# Peregrine Metals Ltd.: Core Drilling and Surface Sampling Expand the Quebrada De La Mina Porphyry Gold Discovery at Altar, Argentina

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VANCOUVER, BRITISH COLUMBIA -- (Marketwire - May 9, 2011) - Peregrine Metals Ltd. (TSX: PGM) ("Peregrine Metals" or "the Company") is pleased to report assay results from the remaining two core holes, QDM-03 and QDM-04, drilled at the Quebrada de la Mina ("QDM") porphyry gold discovery. QDM is located two kilometres northwest of the Company's large Altar porphyry copper-gold deposit ("Altar") in San Juan Province, Argentina on which a preliminary economic assessment is scheduled for completion by year end. Assays from QDM-03 and QDM-04, drilled approximately 300 metres apart, show continuing near-surface gold mineralization up to 700 metres south of the QDM-01 and QDM-02 drill holes announced on February 23, 2011. Additionally, positive assay results with up to 17.8 g/t gold ("Au") have been received from a reconnaissance rock chip and talus fines sampling program in which 1,005 samples were collected over a three square kilometre area at QDM. These results highlight the exploration potential of this exciting new porphyry gold discovery which could have significant beneficial implications in the development of the Company's adjacent Altar copper-gold deposit.

Last quarter, the Company completed four core holes at QDM for a total of 1,005 metres. Holes QDM-01 and QDM-02 were collared near the locations of some of the stronger rock chip grab sample assay results from 2010 in order to test for the presence of sub-surface mineralization. Vertical holes QDM-03 and QDM-04 were drilled to test a geophysical anomaly in an area that did not have the benefit of porphyry outcrop or surface rock chip grab sample results. The four holes were drilled along a line approximately 700 metres long. A map of QDM showing the locations of the four drill holes, some of the surface samples reported today and the corresponding geophysical anomaly can be viewed at www.pmet.com/i/pdf/QDM368.pdf.

**SUMMARY OF DRILLING TO DATE ON QDM**

| Drill Hole | Azimuth (degrees) | Inclination (degrees) | Total Depth (m) | Intersection From (m) | Intersection To (m) | Interval (m) |
|---|---|---|---|---|---|---|
| QDM-01(i) | 195 | -50 | 309.00 | 9.00 | 212.00 | 203.00 |
| Including | | | | 9.00 | 150.00 | 141.00 |
| QDM-02(i) | 210 | -60 | 300.00 | 14.00 | 238.00 | 224.00 |
| Including | | | | 22.00 | 228.00 | 206.00 |
| & including | | | | 38.00 | 202.00 | 164.00 |
| QDM-03 | 0 | -90 | 219.00 | 8.00 | 88.00 | 80.00 |
| Including | | | | 68.00 | 88.00 | 20.00 |
| QDM-04 | 0 | -90 | 177.00 | 8.20 | 128.00 | 119.80 |
| Including | | | | 8.20 | 32.00 | 23.80 |

| Drill Hole | Grade: Gold Au (g/t) | Grade: Copper Cu (%) | Grade: Silver Ag (g/t) | Gold Cut-off Grade Au (g/t) |
|---|---|---|---|---|
| QDM-01(i) | 0.545 | 0.036 | 1.0 | 0.1 |
| Including | 0.699 | 0.015 | 1.2 | 0.3 |
| QDM-02(i) | 0.925 | 0.065 | 3.5 | 0.1 |
| Including | 0.987 | 0.068 | 3.6 | 0.2 |
| & including | 1.150 | 0.074 | 3.8 | 0.3 |
| QDM-03 | 0.140 | 0.119 | 1.0 | 0.1 |
| Including | 0.224 | 0.250 | 1.0 | 0.2 |
| QDM-04 | 0.239 | 0.068 | 0.7 | 0.2 |
| Including | 0.459 | 0.002 | 0.9 | 0.3 |

(i)Reported on February 23, 2011

From 2009 through 2011, a total of 890 rock chip grab samples was collected from an area measuring approximately three square kilometres encompassing the QDM alteration footprint. Assay results have been received for 844 of these with the following results:

- 6 samples greater than 1.5 g/t Au (the highest being 3.87 g/t Au)
- 16 samples greater than 1.0 g/t Au
- 40 samples greater than 0.5 g/t Au

- 173 samples greater than 0.1 g/t Au

A total of 115 talus fines samples was collected from QDM in 2011. Assay results have been received for 100 of these samples with the following results:

- 8 samples greater than 1.5 g/t Au (the highest being 17.8 g/t Au)
- 10 samples greater than 1.0 g/t Au
- 27 samples greater than 0.5 g/t Au
- 72 samples greater than 0.1 g/t Au

Assay results are pending for the remaining 46 rock chip grab samples and 15 talus fines samples collected from the QDM target.

The Company has also recently completed a 7.6 line-km, pole-dipole, induced polarization ground geophysical survey over QDM which shows a chargeability anomaly that measures approximately 900 by 900 metres that is defined by the 12 mV/V chargeability contour on the 3,500 metre elevation level plan. The geophysical anomaly, which remains open to the north, south and east, is coincident with anomalous surface rock and talus fines sampling results and has been substantiated by initial positive drilling results.

Mr. Richard Leclerc, Peregrine Metals' President, said, 'It is fortunate to have discovered interesting gold mineralization within two kilometres of our large Altar porphyry copper-gold deposit. It is still early days for Quebrada de la Mina, but to have significant gold intersections in our first four drill holes, and rock chip and talus fines samples with important gold grades spread over a wide area is an excellent start. This new gold-enriched porphyry system could have a very significant positive impact on the overall project economics at Altar and we have begun planning for a substantial definition drilling program for QDM starting in November, 2011 with the goal of delineating a NI 43-101-compliant gold resource.'

The gold and copper mineralization intersected in holes QDM-01, QDM-02 and QDM-04 is hosted by dacite porphyry that is strongly fractured with intense sericitic, tourmaline and silica alteration. The mineralization in hole QDM-03 is hosted by andesite volcanics with similar alteration. The host rocks are intensely oxidized within a leached capping at surface and to a vertical depth of up to 64 metres in the drill holes. Below the leached capping, mineralization occurs as intensely developed sulphides (estimated 1% to 8% by volume) in the form of disseminations and veinlets of pyrite with less abundant chalcocite, covellite and bornite. Significant gold values occur in both the oxidized zone and the underlying sulphide mineralization. The Company will conduct preliminary metallurgical testing on the mineralization in the coming months.

All QDM drill core is sampled in continuous two metre intervals. One half of the core is submitted for assay and the other half is archived in the Company's secure storage facility in Mendoza, Argentina. Drill core samples are prepared and assayed by Acme Analytical Laboratories ('Acme') at their facilities in Mendoza, Argentina and Santiago, Chile using fire assay and multi-element ICP and atomic absorption methods. The rock chip and talus fines samples collected at QDM are also prepared and assayed by Acme at the same facilities using fire assay and multi-element ICP methods.

Peregrine Metals has a comprehensive and rigorous quality assurance/quality control ('QA/QC') program in place that employs certified assay standards, blanks and core duplicates, as well as routine check assays at a separate secondary laboratory. This QA/QC program was designed under consultation with Dr. Barry Smee of Smee and Associates Consulting Ltd.

Mr. Jeff Toohey, M.Sc., P.Eng., Vice President, Exploration for the Company, is a Qualified Person as defined by NI 43-101 and is responsible for the design and implementation of the exploration work being carried out by the Company at the Altar Project. Mr. Toohey is responsible for, and has reviewed and approved of, the information contained in this news release.

***Cautionary Note Regarding Forward-Looking Statements***

*This news release contains 'forward-looking statements' within the meaning of applicable Canadian securities legislation. Such forward-looking statements concern the Company's anticipated results and developments in the Company's operations in future periods, planned exploration and development of its properties, planned expenditures and plans related to its business, mineral resource estimates and other matters that may occur in the future. These statements relate to analyses and other information that are based on expectations of future performance and planned work programmes.*

*The Company has made a number of assumptions with respect to, among other things, the price of copper and other metals, economic and political conditions, and continuity of operations. Although the Company*

*believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that forwardlooking statements will prove to be accurate.*

*Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, risks related to the following: fluctuations in mineral prices; the Company's dependence on one mineral project; the nature of mineral exploration and mining and the uncertain commercial viability of certain mineral deposits; the reallocation of the proposed uses of the net proceeds of the offering and the private placement; the Company's lack of operating revenues; uncertainty in the Company's ability to obtain necessary financing to fund the development of its mineral properties or the completion of further exploration programmes; the Company's principal property being located in Argentina, including political, economic, and regulatory instability; governmental regulations and obtaining necessary licenses and permits; the Company's mineral properties being subject to prior unregistered agreements, transfers, or claims and other defects in title; fluctuations in the currency markets (particularly the Argentina peso, Canadian dollar and United States dollar); the business being subject to environmental laws and regulations which may increase costs of doing business and restrict the Company's operations; and the Company's dependence on key personnel.*

*Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forwardlooking statements. The Company's forwardlooking statements are based on beliefs, expectations and opinions of management on the date the statements are made. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.*

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