

## NEWS RELEASE

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### Update on the Kennady North Winter Drilling Program

*Drilling at Faraday 1-3 nearing completion*

*New 50m kimberlite intercept on Faraday 2*

**Toronto, Ontario: March 20, 2018** – Kennady Diamonds Inc. (“Kennady”, the “Company”) (TSX-V: KDI) is pleased to provide an update on the winter drilling program at the Kennady North Project. Drilling is proceeding well with a total of 1,868 meters of drilling completed to date. Included in today’s release are three exploration/delineation holes and one geotechnical hole completed on the Faraday 1-3 kimberlite, and two delineation holes completed on Faraday 2. All eleven drill holes completed on the program to date have intersected kimberlite.

President and CEO of Kennady Diamonds, Dr. Rory Moore commented: “The program is running smoothly as both daylight and good weather have increased”. He went on to say, “The SRK geotech crew is back on site after a short break and the geotech drilling on both Faraday bodies will be completed over the next couple of weeks, after which one of the two drill rigs will be devoted to exploration drilling in the Kelvin – Faraday Corridor for the remainder of the season”.

In addition to the geotech drilling completed to date on Faraday 1-3, a number of delineation/exploration holes have been drilled in the area between the two limbs of the kimberlite complex. Results to date indicate an increase in size for the Faraday 1-3 complex, with continuity in the high-grade hypabyssal sheet rocks linking the two pipes together. These factors will be accretive to kimberlite tonnage potential when the geological model for Faraday 1-3 is updated.

Table 1 below summarizes the drill results on Faraday 1-3 since the last update.

**Table 1: Faraday 1-3 2018 Winter Drill Program – Latest Results**

Drill Hole	DH Purpose	Azimuth	Inclination	Kimberlite Intercepts (m)			End of Hole (m)
				From	To	Intercept*	
KDI-18-005b	Delineation	140	-61	91.77	97.98	<b>6.21</b>	130
KDI-18-006a	Delineation	000	-90	77.09	78.60	<b>1.51</b>	128
				80.04	96.73	<b>16.69</b>	128
KDI-18-006b	Delineation	142	-44	68.49	92.87	<b>24.38</b>	123
KDI-18-008	Geotech	170	-65	84.19	89.40	<b>5.21</b>	147

\*Intercepts are not true widths.

One of the drill rigs has been conducting delineation drilling on the northwest extension to the Faraday 2 kimberlite. The northwest extension, that was discovered during the summer 2017 program, extends the Faraday 2 kimberlite by over 150 meters (*see news release, September 11, 2017*). Detailed logging of core has confirmed that the geologic units within the inferred resource continue into the northwest extension (*see news release, March 7, 2018*). The first delineation hole deviated slightly from its planned path and clipped the lower portion of the body producing a 21.75 m kimberlite intercept. However, the second hole hit exactly as planned around the middle of the body and delivered a 50 m kimberlite intercept. Information from this drilling will be used to advance this portion of the pipe shell model to an inferred level of confidence.

Table 2 summarizes the 2018 winter drill results on the Faraday 2 kimberlite to date.

**Table 2: Faraday 2 2018 Winter Drill Program**

Drill Hole	DH Purpose	Azimuth	Inclination	Kimberlite Intercepts (m)			End of Hole (m)
				From	To	Intercept*	
KDI-18-004	Delineation	220	-68	270.65	292.40	<b>21.75</b>	322
KDI-18-007	Delineation	040	-65	247.80	297.80	<b>50.00</b>	328

\*Intercepts are not true widths.

Approximately 10,500 meters of diamond drilling is planned for the 2018 winter program, with 40% assigned to delineation and geotechnical drilling of the Faraday bodies, and 60% dedicated to testing high-priority grassroots exploration targets within the Kelvin-Faraday Corridor. Exploration drilling on the high-priority targets will commence when drilling on the Faraday 1-3 kimberlite is completed.

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### 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%). Kennady is focused on expanding its high-grade diamond resources along the Kelvin-Faraday kimberlite corridor, as well as 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 and an inferred resource of 5.02 million carats contained in 3.27 million tonnes of kimberlite, with a grade of 1.54 carats per tonne and an average value of US\$98 per carat has been defined for the Faraday kimberlites using a 1mm diamond bottom cutoff size. The Kelvin – Faraday corridor is also a target for further exploration.

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### 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.

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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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