



LUCARA
DIAMOND

September 18, 2019

PRESS RELEASE

LUCARA RECOVERS 123 CARAT GEM QUALITY TYPE IIA DIAMOND
Year to date large stone tally at 22 diamonds +100 carats, including 6 +200 carats

VANCOUVER, September 18, 2019/CNW/ - (LUC – TSX, LUC – BSE, LUC – Nasdaq Stockholm)

Lucara Diamond Corp. (“Lucara” or the “Company”) is pleased to announce the recovery of a 123 carat gem quality top white Type II diamond ([image attached](#)) from its 100% owned Karowe Diamond Mine located in Botswana. The 123 carat diamond was recovered from direct milling ore sourced from the EM/PK(S) unit of the South Lobe. The EM/PK(S) has also delivered several other high value diamonds including the 1,109 carat Lesedi La Rona, the 813 carat Constellation and the recently recovered 1,758 carat Sewelô, and is an important economic driver for the underground feasibility study which is currently underway and scheduled for completion in Q4 later this year.

A 375 carat gem quality diamond was also recently recovered at Karowe from the processing of historic DMS recovery tailings, generated prior to the incorporation of Lucara’s XRT diamond recovery circuits. Karowe continues to have strong production performance year to date, with recovery from direct milling ore of 22 individual, +100 carat diamonds, including 6 greater than 200 carats, and the historic 1,758 carat Sewelô diamond, the largest ever diamond to be recovered in Botswana. Re-processing of historic DMS recovery tailings (pre-XRT circuit) is ongoing. Processing of these tailings does not displace direct feed ore, but rather supplements overall production. Year to date, from all processing, the mine has produced 29 diamonds > 100 carats, including 8 diamonds > 200 carats.

On August 29th Lucara closed its third diamond tender sale of the year. Despite challenging market conditions, the tender was extremely well attended with a total of 123 companies attending and 47 companies winning one or more tender lots. In the three completed tenders of the year a total of 19 diamonds have sold for in excess of \$1 million USD, including 7 > \$ 2 million USD and one for > \$ 8 million USD. Revenue received was in line with expectations and in line with the Company meeting the yearly guidance of \$ 170 to \$ 200 million USD in revenue. Full details will be released with the Q3 2019 results on November 7th of this year. Analysis of the historic 1,758 carat Sewelô is ongoing.

Eira Thomas, Lucara’s CEO commented: “Lucara is pleased with the continued strong performance of the mine and the consistent recovery of large, high quality diamonds that contribute more than 70% of Lucara’s total revenues. Attendance at our sales remains high, a testament to our well-established client base and Karowe’s production profile, which continues to be well regarded and sought after in the marketplace. This is further evidenced by our growth with the client base for Clara which has grown from 4 to over 20 customers since the beginning of the year. Ramp up continues on plan, with transactions now occurring bi-weekly.”

This press release has been reviewed and approved by Dr. John Armstrong, Ph.D. P.Geol., Vice-President, Technical Services of the Company and a "Qualified Person" for the purposes of National Instrument 43-101.

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.

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 and the Swedish Securities Markets Act. This information was submitted for publication, through the agency of the contact person set out above on September 18, 2019 at 5:30am 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 contains forward looking information with respect to management's expectations about the likelihood of recovering additional, high quality diamonds from the Karowe Mine in the future and our ability to achieve our 2019 revenue guidance. The value of the Company's shares, its financial results and its mining activities are significantly affected by the price and marketability of the diamonds recovered. The sales price of a diamond is determined by its characteristics. While the Karowe Diamond Mine has produced a number of large, high-value diamonds in excess of 100 carats, there is no assurance that the diamonds recovered which are 100 carats or larger will have the characteristics required to achieve a high sales price.

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.



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THE 123 CARAT DIAMOND RECOVERED FROM THE KAROWE DIAMOND MINE IN BOTSWANA

