



LUCARA
DIAMOND

November 24, 2021

NEWS RELEASE

LUCARA ANNOUNCES OPERATING GUIDANCE FOR 2022

VANCOUVER, November 24, 2021 /CNW/ (LUC - TSX, LUC - BSE, LUC - Nasdaq Stockholm)

Lucara Diamond Corp. (“Lucara” or the “Company”) is pleased to provide operating guidance for 2022 (all amounts in USD unless otherwise stated).

2022 OUTLOOK

This section provides management's production and cost estimates for 2022. 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 2022
Diamond revenue	\$185 million to \$215 million
Diamond sales	300,000 carats to 340,000 carats
Diamonds recovered	300,000 carats to 340,000 carats
Tonnes mined - Ore	3.1 million to 3.5 million
Tonnes mined - Waste	1.5 million to 2.1 million
Tonnes processed - Ore	2.6 million to 2.8 million
Total operating cash costs per tonne processed (including (a) to (b) below):	\$29.50 to \$33.50
(a) Cash cost per tonne mined (ore and waste)	\$5.75 to \$6.25
(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 \$4.00
Tax rate	0%
Average exchange rate - USD/Pula	11.0

Eira Thomas, President and CEO commented: “The business environment for diamonds and diamond jewellery is the healthiest we’ve seen in several years, spurred on by an improvement in global supply and demand fundamentals, a trend which is expected to continue. In 2022, our tenth year of operations at Karowe, Lucara anticipates producing up to 340,000 carats which will be sold through its innovative, multi-sales channel approach generating revenues between \$185 and \$215 Million. This does not include any estimated contributions of revenue from large, exceptional diamonds that have historically formed a regular part of Karowe’s production profile. The completion of a supplemental debt financing package in 2021 to support our underground expansion project was a significant de-risking milestone for the company and the project, which was \$64 Million spent by Q3 2021 and 20% complete. The underground expansion at Karowe provides access to the richest portion of the orebody and will extend minelife to at least 2040. The project remains on schedule and budget, with a forecasted spend of up to \$110 Million in 2022.”



REVENUE AND SALES CHANNELS

In 2022, the Company's revenue forecast assumes that 100% of the carats recovered will come from the higher value M/PK(S) and EM/PK(S) units within the South Lobe in accordance with the mine plan, generating revenue between \$185 and \$215 million in 2022. 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

Following the successful project financing for the Karowe underground expansion project in mid-2021, the open pit mine plan was revised to extend the life of the open pit into 2026. Centre lobe material, combined with ore from the underground development will replace lower grade stockpiles towards the end of the open pit mine life. In 2022, the Company expects to mine between 4.6 and 5.6 million tonnes, of which ore tonnes mined represent approximately two-thirds 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.

UNDERGROUND AND SUSTAINING CAPITAL EXPENDITURES

In 2022, capital costs for the underground expansion are expected to be up to \$110 million and will focus on the commencement of shaft sinking activities, the commissioning of power and detailed engineering for the underground development. Sustaining capital and project expenditures are expected to be up to \$17 million with a focus on completion of a community sports facility, dewatering activities and an expansion of the tailings storage 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 2022 revenue guidance of \$185 million to \$215 million and assuming the underground development expenditures of \$110 million, the tax rate is expected to be 0% for 2022.

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. The number of buyers on the platform as of Q3 2021 was 87 and the Company continues to maintain an active waiting list to manage supply and demand. Platform trials and discussions with third party suppliers of rough diamonds are ongoing to build supply, which remains a key objective for 2022 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.



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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.

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 24, 2021 at 4:30am 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, this release may contain forward looking information pertaining to the following: 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 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; exploration and development expenditures and reclamation costs; expectation of diamond prices and the potential for the supply agreement with HB to achieve both higher prices from the sale of polished diamonds and to provide more regular cash flow than in previous periods; estimates of variable consideration receivable pursuant to the HB supply agreement; changes to foreign currency exchange rates; assumptions and expectations related to the ongoing development of an underground mining operation at Karowe including associated capital costs and timing; expectations in respect of the development and functionality of the technology related to the Clara platform, the intended benefits and performance of the Clara platform, including ability to complete sales without viewing diamonds, the growth of the Clara platform, the timing and frequency of sales on the Clara Platform, and the quantum and timing of participation of third parties on the Clara platform; 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, 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.