

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

TORONTO, Dec. 17, 2015 /CNW/ - [Kennady Diamonds Inc.](#) ("Kennady Diamonds", the "Company") (TSX-V: KDI) is pleased to announce the diamond recovery results from a Kelvin 0.93 tonne sample recovered by core drilling at the Kelvin North Lobe. The sample was processed by caustic fusion at the Geoanalytical Laboratories Diamond Services of the Saskatchewan Research Council ("SRC") and returned an exceptional sample grade of 3.55 carats per tonne for diamonds of commercial size.

Kennady Diamonds President and CEO Patrick Evans commented: "Kelvin North Lobe drill samples continue to return outstanding diamond recovery results. Over the course of 2015 we have processed by caustic fusion a total of 14.7 tonnes of core samples from the Kelvin North Lobe, which have returned an average sample grade of 2.83 carats per tonne. These correspond well with a December 2014 North Lobe mini-bulk sample processed by dense media separation at the SRC, which returned a grade of 2.59 carats per tonne."

Mr. Evans added: "Planning is now well underway to recover an approximate 500 tonne bulk sample from the North Lobe in February/March next year, with results expected by mid-2016. The bulk sample is expected to deliver more than 1,200 carats to support revenue modeling for the Kelvin kimberlite."

Table 1 below summarizes caustic fusion diamond recovery results from the Kelvin North Lobe 2015 0.93 tonne sample.

Table 1 Kelvin North Lobe 2015 Summer 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
0.9263	1,375	927	568	363	181	110	56

*Sample grade of diamonds greater than 0.85mm: 3.55 carats per tonne

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

- 0.67 carat off-white, transparent broken octahedron with minor inclusions;
- 0.23 carat off-white, transparent broken octahedron with inclusions; and
- 0.15 carat white/colorless, transparent fragment with minor inclusions.

Mr. Evans noted: "Diamond breakage during core drilling is common. At the end of bulk sampling programs we conduct diamond breakage studies to factor breakage into our diamond price modeling".

Preparation of the maiden Kelvin NI 43-101 resource statement is well underway and expected to be released in early 2016.

In early 2016, diamond recovery results will also be released for the following samples that have been delivered to the SRC:

1. 1.35 tonnes from Kelvin North Lobe;
2. 4.15 tonnes from Faraday 2 (in three batches); and
3. 0.55 tonnes from Faraday 1.

Mr. Evans concluded: "Following the recent closing of a \$48M non-brokered private placement, Kennady Diamonds is fully funded to the end of 2017 when we expect to be in a position to make a decision to build the first mine at Kelvin."

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 13 and 16 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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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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