

VANCOUVER, BRITISH COLUMBIA--(Marketwired - May 17, 2016) - [Peregrine Diamonds Ltd.](#) ("Peregrine" or "the Company") (TSX:PGD) is pleased to announce that core drilling has commenced on the 100% owned Sikwane Project in Botswana. Sikwane is located approximately 50 kilometres east of Gaborone, the capital of the Republic of Botswana.

SIKWANE KIMBERLITE DRILL PROGRAM

The Sikwane prospecting licence covers 453 km² and contains nine kimberlites discovered through drilling by De Beers in 1997. A thorough assessment of relinquishment reports held at the Botswana Geological Survey shows that De Beers drilled percussion holes targeted on detailed Kimberlite Indicator Mineral ("KIM") anomalies with limited ground geophysics support. Interpretation of available KIM garnet and ilmenite chemistry shows that the Sikwane kimberlites contain diamond-compatible KIMs and the kimberlites have moderate to high diamond potential. Diamonds have been recovered from surface samples and from down-hole samples at the Sikwane kimberlites, although diamond abundance and size distribution data are not available. De Beers recovered limited core from the drilling program and due to the limitations of percussion drilling, the geological relationships between kimberlite and country rock granite are unresolved.

Core drilling of five of the Sikwane kimberlites is planned. The program is designed to resolve the kimberlite-granite relationships and collect carefully controlled kimberlite samples for microdiamond and KIM analysis. Five vertical core holes of 100 metres each are planned.

The total budget for the program is CDN\$140,000.

ABOUT PEREGRINE DIAMONDS

Peregrine is a TSX listed diamond exploration and development company with assets located in northern Canada and Botswana.

Peregrine's core asset is its' 100 percent-owned, 513,249 hectare Chidliak project, located 120 kilometres from Iqaluit, the capital of Nunavut where 71 kimberlites have been discovered to date with eight being potentially economic. An Inferred Mineral Resource of 11.39 million carats in 4.64 million tonnes of kimberlite at an average grade of 2.45 carats per tonne has been defined for a portion of the CH-6 kimberlite. In addition, a Target for Further Exploration ("TFFE") of 2.34 to 3.75 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 modeled prices that range 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 (all using the February 24, 2014 price book). An Inferred Mineral Resource of 4.23 million carats in 4.99 million tonnes of kimberlite at an average grade of 0.85 carats per tonne has been defined for a portion of the CH-7 kimberlite. In addition, TFFE of 0.90 to 2.36 million tonnes for a depth range of 240-320 metres has been estimated for the CH-7 kimberlite. An independent diamond valuation by WWW International Diamond Consultants, of a 735.75 carat parcel of diamonds from CH-7 returned an average market price of US\$100 per carat and modelled prices that ranged from a minimum of US\$94 per carat to a high of US\$155 per carat, with a base model price of US\$114 per carat (all using the February 1, 2016 price book). A TFFE of 1.27 to 3.19 million tonnes to 250 metres depth has been estimated for 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.

Peregrine holds eleven diamond prospecting licenses in Botswana that cover 661,330 hectares.

Peregrine also controls 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.

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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