

Beaufort Securities Breakfast Alert: Karelian Diamond Resources Plc

08:08 17 Mar 2017

...Karelian Diamond Resources (LON:KDR, 0.52p) – Speculative Buy

Karelian Diamond Resources, the diamond exploration company focused on Finland, announced yesterday a 100 metre extension to the NW of the existing Riihivaara kimberlite body, which remains open to the NW, SE and at depth. The extension is based on results from a series of till samples taken along trend NW of the known kimberlite body and showed high concentrations of KIMs (kimberlite indicator minerals). Garnet analyses and low chromite grain counts suggest that the Riihivaara kimberlite is the source for the KIMs. Further analysis by scanning electron microscopy will focus on classifying the KIMs.

Our view: The Riihivaara kimberlite continues to show positive mineral chemistry results for diamonds and its extent continues to grow from its initial 250m extent. Numerous G9 and G10 harzburgitic garnets present in the samples are encouraging given their strong compositional and pressure- temperature association with diamonds and are thought to be produced within the diamond stability field. The above results combined with the recent discovery of a diamond within a till sample adds to the prospectivity of the Kuhmo region. As such, we reiterate a Speculative Buy on the stock.

Beaufort Securities acts as a corporate broker to Karelian Diamond Resources Plc...

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