



Karelian Diamond Resources PLC
(“Karelian” or “the Company”)

KARELIAN DIAMOND RESOURCES LICENCING AND OPERATING UPDATE

- **Kuhmo, Finland – Licences extended over the areas targeted by diamond exploration programme**
- **Lahtojoki, Finland – Landowner compensation expected to be finalised in the first half of 2025**
- **Northern Ireland – Strategic partner sought for emerging Nickel Copper PGE district**

Karelian Diamond Resources PLC (“Karelian Diamonds”) (AIM: KDR) is pleased to announce a licencing and operating update including that the Company is extending its diamond exploration programme in the Kuhmo region of Eastern Finland.

Exploration programme at Kuhmo

The Company has received notification from the Finnish Safety and Chemicals Agency (“TUKES”) of the granting of a new reservation, Kuumu 1, at Lentiira in northern Kuhmo, 30 kilometres to the north of the Company’s green diamond discovery (announced by Karelian on 31 January 2017). The reservation provides a one-year privilege to apply for an exploration permit in the area.

The Lentiira area is considered highly prospective by the Company. Several orangeite dikes with highly prospective indicator mineral compositions were discovered in the area by European Diamonds PLC in the early 2000s, and diamonds were discovered by till sampling in a number of locations. Considering the fact that the ultimate sources of the main indicator fans still remain unlocated, the exploration possibilities for the Company in the Lentiira area are intriguing.

The Company has submitted an application to TUKES for an uninterrupted extension of the exploration permit, Kuhmo 1, where a follow-up excavation programme was recently completed up-ice of the green diamond discovery (as announced by the Company on 25 September 2024). The results of this programme are expected in the first quarter of 2025. The Company plans to continue its exploration programme in the Kuhmo region in 2025 focussing in particular on the green diamond target area where a high priority drilling target has already been identified from the detailed electromagnetic survey conducted over the Company’s green diamond target area, the results of which were announced on 24 January 2025.

The exploration permit, Seitaperä, covering the Seitaperä diamondiferous kimberlite (orangeite) in Kuhmo, circa 6 kilometres to the southwest of the exploration permit Kuhmo 1, has been extended for a further 3 year period by TUKES in March 2024. Karelian has shown the Seitaperä kimberlite to be the largest known kimberlite in Finland, extending over a surface area of 6.9 hectares. As announced by the Company on 25 January 2024, extensions for the exploration permits, Riihivaara 26, Riihivaara 24, 24A and 24B in Kuhmo, were granted by TUKES for further 3 years from January 2024. The Riihivaara 26 exploration permit covers Karelian Diamond’s kimberlite (olivine lamproite) discovery at Riihivaara, circa 10 kilometres to the south of the exploration permit Kuhmo 1.

All of the above-mentioned Karelian licence areas in Kuhmo, combined with the new reservation extending the area of interest north to Lentiira, may together prove to become a significant diamond province on the Finnish side of the Karelian Craton.

In addition, new exploration permits at Liperi, in the Joensuu region of Eastern Finland, and Salla, in Lapland of Finland, have been recently granted.

Lahtojoki Diamond Deposit

The Company expects to finalise all outstanding aspects of the landowner compensation in the second quarter of 2025. As set out in the Company's announcement of 18 October 2024 the decision of the Land Court has now gained legal force with only three matters remaining to be finalised with the National Land Survey. The court hearing was in relation to appeals by two landowners regarding amounts of compensation to be paid to them and the mine boundary itself at the Company's proposed mine development at Lahtojoki, in the Kuopio Kaavi region of Finland.

A mining concession application for the Lahtojoki diamond deposit has already been approved by TUKES. The Company is reaching out to potential strategic partners to advance the Company's proposed development of the Lahtojoki diamond deposit. Finalisation of the mine boundary and landowner compensation is an essential step in progressing this development.

Northern Ireland Nickel, Copper and Platinum Group Metals Projects

An assessment prepared by independent geological consultant, Dr Larry Hulbert, announced on 24 June 2024, confirms the potential for Nickel, Copper, and Platinum-Group Elements ("PGE"), in the Company's license areas in Northern Ireland, following the discovery by the Company of indicator minerals for Nickel, Copper and PGE, during the course of a stream sediment sampling program. This initial work identified several targets for follow up within the Company's licence area. The Company has engaged Dr. Hulbert to carry out further work on its licences in Fermanagh where he believes that multiple exploration indicators suggest a highly prospective district, comparable to Michigan's Eagle Mine Nickel district model. This work is ongoing and includes work on the potential of the North East of the country to add materially to a portfolio of targets in what would be a new Nickel, Copper and PGE district.

The company is actively seeking a strategic partner to carry out a two year exploration programme with a view to developing a number of targets in the province capable of hosting significant economic deposits.

Brendan McMorrow, Chairman, Karelian commented:

"The year ahead promises to be an exciting one for the company with several aspects to the Company's portfolio capable of progressing rapidly."