

KARELIAN DIAMOND RESOURCES

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

15 February 2017

DIAMOND DISCOVERY: TECHNICAL REPORT

- **Diamond is a Dodecahedron 0.8mm in Diameter**
- **Sparkling Clear Crystal: Colour Greenish**
- **Extremely Rare Event**

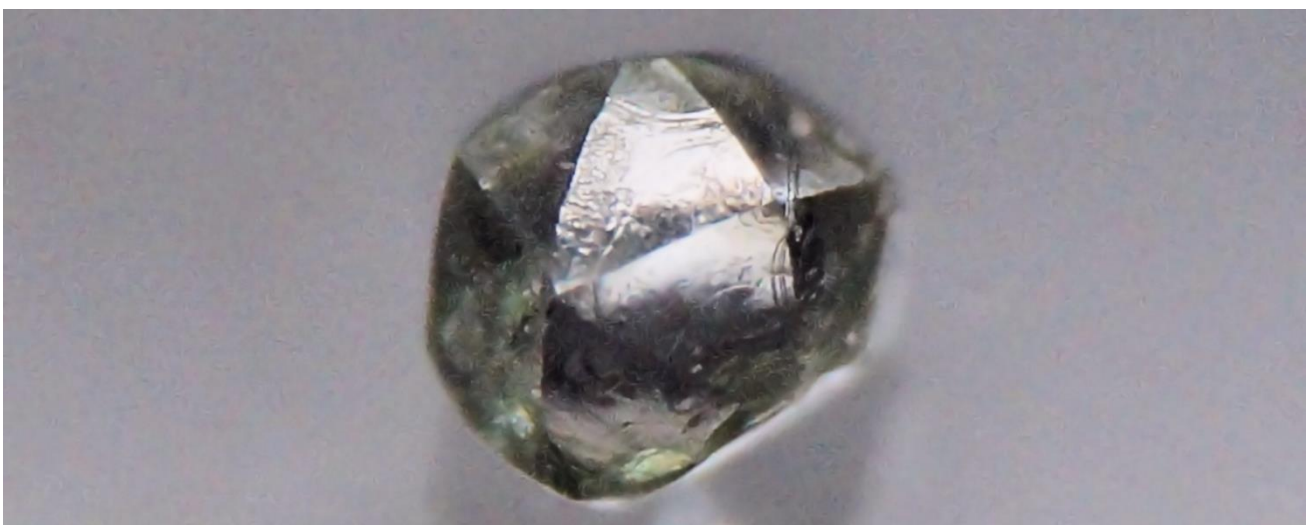
Karelian Diamond Resources plc ("Karelian") (AIM: KDR, ESM: KDRI), is pleased to announce that it has received a technical report by the Geological Survey of Finland ("GTK") on its diamond discovery in Eastern Finland that was announced on 31 January 2017.

The Report is by Dr Kari A. Kinnunen, a diamond specialist with the GTK, with additional comments by Dr Hugh O'Brien, senior diamond exploration geologist with the GTK.

The stone, which is described by Dr Kinnunen as being an "*excellent diamond*", is 0.8mm in diameter, forming a 12-sided, curved and twinned dodecahedron. It is a sparkling clear crystal with clean faces. The colour is greenish.

Surface textures (microdisks and hillocks) indicate slight resorption of the diamond during transport in the kimberlite magma from its ultimate source 150km or deeper in the Earth, to the Earth's surface and could indicate hypabyssal kimberlite-type magmatic rock.

Dr. O'Brien comments "*The discovery of a diamond in a till exploration sample is an extremely rare event. Such a significant result identifies this new target as a high priority for follow-up work.*"



Morphology of the diamond crystal is a curved dodecahedron. Crystal Diameter is 0.8mm Photo: Kari A. Kinnunen, GTK

An image of the diamond which can be viewed on the Company website:

<http://www.kareliandiamondresources.com/>

This release has been approved by Kevin McNulty PGeo, who is a member of the Company's technical staff and holds a BSc/MSc in Geology and Remote Sensing, in accordance with the guidance note for Mining, Oil & Gas Companies issued by the London Stock Exchange in respect of AIM Companies, which outlines standards of disclosure for mineral projects.

Professor Richard Conroy, Chairman, Karelian Diamond Resources plc commented:

"I am delighted to receive the technical report from the GTK on, to quote Dr K Kinnunen, this excellent diamond. This is a stunning discovery."

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