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

TORONTO, Sept. 16, 2015 /CNW/ - Kennady Diamonds Inc. ("Kennady Diamonds," the "Company") (TSX-V: KDI) today announced that the Company is undertaking a private placement ("Placement") to raise approximately C$48M through the placement of common shares at a price of C$2.75 per common share. A portion of the Placement may be brokered and the Placement may include the issuance of flow-through shares at a price of C$3.40 per flow-through share.

The Company's major shareholder, Mr. Dermot Desmond, has advised the Company that he will be subscribing for shares under the Placement up to and potentially beyond his current pro-rata share of approximately 24 percent.

The proceeds from the Placement will be used to fund all aspects of the Company's Kennady North Project until the end of 2017, including drilling and bulk sampling, evaluation, a preliminary economic assessment, a definitive feasibility study, permitting and for general corporate purposes. The drilling program includes exploration, delineation, infill and geotechnical drilling at the Kelvin, Faraday, MZ and Doyle kimberlites. The bulk sampling includes bulk sampling of the Kelvin north lobe and the Faraday kimberlites. The evaluation program includes processing of kimberlite and the valuation of diamond parcels.

The Company is also pleased to announce that it has received expressions of interest from private investors to subscribe for shares under the Placement for a further amount of approximately C$13M on a non-brokered basis.

Kennady President and CEO, Patrick Evans, commented: "Over the past three years we have been exploring and evaluating the kimberlites at Kennady North and are on track to release the first resource statement for the Kelvin kimberlite before the end of 2015. Based on the excellent results of the recent Kelvin bulk sample as well as the encouraging exploration results from the Faraday and MZ kimberlites, we plan to initiate a preliminary economic assessment in early 2016 for a potential first mine at Kelvin. We expect this to be followed by a definitive feasibility study in H2 2016, while we continue evaluating the Faraday, MZ and Doyle kimberlites. The funds raised through this Placement are expected to be sufficient to fund all activities to the end of 2017 when we expect to be in a position to make a development decision at Kennady North."

The Placement is subject to regulatory approval and is expected to close on or about September 30, 2015. Shareholders seeking further information about the Placement should contact the Company at the telephone number or email address below.

Kennady Diamonds also announced that the Company has commenced an initiative to expand its Board of Directors to reflect the advancing nature of the Company's business. This initiative is expected to be completed within the next six months.

Finally, Kennady Diamonds announced that the Kelvin bulk sample diamond parcel has been cleaned and sorted in Antwerp, Belgium, and WWW International Diamond Consultants ("WWW") are conducting an independent valuation of the Kelvin diamonds as well as developing size frequency distribution and revenue models. The results are expected to be released by October, 2015.

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About Kennady Diamonds
Kennady Diamonds Inc. controls 100 percent of the Kennady North diamond project located in Canada's Northwest Territories. Kennady North is immediately to the north and west of the Gahcho Kué Diamond Mine, a joint venture between Beers Canada (51%) and Mountain Province (49%), which is currently under construction and due to start production in H2 2016.

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.

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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.

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
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