



LUCARA
DIAMOND

April 6, 2021

NEWS RELEASE

LUCARA ANNOUNCES 24 MONTH EXTENSION TO HB SUPPLY AGREEMENT

VANCOUVER, April 6, 2021 /CNW/ (LUC – TSX, LUC – BSE, LUC – Nasdaq Stockholm)

Lucara Diamond Corp. ("Lucara" or the "Company") is pleased to announce that it has entered into a 24-month extension of its definitive supply agreement with HB Antwerp ("HB"), in respect of all diamonds produced in excess of 10.8 carats in size from its 100% owned Karowe Diamond Mine in Botswana. Large, high value diamonds in excess of 10.8 carats in size account for approximately 70% of Lucara's annual revenues. Though the Karowe mine has remained fully operational throughout the COVID-19 pandemic, Lucara made a deliberate decision not to tender any of its +10.8 carat inventory after early March 2020 amidst the uncertainty caused by the global crisis.

Under the terms of this novel supply agreement with HB, extended to December 2022, the purchase price paid for each +10.8 carat rough diamond is based on the estimated polished outcome, determined through state of the art scanning and planning technology, with a true up paid on actual achieved polished sales thereafter, less a fee and the cost of manufacturing.

ADVANTAGES:

- Regular cash flow for Lucara using polished pricing mechanism;
- Potential revenue upside, particularly suited for Lucara's large, exceptional diamonds;
- Increased tax revenue and additional beneficiation opportunities for the Government of Botswana; and
- A streamlined supply chain that achieves alignment between Lucara and HB to maximize the value of each +10.8 carat diamond produced at Karowe.

Eira Thomas, CEO commented: "The decision to sell our +10.8 carat rough diamonds under a committed supply agreement with HB beginning in July of 2020 has helped support prices for this critical segment of our production amidst pricing uncertainty caused by the ongoing global pandemic. Not only have rough diamond prices experienced a positive re-bounce over the past two quarters, Lucara is also beginning to see the benefits of this strategy in accessing a broader marketplace and delivering regular cash flow based on final polished sales. We believe these early results warrant an extension of the arrangement for at least 24 months to determine if superior pricing and market stability for our large, high value diamonds can be sustained longer term, creating better alignment between all participants and the establishment of a healthier, more efficient global diamond supply chain."

Oded Mansori, CEO HB Antwerp: "More than a supply agreement, this collaboration structurally embeds a new transparent and sustainable way of working in the diamond value chain. For the first time, different partners of the value chain are fully aligned, sharing data and information throughout the process from mine to consumer."

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 and owns a 100% interest in Clara Diamond Solutions, a secure, digital sales platform positioned to modernize the existing diamond supply chain and ensure diamond provenance from mine to finger. 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 HB ANTWERP

HB Antwerp turns the diamond supply chain upside down starting with the customer. Using technology, they bring simplicity and transparency to a typically complex supply chain. Everything happens in a closed loop called Signum in Antwerp, backed with the latest technologies and tracked with blockchain making it 100% transparent from diamond mine to market.

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. The information was submitted for publication, through the agency of the contact persons set out above, on April 6, 2021 at 2:15pm 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: the benefits of the supply arrangement with HB, the ultimately achieved pricing/revenues and predictability of cash flows from the supply arrangement with respect to Karowe diamonds, that the agreement will result in increased revenue and beneficiation opportunities for the Government of Botswana, and other forward-looking information.



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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 "COVID-19 Global Pandemic" in the Company's most recent MD&A and under the heading "Risks and Uncertainties" in the Company's most recent Annual Information Form, both available at <http://www.sedar.com>, as well as changes in general business and economic conditions, the ability to continue as a going concern, changes in interest and foreign currency rates, the supply and demand for, deliveries of and the level and volatility of prices of rough and polished 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.