



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

5 March 2021

LAHTOJOKI SOUTH EXPLORATION UPDATE

- **Additional Kimberlite Boulders recovered to South of Lahtojoki Diamond Deposit**
 - **Search area for the source of these Kimberlite Boulders narrowed down**
 - **Application submitted for new exploration permit licence area**
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Karelian Diamond Resources plc (AIM: KDR), the diamond exploration company focused on Finland, is pleased to announce results from its ongoing diamond exploration programme in the Lahtojoki South exploration area. Observations on till samples, together with glacial striation measurements from outcrops, suggest a narrowing down of the search area for the source of the kimberlite boulders previously discovered to the south of the Lahtojoki diamond deposit.

Results from the analysis at the Geological Survey of Finland Mintec Laboratory facility of twenty five 60kg till samples recovered south of the Lahtojoki diamond deposit, together with glacial striation measurements from outcrops in the Lahtojoki south exploration permit licence area, indicate an alternative glacial trend direction to the main regional glacial trend in the area of 335 degrees.

The information the Company has gained from this analysis has narrowed down the search area for the source of the kimberlite boulders previously discovered.

The Company has also recovered additional kimberlite boulder material from the original kimberlite boulder site for further analysis.

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.

As kimberlites tend to occur in clusters, the findings suggest the possibility of an additional, potentially diamondiferous, source in the vicinity to the southwest of the Lahtojoki deposit. The Company has therefore applied for an exploration permit over this area.



Kimberlite boulder discovered in Lahtojoki South Exploration Permit

An image of the boulder which can be viewed on the Company website:

<http://www.kareliandiamondresources.com/>

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 of Karelian Diamond Resources plc, commented:

“We are encouraged by the steps made towards potentially locating a new kimberlite source in the vicinity of the Lahtojoki diamond deposit. We have applied for an exploration permit over the area and look forward to receiving the results on the kimberlite material from the boulder site.

We are also looking forward to progress being made on the finalising of the Land Valuation Authority proceedings and in turn the granting of a full Mining Permit, which will allow the development of the Lahtojoki diamond deposit”.

Further Information:

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