

Faraday 1 and 3 Drilling Continues to Deliver Excellent Results:
Kimberlite defined over a Strike of more than 200 meters

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TSX-V: KDI

TORONTO, May 17, 2016 /CNW/ - [Kennedy Diamonds Inc.](#) ("Kennedy Diamonds", the "Company") (TSX-V: KDI) is pleased to announce that delineation and infill drilling at the Faraday 1 kimberlite and exploration drilling at the Faraday 3 kimberlite and the Hobbes anomaly continues to return excellent results. Three diamond core drill rigs are drilling from the ice, but warming weather and deteriorating ice conditions will likely result in the program being wrapped up within the next week.

Table 1 below summarizes the latest Faraday 1 drill results.

Table 1
Faraday 1 2016 Winter Drill Program

Drill Hole	Target	Azimuth	Inclination	Kimberlite Intercepts (m)			End of Hole (m)
				From	To	Intercept*	
KDI-16-021a	Faraday 1	47	-47	21.10	37.60**	15.20	112
				44.25	63.14**	13.20	112
				74.20	81.41	7.21	112
KDI-16-021b	Faraday 1	50	-59	21.02	28.05**	5.11	103
				43.15	71.27**	25.58	103
KDI-16-029a	Faraday 1	71	-90	77.04	117.00**	38.17	151
KDI-16-029b	Faraday 1	323	-61	176.60	189.42**	5.54	223

*Intercepts not true widths

** Includes minor country rock intercepts

The focus at Faraday 1 and Faraday 3 is to gather as much information on the size and shape of the bodies from ice-based setups while conditions permit in preparation for continued land-based in the summer.

Table 2 below summarizes the latest Faraday 3 drill results.

Table 2
Faraday 3 2016 Winter Drill Program

Drill Hole	Target	Azimuth	Inclination	Kimberlite Intercepts (m)			End of Hole (m)
				From	To	Intercept*	
KDI-16-020	Faraday 3	232	-90	151.63	159.65	8.02	191
KDI-16-023a	Faraday 3	53	-47	107.88	156.23	48.35	187
KDI-16-023b	Faraday 3	50	-60	96.24	137.10**	35.32	175
KDI-16-023c	Faraday 3	49	-75	132.01	142.50**	4.52	175
KDI-16-024a	Faraday 3	50	-44	167.62	178.74	11.12	220
KDI-16-024b	Faraday 3	54	-79	124.31	131.53**	6.25	190
				147.43	149.78	2.35	190
KDI-16-024c	Faraday 3	51	-55	117.89	160.45**	41.54	202
KDI-16-025a	Faraday 3	50	-88	31.65	53.25**	18.36	85
KDI-16-025b	Faraday 3	50	-56	58.00	63.44	5.44	103
KDI-16-025c	Faraday 3	49	-71	34.26	35.13	0.87	100
				42.25	51.95**	5.21	100
KDI-16-026a	Faraday 3	229	-61	36.75	57.80**	16.66	94
KDI-16-027a	Faraday 3	50	-89	24.30	70.00**	26.64	100
KDI-16-027b	Faraday 3	46	-53	44.99	46.20	1.21	109
				61.22	74.98**	12.67	109
KDI-16-027c	Faraday 3	52	-71	36.55	65.57**	21.55	100
KDI-16-027d	Faraday 3	232	-71	30.30	61.25**	25.27	106
KDI-16-028a	Faraday 3	153	-89	102.71	145.37	42.66	154
KDI-16-030	Faraday 3	320	-68	138.30	176.00	37.70	236
				186.50	211.50	25.00	236

*Intercepts not true widths

** Includes minor country rock intercepts

Kennedy Diamonds is also continuing ice-based exploration drilling at the Hobbes anomaly, which is located approximately 150 meters south of the Kelvin kimberlite. Hobbes was initially thought to be part of the hypabyssal Kelvin Sheet that extends to the southwest of the Kelvin pipe. However, the presence of volcanioclastic kimberlite was discovered at Hobbes during the winter of 2015, warranting further exploration.

Table 3 below summarizes the latest Hobbes drill results.

Table 3
Hobbes 2016 Winter Drill Results

Drill Hole	Target	Azimuth	Inclination	Kimberlite Intercepts (m)			End of Hole (m)
				From	To	Intercept*	
KDI-16-022a	Hobbes	132	-53	37.39	40.75	3.36	73
KDI-16-022b	Hobbes	131	-71	38.85	41.51	2.66	76
KDI-16-031a	Hobbes	129	-55	39.03	50.92**	5.96	100

*Intercepts not true widths

** Includes minor country rock intercepts

The President and CEO of Kennady Diamonds, Dr. Rory Moore commented: "We are pleased with the ongoing success of the core drilling program. The newly discovered Faraday 3 body continues to grow in size with each drill hole, and it appears that Faraday 1 and Faraday 3 may be joined at depth as they approach the shore line of Faraday Lake. Further drilling will be required to confirm this. Kimberlite has now been defined over a strike of more than 200 meters and appears to be open to the northwest."

Dr. Moore added: "Another exciting development is that two drill holes designed to test for the extension of the Faraday 1 and 3 bodies onto the lake shore to the northwest (KDI-16-029b and KDI-16-030), both encountered kimberlite. This sets us up well for further drilling from land in the summer to further delineate the kimberlite to the northwest."

The recently completed 2016 bulk sampling program was successful in recovering 580 tonnes of kimberlite from the Kelvin North, together with approximately 40 tonnes from the Kelvin South limb and approximately 23 tonnes from Faraday 2. It is expected that diamonds weighing more than 1,200 carats will be recovered from the Kelvin sample. Processing of the bulk sample will take place at the Geoanalytical Laboratories Diamond Services of the Saskatchewan Research Council ("SRC") commencing in the first week of June. The valuation of the diamond parcel, which will be used for revenue modeling of the Kelvin North Lobe, is expected to be completed during Q3 2016.

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 million 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. Tonnage estimates are 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., an independent director of Kennady Diamonds and Qualified Person under National Instrument 43-101.

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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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