VANCOUVER, BRITISH COLUMBIA--(Marketwired - March 31, 2016) - Peregrine Diamonds Ltd. ("Peregrine" or "the Company") (TSX:PGD) is pleased to provide an update on its Botswana diamond exploration program. The Company's primary assets in Botswana are 11 prospective diamond Prospecting Licences that cover 6,613 km$^2$. The 2015 diamond exploration program focused on the Moralane and Malolwane areas and included drill testing of four priority kimberlite targets in the Moralane block. In addition, Peregrine secured three new licences covering the diamondiferous Sikwane kimberlites. The 2016 work program will focus on core drilling of the Sikwane kimberlites and target verification in the Mmashoro and Sikwane project areas.

2015 Work Program Update

The 2015 exploration program focused on two main target verification projects at Moralane and Malolwane, and limited target generation work at Gope and Nata.

The Moralane license covers 664 km$^2$ and hosts a compelling Kimberlite Indicator Mineral ("KIM") anomaly with associated isolated magnetic anomalies. Microprobe-confirmed KIM compositions define a unique, diamond-compatible signature that cannot be matched to indicators from known kimberlite clusters in the region. Previous operators in the area focused their drilling on the highest indicator mineral counts and drilled shallow holes to reach the basal Kalahari sequences.

Approximately 170 km of high resolution ground magnetics were acquired over 11 targets in the Moralane license. The results were used to identify and prioritize four drill targets possibly representing syn-or pre-Karoo intrusives that would be deeper than previous drilling. A total of 570 m of reverse air blast ("RAB") drilling was completed on the four targets in 2015. No kimberlites were intersected.

At Moralane, a 170 m hole on a 15 ha remnant magnetic high (G89-15-10 North) intersected Lebung and Beaufort Group sandstones and siltstones and terminated in Ecca Group carbonaceous siltstones and minor coal measures. A 100 m hole drilled on an 8 ha textured magnetic low (G89-15-10 South), intersected similar Lebung and Ecca group sedimentary rocks and terminated in a monzogranite. A 150 m hole was drilled on a 20 ha magnetic dipole (G89-15-11) which encountered mainly Lebung and Beaufort sandstones and siltstones, terminating in Ecca Group carbonaceous siltstones and minor coal measures. A 150 m hole was drilled on a 38 ha magnetic dipole (G89-15-RC03) encountering Lebung and Beaufort Group sandstones and siltstones. Processing of downhole KIM samples is ongoing and results will guide follow-up programs. Detailed interpretation of the drill logs together with regional geophysics is in progress to better understand the structural geology of the area.

In the Malolwane license, which covers 251 km$^2$, a KIM sampling program was completed during which a total of 288 samples were collected. The samples were processed at the in-house sample treatment facility and sorted to recover KIMs. Several KIMs were recovered, including ilmenite and chromite. Additional in-fill KIM sampling to define drill targets is being planned.

At Gope, Peregrine holds two licences covering 1,001 km$^2$. In 2004 a detailed, low level aeromagnetic survey was flown by the previous operator. The survey identified numerous priority targets to the north of the known Gope kimberlites. The previous program was terminated before these targets had been drill tested. Reinterpretation of the Gope low-level aeromagnetic survey by Peregrine has identified 20 priority magnetic targets. Ten of these targets were prioritised for target-scale KIM sampling and forty 60 litre screened samples were collected during November 2015. The samples were submitted for KIM extraction and a kimberlitic garnet was recovered from one of the targets. In addition, four garnets were reported by a previous operator from samples collected over an additional magnetic anomaly in the licence, though the target remains untested. Low-count KIM recoveries are significant in thick Kalahari sand covered areas and further work at Gope is planned.

At Nata, Peregrine holds four licences covering 3,830 km$^2$. Regional airborne geophysics has highlighted a number of magnetic anomalies in an area favourable for kimberlite intrusives but this program has not been prioritised for any exploration work during 2016.

Sikwane Kimberlites

The Company continues to expand its land position in Botswana. A new prospecting licence, that includes the diamond-bearing Sikwane kimberlites, has recently been acquired. These kimberlites were originally discovered by De Beers in 1997. The license covers 453 km$^2$ and hosts previously drilled diamondiferous kimberlite intersections with compelling KIM chemistry and unresolved KIM and magnetic anomalies.

2016 Work Program

The planned 2016 work program will focus on target drilling and target verification by ground truthing. The program is expected to commence in mid-April and continue until late November. The total budget for the 2016 work program is approximately CDN$550,000.

Target testing via core drilling will be prioritized on the Sikwane license. Previous operators in the area focused their drilling on the highest indicator mineral counts and failed to resolve the morphology and extent of the intersected diamondiferous kimberlite intrusives. Approximately 500 m of core drilling is planned to test five previously identified diamondiferous kimberlitic occurrences. These targets are supported by drill logs submitted by previous operators. Key to the program is to resolve the emplacement morphology of the kimberlitic material and to determine the potential for hosting economic volumes of diamond bearing kimberlite.

Target verification will focus on two areas.

- The Mmashoro area, which has unresolved aeromagnetic anomalies in a terrain where kimberlites predominantly present with magnetic signatures.
- The Sikwane area, where several discrete aeromagnetic anomalies remain unresolved.

Activities in these two areas will include further KIM sampling, as well as detailed ground geophysical surveys.

NEW WEBSITE

Peregrine is pleased to announce that it has recently launched its updated corporate website. The new website has been designed to provide investors with easy access to important information regarding the Company and its activities. The new website can be found at www.pdiam.com.

ABOUT PEREGRINE DIAMONDS

Peregrine Diamonds core asset is its 100 percent-owned, 513,249 ha Chidliak project, located 120 km from Iqaluit, the capital of Nunavut, where 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 target for further exploration ("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 by WWW International Diamond Consultants, 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 TFFE's 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.

In addition, Peregrine now controls eleven prospective diamond prospecting licenses in Botswana that cover 661,330 hectares.

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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