

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"). With the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.



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.

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.

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:

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