

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")

18 October 2018

ORANGEITE (GROUP II KIMBERLITE) DISCOVERED UP-ICE FROM GREEN DIAMOND

Karelian Diamond Resources plc ("Karelian Diamonds") (AIM: KDR), the diamond exploration and development company focused on Finland, is pleased to announce that drilling, up-ice from its discovery in a till sample of a green diamond, has intersected orangeite (Group II Kimberlite), a potentially diamondiferous host rock.

Highlights

- **Results from first drilling up-ice from green diamond discovery.**
- **Drill core material intersected confirmed as orangeite by scanning electron microscopy ("SEM") of thin sections at the GTK laboratories.**
- **Orangeite (Group II Kimberlite) is a potentially diamondiferous host rock.**

Further Information

- The drill core sample was classified as orangeite (Group II Kimberlite) through petrographic analysis and SEM at the Geological Survey of Finland ("GTK") laboratories.
- Orangeite (Group II Kimberlite) is a potentially diamondiferous host rock of which the best known example is the major Finsch diamond mine in South Africa.
- The location of the drilling site followed a review of airborne geophysics and a till sampling programme up-ice from the diamond discovery which yielded high kimberlite indicator minerals ("KIMs") (announced on 23 January 2018).
- The green diamond was discovered in a till sample (announced on 31 January 2017) taken in a KIMs anomaly (Anomaly 5) identified as part of a regional exploration programme by Karelian Diamonds in the Kuhmo region of eastern Finland.
- Five drillholes totalling 274.9m and varying in depth from 16.1m to 74.5m were drilled.

- Two drill core samples from KDR-18-02 from 31.75m within a 1.4m intersection (31.1m to 32.5m) and KDR-18-04 from 63.35m after visual inspection were submitted for thin section analysis (the KDR-18-04 sample was not classified as orangeite.)
- Follow up exploration work will focus on defining the orangeite (Group II Kimberlite) and on the identification of any other potentially diamondiferous material in the area.
- The Kuhmo region of Finland, in which the Company has also discovered, at Riihivaara, a new kimberlite body (announced on 20 March 2015) lies on the central part of the Archean Karelian Craton and the Archean mantle of the Kuhmo region through which the kimberlites and orangeite (Group II Kimberlite) have ascended, has all the hallmarks for good diamond potential.

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:

"It is very exciting to see the first orangeite (Group II Kimberlite) core up-ice of our diamond discovery in anomaly 5. I am delighted that our exploration philosophy and accumulation of in-depth geological knowledge gained from Seitaperä and our discovery of the Riihivaara Kimberlite is continuing to yield results in the highly prospective Karelian Craton."

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