



Peregrine keeps drillers busy

2007-07-31 16:01 ET - Street Wire

by Will Purcell

Eric Friedland's Peregrine Diamonds Ltd. is a busy driller on several properties surrounding Lac de Gras this summer as well as one in central Nunavut. The company is wrapping up a bulk test of its DO-27 pipe, but it is seeking new kimberlites through a multimillion-dollar program on several other old projects. There are encouraging signs that the new drilling will bring new life to some of those old hunts.

The plan

Peregrine's top plays beyond the DO-27 project are the Lac de Gras East and West properties, which lie immediately southeast and southwest of Lac de Gras, and the Pellatt Lake ground, which is just northeast of the big lake that lies in the heart of the Slave craton.

Peregrine has 10 priority targets on the Pellatt Lake property that it is testing this year, through a drill program expected to cost several hundred thousand dollars. The initial plan called for 1,250 metres of drilling, but the total is likely to run higher than that, especially if Peregrine has success.

The company has a good chance of encountering kimberlite, as most of its targets apparently lie close to a trend containing the PL-01 body, which turned up several years ago. Peregrine did some drilling in the area last year and hit an extension, suggesting there may be more kimberlite present than first thought. Kennecott Canada Exploration Inc. lost interest in the PL-01 discovery more because of its apparent small size than its diamond content.

The Lac de Gras East play is also a Peregrine drill priority because it lies immediately west of the DO-27 project and contains more than a dozen untested targets. The company's drilling is testing at least 10 of the features to an average depth of about 150 metres.

The Lac de Gras East ground lies on the southeastern fringe of the Lac de Gras kimberlite cluster, immediately south of the Diavik property. The 70,000-hectare property all but surrounds the DO-27 project and much of the ground got just a cursory look by the original explorers, who were preoccupied with the big pipe once called Tli Kwi Cho.

Peregrine spent more than \$1-million on the property over the past few years and the current budget should top \$1-million.

Peregrine's drilling on the Lac de Gras West property is occurring just south of the Monument project, where a group led by New Nadina Explorations Ltd. is having success turning a few isolated, tiny kimberlites into a significantly diamondiferous line of bodies that appear worth a larger test.

Peregrine's Lac de Gras West drilling is testing at least seven features, again to depths of about 150 metres. The work carries a budget of several hundred thousand dollars, and the budget could easily run to over \$1-million if some of the features prove to be kimberlites. Peregrine also plans to drill a large target at the head of an indicator mineral train on the Nanuq property, southwest of Wager Bay.

The encouragement

All three Peregrine projects draw encouragement from nearby projects. The Pellatt play lies immediately northeast and along strike of the main trend of kimberlite pipes that contains the four rich Diavik pipes, as well as Misery, Point Lake, Jay and Cardinal on the Ekati ground. About 140 kilograms of PL-01 material yielded 63 diamonds, including several macro-sized stones.

Any find on Lac de Gras East would attract notice because of Peregrine's tests of DO-27, which suggest grades approaching one carat per tonne and a possible diamond value of \$70 (U.S.) per carat. The Lac de Gras West drill targets lie immediately south of the String of Blue Pearls kimberlites, which the monument partners believe could have grades topping one-half carat per tonne.

Peregrine closed up a penny to \$1.55 Monday on 2,800 shares.