



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

14 November 2017

PROMISING NEW EXPLORATION DATA

- **Electron Microprobe Results Indicate Increasing Proximity to the Diamond Source**
- **Results Further Increase the Diamond Prospectivity**
- **Thirty Positive Mantle-derived Garnet Minerals Recovered (4 "G10" and 26 "G9")**

Karelian Diamond Resources plc ("Karelian Diamonds") (AIM: KDR), is pleased to announce positive Electron Microprobe results on the three samples showing high indicator mineral counts, as reported on 25th September 2017.

These results indicate not only that the likely diamond source is very close to the current exploration area, but also that the potential of the kimberlite source to host diamonds is higher than previously indicated.

The new results show a significant increase in counts of mantle-derived garnets: thirty grains in 135kg of samples versus twenty-six grains in the previous 990kg of samples taken in the diamond target area. Of the thirty new garnet grains eight are also in the larger size range (0.5 to 1.0mm) compared with only one of the twenty-six previous garnet grains; an increase in grain size is indicative of a shorter transport distance from source. Mantle-derived garnets tend to be formed at similar pressures and temperatures as diamonds.

The ratio of harzburgitic or "G10" garnet grains, known indicators of diamond prospectivity, versus lherzolitic "G9" grains has also increased two-fold, from 6.2% in previous sampling to over 13% (4 of 30 grains) in present sampling.

These new samples yield 53% of the total mantle derived garnets (G10's + G9's) from only 12% of the total material sampled to date in this area (135kg of a total of 1,125kg). The concentration of total garnet grains in the new samples has increased to 22.2 per 100kg from just 2.1 per 100kg previously, an order of magnitude increase which indicates increasing proximity to the kimberlite source.

These results are supported by observations of other indicator minerals. The kimberlitic chromite grain counts also increased from 2.3 per 100kg to 7.4 per 100kg, indicating increasing proximity to source and significantly the percentage of chromite grains lying within the diamond inclusion field, indicating their growth in association with diamonds, increases from 13% (3 of 23 grains) to 70% (7 of 10 grains) also indicating increasing diamond prospectivity.

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:

"We appear to be getting closer and closer to the source of the diamond which we discovered in the area, in January, and this source appears to have increasing diamond prospectivity."

Further Information:

Professor Richard Conroy, Chairman, Karelian Diamond Resources plc

Tel: +353-1-479-6180

Virginia Bull / James Thomas / Nick Harriss, Allenby Capital Limited (Nomad)

Tel: +44-20-3328-5656

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

Michael Padley, Lothbury Financial Services Limited

Don Hall, Hall Communications

www.kareliandiamondresources.com

Tel: +44-20-7382-8300

Tel: +44-20-3290-0707

Tel: +353-1-660-9377