

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")

7 October 2019

Subscription to raise £50,000 (€56,060)

Karelian Diamonds (AIM: KDR), the diamond exploration company focused on Finland, is pleased to announce that it has raised £50,000 (c.€56,060), through a subscription (the "Subscription") of a total of 1,428,571 new ordinary shares of €0.00025 each ("Ordinary Shares") in the capital of the Company (the "Subscription Shares"), at a price of 3.5 pence per Subscription Share (the "Subscription Price"). The net proceeds of the Subscription will be applied for general working capital purposes.

The Subscription Shares have been subscribed for by an existing shareholder, Martello Holdings Limited ("Martello"). The ultimate beneficial holder of Martello is Thomas Anderson.

The Subscription Price represents a premium of approximately 6.1 per cent. to the closing mid-market price of 3.3 pence per Ordinary Share on 4 October 2019. The Subscription Shares will represent approximately 3.6 per cent. of the share capital of the Company as enlarged by the Subscription. The Subscription Shares will be issued using the Company's existing share authorities and will rank *pari passu* with the existing issued Ordinary Shares.

Application has been made to AIM for the Subscription Shares to be admitted to trading. It is expected that admission will become effective on 10 October 2019.

Immediately following Admission Martello is expected to have an interest in 3,928,571 Ordinary Shares representing 9.81 per cent. of the enlarged ordinary share capital of the Company.

Following the issue of the Subscription Shares, and for the purposes of the Disclosure and Transparency Rules, the Company's total issued share capital on Admission will consist of 40,042,749 Ordinary Shares.

The above figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company, under the Disclosure and Transparency Rules.

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