



**Karelian Diamond Resources plc**  
("Karelian Diamonds" or the "Company")

**11 November 2024**

## **APPOINTMENT OF NEW CHAIRMAN AND COMPANY UPDATE**

- **Brendan McMorrow appointed as Company Chairman**
- **Update on current Company activity**

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Karelian Diamond Resources Plc (AIM: KDR) is pleased to announce that Brendan McMorrow has been appointed Non-Executive Chairman of the Company with immediate effect. Brendan was appointed to the Board of the Company as a non-executive director on 15 November 2018. He assumes leadership of the Board following the death of Company founder and Executive Chairman, Professor Richard Conroy, last month.

Professor Conroy as Executive Chairman had led the Company for many years and has left it with a very strong foundation including diamond exploration and development opportunities in Finland and copper, nickel and platinum group metal exploration licences in Northern Ireland. These projects offer significant upside value and opportunity for the Company and its shareholders.

### ***Update on current activity***

#### ***Diamond exploration and development projects in Finland***

The Karelian craton, which extends across Finland, is one of the largest cratons in the world and has been proven to contain world class diamond deposits. The presence of the Lahtojoki diamond deposit confirms that the Finnish section of the Karelian craton is diamondiferous, and the size of the Karelian craton in Finland suggests the potential for the occurrence of a world class diamond deposit.

#### ***Lahtojoki Diamond Deposit***

Karelian's acquisition of the Lahtojoki diamond deposit in the Kuopio – Kaavi region of Finland was driven by the Company's experience in diamond exploration. A preliminary economic assessment carried out by the Company in 2017 suggested that 2.11 million carats would be recoverable from the mine. The presence of pink diamonds at Lahtojoki is significant and could have a considerable effect on the profitability of a mine as they command a substantially higher price than colourless diamonds (up to twenty times higher). Analyst calculations based on a 3% pink diamond content at Lahtojoki estimated a net present value for the project of \$69 million at an 8% discount rate.

The Company has been progressing the project steadily towards the granting of a mining concession. The last step in this process is the finalisation of landowner compensation. The Land Survey decision in relation to this requirement was given in late 2023 and compensation paid in early 2024. Two landowners appealed the decision in relation to aspects of the mine boundary and the quantum of compensation. The mine boundaries for the Lahtojoki diamond deposit were finalised by the decision of the Finnish Land Court, announced on 13 August 2024, resulting in no change to the existing boundaries. The Court also held in the Company's favour on most of the matters raised in the appeal in relation to compensation with three remaining matters referred back to the Land Survey to review. The appellants were also required to contribute to the Company's legal costs. With no further appeal having been lodged, the decision has now gained legal force. Following

finalisation of these last matters regarding compensation the Company will progress to the development phase of this project.

#### *Diamond exploration programme*

The Company is also active in an increasingly exciting diamond exploration programme in Finland. The Company has carried out an extensive and systematic exploration programme for diamonds using, *inter alia*, geology, geophysics, kimberlitic indicator mineral trains, airborne and UAV (unmanned aerial vehicle) drone surveys together with excavation and drilling and the analysis of basal till samples. The programme has led to the previous discovery of a green diamond in the Kuhmo region of Finland – the best possible kimberlitic indicator.

Analysis of basal till samples excavated at various target locations in the Kuhmo region of Finland, suggests that the Company's search is narrowing for the source of the green diamond with the amount and type of garnets identified in sample locations suggesting a close proximity to a kimberlite source. Further work is ongoing in relation to this effort, the results of which will be released at the appropriate time.

#### *Exploration for Nickel, Copper and Platinum Group Metals in Northern Ireland*

The Company is carrying out an exploration programme for nickel, copper and platinum-group elements in Northern Ireland. Initial results from this programme indicate a highly anomalous river catchment area. This area has yielded five samples each having over 1,000 indicator minerals. The indicator minerals are primarily Chromite and Forsterite with some Chalcopyrite. Microprobe analysis on Chromite grains from samples taken from this area showed high zinc oxide values. Such high zinc oxide values can be a signature of sulphide rich nickel-copper platinum-group elements deposits. It was also noted that several of the chromites have inclusions of nickel as well as on the Chromite margins, which is significant as it indicates the presence of nickel mineralisation.

The Company now holds three prospecting licences, totalling an area of approximately 750km<sup>2</sup>, in Northern Ireland. An independent assessment by Dr Larry Hulbert, an internationally recognised expert in nickel-copper and platinum-group elements, confirmed the potential for these elements in the Company's licence areas in Northern Ireland. Dr Hulbert's review also noted marked resemblances to the Baraga Basin in Michigan that hosts the world class Eagle and Eagle East nickel-copper and platinum-group elements deposits and recommended that the Eagle deposit should serve as Karelian's exploration model.

#### **Mr. McMorrow, Chairman of the Company, commented:**

*"I am looking forward to leading the Board as we move into the next phase of our work at Lahtojoki in Finland where the mining permit is in the process of being finalised. This, together with progressing the ongoing search for the source of the Green Diamond at Kuhmo, should make 2025 an exciting year for the Company in Finland. In addition, we will be following up on the promise of our projects in Northern Ireland, where the independent review carried out by Dr Hulbert confirmed that our licences are prospective for nickel, copper and platinum-group elements with marked resemblances to the Baraga Basin in Michigan that hosts world class deposits. I appreciate the confidence shown in me by my fellow directors to take the vision of Professor Richard Conroy to its next stage."*

#### **Further Information:**

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