

pangolin



DIAMONDS CORP

Pangolin Provides Malatswae Diamond Project Update

TORONTO, ONTARIO March 16, 2017 - Pangolin Diamonds Corp. (TSX-V: PAN) (the "Company" or "Pangolin") is pleased to provide an update on the project advancement at Pangolin's 100% owned Malatswae Diamond Project, Botswana, Africa.

The focus at the Malatswae Diamond Project has been on six separate kimberlite sources and geographic zones producing indicator minerals within a 30km x 20km area of the project. A total of sixteen +0.5mm diamonds have now been discovered in soil samples within these six zones. Three new diamonds not previously reported have been recently discovered, with one measuring +2mm in all directions, clear and white in colour. This extends the presence of diamonds as reported from soil samples by Pangolin Diamonds to six geographically different zones within the Malatswae Diamond Project.

The six zones are: # 1 (MSC area - 9 diamonds), # 2 (Block 333 area - 1 diamond), # 3 (Mal 157 area - 1 diamond), # 4 (007 area - 1 diamond), # 5 (MTS area - 3 diamonds) and # 6 (02T area - 1 diamond). Please refer to the map below.

Zone 1 - The MSC is an area covering 9 square kilometres, which has produced 9 diamonds from soil samples. The current focus is within a 2 square kilometre grid where 4 of the 9 diamonds and several other kimberlite indicators minerals have been discovered. The geological model of the area has been refined and the current programme consists of covering the grid with high density ground magnetics.

Zone 2 - Block 333 is an area covering 15 square kilometers, where a semi-detailed sampling programme has been completed. A total of 275 samples have been collected on a 250m x 250m grid covering the entire area. The samples are being treated and sorted at present. A new diamond has been discovered in one of the samples. In addition to the diamond, ilmenite, garnet and olivine have been reported from soil samples. The aeromagnetic data is being assessed prior to detailed, high density groundmagnetic surveys being undertaken over selected target areas.

Zone 3 - The Mal 157 is an area covering 6 square kilometers, characterised by a single large diamond. A soil sample grid has been established to extend the soil sampling density of the area. A review of the aeromagnetic data in the area has revealed the presence of a large regional fault, believed to possibly hosting the source of the MAL 157 diamond. In addition to the expanded soil sampling programme, a defined grid is being subjected to a high density groundmagnetic survey.

Zone 4 - The 007 is an area covering 4 square kilometers, where a historical sample containing an anomalous concentration of kimberlite indicators (ilmenite, garnet and clinopyroxene) is being followed up with soil sampling and ground magnetics. The initial results from the soil sample grid has produced one new diamond. The diamond is white and is over 2 millimeters in all axis directions. This is the largest diamond recovered by Pangolin to date. A programme of additional soil sampling and an expansion of the current detailed groundmagnetic survey is being implemented.

Zone 5 - The MTS is an area covering 0.18 square kilometres. This grid is being covered by a detailed directional soil sampling programme with a soil sample density of 20m x 20m. The sampling programme is in progress. An assessment of the surface areas of indicators recovered from this focal area suggest a local source. Three diamonds have been reported from the MTS grid.

Zone 6 - 02T is an area covering 2 square kilometers, represented by an aeromagnetic anomaly which was selected for investigation from the available aeromagnetic data over the Malatswae Project area, after processing the data with the use of a ternary derivative. The aeromagnetic anomaly was initially followed up on the ground with orientation samples, three of which returned positive results including one new

diamond. The position of the anomaly was confirmed with an orientation groundmagnetic survey, which was followed up with a high density groundmagnetic survey and a more detailed soil sampling programme. One of the samples situated on the aeromagnetic anomaly has produced a diamond. The processing of the remainder of the samples is in progress.

Botswana has experienced a most unusual heavy rain season. The wet conditions have adversely affected the soil sampling programme progress in terms of access to certain areas. The heavy rain has not affected processing of soil samples through the DMS plant and the detailed ground magnetics.

The Company's treasury is fully funded to complete the above described exploration programmes.

The Company also announces that its board of directors have approved the granting of 150,000 options under its Stock Option Plan to an employee, each share under option having a 5 year term and an exercise price of \$0.10.

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. Leon Daniels, BSc., BSc. Honours Geology, PhD and a Qualified Person as defined by National Instrument 43-101.

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