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

4 May 2021

LAHTOJOKI SOUTH DIAMOND EXPLORATION UPDATE

- **Mantle garnet minerals observed in Boulder Material**
- **Cut section reveals purple to red garnets and ilmenites**
- **Results provide further evidence of undiscovered, potentially Diamondiferous Kimberlite in the vicinity of Lahtojoki Diamond Deposit**

Karelian Diamond Resources plc (AIM: KDR), the diamond exploration company focused on Finland, is pleased to announce new results from its ongoing diamond exploration programme in the Lahtojoki South exploration area. A cut and polished section of the kimberlite boulder material (details of which were announced by the Company on 5 March 2021) has revealed the presence of mantle garnets.

Observations of the cut and polished section of the boulder made by the Geological Survey of Finland (GTK) in their Espoo Laboratory have revealed a number of purple to red peridotitic garnets (G9/10 Cr-pyrope), several orange mantle or crustal garnets, and a number of large ilmenite grains*.

These minerals are typical of mantle detritus found in kimberlite that indicate that this boulder material represents cooled magma derived from the Earth's mantle.

The results are further evidence that an undiscovered, potentially diamondiferous, kimberlite body may exist in the vicinity of the Lahtojoki diamond deposit.

These findings will be followed up by a petrographic microscope investigation of thin sections from the boulder material and Electron Probe Micro Analyzer ("EPMA") analyses of the mantle garnets and a determination if the ilmenite is high Magnesium Oxide (MgO) picroilmenite typical of kimberlites.

The EPMA analyses of mantle garnets minerals may confirm whether the mantle minerals of purple to red peridotitic garnets are derived from similar depths to where diamonds are formed thus indicating whether the kimberlite sampled within the diamond stability field.

The discovery of the kimberlite boulders in the Lahtojoki south exploration permit licence area, and the subsequent studies which proved the boulders to be altered hypabyssal kimberlite, a different form of kimberlite from that present in the Lahtojoki deposit, confirms that these boulders are not derived from the Lahtojoki diamondiferous kimberlite pipe.

Kimberlites tend to occur in clusters and as such these findings suggest the probability of an additional, potentially diamondiferous source in the vicinity of the Lahtojoki diamond deposit.

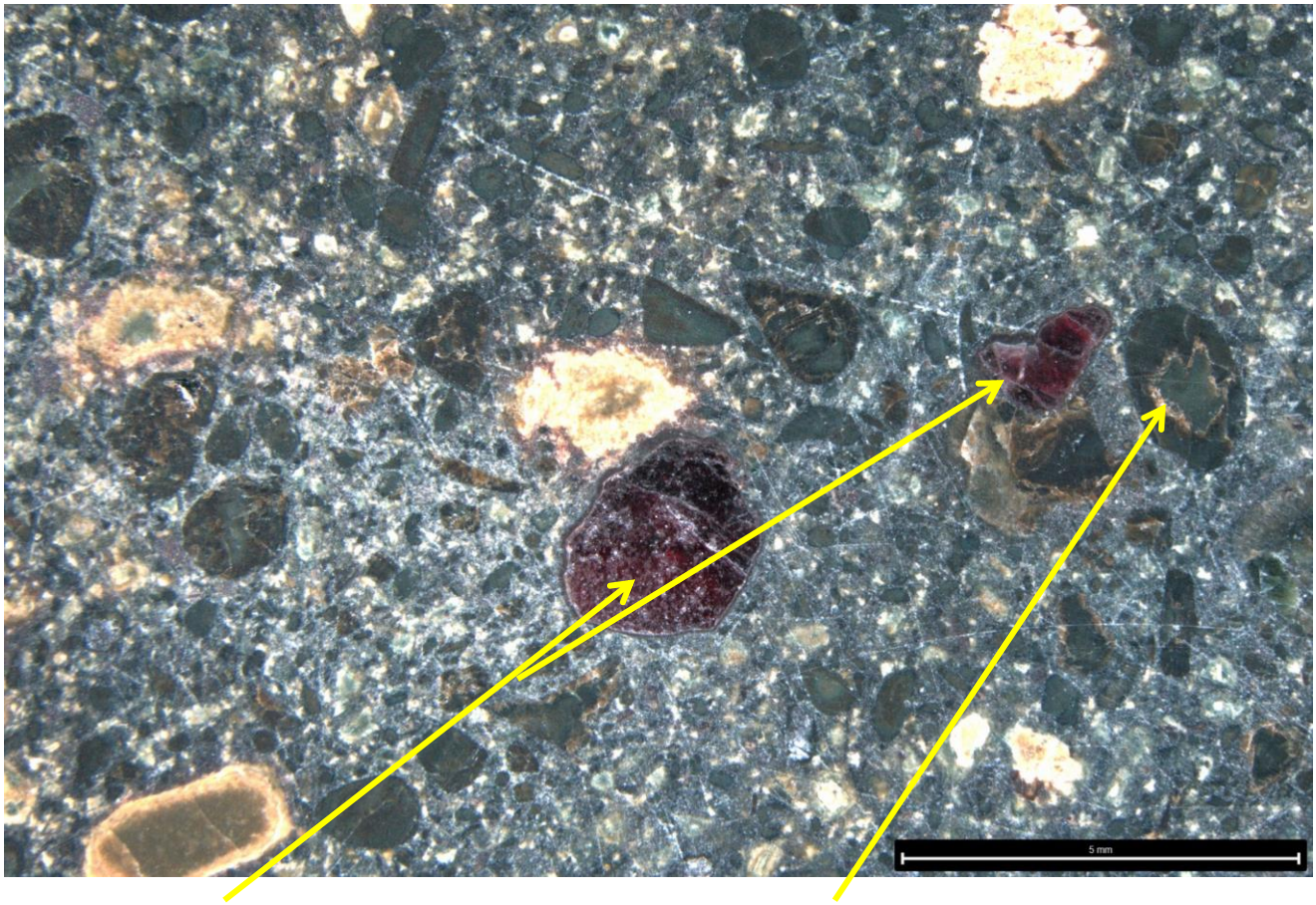

Photo 1: Two purple to red garnet grains and two generations of olivine pseudomorphs

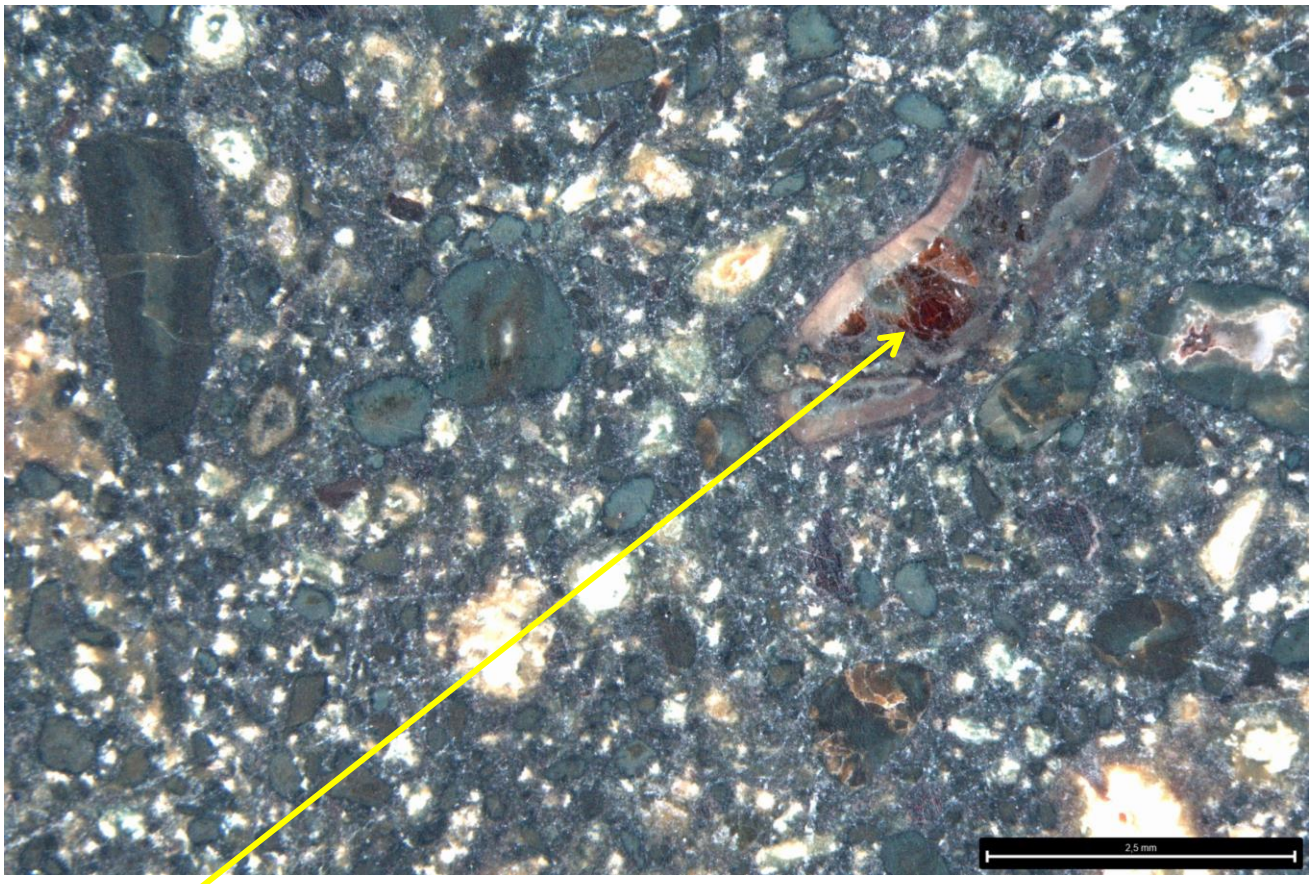

Photo 2: One orange garnet and olivine pseudomorphs

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.

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

"The results are further encouragement that an additional kimberlite source could exist in the vicinity of the Lahtojoki diamond deposit which the Company is working to develop as the first diamond mine in Europe (outside of Russia)."

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