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

Kelvin North Lobe Bulk Sampling at +300 tonnes

TORONTO, March 17, 2016 /CNW/ - Kennady Diamonds Inc. ("Kennady Diamonds", the "Company") (TSX-V: KDI) is pleased to announce that exploration drilling at the Kennady North project has resulted in the discovery of a third kimberlite body at the high-grade Faraday kimberlite cluster. Following the completion of ice-based infill drilling at the Faraday 1 kimberlite, the core rig was moved to a geophysical target approximately 80 meters to the southwest where indications of the presence of volcaniclastic kimberlite were discovered during the winter of 2015. Three exploration drill holes have been completed at the Faraday 3 discovery within the past week with the latest hole intersecting more than 55 meters of kimberlite.

Table 1 below summarizes the latest Faraday 3 drill results.

Table 1
Faraday 3 2016 Winter Drill Program

Drill Hole	Target	Azimuth	Inclination	Kimberlite Intercepts (m)			End of Hole (m)
				From	To	Intercept*	
KDI-16-006a	Faraday 3	140	-46	42.90	78.00**	26.26	115
KDI-16-006b	Faraday 3	140	-65	54.25	84.88**	27.96	115
KDI-16-006c	Faraday 3	140	-90	56.90	112.70	55.80	124

*Intercepts in sub-vertical holes not true widths
** Includes minor country rock intercepts

Kennady Diamonds President and CEO, Patrick Evans, commented: "Faraday 3 is the fourth kimberlite body that we have discovered at Kennady North over the past three years. Methodical exploration over the Kelvin – Faraday kimberlite corridor has increased our confidence in the potential for the discovery of further kimberlite bodies within the corridor."

Kennady Diamonds is also pleased to announce that the Kelvin North Lobe bulk sampling program is progressing well with thirteen of 26 planned large-diameter holes completed and over 300 tonnes of kimberlite recovered to date. The Company's target is 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.

Mr. Evans added: "To ensure that we achieve our target of at least 500 tonnes, we've decided to keep one of the two reverse-circulation ("RC") drill rigs on site following the closing of the ice road later this month. This will also provide us with the opportunity to commence the 2017 Faraday bulk sampling program well ahead of the opening of the ice road next year."

The Company also reported the recovery of a second diamond in chip samples taken from the RC drilling. The diamond measures approx. 2mm in maximum dimension. A photograph of the diamond will be posted under "Media Links" on the homepage of the Company's website at www.kennadydiamonds.com together with maps illustrating the latest drill results from Faraday 3.

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 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 Dr. Tom McCandless, 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