

**Karelian Diamond Resources Plc**

("KDR" or the "Company")

**AGM Statement**

**Result of AGM**

At today's Annual General Meeting ("AGM") of Karelian Diamond Resources Plc (AIM: KDR), the diamond exploration company focused on Finland, the Chairman, Professor Richard Conroy made the following comments:

*"Karelian has had a very successful year. The team discovered a diamond in a till sample taken in the Kuhmo region of Finland. The discovery of a diamond in a till exploration sample is an extremely rare event and we are now engaged in an exploration programme to discover the source of the diamond. It is a 12-sided, curved and twinned dodecahedron, greenish in colour and 0.8mm in diameter. Recent sampling indicates that we are getting close to finding its source.*

*"We have also discovered a new Kimberlite body at Riihivaara. Kimberlite indicator minerals have been analysed and the results showed that the geotherm is prospective for diamonds. It has been sampled to a model depth of more than 200km, which is well into the diamond stability field and it is therefore likely to be diamondiferous.*

*"Your Company has also acquired a mining concession over the Lahtojoki diamond deposit in the Kaavi region and has received a Preliminary Economic Assessment on the deposit. A total non JORC resource estimate of 2,225,000 carats was calculated in the study with recovery estimated at 95%. We believe that the deposit can become a profitable open pit mine and the recently discovered additional potential resource adds to its financial attractiveness.*

*"We are therefore now continuing to assess the Lahtojoki deposit with a view to mine development of what would be the first diamond in Europe outside Russia and in Kuhmo to discover the source of the green diamond. We have made good progress this year and remain very optimistic regarding the future.*

*James P. Jones, the Company's Finance Director, has retired from the board of directors by rotation and did not seek re-election at the AGM. On behalf of the board I would like to thank Jim for his fantastic contribution to the Company."*

All resolutions were duly passed.

Accordingly, the capital reorganisation of the Company's shares will take place and the issued and unissued ordinary shares will be consolidated into 23,378,067 new ordinary shares of €0.00025 each ("Consolidated Shares"). The effect of the consolidation is to reduce the number of ordinary shares in issue by a multiple of 25. Immediately following the proposed consolidation, each existing shareholder will hold 1 Consolidated Share in place of each 25 existing ordinary shares. New certificates representing the Consolidated Shares will be issued as soon as practicable after the record date.

Following the capital reorganisation, the issued share capital will comprise 23,378,076 ordinary shares of €0.00025 each.

Application has been made to the London Stock Exchange for the Consolidated Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Consolidated Shares on AIM will commence on 22 December 2017.

**Further Information:**

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