

# Karelian Diamond Resources plc

Condensed Financial Statements for the six month period ended 30 November 2025



# Karelian Diamond Resources plc

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# Karelian Diamond Resources plc

## Chairman's statement

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Dear Shareholder,

I have great pleasure in presenting the Company's Half-Yearly Report and condensed Financial Statements for the period ended 30 November 2025. The Company has been carefully progressing the potential of its assets during the period.

### **Northern Ireland – exploring Nickel, Copper, Platinum Group Elements**

The Company holds a significant licence package covering over 1000 km<sup>2</sup> in Northern Ireland where it has established first mover advantage and continues to advance its exploration programme exploring for Nickel, Copper and Platinum Group Elements. Significant work was carried out by Dr Larry Hulbert, a geological consultant, first engaged in early 2024, who carried out an investigation of the licence areas and built a comprehensive database on them incorporating geology, geochemistry, geophysics, remote sensing, and base Geographic Information System (GIS) information including TELLUS data and gravity geophysical data.

Dr Hulbert's report confirmed significant potential for Nickel, Copper and Platinum Group Elements and recommended a follow up work programme. The Company has been progressing with follow on work over the last six months including entering into an enterprise partnership with Trinity College Dublin on a work programme jointly funded by Research Ireland to be carried out on the Platinum Group Element potential of the Company's licence areas in Ireland over the coming years. In June 2025 the Company announced that it had identified the site of the historic Cappagh Copper Mine as a significant new target for investigation within the relevant licence area (KDR4). This provides the Company with a tangible copper target in addition to the targets identified by Dr Hulbert's report and we look forward to commencing a comprehensive exploration programme to unlock the full potential of this area.

### **Diamond exploration in Finland**

While the market sentiment remains challenging from a diamond investment perspective, the Company is focussing its efforts on carefully progressing exploration work, positioning the Company well for a recovery in the retail sentiment towards natural stones. The Company's view is that in a global market segment for natural diamonds that is worth over US\$29 billion annually, sustainably produced, traceable European diamonds will command a premium. This premium would be supported by the potential for the Company's assets to produce coloured diamonds.

### **Exploration work in the Kuhmo region**

Exploration work has continued in the Kuhmo region in Finland with the Company focussing in particular on the geophysical Anomaly 5 as a priority. It lies up-ice of the green-diamond find and carries a near-source kimberlitic indicator minerals signature from glacial till sampling. The Company has also been conducting a review of its exploration assets in the area which include the diamondiferous Seitaperä pipe (Finland's largest, c.6.9 ha) and the Riihivaara kimberlite/olivine lamproite discovery.

### **The Lahtojoki Diamond Deposit**

In June 2025 Karelian was granted a mining concession certificate by Tukes (the Finnish Mining Authority) which formally entitles the company to utilise the minerals within the mining concession area. This was a very important milestone as it allows the Company to progress to the next stage of work on the mining concession area and accordingly mining rights related to the Lahtojoki mining concession. The Lahtojoki diamond mining project comprises a mining concession covering 71 hectares (c. 176 acres) including a kimberlite pipe with a surface area of 1.6 hectares (c. 4 acres). The Company has been working with the relevant authorities to achieve the various milestones required for the granting of the mining concession. In addition to this, the focus of the Company's efforts over the last number of months on this project has been on exploring possibilities in terms of securing appropriate strategic or partnership finance to progress development.

### **Financial Review**

The loss after taxation for the half year ended 30 November 2025 was €165,591 (30 November 2024: loss of €121,186) and the net assets as at 30 November 2025 were €10,183,925 (30 November 2024: €9,993,699). In June 2025 the Company raised £185,000 by way of a placing of new shares at an issue price of 0.75 pence per share and is currently considering a number of financing and funding options for the current year which, if successful, would provide the Company with capital to further the work programmes on the above noted projects.

# Karelian Diamond Resources plc

## Chairman's statement

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### **Directors and Staff**

I would like to thank my fellow directors, staff and consultants for their support and dedication, which has allowed the Company to continue to develop. Their support and commitment is key to the success of the Company.

### **Outlook**

The Company is looking forward to the progressing of work programmes on its highly prospective Nickel, Copper and Platinum Group Element targets in Northern Ireland (including a tangible Copper target). A clear work programme and strategy have been identified for the Company's exploration assets in Finland and the Company is also hopeful of arriving at the end of the permitting process for the Lahtojoki diamond deposit which will enable the Company to progress to mine development on securing of appropriate finance.

Finally, I would like to take this opportunity to place on record my appreciation for the continued support shown by both current and former directors in terms of remuneration deferral. This is a significant number in the context of the Company's balance sheet and consideration is currently being given to a potential re-structuring of these amounts.

Yours faithfully,

Brendan McMorrow  
Chairman

26 February 2026

# Karelian Diamond Resources plc

## Condensed income statement and condensed statement of comprehensive income for the six-month period ended 30 November 2025

<b>Condensed income statement</b>				
	Note	<b>Six-month period ended 30 November 2025 (Unaudited) €</b>	<i>Six-month period ended 30 November 2024 (Unaudited) €</i>	<i>Year ended 31 May 2025 (Audited) €</i>
<b>Continuing operations</b>				
Operating expenses		<b>(180,623)</b>	(164,741)	(364,615)
Movement in fair value of warrants	6	<b>18,272</b>	46,795	91,738
<b>Operating loss</b>		<b>(162,351)</b>	(117,946)	(272,887)
Interest expense		<b>(3,240)</b>	(3,240)	(6,480)
<b>Loss before taxation</b>		<b>(165,591)</b>	(121,186)	(279,357)
<i>Income tax expense</i>		-	-	-
<b>Loss for the financial period/year</b>		<b>(165,591)</b>	(121,186)	(279,357)
<b>Loss per share</b>				
Basic and diluted loss per share	2	<b>(0.0009)</b>	(0.0012)	(0.0020)
<b>Condensed statement of comprehensive income</b>				
		<b>Six-month period ended 30 November 2025 (Unaudited) €</b>	<i>Six-month period ended 30 November 2024 (Unaudited) €</i>	<i>Year ended 31 May 2025 (Audited) €</i>
<b>Loss for the financial period/year</b>		<b>(165,591)</b>	(121,186)	(279,357)
Income/(expense) recognised in other comprehensive income		-	-	-
<b>Total comprehensive income/(expense) for the financial period/year</b>		<b>(165,591)</b>	(121,186)	(279,357)

The accompanying notes form an integral part of these condensed financial statements.

# Karelian Diamond Resources plc

## Condensed statement of financial position as at 30 November 2025

	Note	30 November 2025 (Unaudited) €	30 November 2024 (Unaudited) €	Year ended 31 May 2025 (Audited) €
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets	3	12,192,618	11,896,405	12,085,967
Tangible Assets		2,114	-	2,114
<b>Total non-current assets</b>		<b>12,194,732</b>	<b>11,896,405</b>	<b>12,088,081</b>
<b>Current assets</b>				
Cash and cash equivalents		27,711	47,290	40,862
Other receivables		109,644	114,183	117,094
<b>Total current assets</b>		<b>137,355</b>	<b>161,473</b>	<b>157,956</b>
<b>Total assets</b>		<b>12,332,087</b>	<b>12,057,878</b>	<b>12,246,037</b>
<b>Equity</b>				
<b>Capital and reserves</b>				
Called up share capital presented as equity		3,226,368	3,209,432	3,220,201
Share premium		11,601,317	11,104,265	11,399,829
Share based payments reserve		450,658	450,658	450,658
Retained losses		(5,094,418)	(4,770,656)	(4,928,827)
<b>Total equity</b>		<b>10,183,925</b>	<b>9,993,699</b>	<b>10,141,861</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Warrant liabilities	5	14,608	-	32,880
<b>Total non-current liabilities</b>		<b>14,608</b>	<b>-</b>	<b>32,880</b>
<b>Current liabilities</b>				
Trade and other payables: amounts falling due within one year	6	1,987,808	1,902,683	1,928,790
Convertible Loan		135,442	128,962	132,202
Warrant Liabilities	5	-	4,230	-
Derivative Liability	5	10,304	10,304	10,304
<b>Total current liabilities</b>		<b>2,133,554</b>	<b>2,064,179</b>	<b>2,071,296</b>
<b>Total liabilities</b>		<b>2,148,162</b>	<b>2,064,179</b>	<b>2,104,176</b>
<b>Total equity and liabilities</b>		<b>12,332,087</b>	<b>12,057,878</b>	<b>12,246,037</b>

The accompanying notes form an integral part of these condensed financial statements.

# Karelian Diamond Resources plc

## Condensed statement of cash flows

for the six-month period ended 30 November 2025

	<b>Six-month period ended 30 November 2024 (Unaudited) €</b>	<i>Six-month period ended 30 November 2024 (Unaudited) €</i>	<i>Year ended 31 May 2025 (Audited) €</i>
<b>Cash flows from operating activities</b>			
Loss for the financial period/year	(165,591)	(121,186)	(279,357)
<i>Adjustments for:</i>			
Interest expense	3,240	3,240	6,480
Movement in fair value of warrants	(18,272)	(46,795)	(91,738)
Increase in trade and other payables	59,018	17,083	25,189
Decrease/(increase) in other receivables	7,450	(32,632)	(35,543)
<b>Net cash used in operating activities</b>	<b>(114,155)</b>	<b>(180,290)</b>	<b>(374,969)</b>
<b>Cash flows from investing activities</b>			
Investment in exploration and evaluation	(106,651)	(206,211)	(395,773)
Expenditure on tangible assets	-	-	(2,114)
<b>Net cash used in investing activities</b>	<b>(106,651)</b>	<b>(206,211)</b>	<b>(397,887)</b>
<b>Cash flows from financing activities</b>			
Proceeds on issue of share capital	207,655	394,194	774,121
<b>Net cash provided by financing activities</b>	<b>207,655</b>	<b>394,194</b>	<b>774,121</b>
<b>Increase in cash and cash equivalents</b>	<b>(13,151)</b>	<b>7,693</b>	<b>1,265</b>
<b>Cash and cash equivalents at beginning of financial period/year</b>	<b>40,862</b>	<b>39,597</b>	<b>39,597</b>
<b>Cash and cash equivalents at end of financial period/year</b>	<b>27,711</b>	<b>47,290</b>	<b>40,862</b>

The accompanying notes form an integral part of these condensed financial statements.

# Karelian Diamond Resources plc

## Condensed statement of changes in equity for the six-month period ended 30 November 2025

	Share capital (including deferred share capital)	Share premium	Share-based payment reserve	Retained losses	Total equity
	€	€	€	€	€
<b>Balance at 1 June 2025</b>	<b>3,220,201</b>	<b>11,399,829</b>	<b>450,658</b>	<b>(4,928,827)</b>	<b>10,141,861</b>
Issue of share capital	6,167	210,987	-	-	217,154
Share issue costs	-	(9,499)	-	-	(9,499)
Loss for the financial period	-	-	-	(165,591)	(165,591)
<b>Balance at 30 November 2025</b>	<b>3,226,368</b>	<b>11,601,317</b>	<b>450,658</b>	<b>(5,094,418)</b>	<b>10,183,925</b>
<b>Balance at 1 June 2024</b>	<b>3,203,532</b>	<b>10,736,889</b>	<b>450,658</b>	<b>(4,649,470)</b>	<b>9,741,609</b>
Issue of share capital	5,900	403,277	-	-	409,177
Share issue costs	-	(35,900)	-	-	(35,900)
Loss for the financial period	-	-	-	(121,187)	(121,187)
<b>Balance at 30 November 2024</b>	<b>3,209,432</b>	<b>11,104,266</b>	<b>450,658</b>	<b>(4,770,657)</b>	<b>9,993,699</b>

### Share capital

The share capital comprises the nominal value share capital issued for cash and non-cash consideration. The share capital also comprises deferred share capital. The deferred share capital\* arose through the restructuring of share capital which was approved at an Annual General Meeting held on 9 December 2016.

### Authorised share capital:

The authorised share capital at 30 November 2025 comprised 7,301,301,041 ordinary shares of €0.00025 each, and 317,785,034 deferred shares of €0.00999 each\* (€5,000,000), (30 November 2024: 7,301,301,041 ordinary shares of €0.00025 each, and 317,785,034 deferred shares of €0.00999 each\* (€5,000,000)).

### \*Capital reorganisation:

Following approval at an Annual General Meeting ("AGM") held on 9 December 2016, the Company reorganised its share capital by subdividing and reclassifying each issued ordinary share of €0.01 as one ordinary share of €0.00001 each and one deferred share of €0.00999 each. The Deferred Shares have no right to vote, attend or speak at general meetings of the Company and have no right to receive any dividend or other distribution, and have only limited rights to participate in any return of capital on a winding-up or liquidation of the Company, which will be of no material value. No application was made to the London Stock Exchange for admission of the Deferred Shares to trading on the AIM.

### Consolidated shares:

On 21 December 2017, the Company passed a Special Resolution at the Company's AGM, that all of the ordinary shares of €0.00001 each in the capital of the Company, whether issued or unissued were consolidated into New Ordinary Shares of €0.00025 each in the capital of the Company ("consolidated shares") on the basis of one consolidated share for every 25 existing ordinary shares. Following the consolidation of the ordinary shares on 21 December 2017, the warrants in issue were consolidated into one consolidated warrant for every 25 existing warrants. The exercise price in relation to the warrants was also adjusted at this time (see Note 2).

### Share and Warrant issues during the period:

During the period ended 30 November 2025, the Company raised €217,154 (£185,000) before expenses through the issue of 24,666,666 new ordinary shares at a price of €0.0075 per ordinary share.

### Share premium

The share premium comprises the excess consideration received in respect of share capital over the nominal value of the shares issued as adjusted for the costs of share issue in line with the Company's accounting policies.

### Share based payment reserve

The share based payment reserve comprises of the fair value of all share options and warrants which have been charged over the vesting period, net of amounts relating to share options and warrants forfeited, exercised or lapsed during the period, which are reclassified to retained earnings.

### Retained losses

This reserve represents the accumulated losses incurred by the Company up to the condensed statement of financial position date.

*The accompanying notes form an integral part of these condensed financial statements.*

# Karelian Diamond Resources plc

## Notes

to and forming part of the condensed financial statements for the six-month period ended 30 November 2025

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### 1 Accounting policies

#### Reporting entity

Karelian Diamond Resources plc (the "Company") is a company domiciled in Ireland.

#### Basis of preparation and statement of compliance

The condensed financial statements for the six months ended 30 November 2025 are unaudited.

The condensed financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34: *Interim Financial Reporting*.

The condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 May 2025, which are available on the Company's website - [www.kareliandiamondresources.com](http://www.kareliandiamondresources.com). The accounting policies adopted in the presentation of the condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 May 2025.

The condensed financial statements have been prepared under the historical cost convention, except for derivative financial instruments which are measured at fair value at each reporting date.

The condensed financial statements are presented in Euro ("€"). The Euro is the functional currency of the Company.

The preparation of condensed financial statements requires the Board of Directors and management to use judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial period in which the estimate is revised and in any future financial periods affected. Details of critical judgements are disclosed in the accounting policies detailed in the annual financial statements.

The financial information presented herein does not amount to statutory financial statements that are required by Chapter 4 part 6 of the Companies Act 2014 to be annexed to the annual return of the Company. The statutory financial statements for the financial year ended 31 May 2025 were annexed to the annual return and filed with the Registrar of Companies. The audit report on those financial statements was unqualified.

These condensed financial statements were authorised for issue by the Board of Directors on 26 February 2026.

#### Going concern

The Company recorded a loss of € 165,591 for the six-month period ended 30 November 2025 (30 November 2024: loss of €121,186). The Company had net current liabilities of €1,996,197 at that date (30 November 2024: €1,902,276).

The Board of Directors have considered carefully the financial position of the Company and in that context, have prepared and reviewed cash flow forecasts for the period to 28 February 2027. As set out further in the Chairman's statement, the Company expects to incur capital expenditure in 2026, consistent with its strategy as an exploration company. In reviewing the proposed work programme for exploration and evaluation assets, the results obtained from the exploration programme and the prospects for raising additional funds as required, the Board of Directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

#### Statement of compliance

The Company's financial statements have been prepared in accordance with IFRS as adopted by the European Union ("EU").

# Karelian Diamond Resources plc

## Notes

to and forming part of the condensed financial statements for the six-month period ended 30 November 2025 (*continued*)

### 1 Accounting policies (*continued*)

#### Recent accounting pronouncements

Certain new accounting standards and interpretations have been published and endorsed by the EU that were not mandatory for 31 May 2025 reporting periods and have not been early adopted by the Company. Directors do not consider that those of the below that will be effective for the year ended 31 May 2026 will have a material effect on the financial statements and they are considering whether or not those that become effective in the following financial year will have any impact on the financial statements.

- Amendments to IAS 21 Lack of Exchangeability – Effective date 1 January 2025;
- Amendments to IAS 7 and IFRS 17 regarding supplier finance arrangements – Effective date 1 January 2025;
- Amendments to IFRS 9 and IFRS 7 regarding classification and measurement of financial instruments – Effective date 1 January 2026;
- Annual Improvements to IFRS Accounting Standards – Volume 11 – Effective date 1 January 2026;

### 2 Profit/(loss) per share

#### Basic earnings per share

	Six-month period ended 30 November 2025 (Unaudited) €	Six-month period ended 30 November 2024 (Unaudited) €	Year ended 31 May 2025 (Audited) €
<b>Loss for the financial period/year attributable to equity holders of the Company</b>	<b>(165,591)</b>	(121,186)	(279,357)
Number of ordinary shares for the purposes of earnings per share	<b>182,784,936</b>	124,748,635	138,390,187
<b>Basic loss per ordinary share</b>	<b>(€0.0009)</b>	(€0.0012)	(€0.0020)

#### Diluted earnings/(loss) per share

The effect of share options and warrants is anti-dilutive.

### 3 Intangible assets

#### Exploration and evaluation assets

	30 November 2025 (Unaudited) €	30 November 2024 (Unaudited) €	31 May 2025 (Audited) €
<b>Cost</b>			
<i>At 1 June</i>	<b>12,085,967</b>	11,690,194	11,690,194
Expenditure during the financial period/year			
• License and appraisal costs	<b>59,885</b>	118,372	199,937
• Other operating expenses	<b>46,766</b>	87,839	195,836
<i>At 30 November/31 May</i>	<b>12,192,618</b>	11,896,405	12,085,967

Exploration and evaluation assets relate to expenditure incurred in the development of mineral exploration opportunities. These assets are carried at historical cost and have been assessed for impairment in particular with regard to the requirements of IFRS 6: *Exploration for and Evaluation of Mineral Resources* relating to remaining licence or claim terms, likelihood of renewal, likelihood of further expenditure, possible discontinuation of activities as a result of specific claims and available data which may suggest that the recoverable value of an exploration and evaluation asset is less than its carrying amount.

# Karelian Diamond Resources plc

## Notes

to and forming part of the condensed financial statements for the six-month period ended 30 November 2025 (*continued*)

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### 3 Intangible assets (*continued*)

The Board of Directors have considered the proposed work programmes for the underlying mineral resources. They are satisfied that there are no indications of impairment.

The Board of Directors note that the realisation of the intangible assets is dependent on further successful development and ultimate production of the mineral resources and the availability of sufficient finance to bring the resources to economic maturity and profitability.

### 4 Commitments and Contingencies

At 30 November 2025, there were no capital commitments or contingent liabilities (31 May 2025: No capital commitments or contingencies liabilities). Should the Company decide to develop the Lahtojoki project, an amount of €40,000 is payable by the Company to the vendors of the Lahtojoki mining concession.

### 5 Convertible Loan

On 26 May 2023, the Company entered into a convertible loan note agreement for a total amount of €129,550 (£112,500) with Conroy Gold and Natural Resources plc which is both a shareholder in the company and has a number of other connections as set out in Note 14 to the audited financial statements for year ended 31 May 2025. The convertible loan note is unsecured, had a term of 18 months and attracts interest at a rate of 5% per annum which is payable on the maturity or conversion of the convertible loan. The conversion price is at a price of 5 pence per ordinary share. The shareholder has the right to seek conversion of the principal amount outstanding on the convertible loan note and all interest accrued at any time during the term. The convertible term has passed but the loan continues in place on an informal basis on the same terms and is classified as a current liability for the period ended 30 November 2025. The Company is in discussions with the note holder to extend the term of the loan note.

€10,304 was recorded as a derivative liability attached to the total convertible loan note above and the net amount of €119,246 was initially recorded as the value of the convertible loan at 31 May 2023. The loan incurred interest of €3,240 in the current period (31 November 2024: €3,240).

### 6 Trade and other payables: amounts falling due within one year

Included in the payables figure of €1,987,806 is an amount of €1,660,704 in respect of amounts owing to both current and former directors of the Company who provide continuing support to the Company through renewing annually a commitment not to seek payment of the amounts owed unless the Company is in a position to discharge them.

### 7 Warrant liabilities

The Company holds Sterling based warrants. The Company estimates the fair value of the sterling-based warrants using the Binomial Lattice Model. The determination of the fair value of the warrants is affected by the Company's share price along with other assumptions.

As part of the share issue in July 2024, the Company issued 11,799,997 warrants at a price of GBP 3 pence per warrant. These warrants expired in July 2025. There are 43,076,667 warrants to acquire shares at a price of GBP 1.5p per share still in issue, expiring in February 2027. The fair value of these warrants was €14,607 as at 30 November 2025. The movement in fair value of warrants including the effect of warrant expiry resulted in a non-cash gain of €18,272 in the period.

# Karelian Diamond Resources plc

## Notes

to and forming part of the condensed financial statements for the six-month period ended 30 November 2025 (*continued*)

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### **8 Related party transactions**

**(a)** Apart from Directors' remuneration, equity investment from Directors, and loans from shareholders, (who are also Directors), there have been no contracts or arrangements entered into during the six-month period in which a Director of the Company had a material interest.

**(b)** The Company shares accommodation and staff with Conroy Gold and Natural Resources plc ("Conroy") which have certain common Directors and shareholders. For the six-month period ended 30 November 2025, Conroy incurred costs totalling €38,756 (30 November 2024: €34,245) on behalf of the Company. These costs were recharged to the Company by Conroy. At 30 November 2025, Conroy was owed €115,031 (30 November 2024: €126,592) by the Company.

### **9 Subsequent events**

There were no other material events subsequent to the reporting date which necessitate revision of the figures or disclosures included in the financial statements.

### **10 Approval of the condensed financial statements**

These condensed financial statements were approved by the Board of Directors on 26 February 2026. A copy of the condensed financial statements will be available on the Company's website [www.kareliandiamondresources.com](http://www.kareliandiamondresources.com) on 27 February 2026.