

Karelian Diamond Resources plc

(“Karelian Diamonds” or the “Company”)

LAHTOJOKI DIAMOND DEPOSIT UPDATE

- **Landowner compensation paid**
- **Two compensation amounts appealed - mining area land possession not affected**
- **One boundary outline appealed - formal registration of mining concession delayed**

Karelian Diamond Resources plc (AIM: KDR) is pleased to announce that having paid the amount of compensation due to the landowners, as decided by the National Land Survey of Finland (announced by the Company on 14 December 2022), it is now entitled to land possession over the entire mining concession area.

A mining concession over the Lahtojoki deposit has already been approved by TUKES (the Finnish mining authority). The National Land Survey of Finland, on the order of TUKES, carried out the proceedings to establish the mining concession for the applied area. The process involved two public meetings in relation to ground rental compensation for local landowners.

The total compensation agreed was €162,815 and this was paid from existing cash resources within the three-month period from 28th December 2022, as required. The owners of two landholdings have appealed the amount of compensation (and the boundary line in one case) but this does not affect the Company's entitlement to land possession over the entire mining concession area. Formal registration of the mining concession will however be delayed until the boundary appeal is finalised.

The Company can now proceed with initial work on the mining concession area. The Lahtojoki diamond mining project comprises a mining concession covering 71 hectares (c.176 acres) which includes a kimberlite pipe with a surface area of 16 hectares (c.40 acres).

The Lahtojoki diamond deposit, as well as containing high quality colourless gem diamonds, also contains coloured diamonds, including pink diamonds which are highly sought after and can command prices up to 20 times that of normal coloured diamonds.

Further announcements will be made at the appropriate time.

Professor Richard Conroy, Chairman of Karelian Diamond Resources PLC, commented:

“I am very pleased that the compensation to landowners, as determined by the National Survey of Finland, has been paid and that there have only been two appeals against the amounts determined, together with one boundary appeal. This is a further step forward in the Company's plan to bring in a diamond mine in Finland.”

Further Information:

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