February 21, 2019

PRESS RELEASE

LUCARA ANNOUNCES 2018 ANNUAL RESULTS

VANCOUVER, February 21, 2019 /CNW/ - (LUC – TSX, LUC – BSE, LUC – Nasdaq Stockholm)

Lucara Diamond Corp. ("Lucara" or the "Company") today reports its results for the year ended December 31, 2018.

HIGHLIGHTS FOR THE YEAR ENDED DECEMBER 31, 2018

- The Karowe Diamond Mine achieved a strong operational performance in 2018, meeting or exceeding guidance in all areas:
  - Total tonnes mined of 18.1 million (guidance: 15.5 million to 18.7 million)
  - Ore and waste mined was 3.1 million tonnes and 15.0 million tonnes respectively
  - Ore processed totaled 2.6 million tonnes (guidance: 2.4 million to 2.7 million tonnes)
  - 366,086 total carats recovered (revised guidance: 325,000 to 350,000 carats)
  - No lost-time injuries
- 2018 was a record year for the recovery of Specials (single diamonds in excess of 10.8 carats) with 829 stones totaling 24,793 carats recovered, including 33 diamonds in excess of 100 carats, of which 5 stones were in excess of 300 carats.
- Total revenue of $176.2 million (2017: $220.8 million) or $502 per carat (2017: $847 per carat) was recognized during fiscal year 2018 (revised guidance: $180 million to $190 million). 2017 revenues included the sale of the historic 1,109 carat Lesedi La Rona ("LLR") which sold for $53.0 million ($47,777 per carat). Excluding the LLR, revenue in 2017 was $167.8 million with an average sales price of $647 per carat. The average sales price per carat in 2018 was impacted by a higher recovery of finer diamonds, although recovery of Specials was at a record level. The Company has also been building inventory for Clara that will be made available for sale through the ramp up period, based on demand, estimated to have a realized value of approximately $2.3 million.
- The operating cash cost for the year ended December 31, 2018 was $40.93 per tonne processed (2017: $34.56 per tonne processed) compared to the full year forecast cash cost of $38-$42 per tonne processed (see Non-IFRS measures). Operating cash cost per tonne processed was impacted by higher than expected tonnes mined and an increase in the cost per tonne mined due to the mining contractor transition which commenced mid 2018. Operating cash cost guidance was met for the year inclusive of the unplanned change in the mining contractor. The second half of 2018 saw a smooth transition between mining contractors and a return to strong production, recovering the ground lost in mining waste in the first half of 2018. Operating cash costs for 2019 are anticipated to be lower at $32-37 per tonne processed after a significant portion of waste stripping was completed in 2018.
- Clara completed its inaugural sale in Q4 2018 with total sales of $660,865, achieving a premium margin over traditional sales tenders and demonstrated the value that can be unlocked using this new approach. Development activities were completed under budget at $1.8 million.

- Adjusted EBITDA for the year ended December 31, 2018 was $60.5 million as compared to adjusted EBITDA for the same period in 2017 of $113.5 million, which included the sale of the LLR (see Non-IFRS measures).
- Net income for the year ended December 31, 2018 was $11.7 million ($0.03 per share) as compared to net income of $65.1 million ($0.17 per share) in 2017.
- As at December 31, 2018, the Company had cash and cash equivalents of $24.4 million, including $10 million provided by the Company's working capital facility. In 2018, the Company invested $60.7 million in the business, primarily towards the completion of a major waste stripping campaign (Cut 2) in support of open pit mining to 2025, the underground feasibility study, which aims to extend mine-life to at least 2036, and, improvements to plant and equipment to maximize carat recoveries. $40 million of the Company's credit facility remains undrawn on December 31, 2018.
- The Company paid a quarterly dividend of CA$0.025 per share on December 20, 2018 for a cumulative dividend of CA$0.10 per share in 2018, totaling $30.3 million (2017: $29.4 million) returned to shareholders. Since inception in June 2014, the Company has paid dividends of $249 million (CA$319 million).

Eira Thomas, President & CEO commented: "The investments we made in our business in 2018 resolved the waste stripping bottleneck, advanced and significantly de-risked our plans for underground expansion at Karowe and bought us a complimentary new technology business that has the potential to contribute significant future cash-flows. Operations at Karowe are stable, plant reliability has never been better, and with the waste stripping campaign largely complete, we are focused on driving efficiencies, reducing costs and maximizing revenues. Further, 2019 is off to a strong start with the recovery of several, +100 carat, high quality gem diamonds which will be offered for sale at our first tender of the year, scheduled to close on March 7, 2019. For Clara, we are excited to be steadily ramping up on sales and we are expecting to add third-party rough production to the platform before year-end."

KAROWE DIAMOND SALES

Diamonds are heterogeneous by nature, with thousands of different price points depending on weight, colour, shape, and quality. Diamond production from Karowe is characterised by a coarse diamond size frequency distribution and is positively impacted by the regular recovery of diamonds in excess of 10.8 carats in size, referred to as "Specials." Karowe production is further distinguished by the consistent recovery of high value, gem quality Specials.

Specials are reported by total stone count and as a percentage of the total production. In 2018, a total of 829 stones were recovered representing 6.8 weight percent of total carats, the largest carat tally for Specials in Karowe's history and consistent with the Resource Model for Karowe. Overall production in 2018 was positively impacted by the processing of South Lobe ore and the contribution of EM/PK(S) material within the South Lobe.

Specials are sold as single stones (high value diamonds), in baskets of +10.8 carat goods (of similar quality and weight), or in parcels of mixed poorer quality goods. Diamond prices are driven by: weight, colour, quality (cracks and inclusions) and shape (yield). While 2018 was a record year for the number of Specials recovered, the overall average price for Specials sold in 2018 was lower than in previous years due to the quality of some of the larger Specials recovered. Sales of individual stones at prices between $2 million and $5 million were consistent with previous years. However, in 2018 no individual stones were sold at prices

between $5 million and $10 million (as compared to 1 to 3 stones each year between 2015 and 2017) and only one stone sold for more than $10 million. This variability is not unprecedented, given the nature of the Karowe orebody where, on average, single stone sales account for between 60% and 70% of total annual revenue. Lucara remains very confident that high quality, large stone recoveries will continue throughout the mine life. To date in 2019 alone, two top white gem diamonds (240 and 127 carats) and one high white gem diamond (223 carats) have been recovered, indicating a strong start to the year.

Historical Sales Data for Single Stones in Excess of +10.8 carats*:

Summary	2015	2016	2017	2018
< 50 cts	90	41	70	93
> 50 cts.	32	39	29	37
> 100 cts.	15	21	10	13
> 200 cts.	7	7	4	6
> 300 cts.	2	2	2	4
Single Stones > 10.8 cts.	146	110	115	153

* Tabulated Specials that are sold as single stones (high value diamonds) will not sum to total Specials recovered since Specials are also sold in baskets of +10.8 carat goods (of similar quality and weight), in parcels of mixed, poorer quality goods, or in certain cases diamonds were not sold in the year in which they were recovered.

Certain stones from the Karowe production and other aggregated diamonds were offered for sale through the Clara platform for the first time in Q4 2018. As we move into 2019, the Company will be optimizing its sales process through the use of tenders as well as offering stones for sale through Clara.

FINANCIAL HIGHLIGHTS

	Three months ended December 31		Year ended December 31	
In millions of U.S. dollars, except carats or otherwise noted	2018	2017	2018	2017
Revenues	$ 40.6	$ 37.1	$ 176.2	$ 220.8**
Net (loss) income for the period	(6.2)	1.7	11.7	65.1
Earnings per share (basic and diluted)	(0.02)	0.00	0.03	0.17
Cash on hand	24.4	61.1	24.4	61.1
Average price per carat sold ($/carat)*	367	535	502	847**
Operating expenses per carat sold ($/carat)*	233	255	216	238
Operating margin per carat sold ($/carat)*	134	280	286	609**
Carats sold	110,553	69,358	350,798	260,526

(*) Average price per carat sold, operating expenses per carat sold and operating margin per carat sold are Non-IFRS measures, see Non-IFRS measures.

(**) Includes the sale of the LLR during 2017 for $53 million ($47,777 per carat). Adjusting for the sale of the LLR, revenues were $167.8 million, the 2017 average price per carat sold was $647, and the operating margin per carat sold was $408.

The Company achieved revenues of $40.6 million or $367 per carat for its sales in the fourth quarter, yielding an operating margin of 36% during the period. The second half of 2018 saw Lucara host its first blended tender process in which both regular and exceptional diamonds

were made available for sale. Diamonds recovered between September and November 2018 were sold in the fourth quarter tender in December achieving an average price per carat of $367 from the sale of 110,553 carats (Q4 2017: $535 from the sale of 69,358 carats), a 59% increase in the number of carats sold as compared to the same quarter last year.

Overall the higher revenues in the quarter reflect an increase in the number of carats sold in the fourth quarter over last year, but the average price per carat sold is lower than Q4 2017 due to the higher volume of smaller diamonds sold and lower quality Specials. Lower revenues per carat reflect natural variability in the number and quality of exceptional diamonds sold in any quarter. The increase in the number of carats available for sale in the December tender follows commissioning of the sub-middles circuit in Q3 2017 and increased efficiency in diamond recovery in the smaller sizes during 2018. The number of carats recovered in Q4 2018 (81,850 carats) was 27% more than the number of carats recovered in Q4 2017 (64,477 carats). As the number of carats increases from better recovery in the smaller, lower value sizes, the average sales price per carat is reduced accordingly.

In Q3 2018, Lucara began setting aside diamonds in the one to four carat size range in the better colours and qualities, for sale on Clara, Lucara's secure digital rough diamond sales platform. The inaugural trial on Clara was completed in mid-December 2018 with diamonds successfully matched to orders generating sales proceeds of $660,865, achieving +8% over Lucara's market price and +15% over Lucara's reserve price for these goods. Proceeds from the first sale were recorded to development costs as pre-production revenue. The first sale on Clara demonstrated that the platform works as intended and further confirms that it is now ready and has the capacity to on-board additional manufacturers in the short term. Further, Clara continues to receive expressions of interest from both manufacturers and producers alike, and growth in both volume of orders and supply is expected over the coming months as the platform moves into continuous sales. A second sale on the platform was completed in early February and a third sale is planned for March. Thereafter, a steady ramp up in sales through Clara is anticipated in 2019. Lucara will be reporting sales through Clara quarterly, along with additional guidance, once the platform has moved into continuous sales. Lucara will continue to optimize its sales strategy through a combination of Clara and its regular tender process.

Operating expenses increased from $17.7 million in Q4 2017 to $25.8 million in Q4 2018 due to an increase in the average cost per tonne mined resulting from the transition between mining contractors during the third quarter.

Revenue, adjusted EBITDA and earnings per share performance were as expected and reflect the overall timing of the Company's sales tenders.

QUARTERLY RESULTS OF OPERATIONS – KAROWE MINE, BOTSWANA

	UNIT	Q4-18	Q3-18	Q2-18	Q1-18	Q4-17
Sales						
Revenues	US$M	40.6	45.7	64.5	25.4	37.1
Proceeds generated from sales tenders conducted in the quarter are comprised of:	US$M	40.6	41.8	68.4	25.4	37.1
Sales proceeds received during the quarter	US$M	40.6	45.7	64.5	25.4	37.1
Q2 2018 tender proceeds received post Q2 2018	US$M	-	(3.9)	3.9	-	-
Carats sold for proceeds generated during the period	Carats	110,553	89,461	87,467	63,317	69,358
Carats sold for revenues recognized during the period	Carats	110,553	101,600	75,329	63,317	69,358
Average price per carat for proceeds generated during the period	US$	367	467	782[1]	401	535
Average price per carat for proceeds received during the period	US$	367	450	856[1]	401	535
Production						
Tonnes mined (ore)	Tonnes	563,279	1,217,016	702,825	630,242	624,749
Tonnes mined (waste)	Tonnes	2,743,586	3,850,225	4,416,361	3,991,648	4,745,609
Tonnes processed	Tonnes	602,376	728,962	698,303	599,407	631,777
Average grade processed	cpht (*)	13.6	17.4	11.7	12.6	10.2
Carats recovered	Carats	81,850	127,031	81,507	75,698	64,477
Costs						
Operating costs per carats sold (see page 12 Non-IRFS measures)	US$	233	185	220	231	255
Capital expenditures	US$M	6.5	2.4	2.7	3.9	9.6

(*) carats per hundred tonnes

(1) This includes one EST sale of $32.4 million in addition to one regular stone tender during the quarter

FOURTH QUARTER OVERVIEW – KAROWE MINE

Safety: Karowe had no lost time injuries during the three months ended December 31, 2018 resulting in a twelve-month rolling Lost Time Injuries Frequency Rate ("LTIFR") of 0.

Production: Ore and waste mined during the fourth quarter of 2018 totaled 0.6 million tonnes and 2.7 million tonnes respectively. Tonnage processed was within forecast at 0.6 million tonnes, with a total of 81,850 carats recovered. Ore processed was predominantly from the South Lobe. During Q4, a total of 161 Specials (single diamonds larger than 10.8 carats) were recovered including seven diamonds greater than 100 carats in weight and one diamond greater than 200 carats. Recovered Specials equated to 6.8% weight percentage of total recovered carats during the year, the second year to achieve this record weight, in line with expectations.

Beginning in the fourth quarter, Trollope Mining Services Pty ("Trollope") was responsible for all waste and ore mining. Performance improved considerably through the fourth quarter. Deficiencies in waste mining during the first half of the year were reversed and a total of 15.0 million tonnes of waste was moved during the year, meeting guidance (13 to 16 million tonnes). A change in the mine plan following the Mineral Resource update mid-year has resulted in a larger volume of ore mined than originally anticipated. A total of 3.1 million tonnes of ore was mined for the year, surpassing the original guidance of 2.5 – 2.8 million tonnes and meeting

revised guidance of 2.9 – 3.1 million tonnes. The additional ore is lower-grade and has been stockpiled for processing at a later date.

Karowe's operating cash cost: Karowe's full year 2018 operating cash cost (see Non-IFRS measures) was $40.93 per tonne processed (2017: $34.56 per tonne processed) compared to the full year forecast of $38-$42 per tonne processed. The increase in cost per tonne processed compared to the prior year comparable periods reflects an increase in total mining costs as tonnes mined was higher (2018: 18.1 million tonnes mined vs. 2017: 17.4 million tonnes mined) whilst a comparable level of tonnes was processed in addition to the change in the mining contractor, as discussed previously.

Labour relations update: During the second half of 2018, a number of meetings and joint training between the Botswana Mine Workers Union and Karowe management took place with an experienced facilitator. Presently, both sides are working to conclude a Memorandum of Agreement ("MOA") which will govern the working relationship between the two parties.

MINERAL RESOURCE UPDATE AND BOTSWANA EXPLORATION

Karowe Resource (AK06 kimberlite) Update

During Q2 2018, an updated mineral resource was announced for the AK06 kimberlite. The updated Mineral Resource Estimate was completed by Mineral Services Canada Inc. The estimate is based on historical evaluation data combined with new sampling results (microdiamond, bulk density and petrography) from recent deep core drilling and from historical drill cores. New delineation drill coverage and review of historical drill cores supported an update of the internal geological model. Production data (including a controlled production run from the Eastern magmatic/pyroclastic kimberlite (("EM/PK(S)") unit) and recent sales and valuation results have been incorporated into the grade and value estimates, which have been made based on an updated model of process plant recovery efficiency. The updated Mineral Resource is reported based on the Canadian Institute of Mining Definition Standards for Mineral Resources and Reserves as incorporated by National Instrument 43-101 *Standards of Disclosure for Mineral Projects*.

In 2018, following the release of a positive Preliminary Economic Assessment ("PEA") in November 2017, the Company embarked on a US$29 million technical program to support a Feasibility Level study ("FS") for a potential underground operation at the Karowe Diamond Mine. This program included the completion of the above noted mineral resource update, geotechnical drilling of the country rock and AK06 kimberlite, hydrogeological drilling and modelling, and mining trade off studies to address risks and issues identified during the PEA. A total of US$21.0 million was spent out of a 2018 budget of US$29 million in support of this work, which resulted in significant de-risking of the key technical components associated with the potential underground development.

During 2018, 33 core holes totaling 20,283 metres were drilled representing approximately 83% of the originally planned drilling. Drilling will continue into late Q1 2019 and will focus on deep granite/kimberlite intersections with the final receipt of all data by mid to late Q2 2019. Data collection is underway consisting of detailed geotechnical and geological logging, density measurements, point load and other geotechnical rock strength testing. As data is received results will be incorporated into the rock mass model and used as part of the mining method selection. Data collection within the country rock has accounted for approximately 38% of the completed drilling and will provide detailed information with respect to the rock mass qualities of the host Karoo sequence at Karowe. Approximately 35% of the drilling has targeted the

AK06 kimberlite at various elevations to achieve increased data on the nature of the kimberlite /country rock contacts in various rock types and to provide additional data within the deeper portions of the South Lobe. No major risks have been identified during drilling or with data collected from geotechnical rock testing.

The main objective of the hydrogeological program was to quantify the mine dewatering and depressurization requirements to continue the successful de-watering of the open pit and to identify the immediate and ongoing de-watering requirements for the potential underground mining operations. A total of four deep bore holes were drilled to assess the deep hydrogeological conditions at Karowe. Regionally and as documented at other diamond mines in the area, the contact between the Tlapana Formation (carbonaceous shales) and the basement granites was separated by the Mea Arkose Formation. The Mea Formation, at other locations where examined, has formed a basal aquifer containing hot, pressurized saline water. Three of the 4 deep hydrogeological evaluation boreholes were designed to target and test the potential existence of a deep basal aquifer at 400 m depth below surface. Drilling encountered limited water strikes, providing no evidence for such an aquifer. This positively addressed one of the key risks identified during the PEA study.

Botswana Prospecting Licenses:
In Q3 2018, the AK11/24 license (PL371/2014) was reduced by 50% in area and extended for two periods until the third quarter of 2019. At AK24, four holes were sampled for microdiamonds and samples were shipped to the Saskatchewan Research Council. Microdiamond results were received in Q4 2018, although diamondiferous, microdiamond counts were low and no further work is planned for AK24.

Sunbird Exploration Generative Project:
During Q2 2018, an agreement was signed with a Botswana company, Sunbird, to focus on the discovery of new kimberlites within the country using a proprietary UAV magnetometer platform to identify targets. Data acquisition commenced during Q2 2018 and continued through Q4 2018 incorporating over 50,000 line kilometres of high resolution magnetics. Drilling of selected targets commenced in late Q3 2018 and continued into Q4 2018. Though no kimberlites have been discovered to date, work will continue in 2019 on other significant targets identified. This work is being funded from the original exploration budget of $6.0 million for fiscal 2018. Thirty-seven prospecting licenses covering 14,862 hectares in highly prospective regions in Botswana are held by Sunbird, pursuant to this exploration agreement.

2019 OUTLOOK

This section of the press release provides management's production and cost estimates for 2019. These are “forward-looking statements” and subject to the cautionary note regarding the risks associated with forward-looking statements. No changes have been made to our 2019 outlook previously provided.

Karowe Diamond Mine *In millions of U.S. dollars unless otherwise noted*	Full Year – 2019
Diamond revenue (millions)	$170 to $200
Diamond sales (thousands of carats)	300 to 320
Diamonds recovered (thousands of carats)	300 to 330
Ore tonnes mined (millions)	2.5 to 2.8
Waste tonnes mined (millions)	6.0 to 9.0
Ore tonnes processed (millions)	2.5 to 2.8
Total operating cash costs(1) including waste mined(2) (per tonne processed)	$32.00 to $37.00
Operating cash costs excluding waste mined (per tonne processed)	$21.00 to $24.00
Botswana general & administrative expenses including marketing costs (per tonne processed)	$2.00 to $3.00
Tax rate	22% to 29%
Average exchange rate – USD/Pula	10.5

(1) Operating cash costs are a non-IFRS measure. See "Non-IFRS Measures".
(2) Includes ore and waste mined cash costs of $4.00 to $4.50; processing cash costs of $12.00 to $13.00 and mine-site departmental costs (security, technical services, mine planning, health & safety, geology) of $5.00 to $6.00 (all dollar figures in per tonne mined or processed).

Following the substantial completion of a significant waste stripping campaign in 2017 and 2018, total tonnes mined in 2019 are expected to be between 8.5 million and 11.8 million tonnes, of which the Company expects to mine between 2.5 million to 2.8 million tonnes of ore and between 6.0 and 9.0 million tonnes of waste. The average strip ratio is expected to be 2.84 in 2019.

The 2019 estimated cash cost per tonne of ore processed is expected to be between $32.00 and $37.00 (2018: $38.00 to $42.00) while estimated operating cash costs, excluding waste mining, are expected to be between $21.00 and $24.00 per tonne processed. The cost per tonne mined is expected to be between $4.00 and $4.50 and the estimated processing cost per tonne processed is expected to be between $12.00 and $13.00, mostly offsetting the increase in cost per tonne mined which results from higher rates from the mining contractor appointed in mid-2018.

In 2019, the Company forecasts revenues between $170 million and $200 million, consistent with the forecast for 2018. These projections include "Specials" which are diamonds that are 10.8 carats and larger but exclude the sale of any truly unique diamonds such as the 1,109 carat LLR (sold in 2017 for $53 million) and the 813 carat Constellation (sold in 2016 for $63.1 million). Specials are consistently recovered from the Karowe Diamond Mine and those Specials which are gem-quality contribute a significant percentage of the Company's annual revenue. In 2019, diamonds recovered are expected to be between 300,000 carats and 330,000 carats and diamonds sold are expected to be between 300,000 carats and 320,000 carats.

Sustaining capital and project expenditures are expected to be up to $14.0 million in 2019, including expenditures associated with the construction of an additional slimes dam, improvements related to the XRT recovery circuit, and a provision for the implementation of body scanning technology to enhance security. This does not include investments being made on the underground development study noted below.

A budget of $14.8 million has been approved to complete a feasibility study that was initiated in 2018, evaluating the potential for an underground mining operation at Karowe. Work undertaken in 2018 has significantly de-risked the project and in 2019, efforts will focus on follow up geotechnical and hydrogeological drilling and related studies. Exploration

expenditures are estimated to be up to $3.0 million for use of the Sunbird remote mapping technology and drilling of prospective targets identified by the technology.

CONFERENCE CALL

The Company will host a conference call and webcast to discuss the results on Friday, February 22, 2019, at 7:00 a.m. Pacific, 10:00 a.m. Eastern, 3:00 p.m. UK, 4:00 p.m. CET.

Please call in 10 minutes before the conference call starts and stay on the line (an operator will be available to assist you).

Conference ID:
80452013/ Lucara Diamond

Dial-In Numbers:
Toll-Free Participant Dial-In North America: (+1) 888 390 0605
All International Participant Dial-In: +1-778-383-7417

Webcast:
To view the live webcast presentation, please log on using this direct link:
https://event.on24.com/wcc/r/1934220/7C6AD826879EDC9DBD382596213FE8FE

The presentation slideshow will also be available in PDF format for download from the Lucara website www.lucaradiamond.com shortly prior to the conference call.

Conference Replay:
A replay of the telephone conference will be available two hours after the completion of the call until March 1, 2019.

Replay number (Toll Free North America): +1-888-390-0541
Replay number (International): +1-416-764-8677
The pass code for the replay is: 452013#

On behalf of the Board,

Eira Thomas
President and Chief Executive Officer

Follow Lucara Diamond on: Facebook, Twitter, 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 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 February 21, 2019 at 2:15pm Pacific Time.

NON-IFRS MEASURES

This news release refers to certain financial measures, such as EBITDA, average price per carat sold, operating cost per carat sold, 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 fourth quarter, 2018 for an explanation of non-IFRS measures used.

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: the estimates of the Company's mineral reserve and resources; estimates of the Company's production and sales volumes for the Karowe Mine; processing capabilities, recovery rates, cash flows and sales volumes for the Karowe Mine, including the potential effect of the development and

integration of the proposed underground mine at Karowe on production, sales volumes and the expected life of mine; estimated costs to construct the proposed Karowe underground development and the timelines associated therewith; expected exploration and development expenditures and expected reclamation costs at the Karowe Mine including associated plans, objectives and economic estimates; expectation of diamond prices and changes to foreign currency exchange rate; expectations regarding the need to raise capital; possible impacts of disputes or litigation, the timing and ability of management to commercialize the Clara digital sales 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 athttp://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.