

Kimberlite intersection exceeding 30 meters at Faraday 2
Processing of Kelvin bulk sample over 75% complete

Shares Issued and Outstanding: 47,156,970
TSX-V: KDI

TORONTO, Aug. 30, 2016 /CNW/ - [Kennady Diamonds Inc.](#) ("Kennady Diamonds", the "Company") (TSX-V: KDI) is pleased to provide an update on the summer drilling program on the Kennady North Project. All but one of the latest drill holes completed since the last update dated August 11, 2016 have intersected kimberlite. In this latest round of drilling, Faraday 2 returned a 30.3m intersect of continuous kimberlite, with Faraday 3 producing three separate intersects of 18.3m, 20.7m and 28.7m.

President and CEO of Kennady Diamonds, Dr. Rory Moore commented: "Our exploration model continues to be validated at Kennady North, with eight of the nine latest drill holes intersecting kimberlite. We are pleased with our results to date and expect additional kimberlite to be intersected as we continue our summer program."

Table 1 below summarizes the most recent drill results.

Table 1
Faraday 2016 Summer Drill Program – Latest Results

Drill Hole	Target	Azimuth	Inclination	Kimberlite Intercepts (m)			End of Hole (m)
				From	To	Intercept*	
KDI-16-039b	Faraday 2	180	-55	256.72	287.05	30.3	316
KDI-16-037c	Faraday 2	279	-65	237.80	246.48**	6.01	298
KDI-16-039a	Faraday 2	180	-50	259.20	261.60	2.40	300
				288.60	288.80	0.20	300
KDI-16-036e	Faraday 3	231	-74	211.32	232.00	20.7	286
				240.67	248.66**	4.49	286
				255.66	256.00	0.34	286
KDI-16-038a	Faraday 3	249	-89	184.53	202.78	18.3	236
				221.19	221.34	0.15	236
KDI-16-038b	Faraday 3	230	-82	199.25	206.45	7.20	280
				209.78	239.13**	28.7	280
				248.20	248.33	0.13	280
KDI-16-038c	Faraday 3	231	-69	268.33	272.73**	3.63	313
				281.03	282.25	1.22	313
KDI-16-038d	Faraday 3	050	-75	176.18	177.30	1.12	223
				182.01	184.85	2.84	223

*Intercepts not true widths. ** Includes minor country rock intercepts.

At the Kennady North project, exploration and delineation drilling is presently being conducted from two land-based setups.

One drill rig is focused on the Faraday 1-Faraday 3 kimberlite complex, and the second rig is active at Faraday 2. It is anticipated that over 8,000 meters of core drilling will be completed on the Faraday kimberlites by the end of the summer program, with the results incorporated into defining a diamond resource along the Kelvin & Faraday corridor.

The Company is also pleased to provide an update on the processing of its 620-tonne bulk sample that was collected from the Kelvin kimberlite earlier this year (see news release May 31, 2016). Over 75% of the material has been processed through the DMS plant at the Saskatchewan Research Council facility in Saskatoon, with completion of the bulk sample anticipated in September.

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 being operated 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 Person

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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