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January 8, 2019

PRESS RELEASE

LUCARA PROVIDES OPERATING OUTLOOK FOR 2019

VANCOUVER, January 8, 2019/CNW/ - (LUC - TSX, LUC - BSE, LUC - Nasdaq Stockholm)

Lucara Diamond Corp. (“Lucara” or the “Company”) is pleased to provide operating guidance for 2019 (all amounts in US Dollars unless otherwise stated).

2019 HIGHLIGHTS

- Revenue is forecast to be between \$170 million and \$200 million;
- An annual dividend of Canadian \$0.10 per share is expected to be paid quarterly;
- Karowe 2019 operating cash costs are forecast to be between \$32.00 - \$37.00 per tonne processed, significantly lower than in 2018, where the operating cash cost per tonne processed is expected to be between \$38.00 and \$42.00 (consistent with prior guidance). Operating cash costs, excluding waste mining, are expected to be between \$21.00 and \$24.00 per tonne processed, with the significant push back to access the higher-grade South Lobe ore substantially complete in the first half of 2019;
- Ore mining and tonnes processed are expected to be between 2.5 million and 2.8 million tonnes, matching 2018's record mill throughput;
- Waste mining is expected to be between 6.0 million and 9.0 million tonnes, down significantly from 2018 levels;
- The completion of a Feasibility Study for underground mine advancement is a key focus for this year, with a 2019 budget of \$14.8 million to complete geotechnical and hydrogeological drilling programs, economic and other studies which started in 2018.

Eira Thomas, President & CEO commented: “Having stabilized and significantly improved our mining operations at Karowe in 2018, Lucara is now focused on optimizing the base business and pursuing a suite of high potential, organic growth opportunities. The completion of a feasibility study examining the potential for underground production and Life of Mine expansion at Karowe from 2026 until at least 2036, remains a top priority for 2019. In addition, we will continue to systematically ramp up diamond sales through Clara, our transformational, proprietary digital sales platform that successfully completed its first trial sale in December 2018.” She further communicated that, “Our focus at Karowe in 2019 will be on driving operational efficiencies, increased productivity and cost control, and maximizing cash flow. The waste stripping bottleneck is now behind us and we expect stripping ratios to steadily improve towards the end of the calendar year, enabling improved access to high value, south lobe ore.”

Karowe Mine – Diamond Sales, Production and Cost Outlook for 2019:

Karowe Mine (all amounts in US Dollars)	Full Year 2019
Diamond revenue	\$170 million to \$200 million
Diamond sales	300,000 carats to 320,000 carats
Diamonds recovered	300,000 carats to 330,000 carats
Tonnes mined – Ore	2.5 million to 2.8 million
Tonnes mined – Waste	6.0 million to 9.0 million
Average strip ratio	2.84



Tonnes processed – Ore	2.5 million to 2.8 million
Total operating cash costs per tonne processed (including (a) to (c) below):	\$32.00 to \$37.00
(a) Cash cost per tonne mined (ore and waste)	\$4.00 to \$4.50
(b) Cash cost per tonne processed	\$12.00 to \$13.00
(c) Mine on-site departmental costs (security, technical services, mine planning safety and health, geology) per tonne processed	\$5.00 to \$6.00
Operating cash costs per tonne processed, excluding waste mined	\$21.00 to \$24.00
Botswana general & administrative expenses, including sales and marketing expenses, per tonne processed	\$2.00 to \$3.00
Tax rate	22% to 29%
Average exchange rate – USD/Pula	10.5

Dividend Policy

Lucara anticipates that an annual dividend of Canadian \$0.10 per share will be paid in four equal installments in 2019; in April, June, September and December. The amount of any dividend declared will remain at the discretion of the Board of Directors. In determining the rate of the total dividend in Canadian dollars per share and consistent with Lucara's Dividend Policy, the Board of Directors will consider current operating results and outlook, the need to reinvest to maintain profitable long-term growth, the external environment and any other factors deemed relevant.

Diamond Revenue

In 2019, the Company forecasts revenues between \$170 million and \$200 million, consistent with the forecast for 2018. 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 300,000 carats and 330,000 carats and diamonds sold are expected to be between 300,000 carats and 320,000 carats.

Production Estimates and Costs

Following the substantial completion of a significant waste stripping campaign in 2017 and 2018, total tonnes mined in 2019 are expected to be between 8.5 million and 11.8 million tonnes, of which the Company expects to mine between 2.5 million to 2.8 million tonnes of ore and between 6.0 and 9.0 million tonnes of waste. The average strip ratio is expected to be 2.84 in 2019.

The 2019 estimated cash cost per tonne of ore processed is expected to be between \$32.00 and \$37.00 (2018: \$38.00 to \$42.00) while estimated operating cash costs, excluding waste mining, are expected to be between \$21.00 and \$24.00 per tonne processed. The cost per tonne mined is expected to be between \$4.00 and \$4.50 and the estimated processing cost per tonne processed is expected to be between \$12.00 and \$13.00, mostly offsetting the increase in cost per tonne mined which results from higher rates from the mining contractor appointed in mid-2018.

Tax Rates

Lucara Botswana's progressive tax rate computation allows for the immediate deduction of operating costs, including waste mining and capital expenditures, in the year in which they are incurred. Based on 2019 revenue guidance of \$170 million to \$200 million and a budget of \$14.8 million for the feasibility study as well as operating costs, the expected tax rate is between 22% and 29% for 2019.

Sustaining Capital and Maintenance Projects

Sustaining capital and project expenditures are expected to be up to \$14.0 million in 2019, including expenditures associated with the construction of an additional slimes dam, maintenance related to the XRT recovery circuit, and a provision for the implementation of body scanning technology to enhance security. This does not include investments being made on the underground development study noted below.

Exploration

Exploration expenditures are estimated to be up to \$3.0 million for use of the Sunbird remote mapping technology and drilling of prospective targets identified by the technology.

Feasibility Study – Underground Development

A budget of \$14.8 million has been approved to complete a feasibility study that was initiated in 2018, evaluating the potential for an underground mining operation at Karowe. Work undertaken in 2018 under a budget of approximately \$29 million has significantly de-risked the project and in 2019, efforts will focus on follow up geotechnical and hydrogeological drilling and related studies. A comprehensive update on the underground project will be provided in early Q1, 2019.

Clara Digital Sales Platform

Lucara successfully completed its inaugural diamond sale through Clara Diamond Solutions, its 100% owned digital sales platform in December 2018 and anticipates a systematic ramp up in diamond sales through Clara in 2019. Analysis of results is ongoing and further details about this initial sale, as well as next steps for the Clara platform will be reported in January 2019.

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.



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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 January 8, 2019 at 3:00am 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 pertaining to the operating guidance for 2019, including projected revenue, carats recovered, carats sold, the declaration of an annual dividend and the amount of the dividend, operating costs, sustaining capital and project costs, the amount of ore and waste mined and processed, the implied tax rate, the completion of a Feasibility Study for an underground mine and the cost of such study, the cost and results of exploration and the Clara ramp up.

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).



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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.