



Toronto Stock Exchange  
Trading Symbol: PGD

August 25, 2008  
For Immediate Release

## PEREGRINE ANNOUNCES NEW CANADIAN DIAMOND DISCOVERY AT CHIDLIAK, BAFFIN ISLAND

### ***SECOND OUTCROPPING KIMBERLITE DISCOVERED AT CHIDLIAK***

Peregrine Diamonds Ltd. ("Peregrine" or "the Company") is pleased to announce a new diamond discovery at the estimated six hectare CH-1 kimberlite on the Chidliak property ("Chidliak"), Baffin Island, Nunavut, Canada. In addition, a second outcropping kimberlite, CH-2, estimated to be three hectares in size, was discovered 1.5 km from CH-1.

Representative surface samples from two different CH-1 kimberlite units, 1A and 1B, were processed for diamonds by caustic fusion at the Saskatchewan Research Council Geoanalytical Laboratories ("SRC"). Sample 1B weighed 94.9 kg and returned 146 diamonds larger than the 0.075 mm sieve size, including 10 diamonds larger than the 0.600 mm sieve size, an indication of a very favourable coarse diamond size distribution. Sample 1A weighed 100.0 kg and returned 44 diamonds larger than the 0.075 mm sieve size including two diamonds larger than the 0.600 mm sieve size. The CH-1 caustic fusion results are summarized in the following table.

**CH-1 CAUSTIC FUSION DIAMOND RESULTS**

Sample	Sample Weight (kg)	Numbers of Diamonds According to Sieve Size Fraction (mm)										Total Diamonds
		+0.075 -0.106	+0.106 -0.150	+0.150 -0.212	+0.212 -0.300	+0.300 -0.425	+0.425 -0.600	+0.600 -0.850	+0.850 -1.180	+1.180 -1.700	+1.700 -2.221	
1A	100.0	9	11	9	9	2	2	2	0	0	0	44
1B	94.9	34	37	28	19	13	5	4	2	2	2	146

### **Significance of Results**

Peregrine views these results and other recent developments at Chidliak as being extremely encouraging for the following reasons:

- This discovery establishes Chidliak as an important new Canadian diamond district, approximately 700 km from the nearest known kimberlite occurrence.
- The coarse diamond size distribution in the samples indicates the potential for large commercial-size diamonds in CH-1 and by inference, other kimberlites in the district.
- At an estimated six and three hectares respectively, CH-1 and CH-2 demonstrate that Canada's newest diamond district has excellent kimberlite tonnage potential.
- CH-1 and CH-2 are exposed at surface, which suggests limited overburden cover in this district. This will positively impact exploration and bulk sampling costs.
- To date 65 kimberlite-type geophysical anomalies from the ongoing survey have been prioritized for follow-up work. Many of these targets have signatures similar to CH-1 and CH-2 as well as associated kimberlite indicator mineral trains.
- Situated just 150 km northeast of Iqaluit, capital of Nunavut, the property has direct access to tidewater that connects to the Atlantic Ocean.
- The discovery of two kimberlite pipes and the confirmation of diamonds, so early in the exploration cycle, is rare and bodes well for the diamond potential at Chidliak.

Brooke Clements, President of Peregrine stated "Two kimberlites have already been discovered in outcrop prior to any drilling and one of these has proved to be highly diamondiferous. The presence of 12 diamonds above the 0.600 mm sieve size in a cumulative sample of only 195 kg suggests a coarse diamond size distribution at CH-1 which is normally an indication that a population of commercial-sized diamonds will be identified in larger samples. An additional one tonne sample from CH-1 has been collected and will be sent to SRC for processing immediately and the field crew is currently collecting samples from CH-2. We view these developments as highly encouraging at this stage of exploration and we expect that more diamondiferous kimberlites will be discovered at Chidliak in the future."

Peter Holmes, Peregrine's Vice President, Exploration stated "The identification to date of over 65 kimberlite-type geophysical anomalies combined with the tonnage potential demonstrated by the first two kimberlite discoveries illustrates the superb diamond potential of this property. Further, geophysical anomalies associated with the best kimberlite indicator mineral chemistry on the property have yet to be tested. Chidliak will be a major focus of the Company's activity in 2009 and we are confident that we will be able to build upon these strong results."

### **CH-1 Diamond Results**

Two representative samples weighing a total of 194.9 kg were collected by hand from what is interpreted to be two different phases of the CH-1 kimberlite. Samples 1A and 1B are described as being magmatic kimberlite with abundant olivine and other kimberlite indicator minerals including garnet. The material in 1B had a higher concentration of olivine as well as a larger average olivine grain size than 1A. The two largest diamonds from sample 1B are described by SRC as a colourless/white macle and a colourless/white fragment measuring 2.2 x 2.06 x 0.66 mm and 3.28 x 2.42 x 0.56 mm respectively. A total of 31 of the 34 diamonds from samples 1A and 1B larger than the 0.300 mm sieve size were classified as having a colourless/white colour.

SRC is an independent laboratory that is accredited by the Standards Council of Canada to the ISO/IEC Guide 25 standard for diamond recovery by caustic fusion. The kimberlite samples were collected, sealed in secure containers and shipped to SRC under strict chain of custody conditions supervised by senior Peregrine personnel

### **CH-2 Kimberlite Discovery**

A kimberlite outcrop measuring approximately 20 metres by 25 metres was discovered near the edge of an estimated three hectare geophysical anomaly located 1.5 km from CH-1. The kimberlitic material at CH-2 is described as being similar to CH-1 and consists of kimberlite breccia and magmatic kimberlite. A sample of at least 300 kilograms is being collected and will be sent to SRC for caustic fusion analysis as soon as possible.

Information on the Chidliak property and the CH-1 and CH-2 kimberlite discoveries, including maps and photographs, are available at <http://www.pdiam.com/i/pdf/chidliak.pdf>.

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 on the Chidliak property. Mr. Holmes has reviewed this release and approves of its contents.

For further information, please contact Brooke Clements, President, Eric Friedland, CEO, or Peregrine Diamonds Investor Relations, at 604-408-8880 or at [investorrelations@pdiam.com](mailto:investorrelations@pdiam.com).

*Forward-Looking Statements: This document includes forward-looking statements. Forward-looking statements include, but are not limited to statements concerning Peregrine's projects and other statements that are not historical facts. When used in this document, the words such as "could," "commonly," "confident," "plan," "encouraging," "estimate," "expect," "anticipated," "intend," "imply," "likely," "may," "potential," "should," "scheduled," "significant," "suggest", and similar expressions are forward-looking statements. Although Peregrine Diamonds Ltd. believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risk and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Important factors that could cause actual results to differ from these forward-looking statements are disclosed in the corporation's periodic filings with Canadian regulators.*