Peregrine Diamonds Discovers Eight New Kimberlites and Collects Mini-Bulk Samples From CH-6 and CH-7

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Vancouver, July 19, 2010 - Peregrine Diamonds Ltd. ("Peregrine" or "the Company") (TSX: PGD) is pleased to report the discovery of eight new kimberlites at the Chidliak project ("Chidliak" or "the Project") on Baffin Island, Nunavut, Canada. Six of the new kimberlites, CH-19, CH-21 and CH-23 through CH-26 were discovered at surface by prospecting, and the other two, CH-20 and CH-22, were discovered by drilling. In addition, mini-bulk samples of approximately 13 and 50 tonnes respectively have been collected from the CH-6 and CH-7 kimberlites.

The primary focus of the summer exploration programme at Chidliak is the discovery of new kimberlites. With the completion of the CH-6 mini-bulk sample, two core rigs are now focussed solely on the drilling of new kimberlite-type targets. A third drill rig, a helicopter-borne reverse circulation rig, is being mobilized to Chidliak this month to complement the core rigs in testing as many of the 442 kimberlite-type geophysical anomalies identified to date on the Project as possible. Prospecting and ground geophysical survey teams continue to evaluate and prioritize geophysical anomalies for this expanded drilling programme. Many of the anomalies being evaluated and six of the ten kimberlites that have been discovered thus far in 2010 were selected from a 20,500 line kilometre airborne geophysical survey completed last month, demonstrating that other areas of Chidliak with no previous geophysical coverage have the potential to host kimberlites.

Brooke Clements, President of Peregrine, stated, "The 2010 Chidliak exploration programme is off to a great start with ten new kimberlite discoveries since May. These discoveries confirm the exploration potential that Chidliak offers and that we have a large field of kimberlites to evaluate. With the combination of technical and logistical knowledge we have gained on the property, and our increased exploration commitment this year, we are confident that our experienced and dedicated exploration team will make many more diamondiferous kimberlite discoveries in the near future. Our goal is to confirm that a number of the 2010 discoveries are candidates for economic potential in Arctic settings, to complement the three we have identified thus far, CH-1, CH-6 and CH-7."

An exploration summary showing four of the eight new kimberlite discoveries and exploration progress at the CH-6 and CH-7 kimberlites is available at http://www.pdiam.com/i/pdf/chidliak244.pdf

EIGHT NEW KIMBERLITE DISCOVERIES

The discovery of eight new kimberlites at Chidliak, CH-19 through CH-26, brings the number of kimberlites discovered on the project to date to 26. With the discovery of CH-19, the southernmost kimberlite at Chidliak, this new diamond district now extends at least 60 kilometres in a north-south direction and 40 kilometres in an east-west direction. Samples from new kimberlite discoveries are being sent to the Saskatchewan Research Council ("the SRC") for diamond analysis by caustic fusion and results will be reported as they become available.

Kimberlites Discovered by Prospecting (CH-19, CH-21, CH-23 through 26)

The CH-19 kimberlite is located approximately seven kilometres south of the nearest known kimberlites, CH-14 and CH-15. It was discovered when magmatic kimberlite boulders and cobbles were found at surface on top of a magnetic high geophysical anomaly with an estimated surface expression of 100 by 50 metres.

The CH-21 kimberlite was discovered when abundant magmatic kimberlite boulders and cobbles were found at surface along a linear magnetic high anomaly with associated circular anomalies. The linear trend along which the kimberlite was discovered is approximately 600 metres long. CH-21 is located approximately five kilometres north of CH-19.

The CH-23 through CH-26 kimberlites, discovered in the last few days, are situated near each other on the eastern side of the Project approximately 30 kilometres northeast of the CH-6 kimberlite. CH-25 is interpreted to be a kimberlite dyke, and the other three are interpreted to be pipes based on their

geophysical signatures. Abundant magmatic kimberlite boulders and cobbles were found at these four occurrences.

Kimberlites Discovered by Drilling (CH-20, CH-22)

The CH-20 kimberlite was discovered by drilling an inclined hole across a magnetic anomaly with an approximate surface diameter of 50 metres. CH-20 is located approximately 100 metres north of the CH-6 kimberlite and 250 metres south of the CH-10 kimberlite, and, along with CH-10, is one of four magnetic anomalies referred to as the String of Pearls that are aligned along a 600 metre trend in a north-northwest direction from CH-6. The kimberlite at CH-20 is described as being olivine-rich black macrocrystic kimberlite similar to that present at CH-6 and CH-10. The String of Pearls and associated magnetic low anomalies located several hundred metres to the east, present the opportunity to discover significant kimberlite tonnage in the vicinity of CH-6. Further exploration in the String of Pearls area is likely, after receipt of results from the CH-6 mini-bulk sample.

The CH-22 kimberlite was discovered by drilling two inclined holes across a geophysical anomaly with an estimated surface expression of 0.5-1.0 hectares. The rock is described as magmatic kimberlite.

Drill hole data from the CH-20 and CH-22 kimberlites are presented in the table below.

DRILL HOLE DATA FROM THE CH-20 AND CH-22 KIMBERLITES

Kimberlite, from Horizontal Over-burden (m)	Drill Hole #	Azimuth	Inclination	Kimberlite Intercepts (m)		End of Hole (m)
				From	To	Inter-cept
CH-20,	#1	057°	-50°	13	23	44	21
CH-22,	#1	293°	-50°	12	27	71	44
CH-22,	#2*	293°	-70°	12	63	165	

**Drilled from same setup as CH-22 #1.*
Note: All intercepts below the overburden that are not kimberlite are gneiss.

CH-6 AND CH-7 MINI-BULK SAMPLES

Microdiamond results received from the SRC in 2009 for samples from the CH-6 and CH-7 kimberlites are consistent with kimberlites with economic potential in Arctic settings. The mini-bulk samples are being collected from these kimberlites to establish the approximate grade of the kimberlite phases that were tested and to recover an initial parcel of commercial-size diamonds. The 13 and 50 tonne mini-bulk samples from CH-6 and CH-7 respectively, are being collected under strict chain of custody protocols supervised by senior Peregrine personnel. The CH-6 sample was collected by core drilling due to the presence of approximately 15 metres of overburden, and the CH-7 sample was collected by trenching as the kimberlite is exposed at surface. The samples will be shipped from Iqaluit to the SRC by air where they will be processed by dense media separation followed by X-ray sorting. The CH-6 and CH-7 samples will also be subjected to audits with a portion of the samples being processed by caustic fusion. Results from the mini-bulk samples are expected in the fourth quarter of this year.

CH-6

With the completion of the eighth HQ (6.3 cm. diameter) core hole drilled this year, a representative sample of approximately 13 tonnes of kimberlite from at least two phases was collected from the CH-6 kimberlite. Seven of the holes drilled this year were vertical, and one was an angle hole across the north-central portion of the kimberlite body. Two of the seven vertical holes were terminated prematurely due to drilling issues. The northern portion of CH-6 has not been tested near surface, and the kimberlite remains open to the south.

Geological interpretation of the CH-6 drill logs indicates that the kimberlite consists of volcaniclastic kimberlite to a vertical depth of 140 metres underlain by a coarse-grained macrocrystic unit of probable magmatic kimberlite. Both kimberlite units contain abundant coarse-grained kimberlite indicator minerals and abundant mantle xenoliths, including eclogite, harzburgite and garnet lherzolites up to 23 centimetres in size, consistent with the kimberlite samples collected from CH-6 in 2009.

As announced on September 21 and November 12, 2009, 4,737 diamonds larger than the 0.075 mm sieve size were recovered by caustic fusion analysis of 569.1 kilograms of kimberlite from CH-6. This included ten diamonds larger than 0.10 carats and four diamonds larger than 0.30 carats in size.

SUMMARY OF MINI-BULK SAMPLE DRILLING AT THE CH-6 KIMBERLITE

Drill Hole	Azimuth	Inclination	from Horizontal	Over-burden (m)	Kimberlite Intercepts (m)		End of Hole (m)
					From	To	Inter-cept
CH-6 #6	-	-90°	12	12	315	303	315
CH-6 #7*	-	-90°	18	18	215	197	21
CH-6 #8*	-	-90°	19	19	56	37	56
CH-6 #9	-	-90°	21	30	289	269	313
CH-6 #10	-	-90°	24	30	75	45	322
					139	156	17
					167	283	116
CH-6 #11	-	-90°	20	20	161	141	32
					169	325	156
CH-6 #12	293°	-60°	17	34	199	165	
CH-6 #13**	-	-90°	17	17	268	251	

**Drill hole terminated prematurely.*
***Drilling in progress.*
Note: All intercepts below the overburden that are not kimberlite are gneiss.

CH-7

A mini-bulk sample of approximately 50 tonnes from the CH-7 kimberlite was collected by excavating a trench approximately 30 metres long and four metres wide using a mechanized loader. After removing approximately one metre of kimberlite-rich till and kimberlite sub-crop, approximately 50 tonnes of kimberlite was collected from an area measuring approximately three metres by four metres and two metres deep. The sample was collected using the loader, hand tools and limited blasting. The kimberlite is described as coarse-grained macrocrystic magmatic kimberlite with abundant mantle xenoliths and coarse-grained kimberlite indicator minerals including peridotitic chrome pyrope, eclogitic garnet, chrome diopside and ilmenite.

As announced on October 5, 2009, 664 diamonds larger than the 0.075 mm sieve size were recovered by caustic fusion analysis of 220.9 kilograms of kimberlite from CH-7. This included two diamonds larger than the 1.18 mm sieve size, a 0.64 carat off-white, translucent octahedroid and a 0.06 carat off-white, translucent distorted crystal.

AIRBORNE GEOPHYSICAL SURVEY

The 20,500 line kilometre helicopter-borne magnetic/electromagnetic geophysical survey was flown at a 100 metre line spacing by Fugro Airborne Surveys Inc. as an extension to the 11,700 line kilometre survey completed in 2008. Interpretation of the new survey data is ongoing and to date, a total of 442 kimberlite-type

anomalies has been selected for follow-up from the cumulative 32,200 line kilometres of airborne geophysical data available for Chidliak. Of the ten new kimberlites discovered by Peregrine to date in 2010 at

Chidliak, six were targets selected from the 2010 survey extension, CH-18, CH-19 and CH-23 through CH-26.

SUMMER EXPLORATION PROGRAMME

Prospecting, Ground Geophysics and KIM Sampling

Fifteen of the 26 kimberlites discovered to date at Chidliak have been discovered as a result of prospecting. Prior to considering an anomaly for drilling, a two to three person team will visit a high priority anomaly, thoroughly investigate the area and reach one of the following three conclusions: anomaly explained by kimberlite, anomaly explained by non-kimberlite source, or anomaly unexplained. To date in 2010, 55 anomalies have been prospected. Significant amounts of kimberlite have been discovered at six of these anomalies which are now classified as kimberlites, CH-19, CH-21 and CH-23 through CH-26. 44 of the 55 anomalies that have been prospected are unexplained. At three of the unexplained anomalies, limited kimberlite float was discovered, but the occurrence is insufficient to definitively link it to the anomaly. Five anomalies were explained by the presence of non-kimberlite outcrop. Failing confirmation as a kimberlite by prospecting, unexplained anomalies are then prioritized for drilling. A ground geophysics crew is currently conducting ground magnetic surveys over priority anomalies that were selected from the new airborne survey. Prospecting and ground geophysical work at Chidliak continues with multiple crews.

Approximately 400 kimberlite indicator mineral ("KIM") samples will be collected at Chidliak this year. The samples will be collected in an effort to further resolve previously identified high-interest KIM anomalies.

Reverse Circulation Drilling

Peregrine has made arrangements to mobilize a compact, light, helicopter-portable reverse circulation ("RC") drill rig to Chidliak this month. The testing of priority kimberlite targets by this drill rig will commence in early August. The rig is capable of testing one target per day, based on its performance in other Arctic diamond exploration programmes. Drill cuttings collected from new kimberlite discoveries made with the RC rig will be sent to the SRC for microdiamond and KIM analysis. Kimberlites that show initial positive results will be scheduled for a second round of drilling by a core rig.

As announced on November 24, 2008, BHP Billiton has exercised its earn-in rights for Chidliak. Under the terms of the earn-in agreement, BHP Billiton must incur a total of $22.3 million in exploration expenditures in order to earn a 51 percent interest in Chidliak. BHP Billiton sole-funded a $9.2 million exploration programme in 2009. With an increase to the size of the airborne survey, an allowance for additional core drilling in June, the addition of the reverse circulation drilling and additional laboratory charges, the approved budget for the 2010 Chidliak exploration programme has been increased from $13.5 to $15.3 million.

Mr. Peter Holmes, P. Geo., Peregrine's Vice President, Exploration, is a Qualified Person under NI 43-101 and is responsible for the design and conduct of the programs carried out by the Company at Chidliak. Mr. Holmes has reviewed this release and approves of its contents.

Forward-Looking Statements: This news release contains forward-looking statements. 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 the proposed exploration program, funding availability, anticipated exploration results, resource estimates, 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 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 the availability and cost of funds, timing and content of work programs, results of exploration activities, interpretation of drilling results and other geological data, world diamond markets, future diamond prices, reliability of mineral property titles, changes to regulations affecting the Company's activities, delays in obtaining or failure to obtain required project approvals, any changing budget priorities of BHP Billiton, operational and infrastructure risks, and other risks involved in the diamond exploration 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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