



LUCARA
DIAMOND

NEWS RELEASE

LUCARA ANNOUNCES POSITIVE FEASIBILITY STUDY FOR KAROWE UNDERGROUND

NOVEMBER 4, 2019 (LUC – TSX, LUC – BSE, LUC – Nasdaq Stockholm) Lucara Diamond Corp. (“Lucara” or the “Company”) is pleased to announce the results of a positive underground Feasibility Study (“FS”) to expand its 100% owned Karowe diamond mine, one of the world’s most prolific producers of large, high value type IIA diamonds and the only diamond mine in recorded history to have produced two +1000 carat diamonds. The underground expansion at Karowe is expected to double the mine life, and generate significant revenue and cashflow out to 2040, extending benefits to the Company, its employees, shareholders, communities surrounding the mine, and Botswana.

Combined Open Pit / Underground Economic Highlights (all figures in US dollars)

- LOM production of 7.8 million carats out to 2040; resource remains open to depth
- \$5.25 billion in Gross Revenue
- Pre-production capital costs of \$514 million for the underground project
- After-tax undiscounted net cash flow of \$1,220 million, no real diamond price escalation
- After-tax NPV_(5%) of \$718 million
- Payback Period of 2.8 years extending the mine life 15 years (including stockpiles)
- Average LOM operation costs of \$28.43 per tonne of ore processed

Eira Thomas, President and CEO commented: “Lucara is highly encouraged by the results of the Karowe Underground feasibility study which has outlined a much larger economic opportunity than first envisaged in the 2017 PEA and represents an exciting, world class growth project for our Company. Diamond deposits are rare and getting rarer. In this context, we are extending a mine that is in a class of its own, having produced 15 diamonds in excess of 300 carats, including 2 greater than 1000 carats in just seven years of production. Further, we have sold ten diamonds for in excess of \$10 million each, including the record-setting 813 carat Constellation which sold for \$63.1 million.

A significant portion of the cost to expand our mine underground can be funded from cash flow, and the investment is expected to be paid back in under 3 years, as the underground allows us to exploit the highest value part of the orebody first and generate more than \$5.25 billion in gross revenue. What’s more, margins remain healthy despite the application of conservative diamond pricing models that reflect the current, difficult market environment. Lucara’s short term view is that the market is now stabilizing. Longer term, the fundamentals are expected to strengthen in line with supply shortfalls from mature, depleting mines in Australia and Canada. It is important to note that a return to diamond prices observed in 2015 would nearly double the NPV_(5%) of this project to \$1.4 billion.”

Key Findings of the Study:

- The Karowe Mine has produced 2.5 million carats since 2012 and generated \$1.5 billion in revenue. The FS looks to double the mine life from the original mine design of 2010 and add net cash flow of \$1.22 billion and gross revenue of \$5.25 billion.
- After-tax NPV_(5%) of \$718 million for the combined open pit and underground with no real diamond price escalation



- Updated Resource confirms increasing value with depth. The combined open pit and underground Indicated resource now stands at 54.27 million tonnes at 15.3 carats per hundred tonnes (“cpht”) for a contained diamond resource of 8.3 million carats excluding stockpiles.
- Long hole shrinkage (“LHS”) underground bulk mining method selected will provide early access to higher value ore and allows for a short pay back period of 2.8 years and low operating costs of \$28.43 per tonne processed.
- On the basis of a construction start in mid-2020, ore from underground mining will seamlessly integrate into current operations providing mill feed starting in 2023 with a ramp up to 2.7Mtpa to the processing plant by 2026, and the opportunity to increase throughput. Current production rates will be maintained through the underground ramp up period.
- The Underground is designed to access the South lobe kimberlite resource below the current planned bottom of the open pit (which is expected to be at approximately 700 meters above sea level (“masl”)), to a depth of 310 masl. Access to the South Lobe underground will be via two vertical shafts (production and ventilation) of approximately 765 and 715 meters deep respectively.
- Identified key focus areas of hydrogeology, geotechnical constraints of the kimberlite and host rocks have been addressed through an intensive set of work programs and data collection that commenced during the Preliminary Economic Assessment completed in November 2017 and were substantially updated and augmented by the FS study.

Zara Boldt, Chief Financial Officer commented: “Lucara is weathering the current downturn in the diamond market better than most of our peers. Karowe’s high value deposit and unique production profile has allowed us to generate enough cash to operate our business, develop the Clara sales platform and to have been a steady dividend payer. Based on the strong economics outlined in the feasibility study, we are confident that our external financing requirement will be modest and that attractive financing options are available to supplement the expected contribution of our cash flow from operations to fund the underground project. We are optimistic about diamond prices recovering in the short to medium term as global supply decreases next year and we have also identified a number of optimization opportunities for the underground that could add additional value to the project in the near term. With this in mind, Lucara’s Board of Directors has determined that using our available cash flow for detailed engineering and design work, early procurement initiatives and to investigate project debt financing options in the near-term, rather than the payment of a dividend, is the best use of the Company’s capital going forward.”

Key Operational Parameters

Parameter	Unit	UG Base Case	OP UG Base Case
After-Tax Undiscounted Net Cash Flow	US\$M	\$844	\$1,220
After-Tax NPV (5%)	US\$M	\$388	\$718
After-Tax NPV (8%)	US\$M	\$226	\$536
After-Tax IRR	%	16%	N/A
Pre-Tax Undiscounted Net Cash Flow	US\$M	\$1,447	\$2,156
Payback Period (post-tax)	years	2.4	2.8



Key Operational Parameters continued

Tonnage and Grade	UG Base Case	OP UG Base Case
Waste Tonnes mined (millions)	0.751	13.43
Ore Tonnes mined (millions)	33.46	49.97
Processed Tonnes (millions)	33.46	56.03
Diamond grade (cpht) based on a 1.25mm bottom cut-off size ("BCOS") and inclusive of estimated mining dilution	15.1	13.99
Mine Life (Years)	12.9	20.9

Average Annual	UG Base Case	OP UG Base Case
Production Rough Diamonds (carats)	392,000	374,000
Operating Cost Kimberlite (US\$/t treated)	\$30.57	\$28.43
Diamonds (US\$/carat recovered)	\$725.00	\$670.00

Feasibility Study Approach

The FS has been prepared following Canadian Institute of Mining Guidelines for the development of an underground mine. Production from the underground is planned to be coincident with open pit operations coming to completion, at Lucara's Karowe Mine ("Karowe Mine") in Botswana. All dollar amounts in this release are presented in US dollars unless otherwise stated.

Based on the positive FS results, the Company will commence advancement of detailed engineering immediately, in parallel with project permitting, arranging project financing and long lead item procurement.

The results of the FS represent forward-looking information that are subject to a number of risks, uncertainties and other factors that may cause results to differ materially from those presented here. (See "Cautionary Note Regarding Forward Looking Statements" below.)

The Karowe Underground FS contemplates both a stand-alone UG scenario and a combined Open Pit Underground LOM scenario. The FS provides for the development of a Long Hole Shrinkage ("LHS") operation to mine the South Lobe of the AK06 kimberlite resource from the base of the planned open pit to the 310 masl elevation. Access to the South Lobe underground will be via two vertical shafts (production and ventilation). All Underground mined kimberlite will be processed at the existing Karowe processing plant over a 13-15 year period following the cessation of the current open pit operations, which is expected to occur in 2025.

As a brownfield operation, the Karowe Mine process plant and other site facilities and equipment are sufficient in many areas to support the planned underground mining operation. Existing on-site infrastructure includes offices, warehouses, laydown areas, maintenance facilities, a crushed kimberlite stockpile and reclaim, access and service roads, an airstrip, explosives magazines, and water and electrical infrastructure. Upgrades to power infrastructure are required to support shaft services and are costed into the model.



Capital and Operating Cost Estimates

Capital costs were estimated using a combination of Karowe budget input, first principle cost estimation with vendor quotes, contractor estimates and guided by benchmarking and experience. The UG pre-production capital cost estimate is shown in Table 1. The OP sustaining capex adds another \$54 million to the UG capital costs. The combined OP and UG operating cost estimates for the FS LOM are shown in Table 2.

Table 1: Karowe UG Capital Distribution

Capital Costs	Pre-Production (US\$M)	Sustaining/Closure (US\$M)	Total (US\$M)
Mining	321.5	38.1	359.7
Bulk Earthworks	18.8	-	18.8
Process Plant	0.1	46.5	46.6
Tailings	-	22.3	22.3
Onsite Infrastructure	5.9	-	5.9
Buildings & Facilities	1.6	-	1.6
Offsite Infrastructure	19.6	-	19.6
Project Indirects	47.7	-	47.7
Owner's Costs	46.9	34.0	80.9
Subtotal	462.1	140.9	603.0
Contingency	51.6	12.8	64.4
Total	513.7	153.8	667.5

Table 2: Summary of LOM Operating Costs

OPEX	Unit Cost \$/t Milled	Unit Cost \$/carat	Total \$M
OP Mining (per ore tonne mined)	8.25		
UG Mining (per ore tonne mined)	8.72		
Combined Mining	7.77	56	435
Processing	15.06	108	844
G&A	5.60	40	314
Total	28.43	203	1,593



Economics

The main assumptions with respect to the economic model are listed in Table 3. Table 4 shows the baseline diamond prices by zone.

Table 3: Economic Assumptions

Item	Unit	Value
NPV Discount Rate	%	5% & 8%
Annual Escalation	%	0
Escalation Start Year	Year	N/A
Escalation End Year	Year	N/A
BWP:US\$ FX	BWP:US\$	10.6
ZAR:US\$ FX	ZAR:US\$	14

Source: JDS (2019)

Table 4: Baseline Diamond Prices

Unit	2020	2021	2022	FS
North	222	222	222	222
Centre	323	329	349	349
EMPKS	618	705	741	777
MPKS	513	578	604	631

Source: JDS (2019)

Results

The economic results for the Project, based on the assumptions outlined above are presented in Table 5.

Table 5: UG-Only and Combined Economic Results

Parameter	Unit	UG-Only		UG and OP Combined	
		Pre-tax Results	After-tax Results	Pre-tax Results	After-tax Results
NPV _{5%}	US\$M	710	388	1,266	718
NPV _{8%}	US\$M	454	226	945	536
IRR	%	20.8	16	na	na
Payback period	Production years	2.3	2.4	2.8	2.8

Source: JDS (2019)

The break-even price for the Project (NPV @ 8% discount rate) is US\$414/carat after tax for the combined open pit and underground.

Sensitivities

Sensitivity analyses were performed using diamond prices, mill head grade, CAPEX, and OPEX as variables. The value of each variable was changed plus and minus 20% independently while all other variables were held constant. The Project is most sensitive to the diamond price and head grade, followed by the OPEX and least sensitive to the CAPEX. The results of the UG-only sensitivity analyses are shown in Table 6.



Table 6: UG Only Sensitivity Results (NPV @ 8%, IRR)

Variable	Pre-tax NPV _{8%} (M\$)			Pre-tax IRR (%)		
	-20% Variance	0% Variance	20% Variance	-20% Variance	0% Variance	20% Variance
CAPEX	547	454	360	25.6	20.8	17.1
OPEX	609	454	264	23.9	20.8	16.3
Diamond Price or Grade	170	454	738	13.6	20.8	26.4

Source: JDS (2019)

Mineral Resources

In support of the FS an updated Mineral Resource Estimate, see Table 7 – Karowe Mine AK06 Updated Mineral Resource Statement reflecting depletion as of June 30, 2019, was prepared by SRK. The updated resource estimate is based on historical evaluation data combined with new deep drilling data from the FS study programme. New sampling results (microdiamond, bulk density, and petrography) have been fully integrated with recent deep drilling and historical drilling. Separate size distribution and value models have been developed from production data for the two dominant domains within the South Lobe, the EM/PK(S) and M/PK(S). Grade and tonnage estimates are based on an updated and revised geological model, an updated recoverable grade model based on Karowe processing plant recoveries and updated average price per carat values. The 2019 mineral resources for Karowe, as summarized in Table 7, have been classified as either Indicated or Inferred mineral resources, according to CIM Definition Standards for Mineral Resources and Mineral Reserves (CIM, 2014). Mineral Resources reported are inclusive of those portions of the Mineral Resource that have been converted to Mineral Reserves as shown in Table 8 and have an effective date of July 1, 2019.



Table 7 – Karowe Mine AK06 Updated Mineral Resource Statement

Classification	Domain	Volume (Mm ³)	Tonnes (Mt)	Density (t/m ³)	Carats (Mcts)	Grade (cpht)	Average US\$/ct
Indicated	South M/PK(S)	9.40	27.81	2.96	3.01	10.8	\$631
	South EM/PK(S)	7.62	22.10	2.90	4.68	21.2	\$777
	Centre	1.28	3.28	2.57	0.50	15.1	\$367
	North	0.44	1.08	2.45	0.13	11.8	\$222
TOTAL INDICATED		18.74	54.27	2.90	8.32	15.3	\$690
Inferred	South M/PK(S)	0.10	0.31	3.05	0.03	10.5	\$631
	South EM/PK(S)	1.40	4.18	2.97	0.87	20.9	\$777
	South_KIMB3	0.32	0.94	2.94	0.10	10.9	\$631
	TOTAL INFERRED	1.82	5.42	2.97	1.01	18.6	\$750

Notes:

- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. All numbers have been rounded to reflect accuracy of the estimate.
- Mineral Resources are in-situ Mineral Resources and are inclusive of in-situ Mineral Reserves.
- Mineral Resources are exclusive of all mine stockpile material.
- Mineral Resources are quoted above a +1.25 mm bottom cut-off and have been factored to account for diamond losses within the smaller sieve classes expected within a commercial process plant.
- Inferred Mineral Resources are estimated on the basis of limited geological evidence and sampling, sufficient to imply but not verify geological grade and continuity. They have a lower level of confidence than that applied to an Indicated Mineral Resource and cannot be directly converted into a Mineral Reserve.
- Average diamond value estimates are based on value models generated from production and sales data from Karowe operations as provided by Lucara Diamond Corporation.
- Mineral Resources have been estimated with no allowance for mining dilution and mining recovery.

Mineral Reserves

The Karowe Mineral Reserve Estimate for the FS was compiled by QP Gord Doerksen, P.Eng. and has an effective date of September 26, 2019 and is summarized in Table 8.



Table 8: Karowe Mine AK06 Mineral Reserve Statement

Lobe - Type	Classification	Ore (Mt)	Diluted Grade (cpht)	Contained Carats ('000s ct)	Price (US\$/ct)
Open Pit					
North	Probable	0.6	10.0	56	222
Centre	Probable	3.2	15.1	478	349
South – EM/PK(S)	Probable	3.6	23.9	850	777
South – M/PK(S)	Probable	10.2	10.8	1,098	631
Open Pit	Total	17.4	14.2	2,481	618
Underground					
South – EM/PK(S)	Probable	16.3	19.9	3,246	777
South – M/PK(S)	Probable	17.1	10.6	1,807	631
Underground	Total	33.5	15.1	5,053	725
Stockpiles					
North	Probable	0.4	12.7	51	222
Centre	Probable	0.4	12.8	54	349
South – M/PK(S)	Probable	1.6	9.5	151	631
Mixed	Probable	4.0	5.0	198	609
Stockpiles	Total	6.4	7.1	454	542
Combined					
All	Total	57.3	13.9	7,988	681

1. Prepared by Gord Doerksen, P.Eng. JDS Energy & Mining Inc.
2. CIM definitions were followed for Mineral Reserves and the effective date of the Mineral Reserve is September 26 2019.
3. Mineral Reserves are estimated at a cut-off value of US\$31/t based on an OP and UG mining cost of US\$9/t, a processing cost of US\$16/t and a G&A cost of US\$6/t. Process recovery of the diamonds was assumed to be 100% as the recoveries were included in the mineral resource block model assumptions and therefore have taken recoveries into account. All of the kimberlite material in the South Lobe is above the cut-off value.
4. Average diamond value estimates are based on value models generated from production and sales data from Karowe operations as provided by Lucara Diamond Corporation.
5. Tonnages are rounded to the nearest 100,000 tonnes, diamond grades are rounded to one decimal place. Tonnage and grade measurements are in metric units; contained diamonds are reported as thousands of carats.

Source: JDS (2019)

Geotechnical

An exhaustive 21,000m geotechnical/hydrogeological drilling and data collection program was undertaken in preparation for the FS. Over 8,000 field rock strength tests and over 2,000 laboratory tests encompassing a full suite of testing were conducted. Pumping tests from 23 water boreholes, 58 packer tests and 400 hydrochemical tests and analyses were undertaken.

The unusually high strength (and low weathering susceptibility) of the South Lobe kimberlite eliminates natural caving as an option but presents a good opportunity for stoping. Kimberlite intact strengths are lower (roughly half) where the kimberlite is in contact with the country rock. The bulk of the host rock above the basement granite, comprising ~345m of sedimentary stratigraphy (shales, mudstones and sandstones of the Karoo Supergroup) and ~130m of igneous rock (basalts of the Stormberg Lava Group) are of good quality and display sparse jointing. There are some weaker layers within the country rock stratigraphy that exhibit low intact strengths including red mudstone intercalated beds within the lower sandstone, carbonaceous shale (water-bearing) and weathered granite.

There are no major faults or fault zones evident in the kimberlite or host sediments.



The favourable geotechnical properties of the kimberlite combined with the stable cylindrical shape of the South Lobe are expected to result in a good geomechanical performance, with benchmarking and numerical modelling suggesting limited vertical (ore) and lateral (waste) overbreak (including limited subsidence beyond the final pit crest), high recovery, stable infrastructure and low risk of mud rush, air blast and seismicity.

Hydrogeology

Water control and hydrogeological context of the deposit and host rocks are key elements in the mine plan. The AK6 deposit sits within layered, sedimentary, regional aquifers that have been documented since the 1980's.

The main water bearing lithologies are the upper sandstone/basalt contact and the lower sandstone base contact. A fracture zone aligned in a north-north-west strike and at a dip of $\pm 85^\circ$ to the west is made up of discrete, widely spaced sub-vertical joints that intersect the water bearing zones, and provide a conduit for lateral and vertical water movement. In general, the AK6 kimberlites are not permeable with the exception of the North Lobe contact zone.

The water-bearing zones are interbedded with impermeable aquitards made up of grey and red mudstones within the lower sandstone lithology. These aquitards have a persistent head and greatly inhibit the ability to dewater and depressurize both the bottom of the open pit and the proposed underground mine.

An underground dewatering gallery and drill array are planned to be installed as a priority in the UG mine development and will be located at the 680 L with access gained via the ventilation shaft during sinking operations.

Mineral Processing

Comminution test work to determine the crushing and grindability characteristics of the deeper kimberlite were conducted. The deeper kimberlite was found to be compatible with the current processing plant comminution circuit.

The predominant diamond separation and extraction process at Karowe utilizes Tomra X-ray Transmission (XRT) sensor based bulk sorting machines to separate liberated diamonds from kimberlite and waste host rock gangue. XRT tests were conducted on all deeper kimberlite and host rock zones and all were found to be conducive to efficient diamond separation and recovery with the existing circuit.

The current flow sheet is deemed suitable for processing of underground sourced kimberlite and diamond recovery in line with the resource model.

Mining

The Karowe Mine is an existing conventional drill and blast open pit operation, with diesel excavators and trucks provide an average annual 2.6M tonnes of kimberlite feed to the mill. The open pit mine operation is expected to terminate mid-2025, ending at an elevation of approximately 700 masl.

The subject of the FS targeted the substantial resources remaining below the economic extents of the open pit. A 7,200 tpd shaft operation utilizing long hole shrinkage (fully assisted cave) mining is proposed to provide an additional 13 years of mine life to the Karowe operation after a five year construction period commencing in 2020.

Several UG mining methods were investigated as part of this study including block caving (BC), block caving with pre-conditioning, sub level caving (SLC), and long hole shrinkage (LHS). The bottom up approach of the LHS takes advantage of the denser and higher value kimberlite at depth coupled with low operating costs and high capital costs and de-risks the project with respect to geotechnical and hydrogeological of the host rocks.

The LHS method is planned to systematically drill and blast the entire lobe on a vertical retreat basis. In LHS, a significant proportion of the blasted muck is left in the stope during blasting and stoping to stabilize the host rock with only the swell extracted during the drill and blast phase. Mucking takes place from draw points from 310 L (310 masl) extraction level. Once the column is fully blasted, the stope is drawn empty by mucking the draw points. Advantages to the selected mining method include:

- Extraction of the highest value rock first;
- Low and delayed dilution



- Development and production of the underground can occur simultaneously with pit operations
- Low operating costs;
- Reduced dewatering risk by using a grouted shaft and delaying surface breakthrough for five production years;
- Minimal development in poor ground;
- Development at the extraction level is designed to manage natural caving should it occur;
- Ability to rapidly increase draw once the resource is fully blasted; and
- Ability to economically mine below the 310 L, resource is open at depth

The mine will be accessed from a 765 m deep production shaft, 7.5 m in diameter, driven from surface to 245 masl. The shaft will be equipped with two 21- t skips for production hoisting and a service cage for man and material movement through the mine. This shaft will also serve as the main fresh air intake to the mine. A second shaft, 6.0 m in diameter, 715 m deep, driven from surface to 295 masl, will be equipped with a heavy lift hoist for moving large equipment throughout the mine life and hoisting development waste during pre-production.

Drill levels are spaced at 100 m vertical intervals and drilling will utilize in the hole hammer (ITH) drills with an effective drill length with 150 mm (6") holes. The average length of hole per ring will be 58 m, with an average 34 t/m drilled.

Stoping will be conducted to maintain a stable arched back.

The extraction level design is set up similar to a block cave design with five extraction drives driven 31.5 m apart and run the entire length of the Lobe. A total of 56 drawpoints are planned, giving significant extraction flexibility.

Ore will be mucked from the drawpoints with 21-t load-haul-dump (LHD) units that will feed a jaw crusher. Crushed rock will then be conveyed to two 3,500-t bins adjacent to the production shaft.

Infrastructure

The Underground Project at Karowe will include the use of existing and new infrastructure at the Karowe Mine. Current and planned infrastructure is designed to support the operation of a 2.7Mtpa mine and processing plant.

Various buildings and surface facilities will be installed adjacent to the shafts in addition to a near-by construction camp, expansion of coarse and fine tailings facilities and a new 29-km long, 132 kV power transmission line running to the mine from the new Botswana Power Corp. substation.

Permitting

The current mining license for open pit mining operations expires in 2023. An application to the Government of Botswana will be submitted to extend the mining license to cover the remainder of the open pit and proposed underground mining operations. Engagement with the Government of Botswana has been ongoing throughout the FS. Updated Environmental Management and Stakeholder Engagement Plans are being finalized as part of the study.

Conclusions

It is the conclusion of the QPs that the FS summarized in this press release contains adequate data and information to support a FS. Standard industry practices, equipment and design methods were used in the FS.

Based on the assumptions used for this evaluation, the project shows positive economics and should proceed to detailed engineering, financing and construction.

Next Steps

In the first half of 2020, the Company will focus on detailed engineering and early procurement initiatives with respect to the underground. The Company will also be reviewing financing options and will update the market when such



decisions are reached. The anticipated capital requirements in 2020 represent less than 10% of the pre-production capex estimate and can be funded out of the Company's anticipated cash flow, as financing options are explored.

Qualified Persons ("QPs")

The FS was prepared under the direction of JDS Energy & Mining Inc. and by leading independent industry consultants. Mr Gord Doerksen P.Eng is the Project manager and responsible for the study completion and a Independent Qualified Person under national Instrument NI 43-101. Dr. J.P. Armstrong, Ph.D. P.Geol., the Company's VP Technical Services and a Qualified Person under National Instrument 43-101, and Mr. Doerksen have reviewed and approved the contents of this news release.

The results of the Karowe Underground FS will be summarized in a Technical Report prepared pursuant to Canadian Securities Administrators' National Instrument 43-101 that will be filed on SEDAR (www.sedar.com) within 45 days of this press release and will also be available on the Company's website (www.lucaradiamond.com).

CONFERENCE CALL

The Company will host a conference call and webcast to discuss the results on Tuesday, November 5, 2019 at 6:00 a.m. Pacific, 9:00 a.m. Eastern, 2:00 p.m. UK, 3:00 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:

07240950 / Lucara Diamond

Dial-In Numbers:

Toll-Free Participant Dial-In North America
All International Participant Dial-In

(+1) 888 390 0605
(+1) 778 383 7417

Webcast:

To view the live webcast presentation, please log on using this direct link:

<https://event.on24.com/wcc/r/2119756/AA485E110CEB641D00D3D85C66D077F6>

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

Conference Replay:

A replay of the telephone conference will be available two hours after the completion of the call until November 12, 2019.

Replay number (Toll Free North America)
Replay number (International)

(+1) 888 390 0541
(+1) 416 764 8677

The pass code for the replay is: 240950#

On behalf of the Board,

Eira Thomas
President and Chief Executive Officer

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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.

This information is information that Lucara is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above on November 4, 2019 at 8:45 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: potential to expand the life of mine; updated resource and reserves for the Karowe Mine, including the Underground and the total expected life of mine production; estimates of the Company's production and sales volumes for the Karowe Mine, including the Underground and associated cash flow and revenues; estimates of the economic benefits of the Underground, including the payback period; pre-production capital costs for the Underground and the quantum required, and availability of, external financing; anticipated operating margins for the Underground operations; the ability to integrate the underground operations seamlessly into the existing infrastructure; the anticipated mine plan and mining methods; the ability to fund certain costs from anticipated cash flows; 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 rate; the timing and ability of management to further 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 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.