

PRIOR TO PUBLICATION, THE INFORMATION CONTAINED WITHIN THIS ANNOUNCEMENT WAS DEEMED BY THE COMPANY TO CONSTITUTE INSIDE INFORMATION FOR THE PURPOSES OF REGULATION 11 OF THE MARKET ABUSE (AMENDMENT) (EU EXIT) REGULATIONS 2019/310. WITH THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

20 October 2023



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

Fundraising of £250,000 and appointment of broker

Karelian Diamond Resources plc (AIM: KDR), the Irish mineral resource exploration company which has active exploration programmes for Nickel-Copper-Platinum Group metals in Northern Ireland and for diamonds in the Kuhmo region of Finland in addition to its diamond deposit at Lahtojoki in Finland, is pleased to announce a placing to raise a total of £250,000 (before expenses) (the "Fundraising").

HIGHLIGHTS

- Karelian Diamonds has raised funds to carry out a follow-up exploration programme for Nickel-Copper-Platinum Group metals in Northern Ireland
- Funds will also be used by the Company to continue its ongoing diamond exploration programme at Kuhmo in Finland and to prepare for the next phase of work at its Lahtojoki diamond deposit in addition to strengthening its working capital position
- Certain directors of the Company have subscribed for, in aggregate, £100,000 in the Fundraising at the Issue Price

Professor Richard Conroy, Chairman, commented:

"I welcome the completion of this fundraising which comes at an exciting time for the Company. We have only recently reported highly encouraging results from our Nickel Copper Platinum Group metals exploration programme and are now looking forward to carrying out the next phase of this exploration in Northern Ireland. We also await with interest the results of the initial phase of our excavation and drilling diamond exploration programme in the Kuhmo region of Finland."

FUNDRAISING SUMMARY

The Fundraising was arranged at 2.5 pence per ordinary share (the "Issue Price"), representing a discount of 33.3 per cent. to the closing mid-market price of 3.75 pence on 19 October 2023.

The Fundraising has been arranged by Peterhouse Capital Limited who have been appointed as sole broker to the Company with immediate effect.

Placing of 10,000,000 ordinary shares of €0.00025 each ("Ordinary Shares") at a price of 2.5 pence per Ordinary Share to raise £250,000 before expenses (the "Fundraising Shares").

Each Fundraising Share carries a warrant to subscribe for one new Ordinary Share at a price of 4 pence per Ordinary Share exercisable for a period of 12 months from the admission to trading on AIM of the Fundraising Shares (“**Admission**”), creating 10,000,000 warrants (the “**Fundraising Warrants**”).

The Fundraising Warrants have an accelerator clause which will apply should the volume weighted average Ordinary Share price trade for 5 consecutive days at 6 pence or greater following which the Company will have the right to issue Warrant holders with a two week notice to exercise their Fundraising Warrants. Unexercised Fundraising Warrants would be cancelled, and any Fundraising Warrants exercised under this notice must be fully paid up to the Company within 10 business days of notification being made to the Company that the Fundraising Warrants will be exercised.

The Fundraising Shares will represent approximately 9.52 per cent. of the enlarged issued share capital of the Company and has been issued to a combination of mainly new investors and certain existing shareholders.

The Fundraising has been conducted within the Company’s existing share authorities and is conditional on admission of the Fundraising Shares to trading on AIM becoming effective.

DIRECTORS’ PARTICIPATION IN THE FUNDRAISING

Details of the subscriptions by certain of the Directors in the Fundraising at the Issue Price and their resultant shareholdings immediately following Admission are as follows:

<i>Name</i>	<i>Fundraising Shares being subscribed</i>	<i>Value of the subscriptions at the Issue Price</i>	<i>Ordinary Shares held following completion of the Fundraising</i>	<i>Percentage of enlarged issued share capital</i>
Professor Richard Conroy (Chairman)	2,000,000	£50,000	12,263,912	11.67%
Dr Sorca Conroy (Non-Executive Director)	2,000,000	£50,000	3,143,165	2.99%

In addition, Professor Richard Conroy and Dr Sorca Conroy have both been issued with 2,000,000 Fundraising Warrants at a price of 4 pence per Ordinary Share exercisable for a period of 12 months from the admission to trading on AIM of the Fundraising Shares.

ADMISSION, WARRANTS AND TOTAL VOTING RIGHTS

The issue of the Fundraising Shares and the possible issue of new Ordinary Shares from the exercise of the Warrants will be undertaken pursuant to the Company’s existing share authorities.

An application will be made shortly to the London Stock Exchange for Admission of the Fundraising Shares. It is expected that Admission will become effective and that dealings in the Fundraising Shares on AIM will commence on or around 27 October 2023.

The Warrants will not be admitted to trading on AIM or any other stock market and will not be transferable. The issuance of the Warrants is subject to Admission.

In accordance with the FCA's Disclosure Guidance and Transparency Rules, the Company confirms that on completion of the Fundraising, and following Admission, the Company's enlarged issued ordinary share capital will comprise 105,092,749 Ordinary Shares.

The Company does not hold any Ordinary Shares in Treasury. Therefore, following Admission, the above figure may be used by shareholders in the Company as the denominator for the calculations to determine if they are required to notify their interest in, or a change to their interest in the Company, under the FCA's Disclosure Guidance and Transparency Rules.

Further Information:

Karelian Diamond Resources plc

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The below notifications made in accordance with the requirements of the UK Market Abuse Regulation provide further detail:

1	Details of the person discharging managerial responsibilities / person closely associated	
a)	Name	Professor Richard Conroy
2	Reason for the notification	
a)	Position/status	Chairman of the Board
b)	Initial notification /Amendment	Initial notification
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	
a)	Name	Karelian Diamond Resources Plc
b)	LEI	63540092EZYLYI8LGX48
4	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted	
a)	Description of the financial instrument, type of instrument	Ordinary shares of €0.00025 each in Karelian Diamond Resources Plc
	Identification code	Identification code (ISIN): IE00BD09HK61

b)	Nature of the transaction	1. Purchase of Ordinary Shares 2. Issue of warrants
c)	Price(s) and volume(s)	1. Price: 2.5p per share Volume: 2,000,000 2. Exercise price: 4p per share Volume: 2,000,000
d)	Aggregated information - Aggregated volume - Price	See above.
e)	Date of the transaction	20 October 2023
f)	Place of the transaction	1. London Stock Exchange – AIM 2. Outside of a trading venue

1	Details of the person discharging managerial responsibilities / person closely associated	
a)	Name	Dr. Sorča C. Conroy
2	Reason for the notification	
a)	Position/status	Non-executive Director
b)	Initial notification /Amendment	Initial notification
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	
a)	Name	Karelian Diamond Resources Plc
b)	LEI	63540092EZYLYI8LGX48
4	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted	
a)	Description of the financial instrument, type of instrument Identification code	Ordinary shares of €0.00025 each in Karelian Diamond Resources Plc Identification code (ISIN): IE00BD09HK61
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c)	Price(s) and volume(s)	1. Price: 2.5p per share Volume: 2,000,000

		2. Exercise price: 4p per share Volume: 2,000,000
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e)	Date of the transaction	20 October 2023
f)	Place of the transaction	1. London Stock Exchange – AIM 2. Outside of a trading venue