

**MEDIA RELEASE**

**19 JULY 2018**

LONDON, ENGLAND

**DE BEERS GROUP ENTERS AGREEMENT TO ACQUIRE  
PEREGRINE DIAMONDS LTD**

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*Investment in advanced Chidliak resource strengthens portfolio and supports future production potential*

De Beers Group is pleased to announce that its Canadian mining business, De Beers Canada, has entered into an agreement to acquire 100 per cent of the outstanding securities of Peregrine Diamonds Ltd (TSX: PGD) (“Peregrine”), owner of the high quality Chidliak diamond resource located in Canada’s Nunavut Territory, at a purchase price of C\$0.24 per share, for a total cash consideration of approximately C\$107 million.

The Chidliak resource was discovered in 2008 and is located approximately 120 kilometres northeast of Iqaluit on Baffin Island. A total of 74 kimberlite pipes have been identified at Chidliak, including the CH-6 and CH-7 pipes, which are the current focus of Peregrine’s Chidliak Phase One Diamond Development programme. The programme has a total Inferred Mineral Resource in excess of 22 million carats. Peregrine’s recent Preliminary Economic Assessment for Chidliak points to the high quality of the CH-6 deposit in particular. An estimated grade of 2.41 carats per tonne and a diamond valuation of US\$151 per carat (equating to approximately US\$360 per tonne) make CH-6 one of the most attractive undeveloped diamond resources in Canada. Peregrine also has exploration properties elsewhere in Nunavut and the Northwest Territories.

Bruce Cleaver, CEO, De Beers Group, said: “The Chidliak resource holds significant development potential and will be an exciting addition to our portfolio. With a strong outlook for consumer demand, we are seeking new opportunities to invest in our future supply potential and look forward to growing our portfolio in Canada and working with community partners in the Nunavut Territory as we further develop the project.”

Kim Truter, CEO, De Beers Canada, said: “This investment reinforces De Beers Group’s long-term commitment to Canada, following our investment in the Gahcho Kué diamond mine, which entered commercial production last year. Chidliak is a high value prospect and the Peregrine team has done great work to bring it to this advanced stage. With the transformation of our company in Canada over the past two years, our focused investment in new and innovative mining methods, and our expertise in Canada’s arctic environments, we believe we are very well positioned to now develop the resource further.”

Eric Friedland, Founder and Executive Chairman of Peregrine Diamonds, stated: “The transaction we are jointly announcing today is the next step in the development of the Chidliak diamond project. The team at Peregrine has done an outstanding job advancing Chidliak to this stage and it is particularly gratifying that the quality of the diamond resource we have defined is recognized by the world’s premier integrated diamond company. All stakeholders will benefit from this transaction and the involvement of De Beers as Chidliak advances toward development.”

The transaction has been unanimously recommended by Peregrine’s Board of Directors to Peregrine security holders. De Beers Group has concurrently entered into voting support agreements with the directors and officers and certain security holders of Peregrine who collectively hold approximately 44 per cent of the outstanding Peregrine shares, pursuant to which such persons have agreed to vote in favour of the transaction. The transaction is to be executed via a Plan of Arrangement.

Completion of the Plan of Arrangement, which is expected to occur in September, is conditional upon Peregrine security holders adopting a special resolution approving the Plan of Arrangement and the Supreme Court of British Columbia issuing a final order approving the Plan of Arrangement, as well as satisfaction of other customary closing conditions.

De Beers Group’s financial advisor is BMO Capital Markets Limited.

De Beers Group’s legal counsel for the transaction is Fasken Martineau DuMoulin LLP.

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## **CONTACT**

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## ABOUT DE BEERS GROUP

De Beers Group is a member of the Anglo American plc group. Established in 1888, De Beers Group is the world's leading diamond company with expertise in the exploration, mining and marketing of diamonds. Together with its joint venture partners, De Beers Group employs more than 20,000 people across the diamond pipeline and is the world's largest diamond producer by value, with mining operations in Botswana, Canada, Namibia and South Africa. As part of the company's operating philosophy, the people of De Beers Group are committed to '[Building Forever](#)' by making a lasting contribution to the communities in which they live and work, and transforming natural resources into shared national wealth. De Beers has been active in Canada since it carried out its first exploration programme in 1961. The De Beers Victor kimberlite cluster discovery in 1987 by De Beers Exploration was the first economic diamond discovery in Canada, four years before the discoveries in the Northwest Territories. De Beers currently operates the Victor Mine in northern Ontario and the Gahcho Kué Mine in the Northwest Territories. Gahcho Kué is a joint venture with Mountain Province Diamonds. For further information about De Beers Group, visit [www.debeersgroup.com](http://www.debeersgroup.com).

## ABOUT PEREGRINE DIAMONDS LTD

Peregrine Diamonds Ltd is a TSX-listed diamond exploration and development company with its primary assets located in northern Canada. Peregrine's core asset is its 100%-owned, 317,213-hectare Chidliak Project, located 120 kilometres from Iqaluit, the capital of Nunavut, where 74 kimberlites have been discovered to date.

