



Pangolin Discovers Third Diamond-Bearing Area and Eleventh Diamond, Malatswae Diamond Project, Botswana

- The MTS grid confirmed as a new diamondiferous kimberlite target area
- The diamond and kimberlitic pyrope garnet with G10 compositions have been recovered from soil samples
- The diamond is a fragment of a larger stone
- Many pyrope from other samples have near-source surface features
- An additional 470 soil samples from the MTS grid area have been collected
- Kimberlitic garnets have been visually identified in approximately half of the samples processed to date
- Drilling for kimberlite within the MTS grid to be undertaken later in 2016

TORONTO, ONTARIO (March 21, 2016) - Pangolin Diamonds Corp. (TSX-V: PAN) (the "Company" or "Pangolin") is pleased to report the first diamond recovered from the MTS Grid representing the eleventh diamond recovered to date in the Company's wholly-owned Malatswae Diamond Project ("Malatswae"), located 105 km southeast of the Karowe Diamond Mine of Lucara Diamonds in Botswana. The presence of diamond in soil sample MTS-DG-093 confirms a third diamondiferous kimberlite target area in the wholly owned Malatswae Diamond Project area.

The light brown diamond is approximately 1mm x 0.7mm x 0.7mm in dimension and derives from a larger diamond that was resorbed to a tetrahexahedroid shape. Brown secondary minerals attached to the surface of the diamond may influence the colour. There are two breakage surfaces and the smaller surface is resorbed, indicating interaction with the kimberlite magma. The larger surface is unresorbed and suggests that the diamond broke after the kimberlite was emplaced at the surface.

These most recent results are from the MTS Grid where pyrope garnets with near-source features were previously reported (*see new release, January 14, 2016*). Following on these results, an additional 470 soil samples from the MTS grid have been collected. A total of 163 of these latter samples have been processed to date. Kimberlitic garnets have visually been identified in 76 of these soil samples.

The indicators were recovered from unscreened 100-litre samples collected on a 50 metre x 50metre grid within a 10 square metre area 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. The indicators will be forwarded to C.F. Mineral Research (Kelowna, B.C.) for microprobe analysis with results expected once processed and the final report received by the Company.

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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