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NEWS RELEASE

LUCARA ANNOUNCES OPERATING GUIDANCE FOR 2024 AND CFO APPOINTMENT

VANCOUVER, November 28, 2023 /CNW/ (LUC – TSX, LUC – BSE, LUC – Nasdaq Stockholm)

Lucara Diamond Corp. (“Lucara” or the “Company”) is pleased to provide operating guidance for 2024 (all amounts in USD unless otherwise stated).

2024 OUTLOOK

This section provides management's production and cost estimates for 2024. These are “forward-looking statements” and subject to the cautionary note regarding the risks associated with forward-looking statements.

Karowe Mine (all amounts in US Dollars)	Full Year 2024
Diamond revenue	\$220 million to \$250 million
Diamond sales	345,000 carats to 375,000 carats
Diamonds recovered	345,000 carats to 375,000 carats
Tonnes mined – Ore	2.8 million to 3.2 million
Tonnes mined – Waste	0.8 million to 1.4 million
Tonnes processed – Ore	2.6 million to 2.9 million
Total operating cash costs per tonne processed	\$28.50 to \$33.50
Underground expansion project	Up to \$100 million
Sustaining capital	Up to \$10 million
Average exchange rate – Botswana Pula per United States Dollar	12.5

REVENUE AND SALES CHANNELS

In 2024, the Company's revenue forecast assumes that 87% of the carats recovered will come from the higher value M/PK(S) and EM/PK(S) units within the South Lobe and the remaining carats recovered will come from the Centre Lobe in accordance with the mine plan, generating revenue between \$220 and \$250 million. South Lobe material, while lower grade than the Centre and North Lobes, has a higher weight percentage of stones greater than 10.8 carats in size (“Specials”).

The Company plans to use its sales channels to maximize revenue and generate consistent cash flow to support the Company's operations and its investment in the underground expansion project. The Company expects to seek opportunities to sell its higher value Specials through agreements whereby the rough stones are manufactured, giving the Company exposure to polished prices and regular cash flow from the highest value portion of the Karowe production. Quarterly tenders and regular sales through Clara, primarily for stones smaller than 10.8 carats in size will continue.

On November 10, 2023, Lucara announced a reduction in expected annual revenue guidance for fiscal 2023 due to changes to the sales mechanism for rough diamonds larger than 10.8 carats in size following termination of the Company's diamond sales agreement with HB in September 2023. The Company expects to monetize the +10.8 carat stones currently held in inventory in 2024. The revenue forecast for 2024 does not include amounts related to the inventory.



MINING AND PROCESSING ASSUMPTIONS

In 2024, the Company expects to mine between 3.6 and 4.6 million tonnes, of which ore tonnes mined represent approximately three quarters of total tonnes mined. The assumptions for carats recovered and sold as well as the number of ore tonnes processed are consistent with achieved plant performance in recent years. A portion of the tonnes mined in 2024 will be stockpiled, prior to the end of open pit mining in mid-2025. Stockpiled material is planned to be processed between 2025 to 2027 before the mine transitions to underground operations. Ore from the underground development is expected to supplement lower grade stockpile material, primarily from the upper benches of the South lobe, during the transition to underground, beginning in 2027.

UNDERGROUND AND SUSTAINING CAPITAL EXPENDITURES

In 2024, capital costs for the underground expansion (“UGP”) are expected to be up to \$100 million and will focus predominantly on shaft sinking activities and station development. Surface works will focus on completing the construction of the bulk air cooler and installation of the cage winder. Tendering the underground development contract along with underground equipment purchases are also included in the 2024 project plan.

The underground expansion is expected to extend Karowe’s mine life to at least 2040 and is forecast to contribute approximately \$4 billion in additional revenues using conservative diamond price assumptions which are un-escalated and exclude revenues from stones sold in excess of \$10 million. On July 16, 2023, an update to the Karowe UGP schedule and budget was announced ([Press Release](#)). The Company notified its Lenders of the expected increases to both the schedule duration and the projected cost to complete the Karowe UGP and is working closely with its Lenders to agree amendments to its project facilities of \$220 million. As part of the ongoing amendments, the Lenders have granted certain waivers and extensions to the Company.

Sustaining capital and project expenditures are expected to be up to \$10 million with a focus on replacement and refurbishment of key asset components in addition to dewatering activities, and an expansion of the tailings storage facility in accordance with Global Industry Standard on Tailings Management.

CORPORATE UPDATE

Lucara is pleased to announce that Glenn Kondo will be rejoining the Company as its Chief Financial Officer and Corporate Secretary effective January 1, 2024. His previous roles and diamond industry knowledge will contribute significantly to Lucara’s strategic financial planning and overall corporate success. Glenn will bring valuable experience and expertise to the Company’s financial leadership.

William Lamb, President and CEO commented, “We are very pleased to welcome Glenn back to Lucara. His previous experience at Lucara will be instrumental in delivering on the key financial fundamentals which drive shareholder returns.”

On behalf of the Board,

William Lamb
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 Diamond Mine in Botswana. The Karowe Mine has been in production since 2012 and is the focus of the Company's operations and development activities. Clara Diamond Solutions Limited Partnership ("Clara"), a wholly-owned subsidiary of Lucara, has developed a secure, digital sales platform that uses proprietary analytics together with cloud and blockchain technologies to modernize the existing diamond supply chain, driving efficiencies, unlocking value and ensuring diamond provenance from mine to finger. Lucara has an experienced board and management team with extensive diamond development and operations expertise. Lucara and its subsidiaries operate transparently and in accordance with international best practices in the areas of sustainability, health and safety, environment, and community relations. Lucara has adopted the IFC Performance Standards and the World Bank Group's Environmental, Health and Safety Guidelines for Mining (2007). Accordingly, the development of the Karowe underground expansion project ("UGP") adheres to the Equator Principles. Lucara is committed to upholding high standards while striving to deliver long-term economic benefits to Botswana and the communities in which the Company operates.

The information is information that Lucara is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Markets Act. This information was submitted for publication, through the agency of the contact person set out above, on November 28, 2023 at 5:00pm Pacific Time.

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, and they 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, forward-looking information and forward-looking statements in this news release may include, but are not limited to, the diamond sales, projection and outlook disclosure under "2024 Outlook", the Company's ability to successfully agree amendments to its project debt facilities, the Company's ability to secure further extensions and waivers (if required) pursuant to terms of the project debt facilities; the estimates of the Company's mineral reserves and resources; estimates of the Company's production and sales volumes for the Karowe Diamond Mine; estimated costs for capital expenditures related to the Karowe Diamond Mine; the timing, scope and cost of additional grouting events required at the UGP; production costs; development expenditures and reclamation costs; expectation of diamond prices; the benefits to the Company of diamond supply agreements with manufacturers and the ability to generate better prices from the sale of the Company's +10.8 carat production as a polished stone and to provide more regular cash flow than in previous periods; estimates of top-ups pursuant to diamond supply agreements; assumptions related to foreign currency exchange rates and tax rates; assumptions and expectations related to the



ongoing development of an underground mining operation at Karowe including associated capital costs and timing; information or statements with respect to the project debt facilities, the intended use of proceeds of these debt facilities, the Company's ability to comply with the terms of the project debt facilities which are required to construct the Karowe UGP, that expected cash flow from operations, combined with external financing will be sufficient to complete construction of the Karowe UGP, that the estimated timelines to achieve mine ramp up and full production from the Karowe UGP can be achieved; the impact of COVID-19 pandemic and other economic and geopolitical events on the Company's operations and cash flows and its plans with respect to the Karowe underground expansion project; the profitability of Clara and the Clara Platform and the scaling of the digital platform for the sale of rough diamonds owned by Clara; expectations regarding the need to raise capital and its availability; possible impacts of disputes or litigation; and other risks and uncertainties described under the heading "Risks and Uncertainties" in the Company's most recent Annual Information Form available at <http://www.sedarplus.com> (the "AIF").

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 "COVID-19 Global Pandemic, Economic and Geopolitical Risks" in the Company's most recent MD&A and under the heading "Risks and Uncertainties" in the Company's most recent Annual Information Form, both available at <http://www.sedarplus.com>, as well as changes in general business and economic conditions, the ability to continue as a going concern, changes in interest and foreign currency rates, changes in inflation, the supply and demand for, deliveries of and the level and volatility of prices of rough diamonds, costs of power and diesel, impacts of potential disruptions to supply chains, 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.