

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR").



10 August 2016

- **Extensive Database of Information Received for the Diamondiferous Lahtojoki Kimberlite Pipe on Which a Mining Permit has Been Granted**
- **Assessment of the Information Together with Significant Advances in Diamond Ore Processing Indicates the Potential for the Lahtojoki Pipe to Become a Profitable Open Pit Diamond Mine**
- **Re-modelling of the Kimberlite Pipe Planned to Establish Optimum Locations for Any Further Drilling that May be Required and for Bulk Sampling**

Karelian Diamond Resources plc ("Karelian") (AIM: KDR, ESM: KDRI), the diamond exploration company focused on Finland, is pleased to announce that a large database of information relating to the diamondiferous Lahtojoki kimberlite pipe has now been received by Karelian from A & G Mining Oy, further to the Company's announcement of 1 June 2016.

The comprehensive database of information has enabled Karelian to expedite its overall assessment of the project and plan an effective development programme going forward.

The assessment of previous drilling and bulk sample information provided, together with other technical information, including consultant reports, indicate that the Lahtojoki diamondiferous pipe has the potential to become a profitable open pit diamond mine.

The Lahtojoki diamond mine project benefits significantly by being well located with water and grid power available. Recent advances in ore processing are also relevant as they are expected to reduce process capital and operating costs.

A phased approach is planned, which will include re-modelling the diamondiferous pipe using the latest understanding of kimberlite processes. This work, together with a re-assessment of the microdiamond data available, will allow the Company to target locations for any further drilling that may be required and for bulk sampling. This next stage is expected to take up to 12 months.

This release has been approved by Michael Brennan (MSc SAImm), who is a member of the Company's technical staff, 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, Karelian Diamond Resources plc commented:

"I am delighted that excellent progress is being made in relation to the technical data which has been received. The acquisition of the Lahtojoki diamond pipe Mining Permit, together with these encouraging results relating to its potential, complement our existing licences and are a major step forward for our diamond programme in Finland".

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