Pangolin Option Extended to Acquire Ownership in Orapa AK10, a 6 Hectare Diamondiferous Kimberlite Pipe
And Shareholder Update

TORONTO, ONTARIO (March 20, 2019) - Pangolin Diamonds Corp. (TSX-V: PAN) (the "Company" or "Pangolin") is pleased to update its shareholders on its recent activity at its kimberlite diamond projects in Botswana, Africa.

Investment Highlights

Team has a proven track record

Dr. Leon Daniels co-founded African Diamonds (AIM: AFD) that had ownership in the AK6 pipe (now known as The Karowe Diamond Mine purchased by Lucara Diamonds).

- Dr. Daniels recognized for identifying the economic potential of the AK6 pipe prior to acquiring ownership.

Dr. Chris Jennings, a special advisor to the Company, has been involved in over 100 kimberlite discoveries world-wide with 70 in Botswana, as well as Canada's second diamond mine Diavik. Other mines include: Gaghoo – GO25 (Botswana), Klipspringer & Marsfontein (South Africa).

- He recently purchased a 2.6% GOR (Gross Overriding Royalty)from Pangolin for $1.2M, whereby 20 kimberlite targets will be collectively identified and planned to be drilled in 2019 (as set out below in more detail).
- Dr. Jennings believes there is the potential to discover a new diamondiferous kimberlite field within Pangolin's projects.

Two kimberlite project areas are 100% owned in Botswana

- All projects located SE of the Orapa Kimberlite Field; closest is ~40 km.
- A total of 45 diamonds have been recovered at surface in soils.
- Plan in place to identify 20 high priority kimberlite drill targets – and to drill the first 5 once all the data has been compiled and reviewed that meets the selection criteria.

An option to acquire up to 75% of the Orapa AK10 Diamondiferous Kimberlite Pipe 6 hectares in size has been extend to December 31, 2019

- Located within the Orapa Kimberlite Field and only 4.4 km away from AK6 (Lucara's Karowe Diamond Mine) and infrastructure.
- Positive kimberlite chemistry recently processed by CF Mineral Research Ltd., owned by Chuck Fipke who discovered Canada's first diamond mine - The Ekati Diamond Mine.
- AK10 chemistry demonstrates it has the potential to have large +50 carat diamonds.
- A 500 tonne mini-bulk sample is underway to confirm diamondiferous character and determine economics of the kimberlite.

As previously stated by Dr. Leon Daniels, "Being a co-founder of African Diamonds where I identified the potential of the AK6 kimberlite (Karowe Mine), I am very excited about the positive classification of the kimberlite indicator minerals of the AK10 kimberlite to potentially host large +50 carat diamonds. This is a step in the right direction for the Company to have a two prong strategy with the ongoing 500 tonne mini-bulk sample of the AK10 kimberlite to confirm the reported diamondiferous character of AK10, dove-tailed with our own exploration activities in search of a new diamondiferous kimberlite field in Botswana where we have recovered 45 diamonds in soils roughly 90 km SE of the Orapa Kimberlite Field, the largest being 0.19 carats thus far."

Dr. Chris Jennings GOR Projects

There have been new developments and two main changes to Pangolin's exploration activities in Botswana.

The first main development is the royalty agreement with Umgeni, a company controlled by Dr. Chris Jennings that has bought a 2.6% GOR on certain projects for a total of $1.2M, and where Pangolin is currently focusing on these exploration prospecting licenses covered in the partnership.

Under this partnership with Umgeni, a total of 20 high priority drill targets will be selected by both Umgeni and Pangolin. Umgeni will focus on geophysics and Pangolin will focus on kimberlite indicators and soil sampling. There is good reason for this, as in the past targets selected by geophysicists as "classical" kimberlite signature magnetic anomalies have resulted in drilling into basalt. The minimum selection criteria now are that any target selected for drilling must meet both geophysical and positive kimberlite indicator criteria as agreed by both parties.

To date, Pangolin has identified targets that fit within the agreed selection criteria. However, more work is required to meet the final selection criteria, which includes:

- additional soil sampling to confirm the initial soil sampling results;
- more detailed ground magnetic surveys over the identified geophysical anomaly; and
- additional geophysical surveys using technology that will assist in identifying whether the targets are intrusions into the country rocks.

Additional targets are being developed. The programme is to have at least ten targets available for drilling, however, the five having the highest selection criteria score will be drilled first.

The second significant change Pangolin has brought about is the re-organisation of the exploration projects from three major projects with multiple prospecting licenses into two project areas. In addition to the reorganization of the Prospecting Licenses into two projects areas, two separate project managers have been appointed for each one.

Both projects have specific teams (geophysical and soil sampling) allocated to them. The Company believes this rearrangement of resources will bring about greater productivity and cost saving in the medium and long term. Pangolin is already seeing the initial positive results from this re-organisation.

Orapa AK10 Diamondiferous Kimberlite Pipe

Pangolin has successfully negotiated the extension of an option agreement to acquire up to 75% of the AK10 diamondiferous kimberlite pipe. The kimberlite indicator mineral chemistry classification suggests it has a high probability to contain diamonds that can be +50 carats in size.

The 500 tonne bulk sample of extracting kimberlite is underway to determine the potential economics. Results will be announced once all the material has been processed and analyzed.

AK10 is located in the prolific Orapa Kimberlite Field in Botswana. Botswana is the second largest producer of diamonds, both by value and carats. In 2016, the Orapa Kimberlite Field produced 8.85 million carats and contains 83 known kimberlite bodies of which eleven are currently mined, scheduled to be mined or have been mined. These include: AK01, AK02 and AK07 (Orapa, Debswana), AK06 (Karowe, Lucara Diamond Corporation), BK01, BK09, BK12 and BK15 (Damtshaa, Debswana), and DK01 and DK02 (Letlhakane, Debswana). The mineralization and results on the aforementioned kimberlites are not necessarily indicative of the results will be for the AK10 kimberlite.
The AK10 kimberlite pipe was originally discovered in 1968 from airborne magnetics by De Beers who established it to be diamondiferous but felt it may not be economical and too small.
The compositions of the garnets from AK10 are consistent with the kimberlite having sampled the diamond stability field. It has been modeled to between 5 and 6 hectares in size and is close to surface with only 11 metres of cover. It has excellent infrastructure close by with road access, and the main power grid is less than 1.5km away. Lucara Diamond Corporation's AK6 kimberlite pipe (Karowe Mine) is 4.4 km away from AK10. Karowe Mine recently produced Type II large diamonds inclusive of the 813 carat 'Constellation' and the 1,109 carat 'Lesedi La Rona'.
A database of mineral chemistry analyses from the Orapa AK10 kimberlite consisting of 8,969 analyses of individual kimberlite indicator minerals (KIMs) were submitted to CF Mineral Research in Kelowna, BC for classification using their proprietary classification scheme for KIMs to assess the diamond potential of the Orapa AK10 kimberlite.
A total of 1,908 clinopyroxene analyses were classified. The result of the classification found that 12.6% of the clinopyroxenes, both eclogitic and peridotitc, are associated with a derivation from the diamond stability field. The mineral chemistry of 15.4% of these diamond inclusion type clinopyroxenes is consistent with the chemistry of clinopyroxe diamond inclusions recovered from +50 carat diamonds. This result is consistent with the close spatial association with the large stone producing Karowe Mine of Lucara Diamond Corp. which is a mere 4.4 km distant.

The classification of 4,066 garnets resulted in 16.3% of the garnets, both peridotitic and eclogitic, having mineral chemistry consistent with a derivation from the diamond stability field. The majority of these garnets are derived from the lherzolitic mantle environment, consistent with the presence of clinopyroxes from the diamond stability field.

The number of spinels with greater than 45 wt% Cr2O3 totalled 1,050. It was found that 9.5% of these chrome-rich spinels had a mineral chemistry similar to spinels recovered as diamond inclusions worldwide. These diamond inclusion spinels are derived from the harzburgitic environment, similar to the source of the G10 garnet population in the Orapa AK10 garnet suite.

The KIMs classification results indicate that the Orapa AK10 kimberlite has sampled several source areas (lherzolitic, harzburgitic and eclogitic) in the diamond stability field. A significant proportion of the clinopyroxenes are similar in chemical composition to clinopyroxenes extracted as diamond inclusions from +50 carat diamonds.

Grant of Stock Options

The Company also announces that its board of directors has approved the granting of 150,000 options under its Stock Option Plan, each share under option having a 5 year term and an exercise price of $0.05.The Options in question were granted to a key employee.

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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