Peregrine Identifies New Zone With High Diamond Counts at Chidliak CH-7 Kimberlite Pipe

10.03.2015 | Marketwired

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Mar 10, 2015) - Peregrine Diamonds Ltd. ("Peregrine " or "the Company") (TSX:PGD) is pleased to report the final caustic fusion diamond results from the 2014 Diamond Resource Development Program at Peregrine's 100% owned Chidliak diamond project ("Chidliak") in Nunavut, Canada. Caustic fusion analyses were performed on representative drill core from the CH-6, CH-7, CH-44 and CH-46 kimberlite pipes by the Saskatchewan Research Council Geoanalytical Laboratories. These four pipes lie within the Southern Priority Area, an area approximately eight kilometres in diameter that contains seven of the eight kimberlite pipes that Peregrine has been focused on since 2012.

Results have identified a new geologic domain within CH-7 that contains some of the highest total diamond counts defined to date at Chidliak. In addition, new results from CH-6 have further confirmed that the previously known coarse diamond distribution extends to depth in the expanded Inferred Mineral Resource. Finally, the latest results from CH-44 have extended the known coarse diamond distribution to 210 metres vertical depth.

Mr. Tom Peregoodoff, Peregrine's President and CEO said, "The new results from our 2014 Diamond Resource Development Program show that there is tremendous potential to add significant carats to Chidliak. Our work in 2014 added over one million carats to our Inferred Resource at CH-6, an increase of 15%. The new results from CH-7 define a previously unknown geological domain that has the potential to exceed the resource grade of 2.58 carats per tonne ("cpt") established at CH-6. The 2015 Diamond Resource Development Program has now commenced and is designed to confirm the grade estimates and provide diamond parcels to enable valuations for the key kimberlite pipes that will be included in a planned 2016 Preliminary Economic Assessment on a potential Phase 1 diamond mine development at Chidliak."

CH-6 DIAMOND RESULTS

The 2014 Diamond Resource Development Program drilling at CH-6 was comprised of 1183 metres in five core holes focused on expanding the CH-6 Inferred Resource. Caustic fusion results from samples of CH-6 are stated in Table 1.

TABLE 1: CH-6 CAUSTIC FUSION DIAMOND RESULTS

Geological Domain	Sample Weight (dry kg)	Numbers of Diamonds According to Sieve Size Fraction (mm)							
		+0.106 -0.150	+0.150 -0.212	+0.212 -0.300	+0.300 -0.425	+0.425 -0.600	+0.60 -0.85	+0.85 -1.18	+1.18 -1.70
CH-06 (KIM-L)	81.50[a]	55	36	31	23	8	7	2	1
CH-06 (KIM-L)	81.48[a]	67	34	23	12	8	4	1	4
CH-06 (rKIM-C)	81.66[a]	166	136	47	28	6	9	2	0
CH-06 (KIM-C)	178.74[a]	135	96	61	25	11	8	7	1
CH-06 (KIM-L)	350.0[b]	317	228	150	99	60	32	11	9

[a] 2014 caustic fusion result

[b] CH-6 KIM-L result from 2013 trench bulk sample site, per company press release dated December 3, 2013

KIM-L is the dominant geological domain within CH-6 and was sampled during the 2013 bulk sample program reported on January 16, 2014. The current CH-6 Inferred Resource of 8.57 million carats is composed entirely of KIM-L.

The results reported here are consistent with previously reported caustic fusion data from CH-6 and provide further confirmation that the high diamond grades established by surface trenching in 2013 and by Dense Media Separation testing of drill cores in 2010 continue throughout the pipe and to depth (see December 3,

2013 and December 6, 2010 company press releases and NI 43-101 technical report effective January 26, 2015).

CH-7 DIAMOND RESULTS

The 2014 Diamond Resource Development Program drilling at CH-7 was comprised of 1128 metres in seven core holes. Caustic fusion sample results are shown in Table 2. The 2014 and prior drilling data now underpin a new CH-7 kimberlite pipe model with five geological domains, labelled KIM-1 through KIM-5.

TABLE 2: CH-7 CAUSTIC FUSION DIAMOND RESULTS

Geological Domain	Sample Weight (dry kg)	Numbers of Diamonds According to Sieve Size Fraction (mm)							
		+0.106 -0.150	+0.150 -0.212	+0.212 -0.300	+0.300 -0.425	+0.425 -0.600	+0.60 -0.85	+0.85 -1.18	+1.18 -1.70
CH-07 (KIM-2)	207.18[a]	131	83	59	42	14	6	3	2
CH-07 (KIM-4)	194.20[a]	150	101	57	40	12	10	3	4
CH-07 (KIM-4)	202.14[a]	161	104	81	47	20	16	8	7
CH-07 (KIM-5)	74.14[a]	141	88	56	45	10	13	5	2
CH-07 (KIM-5)	132.82[a]	290	205	138	98	47	22	20	9
CH-07 (KIM-1)	214.50[b]	89	84	55	21	19	12	6	2
CH-07 (KIM-3)	199.35[b]	226	166	123	60	11	19	18	2

[a] 2014 caustic fusion result

[b] Reported in company press release dated February 22, 2011

As reported on November 22, 2010, a 47.2 dry tonne mini-bulk sample from KIM-1 at CH-7 returned a grade of 1.04 cpt for +0.85 mm diamonds, including a 6.53 carat diamond. The 2014 caustic fusion results illustrate that the KIM-5 geological domain contains diamonds in quantities substantively exceeding the 1.04 cpt grade benchmark of KIM-1, while the KIM-3 and KIM-4 domains have diamond contents similar to the benchmark. Large diameter drilling for the 2015 Diamond Resource Development Program is focused on verifying the commercial diamond grade of the KIM-2, KIM-3, KIM-4 and KIM-5 geological domains in CH-7 and obtaining representative parcels of diamonds for independent valuation.

CH-44 DIAMOND RESULT

The 2014 Diamond Resource Development Program drilling at CH-44 was comprised of 994 metres in six core holes. The caustic fusion result for a sample of the dominant geological domain at CH-44 collected from a depth interval of 154-210 metres is listed in Table 3. The result is consistent with previously reported caustic fusion data for 535 kg of material taken from the same major geological domain at a shallower depth (5-104 metres). It is also similar to caustic fusion data corresponding to the 1.04 cpt grade benchmark for domain KIM-1 at CH-7.

TABLE 3: CH-44 CAUSTIC FUSION DIAMOND RESULTS

Sample From	Sample Weight (dry kg)	Numbers of Diamonds According to Sieve Size Fraction (mm)								
		+0.106 -0.150	+0.150 -0.212	+0.212 -0.300	+0.300 -0.425	+0.425 -0.600	+0.60 -0.85	+0.85 -1.18	+1.18 -1.70	+1.7
CH-44	146.10[a]	168	117	71	44	18	13	5	3	
CH-44	535.05[b]	310	168	130	81	42	22	10	3	

[a] 2014 caustic fusion result

[b] Reported in company press release dated November 21, 2011

The 2014 caustic fusion results have extended the known coarse diamond distribution to 210 metres vertically below the surface. Previously the known depth extent of the coarse diamond distribution was 162 metres vertically below the surface. The deepest kimberlite intersection from CH-44 is 222 metres vertically below the surface and the kimberlite pipe remains open at depth.

CH-46 DIAMOND RESULTS

As reported on December 8, 2014, the CH-46 kimberlite was tested in three core holes that intersected 134 cumulative metres of limestone-bearing volcaniclastic kimberlite. The caustic fusion results reported in Table 4 consumed most of the kimberlite core from two of the three holes drilled. These results confirm the economic potential of CH-46.

TABLE 4: CH-46 CAUSTIC FUSION DIAMOND RESULTS

Sample From	Sample Weight (dry kg)	Numbers of Diamonds According to Sieve Size Fraction (mm)								
		+0.106 -0.150	+0.150 -0.212	+0.212 -0.300	+0.300 -0.425	+0.425 -0.600	+0.60 -0.85	+0.85 -1.18	+1.18 -1.70	+1.7
CH-46	102.96	26	16	12	5	4	3	0	0	
CH-46	103.30	16	7	11	6	7	4	1	0	

Dr. Jennifer Pell, Peregrine's Chief Geoscientist, is a Qualified Person and is responsible for logging Chidliak kimberlite core, with attendant responsibility to select and secure representative samples for caustic fusion diamond analysis. Dr. Herman Grütter, Professional Geologist and Peregrine's Vice President, Technical Services, is a Qualified Person and is responsible for the design of the Diamond Resource Development Program at Chidliak. Mr. Alan O'Connor, Peregrine's Program Manager, Chidliak Resource Evaluation, is a Qualified Person and is responsible for the design and conduct of bulk sampling programs at Chidliak.

Dr. Pell, Dr. Grütter and Mr. O'Connor have reviewed this release and approve of its contents.

ABOUT PEREGRINE DIAMONDS

Peregrine Diamonds is a diamond exploration and development company focused on Canada's North. The Company has discovered two new diamond districts in Nunavut, Nanuq in 2007 and Chidliak in 2008. At its 100 percent-owned, 582,477 hectare Chidliak project, located 120 kilometres from Iqaluit, the capital of Nunavut, 71 kimberlites have been discovered to date with eight being potentially economic. An Inferred Mineral Resource of 8.57 million carats in 3.32 million tonnes of kimberlite at a grade of 2.58 carats per tonne has been defined for a portion of the CH-6 kimberlite. In April 2013, a bulk sample weighing 404.2 dry tonnes was collected from CH-6. This sample returned a grade of 2.58 carats per tonne for diamonds larger than the 1.18 mm sieve size. An independent diamond valuation of the resulting 1,013 carat parcel of diamonds returned an average market price of US$213 per carat and modelled prices that ranged from a minimum of US$162 per carat to a high of US$236 per carat, with a base model price of US$188 per carat. As part of the ongoing resource development program, core and small diameter RC drilling was completed at the CH-6, CH-7 and CH-44 kimberlites in 2014. Preparations are well underway for a 2015 bulk sampling program focussed on priority kimberlites that is scheduled to commence in March 2015. The objective of the 2015 program is to delineate a resource base that would be the subject of a Preliminary Economic Assessment in 2016.

At the 8,493 hectare Lac de Gras project in the Northwest Territories, located approximately 23 kilometres from the Diavik Diamond Mine,the nine hectare 72.1%-owned DO-27 kimberlite hosts an Indicated Mineral Resource of 18.2 million carats of diamonds in 19.5 million tonnes of kimberlite at a grade of 0.94 carats per tonne and it is open at depth. Peregrine Diamonds also continues to evaluate earlier stage exploration projects it controls in Nunavut and the Northwest Territories.

Through comprehensive evaluation of its extensive and proprietary diamond exploration databases, the Company, through its wholly owned subsidiary Peregrine Exploration Ltd, is working towards acquiring and developing new diamond properties in Canada. A key asset being utilized in the search for a new Canadian diamond district is a proprietary database acquired from BHP Billiton that contains data from approximately 38,000 kimberlite indicator mineral samples covering approximately three million square kilometres of Canada.

For information on data verification, exploration information and resource estimation procedures see the technical reports entitled, "2015 Technical Report for the Chidliak Project, 66° 21' 43" W, 64° 28' 26" N Baffin Region, Nunavut" dated February 23, 2015, and "Peregrine Diamonds Ltd. Lac de Gras Project Northwest Territories, Canada NI 43-101 Technical Report" dated July 15, 2014, both of which are available on SEDAR and the Company's website.

FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements within the meaning of Canadian securities legislation. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future including, without limitation, statements relating to proposed exploration and development programs, funding availability, anticipated exploration results, grade of diamonds and tonnage of material, resource estimates, anticipated diamond

valuations and future exploration and operating plans are forward-looking statements. These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company.

Forward-looking statements are made based upon certain assumptions by the Company and other important factors that, if untrue, could cause the actual results, performances or achievements of the Company to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate in the future, including the price of diamonds, anticipated costs and ability to achieve goals. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward-looking statements include, but are not limited to: receipt of regulatory approvals; anticipated timelines for community consultations and the impact of those consultations on the regulatory approval process; market prices for rough diamonds and the potential impact on the Chidliak Project; and future exploration plans and objectives.

Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements and, even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things, uncertainties relating to availability and cost of funds, timing and content of work programs, results of exploration activities, interpretation of drilling results and other geological data, risks relating to variations in the diamond grade and kimberlite lithologies; variations in rates of recovery and breakage; variations in diamond valuations and future diamond prices; the state of world diamond markets, reliability of mineral property titles, changes to regulations affecting the Company's activities, delays in obtaining or failure to obtain required project approvals, operational and infrastructure risk and other risks involved in the diamond exploration and development business. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to their inherent uncertainty.

Contact

Peregrine Diamonds Ltd.Mr. Eric FriedlandExecutive Chairman604-408-8880Peregrine Diamonds Ltd.Mr. Tom PeregoodoffPresident and CEO604-408-8880Peregrine Diamonds Ltd.Dr. Herman GrutterVice President, Technical Services604-408-8880Peregrine Diamonds Ltd.Investor Relations604-408-8880investorrelations@pdiam.comwww.pdiam.comPeregrine ExplorationMr. Brooke ClementsPresident and CEO604-408-8880