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Karelian Diamond Resources plc

("Karelian Diamonds" or "the Company")

21 June 2018

UPDATE ON FINNISH DIAMOND PROSPECTS

- **Drilling to Commence Up-ice of Green Diamond Discovery**
- **Micro Diamond Analysis Underway on Lahtojoki Drill Core**
- **Drilling at Riihivaara to Follow-up Discovery of Kimberlite Body**

Karelian Diamond Resources plc ("Karelian Diamonds") (AIM: KDR), is pleased to announce that a drilling programme will shortly commence up-ice of the Company's green diamond discovery in the Kuhmo region of eastern Finland. The drilling programme is directed towards finding the source of the diamond. The Company will also be undertaking micro diamond analysis on drill core from the Lahtojoki Diamond deposit over which the Company holds a mining concession. Drilling will also be undertaken to follow-up on Karelian Diamond's kimberlite discovery at Riihivaara.

The Kuhmo Green Diamond Target:

The drilling programme on the Company's Green Diamond target follows-up on the results of a detailed till sampling programme carried out up-ice to the location of the discovery of the green diamond. The till sampling programme yielded high kimberlite indicator minerals ("KIMs") counts including a high number of garnets which had what are known as "partial alteration mantles" suggesting close proximity to the source of the green diamond (announced on 23 January 2018).

The specific objective of the drilling programme will be to identify the bedrock type where the high KIMs were discovered. This information could be a crucial factor in identifying the source of the green diamond.

Lahtojoki Diamond Deposit:

Drill core from the previously untested eastern area of the Lahtojoki diamond deposit has been examined as part of Karelian Diamonds ongoing assessment of the deposit. Core samples have been taken and prepared for micro diamond analysis. The analysis will be carried out by an independent diamond laboratory in Canada.

The Riihivaara Kimberlite:

The drilling programme at Karelian Diamond's Riihivaara target is designed to intersect kimberlite at a deeper level in bedrock in two locations where previous pitting has identified the presence of kimberlite near surface. The drilling will also provide additional kimberlite for geological studies and micro diamond test work.

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

"The drilling programmes are a further step in the Company's diamond exploration projects in Finland, as we look to discover a significant diamond body. The micro diamond analysis at Lahtojoki is also an important step in the Company's review of the technical and financial potential of the Lahtojoki diamond deposit."

Further Information:

Professor Richard Conroy, Chairman, Karelian Diamond Resources plc
Virginia Bull / Nick Harriss, Allenby Capital Limited (Nomad)
Jonathan Evans, Brandon Hill Capital
Michael Padley, Lothbury Financial Services
Don Hall, Hall Communications

Tel: +353-1-479-6180
Tel: +44-20-3328-5656
Tel: +44-20-3463-5000
Tel: +44-20-3290-0707
Tel: +353-1-660-9377

<http://www.kareliandiamondresources.com>