Faraday 3 - Sample grade 1.67 carats per tonne;
7.78 carat gem diamond recovered – largest to date at Kennady North

Faraday 1 - Sample grade 2.91 carats per tonne;
Largest diamonds recovered: 3.21 carats, 2.33 carats, 2.27 carats

Shares Issued and Outstanding: 50,802,933
TSX-V: KDI

TORONTO, June 19, 2017 /CNW/ - Kennady Diamonds Inc. ("Kennady Diamonds", the "Company") (TSX-V: KDI) is pleased to announce diamond recovery results for the Faraday 3 and Faraday 1 kimberlites on its Kennady North Project. The samples were collected during the winter 2017 program that was designed to further delineate both kimberlites as well as to recover sufficient carats from Faraday 3 for valuation (see news release April 11, 2017). The program has recovered the largest high-quality diamonds to date on the project, including a 7.78ct white gem quality stone as well as numerous diamonds exceeding one carat.

Faraday 3

A total of 460.5 carats of diamonds (+0.85mm) were recovered from 276.4 tonnes for a sample grade of 1.67 carats per tonne. The largest stone recovered is a 7.78 carat white/colorless octahedral gem with no inclusions. A total of 26 diamonds of one carat or greater were recovered, of which nine are gem quality and seven are "near gem" quality. Since drilling was designed to sample the thickest parts of the pipe in order to maximize carats recovered for the purpose of resource definition, the sample grade reported here may not be representative of the grade of the entire kimberlite pipe.

Table 1 below summarizes the diamond recovery results from the 2017 Faraday 3 bulk sample.

Table 1 – Diamond recovery results from the winter 2017 Faraday 3 bulk sample.

Kimberlite	Sample Weight[1] (dry tonnes)	Number of Diamonds per Square Mesh Sieve Division (mm)							Total Stones (+0.85mm)	Total Carats (+0.85mm)	Sample Grade[2] (ct/t)
		+0.850 -1.180	+1.180 -1.700	+1.700 -2.360	+2.360 -3.350	+3.350 -4.750	+4.750 -6.700	+6.700 -9.500			
Faraday 3	276.4	2,417	3,284	1,245	449	110	10	4	7,519	460.5	1.67[3]

Notes: 1 – Sample weight is calculated from measured drillhole diameter and a model of kimberlite bulk density. 2 – Includes two stones in the +1.70mm, one in the +1.18mm, and eight from +0.85mm size class recovered during DMS circuit cleanup and totaling 0.39 carats. 3 – Sample grade is for diamonds greater than 0.85mm square mesh. Rounding error may occur in the total carats and sample grade.

The five largest diamonds recovered from the Faraday 3 bulk sample are described by the SRC as:

- 7.78 carat white/colorless octahedron with no inclusions
- 4.02 carat white/colorless octahedron with minor inclusions;
- 3.41 carat off-white octahedron with minor inclusions;
- 3.38 carat off-white octahedron with noticeable inclusions
- 3.08 carat off-white octahedron with no inclusions.

President and CEO of Kennady Diamonds, Dr. Rory Moore commented: "While the grade achieved for the Faraday 3 kimberlite is in line with expectations, the recovery of a high quality 7.78 carat gem from the sample is extremely exciting. This stone represents the largest diamond recovered from our bulk sampling activities on the project to date." He further added; "As with Faraday 2, the size distribution and quality characteristics of the Faraday 3 diamonds appear better than those recovered from Kelvin to date, with a notable trend of increased quality with diamond size and a higher incidence of well-formed crystals in the larger size fractions."

Images of select diamonds from the 2017 Faraday 3 bulk sample will be posted on the Company's website at

www.kennadydiamonds.com under the tab "Media Links".

Faraday 1

A total of 76.8 carats of diamonds (+0.85mm) were recovered from 26.37 tonnes for a sample grade of 2.91 carats per tonne. The largest stone recovered is a 3.21 carat white/colorless tetrahexahedron. A total of 8 diamonds of one carat or greater were recovered. Table 2 below summarizes the diamond recovery results from the 2017 Faraday 1 bulk sample.

Table 2 – Diamond recovery results from the winter 2017 Faraday 3 mini-bulk sample.

Kimberlite	Sample Weight[1] (dry tonnes)	Number of Diamonds per Square Mesh Sieve Division (mm)							Total Stones (+0.85mm)	Total Carats (+0.85mm)	Sample Grade[2] (ct/t)
		+0.850 -1.180	+1.180 -1.700	+1.700 -2.360	+2.360 -3.350	+3.350 -4.750	+4.750 -6.700	+6.700 -9.500			
Faraday 1	26.37	442	478	172	65	20	7	0	1,184	76.8	2.91[3]

Notes: 1 – Sample weight is calculated from measured drillhole diameter and a model of kimberlite bulk density. 2 – Includes one stone from the +0.85mm size class recovered during DMS circuit cleanup and totaling 0.014 carats. 3 – Sample grade is for diamonds greater than 0.85mm square mesh. Rounding error may occur in the total carats and sample grade.

The five largest diamonds recovered from the Faraday 1 bulk sample are described by the SRC as:

- 3.21 carat white/colorless tetrahexahedron with noticeable inclusions
- 2.35 carat off white translucent octahedron with no inclusions;
- 2.31 carat off white transparent octahedron with no inclusions;
- 1.94 carat brown transparent octahedral twin with noticeable inclusions;
- 1.64 carat white/colorless tetrahexahedron with no inclusions.

Dr. Moore commented: "We are highly encouraged by these initial results for Faraday 1 that confirm the high-grade nature of the kimberlite. The recovery of eight diamonds larger than one carat in size from such a small sample provides strong evidence for a robust size distribution, which together with quality characteristics that are similar to the diamonds recovered from the other Faraday pipes, confirms its potential to add considerable value to the growing diamond resource on the Kennady North Project."

The Faraday kimberlites were sampled by large diameter reverse circulation drilling and the recovered material was 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 32 laser-marked natural diamond tracers ranging in size from 0.10 carat to 2.84 carat were added to select sample bags at the SRC facility and all of the tracers were recovered.

WWW International Diamond Consultants (WWW) has been retained to provide an independent valuation of the Faraday bulk sample diamonds together with size frequency distribution and revenue models. The diamonds from all three Faraday kimberlites will be shipped to Antwerp, Belgium and the valuation is scheduled to take place in July with results expected in early August.

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
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.

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