

NEWS RELEASE

December 5, 2016

Shares Issued and Outstanding: 47,156,970

TSX-V: KDI

Kennady Wins Exploration Company of the Year Award at the Mines & Money Conference, London

Co-recipient of the "Exploration Award" with NexGen Energy Ltd.

Toronto, Ontario: December 5, 2016 – Kennady Diamonds Inc. ("Kennady Diamonds", the "Company") (TSX-V: KDI) is pleased to announce that it has jointly won the prestigious Mines and Money Exploration Company of the Year award for 2016. The award was received at the Mining Journal Outstanding Achievement Awards Gala Dinner that wrapped up the Mines and Money Conference in London, England on December 1. Kennady was one of five companies shortlisted for the award, which recognizes outstanding achievement in the field of mineral exploration. Kennady shares the award with co-recipient NexGen Energy, who was recognized for its impressive uranium discoveries in the Athabasca Basin in northern Saskatchewan.

The President and CEO of Kennady Diamonds, Dr. Rory Moore, accepted the award on behalf of the entire team that contributed to the success of the Kennady North Project. He emphasized that the team is not restricted to technical people on the front line, but includes the finance, administrative and support staff as well as every member of the camp crew. He went on to recognize a few specific individuals; "Firstly, the former CEO of Kennady, Patrick Evans had the vision and courage to spin out Kennady from Mountain Province in 2012 and initiate an exploration program on the claims immediately north of the Gahcho Kué mine. This area had been previously explored and most diamond explorers were skeptical of his chances for success, but this did not deter Patrick who moved ahead boldly."

Dr. Moore also paid tribute to the Yellowknife-based exploration group, Aurora Geosciences Ltd. ('Aurora'), which has designed and implemented all of the exploration programs on the property since 2012. "Gary Vivian, the President of Aurora, and Chris Hrkac, Senior Project Manager for the Kennady North Project together with their team, deserve the lion's share of credit for the successes that Kennady has enjoyed to date. Their innovative, systematic and dedicated approach to a technically challenging project has resulted in new and unique discoveries, and earned Aurora the respect of its peers in the industry."

Dr. Moore further recognized the loyal investors of the company; “One will not go far in diamond exploration in the Arctic without strong financial backing and I want to thank all of our shareholders that have supported us along this exciting journey of discovery. In particular, the Company’s founding shareholder Mr. Dermot Desmond has backed Kennady in a very significant way since its inception, and this is very much appreciated.”

Dr. Moore concluded; “The fortunate combination of solid financing, creative exploration and visionary leadership has led to the great success of Kennady and its receipt of this award. We intend to honor this award by moving the company toward further discovery of kimberlites and their advancement into diamond resources at Kennady North.”

About Kennady Diamonds

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

Kennady Diamonds aims to identify a resource along the Kelvin – Faraday kimberlite corridor of between 13 million and 16 million tonnes at a grade of between 2 and 2.5 carats per tonne and also to identify new kimberlites outside of the corridor. The Kelvin – Faraday corridor is a target for further exploration. Tonnage estimates are based on the drilling completed to date. The potential quantity is conceptual in nature as there has been insufficient drilling to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

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.

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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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