

Average price of US\$52 per carat

High-value white gems confirmed in the results

2.84 carat diamond valued at US\$2,640 per carat

TORONTO, Nov. 15, 2016 /CNW/ - [Kennedy Diamonds Inc.](#) ("Kennedy Diamonds", the "Company") (TSX-V: KDI) is pleased to announce the results of a valuation of diamonds recovered from the Kelvin kimberlite at the 100 percent-controlled Kennedy North project located in Canada's Northwest Territories. A total of 2,262.43 carats (+0.85mm) recovered from bulk sampling programs conducted in 2015 and 2016 were sent to WWW International Diamond Consultants ('WWW') in Antwerp for valuation. WWW has reported an average value of US\$52 per carat for the total parcel, with the very encouraging presence of high value gem quality stones noted in 2015 confirmed in the 2016 bulk sample, including a 2.84 carat sawable diamond valued at US\$2,640 per carat. An independent market valuation exercise completed in Antwerp last week arrived at the same average value as WWW.

"Based on the results of the bulk sampling programs it's apparent that the quality of Kelvin diamonds improves with size", noted Dr. Rory Moore, president and CEO of Kennedy Diamonds. "A similar trend exists at the neighboring Gahcho Kué diamond mine located five kilometers to the southwest of the Kelvin kimberlite. The five highest value Kelvin diamonds represent one percent of the sample weight, but 20 percent of the total value. This trend is a key determinant of overall value."

The five highest value diamonds recovered from the bulk sampling include:

1. 2.84 carat sawable octahedron from Zone B valued at US\$2,640 per carat
2. 4.22 carat makeable diamond from Zone B valued at US\$1,416 per carat
3. 2.56 carat makeable diamond from Zone B valued at US\$1,357 per carat
4. 2.58 carat sawable octahedron from Zone C valued at US\$1,691 per carat
5. 2.38 carat sawable octahedron from Zone C valued at US\$1,290 per carat

Images of select diamonds are available on the Company's website at www.kennedydiamonds.com.

Mr. Howard Coopersmith, Independent Q.P. for the WWW valuation in Antwerp, noted: "Confirming the trend seen in the 2015 sample, the 2016 sample contains white goods in the largest size fractions that will be received quite favourably by the market."

Eight separate diamond parcels were valued by WWW, representing four parcels from each the 2015 and 2016 bulk sampling campaigns. WWW re-priced the 2015 samples. The four samples from each year represent the geological zones A, B and C, as well as a small "Mixed" parcel of kimberlite and country rock. WWW determined market values ranging from US\$35 to US\$135 per carat for the eight parcels that ranged from 10.33 to 662.94 carats. Combined results for each of the geological zones are summarised in Table 1 below.

Table 1: Summary of the Kelvin Diamond Valuation

Zone	Parcel Size (carats) ²	Parcel Value ³ (US\$)	Average Price ³ (US\$/carat)
Kelvin A	966.12	\$37,275	\$39
Kelvin B	1,109.99	\$66,051	\$60
Kelvin C	159.47	\$13,805	\$87
Mixed ¹	27.12	\$1,197	\$44
TOTAL⁴	2,262.43	\$118,329	\$52

Notes: 1 – Mixed zone includes kimberlite mixed with country rock and country rock breccia. 2 – Only diamonds greater than +1 DTC sieve size are reported. 3 – Based on WWW price book as at October 7, 2016. 4 – Some rounding error may occur in the values reported.

Taking into account the expected variability that is a normal statistical function of small sample sizes (such as for Zone C), and the occurrence of large diamonds as noted above, the 2015 and 2016 overall results for geological Zones A and B are very

similar. Based on the sample values per size class and a quality breakdown analysis, WWW found that the quality and value of the diamonds are similar across the three geological zones supporting a single model of values per size class. For the Kelvin 'A' zone, WWW recommends using a modelled average price of \$42 per carat with a 'low' value of \$37 per carat and a 'high' value of \$58 per carat. For the combined Kelvin 'B' and 'C' zones, WWW recommends using a modeled average price of \$57 per carat with a 'low' value of \$47 per carat and a 'high' value of \$68 per carat. In their report, WWW noted: "Given the combined sample size for the 'A' zone of less than 1,000 carats and the combined 'B/C' zones of just 1,269 carats, there is a high degree of uncertainty in the modelled values."

Dr. Rory Moore added: "Valuation of the combined parcel is slightly lower than expected due to a softened market for diamonds similar to those in the Kelvin sample. However, the population of high value gem quality white diamonds will ultimately lead to higher average prices as the market for rough diamonds recovers."

Dr. Moore concluded: "The diamond prices for Kelvin are comparable to those historically reported from the neighboring Gahcho Kué Mine for similarly-sized bulk samples at a time when rough diamond prices were at a comparable level. It is very encouraging to note that Gahcho Kué has recently reported the recovery of large, high value gems, including a 50.25 carat gem quality diamond, during the ramp-up stage of mining operations."

The results of the Kelvin bulk sample valuation, combined with grade and modeling results, will be used to prepare an independent NI 43-101 resource statement for the Kelvin kimberlite, which is expected to be released in the current quarter.

The Company is currently planning for the 2017 winter program at Kennady North, which will include continued evaluation of the Faraday kimberlite pipes. A further announcement in this regard can be expected prior to year-end.

About Kennady Diamonds

[Kennady Diamonds Inc.](#) controls 100 percent of the Kennady North diamond project located in Canada's Northwest Territories. Kennady North is immediately to the north and west of the Gahcho Kué Diamond Mine, a joint venture between Beers Canada (51%) and Mountain Province (49%), which started production in late 2016.

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 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. Neil Buxton (WWW International Diamond Consultants), Mr. Howard Coopersmith (Independent QP for the Valuation Process), 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.

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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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