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20 February 2025



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

Fundraising of £323,075

Karelian Diamond Resources plc (AIM: KDR), the Irish mineral resource exploration and development company which has active exploration programmes for Nickel-Copper-Platinum Group Elements in Northern Ireland and for diamonds in the Kuhmo region of Finland, today announces a placing and subscription to raise a total of £323,075 (before expenses) at 0.75 pence per ordinary share (the “**Issue Price**”) (the “**Fundraising**”).

HIGHLIGHTS

- The Company plans to use the funds to continue with its initial exploration work for Nickel-Copper-Platinum Group Elements in Northern Ireland where it is seeking a strategic partner to carry out a two year exploration programme with a view to developing a number of targets capable of hosting significant economic deposits.
- Funds will also be used to continue its diamond exploration and development programme in Finland where recently high priority targets were identified in the Company’s search for the source of the green diamond discovery.
- The Company is planning to advance the proposed development of the Lahtojoki deposit where finalisation of the mine boundary and landowner compensation is anticipated to be achieved in the second quarter of 2025. Funds will also be used to provide additional working capital for the Company.

Brendan McMorro, Chairman of Karelian, commented:

“We welcome the completion of this fundraising in a difficult market which comes at an important time for the Company as we progress work on our licence areas in both Finland and Northern Ireland. With these funds, together with the potential for follow on finance through the exercising of related warrants, the year ahead promises to be an exciting one for the Company.”

FUNDRAISING SUMMARY

The Issue Price represents a discount of 37.5 per cent. to the closing mid-market price of 1.20 pence on 19 February 2025, being the last practicable date prior to this announcement. Peterhouse Capital Limited (“**Peterhouse**”) acted as the Company's broker in respect of the Fundraising. The Fundraising consists of placing and subscription elements, as detailed below:

- The placing is for 34,066,667 ordinary shares of €0.00025 each (“**Ordinary Shares**”) at the Issue Price (the “**Placing Shares**”) to raise approximately £255,500 before expenses (the “**Placing**”).
- The subscription is for 9,010,000 Ordinary Shares at the Issue Price (the “**Subscription Shares**”) to raise approximately £67,575 before expenses (the “**Subscription**”).
- Each Placing Share and Subscription Share carries a warrant to subscribe for one new Ordinary Share at a price of 1.5 pence per Ordinary Share exercisable for a period of 24 months from the admission to trading on AIM of the Placing Shares and Subscription Shares (“**Admission**”), creating 43,076,667 warrants (the “**Fundraising Warrants**”). In the circumstances set out below, the Company can require the holders of the Fundraising Warrants to exercise them within 7 days or they will expire.

The Fundraising Warrants have an accelerator clause which will apply should the Ordinary Shares have a closing mid-market price of 1.75 pence or greater for any 5 trading days within a 10 trading day period following which the Company will have the right to issue Fundraising Warrant holders with a one week notice to exercise their Fundraising Warrants. Unexercised Fundraising Warrants would be cancelled, and any Fundraising Warrants exercised under this notice must be fully paid up to the Company within one week of notification being made to the Company that the Fundraising Warrants will be exercised.

The Placing Shares and Subscription Shares will represent approximately 25.08 per cent. of the enlarged issued share capital of the Company and have been issued to a combination of mainly new investors and certain existing shareholders.

The Fundraising is conditional on Admission becoming effective.

ADMISSION, WARRANTS AND TOTAL VOTING RIGHTS

The issue of the Placing Shares and Subscription Shares and the possible issue of new Ordinary Shares from the exercise of the Fundraising Warrants will be undertaken pursuant to the Company's existing share authorities.

An application will be made shortly to the London Stock Exchange for Admission of the Placing Shares and the Subscription Shares. It is expected that Admission will become effective and that dealings in the Placing Shares and Investment Shares on AIM will commence on or around 27 February 2025.

The Fundraising Warrants will not be admitted to trading on AIM or any other stock market and will not be transferable. The issuance of the Fundraising Warrants is subject to Admission.

In accordance with the FCA's Disclosure Guidance and Transparency Rules, the Company confirms that on completion of the Fundraising, and following Admission, the Company's enlarged issued ordinary share capital will comprise 171,769,411 Ordinary Shares.

The Company does not hold any Ordinary Shares in Treasury. Therefore, following Admission, the above figure may be used by shareholders in the Company as the denominator for the calculations to determine if they are required to notify their interest in, or a change to their interest in the Company, under the FCA's Disclosure Guidance and Transparency Rules.

Further information:

Karelian Diamond Resources plc

Brendan McMorrow, Chairman

+353-1-479-6180

Maureen Jones Managing Director

Allenby Capital Limited (Nomad)

Nick Athanas / Nick Harriss

+44-20-3328-5656

Peterhouse Capital Limited (Joint Broker)

Lucy Williams / Duncan Vasey

+44-20-7469-0930

CMC Markets (Joint Broker)

Douglas Crippen

+ 44-20-3003-8632

Lothbury Financial Services

Michael Padley

+44-20-3290-0707

Hall Communications

Don Hall

+353-1-660-9377

<http://www.kareliandiamondresources.com>