



LUCARA
DIAMOND

February 18, 2024

NEWS RELEASE

LUCARA ANNOUNCES A NEW MULTI-YEAR DIAMOND SALES AGREEMENT WITH HB ANTWERP

VANCOUVER, February 18, 2024 /CNW/ (LUC – TSX, LUC – BSE, LUC – Nasdaq Stockholm)

Lucara Diamond Corp. ("Lucara" or the "Company") is pleased to announce that it has entered into a new diamond sales agreement ("NDSA") with HB Group out of Antwerp, Belgium ("HB"), in respect of all qualifying diamonds produced in excess of 10.8 carats in size from its 100% owned Karowe Diamond Mine in Botswana.

Under the terms of the 10-year NDSA with HB, the purchase price paid for Lucara's +10.8 carat rough diamonds shall be based on the mutual agreement of the estimated polished outcome, determined through state-of-the-art scanning and planning technology, together with external benchmarks and more than a decade of Lucara's special stone sales data. A further sales value uplift ("top-up") will be paid to Lucara based on actual achieved polished sales thereafter, less a fixed margin payable to HB. This pricing mechanism is expected to deliver regular cash flow for this important segment of the Company's production profile at better than conventional diamond industry tender prices.

The anticipated benefits of the NDSA to Lucara include:

- Regular cashflow to Lucara in support of the ongoing development of the Karowe Underground Project.
- Significant potential revenue upside, especially for large complex rough diamonds, based on historical performance, providing a premium on diamond sales benefiting all Karowe Mine stakeholders.
- Ongoing alignment with the Government of Botswana's strategy to diversify downstream, and participate in the upside of polished diamond revenue.
- Streamlined diamond evaluation, sales reporting and payment mechanisms.
- The creation of an efficient and restructured, large and high quality diamond supply chain which has the potential of meeting the demands of high-value brands

The NDSA is subject to the approval of the Company's project lenders. Upon such approval the agreement terms will be effective retroactively from December 1, 2023. Since that time, Lucara has continued to supply qualifying rough diamonds to HB in order to fund its operations and the Karowe Underground Project.

William Lamb, President & CEO commented: "As we navigate through the ever-evolving landscape of the diamond industry, I'm pleased to announce Lucara's strategic decision to re-enter into a long-term supply agreement with HB Antwerp. This partnership reflects our commitment to ensuring stability and sustainability in our operations. Our collaboration with HB Antwerp presents an opportunity to further enhance our position in the market, building on the knowledge of the past and the understanding of the quality of the polished diamonds produced from our Karowe diamonds. We remain steadfast in our dedication to delivering exceptional quality and premium value from our diamonds to all stakeholders, even amidst external pressures. Together, we will continue to uphold the legacy of excellence that defines Lucara's journey in the world of diamonds".

On behalf of the Board,

William Lamb
President and Chief Executive Officer

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For further information, please contact:

Hannah Reynish	Investor Relations & Communications +1 604 674 0272 info@lucaradiamond.com
Sweden	Robert Eriksson, Investor Relations & Public Relations +46 701 112615 reriksson@rive6.ch
UK Public Relations	Charles Vivian / Jos Simson, Tavistock +44 778 855 4035 lucara@tavistock.co.uk

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 which ensures 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 Project 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.

ABOUT HB ANTWERP

HB Antwerp turns the diamond supply chain upside down starting with the customer. Using technology, they bring simplicity and transparency to a typically complex supply chain. Everything happens in a closed loop called Signum in Antwerp, backed with the latest technologies and tracked with blockchain making it 100% transparent from diamond mine to market.

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 18, 2024 at 7:00 p.m. Pacific Time.

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 anticipated benefits of the Diamond Sales Agreement, including the ability to achieve regular cash flows and the ability to achieve better pricing than available through tender.



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, including risks related to changes in the market for diamond sales. 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 and its performance under the Diamond Sales Agreement 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.