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

TORONTO, Jan. 25, 2016 /CNW/ - Kennady Diamonds Inc. ("Kennady Diamonds", the "Company") (TSX-V: KDI) is pleased to announce diamond recovery results from the Faraday kimberlites at the Company's 100 percent-controlled Kennady North project. The samples were recovered by core drilling during 2015 and processed by caustic fusion at the Geoanalytical Laboratories Diamond Services of the Saskatchewan Research Council ("SRC").

Kennady Diamonds President and CEO Patrick Evans commented: "We are very pleased with these exceptionally high diamond recovery results, which confirm that the Faraday kimberlites have the potential to host high grade diamond resources. The 4.48 carat per tonne sample from Faraday 2 is the highest 'commercial' sample grade recovered to date at the Kennady North project."

Mr. Evans added: "Ice-based core drilling at the Faraday 1 kimberlite commenced last week. The drilling is designed to extend the strike of Faraday 1 beyond the 120 meters defined to date. The Faraday 2 kimberlite has been defined over a strike of approx. 480 meters and the Kelvin kimberlite over a strike of more than 640 meters. All three kimberlites remain open on strike with the volume of kimberlite increasing on strike."

Table 1 below summarizes caustic fusion diamond recovery results from the Faraday 2 kimberlite.

Table 1 – Faraday 2 Diamond Recovery Results

Sample Weight (dry tonnes)	Number and Weight 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 -1.700	-
1.53	2,064	1,353	794	492	241	159	72	33	9

*Sample grade of diamonds greater than 0.85mm: 4.48 carats per tonne

The three largest diamonds recovered from the Faraday 2 sample are described as:

- 1.43 carat off-white, transparent tetra hexahedron with no inclusions;
- 1.02 carat off-white, transparent broken aggregate with inclusions; and
- 0.28 carat off-white, transparent dodecahedron with inclusions.

Table 2 below summarizes the caustic fusion diamond recovery results from the Faraday 1 kimberlite.

Table 2 – Faraday 1 Diamond Recovery Results

Sample Weight (dry tonnes)	Number and Weight 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 -1.700	-
0.225	368	239	119	67	41	21	12	8	2

*Sample grade of diamonds greater than 0.85mm: 3.07 carats per tonne

The three largest diamonds recovered from the Faraday 1 sample are described as:

- 0.17 carat off-white, transparent octahedron with no inclusions;
- 0.12 carat off-white, transparent tetra hexahedron with no inclusions; and
- 0.11 carat off-white, transparent broken octahedron with inclusions.

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

1. 4.15 tonnes from Faraday 2 (in thee batches);
2. 0.55 tonnes from Faraday 1; and
3. 0.12 tonnes from MZ.

Mr. Evans concluded: "Planning for the Kelvin North Lobe 500 tonne bulk sample is well underway with two large diameter reverse-circulation drill rigs scheduled to depart Yellowknife for Kelvin Camp as soon as the main ice road has opened. The bulk sampling is expected to be completed by the end of March 2016. Also, work on the maiden Kelvin NI 43-101 resource statement in nearing completion and is expected to be released shortly. Following the closing late last year 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.

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.

SOURCE Kennady Diamonds Inc.

Contact
Kennady Diamonds Inc.: Patrick Evans, President and CEO, (416) 640-1111, investor@kennadydiamonds.com