

January 19, 2026

## NEWS RELEASE

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### **LUCARA PROVIDES UPDATE ON PREVIOUSLY ANNOUNCED PRIVATE PLACEMENT**

VANCOUVER, B.C., January 19, 2026 /CNW/ (LUC – TSX, LUC – BSE, LUC – Nasdaq FNGM)

Lucara Diamond Corp. (“Lucara” or the “Company”) announces that the Company has submitted a financial hardship exemption application to the Toronto Stock Exchange (the “TSX”) under Section 604(e) of the TSX Company Manual (the “Exemption”) in respect of its previously announced non-brokered private placement to raise aggregate gross proceeds of \$165.0 million (see [January 15, 2026 Press Release](#)). All dollar amounts reflected in Canadian dollars unless otherwise stated.

#### Equity Private Placement

The Company intends to enter into definitive subscription agreements in connection with a non-brokered private placement whereby investors have agreed to subscribe for an aggregate 1,031,250,000 common shares in the capital of the Company (the “Common Shares”) to be issued at a price of \$0.16 per Common Share for an aggregate gross subscription amount of \$165.0 million (the “Private Placement”). The offering price of the Common Shares was determined by the Company in the context of prevailing market conditions. The offering price represents a discount of approximately 23.57% to the volume weighted average price (VWAP) for the 5 days ending January 9, 2026, being the date of announcement of the Private Placement, and 22.43% to the VWAP for the 5 days ending January 14, 2026, being the date of announcement of the upsize of the Private Placement. The Company may pay a finder’s fee of 5% in connection with a portion of the Private Placement, excluding the participation of the Lundin Family Trust (as defined below).

The proceeds of the Private Placement will be used to address the Company’s liquidity shortfall to enable it to continue advancing the Karowe underground project (the “UGP” or the “Project”) while pursuing longer-term Project financing, including for shaft equipping, conveyance commissioning and lateral development, extraction and drill horizon development, as well as for general working capital and corporate purposes.

The Private Placement is expected to close in late January (the “Closing Date”). The Closing Date may be adjusted by the Company, acting reasonably. Completion of the Private Placement is subject to the execution of all required definitive documentation in respect of the Private Placement, as well as the receipt of all necessary exchange approvals and exemptions, including the Exemption, and other customary conditions.

The Common Shares issued under the Private Placement will be issued pursuant to exemptions from prospectus requirements under applicable securities laws and will be subject to a Canadian statutory four-month hold period from the date of issuance.

#### TSX Exemption from Shareholder Approval Requirement

Absent the Exemption, the Private Placement would require the approval from the holders of a majority of the issued and outstanding Common Shares on a disinterested basis, excluding the votes of entities controlled by the Lundin Family Trusts (as defined below).



Trusts settled by the late Adolf H. Lundin (the “Lundin Family Trusts”) are participating in the Private Placement. Nemesia S.à.r.l. (“Nemesia”), a private entity controlled by the Lundin Family Trusts, is also currently the Company’s largest shareholder. Accordingly, the Lundin Family Trusts constitute an “insider” for the purposes of the TSX Company Manual, and a “related party” as defined under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). Closing of the Private Placement will not result in the creation of a new “control person” for the purposes of the Securities Act (*British Columbia*), nor will it materially affect control of the Company pursuant to Section 604(a)(i) of the TSX Company Manual.

Section 604(a)(ii) of the TSX Company Manual states that shareholder approval is required where a transaction provides consideration to insiders in aggregate of 10% or greater of the market capitalization of the Company, during any six-month period. The Lundin Family Trust’s subscription of \$54,038,555.84 under the Private Placement would represent approximately 56.45% of the Company’s current market capitalization, thus exceeding the 10% threshold.

Section 607(g)(i) of the TSX Company Manual states that shareholder approval is required where the number of listed securities issuable exceeds 25% of the number of shares issued and outstanding prior to the transaction. The aggregate number of Common Shares made issuable in connection with the Private Placement is greater than 25% of the number of issued and outstanding Common Shares as of the date hereof. The aggregate amount of 1,031,250,000 Common Shares to be issued under the Private Placement would represent 225.51% of the Common Shares currently issued and outstanding.

Section 607(g)(ii) of the TSX Company Manual states that shareholder approval is required for the issuance to insiders of shares in excess of 10% of the issued and outstanding Common Shares during any six-month period. Insider participation in the Private Placement will result in insiders having acquired greater than 10% of the issued and outstanding Common Shares of the Company in a six-month period given entities controlled by the Lundin Family Trusts are subscribing for 337,740,974 Common Shares (being 73.86% of the Common Shares currently issued and outstanding) as part of the Private Placement. Following the Closing Date, the Lundin Family Trust will hold 458,410,371 Common Shares, representing approximately 30.80% of the Common Shares issued and outstanding on a post-closing basis.

The Company has applied to the TSX, pursuant to the provisions of Section 604(e) of the TSX Company Manual, for a “financial hardship” exemption from these requirements to obtain shareholder approval, on the basis that the Company is in serious financial difficulty and the Private Placement is designed to address these financial difficulties in a timely manner.

The board of directors of the Company (the “Board”) has established a special committee of independent directors, free from any material interest in the Private Placement and unrelated to the parties to the Private Placement (the “Special Committee”) to consider and assess the Company’s financial situation and the Company’s proposed application to the TSX for the Exemption.

The Special Committee has considered and reviewed the circumstances currently surrounding the Company and the Private Placement including, among other factors: the Company’s current financial difficulties and immediate capital requirements; the lack of alternate Private Placement arrangements available; and the fact that the Private Placement is the only viable Private Placement option at the present time. The Special Committee has considered and assessed the Company’s financial situation and the proposed application for the Exemption, and made a unanimous recommendation to the Board that the Company make the application to the TSX for the Exemption. The Board, upon the recommendation of the Special Committee, has determined that: (i) Lucara is in serious financial difficulty; (ii) the Private Placement is designed to improve Lucara’s financial situation and (iii) based on the determination of the Special Committee, the Private Placement is reasonable for Lucara in the circumstances.

The Company’s current financial difficulties are based on a number of factors.

On August 8, 2025, the Company announced that it was completing a review of the UGP ore extraction methodology, Project costs and schedule. This review focused on gaining a deeper understanding of the orebody geomechanics and modeling potential caving scenarios to ensure safe ore recovery and to maximize returns.

The Company successfully completed its review without disrupting the ongoing development of the UGP. On January 5, 2026, the Company announced the results of its updated feasibility study (the “Feasibility Study”) relating to the UGP (see [January 5, 2026 Press Release](#)), with the forecast costs of the UGP estimated at US\$779.2 million. While the Company’s Feasibility Study confirms the robustness of the UGP and its significant future potential, the Company is currently experiencing financial hardship as a result of immediate liquidity constraints. The proceeds of the Private Placement are required to address this liquidity shortfall and to enable the Company to continue the Project without disruption while pursuing longer-term Project financing.

Historically, the Company has funded the UGP and completed its Project review through a combination of cash flow from its open-pit operations at the Karowe mine and access to debt markets. To maintain development momentum at the UGP, the Company has fully drawn on its Project finance facilities and accessed additional shareholder guarantees to support UGP development and maintain sufficient liquidity. The Project has advanced as anticipated, with both the production and ventilation shafts reaching their final depth. The Project has progressed ahead of schedule despite the challenging financial situation. The Project is currently heading into a critical transition to lateral development which will require significant equipment purchases to continue to meet the Project deliverables and achieve commercial production in early 2028.

The Company has engaged in the following efforts to meet its liquidity needs:

- On August 8, 2025, the Company’s Cost Overrun Reserve Account was funded to US\$61.7 million, enabling a US\$28.0 million draw in exchange for Nemesia extending its US\$28.0 million shareholder standby undertaking (“SSU”) to support liquidity until Project completion.
- On August 29, 2025, the Company drew US\$10.0 million from SSU. The Company subsequently drew US\$13.0 million on November 13, 2025 and US\$5.0 million on December 18, 2025 from the SSU.
- By December 31, 2025, the Company had fully drawn its US\$190.0 million Project Facility, US\$30.0 million Working Capital Facility (the “WCF”) and US\$28.0 million SSU.

The Company is currently unable to generate sufficient operating cash flow from its operations or access additional loan facilities to fund future UGP development and maintain the Project schedule while securing the remaining Project financing. This reflects declining cash flows as the Company transitions to processing lower-grade stockpiles, combined with fully drawn Project Facilities (as defined below) and the exhaustion of the available shareholder guarantees.

As a result of the timing of the Project review and increased funding requirements, the Company did not meet certain covenant obligations under its Project facility (the “Project Facility”) relating to financial model covenants (see [August 8, 2025 Press Release](#)), lateral development contract covenants, cost to complete covenants and a clean down covenant requiring the WCF to be fully paid down for five successive business days at least once every 12 months (see [November 13, 2025 Press Release](#)). The Company was not in compliance with the above noted Covenants, resulting in events of default on the Project facilities. On December 30, 2025, the Company reached an agreement with its lenders to waive all events of default (see [January 5, 2026 Press Release](#)). However, should the Company not have sufficient liquidity in the future, the Company may risk similar defaults which could materially impact the Company’s ability to continue as a going concern.

All of the factors described above have contributed to placing Lucara in its current situation of serious financial difficulty.

There can be no assurance that the TSX will accept the application for the Exemption under Section 604(e) of the TSX Company Manual. The TSX will place the Common Shares under delisting review, which is customary practice when a



listed issuer relies on such exemptions. No assurance can be provided as to the outcome of such review and the continued qualification for listing of the Common Shares on the TSX. The Company may be required to delist from the TSX and pursue an alternative listing on the TSX Venture Exchange.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful. The securities offered have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any U.S. state securities laws, and may not be offered or sold in the United States without registration under the U.S. Securities Act and all applicable U.S. securities laws, or in compliance with an applicable exemption therefrom.

William Lamb, President and CEO of Lucara, commented, "Lucara's board and management remain fully committed to protecting long-term shareholder value while advancing the UGP, one of the world's most significant high-value diamond developments. The application for the financial hardship exemption is a prudent and temporary step that provides the Company with added flexibility as we complete this capital-intensive phase of development. Importantly, our underlying asset quality, operating discipline, and long-term value proposition remain unchanged, and we continue to work closely with our stakeholders to position Lucara for sustainable cash flow generation and value creation."

On behalf of the Board,

William Lamb  
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 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. 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 is certified by the Responsible Jewellery Council, complies with the Kimberley Process, and has adopted the IFC Performance Standards and the World Bank Group's Environmental, Health and Safety Guidelines for Mining (2007). The development of the 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 in this release is subject to the disclosure requirements of Lucara pursuant to the EU Market Abuse Regulation. The Company's certified adviser on the Nasdaq First North Growth Market is Bergs Securities AB, [ca@bergssecurities.se](mailto:ca@bergssecurities.se), +46 739 49 62 50. This information was submitted for publication, through the agency of the contact person set out above, on January 19, 2026, at 7:00 p.m. Pacific Time.



## CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements made in this news release contain “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.

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 Company’s ability to continue operations, realize assets, and settle its liabilities as they become due, the Project schedule and anticipated capital costs of the UGP, the principle terms of the Private Placement, the anticipated timing of closing of the Private Placement, if at all, the anticipated use of proceeds of the Private Placement, the ability of the Company to obtain full financing and the means by which it may do so, the finder’s fee payable by the Company in connection with the Private Placement, the ability of the Company to obtain the necessary regulatory approvals to consummate the Private Placement, the availability of certain exemptions to the prospectus requirements pursuant to applicable securities laws, the availability of certain exemptions to the formal valuation and minority shareholder approval requirements pursuant to MI 61-101 and the shareholder approval requirements under the TSX Rules, the participation in the Private Placement from the Lundin Family Trusts, the future potential of the UGP and the ability of the Company to accelerate key developments planned for 2026.

While these factors and assumptions are considered reasonable by the Company as at the date of this news release in light of management’s experience and perception of current conditions and expected developments, these statements are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking information and undue reliance should not be placed on such information. Such factors include, but are not limited to: risks relating to the construction and development of the UGP, including potential delays, cost overruns and project execution risks, the Company’s ability to comply with the terms of the Facilities (as defined in the Company’s most recent MD&A) required to construct the UGP, the risk of future non-compliance or lender enforcement actions, including demands for repayment and the impact of any such event on the Company’s business and financial condition, whether expected cash flow from operations, combined with external financing, will be sufficient to complete construction of the UGP, that the estimated timelines to achieve mine ramp up and full production from the UGP can be achieved, that sufficient stockpiled ore of sufficient grade and value will be available to generate revenue prior to the achievement of commercial production of the UGP, 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 UGP and the pit steepening project 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 UGP, and that the Company will be able to secure all required financing for the UGP, including any remaining funding requirements, on acceptable terms or within the anticipated timeframe.

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 due to a variety of risks, uncertainties, and other factors, including, without limitation, those referred to in this news release. The foregoing is not exhaustive of the factors that may affect any of our 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 recent MD&A and in the Company's most recent Annual Information Form available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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. Accordingly, readers and investors should not place undue reliance on forward-looking statements. Forward-looking information and statements contained in this news release are made as of the date of this news release 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.