Lucara Diamond

Karowe Receives Mining Licence Renewal and Extension to 2046

VANCOUVER, BC, Jan. 4, 2021 /CNW/ - (TSX: LUC) (BSE: LUC) (Nasdaq Stockholm: LUC)

Lucara Diamond Corp and Lucara Botswana (Proprietary) Limited (both "Lucara" respectively) are pleased to announce that the application for the renewal of Mining Licence No 2008/6L in respect of its AK06 (Karowe) Mine has been approved by Botswana's Minister of Mineral Resources, Green Technology and Energy Security. The renewal is effectiveJanuary 4, 2021 for a period of 25 years, securing Lucara's mining rights to 2046 and marks a critical step in the formal sanction of the Karowe underground expansion project. View PDF version.

Eira Thomas, President and CEO commented: "The receipt of our mining licence renewal and extension to 2046 is an important milestone for the Karowe underground expansion project, paving the way for the completion of a supplemental debt financing and full project sanction later this year. Lucara is grateful for the confidence and support demonstrated by the Government of Botswana as we work to expand our operations at Karowe underground, for the benefit of the Government and the people of Botswana together with Lucara's shareholders. We look forward to continued cooperation and a mutually rewarding partnership with the Government of Botswana."

The Karowe underground expansion project, which continued to advance in 2020 under a revised US$22 million budget in response to Covid, focused on time critical-path items, detailed engineering and design, and limited earth works and geotechnical studies. The Company continues to explore debt financing options for the underground expansion for those amounts which are expected to exceed the Company's cash flow from operations during the construction period. The Company anticipates financing to be in place by the second half of this year. The underground expansion program has an estimated capital cost of $514 million and a five-year period of development, with first ore anticipated from underground in 2026.

Eira Thomas
President and Chief Executive Officer

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ABOUT LUCARA

Lucara is a leading independent producer of large exceptional quality Type IIa diamonds from its 100% owned Karowe Mine in Botswana. The Company has an experienced board and management team with extensive diamond development and operations expertise. The Company operates transparently and in accordance with international best practices in the areas of sustainability, health and safety, environment and community relations.

The information in this release is accurate at the time of distribution but may be superseded or qualified by subsequent news releases.

This information is information that the Company is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above at 2:00pm Pacific Time on January 4, 2021.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain of the statements made and contained herein and elsewhere constitute forward-looking statements as defined in applicable securities laws. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved.

In particular, this release may contain forward looking information pertaining to the following: the timing for an investment decision, the arrangement of external financing and the satisfaction of conditions to develop an underground mine at Karowe, which may include but which are not limited to: the receipt of all required authorizations, the arrangement of external financing on terms satisfactory to the Company and the timing of that financing; what impact the Company's cash flows from operations could have on the Company's external financing requirements; the Company's ability to meet the estimated schedule and budget to develop underground operations and the accuracy of related estimates, the production profile at Karowe and the timing to process ore from underground operations, anticipated changes in diamond pricing, including trends in supplies and demands and the potential for stability in the diamond market and diamond pricing; changes to foreign currency exchange rates; and other forward looking information.

There can be no assurance that such forward looking statements will prove to be accurate, as the Company's results and future events could differ materially from those anticipated in this forward-looking information as a result of those factors discussed in or referred to under the heading "Risks and Uncertainties"' in the Company's most recent Annual Information Form available at http://www.sedar.com, as well as changes in general business and economic conditions, changes in interest and foreign

currency rates, the supply and demand for, deliveries of and the level and volatility of prices of rough diamonds, costs of power and diesel, acts of foreign governments and the outcome of legal proceedings, inaccurate geological and recoverability assumptions (including with respect to the size, grade and recoverability of mineral reserves and resources), and unanticipated operational difficulties (including failure of plant, equipment or processes to operate in accordance with specifications or expectations, cost escalations, unavailability of materials and equipment, government action or delays in the receipt of government approvals, industrial disturbances or other job actions, adverse weather conditions, and unanticipated events relating to health safety and environmental matters).

Accordingly, readers are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date the statements were made, and the Company does not assume any obligations to update or revise them to reflect new events or circumstances, except as required by law.

SOURCE Lucara Diamond Corp.

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Additional assets available online: Documents (1)

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