



**Toronto Stock Exchange
Trading Symbol: PGD**

**November 26, 2008
For Immediate Release**

PEREGRINE DIAMONDS AND PEREGRINE METALS MUTUALLY TERMINATE MERGER DISCUSSIONS

Peregrine Diamonds Ltd. ("Peregrine") and Peregrine Metals Ltd. ("Metals") announce that their respective Boards of Directors have mutually agreed to terminate discussions to effect a business combination between the two companies.

On June 3, 2008, Peregrine and Metals announced that they had entered into a letter of intent for the purpose of effecting a business combination whereby the two companies would merge to form a multi-commodity resource company. Both companies formed Special Committees of independent directors to study various structures for a merged company and negotiate a merger ratio. The Peregrine Special Committee cited recent developments at Peregrine's Chidliak property on Baffin Island, including the earn-in arrangement with BHP Billiton announced on November 24, 2008, as the primary reason to terminate the merger discussions.

Metals will continue to advance its promising South American exploration projects as a private entity.

For further information about Peregrine and Metals, please contact Eric Friedland, President and CEO of Metals and CEO of Peregrine at 604-669-8800 or Brooke Clements, President of Peregrine and Senior Vice President of Metals at 604-408-8880.