



Pangolin Recovers Two Additional Diamonds and 210 Kimberlite Indicators Within the MTS Grid, Malatswae Diamond Project, Botswana

- **Two additional diamonds recovered within the 1.5 square kilometre MTS Grid**
- **The diamonds are from samples collected less than 110 metres apart**
- **A total of three diamonds from the grid supports the presence of at least two diamond-bearing occurrences**
- **Thirteen diamonds reported from the Malatswae Diamond Project to date**
- **A total of 390 kimberlite indicators recovered to date**
- **Three zones of anomalous indicators identified within the MTS Grid**
- **Drilling for kimberlite within the MTS Grid will take place in second half of 2016**

TORONTO, ONTARIO (May 3, 2016) - Pangolin Diamonds Corp. (TSX-V: PAN) (the "Company" or "Pangolin") is pleased to provide an update on its exploration programme at the MTS Grid in Botswana. The MTS Grid is a defined area of 1.5 km² within the Company's wholly-owned Malatswae Diamond Project, located 105 km southeast of the Karowe Diamond Mine operated by Lucara Diamond Corporation. Thirteen diamonds have now been reported from Malatswae, with the last three derived from the MTS Grid.

The two latest diamond finds are from two samples collected less than 110 metres apart, and approximately 600 metres west of the first diamond reported from the MTS Grid (*see news release March 21, 2016*). The diamond from sample MTS-DG-187 is a colorless clear broken macle of approximate dimensions of 1mm x 1mm x 0.5mm. Sample MTS-DG-133, located 110 meters to the northeast, contains an off-white broken diamond aggregate with approximate dimensions of 1mm x 0.8mm x 0.5mm. Both diamonds have orange to brown secondary iron oxides filling cracks and crevices. Images of the diamonds can be seen at the Company's website, pangolindiamonds.com.

In addition to the 177 kimberlite indicators previously reported (*see news release March 29, 2016*), an additional 210 indicators have been recovered for a total of 390 kimberlite indicators (including the three diamonds) from the MTS Grid. Morphology and surface texture analysis of the garnets previously reported that the majority have surface textures consistent with a proximal source. The distribution of the diamonds and the garnets suggest at least three different sources within the MTS Grid.

A detailed magnetic survey over the entire grid that began last month is presently being assessed, with infill gravity to be conducted once sampling is complete. Approximately sixty percent of the new samples have been processed.

A synthesis of all the MTS Grid soil sample results, indicator surface feature interpretations, and geophysical data will be integrated towards selecting future drill targets, with drilling to take place in mid-2016.

The indicators in this study were recovered from unscreened 100-litre samples collected within a 10 square metre area of a GPS-controlled sample site on a 50m x 50m grid. 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 recovered the indicators from the concentrates. The diamonds and indicators were delivered to MCC Geoscience Inc. (Vancouver, B.C.) for identification and interpretation of surface features. The remaining samples are being processed through the DMS plant.

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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