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KARELIAN APPLIES FOR ADMISSION TO AIM

Karelian Diamond Resources Plc (Karelian), the Company formed by the amalgamation of the Finnish diamond interests of Conroy Diamonds and Gold Plc and Conroy Plc, has applied for admission to AIM and is currently raising £500,000 by a placement of 10m ordinary shares at 5p each.

Two world-class diamond deposits, Grib and Lomonosova, have been discovered in the Russian sector of the Karelian Craton by other companies. Karelian is actively exploring for diamonds in the Finnish sector of the same Craton which it believes has the potential for similar world-class diamond discoveries.

Karelian holds 58 claims in Finland, grouped geographically into four blocks, all of which have been independently assessed as "highly prospective for diamonds". One claim block at Kuhmo includes a known diamondiferous kimberlite pipe.

The AIM listing is being handled by City Capital Securities (broker) and John East and Partners (Normad). This brings together two advisors, Charles Dampney (City Capital) and Jeffrey Coburn (John East), who were behind the successful AIM listing of Firestone Diamonds.

On listing Karelian will have 44,771,676 shares in issue.

Further Info:

Professor Richard Conroy, Chairman Karelian Diamond Resources plc.

Charles Dampney, City Capital Securities Limited.

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