

- Processing of Kelvin bulk sample completed
- Diamond sorting and breakage study underway
- 148 meters of kimberlite intercepted at Kelvin North
- 8.4 meters of kimberlite intercepted at MZ

Shares Issued and Outstanding: 29,809,857

TSX-V: KDI

TORONTO, Aug. 17, 2015 /CNW/ - [Kennady Diamonds Inc.](#) ("Kennady Diamonds", the "Company") (TSX-V: KDI) is pleased to announce that processing of the Kelvin 436 tonne bulk sample was completed last week. The bulk sample was processed at the Geoanalytical Laboratories Diamond Services of the Saskatchewan Research Council ("SRC"), which is accredited to the ISO/IEC 17025 standard by the Standards Council of Canada as a testing laboratory for diamond analysis. Diamond sorting and a diamond breakage study are underway at the SRC and are expected to be completed by the end of August 2015.

Kennady Diamonds CEO Patrick Evans commented: "The primary purpose of the 2015 Kelvin bulk sample program is to recover a sufficiently large diamond parcel to allow a preliminary diamond valuation. The bulk sample was recovered by drilling on ice at the southeast lobe of Kelvin, areas where the kimberlite outcrops at surface and also where the country rock cover is relatively thin. Although the internal country rock dilution appears to be higher in this area, targeting the southeast lobe reduced the drilling costs compared with the deeper north lobe of Kelvin which appears to be less diluted."

During the winter of 2014, Kennady Diamonds recovered a 25 tonne mini-bulk sample from the southeast lobe of Kelvin that returned a sample grade of 1.79 carats per tonne. This is the same area where the Kelvin 436 tonne bulk sample was recovered. A subsequent 19 tonne mini-bulk sample from the less diluted north lobe of Kelvin returned a sample grade of 2.59 carats per tonne.

Kennady Diamonds has retained the services of WWW International Diamond Consultants to provide an independent valuation of the Kelvin bulk sample diamonds and also to develop size frequency distribution and revenue models. This work will commence in Antwerp, Belgium, in early September and is expected to be completed by October.

Kennady Diamonds is also pleased announce further drill results from the 100 percent-controlled Kennady North diamond project. The focus of drilling at the Kelvin kimberlite remains infill and geotechnical drilling. In addition, the Company has commenced exploration drilling at the MZ kimberlite, which is located approximately 25 kilometers to the west of the Kelvin camp.

Mr. Evans noted: "The infill drilling at Kelvin is designed to support the preparation of the maiden resource statement expected before the end of the year, and the geotechnical and hydrological drilling is providing data to support the future Kelvin mine design."

Mr. Evans added: "To take advantage of the excellent weather conditions, we have moved one drill rig to the west of the Kelvin–Faraday corridor to conduct exploration drilling. One new exploration target located between the Kelvin–Faraday corridor and MZ was tested, but no kimberlite was intersected. Drilling at the diamond-bearing MZ kimberlite is now underway and kimberlite has been intersected in the first two holes, which are detailed below."

Table 1 below provides details of the latest drill results from the Kelvin 2015 summer drill program.

Table 1

Kelvin 2015 Summer Drill Program

| Drill Hole | Target | Azimuth | Inclination | Kimberlite Intercepts (m) | | | End of Hole (m) |
|---------------|--------------|---------|-------------|---------------------------|----------|------------|-----------------|
| | | | | Approximate | | | |
| | | | | From | To | Intercept* | |
| KDI-HQ15-048b | Kelvin North | 355 | -90 | 169.00 | 317.00 | 148.00 | 317 |
| KDI-HQ15-049 | Kelvin North | 306 | -90 | 115.80 | 240.13** | 115.29 | 253 |
| KDI-HQ15-050a | Kelvin Sheet | 132 | -90 | 179.45 | 189.97** | 5.32 | 211 |
| KDI-HQ15-050b | Kelvin Sheet | 132 | -65 | 133.96 | 137.18 | 3.22 | 193 |
| KDI-15HQ-054a | Kelvin North | 75 | -65 | 198.04 | 296.50** | 93.96 | 307 |

*Intercepts in sub-vertical holes not true widths

**Includes minor country rock intercepts

Drilling of Kelvin North infill hole 048b was stopped in kimberlite at 317 meters due to challenging ground conditions. With the mobilization of a larger fourth drill rig to Kennady North, consideration will be given to re-drilling this hole.

Table 2 below details the drill results from the MZ 2015 summer drill program.

Table 2

MZ 2015 Summer Drill Program

| Drill Hole | Target | Azimuth | Inclination | Kimberlite Intercepts (m) | | | End of Hole (m) |
|-------------|--------|---------|-------------|---------------------------|---------|------------|-----------------|
| | | | | Approximate | | | |
| | | | | From | To | Intercept* | |
| KDI-15-053a | MZ | 220 | -45 | 66.00 | 90.00** | 8.40 | 164 |
| KDI-15-053b | MZ | 220 | -65 | 57.00 | 78.50** | 4.30 | 266 |

* Intercepts in sub-vertical holes not true widths

**Includes minor country rock intercepts

The new drill targets at MZ are based on the results of recently completed ground geophysics. Previous drilling at MZ identified a series of diamondiferous kimberlite sheet structures. The current drill program is designed to provide additional data on the size and structure of the MZ kimberlite and also to provide a diamond parcel for grade analysis. It is encouraging that within the 8.4 meters of kimberlite recovered from drill hole 053a 3.5 meters of undiluted kimberlite was intersected between downhole depths of 76.5 meters and 80 meters. On the completion of the exploration drilling at MZ, the third drill rig will return to resume delineation drilling at the Faraday kimberlites.

About Kennady Diamonds

[Kennady Diamonds Inc.](#) controls 100 percent of the Kennady North project which comprises thirteen leases and claims located immediately to the north and west of the four leases controlled by the Gahcho Kué Joint Venture between De Beers Canada (51%) and Mountain Province (49%) located in Canada's Northwest Territories.

Kennady Diamonds aims to identify a resource along the Kelvin – Faraday kimberlite corridor of between a 12 and 15 million tonnes at a grade of between 2 and 2.5 carats per tonne and also to identify new kimberlites outside of the corridor. The Kelvin – Faraday corridor is a target for further exploration. The tonnage estimate is based on the drilling completed to date. The potential quantity is conceptual in nature as there has been insufficient drilling to define a mineral resource and it is

uncertain if further exploration will result in the target being delineated as a mineral resource.

Qualified Person

This news release has been prepared under the supervision of Carl G. Verley, P.Geo., who serves as the qualified person under National Instrument 43-101.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) has reviewed or accepts responsibility for the adequacy or accuracy of this release.

FORWARD LOOKING INFORMATION

This news release includes certain information that may constitute "forward-looking information" under applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, the Company's strategic plans, future operations, future work programs and objectives. Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. All forward-looking information contained in this press release is given as of the date hereof and is based upon the opinions and estimates of management and information available to management as at the date hereof. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

SOURCE [Kennady Diamonds Inc.](#)

Contact
[Kennady Diamonds Inc.](#), Patrick Evans, President and CEO, (416) 640-1111, investor@kennadydiamonds.com