



LUCARA
DIAMOND

November 16, 2022

PRESS RELEASE

LUCARA DIAMOND CORP. ANNOUNCES EXTENDED DIAMOND SALES AGREEMENT WITH HB

VANCOUVER, November 16, 2022 – (LUC – TSX, LUC – BSE, LUC – Nasdaq Stockholm)

Lucara Diamond Corp. (“Lucara” or the “Company”) is pleased to announce today that it has entered into an extended diamond sales agreement (the “Agreement”) with Lucara Botswana (Proprietary) Limited (“Lucara Botswana”), and HB Trading BV (“HB”), for the purpose of selling +10.8 carat rough diamonds produced from Lucara’s Karowe mine until December 31, 2032. Lucara first partnered with HB in 2020 to sell Karowe’s large, high value diamonds, which have historically accounted for approximately 60% to 70% of Lucara’s annual revenues. The Agreement extends this arrangement for ten years.

Under the Agreement, Lucara’s +10.8 carat production is sold at prices based on the estimated polished outcome of each diamond, determined through state-of-the-art scanning and planning technology, with a true up paid on actual achieved polished sales thereafter, less a fee and the cost of manufacturing. The Agreement is consistent with the terms of the previous arrangement with HB, with refinements to more accurately reflect how the parties have been working together.

The pricing mechanisms of the Agreement with HB results in complete transparency within the value chain, creating important alignment between all participants in the value chain, and delivering regular cash flow at superior prices for this important segment of our production profile.

Eira Thomas, CEO commented, “It has been more than two years since Lucara initiated this transformational approach to sales of its’ highest value diamonds, working in collaboration with HB to create alignment along the value chain, differentiating diamonds from Karowe on the basis of provenance, excellence in manufacturing and a commitment to complete transparency for all stakeholders. For the first time in our ten-year history, we have insight on what becomes of each and every +10.8 carat rough diamond produced from our mine, participating in each step of the planning and manufacturing process right through to the final polished sale. Not only has this approach stabilized prices for our most valuable production segment, it has demonstrably grown demand, a core objective. As one of the world’s most important sources of large, high value type Ila diamonds, our approach provides consumers with complete confidence in the origin of their diamonds and full insight on how our business is governed, delivering on our commitments to industry leading, best practice in responsible mining in Botswana.”

Oded Mansori, Co-founder and CEO of HB Antwerp said, “Over the past two years, we have fostered a close partnership with Lucara by providing unprecedented insight into the diamond value chain, using data and information to align interests and maximize positive impact. The Lucara - HB agreement reflects the renewed commitment of both companies to embrace a new approach to sourcing, transforming, and distributing mineral resources – based on equity, transparency, and sustainability, providing meaningful benefits to all participants, including the people and communities of Botswana.”

Eira Thomas
President and Chief Executive Officer

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ABOUT LUCARA

Lucara is a leading independent producer of large exceptional quality Type Ila 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 16, 2022, at 2:00pm 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, including in respect to the pricing performance under the Agreement. 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 performance under the Agreement.

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).



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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.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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