

28 June 2017

DIAMOND EXPLORATION CLAIM RESERVATION GRANTED IN AREA SURROUNDING LAHTOJOKI MINING CONCESSION

- **Geophysical And Geochemical Anomalies Noted In The Claim Reservation Area**
- **Claim Reservation Granted Covers An Area Up-Ice Of Previous Kimberlite Boulder Discovery**
- **Claim Reservation Is Over An Area Which May Contain As Yet Undiscovered Kimberlite**

Karelian Diamond Resources plc ("Karelian") (AIM: KDR, ESM: KDRI), is pleased to announce that it has today been informed that TUKES (The Finnish Mining Authority) has granted Karelian an exploration Claim Reservation in the Kaavi region of Finland.

Consideration of a series of geophysical and kimberlite indicator mineral anomalies led to the decision to apply for a Claim Reservation in the area adjacent to the Company's Lahtojoki mining concession, announced on 19 September 2016.

The Claim Reservation covers the up-ice area of the new kimberlite boulder discovery (previously announced on 9 November 2016 and 12 January 2017) and totals an area of 8.67Km².

Petrographic and mineral chemistry studies undertaken by the Geological Survey of Finland ("GTK") show clearly that the boulder is not derived from the Lahtojoki diamondiferous kimberlite pipe but derived from an as yet undiscovered kimberlite in the area.

A Claim Reservation gives exclusive rights to apply for exploration claims within the reservation area.

Professor Richard Conroy, Chairman, Karelian Diamond Resources plc commented:

"I am delighted that Karelian has been granted this Claim Reservation which extends the area around the mining concession and could potentially lead to a new kimberlite discovery in time, given that the boulder comes from a yet undiscovered pipe."

This release has been approved by Kevin McNulty PGeo, who is a member of the Company's technical staff and 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.

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