February 20, 2024

NEWS RELEASE

LUCARA ANNOUNCES YEAR END 2023 RESULTS; CONTINUED DEVELOPMENT OF THE UNDERGROUND PROJECT

VANCOUVER, February 20, 2024 /CNW/ (LUC – TSX, LUC – BSE, LUC – Nasdaq Stockholm)

Lucara Diamond Corp. ("Lucara" or the "Company") today reports its results for the year and quarter ended December 31, 2023. All amounts are in U.S. dollars unless otherwise noted.

FISCAL 2023 HIGHLIGHTS

- The recovery of a 1,080 carat Type IIA white gem quality diamond in August 2023, followed by a recovery of a 692 carat Type IIA diamond later in the month. The fourth +1000 carat stone recovered from the Karowe Mine.
- The Karowe Mine recorded record plant throughput of 2.8 million tonnes milled for the year.
- In January 2024, the successful execution of an amended project financing debt package of $220 million to amend the repayment profile in line with the rebase schedule released in July 2023 for the Karowe Underground Project ("UGP").
- On February 18, 2024, the Company announced the signing of a new definitive sales agreement ("NDSA") with HB Trading BV ("HB") in respect of all qualifying diamonds produced in excess of 10.8 carats in size from the Karowe Mine.
- Total revenue of $177.4 million for 2023, in line with revised guidance.
- Cash flow generated from operating activities of $63.4 million for 2023.
- 2023 operating cash cost of $28.75 per tonne of ore processed(1).
- Investment of $101.3 million in the Karowe UGP in 2023. Significant sinking progress was made in both the production and the ventilation shafts during the second half of 2023.

William Lamb, President & CEO commented: "2023 was a challenging year for Lucara. Although mining activities in the open pit continued to show ongoing sustainable improvements, including record production through the mill, the development on the UGP experienced delays in the early part of the year. Positive progress was made in the sinking of both the production and the ventilation shafts resulting in both shafts starting lateral development at the 670 level at the end of the year. The Company has dedicated significant effort and resources to focus on the UGP as this project represents a very exciting and valuable future for Lucara.

The diamond market in general remains a volatile environment with market challenges coming from multiple areas. Lucara remains well positioned to meet these market challenges head on due to its unique high value production mix and its ability to provide provenance for its diamonds through its well-defined sales channels. Our sales strategy which focuses on gaining access to the upstream value chain from polished diamonds is well aligned to the strategies of the Government of the Republic of Botswana. The Company aims to continue working toward long-term sustainable business practices to provide value for all our stakeholders."

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

REVIEW FOR THE YEAR ENDED DECEMBER 31, 2023

- Operational highlights from the Karowe Mine for 2023 included:
  - Ore and waste mined of 2.7 million tonnes ("Mt") (2022: 3.3Mt) and 3.1 million tonnes (2022: 1.5Mt), respectively.
  - 2.8 million tonnes (2022: 2.8Mt) of ore processed.
  - A total of 395,134 carats recovered, including 18,509 carats from the processing of historic recovery tailings, (2022: 335,769 carats) at a recovered grade of 13.2 carats per hundred tonnes ("cpht") of direct milled ore (2022: 12.1 cpht).
    - A total of 602 Specials (stones larger than 10.8 carats in size) were recovered, with 22 diamonds greater than 100 carats including five diamonds greater than 300 carats.
    - Recovered Specials equated to 5.3% of the total recovered carats from ore processed during 2023 (2022 – 7.2%).
  - The Karowe Mine has operated continuously for over three years without a lost time injury.
- Financial highlights for 2023 included:
  - Revenues of $177.4 million (2022: $212.9 million) achieved despite a weaker rough diamond market. Fourth quarter pricing stabilized in smaller goods and increases of 5% were observed compared to the third quarter of 2023, albeit approximately 19% below prices observed in the fourth quarter of 2022. Revenue reflects the weighting of Lucara's revenue towards larger goods where pricing was observed to be more stable. The performance further reflects the increased volume of material processed from the North and Centre lobes in the first half of the year. During 2023, 26% of the carats processed were recovered from the Centre Lobe, 3% from the North Lobe and 71% were recovered from South Lobe ore (2022: 100% South Lobe ore). In comparison to the revenue earned in 2022, current year revenues reflected a more diverse product mix with a return to Centre and North Lobe processing during the year.
  - Operating margins of 56% were achieved (2022: 63%). A strong operating margin continues to be achieved through cost reduction initiatives assisted by a strong U.S. dollar.
  - Adjusted EBITDA(1) was $54.4 million (2022: $86.7 million), with the decrease attributable to the change in revenue.
  - Net loss was $20.2 million (2022: net income of $40.4 million), resulting in a loss per share of $0.04 (2022: earnings of $0.09). The change to a net loss is due to the decrease in revenue, an impairment of intangible assets, and a significant non-cash deferred tax expense as the investment in the underground expansion project continues.
  - The Company identified an impairment indicator for the Company's Clara sales platform and completed an impairment test based on the fair value less cost of disposal expected to be derived from the platform. An impairment was recognized on the intangible asset by $11.2 million in Q4 2023.
  - Cash flow from operating activities was $63.4 million (2022: $96.2 million).
- During 2023, the Company invested $101.3 million into the Karowe UGP, including capitalized borrowing costs:
  - Shaft sinking, lateral development and grouting programs were the focus in both the ventilation and production shafts in Q4 2023. At the end of 2023, the production and ventilation shafts were both at 348 metres below collar or 666 metres above sea level ("masl") and the process of establishing the first shaft stations and lateral connection between the two shafts (670 level) had commenced.
  - During Q4 2023, the ventilation shaft sank 76 metres, the 718 slinging cubby was completed, the 670-level station catwalk was established and the lateral station development commenced. Total lateral

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

development in Q4 2023 was 97 metres. During the quarter, development equipment, including a Kubota, a Sandvik DD321 boom jumbo drill and a Caterpillar R1300G 7-tonne load, haul, dump unit were mobilized at the 670-level for lateral development mining. Sinking and lateral development was in the Thlabala mudstones in dry conditions.

  - Production shaft activities included sinking a total of 114 metres and establishing the 670-level station catwalk and initiating lateral development. A total of 30 metres of lateral development was completed.
  - Commissioning of the temporary bulk air coolers at each shaft was completed and construction of the permanent bulk air coolers at the production shaft continued.
  - Detailed engineering and fabrication of the permanent men and materials winder commenced during the quarter, representing the last major component for the permanent winders.

- Cash position and liquidity at December 31, 2023:
  - Cash and cash equivalents of $13.3 million.
  - Working capital deficit (current assets less current liabilities) of $16.6 million.
  - Cost overrun facility (“COF”) of $18.6 million.
  - $90.0 million drawn on the $170.0 million Project Loan (“Project Loan”) for the Karowe UGP.
  - $35.0 million drawn on the $50.0 million working capital facility (“WCF”).
- On January 9, 2024, the Company announced that it had signed amended documentation in relation to the senior secured project financing debt package of $220.0 million (the "Facilities") executed in July 2021 (the “Rebase Amendments”). The project facility portion had been increased from $170.0 million to $190.0 million, while the working capital facility had been decreased from $50.0 million to $30.0 million. While the total quantum of the Facilities has not changed, the repayment profile has been extended in line with the rebase schedule released on July 17, 2023, and the maturity of the WCF has been extended to June 30, 2031.
- During 2023, the Company announced the appointment of William Lamb as Chief Executive Officer, effective August 17, 2023, and Glenn Kondo, as Chief Financial Officer, effective January 1, 2024. Eira Thomas and Zara Boldt departed during 2023.

DIAMOND MARKET

The long-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 end of life. Currently, slower than anticipated economic growth in China and a voluntary import ban on rough diamonds into India in Q4 2023 dampened the recovery of rough diamond prices towards the end of 2023. Changes in global economic conditions, consumer demand, geopolitical events, and industry-specific dynamics resulted in a challenging market in 2023 with reduced demand and downward pressure on both polished and rough diamond pricing, especially in the smaller size classes. Restricted supply by the largest producers towards the end of 2023, together with the Group of Seven discussions surrounding sanctions on rough diamonds from Russia, resulted in low levels of price recovery at the end of 2023.

Sales of lab-grown diamonds increased steadily through 2023 with many smaller retail outlets increasingly adopting these diamonds as a product. Lab-grown stones have established themselves in the marketplace and is expected to continue to take up increasing market share in the smaller to medium sized goods over time. The longer-term market fundamentals for natural diamonds remain positive, pointing to continued price growth as demand is expected to outstrip future supply, which is now declining globally.

2024 OUTLOOK

This section of the press release provides management's production and cost estimates for 2024. 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. No changes have been made to the Company's Guidance which was released in November 2023.

Karowe Diamond Mine *In millions of U.S. dollars unless otherwise noted*	**2024** Full Year
Diamond revenue (millions)	$220 to $250
Diamond sales (thousands of carats)	345 to 375
Diamonds recovered (thousands of carats)	345 to 375
Ore tonnes mined (millions)	2.8 to 3.2
Waste tonnes mined (millions)	0.8 to 1.4
Ore tonnes processed (millions)	2.6 to 2.9
Total operating cash costs(1) including waste mined (per tonne processed)	$28.50 to $33.50
Underground Project	Up to $100 million
Sustaining capital	Up to $10 million
Average exchange rate – Botswana Pula per United States Dollar	12.5

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

DIAMOND SALES

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

SALES 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 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 continued 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 continued to sell its +10.8 carat production through this established sales channels while it continued to work with the management of HB on options for a new Diamond Sales Agreement which is subject to pre-approval from the Government of the Republic of Botswana.

For the three months ended December 31, 2023, the Company recorded revenue of $17.4 million from the HB arrangements (inclusive of top-up payments of $6.8 million), as compared to revenue of $24.1 million (inclusive of top-up payments of $3.6 million) for the three months ended December 31, 2022. The fourth quarter saw a reduction in the goods delivered to HB as a result of the termination of the agreement at the end of the third quarter. Revenue was affected by a 92% recovery factor achieved in 2023, 8% below plan. Revenue in the fourth quarter was also affected by the natural variability in the value of large stones recovered in any given period. As a result of these factors, revenue from HB decreased to 48% of total revenue recognized in the fourth quarter of 2023 (Q4 2022 - 60%). The product mix in Q4 2023 was predominantly from the South Lobe ore body, with some contribution from the Centre Lobe (Q4 2022 – 100% South Lobe ore).

CLARA SALES PLATFORM

During Q4 2023, the sales volume transacted was $2.3 million (Q4 2022: $6.6 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 with the voluntary import ban on rough diamonds into India during the fourth quarter. Prices increased 5% overall in December with a resumption of purchasing across most size categories; however, prices remain lower than Q4 2022. Price stability continues to be observed in the stones between 5 to 10.8 carats in size.

QUARTERLY TENDER

A total of 108,137 carats were sold in the December 2023 tender, generating revenues of $16.9 million or $156 per carat (Q4 2022 tender: $12.2 million from the sale of 76,264 carats or $133 per carat). Rough diamond prices saw a strong rebound in the fourth quarter of 2023 following the significant decrease observed earlier in 2023 as market fundamentals strengthened. A 19% increase from the third quarter tender was observed owing to price increases and product mix offered in the fourth quarter tender.

SUBSEQUENT EVENT

On February 18, 2024, the Company announced the signing of a NDSA with HB in respect of all qualifying diamonds produced in excess of 10.8 carats in size from the Karowe Mine. 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 UGP.

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.

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 in 2022, and, to account for time incurred to complete grouting programs while mining through the water-bearing geological zones. These chemical 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) and 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 $683.0 million (including contingency), a 25% increase to the May 2022 estimated capital cost of $547 million. The forecasted increase of $136.0 million in estimated capital to reach project completion is predominantly related to increased schedule duration and related labour costs (approximately 56% of the total increase), grouting costs (approximately 20% of the total increase), with the balance of the increase attributable to owner's costs, procurement, and indirect project costs. As at December 31, 2023, capital expenditures of $310.5 million had been incurred and capital commitments of $77.2 million had been made.

During the year ended December 31, 2023, a total of $101.3 million was spent on the Karowe UGP development, capitalized borrowing costs, surface infrastructure, grouting programs, and ongoing shaft sinking activities. The following activities were completed during Q4 2023:

- Main sinking in the production and ventilation shafts:
    - The ventilation shaft reached 348 metres below collar, with a planned final depth of 731 metres. The shaft is currently 61 metres or approximately 26 days ahead of the July 2023 schedule update (combined vertical and lateral metres).
    - The production shaft reached 348 metres below collar, with a planned final depth of 765 metres. The production shaft is 11 metres or approximately 24 days behind the July 2023 schedule update (combined vertical and lateral) mainly due to an unscheduled grouting event in Q3 2024. The production shaft is not on the project schedule critical path.

- At the end of 2023, both shaft bottoms were at 348 metres below collar (666 masl) having completed the first shaft stations at the 670-level and engaged in the start of 670-level lateral development.
- During Q4 2023, the ventilation shaft sank 76 metres, completed the 718 slinging cubby and established the 670-level station, catwalk and was engaged in level development. Total lateral developed in Q4 2023 was 97 metres. During the quarter, a Kubota, Sandvik DD321 two boom jumbo drill and a Caterpillar RG1300G 7-tonne LHD were slung down in the ventilation shaft to the 670-level for lateral development mining.
- Production shaft activities included sinking a total of 114 metres and establishing the 670-level station, catwalk and initiating lateral development. A total of 30 metres of lateral development was completed.
- Commissioning of the temporary bulk air coolers at each shaft was completed and construction of the permanent bulk air coolers at the production shaft continued.
- Detailed engineering and fabrication of the permanent men and materials winder commenced during the quarter, representing the last major component for the permanent winders.
- Both shafts have completed sinking through the water-bearing Ntane and Mosolotane sandstones. Sinking and lateral development during the fourth quarter took place in the Thalbala mudstone in dry conditions.

- 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, Safe Start®, in Q4 2022 has been evident in 2023. During 2023, the UGP achieved a twelve-month rolling Total Recordable Injury Frequency Rate of 0.19. Project to date Total Recordable Injury Frequency Rate at December 31, 2023 was 0.55.

The capital cost for the underground expansion in 2024 is expected to be up to $100 million – see "2024 Outlook". Activities for the Karowe UGP in Q1 2024 are expected to include the following:

- Resumption of sinking within the ventilation and production shafts.
- Completion of mining and construction activities on the 670 level station, including connection of the two shafts and establishment of electrical substation, sump and de-watering pumps and ventilation doors.
- Planned grouting events at the base of the Tlapana carbonaceous shale and top of Mea formation is expected during the period in the production shaft.
- Procurement of underground equipment, including dewatering pumps, underground crush and convey systems and the permanent stage winder.
- Commissioning of the permanent bulk air cooler system.
- Preparation of tender documents for the underground lateral development work; and,
- Continuation of detailed design and engineering of the underground mine infrastructure and layout.

FINANCIAL HIGHLIGHTS – Q4 2023

In millions of U.S. dollars, except carats or otherwise noted		Three months ended December 31, 2023	2022		Year ended December 31, 2023	2022
Revenues	$	36.5	42.5	$	177.4	212.9
Operating expenses		(22.3)	(18.5)		(78.6)	(79.3)
Net income for the period		(36.7)	7.1		(20.2)	40.4
Earnings per share (basic and diluted)		(0.07)	0.02		(0.04)	0.09
Operating cash flow per share(1)		0.00	0.03		0.11	0.19
Cash on hand		13.3	26.4		13.3	26.4
Cost overrun facility (restricted cash)		18.6	-		18.6	-
Amounts drawn on working capital facility(2)		35.0	15.0		35.0	15.0
Amounts drawn on project finance facility		90.0	65.0		90.0	65.0
Karowe Revenue		36.3	40.1		172.4	203.8
Carats sold		111,523	81,264		379,287	327,028

(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	Q4-23	Q3-23	Q2-23	Q1-23	Q4-22
Sales						
Revenues from the sale of Karowe diamonds	US$M	36.3	56.2	38.6	41.3	40.1
Karowe carats sold	Carats	111,523	111,673	72,717	83,374	81,264
Production						
Tonnes mined (ore)	Tonnes	607,101	869,188	682,636	541,400	484,705
Tonnes mined (waste)	Tonnes	456,880	954,226	907,051	761,295	199,385
Tonnes processed	Tonnes	703,472	724,640	720,345	700,678	690,946
Average grade processed(1)	cpht (*)	14.0	13.6	12.6	12.8	12.5
Carats recovered(1)	Carats	98,177	98,311	90,497	89,640	86,655
Costs						
Operating cost per tonne of ore processed(2)	US$	31.96	28.62	27.97	26.65	26.20
Capital Expenditures						
Sustaining capital expenditures	US$M	8.0	3.2	2.4	0.8	9.9
Underground expansion project(3)	US$M	28.0	20.3	22.5	30.5	22.3

(*) 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) Includes qualifying borrowing cost capitalized in each quarter.

CONFERENCE CALL

The Company will host a conference call and webcast to discuss the results on Wednesday, February 21, 2024 at 6:00am Pacific, 9:00am Eastern, 2:00pm UK, 3:00pm CET. To join the conference call please use the following link https://emportal.ink/48xMjQ6 or the phone numbers listed below.

Conference ID:
26126065 / 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/lrAM9b291Zz
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 February 28, 2024. The pass code for the replay is: 126065 #

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 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 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 February 20, 2024 at 2:00pm 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 year ended December 31, 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 "2024 Outlook", the Company's ability to fund 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 2024, 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, 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, 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 Annual 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.