

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jan 22, 2016) - [Peregrine Diamonds Ltd.](#) ("Peregrine" or "the Company") (TSX:PGD) is pleased to report that it has settled its litigation with BHP Billiton Canada Inc ("BHPB") relating to the Chidliak Royalty. The dispute arose in May, 2015 in regards to BHPB's transfer of the Chidliak Royalty to [South32 Ltd.](#)

By a royalty agreement, dated February 2, 2012, ("Royalty Agreement") Peregrine had granted BHPB a 2% Gross Over Riding Royalty on future mineral production, including diamond production, from its 100% owned Chidliak project. In consideration of Peregrine terminating its legal action against BHPB and a cash payment of \$125,000, BHPB has agreed to terminate the Royalty Agreement and thereby cancel the Chidliak Royalty.

Mr. Eric Friedland, Peregrine's Executive Chairman said, "The termination of the Chidliak Royalty is a very good outcome for Peregrine's shareholders and the Chidliak project. The project is now completely unencumbered, and the removal of this significant charge will have a substantial positive impact on any future diamond production at Chidliak. On behalf of the board and shareholders, I would like to take this opportunity to thank Tom Peregoodoff, Peregrine's President and CEO, for his diligence in determining the issues related to the Chidliak Royalty, managing the subsequent litigation and reaching a successful outcome."

PEREGRINE DIAMONDS RIGHTS OFFERING

Peregrine Diamonds wishes to remind right holders of the upcoming expiry of the Company's rights that were issued in accordance with the offering announced on November 19, 2015. Rights expire at 2 p.m. Pacific Standard Time (5 p.m. Eastern Standard Time) on January 26, 2016. For further information regarding exercising of rights please contact your financial advisor or broker.

ABOUT PEREGRINE DIAMONDS

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

The Company's core asset is its 100 percent-owned Chidliak project, located 120 kilometres from Iqaluit, the capital of Nunavut. 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. 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. A Target for Further Exploration ("TFFE") of 3.72 to 6.01 million tonnes to a depth of 290 metres has been defined at the CH-7 kimberlite, where a 2015 bulk sample returned a grade of 0.88 carats per tonne. A TFFE of 1.27 to 3.19 million tonnes to 250 metres depth has also been defined at the CH-44 kimberlite pipe. The TFFEs 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 eight prospective diamond prospecting licenses in Botswana that cover 574,600 hectares. The Company is actively exploration these licences.

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. Peregrine Exploration is also active in developing new diamond exploration plays in North America.

For information on see the technical reports, "2015 Technical Report for the Chidliak Project, " dated February 23, 2015, and "[Peregrine Diamonds Ltd.](#) Lac de Gras Project Northwest Territories, Canada " 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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