



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

1 July 2020

## **Update on agreement with Rio Tinto Mining and Exploration Limited**

Karelian Diamond Resources plc ("Karelian Diamonds") (AIM: KDR), the diamond exploration company focused on Finland, is today providing an update on the status of its confidentiality agreement (with Back In Rights) with Rio Tinto Mining and Exploration Limited ("Rio Tinto") (the "Agreement"). The Agreement was originally announced on 22 July 2010 and subsequently extended to 30 June 2020, as announced by the Company on 26 June 2014.

Under the Agreement, Rio Tinto has been disclosing to Karelian Diamonds confidential information relating to exploration in Finland for the purpose of Karelian Diamonds considering that information in relation to the Company's potential and existing exploration programmes in Finland. In consideration of Rio Tinto disclosing the confidential information to it, Karelian Diamonds had agreed that Rio Tinto would have the option (exercisable at its discretion) to earn a 51 per cent interest in any project identified by Karelian Diamonds in Finland by Rio Tinto paying the direct cash expenditures incurred in developing the project subject to certain conditions. Further details on the Agreement can be found in the Company's announcements released on 22 July 2010 and 26 June 2014.

As of today's date Karelian Diamonds and Rio Tinto have not entered into a further extension on the Agreement and as a result the Agreement (including the Back In Rights) has subsequently lapsed as of today.

Karelian Diamonds is considering the best means to progress its exploration programme and in particular progress operations at Lahtojoki and Kuhmo.

A further announcement will be made in due course should any subsequent agreement be reached or entered into between Karelian Diamonds and Rio Tinto.

### **Professor Richard Conroy, Chairman, commented:**

*"We have had a positive and constructive relationship with Rio Tinto for a number of years and the confidential information made available to Karelian has assisted in the Company's knowledge base and progression of its mineral exploration programme. Whilst no agreement has been entered into at this stage to extend the agreement with Rio Tinto I look forward to our maintaining a good relationship moving forward."*

### **Further Information:**

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