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LARGE DIAMONDS RECOVERED FROM CH-6 KIMBERLITE DRILL CORE AT CHIDLIAK

2.5 CARATS OF +0.85 mm STONES RECOVERED FROM 399 kg SAMPLE

Peregrine Diamonds Ltd. ("Peregrine" or "the Company") is very pleased to report the discovery of large diamonds and a coarse diamond size distribution in representative drill core samples collected from the CH-6 kimberlite located on the 9,800 square kilometre Chidliak project ("Chidliak"), Baffin Island, Nunavut, Canada. A 398.8 kilogram sample collected from CH-6 yielded 2,730 diamonds larger than the 0.075 mm sieve size, including 131 diamonds larger than the 0.600 mm sieve size. The largest diamond recovered from the sample was a 0.62 carat white, transparent aggregate. The CH-5 kimberlite was also determined to be diamondiferous with a 423.7 kilogram surface sample yielding 49 diamonds larger than the 0.075 mm sieve size.

The following table summarizes caustic fusion diamond results for the CH-6 and CH-5 kimberlites. The analyses were performed at the Saskatchewan Research Council Geoanalytical Laboratories ("the SRC").

SUMMARY OF CAUSTIC FUSION DIAMOND RESULTS FOR SAMPLES FROM THE CH-6 AND CH-5 KIMBERLITES

Sample	Sample Weight (kg)	Numbers of Diamonds According to Sieve Size Fraction (mm)												Total Diamonds	Carats +0.85 mm	Carats Per Tonne +0.85 mm*
		+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 -2.360	+2.360 -3.350	+3.350 -4.750			
CH-6A	199.8	629	489	279	186	140	71	44	27	15	5	1	1	1887	2.09	10.5
CH-6B	199.0	261	226	131	95	56	36	25	8	3	1	1	0	843	0.41	2.1
TOTAL CH-6	398.8	890	715	410	281	196	107	69	35	18	6	2	1	2730	2.50	6.3
CH-5A	189.8	20	8	7	1	0	0	0	0	0	0	0	0	36	-	-
CH-5B	233.9	8	3	2	0	0	0	0	0	0	0	0	0	13	-	-
TOTAL CH-5	423.7	28	11	9	1	0	0	0	0	0	0	0	0	49	-	-

*The diamond content of the samples as determined by caustic dissolution may not be representative of the overall diamond content of the CH-6 kimberlite due to a number of factors including the limited area of the kimberlite from which the drill core samples were collected and the relatively small size of the samples.

Mr. Eric Friedland, CEO of Peregrine stated "We believe these microdiamond counts from CH-6 are some of the best results in the history of Canadian diamond exploration and a testament to the outstanding potential of Chidliak."

Mr. Brooke Clements, Peregrine's President stated "The microdiamond results from CH-6 are some of the strongest I have seen in my 27 year career in diamond exploration and to my knowledge, are the best publicly disclosed microdiamond results from a Canadian kimberlite since the discovery of the A-154 pipe at Diavik in the Northwest Territories in 1994. Having just completed our first drill programme at Chidliak, we are at the start of the exploration cycle and we expect to discover more kimberlites with the economic potential of CH-1 and CH-6. Over the next few months we will be receiving diamond results from 11 additional kimberlites discovered this year, and from the 50 tonne sample collected from CH-1. We are confident that more diamondiferous kimberlites will be discovered during the 2010 field programme."

CH-6 DIAMONDS AND CHARACTERISTICS OF THE CH-6, CH-10 AND CH-5 KIMBERLITES

The following table presents descriptions provided by the SRC for the nine diamonds larger than the 1.700 mm sieve size.

DESCRIPTION OF DIAMONDS FROM CH-6 LARGER THAN THE 1.700 mm SIEVE SIZE

Sample	Sieve Size (mm)	Carat Weight (ct)	Measurements (mm)	Description
CH-6A	+3.350 -4.750	.62	5.4 x 3.9 x 3.7	White, transparent aggregate
CH-6A	+2.360 -3.350	.34	4.9 x 3.6 x 1.7	Yellow, transparent aggregate
CH-6B	+2.360 -3.350	.15	4.2 x 3.3 x 1.7	White, transparent fragment
CH-6B	+1.700 -2.360	.11	2.9 x 2.2 x 2.2	Off-white, transparent octahedron
CH-6A	+1.700 -2.360	.09	2.7 x 2.3 x 1.7	White, transparent tetrahexahedroid, interpreted to be a fragment of a broken 0.17 carat stone
CH-6A	+1.700 -2.360	.07	2.9 x 2.3 x 1.4	Off-white, translucent aggregate
CH-6A	+1.700 -2.360	.06	1.9 x 1.9 x 1.6	Grey, translucent tetrahexahedroid
CH-6A	+1.700 -2.360	.05	2.2 x 1.6 x 1.3	White, transparent octahedron
CH-6A	+1.700 -2.360	.05	2.3 x 2.3 x 1.2	White, transparent fragment

Thirty of the 62 diamonds larger than the 0.85 mm sieve size from CH-6 were classified as having a white colour, eighteen were described as off-white, ten were yellow and four were grey or brown. Photos of a selection of diamonds and drill core from CH-6 are available on Peregrine's web-site at <http://www.pdiam.com/i/pdf/chidliak983.pdf>.

The discovery of the CH-6 kimberlite was reported by Peregrine on August 6, 2009, with additional drilling information reported on September 14, 2009. The CH-6A sample was collected in a representative manner from vertical drill hole number two between the depths of 75 and 246 metres. The sample is described as consisting of uniform primary volcanoclastic kimberlite with five to 15 percent country rock xenoliths including carbonate rocks, abundant mantle xenoliths and 40 to 50 percent olivine macrocrysts up to nine millimetres in size. The CH-6B sample was collected from inclined drill holes one and three and is described as being texturally variable volcanoclastic kimberlite with layering and varying concentrations of mantle xenoliths and olivine macrocrysts. Magmatic kimberlite is also present at CH-6 and a 200 kilogram sample collected from drill hole number five has been submitted for caustic fusion analysis. Volcanoclastic kimberlite can contain fragments of kimberlitic material and other rock types and forms as a result of near-surface explosive volcanic activity. Magmatic kimberlite represents the original kimberlite magma that has not been exposed to explosive volcanic activity.

The discovery of the CH-10 kimberlite was reported on September 14, 2009. This kimberlite was discovered by drilling one of four magnetic low anomalies aligned for approximately 600 metres like a "String of Pearls" in a north-northwest direction from the CH-6 kimberlite pipe. The CH-10 kimberlite is described as magmatic with 40 to 50 percent olivine macrocrysts up to ten millimetres in size, and abundant mantle-derived garnets. In light of the results from CH-6, a sample of approximately 100 kilograms of CH-10 is being submitted for microdiamond analysis.

Further work including detailed ground geophysics and drilling to investigate the overall kimberlite tonnage potential of the CH-6 pipe and the associated "String of Pearls" system is planned for the 2010 exploration programme.

The discovery of the CH-5 kimberlite at surface was reported by the Company on July 16, 2009. The CH-5A sample was collected from surface volcanoclastic kimberlite material that is described as having less than five percent country rock xenoliths including limestone and minor amounts of olivine macrocrysts and other indicator minerals. The CH-5B surface sample is described as fine-grained magmatic kimberlite with no visible country rock xenoliths and minor olivine macrocrysts.

The 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 the SRC under strict chain of custody protocols supervised by senior Peregrine personnel.

Peregrine is the operator of the 2009 Chidliak exploration programme which is being fully funded by BHP Billiton. As announced on November 24, 2008, BHP Billiton has elected to exercise its earn-in rights for Chidliak and, under the terms of the earn-in agreement, must incur a total of \$22.3 million dollars in exploration expenditures in order to earn a 51% interest in Chidliak.

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 Mr. Eric Friedland, CEO, Mr. Brooke Clements, President, or Peregrine Diamonds Investor Relations, at 604-408-8880 or at 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 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.