VANCOUVER, BRITISH COLUMBIA--(Marketwired - Sep 9, 2015) - [Peregrine Diamonds Ltd.] ("Peregrine" or the "Company") (TSX:PGD) is pleased to provide an update on its 100 percent-owned Chidliak diamond project ("Chidliak" or the "Project"). Chidliak is located 120 kilometres northeast of Iqaluit, the capital of Nunavut, Canada. Peregrine has successfully completed the 2015 field work program which was focused on continued development and expansion of the Chidliak diamond resource. Transportation of the 2015 CH-7 bulk sample from Iqaluit to Saskatoon is now complete. Dense Media Separation ("DMS") processing of the 558.5 wet tonne sample at the Saskatchewan Research Council ("SRC") will commence on September 14, 2015. The 2015 summer program was completed successfully approximately three weeks ahead of schedule. A total of 1,361 metres of core drilling was completed; 520 metres at CH-6 and 841 metres at CH-7. In addition, a total of 3,345 kilograms of kimberlite from CH-6 and CH-7 has been sampled and sent to the SRC for microdiamond analysis. Ongoing environmental base line studies were also completed.

The objective of the 2015 Chidliak Diamond Resource Development program is to define a resource base that would be the subject of a 2016 Preliminary Economic Assessment on a Phase 1 diamond mine. The 2015 program consists of a bulk sample of CH-7 (the 2015 Bulk Sample Program) and summer core drilling and microdiamond sampling (the Summer 2015 Program).

2015 BULK SAMPLE UPDATE

The 2015 bulk sample program consisted of six large-diameter drill holes drilled to a maximum depth of 240 metres at CH-7. Transportation of the 558.5 wet tonnes of screened CH-7 kimberlite to secure storage facilities at the SRC has been completed. The sample is currently being separated into processing batches and the DMS plant is going through cleaning and final preparation. The SRC advises that processing of KIM-5 bulk sample material will commence on September 14, 2015. The 2015 CH-7 bulk sample results will provide diamond grades for kimberlite units KIM-2, KIM-3, KIM-4 and KIM-5, as well as representative diamond parcels for independent valuation.

The Company expects processing of the CH-7 bulk sample to a concentrate to be complete on or before November 30, 2015, two weeks later than earlier guidance, due to adverse sea ice conditions which delayed transportation of the bulk sample from Iqaluit to Saskatoon by approximately one month. Final diamond recovery is expected by early January 2016 with initial diamond grade results being released shortly thereafter. Independent diamond valuation results are expected in the first quarter of 2016.

SUMMER 2015 PROGRAM

The summer program is complete and was focused on proving up previously identified resource expansion opportunities at CH-6 and CH-7 ahead of the planned 2016 Preliminary Economic Assessment. The summer 2015 work program accomplished four key elements:

- Sampling of Existing CH-6 Core. Microdiamond and ancillary data sets for the southern, northern and at-depth portions of CH-6 were expanded. Approximately 715 kilograms of representative microdiamond samples were collected from six previously drilled core holes.
- CH-6 Core Drilling. Two near-vertical core holes were drilled to 260 metres depth each to extend known geological and grade continuity into the southern portion of CH-6 that currently is categorized as Target for Further Exploration ("TFFE"). Both of these holes ended in kimberlite. Approximately 367 kilograms of microdiamond samples were collected along the length of both holes.
- Sampling of Existing CH-7 Core. Microdiamond and ancillary data sets for the KIM-2, KIM-3 and KIM-4 domains at CH-7 were expanded. Approximately 1,200 kilograms of representative microdiamond samples were collected from eleven previously drilled core holes.
- CH-7 Core Drilling. Three near-vertical core holes totalling 663 metres were drilled in the southern portion of CH-7 to prove up geological and grade continuity, primarily within unit KIM-2. All three holes ended in kimberlite. A fourth vertical hole was drilled to a depth of 177.5 metres in the northern portion of CH-7 to further constrain KIM-5 and KIM-4 geology and provide control on the at-depth shape of the CH-7 pipe. This fourth hole intersected the kimberlite/country rock contact at 170.5 metres. Approximately 1,062 kilograms of representative microdiamond samples were collected along the length of all four holes.

A total of 3,345 kilograms of core sample acquired during the 2015 summer and previous core drill programs has been dispatched to the SRC for microdiamond recovery using caustic fusion. Results are expected through October and November 2015. Successful integration of the 2015 bulk sample results with microdiamond and ancillary geological data will enable the Company to maximize the Inferred Resource estimates for both CH-6 and CH-7. The revised Inferred Resource base for CH-6 and CH-7 is expected to be released in the first quarter of 2016. This resource base will form the foundation of a planned Preliminary Economic Assessment on a potential Phase 1 diamond mine development at Chidliak, expected in the second quarter of 2016.

At the Chidliak project 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 addition, a TFFE of 3.20 to 4.38 million tonnes of kimberlite to a depth of 380 metres below surface has been identified at CH-6. An independent diamond valuation of a 1,013 carat parcel of diamonds from CH-6 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. A TFFE of 3.72 to 6.01 million tonnes to a depth of 290 metres has been defined at the CH-7 kimberlite. In 2010, a 47 tonne mini-bulk sample collected from the surface of CH-7 returned a grade of 1.04 carats per tonne. A TFFE of 1.27 to 3.19 million tonnes to 250 metres depth has been defined at the CH-44 kimberlite pipe. The Tonnages for Further Exploration identified above are conceptual in nature and are not Mineral Resources. It is uncertain whether further exploration will result in any of these Tonnages being delineated as Mineral Resources.

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. Jennifer Pell, Peregrine's Chief Geologist, is a Qualified Person and is responsible for geological characterization and microdiamond sampling of core drilled at Chidliak.

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

ABOUT PEREGRINE DIAMONDS

Peregrine Diamonds core asset is its 100 percent-owned, 582,476 hectare Chidliak project, located 120 kilometres from Iqaluit, the capital of Nunavut.

In addition, Peregrine now controls eight prospective diamond prospecting licenses in Botswana that cover 5,746 km^2. Further target generation and the drill testing of four priority targets are planned for the Botswana project in 2015.

Peregrine Exploration, a wholly owned subsidiary of Peregrine Diamonds holds the 8,493 hectare Lac de Gras project in the Northwest Territories, located approximately 27 kilometres from the Diavik Diamond Mine. The nine hectare 72.1%-owned DO-27 kimberlite, located at Lac de Gras, 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. Through comprehensive evaluation of its extensive diamond exploration databases, Peregrine Exploration, is working towards acquiring and developing new diamond properties in North America. 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.*

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