

DIAMOND SOURCE PROXIMITY SUGGESTED BY SAMPLE RESULTS

- **High Kimberlite Indicator Minerals ("KIMs") Count Suggests Close Proximity to Diamond Source**
- **Nature of Purple to Red Garnets Provides Additional Indicator of Proximity**

Karelian Diamond Resources plc ("Karelian Diamonds") (AIM: KDR), is pleased to announce that results from ODM Laboratory* on a series of till samples taken in order to trace the origin of the green diamond discovered by the Company in the Kuhmo region of Finland (as announced on 31 January 2017) suggest that the search is now coming into very close proximity to the source of the diamond.

All of the 17 till samples contained concentrations of KIMs. One sample, which was collected at a depth of 4.6 metres, showed such exceptionally high levels (98 KIMs) that it may have been taken close to or even above the kimberlite source of the diamond.

This sample comprised 38 purple to red peridotitic garnets (G9/10 Cr-pyrope), nine orange mantle garnets and 40 chromite grains in the 0.25 to 0.5 mm size range. The sample also contained six purple to red peridotitic garnets (G9/10 Cr-pyrope), one orange mantle garnet and four chromite grains in the 0.5 to 1.0 mm size range.

All six purple to red peridotitic garnets in the 0.5 to 1.0 mm size range and 15 from the 0.25 to 0.5 mm size range fractions had what are known as "partial alteration mantles". The significance of these partial alteration mantles is that they are a further positive indication of proximity as such mantles are generally not preserved if the garnets have been transported any distance from the kimberlite source.

In the Kuhmo region of Finland, high numbers of KIMs, as seen in this sample, are normally only seen in close proximity or directly over a kimberlite source. This, together with the preserved partial alteration mantles on the garnets, strongly suggests that the sample was taken directly over, or in very close proximity to, the kimberlite body which could be the source of the green diamond.

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.

**ODM Laboratory holds a Certificate of Authorization from the Association of Professional Geoscientists of Ontario and is used by diamond explorers in all parts of Canada and the world. During the Canadian diamond rush of the 1990s and early 2000s, ODM contributed to many kimberlite discoveries by processing and logging more than 50,000 samples.*

Professor Richard Conroy, Chairman, Karelian Diamond Resources plc commented:

"I am delighted with these results which suggest that we may be very close to discovering the source of the green diamond."

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