

21 October 2013

Further Encouraging Results in Finnish Exploration Programme

- **Diamondiferous Kimberlite Indicator Minerals Found In Kuusamo Area**
- **Applications Lodged For Exploration Claim Reservations in Area**

Karelian Diamond Resources plc (“Karelian”) (AIM:KDR, ESM: KDR.I) is pleased to announce that, following its review of exploration results in its Kuusamo diamond exploration target area in Finland, it has submitted applications for two exploration claim reservations in the area.

Kuusamo is located in the Northeast of Finland just south of the Arctic Circle and is bordered to the East by Russia.

Interrogation of airborne geophysics by the Company together with till sampling and integration of data made available to Karelian under its agreement with Rio Tinto Mining and Exploration has led to the decision to apply for claim reservations in the area. A claim reservation gives exclusive rights to apply for exploration claims within the reservation area.

In the first area 121 kimberlitic indicator minerals were recovered, with 76 kimberlitic indicator minerals recovered in the second area, which are very positive. Further studies including microprobe analysis confirmed that both areas had diamondiferous kimberlitic indicator minerals.

Professor Richard Conroy, Chairman, commented:

“I am delighted at these excellent results and the possibility of new discoveries in the Kuusamo area. These results complement the positive ones at the Riihivaara target announced last month.

Finland has the potential to host diamond deposits comparable to the world class diamond deposits found in similar geology across the border in Russia and by utilising the Rio Tinto data alongside our own we are seeing very encouraging signs that that potential may be realised.”

This release has been approved by Kevin McNulty PGeo, who is a member of the Company's technical staff, who holds a BSc/MSc in Geology and Remote Sensing, in accordance with the guidance note for Mining, Oil & Gas Companies issued by the London Stock Exchange in respect of AIM Companies, which outlines standards of disclosure for mineral projects.

Further Information:

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