

20 March 2015

DISCOVERY OF POTENTIAL NEW DIAMOND SOURCE

- **New Kimberlite Body Discovered in Kuhmo Area of Eastern Finland**
- **First Discovery of a Kimberlite Body in Finland in Approximately 10 Years**
- **Diamondiferous Kimberlite Indicator Minerals Previously Identified in Till Samples in the Area**
- **The New Kimberlite Body will now be Assessed for Extent and Tested for Diamond Content**

Karelian Diamond Resources plc (“Karelian”) (AIM: KDR, ESM: KDRI), the diamond exploration company focused on Finland, is pleased to announce that it has discovered a potential new diamond source in the Kuhmo region of Finland.

The potential new source occurs in a new Kimberlite body discovered during follow-up pitting in an area where infill samples containing high concentrations of kimberlitic indicator minerals have been found. Subsequent scanning electron microscopy (“SEM”) analysis of samples taken from these kimberlitic indicator minerals suggest that they were derived from the diamond stability field of the Earth’s mantle. Importantly, the results confirmed the presence of Group I eclogite garnets, which can be associated with high diamond grades.

The material recovered from the pit was confirmed as being kimberlitic by Dr. Hugh O’Brien of the Geological Survey of Finland (“GTK”), an acknowledged expert in the field.

The newly discovered kimberlite body, which is the first kimberlite body to be discovered in Finland for approximately 10 years, is located to the southeast of Seitapera where the Company has outlined the largest diamondiferous kimberlite discovered to date in Finland.

The new kimberlite body will now be assessed for extent and tested for diamond content.

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.

Professor Richard Conroy, Chairman commented:

“This discovery of a potential new diamond source is very exciting news for the Company. It is a major step forward in the Company’s exploration programme which has the objective of discovering a world class diamond deposit in the Karelian Craton in Finland, comparable to the world class deposits found on the Russian portion of the Karelian Craton.”

Further Information:

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