

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). With the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.



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

15 July 2019

### **Subscription to raise £100,000 (€111,377)**

Karelian Diamonds (AIM: KDR), the diamond exploration company focused on Finland, is pleased to announce that it has conditionally raised £100,000 (€111,377), through a subscription (the "Subscription") of a total of 2,500,000 new ordinary shares of €0.00025 each ("Ordinary Shares") in the capital of the Company (the "Subscription Shares"), at a price of 4 pence per Subscription Share (the "Subscription Price"). The Subscription Shares have been subscribed for by a new investor, Martello Holdings Limited ("Martello").

The Subscription Price represents a premium of approximately 31 per cent. to the closing mid-market price of 3.05 pence per Ordinary Share on 12 July 2019. The Subscription Shares will represent approximately 6.8% of the share capital of the Company as enlarged by the Subscription.

The net proceeds of the Subscription will be applied for general working capital purposes. The Subscription Shares will be issued using the Company's existing share authorities and will rank pari passu with the existing issued Ordinary Shares.

Application has been made to AIM for the Subscription Shares to be admitted to trading. It is expected that admission will become effective on 19 July 2019.

Immediately following Admission Martello is expected to have an interest in 2,500,000 Ordinary Shares representing 6.8 per cent. of the enlarged Ordinary Share capital of the Company.

Following the issue of the Subscription Shares, and for the purposes of the Disclosure and Transparency Rules, the Company's total issued share capital on Admission will consist of 36,989,178 Ordinary Shares.

The above figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company, under the Disclosure and Transparency Rules.

**For further information please contact:**

**Karelian Diamond Resources plc**

**Tel: +353-1-479-6180**

Professor Richard Conroy, Chairman

**Allenby Capital Limited (Nomad)**

**Tel: +44-20-3328-5656**

Nick Athanas/Nick Harriss

**Brandon Hill Capital Limited (Broker)**

**Tel: +44-20-3463-5000**

Jonathan Evans

**Lothbury Financial Services**

**Tel: +44-20-3290-0707**

Michael Padley

Hall Communications

Don Hall

Tel: +353-1-660-9377

[www.kareliandiamondresources.com](http://www.kareliandiamondresources.com)