

## NEWS RELEASE

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TSX-V: KDI

### **Kennady Diamonds Announces Exceptional Diamond Recoveries from Kennady North Diamond Project**

*Grade 8.44 carats per tonne  
2.48 carat, 0.90 carat and 0.75 carat diamonds recovered*

**Toronto, Ontario, August 6, 2013** – Kennady Diamonds Inc. (“Kennady Diamonds”, the “Company”) (TSX-V: KDI) is very pleased to announce exceptional diamond recovery results from samples of drill core from the Kelvin and Faraday kimberlites located at the Kennady North diamond project in Canada’s Northwest Territories. The core was recovered during a successful 5,000 meter drill program undertaken last winter.

Patrick Evans, Kennady Diamonds CEO, commented: “The sample grade of 8.44 carats per tonne is exceptional and confirms that the Kelvin-Faraday kimberlite cluster has a coarse diamond size distribution as well as the potential to host a high grade diamond resource.”

The largest three diamonds recovered are a 2.48 carat off-white transparent octahedral, a 0.90 carat off-white transparent irregular, and a 0.75 carat off-white transparent octahedral. The recovery of three diamonds of this size and quality from a 1.1 tonne sample is very encouraging.

Besides the high frequency of large diamonds, approximately 64 percent of the recovered diamonds are classified as white and transparent. Almost all the white diamonds have either no inclusions or only minor inclusions. In addition, approximately 3 percent of the diamonds are classified as yellow and transparent with either no or only minor inclusions. The bulk of the balance of the diamonds are classified as off-white. Only seven microdiamonds (out of 8,708) are described as either brown or grey. Together with grade, these characteristics are key value drivers.

The recovery of diamonds from the kimberlite intersects was undertaken by caustic fusion methods performed at the Geoanalytical Laboratories Diamond Services of the Saskatchewan Research Council, which is accredited to the ISO/IEC 17025 standard by the Standards Council of Canada as a testing

laboratory for diamond analysis using caustic fusion. The combined caustic fusion diamond results for samples taken from the Kelvin and Faraday kimberlites are summarized below in Table 1.

**Table 1**

Total Weight (Kg)	Number of Diamonds According to Sieve Size Fraction (mm)													Total Diamonds
	+0.075 -0.106	+0.106 -0.150	+0.150 -0.212	+0.212 -0.300	+0.300 -0.425	+0.425 -0.600	+0.600 -0.850	+0.850 -1.180	+1.180 -1.700	+1.700 -2.360	+2.360 -3.350	+3.350 -4.750	+4.750	
<b>1,103</b>	<b>3,139</b>	<b>2,285</b>	<b>1,283</b>	<b>823</b>	<b>552</b>	<b>289</b>	<b>199</b>	<b>78</b>	<b>40</b>	<b>13</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>8,708</b>

Diamond recoveries for each of the kimberlites are provided in Table 2 below.

**Table 2**

Kimberlite	Sample Weight (Kg)	Macro Diamonds Recovered (>500 microns)	Micro Diamonds Recovered (<500 microns)	Macro Diamonds Weight (carats)	Sample Grade (carats/tonne)
<b>Kelvin</b>	987.24	393	6,687	8.024511	8.13
<b>Faraday</b>	115.86	67	1,561	1.292030	11.23
<b>Total</b>	<b>1,103.10</b>	<b>460</b>	<b>8,248</b>	<b>9.316541*</b>	<b>8.44</b>

\*Total weight of the sample is 10.06 carats

This 1.1 tonne sample is the largest sample processed to date. During the winter drill program kimberlite was intersected in 24 out of 26 infill drill holes, with intersects of up to 100 meters. Interpretation of the drill results suggests that the Kelvin and Faraday kimberlites should be treated separately. Both kimberlites appear to have a strike of over 1 kilometer trending southwest to northeast. It is now apparent that the Hobbes kimberlite, which was identified during previous drilling, is in fact part of the larger Kelvin kimberlite.

The current 2,500 meter summer drill program is progressing satisfactorily. All five of the Kelvin infill drill holes completed to date have intersected kimberlite. Further results will be released shortly. The remaining three infill drill holes are expected to be completed by mid-August following which approximately ten geophysical targets outside of the Kelvin – Faraday kimberlite cluster will be drill tested.

Mr. Evans concluded: “The infill drilling at Kelvin and Faraday is designed to advance our plans to declare a maiden resource at Kennady North. Based on these very encouraging results, the Company is now also examining the options to fast-track a bulk sample of the Kelvin and Faraday kimberlites.

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### **About Kennady Diamonds**

Kennady Diamonds controls 100 percent of the Kennady North project which comprises thirteen leases and claims located immediately to the north and west of the four leases controlled by the Gahcho Kué Joint Venture between De Beers Canada (51%) and Mountain Province (49%) located in Canada's Northwest Territories.

Kennady Diamonds aims to identify a minimum 5 million tonne resource along the Kelvin – Faraday kimberlite corridor and also to identify new kimberlites outside of the corridor.

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### **Qualified Person**

This news release has been prepared under the supervision of Carl G. Verley, P.Geo., who serves as the qualified person under National Instrument 43-101.

### **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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