



LUCARA  
DIAMOND

December 18, 2019

## PRESS RELEASE

### LUCARA'S DECEMBER DIAMOND TENDER EXCEEDS EXPECTATIONS

VANCOUVER, December 18, 2019/CNW/ - (LUC - TSX, LUC - BSE, LUC - Nasdaq Stockholm)

Lucara Diamond Corp. (“Lucara” or the “Company”) is pleased to report that its final diamond tender of 2019, held on December 12<sup>th</sup>, generated sales proceeds of US\$52.9 million, 16% higher than expected, and achieved an average price of US\$548 per carat. Market pricing improvements were noted in all size classes. The December tender puts Lucara’s 2019 revenue at \$192.5 million exceeding the 2019 revenue guidance of \$170 - \$180 million.

#### 2019 SALES HIGHLIGHTS

- Total proceeds of US\$192.5 million (including Clara)
- Average price of US\$468 per carat
- 30 diamonds sold for > \$1 million each

Clara has also continued to make excellent progress in 2019, completing 16 sales and growing its customer base well beyond expectations from 4 to 27 clients. Further, demand in recent sales has now outstripped available supply and the platform is ready to receive a larger quantity of third-party goods to support its next phase of growth. Trials with at least two other providers are anticipated beginning in early 2020. Clara is achieving strong prices for Karowe diamonds and generating attractive margins for its customers, confirming that significant value can be unlocked by selling rough diamonds in a more efficient way, using technology and based on specific demand for individual polished products.

The positive results of the Karowe Underground Feasibility Study announced on November 4, 2019 have been summarized in a Technical Report, prepared pursuant to the guidelines of National Instrument 43-101, and filed on SEDAR ([www.sedar.com](http://www.sedar.com)) December 17, 2019. The report is also available on Lucara’s website ([PDF](#)). A budget of up to US\$53 million has been approved for early works related to the 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. The approved budget is based on the Company’s ability to fund these initial capital expenditures from operating cash flow in 2020. The early works program will include detailed engineering, procurement, earth works and pre-sinking of production and ventilation shafts to mitigate key risks related to the schedule.

*Eira Thomas, CEO commented: “Though it is too early to call a trend, prices achieved in our final sale of the year reflect a stronger, more stabilized market environment and continued strong demand for Karowe diamonds. As a result, we have exceeded our revenue guidance for 2019. Lucara’s continued focus on operational excellence underpins this strong performance, delivering strong margins despite the weaker pricing environment. The Company remains well positioned and highly levered towards further strengthening in diamond prices over the next 12-24 months as supply constraints from large, maturing, mines begin to manifest. This bodes well, not only for our current open pit operations, but also supports our plans for underground expansion to extend Karowe’s mine-life to at least 2040, with the potential to generate an additional US\$4 billion in revenue.” She further added, “Our strong performance at the mine,*



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*combined with the delivery of a robust underground feasibility study is supplemented by encouraging early results from Clara. 2019 marked the first of a two year ramp up period for our secure digital sales platform and we are pleased to report that our customer base has grown beyond expectations. We remain on track to deliver strong cashflows consistent with our five-year plan.”*

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. 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 (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 in this release is subject to the disclosure requirements of the Company under the EU Market Abuse Regulation. This information was publicly communicated on December 18, 2019 at 2:00 pm 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: 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.