Shares Issued and Outstanding: 46,906,970
TSX-V: KDI

Average values up to US$123 per carat
High value gem quality white diamond population

TORONTO, Oct. 19, 2015 /CNW/ - Kennady Diamonds Inc. ("Kennady Diamonds", the "Company") (TSX-V: KDI) is pleased to announce the results of a preliminary valuation of diamonds recovered from the Kelvin kimberlite at the 100 percent-controlled Kennady North project located in Canada's Northwest Territories.

Kennady Diamonds retained the services of WWW International Diamond Consultants ("WWW") to value and model a diamond parcel weighing 989 carats recovered from bulk sampling of the Kelvin kimberlite. The valuation took place in Antwerp, Belgium on September 9 and 10, 2015. Mr. Howard Coopersmith, P. Geo., an independent consultant to the diamond industry and the Company's independent external Qualified Person, was present throughout the valuation.

Four separate diamond parcels were valued by WWW, representing Zone A (442.82 carats), Zone B (447.05 carats), Zone C (80.44 carats) and a small mixed parcel (16.79 carats). For Zone A, WWW has recommended using an average modeled price of US$56 per carat and for Zone B US$70 per carat. The parcel from Zone C was too small for WWW to create modeled values, so an average price of US$123 per carat was reported. It is not yet possible to report an average modeled value for the composite Kelvin kimberlite due to the small size of the Zone C parcel.

Kennady Diamonds President and CEO Patrick Evans commented: "We are very pleased with the results which confirm that Kelvin hosts a population of high value gem quality white diamonds. These good results were achieved despite the valuation being done at a challenging time with the rough diamond price index at multi-year lows."

WWW noted that while there are only 88 diamonds greater than 0.66 carats per stone in the combined parcel, "it is encouraging to see so many good colour white gem stones especially in the C sample, with five of the eight stones being good colour and gem quality." The three highest value diamonds are:

1. 4.22 carat diamond from Zone B valued at US$1,603 per carat;
2. 2.58 carat diamond from Zone C valued at US$1,366 per carat; and
3. 2.38 carat diamond from Zone C valued at US$1,196 per carat.

Photographs of the diamonds valued by WWW have been posted on the Company's website at www.kennadydiamonds.com.

Mr. Coopersmith noted: "An encouraging proportion of the larger gem quality diamonds show very high colour and clarity characteristics. Recovering stones of this quality in small parcels lends one to get excited about seeing larger parcels. Further bulk sampling is clearly warranted."

Mr. Evans added: "The Kelvin diamond prices reported are comparable to those reported from the neighboring Gahcho Kué diamond mine when the rough diamond price index was at a comparable level. This is very encouraging, particularly as Gahcho Kué is widely recognized as the world's highest margin new diamond mine. Based on these positive results, we are now proceeding with preparations to take a further 500 tonne bulk sample from the Kelvin North Lobe during the winter of 2016."

Modeling to date indicates that the Kelvin kimberlite body consists of three geologically distinct zones. Based on the diamond sample values per size class and the quality breakdown analysis, WWW found consistency in the quality and value of the diamonds across the three geological zones. However, WWW has recommended further sampling to confirm this.

Mr. Evans concluded: "It's generally accepted that approximately 2,000 carats are required for reliable revenue modeling. With the 500 tonne bulk sample planned for next winter, we expect to more than double the size of the Kelvin diamond parcel to more than 2,000 carats. This will enable us to complete revenue modeling for the planned Kelvin feasibility study."

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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 Person
This news release has been prepared under the supervision of Mr. Howard Coopersmith, P. Geo., an independent consultant to the diamond industry and the Company's independent external Qualified Person for sample processing and diamond recovery.

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.

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