



PRESS RELEASE

LUCARA PROVIDES OPERATING OUTLOOK FOR 2020

VANCOUVER, November 28, 2019 /CNW/ - (LUC - TSX, LUC - BSE, LUC - Nasdaq Stockholm)

Lucara Diamond Corp. (“Lucara” or the “Company”) is pleased to provide operating guidance for 2020 (all amounts in US Dollars unless otherwise stated).

2020 HIGHLIGHTS

- Revenue is forecast to be between \$180 million and \$210 million;
- A capital expenditure of up to \$53 million has been approved for early works related to a proposed underground mine at the Karowe Diamond Mine. An investment decision, subject to receipt of all required authorizations and the arrangement of financing, is expected in H2 2020;
- Karowe 2020 operating cash costs are forecast to be between \$32.00 - \$36.00 per tonne processed;
- Ore mined is expected to be between 3.5 million and 3.9 million tonnes;
- Waste mining is expected to be between 3.6 million and 4.2 million tonnes;
- Tonnes processed is expected to be between 2.5 million and 2.8 million tonnes, consistent with the strong operating performance achieved in 2018 and 2019;
- Diamond recoveries are expected to be between 370,000 carats and 410,000 carats; diamonds sold are expected to be between 350,000 carats and 390,000 carats.

Eira Thomas, President & CEO commented: “Building upon the strong operating performance achieved in 2019, Lucara will continue to focus in 2020 on optimizing the base business, growing Clara by adding third party production to the platform and preparing for an underground expansion at Karowe following the announcement of a positive feasibility study earlier this month. Anticipated cash flow from operations in 2020 should allow us to pursue early works which are critical to the underground development schedule, while at the same time allowing us to leverage our balance sheet to finance the project in a cost-effective manner.”

Karowe Mine – Diamond Sales, Production and Cost Outlook for 2020:

| Karowe Mine (all amounts in US Dollars) | Full Year 2020 |
|--|----------------------------------|
| Diamond revenue | \$180 million to \$210 million |
| Diamond sales | 350,000 carats to 390,000 carats |
| Diamonds recovered | 370,000 carats to 410,000 carats |
| Tonnes mined – Ore | 3.5 million to 3.9 million |
| Tonnes mined – Waste | 3.6 million to 4.2 million |
| Tonnes processed – Ore | 2.5 million to 2.8 million |
| Total operating cash costs per tonne processed (including (a) to (b) below): | \$32.00 to \$36.00 |
| (a) Cash cost per tonne mined (ore and waste) | \$4.40 to \$4.90 |
| (b) Cash cost per tonne processed | \$11.50 to \$12.50 |



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| Botswana general & administrative expenses, including sales and marketing expenses, per tonne processed | \$3.00 to \$4.00 |
| Tax rate | 22% |
| Average exchange rate - USD/Pula | 10.5 |

Diamond Revenue

In 2020, the Company forecasts revenues between \$180 million and \$210 million, as the proportion of carats recovered from the higher grade MP/KS and EM/PK(S) units increases. 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 Lesedi la Rona and the 813 carat Constellation. Specials are consistently recovered from the Karowe diamond mine and contribute a significant percentage of the Company’s annual revenue. Diamonds recovered are expected to be between 370,000 carats and 410,000 carats and diamonds sold are expected to be between 350,000 carats and 390,000 carats.

Production Estimates and Costs

The Company expects to mine between 3.5 million to 3.9 million tonnes of ore and between 3.6 and 4.2 million tonnes of waste. The 2020 estimated cash cost per tonne of ore processed is expected to be between \$32.00 and \$36.00. The cost per tonne mined is expected to be between \$4.40 and \$4.90 and the estimated processing cost per tonne processed is expected to be between \$11.50 and \$12.50, a reflection of optimization work and strong operation performance in the plant.

Tax Rates

Lucara Botswana’s progressive tax rate computation allows for the immediate deduction of operating costs, including capital expenditures, in the year in which they are incurred. Based on 2019 revenue guidance of \$180 million to \$210 million the expected tax rate is 22% for 2020 but could decrease depending on the amount and timing of capital expenditures during the year.

Underground Development Project

A budget of up to \$53 million has been approved for early works related to a proposed underground mine at the Karowe Diamond Mine. An investment decision, subject to receipt of all required authorizations and the arrangement of financing, is expected in H2 2020. Following the positive results of a feasibility study announced on November 4, 2019 and based on the Company’s ability to fund these initial capital expenditures from operating cash flow a program of early works, including detailed engineering and design work has been approved to mitigate key risks related to schedule.

Sustaining Capital, Maintenance Projects and Community Investment

Sustaining capital and project expenditures are expected to be up to \$25.0 million in 2020, including expenditures associated with the construction of an additional slimes dam (this is a multi-year project), upgrades to the XRT recovery circuit and a provision for the implementation of body scanning technology to enhance security which had originally been planned for 2019, subject to receipt of the regulatory approval. In addition, Lucara has committed to several community investments and optimization initiatives in 2020.



Clara Digital Sales Platform

Following an inaugural diamond sale in December 2018 through Clara Diamond Solutions, its 100% owned digital sales platform, diamond sales through Clara were held with increasing frequency during 2019 and the customer base increased to 27 participants. Further growth is expected through 2020 as more supply is made available through the platform, balanced with demand from the customers using the platform. Third-party production should complement the diamonds from Karowe which are sold through the platform and should support increased transaction volumes through 2020.

Eira Thomas
President and Chief Executive Officer

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Qualified Person (“QP”)

Dr. John P. Armstrong, Ph.D. P. Geol., the Company’s Vice-President, Technical Services and a QP as that term is defined in National Instrument 43-101 (“NI 43-101”) has reviewed and approved the contents of this news release.

The results of the Karowe Underground Feasibility Study announced on November 4, 2019 will be summarized in a Technical Report prepared pursuant to the guidelines of NI 43-101. This technical report will be filed on or before December 19, 2019 on SEDAR (www.sedar.com) and will also be available on the Company’s website (www.lucaradiamond.com).

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 November 28, 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 production and sales volumes for the Karowe Mine, including associated cash flows consisting of revenues, expenses and per unit costs as well as capital projects community investments and optimization initiatives; 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; 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, 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.