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

16 March 2017

EXTENSION OF RIIHIVAARA KIMBERLITE BODY

- **100 Metre Extension to the North West Shown by High Concentrations of Kimberlite Indicator Minerals In Till Samples**
- **Up-Ice Samples Indicate that Riihivaara Kimberlite Body is Probable Source of the Kimberlite Indicator Minerals**
- **Riihivaara Kimberlite Body Remains Open to North West, South East and to Depth**

Karelian Diamond Resources plc ("Karelian") (AIM: KDR, ESM: KDRI), is pleased to announce a 100 metre extension to the North West of the Riihivaara kimberlite body. The extension was indicated by the results of a series of till samples taken by the Geological Survey of Finland ("GTK") on behalf of the Company.

Samples taken along trend to the North West of the known kimberlite body showed high concentrations of Kimberlite Indicator Minerals ("KIMs") indicating a further 100 metre North Western extension to the known 250 metre kimberlite body extent. The Riihivaara kimberlite body remains open in both directions along strike and to depth.

The KIMs included 47 purple to red peridotitic garnets (G9/10 Cr-pyrope), 18 orange mantle garnets and 64 chromite grains, in the 0.25 to 0.5 mm size range; plus 2 purple to red peridotitic garnets (G9/10 Cr-pyrope), 4 orange mantle garnets and 5 chromite grains, in the 0.5 to 1.0 mm size range.

The results of samples collected in an up-ice direction from the kimberlite body returned low counts of chromite grains indicating that the Riihivaara kimberlite body is the probable source of the KIMs.

All samples will undergo further analysis by scanning electron microscopy to classify them.

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:

"This further extension of the Riihivaara kimberlite body taken in conjunction with the recent discovery of a diamond in a till sample adds to the diamond prospectivity of the Kuhmo region"

Further Information:

Professor Richard Conroy, Chairman, Karelian Diamond Resources plc
Virginia Bull / James Thomas / Nick Harriss, Allenby Capital Limited (Nomad)

Tel: +353-1-661-8958
Tel: +44-20-3328-5656

Ger Heffernan / Jan Fitzell, IBI Corporate Finance Limited (ESM Adviser)

Jon Belliss / Elliot Hance, Beaufort Securities Limited (Broker)

Michael Padley, Lothbury Financial Services Limited

Don Hall, Hall Communications

Tel: +353-7662-34800

Tel: +44-20-7382-8300

Tel: +44-20-3290-0707

Tel: +353-1-660-9377

www.kareliandiamondresources.com