

**MINING FLASHNOTE**

# Karelian Diamond Resources (KDR AIM)

25 October 2018

**Stock Data**

Share Price:	4.45p
Market Cap (M):	£1.53
EV (M):	£1.50

**Price Chart**

**52 Week Range**

3.175p	4.45p	13.125p
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**Company Summary**

Karelian Diamond Resources was established in 2005 following the purchase of Karelian Diamonds Limited and Nordic Diamonds Limited. The company is currently exploring for diamonds in Finland.

**MAIN SHAREHOLDERS HOLDING**

Conroy Richard	11.91%
Hargreaves Lansdown	10.09%
Halifax Share Dealing	7.27%
Richard Taberner	7.02%

Source: Bloomberg

**Peter Rose**

Tel: +44 (0)20 3463 5034

Peter.Rose@brandonhillcapital.com

www.brandonhillcapital.com

## Karelian Announces Orangeite Discovered Up-Ice from Green Diamond

### Event

Karelian Diamond Resources plc ("Karelian") has announced that drilling, up-ice from its discovery in a till sample of a green diamond, has intersected orangeite (Group II Kimberlite), a potentially diamondiferous host rock.

### Highlights

1. This is the first drilling up-ice following the green diamond discovery
2. Drill core material intersected confirmed as orangeite by scanning electron microscopy ("SEM") of thin sections at the GTK laboratories.
3. Orangeite is a Group II Kimberlite and is a potentially a diamondiferous host rock.

### Comment

The Kuhmo region of Finland, in which the Company has also discovered, at Riihivaara, a new kimberlite body (announced on 20 March 2015) lies on the central part of the Archean Karelian Craton and the Archean mantle of the Kuhmo region through which the kimberlites and orangeite (Group II Kimberlite) have ascended, has all the hallmarks for good diamond potential.

The new discovery of potentially diamondiferous rocks was discovered by drilling up-ice from the green diamond discovery. Five holes were drilled totalling 274.9m and they varied in depth from 16.1m to 74.5m.

Orangeite (Group II Kimberlite) is a potentially diamondiferous host rock of which the best known example is the major Finsch diamond mine in South Africa. Interestingly, in its early days of production, the Finsch mine also produced pale green diamonds.

The location of the drilling site followed a review of airborne geophysics and a till sampling programme up-ice from the diamond discovery which yielded high kimberlite indicator minerals ("KIMs") (announced on 23 January 2018).

Diamond exploration in Finland is very different to diamond exploration in Africa and Australia as it relies heavily on tracking indicator minerals in the Quaternary ice flow sediments. Given the heavily wooded terrain and boggy surface conditions, this exploration is not very easy. It is further complicated by the need to search for very small indicator.

## Research Disclosures

### **Peter Rose**

Peter has 32 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 11 years, after having spent 11 years with Deutsche Bank in Australia. Prior to this he spent 2 years with Prudential Bache and 6 years with James Capel. Peter's industry experience includes 16 years as a metallurgist, 3 years with De Beers in South Africa and 9 years in the uranium industry, six of which were spent at the Ranger Uranium mine. Peter holds a BSc degree in Applied Mineral Science from Leeds University UK and a Bachelor of Commerce from the University of South Africa. Peter is also a member of the Institute of Materials, Mining & Metallurgy and a chartered engineer.

**Tel: +44 (0)20 3463 5034**

**Peter.Rose@brandonhillcapital.com**

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Research disclosure as of 25 October 2018

Company Name	Disclosure
Karelian Diamond Resources (KDR AIM)	1, 2, 7, 8, 9

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## Brandon Hill Contact List

### International Sales

**Oliver Stansfield**

Tel: +44 20 3463 5061

Email: oliver.stansfield@brandonhillcapital.com

**Arron Smyth**

Tel: +44 20 3463 5042

Email: arron.smyth@brandonhillcapital.com

### Research

**Peter Rose**

Tel: +44 20 3463 5034

Email: peter.rose@brandonhillcapital.com

### Corporate Finance & Broking

**Jonathan Evans**

Tel: +44 20 3463 5016

Email: jonathan.evans@brandonhillcapital.com

**Wei Jiao**

Tel: +44 20 3463 5019

Email: wei.jiao@brandonhillcapital.com

**Robert Beenstock**

Tel: +44 20 3463 5023

Email: robert.beenstock@brandonhillcapital.com

**Enzo Aliaj**

Tel: +44 20 3463 5026

Email: enzo.aliaj@brandonhillcapital.com