



LUCARA
DIAMOND

PRESS RELEASE

LUCARA ANNOUNCES 2019 ANNUAL RESULTS

VANCOUVER, February 23, 2020 /CNW/ - (LUC – TSX, LUC – BSE, LUC – Nasdaq Stockholm)

Lucara Diamond Corp. (“Lucara” or the “Company”) today reports its results for the year ended December 31, 2019.

HIGHLIGHTS FOR THE YEAR ENDED DECEMBER 31, 2019

- Total revenues of \$192.5 million (2018: \$176.2 million) or \$468 per carat (2018: \$502 per carat) during fiscal year 2019 (guidance: \$170 million to \$180 million).
- Strong operational performance at Karowe, including record production through the plant in 2019:
 - Total tonnes mined of 9.8 million (guidance: 9.5 million to 10.9 million)
 - Ore and waste mined were 3.3 million tonnes and 6.5 million tonnes respectively
 - Ore processed totaled 2.8 million tonnes (guidance: 2.5 million to 2.8 million tonnes)
 - 433,060 total carats recovered, including 29,990 carats recovered from previously milled material (guidance: 400,000 to 425,000 carats)
- 2019 was another strong year for the recovery of Specials (single diamonds in excess of 10.8 carats) from direct milling ore with 786 stones totaling 24,424 carats recovered, including 31 diamonds in excess of 100 carats, of which 2 stones were in excess of 300 carats including the historic 1,758ct Sewelô diamond. Specials were also recovered in treatment of historic, pre-XRT recovery tailings, including a 375 carat stone in Q3 2019. No further treatment of historic recovery tailings is expected.
- Operating cash costs for the year ended December 31, 2019 were \$31.88 per tonne processed (2018: \$39.92 per tonne processed) compared to the full year forecast cash cost of \$32-\$37 per tonne processed (**Non-IFRS measure*). Operating cash cost per tonne processed was positively impacted by a combination of higher tonnes processed and lower overall tonnes mined as planned in 2019 following the completion of a waste stripping campaign in 2018. Cost optimization initiatives and favorable foreign exchange contributed to the lower operating cash cost per tonne compared to guidance. Operating cash costs for 2020 are expected to continue to trend between \$32-\$36 per tonne processed.
- Clara completed its first year of operations with a total of 15 sales, 27 customers and volume transacted of \$8.4 million. Development activities were completed under budget at \$0.4 million in 2019. Clara is poised to achieve significant growth in 2020 with the addition of further customers and third-party production.
- Adjusted EBITDA for the year ended December 31, 2019 was \$73.1 million as compared to adjusted EBITDA for the same period in 2018 of \$60.5 million, an increase of 21% (**Non-IFRS measure*).
- Net income for the year ended December 31, 2019 was \$12.7 million (\$0.03 per share) as compared to net income of \$11.7 million (\$0.03 per share) in 2018.
- As at December 31, 2019, the Company had cash and cash equivalents of \$11.2 million and no debt. In 2019, the Company invested \$29.0 million in the business, primarily towards the completion of an underground feasibility study, and, improvements to plant and equipment to maximize carat recoveries. The Company’s \$50 million credit facility was available for use as at December 31, 2019.
- During the first three quarters of 2019, the Company paid a CA\$0.025 quarterly dividend, returning \$22.4 million (CA\$0.075 per share) to shareholders in 2019 (2018: \$30.3 million or CA\$0.10 per share). Since inception in June 2014, the Company has paid dividends of \$271 million (CA\$349 million).



Eira Thomas, President & CEO commented: “Our strong operating results for 2019 reflect Lucara’s continued focus on safe, reliable operations which has delivered increased productivity at lower costs and provides a solid foundation to support our next stage of growth - an underground expansion at Karowe which has the potential extend our mine life to 2040, add net cash flow of \$1.22 billion and gross revenues of \$5.25 billion. Our second business, Clara, continues to deliver solid results and is on track to steadily grow third party supply to the platform over the course of the coming year. In 2019 Lucara also continued to explore ways and means to maximize the value it receives for its diamonds. Our ground-breaking agreement with Louis Vuitton in January 2020 is another example of how we are delivering on this commitment. Through this agreement, we will demonstrate that greater collaboration within the supply chain can unlock value and increase transparency from mine to consumer.”

CHANGE IN DIVIDEND POLICY

In November 2019, the Company announced the results of a positive feasibility study for development of an underground mine at its 100% owned Karowe Diamond Mine. Concurrently with the announcement of the feasibility study, Lucara’s Board of Directors determined that it would be in the best interest of the Company and its shareholders to suspend the quarterly dividend payment of C\$0.025 per share, effective as of Q4 2019. The feasibility study demonstrated the potential to extend the mine life at Karowe to 2040 while generating significant economic benefits for the Company, its shareholders, employees, the communities surrounding the mine and the country of Botswana. In anticipation of a decision to proceed with construction of an underground mine at Karowe during 2020, the Board of Directors decided to re-direct the Company’s available cash to the early works of the underground including detailed engineering, procurement initiatives and project financing. These activities will be funded from operating cash-flow in 2020, under a Board approved budget of up to \$53 million.

KAROWE DIAMOND SALES

Diamonds are heterogeneous by nature, with thousands of different price points depending on weight, colour, shape, and quality. Diamond production from Karowe is characterised by a coarse diamond size frequency distribution and is positively impacted by the regular recovery of diamonds in excess of 10.8 carats in size, referred to as “Specials.” Karowe production is further distinguished by the consistent recovery of high value, gem quality Specials.

Specials are reported by total stone count and as a percentage of the total production. In 2019, a total of 786 stones were recovered representing 6.1 weight percent of total carats recovered from direct milling ore, consistent with the resource model for Karowe. Overall processing in 2019 had contributions from the North, Centre and both the EM/PK(S) and M/PK(S), distinct units within the South lobe. The proportion of carats from the lower value and less coarse North and Centre lobes was approximately 20%, the highest contribution since 2016.

In 2019, a total of 30 individual diamonds were sold for a value of > \$1 million including 11 diamonds > \$2 million of which 2 diamonds sold for > \$5 million each. Sales of individual stones at prices between \$2 million and \$5 million were consistent with previous years. Achieved prices in 2019 for high value single diamonds were impacted by significant price erosion in high colour (D) 10 carat and 20 carat polished.

Certain stones from the Karowe production and other aggregated diamonds were offered for sale through the Clara platform during 2019. As 2020 progresses, a greater proportion of certain sales parcels from Karowe will move to the Clara platform, rather than being sold through the quarterly tender process.



FINANCIAL HIGHLIGHTS

<i>In millions of U.S. dollars, except carats or otherwise noted</i>	Three months ended		Year ended	
	2019	December 31 2018	2019	December 31 2018
Revenues	\$ 56.0	\$ 40.6	\$ 192.5	\$ 176.2
Net income (loss) for the period	8.7	(6.2)	12.7	11.7
Earnings (loss) per share (basic and diluted)	0.02	(0.02)	0.03	0.03
Operating cash flow per share*	0.05	0.02	0.15	0.14
Cash on hand	11.2	24.4	11.2	24.4
Average price per carat sold (\$/carat)*	568	367	468	502
Operating expenses per carat sold (\$/carat)*	209	233	189	216
Operating margin per carat sold (\$/carat)*	359	134	279	286
Carats sold	98,547	110,553	411,732	350,798

(*) Operating cash flow per share, average price per carat sold, operating expenses per carat sold and operating margin per carat sold are Non-IFRS measures.

The Company achieved revenues of \$56.0 million or \$568 per carat for its sales in the fourth quarter, yielding a strong operating margin of 63% during the period. During the fourth quarter of 2019, stabilization in rough pricing was observed across all size classes. The general improvement in pricing as compared to earlier in the year, combined with a higher value blend of ore to the process plant resulted in revenue for the quarter and for the year ending December 31, 2019 being achieved above expectations. The increase in average price per carat sold, along with a 10% decrease in operating expenses per carat sold, resulted in an operating margin of 63% in Q4 2019; this represents a significant improvement from the 36% operating margin achieved in Q4 2018.

Operating expenses decreased approximately 20% from \$25.8 million in Q4 2018 to \$20.6 million in Q4 2019, mostly due to a decrease in the average cost per tonne mined. Operating expenses in Q4 2018 included additional one-time costs following the transition between mining contractors during the third quarter of 2018.

Adjusted EBITDA increased from \$4.7 million in Q4 2018 to \$22.8 million in Q4 2019. The significant quarter-to-quarter increase resulted from the combination of a \$13.9 million increase in net revenue and a \$5.2 million decrease in operating expenses (*Non-IFRS measure).

Adjusted EBITDA (*Non-IFRS measure), earnings per share and the Company's ending cash position were as expected and reflect the overall performance of the Company's sales tenders.



QUARTERLY RESULTS OF OPERATIONS – KAROWE MINE, BOTSWANA

	UNIT	Q4-19	Q3-19	Q2-19	Q1-19	Q4-18
Sales						
Revenues generated from sales tenders conducted in the quarter	US\$M	56.0	45.3	42.5	48.7	40.6
Carats sold for revenues recognized during the period	Carats	98,547	116,200	101,931	95,057	110,553
Average price per carat for proceeds received during the period	US\$	568	390	417	512	367
Production						
Tonnes mined (ore)	Tonnes	694,591	823,875	773,861	1,011,048	563,279
Tonnes mined (waste)	Tonnes	740,593	1,489,668	1,826,972	2,485,548	2,743,586
Tonnes processed	Tonnes	647,502	680,665	713,037	763,313	602,376
Average grade processed	cpht (*)	13.3 ¹	13.9 ²	14.2 ³	15.9 ⁴	13.6 ⁵
Carats recovered	Carats	86,422 ¹	104,990 ²	109,312 ³	132,336 ⁴	81,850 ⁵
Costs						
Operating costs per carats sold (see Non-IFRS measures)	US\$	209	201	174	169	233
Capital expenditures	US\$M	13.0	0.7	1.4	2.4	6.5

(*) carats per hundred tonnes

- (1) Carats recovered during the period included 273 carats recovered from re-processing historic recovery tailings from previous milling and are excluded from the average grade processed.
- (2) Carats recovered during the period included 10,646 carats recovered from re-processing historic recovery tailings from previous milling and are excluded from the average grade processed.
- (3) Carats recovered during the period included 8,172 carats recovered from re-processing historic recovery tailings from previous milling and are excluded from the average grade processed.
- (4) Carats recovered during the period included 10,899 carats recovered from re-processing historic recovery tailings from previous milling and are excluded from the average grade processed.
- (5) Carats recovered during the period included 1,505 carats recovered from re-processing historic recovery tailings from previous milling and are excluded from the average grade processed.

FOURTH QUARTER OVERVIEW – KAROWE MINE

Safety: Karowe had one lost time injury during the three months ended December 31, 2019 resulting in a twelve-month rolling Lost Time Injuries Frequency Rate (“LTIFR”) of 0.78.

Production: Ore and waste mined during the fourth quarter of 2019 totaled 0.7 million tonnes and 0.7 million tonnes respectively. Tonnage processed was on target at 0.6 million tonnes, with a total of 86,422 carats recovered. Ore processed was predominantly from the South Lobe. During Q4, a total of 177 Specials (single diamonds larger than 10.8 carats) were recovered including seven diamonds greater than 100 carats in weight and two diamonds greater than 200 carats. Recovered Specials equated to 6.1% weight percentage of total recovered carats during the year, the third year to achieve greater than 6% weight percentage of total recovered carats, in line with expectations.



A record 2.8 million tonnes of ore were processed during 2019, at the top end of 2019 guidance of 2.5 to 2.8 million tonnes. A total of 3.3 million tonnes of ore was mined for the year, surpassing the original guidance of 2.5 – 2.8 million tonnes and meeting revised guidance of 3.0 – 3.4 million tonnes. Following the transition to a new mining contractor in mid-2018, productivity improved considerably and continued through 2019. Beginning in the fourth quarter of 2018, Trollope Mining Services Pty (“Trollope”) was responsible for all waste and ore mining.

Karowe’s operating cash cost: Karowe’s full year 2019 operating cash cost (**Non-IFRS measure*) was \$31.88 per tonne processed (2018: \$39.92 per tonne processed) compared to the full year forecast of \$32-37 per tonne processed. The decrease in cost per tonne processed compared to the prior year comparable periods reflects a 7% increase in total tonnes processed, a favourable exchange rate and cost optimization of the operations offsetting an increase in the cost per tonne mined following the transition to a new mining contractor in mid-2018.

Labour relations: In April 2019, the Botswana Mine Workers Union and Lucara Botswana entered into a Memorandum of Agreement which governs the working relationship between the two parties. In May 2019, the parties successfully negotiated and signed a Salaries and Conditions of Service Agreement which covers the terms and conditions of employment, including wages, to March 31, 2021. In Botswana, a majority of currently operating mines are unionized.

KAROWE UNDERGROUND UPDATE

In 2018, the Company embarked on a technical program to support a feasibility level study for a potential underground operation at the Karowe Diamond Mine. This program included the completion of an updated mineral resource, geotechnical drilling of the country rock and AK06 kimberlite, hydrogeological drilling and modelling, and mining trade off studies to address risks and issues identified during the PEA. A total of \$21.0 million was spent in 2018 in support of this work, which resulted in significant de-risking of the key technical components associated with the potential underground development.

During 2019, \$13.4 million (\$14.8 million - 2019 budget) was spent on the completion of a geotechnical drilling program, geotechnical and geological logging, downhole geophysical survey, hyperspectral analysis of core, geotechnical modeling, hydrogeological drilling and studies, mine planning, engineering, and activities related to dewatering associated with underground preparations.

On November 4, 2019, the Company announced the results of a Feasibility Study (“FS”) for an underground mine at Karowe. A copy of the Company’s news release and the related technical report prepared pursuant to the requirements of NI 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) were filed on Sedar (www.sedar.com) and are available on the Company’s website at: www.lucaradiamond.com.

Key findings of the FS include:

- The FS outlines the potential to double the mine life from the original mine design of 2010 and add net cash flow of \$1.22 billion and gross revenue of \$5.25 billion.
- Updated resource confirms increasing value with depth. Indicated resource from the base of the current open pit to the 250 metres above sea level elevation is 35 million tonnes at a grade of 15 cpht for a contained diamond resource of 5.1 million carats.
- Long hole shrinkage underground bulk mining method was selected, providing early access to higher value ore and allows for a short pay-back period of 2.8 years and operating costs of \$28.43 per tonne processed.
- On the basis of a construction start in mid-2020, ore from underground mining will seamlessly integrate into current operations providing mill feed starting in 2023 with a ramp up to 2.7Mtpa to the processing



plant by 2026, and the opportunity to increase throughput after 2029. Current production rates will be maintained through the underground ramp up period.

- The underground is designed to access the South Lobe kimberlite resource below the current planned bottom of the open pit (which is expected to be at approximately 700 meters above sea level (“masl”)), to a depth of 310 masl. Access to the South Lobe underground will be via two vertical shafts (production and ventilation) of approximately 765 and 715 meters deep respectively.
- Identified key risk areas of hydrogeology, geotechnical constraints of the kimberlite and host rocks have been addressed through an intensive set of work programs, data collection, analysis, and modelling.

Next steps: Following completion of the FS during the 4th quarter of 2019, the focus of work shifted to project execution, including detailed engineering and design work. In the first half of 2020, the Company will continue to focus on detailed engineering and design work and early procurement initiatives under a Board-approved capital program of up to \$53 million, to be funded from operating cash flow. The Company will also be reviewing financing options, with a specific focus on the availability of debt to finance the capital costs for the underground development which exceed the Company’s cash flow from operations. An update to the market will be provided as progress is made.

CLARA

Following an inaugural diamond sale in December 2018 on the Clara platform, Lucara’s 100% owned digital sales platform, the focus in 2019 was to increase the frequency of diamond sales and the number of customers regularly purchasing through the platform. As of December 31, 2019, the customer base had increased to 27 participants, with total sales volumes of \$8.4 million from 15 sales on the platform, predominately from the sale of Karowe goods. Further growth is expected through 2020 as more supply is made available through the platform, balanced with demand from the customer base. Third-party supply will complement the diamonds from Karowe which are sold through the platform and will support increased transaction volumes through 2020. Between December 2018 and February 2020, Clara’s customer base grew to 32 and total sales volumes of approximately \$11.0 million had been transacted from 19 sales on the platform.



2020 OUTLOOK

This section of the press release provides management's production and cost estimates for 2020. These are "forward-looking statements" and subject to the cautionary note regarding the risks associated with forward-looking statements. No changes have been made to our 2020 outlook previously provided.

Karowe Diamond Mine	Full Year – 2020
In millions of U.S. dollars unless otherwise noted	
Diamond revenue (millions)	\$180 to \$210
Diamond sales (thousands of carats)	350 to 390
Diamonds recovered (thousands of carats)	370 to 410
Ore tonnes mined (millions)	3.5 to 3.9
Waste tonnes mined (millions)	3.6 to 4.2
Ore tonnes processed (millions)	2.5 to 2.8
Total operating cash costs ⁽¹⁾ including waste mined ⁽²⁾ (per tonne processed)	\$32.00 to \$36.00
Botswana general & administrative expenses including marketing costs (per tonne processed)	\$3.00 to \$4.00
Tax rate	22%
Average exchange rate – USD/Pula	10.5

(1) Operating cash costs are a non-IFRS measure.

(2) Includes ore and waste mined cash costs of \$4.40 to \$4.90 (per tonne mined) and processing cash costs of \$11.50 to \$12.50 (per tonne processed).

In 2020, the Company forecasts revenues between \$180 million and \$210 million, as the proportion of carats recovered from the higher grade M/PK(S) and EM/PK(S) units increases. Diamond price assumptions are considered to be consistent with 2019. The Company expects to recover 350,000 to 390,000 carats from the processing of 2.5 to 2.8 million tonnes of ore. Diamonds sold are expected to be between 350,000 carats and 390,000 carats.

Following the completion of a significant waste stripping campaign between 2017 and early 2019, total tonnes mined in 2020 are expected to be between 7.1 million and 8.1 million tonnes, of which the Company expects to mine between 3.5 million to 3.9 million tonnes of ore and between 3.6 and 4.2 million tonnes of waste. The average strip ratio is expected to be approximately 1.0 in 2020.

The 2020 estimated cash cost per tonne of ore processed is expected to be between \$32.00 and \$36.00. The cost per tonne mined is expected to be between \$4.40 and \$4.90 and the estimated processing cost per tonne processed is expected to be between \$11.50 and \$12.50, a reflection of optimization work and strong operating performance in the plant.

A budget of up to \$53 million has been approved for early works related to a proposed underground mine at Karowe. An investment decision, subject to receipt of all required authorizations and the arrangement of financing, is expected in H2 2020. Following the positive results of a feasibility study announced on November 4, 2019 and based on the Company's ability to fund these initial capital expenditures from operating cash flow, a program of early works, including detailed engineering and design work has been approved to mitigate key risks related to schedule.

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 2020 revenue guidance of \$180 million to \$210 million the expected tax rate is 22% for 2020 but could decrease depending on the amount and timing of capital expenditures during the year.



Sustaining capital and project expenditures are expected to be up to \$25.0 million in 2020, including expenditures associated with slimes dam wall raising (a multi-year project), upgrades to the XRT recovery circuit and a provision for the implementation of body scanning technology (to enhance security) which had originally been planned for 2019, subject to receipt of regulatory approval.

CONFERENCE CALL

The Company will host a conference call and webcast to discuss the results on Monday, February 24, 2020 at 6:00 a.m. Pacific, 9:00 a.m. Eastern, 2:00 p.m. UK, 3:00 p.m. CET.

CONFERENCE CALL:

Please call in 10 minutes before the conference call starts and stay on the line (an operator will be available to assist you).

Conference ID:

29977628/ Lucara Diamond

Dial-In Numbers:

Toll-Free Participant Dial-In North America
All International Participant Dial-In

(+1) 888 390 0605
(+1) 778 383 7417

Webcast:

To view the live webcast presentation, please log on using this direct link:

<https://event.on24.com/wcc/r/2189968/E31B8773C3D82E2976CB79C1ED68E0D1>

The presentation slideshow will also be available in PDF format for download from the Lucara website www.lucaradiamond.com shortly before the conference call.

Conference Replay:

A replay of the telephone conference will be available two hours after the completion of the call until March 2, 2020. The pass code for the replay is: 977628 #

Replay number (Toll Free North America)
Replay number (International)

(+1) 888 390 0541
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On behalf of the Board,

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.

ABOUT CLARA

Clara Diamond Solutions Limited Partnership (Clara), wholly owned by Lucara Diamond Corp, is 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.

The information in this release is accurate at the time of distribution but may be superseded or qualified by subsequent news releases.

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 February 23, 2020 at 8:00pm Pacific Time.

NON-IFRS MEASURES

This news release refers to certain financial measures, such as operating cash flow per share, adjusted EBITDA, average price per carat sold, operating cost per carat sold, operating margin per carat sold and operating cost per tonne of ore processed which are not measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS. These measures may differ from those made by other corporations and accordingly may not be comparable to such measures as reported by other corporations. These measures have been derived from the Company's financial statements, and applied on a consistent basis, because the Company believes they are of assistance in the understanding of the results of operations and financial position. Please refer to the Company's MD&A for the fourth quarter, 2019 for an explanation of non-IFRS measures used.

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, this release may contain forward looking information pertaining to the following: estimates of the Company's cash flows from operations and what impact that cash-flow could have to the Company's ability to achieve its five-year plan; the use of capital for early works related to a possible underground mine development and that those early works could mitigate key schedule risks; the timing for an investment decision and the conditions to development of an underground mine, which may include but which are not limited to: the receipt of all required authorizations and the arrangement of financing; the schedule of development of the underground, the production profile at Karowe and anticipated changes in diamond pricing, including trends in supplies and demands and the potential for stability in the diamond market and diamond pricing; the likelihood and impact of completing an underground expansion at Karowe to the mine-life and total revenue generated; changes to foreign currency exchange rates; the timing and ability of management to further commercialize the Clara digital sales platform, the impact of adding third-party production to the platform and the timing for that activity to occur, management's expectations regarding the frequency of sales, the number of participants at each sale and the impact those items could have on the growth and success of the platform 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.