

NEWS RELEASE

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May 12, 2017

Shares Issued and Outstanding: 47,581,970

TSX-V: KDI

Kennady Diamonds Announces Financing Increase

Vancouver, B.C. May 12, 2017 – Kennady Diamonds Inc. (“Kennady Diamonds” or the “Company”) (TSX-V: KDI) today announced an increase to its previously announced non-brokered private placement of a combination of common shares and flow-through common shares. Due to heavy demand, the non-brokered private placement has been increased from C\$10,000,000 to C\$12,000,000.

In all other respects, the terms of the non-brokered private placement, will be as announced on April 28, 2017. The offering is expected to close on Wednesday, May 17, 2017.

The additional proceeds under the non-brokered private placement will be used in part to fund the Company’s 2017 exploration and evaluation program on the Kennady North Project, and for general corporate purposes. Completion of the non-brokered private placement is subject to the approval of the TSX Venture Exchange.

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.

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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