Shares Issued and Outstanding: 47,281,970
TSX-V: KDI

TORONTO, March 17, 2017 /CNW/ - Kennady Diamonds Inc. ("Kennady", the "Company") (TSX-V: KDI) today announced that the Board of Directors of the Company have formed a special committee of independent directors (the "Special Committee") in response to discussions with certain interested parties regarding a potential strategic transaction. The Special Committee, with the assistance of Minvisory Corp. as its financial advisor and Fasken Martineau DuMoulin LLP as its legal advisor, and the Company will consider and evaluate various strategic alternatives to maximize shareholder value, including continuing to execute on its existing business plan.

While the Company considers all options available to it at this time, no formal offers have been received and no agreement has been reached with any third party regarding a potential strategic transaction.

The Company does not intend to make further comment in regards to this process except as required by applicable securities laws or the policies of the TSX Venture Exchange. No assurance can be given that any transaction will be announced. Furthermore, the Company cautions that there is no guarantee the Company's discussions will result in a transaction or if a transaction is undertaken, as to its terms or timing.

About Kennady Diamonds

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

Kennady is focused on expanding its high-grade diamond resources along the Kelvin – Faraday kimberlite corridor, as well identifying new kimberlites outside of the corridor. To date an indicated resource of 13.62 million carats of diamonds contained in 8.50 million tonnes of kimberlite, with a grade of 1.60 carats per tonne and an average value of US$63 per carat has been defined for the Kelvin kimberlite using a 1mm diamond bottom cutoff size. The Kelvin – Faraday corridor is also a target for further exploration.

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 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.

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