VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jun 19, 2017) - Peregrine Diamonds Ltd. (TSX:PGD) ("Peregrine" or "the Company") is pleased to announce that it has completed final preparations for the 2017 work program at its 100%-owned Chidliak Diamond Project ("Chidliak") near Iqaluit, Nunavut, Canada. Field crew mobilization will commence on June 27, 2017 and core drilling of up to 7,500 metres at the CH-6 kimberlite pipe is expected to commence on July 5, 2017. Drilling at CH-6 will further delineate the kimberlite, with the objective of expanding the high grade CH-6 resource to a depth of 500 metres below surface. Approximately 1,000 metres of HQ-diameter core drilling will be used to gather geotechnical information and to allow completion of further open-pit design and optimization studies. Environmental base line studies also will form part of the 2017 work program and will focus on the collection of additional environmental data within the Chidliak Project area and the proposed transportation corridor between Iqaluit and the project site.

CH-6 OPEN PIT PLUS UNDERGROUND CONCEPT STUDY

As reported on March 6, 2017, the Company engaged JDS Energy & Mining Inc. ("JDS") in December 2016 to complete an internal, concept-level study to define the potential economic uplift that could be realized by developing the CH-6 kimberlite to a depth of 500 metres as a combined open-pit plus underground mining operation. The study clearly demonstrates the benefit of proving up the resource potential at the CH-6 kimberlite pipe below a depth of 260 metres, which is the current bottom of the Inferred Resource in the 2016 Preliminary Economic Assessment ("PEA").

2017 CH-6 WORK PROGRAM

The 2017 work program at Chidliak will focus on three main objectives:

- Expansion of the current Inferred Resource at CH-6 - through approximately 7,500 metres of diamond core drilling to further demonstrate geological continuity, establish pipe margin pierce-points and obtain spatially representative kimberlite samples for caustic fusion diamond analysis. The main objective is to increase the depth of a categorized resource from 260 metres to 500 metres. Caustic fusion results will be used to model diamond grade and grade distribution of the kimberlite to a depth of 500 metres.
- Refine open-pit geotechnical design parameters - as part of the 2017 drilling program approximately 1000 metres of oriented HQ-diameter core and other geotechnical data required to refine the open-pit parameters, particularly the pit slope angles, will be acquired. This data will enable assumptions regarding open-pit design to be tested and further refined.
- Advancing permitting - through continued environmental monitoring programs of the Chidliak project area and the proposed transportation corridor.

The Company expects the microdiamond analyses to be completed in the third quarter of 2017 and anticipates an updated resource estimate for CH-6 to be issued in the fourth quarter. If the resource at depths below 260 metres is of sufficient size and diamond grade, a new Preliminary Economic Assessment outlining a combined open-pit and underground mining operation for CH-6, in addition to an open-pit operation at CH-7, could be completed in the first quarter of 2018. The total cost for the work program is estimated at C$8.5 million.

FINANCING FOR THE 2017 PROGRAM

The Company is in final discussions regarding financing for the 2017 program and management is confident such financing will be obtained. Detailed information will be provided when the terms of the financing are finalized.

To enable the 2017 work program to commence immediately, the Company's Executive Chair, Eric Friedland (the "Lender") has agreed to lend the Company up to C$1,000,000 (the "Loan"). The Loan, which is unsecured, will accrue interest at a rate of 12% per annum, compounded yearly and not in advance. The Loan will be repayable on or before the earlier of September 30, 2017 and two business days after the date on which the Company closes any equity financing by way of issuance of shares. The Loan cannot be converted into, exchanged for, or otherwise modified to create any obligation on the Company to issue, directly or indirectly, any equity or voting securities of the Company or any subsidiary of the Company, for the repayment of either principal or interest on the Loan.

As the Lender is considered a "related party" under Multilateral Instrument 61-101-*Protection of Minority Security Holders in Special Transactions* ("MI 61-101"), the Loan is considered to be a "related party transaction" within the meaning of MI 61-101. The Company intends to rely on the exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in section 5.5(a) and 5.7(1)(a) or (b) of MI 61-101 in respect of related party participation in the Loan. The securities of the Company are listed on the Toronto Stock Exchange. The fair market value of the Loan is less than C$2.5 million and neither the fair market value of the Loan, nor the fair market value of the consideration for the Loan, is expected to exceed 25% of the Company's current market capitalization. The Company has received the requisite non-interested directors' approval of the Loan.

QUALIFIED PERSONS

Dr. Herman Grütter, 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 field 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 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, 413,000-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. A Preliminary Economic Assessment ("PEA") of a Phase 1 Diamond Development ("CP1D") has been completed. The PEA highlights that the CP1D represents a robust, high margin, ten-year, open-pit mining project with very attractive economics, including after tax NPV of C$471M, IRR of 29.8% and a two year payback. 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.

Additional details of the Chidliak 2016 PEA are available in a National Instrument ("NI") 43-101 technical report titled "Preliminary Economic Assessment Technical Report on the Chidliak Project, Nunavut, Canada" and dated effective July 7, 2016, available on SEDAR and the Company's website.

The Chidliak 2016 PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. There is no certainty that the PEA will be realized.

The TFFEs identified above are conceptual in nature as there has been insufficient exploration to define a Mineral Resource. 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 NI 43-101 technical reports entitled "Mineral Resource Estimate for the Chidliak Project, Baffin Island, Nunavut" and dated effective June 3, 2016 and "Peregrine Diamonds Ltd. DO-27 Diamond Project Northwest Territories, Canada NI 43-101 Technical Report" dated August 7, 2008 which are available on SEDAR and the Company's website.

For further information, please visit www.pdiam.com.

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 future management of the Company, 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 availability and continuation of experienced leadership for the Company, 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 continuity and availability of executive management, 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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