November 10, 2023

NEWS RELEASE

LUCARA ANNOUNCES Q3 2023 RESULTS; STRONG REVENUE SUPPORTS CONTINUED DEVELOPMENT OF THE UNDERGROUND EXPANSION

VANCOUVER, November 10, 2023 /CNW/ (LUC – TSX, LUC – BSE, LUC – Nasdaq Stockholm)

Lucara Diamond Corp. ("Lucara" or the "Company") today reports its results for the quarter ended September 30, 2023.

Q3 2023 HIGHLIGHTS

- Revenue for the quarter ended September 30, 2023 totalled $56.9 million, a 14% increase from Q3 2022.
- The Q3 2023 operating cash cost of $28.62 per tonne of ore processed[(1)] was well below the expected annual operating cash cost range of $32.50 to $35.50 per tonne of ore processed.
- All key operational metrics were achieved against plan, with 0.9 million tonnes of ore and 1.0 million tonnes of waste mined, 0.7 million tonnes of ore processed, and 98,311 carats recovered from direct milled ore.
- Cash flow generated from operating activities was $15.9 million.
- A 1,080 carat Type IIA white gem quality diamond was recovered from Karowe in August. The fourth +1,000 carat stone recovered from the Karowe Mine. A 692 carat Type IIA diamond was also recovered later that month.
- An investment of $20.3 million in the Karowe Underground Project ("UGP") in Q3 2023 focused on sinking and grouting programs in the ventilation and production shafts. Grouting progressed well in both shafts during the quarter and sinking rates were significantly higher than in previous quarters.
- Changes were made to 2023 guidance for revenue, diamond sales, ore and waste tonnes mined, and total operating cash costs per tonne processed.

William Lamb, President & CEO commented: "The third quarter results for the Company were very good when considering market dynamics and the current state of the diamond sector. During this period of market weakness, the Company is focusing on operational efficiency and key management positions, starting with the promotion of Jennifer Harmer to VP Finance. Jennifer's knowledge and understanding of the Company's operations and projects will be invaluable as we move forward." William further added, "Lessons learned in previous quarters of underground shaft sinking and development have been successfully converted into knowledge which is delivering weekly sinking rate records. Good progress has been made with the Company's Lenders on the Rebase Amendment. A progress update will be provided before the end of the fourth quarter."

REVIEW FOR THE QUARTER ENDED SEPTEMBER 30, 2023

- Operational highlights from the Karowe Mine for Q3 2023 included:
    - Ore and waste mined of 0.9 million tonnes (Q3 2022: 0.9) and 1.0 million tonnes (Q3 2022: 0.5), respectively.
    - 0.7 million tonnes (Q3 2022: 0.7) of ore processed.
    - A total of 98,311 carats recovered (Q3 2022: 78,879) at a recovered grade of 13.6 carats per hundred tonnes ("cpht") of direct milled ore (Q3 2022: 11.4 cpht).

(1) See "Non-IFRS Financial Performance Measures"

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- A total of 189 Specials were recovered, with six diamonds greater than 100 carats including three diamonds greater than 300 carats in weight.
- Recovered Specials equated to 6.8% of the weight percentage of total recovered carats from ore processed during Q3 2023 (Q3 2022 – 7.1%).

  - The Karowe Mine has operated continuously for over two and a half years without a lost time injury.

- Financial highlights for the three months ended September 30, 2023, included:
  - Revenues of $56.9 million (Q3 2022: $49.9 million) were achieved despite a weaker rough diamond market. The strong performance reflects the weighting of Lucara's revenue to larger goods where pricing was observed to be stable. During Q3 2023, 16% of the carats processed were recovered from the Centre Lobe and 84% were recovered from South Lobe material (Q3 2022: 100% South Lobe ore).
  - Operating margins of 63% were achieved (Q3 2022: 48%). A strong operating margin continues to be achieved through cost reduction initiatives, a strong U.S. dollar and despite price softness in the rough diamond market.
  - Karowe's +10.8 carat production, sold through HB, accounted for 67% (Q3 2022: 58%) of total revenues recognized in Q3 2023.
  - Adjusted EBITDA(1) was $21.9 million (Q3 2022: $13.8 million), with the change attributed to an increase in revenues, partially offset by higher administrative expenses in the current quarter.
  - Net income was $10.5 million (Q3 2022: $1.8 million), resulting in earnings per share of $0.02 (Q3 2022: $0.00).
- During Q3 2023, the Company invested $20.3 million into the Karowe UGP:
  - Sinking and grouting programs were the focus in both the ventilation and production shafts in Q3 2023.
  - The ventilation shaft reached 268.8 metres below collar, completed two grouting events, and advanced the shaft 55.7 metres in the reporting period. The ventilation shaft has completed sinking through the water-bearing sandstone units.
  - The production shaft reached 227 metres below collar, included completion of two grouting campaigns and remedial grouting of previously dry sections of the shaft. By the end of September, the shaft was sinking through the bottom portion of the water-bearing sandstones. An advance of 32.5 metres was achieved in Q3 2023.
- In September 2023, Lucara terminated the definitive sales agreement executed with HB in November 2022 (for all +10.8 carat diamonds recovered from Karowe) due to HB's material breach of its financial commitments.
- During Q3 2023, the Company announced management changes with the return of William Lamb as President and CEO, replacing Eira Thomas. Zara Boldt, Chief Financial Officer and Corporate Secretary and Dr. John Armstrong, VP, Technical Services, announced their departures with plans to step down in Q4 2023. Jennifer Harmer has been promoted to VP, Finance, effective November 8, 2023.
- Cash position and liquidity at September 30, 2023:
  - Cash and cash equivalents of $16.8 million.
  - Cost overrun facility of $18.4 million.
  - $90.0 million drawn on the $170.0 million Project Loan for the Karowe UGP, with no draws on the facility during the third quarter.

(1) See "Non-IFRS Financial Performance Measures"

- The outstanding balance on the working capital facility ("WCF") was maintained at $35.0 million through Q3 2023.

The Company is not permitted to make further draws from the WCF or the Project Loan until various amendments to the terms of these loan agreements are negotiated with the Company's Lenders (the "Rebase Amendments"). As part of the Rebase Amendments, the Lenders have granted certain waivers and extensions to the Company.

The Company has near-term commitments under the Facilities, including the maturity date of the WCF and the requirement to fund a cost overrun facility. Due to these near-term commitments, there is doubt regarding the Company's ability to meet its commitments and discharge its obligations in the normal course of business. While Management believes the Company will be able to resolve the noted items through its ongoing engagement with its Lenders, there can be no assurance that those efforts will be successful. See further details in the section "Liquidity and Capital Resources" and refer to Note 1 of the condensed interim consolidated financial statements for the three and nine months ended September 30, 2023.

On October 31, 2023, the Company received a short-term extension of the maturity of the WCF and a deferral of the requirement to place $52.9 million in a cost overrun facility (the "COF") to the earlier of the conclusion of discussions with its Lenders or November 15, 2023 (the "Longstop Date"). An earlier extension granted by the Lenders on August 23, 2023, was due to expire on November 1, 2023.

DIAMOND MARKET

The longer-term outlook for natural diamond prices remains positive, anchored on improving fundamentals around supply and demand as many of the world's largest mines reach their natural end of life over the next decade. A slow recovery of economic growth in China and a voluntary import ban on rough diamonds into India has muted the recovery of rough diamond prices following a soft market in the first six months of 2023. Global economic concerns combined with increasing geopolitical uncertainty have resulted in a challenging market in Q3 2023 with demand reduced and downward pressure on pricing, especially in the smaller size classes. With supply restricted by the largest producers, it is possible that a floor in pricing will be established that will benefit the broader market, including smaller producers, in late 2023.

Sales of lab-grown diamonds increased beginning in late 2022. Intense competition combined with improvements in technology continue to drive prices of lab grown diamonds down. Signs are emerging of financial instability of producers of lab-grown diamonds. This further differentiates this market segment from the natural diamond market and highlights the unique nature and inherent rarity of natural diamonds. The longer-term market fundamentals for natural diamonds remain unchanged and positive, pointing to strong price growth over the next few years as demand is expected to outstrip future supply, which is now declining globally.

2023 OUTLOOK

This section of the press release 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. Diamond revenue guidance does not include revenue related to the sale of exceptional stones (an individual rough diamond which sells for more than $10 million), or the Sethunya.

Changes were made to the Company's 2023 Guidance for revenue, diamond sales, ore and waste tonnes mined, and total operating cash costs per tonne processed which was released in December 2022 as indicated below.

Revisions to diamond revenue guidance reflect changes to the sales mechanism for the rough diamonds larger than 10.8 carats in size following the termination of the Company's agreement with HB, combined with global rough diamond market impacts. Revenue is expected to be lower than initial guidance as the Company looks at the timing of sales of its goods greater than 10.8 carats in size.

Karowe Diamond Mine *In millions of U.S. dollars unless otherwise noted*	**Initial 2023** Full Year	**Revised 2023** Full Year
Diamond revenue (millions)	\$200 to \$230	\$160 to \$190
Diamond sales (thousands of carats)	385 to 415	365 to 385
Diamonds recovered (thousands of carats)	395 to 425	395 to 405
Ore tonnes mined (millions)	1.9 to 2.3	2.4 to 2.6
Waste tonnes mined (millions)	2.2 to 2.8	2.8 to 3.1
Ore tonnes processed (millions)	2.6 to 2.9	2.6 to 2.9
Total operating cash costs(1) including waste mined(2) (per tonne processed)	\$32.50 to \$35.50	\$28.00 to \$30.50

(1) Operating cash costs are a non-IFRS measure. See "Non-IFRS Financial Performance Measures".

(2) Includes ore and waste mined cash costs of \$6.00 to \$6.50 (per tonne mined) and processing cash costs of \$9.00 to \$10.00 (per tonne processed).

Tonnes mined have been adjusted to reflect the acceleration of mining in the open pit which has been implemented to access high value ore from the south lobe earlier in the mine plan as well as to optimize costs. Following the expected completion of processing of the ex-pit material, in Q1 2026, the plant will transition to processing stockpiled material until the delivery of ore from the underground expansion project begins in Q1 2028.

In 2023, capital costs expectations for the underground expansion remain at \$105 million. As a result of the rebase announced in July 2023, a review of sustaining capital and project expenditures related to the open pit mining operations commenced. Sustaining capital and project expenditures may be up to \$16 million in 2023, previously up to \$20 million.

DIAMOND SALES

Karowe diamonds are sold through three separate and distinct sales channels: through the HB sales agreement, on the Clara digital sales platform and through quarterly tenders.

HB SALES AGREEMENT FOR +10.8 CARAT DIAMOND PRODUCTION FROM KAROWE

Karowe's large, high value diamonds have historically accounted for approximately 60% to 70% of Lucara's annual revenues. In September 2023, Lucara terminated the definitive sales agreement executed with HB Antwerp ("HB") in November 2022 (for all +10.8 carat diamonds recovered from Karowe) due to HB's material breach of its financial commitments. The rough diamonds delivered to HB prior to the termination of the agreement will continue to be manufactured and sold as polished diamonds. The Company retains a contractual right to receive "top-up" payments from polished diamond sales for goods delivered prior to the termination of the agreement. The Company plans to sell its +10.8 carat production through its established sales channels, subject to pre-approval from the Government of the Republic of Botswana.

For the three months ended September 30, 2023, the Company recorded revenue of \$38.4 million from the HB agreement (inclusive of top-up payments of \$0.9 million), as compared to revenue of \$27.1 million (inclusive of top-up payments of \$9.0 million) for the three months ended September 30, 2022. The third quarter saw several high value stones recognized through the HB sales agreement accounting for much of the 107% increase in initial revenue of $37.5 million. The remaining increase in revenue was due to the 26% increase in carats sold through the HB agreement versus the comparable quarter. The product mix delivered in Q3 2023 was predominately from the South Lobe ore body, with some contribution from the Centre Lobe (Q3 2022 – 100% South Lobe ore).

A decrease in top-up payments in Q3 2023 versus the comparative quarter can be attributed primarily to the number of high value diamonds delivered to HB in preceding quarters which were sold during the comparative period. Top-up values will typically increase as the more valuable stones move through production and are sold. The lower top-ups recognized in Q3 2023 reflect the value of the stones delivered earlier in the year, consistent with the change in product mix during H1 2023.

Recovered Specials equated to 6.8% of the weight percentage of total recovered carats from ore processed during Q3 2023, with 84% of carats recovered coming from the South Lobe and 16% recovered from the Centre Lobe (Q3 2022: 7.1%; 100% South Lobe ore). Natural variability in the quality profile of the +10.8ct production in any production period or fiscal quarter results in fluctuations in recorded revenue and associated top-ups. This result is consistent with the resource model and expected.

The large stone diamond market fundamentals continued to support healthy prices from the multi-year highs observed at the peak in Q1 2022, despite an overall softening of demand in the market.

CLARA SALES PLATFORM

During Q3 2023, the sales volume transacted was $4.4 million (Q3 2022: $8.3 million), as lower volumes and lower valued goods were placed for sale (due to the shift in product mix from the Karowe Mine). Some sales are recognized on a net revenue basis. A softer market was observed; however, prices decreased in most size categories from Q3 2022. Price stability continues to be observed in stones between 5 to 10.8 carats in size.

QUARTERLY TENDER

A total of 106,148 carats were sold in the August 2023 tender, generating revenues of $14.1 million (Q3 2022 tender: $14.5 million from the sale of 94,486 carats). Rough diamond prices began to soften in the third quarter of 2022 following a significant increase that started in 2021. The Q3 2023 tender reflected a 16% decrease in the market from the comparative quarter's tender.

KAROWE UNDERGROUND EXPANSION UPDATE

The Karowe UGP is designed to access the highest value portion of the Karowe orebody, with initial underground carat production predominantly from the highest value eastern magmatic/pyroclastic kimberlite (south) ("EM/PK(S)") unit. The underground expansion is expected to extend mine life to at least 2040 and is forecast to contribute approximately $4 billion in additional revenues using conservative diamond price assumptions which are un-escalated and exclude exceptional stone revenues.

On July 16, 2023, an update to the Karowe UGP schedule and budget was announced (Press Release). This update was initiated in response to slower than planned ramp up to expected sinking rates, and, to account for time incurred to date, as well as for anticipated future grouting programs. Grouting programs took longer than anticipated due to a combination of high-water volumes in the sandstone lithologies between 870 and 752 metres above sea level in depth (144 metres to 262 metres below the shaft collar) combined with technical challenges associated with the transition to main sinking.

The updated schedule incorporates a 28% increase in the duration of construction, extending the anticipated commencement of production from the underground from H2 2026 to H1 2028. The revised forecast of costs at completion is $683 million (including contingency), a 25% increase to the May 2022 estimated capital cost of $547 million. The increase of $136.0 million in estimated capital to reach project completion is predominantly related to increased schedule duration and related labour costs (about 56% of the total), grouting costs (approximately 20% of the total capital increase), with the balance of the increase attributable to Owner's costs, procurement, and indirect project costs.

During the three months ended September 30, 2023, a total of $20.3 million was spent on the Karowe UGP development, primarily in relation to ongoing shaft sinking activities, including:

- Main sinking in the production and ventilation shafts:
    - The ventilation shaft reached 268.8 metres below collar, with a planned final depth of 731 metres. The shaft is currently 22 metres ahead of the July schedule update. The production shaft reached 227 metres below collar, with a planned final depth of 765 metres.
    - In response to water inflows from the sandstones, cover grouting continued as a primary activity in both shafts. Backwall grouting programs were completed in the production shaft and ventilation shaft as remedial work in areas of the shaft that were previously dry.
    - Civil works related to construction of the temporary and permanent bulk air cooler contractor started in September and detailed engineering was completed for these units.
- Contract for fabrication of the permanent men and materials winder was signed during the quarter, representing the last major component for the permanent winders.
- Mining engineering advanced with a focus on supporting shaft sinking, underground infrastructure engineering and finalizing level plans.
- The impact of implementing a behavioural-based safety training program in Q4 2022 has been evident in 2023. Year-to-date, the UGP achieved a nine-month period with no reportable incidents delivering a nine-month rolling Total Recordable Injury Frequency Rate of zero.

The capital cost estimate for the underground expansion in 2023 is $105 million – see "2023 Outlook". Activities for the Karowe UGP in Q4 2023 are expected to include the following:

- Sinking within the ventilation and production shafts is expected to continue.
    - Excavation of the 718 level station in the ventilation shaft and sinking to the 670 level station and start of station development
    - Planned grouting events to the base of the Mosolotane sandstone/mudstone transition are expected to be completed early in Q4 2023 for the production shaft.
- Thereafter, further grouting is not anticipated to be required until sinking reaches the granite basement lithologies in late 2024. Grouting in the granite lithologies is expected to be localized, rather than formational in nature.
- Procurement of underground equipment, including dewatering pumps, underground crush and convey systems and the permanent stage winder.
- Construction and commissioning of the temporary bulk air cooler and construction of the permanent of the bulk air cooler system.
- Preparation of tender documents for a request for proposal for the underground lateral development work; and,
- Continuation of detailed design and engineering of the underground mine infrastructure and layout.

FINANCIAL HIGHLIGHTS – Q3 2023

In millions of U.S. dollars, except carats or otherwise noted	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Revenues	$ 56.9	$ 49.9	$ 140.8	$ 170.5
Operating expenses	(21.3)	(25.8)	(56.3)	(60.8)
Net income for the period	10.5	1.8	16.5	33.3
Earnings per share (basic and diluted)	0.02	0.00	0.04	0.07
Operating cash flow per share(1)	0.04	0.03	0.11	0.17
Cash on hand	16.8	34.8	16.8	34.8
Cost overrun facility (restricted cash)	18.4	-	18.4	-
Amounts drawn on working capital facility(2)	35.0	-	35.0	-
Amounts drawn on project finance facility	90.0	65.0	90.0	65.0
Karowe Revenue	56.2	46.5	136.1	163.7
Carats sold	111,673	99,301	267,764	245,763

(1) Operating cash flow per share before working capital adjustments is a non-IFRS measure. See "Use of Non-IFRS Performance Measures" below.

(2) Excludes amounts drawn from the Clara revolving credit facility.

QUARTERLY RESULTS OF OPERATIONS – KAROWE MINE, BOTSWANA

	UNIT	Q3-23	Q2-23	Q1-23	Q4-22	Q3-22
Sales						
Revenues from the sale of Karowe diamonds	US$M	56.2	38.6	41.3	40.1	46.5
Karowe carats sold	Carats	111,673	72,717	83,374	81,264	99,301
Production						
Tonnes mined (ore)	Tonnes	869,188	682,636	541,400	484,705	920,410
Tonnes mined (waste)	Tonnes	954,226	907,051	761,295	199,385	453,860
Tonnes processed	Tonnes	724,640	720,345	700,678	690,946	693,398
Average grade processed(1)	cpht (*)	13.6	12.6	12.8	12.5	11.4
Carats recovered(1)	Carats	98,311	90,497	89,640	86,655	78,879
Costs						
Operating cost per tonne of ore processed(2)	US$	28.62	27.97	26.65	26.20	29.33
Capital Expenditures						
Sustaining capital expenditures	US$M	3.2	2.4	0.8	9.9	4.0
Underground expansion project(3)	US$M	20.3	22.5	30.5	22.3	23.9

(*) carats per hundred tonnes

(1) Average grade processed is from direct milling carats and excludes carats recovered from re-processing historic recovery tailings from previous milling.

(2) Operating cost per tonne of ore processed is a non-IFRS measure. See "Use of Non-IFRS Performance Measures" below.

(3) Excludes qualifying borrowing cost capitalized in each quarter.

CONFERENCE CALL

The Company will host a conference call and webcast to discuss the results on Monday, November 13, 2023 at 9:00am Pacific, 12:00pm Eastern, 5:00pm UK, 6:00pm CET. To join the conference call please use the following link https://emportal.ink/45LcfFu or the phone numbers listed below.

Conference ID:
42548403 / Lucara Diamond

Dial-In Numbers:

Toll-Free Participant Dial-In North America	(+1) 888 390 0605
UK Toll free	0800 652 2435
Local Toronto	(+1) 416 764 8609

Webcast:
To view the live webcast presentation, please log on using this direct link: https://app.webinar.net/X7Z2M2wLaxW
The presentation slideshow will also be available in PDF format for download from the Lucara website (Link to presentation).

Conference Replay:
A replay of the telephone conference will be available two hours after the completion of the call until November 20, 2023. The pass code for the replay is: 548403 #

Replay number (Toll Free North America)	(+1) 888 390 0541
Replay number (Local)	(+1) 416 764 8677

On behalf of the Board,
William Lamb
President and Chief Executive Officer

Follow Lucara Diamond on Facebook, Instagram, and LinkedIn

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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 10, 2023 at 6:00pm Pacific Time.

NON-IFRS FINANCIAL PERFORMANCE MEASURES

This news release refers to certain financial measures, such as adjusted EBITDA, adjusted operating earnings, operating cash flow per share, 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 quarter ended September 30, 2023 for an explanation of non-IFRS measures used.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain of the statements made herein contain certain "forward-looking information" and "forward-looking statements" as defined in applicable securities laws. Generally, any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance and often (but not always) using forward-looking terminology such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "budgets", "scheduled", "forecasts", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements.

In particular, forward-looking information and forward-looking statements may include, but are not limited to, information or statements with respect to the Company's ability to continue as a going concern, the project schedule and capital costs for the Karowe UGP, the diamond sales, projection and outlook disclosure under "2023 Outlook", the Company's ability to successfully agree the Rebase Amendments with its Lenders, the Company's ability to receive a deferral of the deadline to fill the COF, the impact of supply and demand of rough or polished diamonds, expectations regarding top-up values, estimated capital costs, the timing, scope and cost of additional grouting events at the Karowe UGP, the Company's ability to comply with the terms of the Facilities which are required to construct the Karowe UGP, including future funding requirements to the COF, 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, that sufficient stockpiled ore will be available to generate revenue prior to the achievement of commercial production of the Karowe underground mine, the economic potential of a mineralized area, the size and tonnage of a mineralized area, anticipated sample grades or bulk sample diamond content, expectations that the Karowe UGP will extend mine life, forecasts of additional revenues, future production activity, that depletion and amortization expense on assets will be affected by both the volume of carats recovered in any given period and the reserves that are expected to be recovered, the future price and demand for, and supply of, diamonds, expectations regarding the scheduling of activities for the Karowe UGP in 2023, future forecasts of revenue and variable consideration in determining revenue, the impact of the termination of the HB sales agreement on the Company's projected revenue and sales channels, estimation of mineral resources, exploration and development plans, cost and timing of the development of deposits and estimated future production, interest rates, including expectations regarding the impact of market interest rates on future cash flows and the fair value of derivative financial instructions, currency exchange rates, rates of inflation, success of exploration, credit risk, price risk, requirements for and availability of additional capital, capital expenditures, operating costs, timing of completion of technical reports and studies, production and cost estimates, tax rates, timing of drill programs, government regulation of operations, environmental risks and ability to comply with all environmental regulations, reclamation expenses, title matters including disputes or claims, limitations on insurance coverage, the profitability of Clara and the Clara Platform, and the scaling of the digital platform for the sale of rough diamonds owned by Clara, expectations regarding the Clara platform's growth, the expected use of the Clara Facility, that the Company intends to continue to seek additional supply, both from third-party producers and the secondary market for Clara, and the potential impacts of COVID-19, economic and geopolitical risks, including potential impacts from the Russian military invasion of Ukraine and the escalating conflict between Israel and Hamas.

Forward-looking information and statements are based on the opinions and estimates of management as of the date such statements are made, and they are subject to several 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 correct. Certain risks which could impact the Company are discussed under the heading "Risks and Uncertainties" in the Company's most recently filed Interim MD&A and, in the Company's most recent Annual Information Form available at http://www.sedar.com (the "AIF").

The foregoing is not exhaustive of the factors that may affect any of our forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and our actual achievements or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties, and other factors, including, without limitation, those referred to in this news release.

Although the Company has attempted to identify important factors that could cause actual actions, events, or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. The forward-looking statements contained in this news release are based on the beliefs, expectations, and opinions of management as of the date of this disclosure. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers and investors should not place undue reliance on forward-looking statements. Forward-looking information and statements are made as of the date of this disclosure and accordingly are subject to change after such date. Except as required by law, the Company disclaims any obligation to revise any forward-looking information and statements to reflect events or circumstances after the date of such information and statements. All forward-looking information and statements contained or incorporated by reference in this news release are qualified by the foregoing cautionary statements.