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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF REGULATION 11 OF THE MARKET ABUSE (AMENDMENT) (EU EXIT) REGULATIONS 2019/310. IN ADDITION, MARKET SOUNDINGS WERE TAKEN IN RESPECT OF CERTAIN OF THE MATTERS CONTAINED WITHIN THIS ANNOUNCEMENT, WITH THE RESULT THAT CERTAIN PERSONS BECAME AWARE OF INSIDE INFORMATION. UPON THE PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THOSE PERSONS THAT RECEIVED INSIDE INFORMATION IN A MARKET SOUNDING ARE NO LONGER IN POSSESSION OF SUCH INSIDE INFORMATION, WHICH IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

1 July 2024



Karelian Diamond Resources plc

("Karelian" or the "Company")

Fundraising of c.£328,000 and appointment of joint broker

Karelian Diamond Resources plc (AIM: KDR), the Irish mineral resource exploration and development company which has active exploration programmes for Nickel-Copper-Platinum Group Elements in Northern Ireland and for diamonds in the Kuhmo region of Finland, is pleased to announce a placing to raise a total of £328,747 (before expenses) at 1.5 pence per ordinary share (the "Fundraising").

HIGHLIGHTS

- Karelian has recently, as announced by the Company on 24 June 2024, received an independent report confirming the potential for Nickel-Copper-Platinum Group Elements on its Prospecting Licences in Northern Ireland.
- Funds raised will be used to carry out a follow-up exploration programme for Nickel-Copper-Platinum Group Elements on Karelian's licences.
- Funds will also be used by the Company to continue its diamond exploration and development programme in Finland, where, at Kuhmo, it has already discovered a green diamond in till, and appears close to discovering its source and, at Lahtojoki, is awaiting final permission to proceed with the development of a diamond deposit. In addition, funds will be used to provide additional working capital for the Company.
- Certain directors of the Company have subscribed for, in aggregate, approximately £54,747 in the Fundraising at 1.5 pence per ordinary share (the "Issue Price").
- In conjunction with the Fundraising, certain parties have also capitalised amounts owed to them totalling £25,252.75 through the issue of new Ordinary Shares at the Issue Price.

Professor Richard Conroy, Chairman of Karelian, commented:

"This fundraising comes at an exciting time for the Company. We have recently announced a very positive independent report on the potential of our Nickel Copper Platinum Group Elements Licences which we look forward to following up immediately. We are also at a very advanced stage in our diamond exploration and development in Finland."

FUNDRAISING SUMMARY

The Issue Price represents a discount of 38.8 per cent. to the closing mid-market price of 2.45 pence on 28 June 2024, being the last practicable date prior to this announcement. CMC Markets UK plc ("CMC Markets"), trading as CMC CapX, acted as the Company's placing agent in respect of the Fundraising.

Placing of 21,916,479 ordinary shares of €0.00025 each ("Ordinary Shares") at a price of 1.5 pence per Ordinary Share to raise approximately £328,747 before expenses (the "Placing Shares").

In conjunction with the Fundraising, certain parties have also capitalised amounts owed to them totalling £25,252.75 through satisfaction of these amounts by the issue of 1,683,516 new Ordinary Shares at the Issue Price (the "Investment Shares").

Each Placing Share and Investment Share carries a half a warrant to subscribe for one new Ordinary Share at a price of 3 pence per Ordinary Share exercisable for a period of 12 months from the admission to trading on AIM of the Placing Shares and Investment Shares ("Admission"), creating 11,799,997 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 Placing Shares and Investment Shares will represent approximately 18.34 per cent. of the enlarged issued share capital of the Company and have 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 becoming effective.

DIRECTORS' PARTICIPATION IN THE FUNDRAISING

Details of the participations 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>Placing Shares being subscribed</i>	<i>Value of the subscriptions at the Issue Price completion of the Fundraising</i>	<i>Ordinary Shares held following completion of the Fundraising</i>	<i>Percentage of enlarged issued share capital</i>
Professor Richard Conroy (Chairman)	2,900,000	£43,500	15,163,912	11.78%
Dr Sorca Conroy (Non-Executive Director)	749,816	£11,247.25	3,892,981	3.03%

In addition, Professor Richard Conroy and Dr Sorca Conroy have both been issued with 1,824,908 Fundraising Warrants at a price of 3 pence per Ordinary Share exercisable for a period of 12 months from Admission.

APPOINTMENT OF JOINT BROKER

CMC Markets acted as the Company's sole placing agent in respect of the Placing and has been appointed as joint broker to the Company with immediate effect. Peterhouse Capital Limited continues to act as the Company's joint broker and Allenby Capital continues to act as the Company's nominated adviser.

ADMISSION, WARRANTS AND TOTAL VOTING RIGHTS

The issue of the Placing Shares and Investment Shares and the possible issue of new Ordinary Shares from the exercise of the Fundraising 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 Placing Shares and the Investment Shares. It is expected that Admission will become effective and that dealings in the Placing Shares and Investment Shares on AIM will commence on or around 5 July 2024.

The Fundraising Warrants will not be admitted to trading on AIM or any other stock market and will not be transferable. The issuance of the Fundraising 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 128,692,744 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

Professor Richard Conroy, Chairman +353-1-479-6180

Allenby Capital Limited (Nomad)

Nick Athanas / Nick Harriss +44-20-3328-5656

Peterhouse Capital Limited (Joint Broker)

CMC Markets (Joint Broker)
Douglas Crippen

+ 44-20-3003-8632

Lothbury Financial Services

Michael Padley +44-20-3290-0707

Hall Communications +353-1-660-9377

Don Hall

<http://www.kareliandiamondresources.com>

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 Identification code	Ordinary shares of €0.00025 each in Karelian Diamond Resources Plc 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: 1.5p per share Volume: 2,900,000 2. Exercise price: 3p per share Volume: 1,450,000
d)	Aggregated information - Aggregated volume - Price	See above.
e)	Date of the transaction	1 July 2024
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
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	associated	
a)	Name	Dr. Sorcha 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
b)	Nature of the transaction	1. Purchase of Ordinary Shares 2. Issue of warrants
c)	Price(s) and volume(s)	1. Price: 1.5p per share Volume: 749,816 2. Exercise price: 3p per share Volume: 374,908
d)	Aggregated information - Aggregated volume - Price	See above.
e)	Date of the transaction	1 July 2024
f)	Place of the transaction	1. London Stock Exchange – AIM 2. Outside of a trading venue