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**KARELIAN FINDS KIMBERLITIC MATERIAL IN PRELIMINARY  
TRENCHING ON KUHMO DIAMOND CLAIMS**

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- **“Holes” in Bedrock May Represent Weathered Primary Source Of Indicators**
  - **Information Gained Will Simplify Drill Site Selection**
  - **Additional Basal Till Samples Also Collected**
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Karelian Diamond Resources plc (KDR) is pleased to announce that kimberlitic material has been intersected during a preliminary trenching programme on its diamond exploration acreage in the Finnish sector of the Karelian Craton.

“It’s an excellent start to find kimberlitic material at the beginning of our trenching programme and I’m delighted”, chairman Dr Richard Conroy told the annual meeting in Dublin today.

A previously reported heavy mineral survey near the city of Kuhmo in Eastern Finland, undertaken on behalf of KDR by the diamond research facility of the Geological Survey of Finland (GTK) produced a number of kimberlitic indicator mineral anomalies in well-defined fans. A detailed ground magnetic survey covering the source area of one of the most interesting fans was completed during the autumn. This identified a number of targets which are of interest because their position suggests they could represent the source of the indicator minerals recovered.

Follow-up of these targets has begun with a trenching programme designed to expose bedrock in an attempt to explain the observed magnetic anomalies. This work is also being carried out by the GTK. At the same time, additional basal have been collected to further evaluate the diamond prospectivity of the potential drilling targets.

The first phase of the trenching programme is nearing completion and results to date are encouraging. One of the four trenches contains what is believed to be narrow anastomosing dikelets of kimberlitic material at the edges of an 8m wide “hole” in the bedrock surface caused by differential glacial scouring of weathered, soft material. Two other trenches also revealed similar “holes” in the bedrock which are further examples of preferential glacial removal of intensely altered rock types.

The bedrock surface in these “holes” is too deep for the excavator to reach, but information gained from the trenching has considerably improved the selection of drill sites to test for the presence of wider kimberlite bodies. Drilling of a selection of the best targets will commence as soon as a rig becomes available this winter and field conditions permit.

Karelian believes the Finnish sector of the Karelian Craton, given its size and potential, is under explored and, by analogy with the Russian side, has the potential to host world-class diamond deposits.

**Further Information:**

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