

Sample grade 2.09 carats per tonne  
Largest diamonds recovered: 3.43 carats, 3.23 carats, 2.84 carats

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

TORONTO, Sept. 19, 2016 /CNW/ - [Kennady Diamonds Inc.](#) ("Kennady Diamonds", the "Company") (TSX-V: KDI) is pleased to announce diamond recovery results from its large diameter drilling program focused on the north limb of the Kelvin kimberlite. A total of 1,278 carats of diamonds (+0.85mm) was recovered from 612 tonnes for a sample grade of 2.09 carats per tonne. The result is very similar to the 2015 bulk sample grade of 2.02 carats per tonne reported in 2015 from the south limb (see news release, August 26, 2015). In this latest result, 44 diamonds of one carat or greater were recovered with the largest stone a 3.43 carat white/colourless transparent octahedral twin with no inclusions. Table 1 below summarizes the diamond recovery results from the 2016 Kelvin north limb bulk sample.

Table 1 &#8211; Kelvin North 2016 Bulk Sample Diamond Recovery Results

Kimberlite Lithology	Sample <sup>1</sup> Weight (tonnes)	Number of Diamonds per Square Mesh Sieve Division (mm)						Total Stones (+0.85mm)	Total Carats (+0.85mm)	Sample Grade <sup>2</sup> (ct/t)
		+0.850	+1.180	+1.700	+2.360	+3.350	+4.750			
		-1.180	-1.700	-2.360	-3.350	-4.750	-6.700			
Zone A	184.2	4,929	5,004	1,672	463	65	8	12,141	529.00	2.87
Zone B	200.2	3,100	4,269	1,549	465	91	15	9,489	514.46	2.57
Zone Bx	183.5	1,080	1,310	463	149	22	2	3,026	155.03	0.84
Zone C	44.0	511	688	248	63	15	2	1,527	79.82	1.81
Total <sup>2</sup>	612.0	9,620	11,271	3,932	1,140	193	27	26,183	1,278.31	2.09

Notes:

1

&#8211;  
Sample weight is calculated from drillhole calliper and kimberlite bulk density measurements.

2

&#8211;  
Excludes 10.46 carats of diamonds recovered from mixed country rock and country rock breccia intersections external to the Kelvin body, and from DMS plant clean-up. Some rounding error may occur in the total carats and sample grade.

President and CEO of Kennady Diamonds, Dr. Rory Moore commented: "We are very pleased with the result from the 2016 Kelvin bulk sample, as it demonstrates that the high diamond grades established for the south limb in 2015 extend over the full extent of the north limb of the body as well. This confirms the potential of the Kelvin kimberlite to host a high-grade diamond resource."

The five largest diamonds recovered from the Kelvin bulk sample are described by the SRC as:

- 3.43 carat white/colourless transparent octahedral twin with no inclusions;
- 3.23 carat grey, translucent irregular shape with inclusions;
- 2.84 carat white/colourless, transparent octahedron with no inclusions;
- 2.57 carat white/colourless, transparent broken irregular shape with no inclusions;
- 2.14 carat off-white, transparent tetrahedron with no inclusions.

Images of select diamonds from the 2016 Kelvin North bulk sample will be posted on the Company's website at [www.kennadydiamonds.com](http://www.kennadydiamonds.com) under the tab "Media Links" in the coming days.

The Kelvin kimberlite was sampled by large diameter reverse circulation drilling, with the recovered material processed by

dense media separation ('DMS') at the Geoanalytical Laboratories Diamond Services of the Saskatchewan Research Council ("SRC"). The SRC is accredited by the ISO/IEC 17025 standard by the Standards Council of Canada as a testing laboratory for diamond analysis. As a measure of Quality Assurance and Quality Control, a total of 95 laser-marked natural diamond tracers were added to select sample bags at the SRC facility and 95 of the tracers were recovered (spikes ranging in size from 0.10 carat to 2.14 carat were used).

Under the guidance of SRK Consulting (Vancouver, B.C.), three broadly-defined zones of kimberlite labeled A, B and C have been identified at the Kelvin kimberlite, with zone B further subdivided into zones B and Bx. The thickness of each zone is variable along the length of the body and individual sub-units within each zone were processed separately in order to better understand the diamond size and grade variability between each zone.

Dr. Moore added: "One of the key observations to emerge from our Kelvin bulk sampling programs is the remarkable consistency in overall diamond grade across the full extent of the body, despite the geological complexity within the body. This is a positive attribute from both an evaluation and a mining perspective". He further added, "Diamond grades vary quite substantially between geological domains, with grades exceeding 3 carats per tonne recorded for individual horizons within Zone A. The fact that these higher grade zones occur at the top of the body will have a positive impact on the economics of a potential mining scenario."

Kennady Diamonds has retained the services of WWW International Diamond Consultants (Antwerp, Belgium) to provide an independent valuation of the Kelvin bulk sample diamonds and also to develop size frequency distribution and revenue models. This work will commence in early October and is expected to be completed within three weeks.

Dr. Moore concluded: "The results of the Kelvin bulk sample valuation, combined with our grade and modeling results, will be used to prepare an independent NI 43-101 resource statement for the Kelvin kimberlite, which will be released shortly after the valuation data becomes available."

#### 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 and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

#### Qualified Person

Mr. Howard Coopersmith, a Professional Geologist and independent consultant to the diamond industry, is the external Qualified Person for sample processing and diamond recovery. This news release has been prepared by Dr. Rory Moore, P. Geo., President and CEO of Kennady Diamonds. The technical contents of this news release have been reviewed and approved by Mr. Coopersmith, and by Dr. Tom McCandless, P. Geo., an independent director of Kennady Diamonds and 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.](#), Rory O. Moore, President and CEO, (416) 640-1111, [investors@kennadydiamonds.com](mailto:investors@kennadydiamonds.com)