examined the concentrate and recovered the indicators.

The indicators were delivered to MCC Geoscience Inc. (Vancouver, B.C.) for interpretation of surface features. Microprobe analyses have been conducted at CF Minerals (Kelowna, B.C.). C.F. Mineral Research Ltd. is ISO 9001 Certified and all processes within are ISO 17025 Compliant.

Quality Control and Quality Assurances

Quality assurance procedures, security, transport, storage, and processing protocols conform to chain of custody requirements.

The technical disclosure in this news release has been reviewed and approved by Dr. Tom McCandless, P.Geo. (B.C.), independent consultant to Pangolin and a Qualified Person as defined by National Instrument 43-101.

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