



LUCARA
DIAMOND

May 5, 2021

PRESS RELEASE

LUCARA SECURES CREDIT APPROVED US\$220 MILLION SENIOR DEBT FACILITIES FOR THE UNDERGROUND EXPANSION OF THE KAROWE MINE AND EXTENDS AVAILABILITY OF ITS WORKING CAPITAL FACILITY

VANCOUVER, May 5, 2021 /CNW/ - (LUC – TSX, LUC – BSE, LUC – Nasdaq Stockholm)

Lucara Diamond Corp. is pleased to announce that it has received credit approved commitments from a syndicate of five Mandated Lead Arrangers (the “MLAs”) for a senior secured project financing debt package of up to US\$220 million (the “Facilities”) to fund the underground expansion at Lucara’s 100% owned Karowe Mine (“Karowe”) in Botswana.

The Facilities will include two tranches: A project finance facility of US\$170 million to fund the development of the underground project, and a working capital facility of US\$50 million to support the on-going operation of the Karowe open pit mine. Financial closing of the Facilities is subject to satisfactory completion of definitive documentation, and satisfaction of certain terms and conditions, including appropriate KYC checks.

The MLAs are ING Bank N.V. (“ING”), Natixis (“Natixis”), Societe Generale, London Branch (“Societe Generale”), Africa Finance Corporation (“AFC”) and Afreximbank (“Afrexim”).

Eira Thomas, President and CEO commented: “Securing credit commitments for the arrangement of +\$200 million senior debt facilities from five leading international financial institutions, with significant mining and metals track records and experience in Africa, is an important achievement for Lucara and a strong endorsement of our underground expansion plans. The Karowe diamond mine remains one of the world’s highest margin diamond mines and in just over eight years of production, has yielded 4 of the 10 largest diamonds in recorded history, including the 1,758 carat Sewelô, the largest diamond recovered from Botswana, and the 1,109 Lesedi La Rona which sold for US\$53 million. This debt package will supplement cash flows from continued operations of the open pit over the next 5 years, extending Karowe’s mine-life out from 2025 until at least 2040.

We look forward to working with this supportive group of MLAs towards financial close as we continue to develop the underground project.”

Additionally, Lucara is also pleased to announce an extension of its current working capital facility of US\$50 million (the “Current Facility”) with Rand Merchant Bank, a division of FirstRand Bank Limited, London Branch. The Current Facility is expected to be extinguished when the project financing debt package achieves financial close.

Terrafranca Advisory Limited is acting as financial advisor to the Company. Norton Rose Fulbright LLP is acting as legal counsel to the Company.

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 May 5, 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.

This release may contain forward looking information pertaining to the following: the timing for an investment decision related to developing an underground mine at Karowe, the arrangement of a senior secured project debt financing and the satisfaction of other conditions to develop an underground mine at Karowe and expected economics related to the development and operation of the proposed underground mine. The Company's ability to achieve these conditions may include but is not limited to: the receipt of all required authorizations for the development and operation of an underground mine, the anticipated time to arrange external financing, the quantum of that financing and that the proposed terms of any external financing will be satisfactory to the Company; the ability of the Company's cash flows from operations to supplement 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.