

TORONTO, Oct. 5, 2015 /CNW/ - [Kennady Diamonds Inc.](#) ("Kennady Diamonds", the "Company") (TSX-V: KDI) is pleased to announce the diamond recovery results from the Kelvin 2015 spring core drilling program. Approximately 2.4 tonnes of kimberlite from the Kelvin North Lobe was processed by caustic fusion at the Geoanalytical Laboratories Diamond Services of the Saskatchewan Research Council ("SRC") and returned a sample grade of 2.6 carats per tonne for diamonds of commercial size.

Kennady Diamonds CEO Patrick Evans commented: "We are very pleased with these excellent diamond recovery results, which provided further support for Kelvin's potential to host a high grade diamond resource."

Table 1 below summarizes the caustic fusion diamond recovery results from the Kelvin North Lobe 2015 spring drill program.

Table 1 – Kelvin North Lobe 2015 Spring Caustic Fusion Diamond Recovery Results

Sample Weight (dry tonnes)	Number of Diamonds According to Sieve Size Fraction (mm)							
	+0.106 -0.150	+0.150 -0.212	+0.212 -0.300	+0.300 -0.425	+0.425 -0.600	+0.600 -0.850	+0.850 -1.180	+1.180 -1.7
2.416	2,348	1,632	1,034	639	397	209	113	53

*Sample grade of diamonds greater than 0.85mm: 2.60 carats per tonne

The four largest diamonds recovered from the Kelvin North Lobe sample are described as:

- 0.23 carat off-white, transparent, broken octahedral with inclusions;
- 0.19 carat off-white, transparent, broken octahedral with minor inclusions;
- 0.18 carat off-white, transparent, broken octahedral with inclusions; and
- 0.17 carat off-white, transparent, octahedral with no inclusions.

A total of 198 individual diamonds from the above sample were described by the SRC. All but three are described as white and off-white. Two diamonds are described as yellow, only one as brown and none as gray.

The latest Kelvin North Lobe caustic fusion sample grade of 2.6 carats per tonne is in line with the following Kelvin North sample grades taken over the past 12 months:

1. 2.57 carats per tonne from a 5 tonne sample reported on January 26, 2015;
2. 2.74 carats per tonne from a 2.7 tonne sample reported on June 22, 2015.

On December 24, 2014 Kennady Diamonds also reported the sample grade of 2.59 carats per tonne from an 18.88 tonne mini-bulk sample taken from the Kelvin North Lobe and processed by dense-media separation at the SRC.

Mr. Evans noted: "Based on sampling completed to date, we have increased confidence in our Kelvin grade guidance of between 2 and 2.5 carats per tonne. Planning is now underway to recover an approximate 500 tonne bulk sample from the Kelvin North Lobe by large-diameter reverse-circulation drilling during the winter of 2016."

Kennady Diamonds also announced that the following samples have been delivered to the SRC for processing before the end of 2015:

1. 2.28 tonnes from Kelvin North Lobe;
2. 0.93 tonnes from Faraday 2;
3. 2.76 tonnes from Kelvin North Lobe;
4. 1.89 tonnes from Faraday 2;
5. 1.33 tonnes from Faraday 2; and
6. 0.55 tonnes from Faraday 1.

Data from the above samples will support grade modelling for the Kelvin and Faraday kimberlites. Kennady Diamonds expects to report a NI 43-101 resource statement for the Kelvin kimberlite before the end of 2015.

About Kennady Diamonds

[Kennady Diamonds Inc.](#) controls 100 percent of the Kennady North diamond project located in Canada's Northwest Territories immediately adjacent to the Gahcho Kué diamond mine currently under development by De Beers and Mountain Province Diamonds (T:MPV, NASDAQ:MDM).

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.

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