



Toronto Stock Exchange  
Trading Symbol: PGD

February 2, 2012  
For Immediate Release

## PEREGRINE COMPLETES CHIDLIAK PURCHASE AND ANNOUNCES SENIOR MANAGEMENT APPOINTMENT

Peregrine Diamonds Ltd. ("Peregrine" or "the Company") (TSX:PGD) is pleased to report that it has completed the purchase of BHP Billiton's 51 percent participating interest in the 8,580 square kilometre Chidliak diamond project ("Chidliak" or "the Project"), Baffin Island, Nunavut, Canada that was announced on December 20, 2011. The purchase gives Peregrine 100 percent ownership of Chidliak, providing its shareholders with all the benefits of the potentially economic diamond discoveries made to date and continued exposure to the Project's exceptional exploration upside. As part of the transaction, Peregrine also acquired BHP Billiton's Canadian diamond exploration database that was compiled over a ten year period at considerable expense and effort. The database contains data from 38,000 kimberlite indicator mineral samples covering an area of approximately three million square kilometres and will give Peregrine a valuable advantage in achieving one of its goals, the discovery of Canada's next diamond district.

Under the terms of the agreement, BHP Billiton will retain a two percent royalty on mineral production from Chidliak with Peregrine having the right to match any offer by a third party to purchase any of the royalty, should BHP Billiton decide to sell. In addition, Peregrine will pay BHP Billiton a total of CAD\$9 million over three years starting with \$1.5 million which was paid at closing and \$2.5 million which will be paid on January 31<sup>st</sup> of 2013, 2014 and 2015.

Peregrine is also pleased to announce that Mr. Tom Peregoodoff has joined the Company as Executive Vice President, Business Development.

Mr. Peregoodoff has over 25 years of mining and petroleum industry experience, including 18 years with BHP Billiton. Since 2008 he was Vice President, Early Stage Exploration and was accountable for global early-stage exploration activities across all commodities. He was a member of the Minerals Exploration Executive Committee that set long term strategy and direction for BHP Billiton's Mineral Exploration division. Prior to this he held several senior roles in BHP Billiton's exploration division in commercial, operational and technical capacities, including Commercial Manager, Diamonds. He was a Director of a number of BHP Billiton owned entities and has extensive global exploration, operations and business development experience. Mr. Peregoodoff holds a BSc. in Geophysics from the University of Calgary.

Commenting on Mr. Peregoodoff's appointment and the closing, Peregrine's CEO, Mr. Eric Friedland, said "I have known Tom professionally for almost ten years. In fact, it was he and I that created the exploration concept in 2004 between BHP Billiton and Peregrine that led to the Chidliak diamond discovery. Tom is a highly experienced and consummate professional and we are fortunate to have an exploration executive of his calibre become part of one of the world's strongest diamond development teams. This is the beginning of a new era for Peregrine as 100 percent owner of Chidliak, and Tom's decision to join our Company, along with BHP Billiton's acceptance of a royalty on future mineral production from the Project, is attestation to the real potential of Chidliak becoming Baffin Island's first diamond mine."

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

*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 programme, 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 programmes, 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, operational and infrastructure risk 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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December 20, 2011  
For Immediate Release

## PEREGRINE INCREASES OWNERSHIP IN CHIDLIAK DIAMOND PROJECT TO 100 PERCENT

Peregrine Diamonds Ltd. ("Peregrine" or "the Company") is pleased to report that it has entered into a binding agreement with BHP Billiton to purchase BHP Billiton's 51 percent participating interest in the 8,580 square kilometre Chidliak diamond project ("Chidliak" or "the Project"), Baffin Island, Nunavut, Canada. The purchase gives Peregrine 100 percent ownership of Chidliak, exposing its shareholders to all the benefits from the diamond discoveries to date and the Project's exploration potential. Under the terms of the agreement, Peregrine will pay a total of CAD\$9,000,000 over a period of three years, and grant BHP Billiton a two percent royalty on any future mineral production from Chidliak. Peregrine has the right to match any offer by a third party to purchase any of the royalty, should BHP Billiton decide to sell. In addition, as part of the transaction, Peregrine has acquired BHP Billiton's Canadian regional diamond exploration database and BHP Billiton has agreed to extinguish Peregrine's royalty obligations and BHP Billiton's diamond marketing rights on certain Canadian mineral properties in which Peregrine has an interest.

Mr. Eric Friedland, CEO of Peregrine, commented, "BHP Billiton's decision to review its diamonds business has presented Peregrine with an excellent growth opportunity. A 100 percent stake in Chidliak, one of the world's leading diamond exploration projects, at a time when diamond supply shortfalls are on the horizon and world-wide demand for diamonds continues to grow, offers us complete flexibility on how this project will be developed in order to maximize shareholder value. I believe that BHP Billiton's acceptance of a royalty speaks volumes about Chidliak's potential to become a significant royalty-generating diamond mine. In addition, the acquisition of BHP Billiton's Canadian regional diamond exploration database could significantly increase our chances of discovering the next new Canadian diamond district. All of us at Peregrine would like to thank BHP Billiton for their substantial investment in Chidliak and for their technical and operational input and faith in Peregrine as operator. We view Chidliak as a shining example of how a major and junior company can work together to add real value to a mineral project. We now look forward to advancing Chidliak to become Baffin Island's first diamond mine."

To view a copy of the press release issued by BHP Billiton today please select the following link: <http://www.bhpbilliton.com/home/investors/news/Pages/Articles/Sale-Of-Interest-In-Chidliak-Exploration-Project.aspx>.

### TERMS OF THE PURCHASE AGREEMENT

- **100 Percent Ownership.** BHP Billiton will transfer its entire 51 percent participating interest in Chidliak to Peregrine, giving the Company 100 percent ownership of the Project complete with 100 percent of the diamond marketing rights.
- **Closing.** Peregrine and BHP Billiton agree to close the transaction on or before January 31, 2012.
- **Payments.** CAD\$9 million dollars as follows: \$1.5 million at closing and \$2.5 million on each of January 31, 2013, January 31, 2014 and January 31, 2015.
- **Royalty.** Peregrine will grant BHP Billiton a two percent royalty on mineral production from Chidliak. Peregrine has the right to match any offer by a third party to purchase any of the royalty, should BHP Billiton decide to sell.
- **Regional Diamond Exploration Database.** Peregrine acquires exploration data and archived heavy mineral concentrates for sediment samples that were collected by BHP Billiton during regional diamond exploration programs in Canada.

- **Termination of Royalties and Diamond Marketing Rights.** The following Peregrine obligations to BHP Billiton will be terminated:
  - 2 percent royalty and certain diamond marketing rights on 62% of claims on the Nanuq property, Nunavut
  - 2 percent royalty on the TW property, NWT
  - 0.7 percent royalty on certain portions of the WO and Lac de Gras East properties, NWT
  - 1 percent royalty and certain diamond marketing rights on the Pellatt Lake property, NWT

## **2012 CHIDLIAK PROGRAM**

As a result of Peregrine's significant strategic move to increase its interest in Chidliak to 100 percent, the Company will now undertake a comprehensive analysis of the 2012 program to determine how to most efficiently advance the Project considering the best interests of Peregrine shareholders. At this time, continuing preparations for the 2012 bulk sampling program will be put on hold until a final decision on the path forward is made in January, 2012.

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

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