Lucara Diamond

Lucara Diamond Corp. Announces C$38 Million Financing

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VANCOUVER, BC, June 24, 2021 /CNW/ - (TSX: LUC) (BSE: LUC) (Nasdaq Stockholm: LUC) Lucara Diamond Corp. ("Lucara" or the "Company") is pleased to announce today that it has entered into an agreement with a syndicate of underwriters led by BMO Capital Markets under which the underwriters have agreed to buy on bought deal basis 29,400,000common shares (the "Common Shares"), at a price of C$0.75 per Common Share for gross proceeds of approximately C$22 million (the "Public Offering"). The Company has granted the Underwriters an option, exercisable at the offering price for a period of 30 days following the closing of the Public Offering, to purchase up to an additional 15% of the Public Offering to cover over-allotments, if any. The offering is expected to close on or about July 15, 2021 and is subject to Lucara receiving all necessary regulatory approvals. View PDF version

The Company is also pleased to announce that it has agreed to launch a concurrent private placement of approximately C$16 million on the same terms as the Public Offering (the "Private Placement" and together with the Public Offering, the "Financing") to Nemesia S.à.r.l. ("Nemesia") and to certain other investors on a private placement basis. Any Common Shares issued pursuant to the Private Placement will be subject to a statutory hold period in Canada for a period of 4 months and one day. The Private Placement is expected to close on or about July 15, 2021 and is subject to Lucara receiving all necessary regulatory approvals.

The net proceeds of the Public Offering and Private Placement will be used for working capital to support the development and ongoing operation of the Karowe diamond mine.

In respect of the Public Offering, Common Shares will be offered by way of a short form prospectus in British Columbia, Alberta, Manitoba and Ontario and may also be offered by way of private placement in the United States.

The securities offered have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, or any state securities laws, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Nemesia is an insider of the Company and, as a result of their participation in the Private Placement, the Private Placement will be considered a "related party transaction" under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company intends to rely on the exemptions set forth in sections 5.5(a) and 5.7(1)(a) of MI 61-101 from the valuation and minority shareholder approval requirements of MI 61-101 in respect of such insider participation, as neither the aggregate fair market value of the Common Shares expected to be purchased by Nemesia is less than 25% of the Company's market capitalization. A material change report in respect of the Financing will be filed in accordance with MI 61-101, but is not expected to be filed 21 days in advance of the closing of the Financing as certain details regarding the participation of Nemesia have not yet been finalized and the Company wishes to close on an expedited basis for sound business reasons.

This news release is not an offer to the public to subscribe for Common Shares or otherwise acquire Common Shares or other financial instruments in the Company, whether in Sweden or in any other EEA Member State. This news release is an advertisement and does not constitute a prospectus in accordance within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "Prospectus Regulation"). No such prospectus has been or will be prepared in connection with the Offering or the Private Placement. The financial instruments referred to in the news release are not intended to be offered to the public in any EEA Member State except to qualified investors (as defined in the Prospectus Regulation) and in accordance with any other applicable exemption from the requirement to prepare a prospectus under the Prospectus Regulation in that Member State.

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 and owns a 100% interest in Clara Diamond Solutions, a secure, digital sales platform positioned to modernize the existing diamond supply chain and ensure diamond provenance from mine to finger. 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 persons set out above, at 3:30 pm Eastern Time on June 24, 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.

Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made, including in respect to Lucara's ability to make future equity and cash payments to the former shareholders of Clara and Clara's founders, facilitators and management and the approval of the Toronto Stock Exchange. These assumptions, opinion and estimates are subject to a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievement expressed or implied by such forward-looking statements. The Company believes that expectations reflected in this forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be accurate and such forward-looking information included herein should not be unduly relied upon. In particular, this release may contain forward looking information pertaining to the payment of future consideration to the former shareholders of Clara and its founders, facilitators and management and Lucara's ability to make such payment and the approval of the Toronto Stock Exchange.

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)

https://lucaradiamond.mediaroom.com/2021-06-24-Lucara-Diamond-Corp-Announces-C-38-Million-Financing