

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

TORONTO, Feb. 24, 2016 /CNW/ - [Kennady Diamonds Inc.](#) ("Kennady Diamonds", the "Company") (TSX-V: KDI) is pleased to announce that the bulk sampling of the Kelvin North Lobe has commenced using two large-diameter reverse circulation ("RC") drill rigs. The Company plans to recover approximately 500 tonnes, which is expected to result in the recovery of diamonds weighing more than 1,000 carats. The diamond parcel will be used for revenue modeling of the Kelvin North Lobe.

The first two of 26 planned large-diameter holes have been completed and more than 34 tonnes of kimberlite has so far been recovered. The Company is pleased to report the recovery of a diamond in chip samples taken from the first RC hole. The diamond measures approx. 0.5mm and is a high quality octahedral. A photograph of the diamond will be posted under "Media Links" on the homepage of the Company's website at www.kennadydiamonds.com.

Kennady Diamonds also reported further results from the Faraday 1 winter drill program. Kennady Diamonds CEO Patrick Evans commented: "We were very encouraged by the 60 meter kimberlite intersect in the first series of holes and stepped out 40 meters to the northwest. While kimberlite has been intersected in the latest holes, the relatively narrow widths indicate that the side of the pipe was intersected at depth. In order to confirm the direction of emplacement the drill has been moved back 20 meters to the southeast to drill a series of infill holes."

Table 1 below summarizes the latest drill results from the Faraday 1 kimberlite.

Table 1

Faraday 1 2015 Winter Drill Program

Drill Hole	Target	Azimuth	Inclination	Kimberlite Intercepts (m)			End of Hole (m)
				From	To	Intercept*	
KDI-16-003a	Faraday 1	50	-56	147.00	158.40**	8.95	196
KDI-16-003b	Faraday 1	50	-47	163.00	177.00	14.00	200

*Intercepts in sub-vertical holes not true widths

** Includes minor country rock intercepts

Maps illustrating the latest drill results will also be posted under the tab 'Media Links' on the homepage of the Company's website www.kennadydiamonds.com."

Finally, Kennady Diamonds reported that following a review of the draft Kelvin NI 43-101 report it is apparent that further time is required to complete the work needed to capture the north end of the Kelvin North Lobe in the geological model. Drilling at the north end was completed late last year and it is estimated that it could represent approximately 20 percent of the overall tonnage. In addition, further time is required to complete the analysis of the Bx kimberlite zone to fully understand the volume and grade variances between three Bx sub-units that have been identified. The additional work will be completed as soon as possible and it is expected that the results will be announced during the second quarter.

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.

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