

KARELIAN **DIAMOND RESOURCES**

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to what action to take, you should consult your stockbroker, solicitor, bank manager, accountant or other professional adviser, who, if you are taking advice in Ireland, is authorised or exempted under the Investment Intermediaries Act, 1995 or the European Communities (Markets in Financial Instruments) Regulations 2017 or, if you are taking advice in the United Kingdom, is authorised under the Financial Services and Markets Act 2000 of the United Kingdom.

Your attention is drawn to the special arrangements for the Annual General Meeting in response to the Coronavirus (COVID-19) pandemic, which are set out in this document.

If you have sold or transferred all your ordinary shares in Karelian Diamond Resources plc plc, please forward this document and the Form of Proxy at once to the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Karelian Diamond Resources plc

LETTER FROM THE CHAIRMAN and NOTICE OF THE ANNUAL GENERAL MEETING

to be held on 23 December 2020 at 2.30 pm

**in 3300 Lake Drive,
Citywest Business Campus,
Dublin 24, D24 TD21
Ireland**

30 November 2020

To the Shareholders of Karelian Diamond Resources plc

Dear Shareholder,

The Notice of the Annual General Meeting ('AGM') of Karelian Diamond Resources plc to be held on 23 December 2020 at 2.30pm. is set out on pages 3 to 5 of this document.

Due to the continuation of the Irish Government's Coronavirus (COVID-19) restrictions in relation to travel and public gatherings and to prioritise the health and safety of our shareholders and employees and other officers, this year's AGM will be held at 3300 Lake Drive, Citywest Business Campus, Dublin 24, D24 TD21, with the minimum necessary quorum in accordance with the Articles of Association of the Company.

Shareholders are requested not to physically attend the meeting and instead to submit a proxy form accompanying the Notice of AGM, to ensure they can vote and be represented at the AGM without attending in person. Please refer to notes 2 to 4 and 9 in the Notice of AGM on how to appoint a proxy and related deadlines.

A listen only dial-in facility will be provided to allow shareholders to listen to the business of the meeting. If you wish to listen live to the AGM proceedings, you will be able to do so by dialling the following relevant number at the commencement time of the meeting:

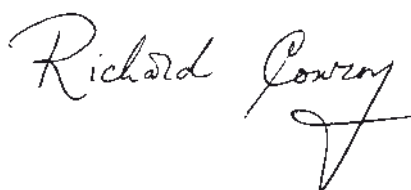
Ireland: +35316533897 Meeting ID: 99951768913
UK: +443300885830 Passcode: 910156
USA: +16465588656
Canada: +16473744685

Shareholders availing of this facility should also ensure to submit their proxy form by the relevant deadline in advance of the AGM, as it will not be possible to vote using the telephone facility.

We invite you to submit questions in writing in advance of the meeting by emailing them to **kdr-agm@kareliandiamondresources.com**. Questions must be received by 10 a.m. on 17 December 2020. All correspondence should include sufficient information to identify the shareholder on the Register of Members. Responses will be posted on our website.

We will be seeking to conduct the AGM as safely and efficiently as possible and in compliance with the applicable law, regulations and guidance in effect in connection with Coronavirus (COVID-19) at the time of the meeting.

Yours faithfully,



Professor Richard Conroy
Chairman

Karelian Diamond Resources plc

(Registered in Ireland No. 382499)

Notice of Annual General Meeting

NOTICE is hereby given that the Annual General Meeting of Karelian Diamond Resources plc (the "Company") will be held at 3300 Lake Drive, Citywest Business Campus, Dublin 24, D24 TD21, on Wednesday, 23 December 2020 at 2.30pm for the purposes of transacting the following business:

- 1 To review the affairs of the Company and to receive and consider the Financial Statements for the year ended 31st May 2020 together with the Directors' and Independent Auditor's Reports thereon (Resolution No. 1).
- 2 To re-elect Seamus FitzPatrick as a director (Resolution No. 2 (a)).
To re-elect Brendan McMorrow as a director (Resolution No. 2 (b)).
- 3 To authorise the Directors to fix the remuneration of the Auditors (Resolution No. 3).
- 4 To consider and, if thought fit, pass the following resolution as an Ordinary Resolution (Resolution No. 4):

"That the directors of the Company be generally and unconditionally authorised to allot and issue relevant securities (as defined by Section 1021 of the Companies Act, 2014) up to a maximum of the amount of the authorised but as yet unissued share capital of the Company at the close of business on the date of the passing of this resolution, provided however, that any shares which have been re-purchased shall be deemed never to have been issued for the purpose of calculating the maximum amount of shares which may be issued. The authority hereby conferred shall expire in five years less one day from the date of this Annual General Meeting unless previously renewed, varied or revoked by the Company in general meeting. The Company may make any offer or agreement before expiry of this authority which would or might require relevant securities to be allotted after this authority have expired and the directors may allot relevant securities in pursuance of any such offer or agreement notwithstanding that the authority hereby conferred has expired."

- 5 To consider and, if thought fit, pass the following resolution as a Special Resolution (Resolution No. 5):
"That, for the purposes of Sections 1022 and 1023 of the Companies Act, 2014 and subject to the Directors being authorised pursuant to Article 10 of the Articles of Association of the Company, the Directors be empowered to allot equity securities for cash pursuant to and in accordance with Article 11 of the Articles of Association of the Company. The authority hereby conferred shall expire at the close of business on the date of the next Annual General Meeting of the Company unless previously revoked or renewed in accordance with the provisions of the Companies Act, 2014."

By Order of the Board

Dated this 30th day of November 2020

Maureen T.A. Jones

Secretary

Registered Office

3300 Lake Drive, Citywest Business Campus, Dublin, D24 TD21, Ireland

Notes

1. Arrangements have been made to hold the Annual General Meeting at the Company's registered office in accordance with Irish Health Service Executive guidelines regarding the ongoing Coronavirus (COVID-19) pandemic. Shareholders are encouraged to keep up to date with and follow the Health Service Executive guidance by refraining from attending the Annual General Meeting.
2. The holders of the Ordinary Shares are entitled to attend and vote at the above General Meeting of the Company. A holder of Ordinary Shares may appoint a proxy or proxies to attend, speak and vote instead of him/her. A proxy need not be a member of the Company.
3. A Form of Proxy is enclosed for use by Shareholders unable to attend the meeting. Proxies to be valid must be lodged with the Company's Registrars, **Link Registrars Limited, by post to PO Box 1110, Maynooth, Co. Kildare, Ireland or by hand to Link Registrars Limited, Level 2, Block C, Maynooth Business Campus, Maynooth, Co. Kildare, W23 F854, Ireland**, not less than 48 hours before the time appointed for the holding of the meeting.
4. In the case of joint holders, the vote of the senior who tenders a vote, either in person or by proxy, will be accepted to the exclusion of the other joint holder(s) and, for this purpose, seniority will be determined by the order in which the names stand in the
5. The Company, pursuant to Section 1105 of the Companies Act 2014 and Regulation 14 of the Companies Act, 1990 (Uncertificated Securities) Regulations, 1996, specifies that only those shareholders registered in the Register of Members of the Company as at 7 pm on 21 December 2020 (or in the case of an adjournment as at 48 hours before the time of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at the time. Changes to entries in the Register after that time will be disregarded in determining the right of any person to attend and/or vote at the meeting.
6. Subject to the provisions set out in Note 7 below, shareholders who are entitled to attend the AGM may submit questions relating to items on the agenda of the Annual General Meeting, in accordance with their right to do so under Irish law, by emailing them to **kdr-agm@kareliandiamondresources.com**. Questions must be received by 10 a.m. on 17 December 2020. All correspondence should include sufficient information to identify the shareholder on the Register of Members. Responses will be posted on our website **www.kareliandiamondresources.com** on the date of Annual General Meeting
7. Shareholders entitled to attend the Annual General Meeting have the right to ask questions relating to items on the agenda of the Annual General Meeting. In light of the Coronavirus (COVID-19) pandemic and our advice that shareholders should refrain from attending the Annual General Meeting, shareholders are encouraged to submit any such questions by email to AGM Kar. The answers to any validly posed questions will be posted on the Company's website on the date of the Annual General Meeting. Shareholders have the right to have such questions answered by the Company subject to any reasonable measures the Company may take to ensure the identification of the shareholder and unless:
 - a. answering the question would interfere unduly with the preparation of the Annual General Meeting or the confidentiality and business interests of the Company; or
 - b. the answer has already been given on the Company's website in a question and answer forum; or
 - c. it appears to the Chairman of the Annual General Meeting that it is undesirable in the interests of good order of the Annual General Meeting that the question be answered.
8. A copy of this Notice and details of the total number of shares and voting rights as at the date of this Notice can be obtained from the website **www.kareliandiamondresources.com**.

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST Sponsored Members, and those CREST Members who have appointed a voting service provider(s), should refer to their CREST Sponsor or voting service provider(s), who will be able to take appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with Euroclear UK and Ireland (EUI)’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy) must be transmitted so as to be received by the Company’s Registrar, Link Registrars Limited, as issuer’s agent (CREST Participant ID 7RA08), by the latest time(s) for receipt of proxy appointments specified in this notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST Personal Member or Sponsored Member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Companies Act 1990 (Uncertificated Securities) Regulations 1996.

To appoint a proxy electronically log onto the website of the Company Registrar, **www.signalshares.com** entering the company name Karelion Diamond Resources plc. You will need to register for signal share by clicking on ‘registration section’ (if you have not registered previously) and then follow the instructions thereon. Shareholders will require their Shareholder Investor Code (IVC) as printed on the face of the accompanying Form of Proxy. Full details of the procedures, including voting instructions are given on the website.