VANCOUVER, BRITISH COLUMBIA--(Marketwired - Oct 22, 2015) - Peregrine Diamonds Ltd. ("Peregrine" or "the Company") (TSX:PGD) is pleased to announce that mobilization of a rotary air-blast (RAB) drill rig has commenced and drilling is expected to begin on October 23 on the first of four kimberlite targets at its 100% owned Moralane license in east-central Botswana, and to provide an update on exploration activities for three other project areas in Botswana.

Target Drill Testing at Moralane

The Moralane license covers 664 km^2 and hosts a compelling kimberlite indicator mineral ("KIM") anomaly that is underlain by recently identified isolated magnetic anomalies. Historic drilling in the area has failed to identify the source of the KIM anomaly. Magnetic data from eleven ground geophysical surveys completed by Peregrine during September 2015 have been interpreted and modelled. The recent magnetic survey has identified four new, high priority targets which will be tested with a 16.5 centimetre RAB drill:

- Target 15-10S measures 540 x 200 metres with a modelled target depth of 60-80 metres.
- Target 15-10N measures 535 x 360 metres with a modelled target depth of 120-130 metres.
- Target 15-07 is 38 hectares with a modelled target depth of 100 metres.
- Target 15-11 is 500 metres in diameter with a modelled target depth of 120-130 metres.

The Kalahari overburden in the vicinity of the Moralane drill targets is known from prior drilling to vary from 10 to 25 metres depth, and is underlain by up to 240 metres of Late Triassic to Early Jurassic Upper Karoo sediments. The Moralane kimberlite drill targets are modelled to intrude these Karoo sediments and this setting could accommodate causative magnetic sources with ages consistent with the Late Triassic Jwaneng kimberlites.

A total of 570 metres in four vertical holes will be drilled in this first phase. Drilling is expected to be completed in early November.

Dr. Herman Grutter, Vice President, Technical Services said, "The Moralane area hosts some of the most compelling and unexplained indicator mineral chemistry in Botswana. These indicator minerals are compositionally unique within the Botswana context and cannot be explained by any of the known kimberlite clusters in the region. The diamond potential as shown by this chemistry is similar to KIM chemistry from such well known diamond mines as Finsch (over 130 million carats produced to date), and Jwaneng (currently produces 11 million carats per year). We are looking forward to resolving the source of these KIMs through this focussed drill program."

Target Generation at Malolwane, Gope and Nata

In addition to the drilling at Moralane, the Company is generating additional targets as outlined in a press release dated July 14, 2015.

At Malolwane, Peregrine holds one license covering 251 km^2 in a region with little or no Kalahari cover. Two hundred and eighty four kimberlite indicator mineral samples have been collected on a nominal 400 metre spaced grid across an area where previous operators reported erratic above-background KIM counts. Approximately half of the samples have been processed to a clean concentrate and KIM recovery and sorting will commence shortly. Results from this program will be used to identify and prioritise drill targets in the Malolwane area.

At Gope, Peregrine holds two licences covering 1,001 km^2, located 15 kilometres north and six kilometres west respectively, of the Ghaghoo diamond mine in the Gope kimberlite field, currently being developed by Gem Diamonds. Peregrine has recently completed detailed re-interpretation of 2004-era high-resolution airborne magnetic data covering the entire Gope project area. Twenty geophysical anomalies were identified with five selected for continued modelling as potential drill targets with diameters of 340 to 500 m at depths ranging from 70 to 120 metres. Surficial KIM sampling across these five targets and five additional targets is scheduled for late October 2015. Drill testing of KIM-positive priority targets is planned for 2016.

At Nata, Peregrine holds four licences covering 3,830 km^2. Regional airborne geophysics has highlighted a number of areas that warrant follow-up exploration. Ground checking and KIM soil sampling of select airborne magnetic anomalies is scheduled for mid-November 2015.

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 574,600 hectares. Further kimberlite target generation and the drill testing of four priority targets are ongoing.

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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