



LUCARA
DIAMOND

November 28, 2022

NEWS RELEASE

LUCARA ANNOUNCES OPERATING GUIDANCE FOR 2023

VANCOUVER, November 28, 2022 /CNW/ (LUC – TSX, LUC – BSE, LUC – Nasdaq Stockholm)

Lucara Diamond Corp. (“Lucara” or the “Company”) is pleased to provide operating guidance for 2023 (all amounts in USD unless otherwise stated).

2023 OUTLOOK

This section provides management's production and cost estimates for 2023. 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 2023
Diamond revenue	\$200 million to \$230 million
Diamond sales	385,000 carats to 415,000 carats
Diamonds recovered	395,000 carats to 425,000 carats
Tonnes mined – Ore	1.9 million to 2.3 million
Tonnes mined – Waste	2.2 million to 2.8 million
Tonnes processed – Ore	2.6 million to 2.9 million
Total operating cash costs per tonne processed (including (a) to (b) below):	\$32.50 to \$35.50
(a) Cash cost per tonne mined (ore and waste)	\$7.00 to \$8.00
(b) Cash cost per tonne processed	\$12.00 to \$13.00
Botswana G&A expenses, including sales and marketing, per tonne processed	\$3.50 to \$4.50
Tax rate	0%
Average exchange rate – Botswana Pula per United States Dollar	12.0

REVENUE AND SALES CHANNELS

In 2023, the Company's revenue forecast assumes that 52% 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 48% of the carats recovered will come from the Centre Lobe in accordance with the mine plan, generating revenue between \$200 and \$230 million in 2022. Centre Lobe material, while higher grade, has a lower weight percentage of stones greater than 10.8 carats in size when compared to South Lobe material.

With the recently announced extension of the HB agreement, the Company will continue to use three different sales channels to maximize revenue and generate consistent cash flow to support the Company's operations and its investment in the underground expansion project. Higher value stones greater than +10.8 carats in size will continue to enter the manufacturing pipeline at HB, 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 less than 10.8 carats in size will continue, consistent with the practise from previous years.



MINING AND PROCESSING ASSUMPTIONS

In 2023, the Company expects to mine between 4.1 and 5.1 million tonnes, of which ore tonnes mined represent approximately half of total tonnes mined. The assumptions for carats recovered and sold as well as the number of tonnes processed are consistent with achieved performance in recent years. Material from the open pit is planned to be processed between 2023 to 2026 when the mine transitions to underground. Ore from the underground development is expected to supplement lower grade stockpile material during the transition to underground at the end of the open pit mine life.

UNDERGROUND AND SUSTAINING CAPITAL EXPENDITURES

In 2023, capital costs for the underground expansion are expected to be up to \$105 million and will focus predominantly on shaft sinking activities, along with construction of the bulk air cooler, tendering the underground development contract and underground equipment purchases. Ramp-up to planned sinking rates for both the ventilation and production shaft continues. A complete review of the current program schedule and budget is underway and will be completed in Q1 2023.

Sustaining capital and project expenditures related to the open pit mining operations are expected to be up to \$20 million with a focus on replacement and refurbishment of key asset components in addition to dewatering activities, an expansion of the tailings storage facility in accordance with Global Industry Standard on Tailings Management and completion of a community sports facility.

BOTSWANA TAX RATE

Lucara Botswana's progressive tax rate computation allows for the immediate deduction of operating costs, including capital expenditures, in the year in which they are incurred. Based on 2023 revenue guidance of \$200 million to \$230 million and assuming the underground development expenditures of \$105 million, the tax rate is expected to be 0% for 2023.

CLARA SALES PLATFORM

Clara, Lucara's 100% owned proprietary, secure, web-based digital sales platform, continues to grow in terms of volume transacted and customer participation. Platform trials and discussions with third party suppliers of rough diamonds are ongoing to build supply, which remains a key objective for 2023 and beyond. The rationale for a web based digital sales platform for the transaction of rough diamonds has never been stronger, sparked by industry's need for increased transparency, global restrictions on travel, and a new openness to the use of innovation and technology to create a more efficient supply chain.

On behalf of the Board,

Eira Thomas
President and Chief Executive Officer

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For further information, please contact:

Canada Hannah Reynish, Investor Relations & Communications
+1 604 674 0272 | info@lucaradiamond.com

Sweden Robert Eriksson, Investor Relations & Public Relations
+46 701 112615 | eriksson@rive6.ch

UK Public Relations Charles Vivian / Jos Simson, Tavistock
+44 778 855 4035 | lucara@tavistock.co.uk

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, 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, 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 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; production costs; development expenditures and reclamation costs; expectation of diamond prices; the benefits to the Company of diamond supply agreements with HB 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 the HB supply agreement; 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 equity and project debt financings, the intended use of proceeds, the Company's ability to comply with the terms of the 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 on the Company's operations and cash flows and its plans with respect to the Karowe underground expansion project; 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.sedar.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" 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.sedar.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.