

7 January 2014

## Placing to raise £750,000

- **Placing of 37,500,000 new ordinary shares at 2 pence per share to raise £750,000 before expenses on the back of demand from private retail clients**
- **Proceeds of the placing to be applied to accelerate ongoing programmes at the Company's various diamond prospects in Finland**

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Karelian Diamond Resources plc ("Karelian") (AIM: KDR, ESM: KDRI), the diamond exploration company focused on Finland, announces that it has conditionally raised £750,000, before expenses, through a placing ("the Placing") of 37,500,000 ordinary shares ("Placing Shares") of EUR0.01 in the capital of the Company ("Ordinary Shares"). The Placing Shares have been placed at a price of 2 pence per Placing Share ("the Placing Price"), a 33.3% increase on the previous placing announced on 11 December 2013.

The Placing is conditional, inter alia, on admission of the Placing Shares to trading on AIM and the Enterprise Securities Market operated by the Irish Stock Exchange Limited ("ESM"). The New Shares will rank pari passu with the existing issued ordinary shares of EUR 0.01 in the capital of the Company ("Ordinary Shares").

The Company intends to use the net proceeds of the Placing primarily to accelerate further the Company's ongoing programmes at its various diamond prospects in Finland and for working capital generally.

Application has been made to AIM and ESM for the Placing Shares to be admitted to trading. Admission and trading are expected to commence on 10 January 2014.

On admission of the 37,500,000 Placing Shares, the Company will have 207,700,008 Ordinary Shares in issue in total. Professor Richard Conroy holds 68,356,701 Ordinary Shares in the Company, representing approximately 32.91 per cent. of the Company's enlarged share capital and total voting rights following the Placing.

### **Professor Richard Conroy, Chairman, commented:**

*"The Company is delighted that due to exceptional further demand from private retail clients XCAP were able to raise another substantial amount to fund the Company's diamond prospects in Finland. With the Company's strong share price in the market recently, we are very pleased to have continued support from investors. The placing has been done at a 33.3% price increase to the placing in December, 2013."*

### Further Information:

*Professor Richard Conroy, Chairman, Karelian Diamond Resources plc*  
*Simon Clements/Virginia Bull, Sanlam Securities UK Limited (Nomad)*  
*Ger Heffernan, IBI Corporate Finance Limited (ESM Adviser)*  
*Jon Belliss/Abigail Wayne, XCAP Securities PLC (Broker)*  
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