



LUCARA
DIAMOND

September 8, 2021

PRESS RELEASE

LUCARA ANNOUNCES FINAL BOARD PROJECT SANCTION FOR THE KAROWE UNDERGROUND EXPANSION PROJECT AND FINANCIAL CLOSE OF PROJECT FINANCE FACILITIES

VANCOUVER, September 8, 2021 /CNW/ - (LUC – TSX, LUC – BSE, LUC – Nasdaq Stockholm)

Lucara Diamond Corp. (“Lucara” or the “Company”) is pleased to announce that the Board of Directors has formally approved the Karowe underground expansion project (the “UGP”), following the Financial Close and satisfaction of all Conditions Precedent pursuant to the previously announced senior secured project financing debt package of US\$220 million (the “Facilities”) signed July 12, 2021 ([link to news release](#)). The Facilities include two tranches: A project finance facility of US\$170 million to fund the development of the underground project, and a US\$50 million working capital facility to re-finance the Company’s existing debt and to support on-going operations. A utilization notice from the US\$170 million project loan facility has been accepted and first funding for the Karowe underground expansion is expected to be received in mid-September. Capital costs for the UGP totaling US\$534 million, will be met with funds from a combination of the Facilities, the projected cash flows from the Karowe open pit mine during the underground construction period, and the equity financings totaling C\$41.4 million closed July 15 ([link to news release](#)), resulting in the UGP being fully financed. A full update on the UGP was released August 10 and can be found [here](#).

Zara Boldt, CFO & Corporate Secretary commented: “We are delighted to have completed this significant milestone following the signing of loan documentation in mid-July. We would like to thank our Lenders and advisors for their efforts towards achieving Financial Close of the Facilities.”

Construction efforts have ramped up since the Facilities documentation was executed in mid-July. Ventilation shaft pre-sinking has commenced with the completion of the first set of cover holes, and a total of 4 blasts occurring to date with continued drilling, mucking, and installation of ground support on a 24 hour basis. The ventilation shaft depth below the shaft collar is currently at approximately 17 meters. Mobilization to site of the remaining pre-sinking equipment and contractors is underway. Civil work on the remaining ventilation and production shaft infrastructure is progressing well, with mobilization of temporary generators and civils works associated with the generator pad completed.

Eira Thomas
President and Chief Executive Officer

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For further information, please contact:

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 8554035 | lucara@tavistock.co.uk



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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.

The information in this release is accurate at the time of distribution but may be superseded or qualified by subsequent news releases.

This information is information that the Company is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above at 2:00pm Pacific Time on September 8, 2021.

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 and include, without limitation, projected revenues from production at the Karowe mine, diamond pricing assumptions and diamond market trends, the ultimate use of proceeds from the Facilities; the estimated capital cost and the duration of the construction period; the timing of any drawdowns under the Facilities; and, that the combination of funds from the Facilities, projected cash flows from open pit operations and funds from the equity financing in July will be sufficient to fully fund the UGP.

Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. These assumptions, opinions and estimates 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. 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 and under the heading "Risk Factors" in the Prospectus, a preliminary version of which is 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.