

UAV GEOPHYSICS SURVEY UNDERTAKEN OVER THE KUHMO GREEN DIAMOND TARGET AREA

- **Detailed high resolution magnetic UAV survey completed**
- **82 flight lines (250 km) flown over green diamond target area**
- **Airborne magnetic results now being interpreted**

Karelian Diamond Resources plc (AIM: KDR), the diamond exploration company focused on Finland, is pleased to announce that an unmanned aerial vehicle (UAV) detailed high resolution magnetic survey has been conducted by Radai Oy, on behalf of Karelian Diamonds, over the Company's Anomaly 5 (Tervavaara) target in the Kuhmo region of Eastern Finland. This is the area where the Company has previously reported the discovery of a green diamond in till (as announced by the Company on 31 January 2017) and in the Board's view has the potential to be a new diamond province.

The results, comprising maps of total magnetic intensity, are now being integrated with the Company's existing Kimberlite Indicator Minerals (KIMs) data and drilling information in the area, to aid in the identification of kimberlite bodies, including the possible source of the green diamond and/or other diamondiferous kimberlite bodies in the area.

The magnetic survey was carried out using a datalogger installed on a vertical takeoff and landing (VTOL) drone. The magnetic field was measured using a fluxgate magnetometer located in the tail boom of the drone.

The survey was flown on an East-West orientation with 73 flight lines at circa 35 metres spacing and 9 North-South tie-lines 350 metres apart at a mean height of 42 metres. The survey comprised 250 line km covering an area of 7.8 km².

The use of the UAV airborne survey technique facilitates the acquisition of comprehensive geophysical data over terrain where a ground geophysical survey could be difficult, time consuming and perhaps incomplete particularly at certain times of year. The technique could prove particularly useful in Finland where the first kimberlite was discovered in 1964 by Malmikaivos Oy using a ground magnetic geophysical survey as were the Lahtojoki kimberlite, which the Company proposes to develop as a diamond mine, and the Seitaperä kimberlite in Kuhmo, which the Company has shown to be the largest known kimberlite discovered to date in Finland.

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

"These results, using this innovative and highly effective technique, have greatly enhanced our already extensive knowledge of the Kuhmo diamondiferous area of Finland in addition to the established diamondiferous Kuopio-Kaavi area of Finland where the Company is looking to develop the Lahtojoki Diamond deposit as the first diamond mine in Finland and in Europe, outside Russia".

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