

23 June 2011

Drilling resumed at Seitaperä

- **Drilling programme at Seitaperä resumed**
- **Extent of diamondiferous kimberlite at Seitaperä to be further tested**
- **Further exploration in Finland based on Karelian and Rio Tinto data**

Karelian Diamond Resources plc (“Karelian”) (AIM: **KDR**, ESM: **KDRI**), is pleased to announce that it has resumed drilling on its Seitaperä diamondiferous kimberlite pipe, in the Kuhmo region of Finland.

The drilling at Seitaperä will consist of five or more drill holes. The objective is to further test the extent of the diamond-bearing kimberlite facies and the shape of the Seitaperä kimberlite pipe to a depth of approximately 100 metres.

The Seitaperä pipe, at 6.9 hectares, is the largest known kimberlite pipe in Finland. Previous drilling by the Company resulted in the recovery of 67 diamonds from 100kg including six macrodiamonds and 61 microdiamonds, some of which may be fragments of a larger diamond or diamonds which were present in the mantle xenoliths and broke apart during processing. These earlier findings suggest that there is potential for larger diamonds in Seitaperä with the majority of the kimberlite remaining untested.

The Company is also conducting exploration in other parts of Finland, based on the results of the first review and integration of the extensive database, including the results from over 53,000 till samples, which Rio Tinto has made available to the Company under the terms of the Confidentiality Agreement entered into with Karelian in July 2010.

Professor Richard Conroy, Chairman commented:

“I am delighted to see the resumption of drilling at Seitaperä. Having already delineated the largest diamondiferous kimberlite discovered in Finland, we look forward to achieving further success both in Seitaperä and in the Kuhmo region in general and elsewhere in Finland.”

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