

Shares Issued and Outstanding: 29,809,857
TSX-V: KDI

Sample grade 2.02 carats per tonne
Largest diamonds recovered: 4.42 carats, 3.95 carats, 2.79 carats

TORONTO, Aug. 26, 2015 /CNW/ - [Kennady Diamonds Inc.](#) ("Kennady Diamonds", the "Company") (TSX-V: KDI) is pleased to announce the diamond recovery results from the Kelvin 2015 bulk sample. The 443 tonne bulk sample was recovered by large diameter reverse circulation drilling at the southeast lobe of the Kelvin kimberlite and was processed by dense media separation 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.

Kennady Diamonds CEO Patrick Evans commented: "We are very pleased with the excellent results of the Kelvin bulk sample, which are the culmination of three years of drilling and sampling at Kelvin. The results confirm that the Kelvin kimberlite has the potential to host a high-grade diamond resource."

Table 1 below summarizes the diamond recovery results from the 2015 Kelvin bulk sample.

Table 1 Kelvin 2015 Bulk Sample Diamond Recovery Results

Batch	Sample	Number of Diamonds According to Sieve Size							Total Diamonds	Carats	Sample
	Weight (tonnes)	Fraction (mm)									Grade
		+0.850	+1.180	+1.700	+2.360	+3.350	+4.750	+6.700			(c/t)
		-1.180	-1.700	-2.360	-3.350	-4.750	-6.700	-9.500			+0.85mm
Zone A	143.35	2,307	3,563	1,350	373	78	8	-	7,679	409.21	2.85
Zone B	119.13	1,357	2,496	925	254	50	10	1	5,093	292.83	2.46
Zone Bx	143.04	623	1,095	315	106	27	1	-	2,167	117.39	0.82
Zone C	37.02	362	639	234	60	10	3	-	1,308	73.43	1.98
TOTAL	442.54	4,649	7,793	2,824	793	165	22	1	16,247	892.86	2.02

The above summary excludes 14.76 carats recovered from overburden samples and 1.65 carats recovered from granulometry samples. The 3.95 carat diamond listed below was recovered from the overburden samples.

The five largest diamonds recovered from the Kelvin bulk sample are described by the SRC as:

- 4.22 carat white/colorless, transparent macle with no inclusions;
- 3.95 carat brown, transparent aggregate with inclusions;
- 2.79 carat light brown, transparent aggregate with minor inclusions;
- 2.63 carat white/colorless, transparent octahedral with inclusions; and
- 2.59 carat white/colorless, transparent dodecahedron with no inclusions.

A total of 35 diamonds larger than 1 carat were recovered from the bulk sample. A selection of photographs of the Kelvin bulk sample diamonds have been posted on the homepage of the Company's website at www.kennadydiamonds.com under the tab "Media Links".

Mr. Evans added: "Given that this bulk sample was taken from the more diluted southeast lobe of the Kelvin kimberlite, we're particularly pleased that the sample grade is above 2 carats per tonne. During 2014 we also recovered a 19 tonne mini-bulk sample from the north lobe of Kelvin that returned a sample grade of 2.59 carats per tonne. Based on the excellent results from this bulk sample preparations will now commence for the bulk sampling of the Kelvin north lobe during the winter of 2016."

Under the guidance of SRK Consultants, Vancouver, B.C., three phases of kimberlite have been defined at the Kelvin kimberlite, described as zones A, B and C. Zone B has been further subdivided into zones B and Bx. The thickness of the phases is variable along strike. Each of the phases was processed separately in order to understand the diamond size and grade variability between

the phases. For valuation purposes, the diamonds from zones B and Bx will be combined.

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.

Mr. Evans concluded: "The results of the Kelvin bulk sample, combined with other results collected to date, will be used to prepare an independent NI 43-101 resource statement for the Kelvin kimberlite, which is expected before the end of 2015."

About Kennady Diamonds

[Kennady Diamonds Inc.](#) controls 100 percent of the Kennady North diamond project located immediately to the north, west and south of the Gahcho Kué diamond mine currently under development by De Beers and Mountain Province Diamonds.

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 Persons

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. Mr. Howard Coopersmith, P. Geo., an independent consultant to the diamond industry, is Kennady's, independent, external Qualified Person for sample processing and diamond recovery.

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.

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