

Karelian Diamond Resources plc

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 the Conrad Hotel, Earlsfort Terrace, Dublin 2 on Friday 9th December 2011 at 2.00 p.m. for the purposes of transacting the following business:

- 1 To receive and consider the Financial Statements for the year ended 31 May 2011 together with the Directors' and Independent Auditor's Reports thereon (Resolution No. 1).
- 2 To re-elect as Directors the following persons:
Mr Louis Maguire (Resolution No. 2 (a))
Mr Roger Chaplin (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 20(10) of the Companies (Amendment) Act, 1983) 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 has 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 Section 24 of the Companies (Amendment) Act, 1983 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 (Amendment) Act, 1983."

By Order of the Board

Dated this 16th day of November 2011

James P. Jones F.C.A.

Secretary

Registered Office

10 Upper Pembroke Street, Dublin 2

Notes

1. *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.*
2. *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, Capita Registrars (Ireland) Limited, Unit 5, Manor Street Business Park, Manor Street, Dublin 7 not less than 48 hours before the time appointed for the holding of the meeting.*
3. *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 Register of Members.*
4. *The Company, pursuant to 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 6:00 pm on Wednesday 7th December 2011 (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."*