

August 29, 2025

NEWS RELEASE

LUCARA ANNOUNCES \$10 MILLION DRAW FROM LIMITED SHAREHOLDER STANDBY UNDERTAKING AND RECENT NOTABLE DIAMOND RECOVERIES

VANCOUVER, B.C., August 29, 2025 /CNW/ (LUC – TSX, LUC – BSE, LUC – Nasdaq FNGM)

Lucara Diamond Corp. ("Lucara" or the "Company") announces the draw down of \$10.0 million of the \$63.0 million limited shareholder standby undertaking (the "Standby Undertaking") provided by the Company's largest shareholder, Nemesia S.à.r.l. ("Nemesia"), to address a funding shortfall of the Karowe underground project (the "UGP"). Nemesia provided the Standby Undertaking in connection with the Company's amended senior secured project financing debt package (the "Rebase Amendments") (previously announced on January 9, 2024 ([link](#))). The Standby Undertaking consists of two components: (i) \$28.0 million to support liquidity shortfalls until completion of the UGP; and (ii) \$35.0 million as a funding shortfall guarantee in support for the UGP completion. For each \$500,000 drawn under the Standby Undertaking, the Company will issue 7,500 common shares per month to Nemesia until the amounts borrowed are repaid, such common shares being settled on a quarterly basis (the "Nemesia Consideration"). Additional information regarding the Standby Undertaking can be found in the Company's most recent MD&A, available on SEDAR+ at www.sedarplus.ca.

RECENT NOTABLE DIAMOND RECOVERIES

Lucara is pleased to announce recent notable diamond recoveries from the Company's 100% owned Karowe Mine in Botswana. In August 2025, the Company recovered a 1,019.85 carat non-gem diamond through its Mega Diamond Recovery unit. This is the ninth diamond over 1,000 carats from Karowe and the third recovered in 2025. Also in the month, the Company recovered a 37.42 carat near-gem pink Type IIa diamond. Both stones were recovered from processing EM/PK(S)¹ material, which is the target of the UGP and has now produced most of the world's largest recorded natural diamonds.

William Lamb, President and CEO of Lucara, commented, "The decision to draw \$10.0 million from the Standby Undertaking provided by our largest shareholder represents a prudent approach to maintaining our financial flexibility during the current period of ongoing UGP capital expenditures. This funding mechanism demonstrates the continued confidence and unwavering support of our major shareholders in Lucara's long-term strategy and the exceptional value potential, including the ongoing recovery of the world's most significant diamonds from our Karowe Mine."

Liquidity Guarantee from Nemesia

Nemesia is an insider of the Company, and entering into the Standby Undertaking and corresponding issuance of the Nemesia Consideration (collectively, the "Transaction") was considered a "related party transaction" pursuant to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"). All of the Company's board of directors (the "Board") and all of the Company's "independent directors" (as determined in accordance with Part 7 of MI 61-101) have unanimously determined that the Transaction was advisable and in the best interests of the Company, and that the Transaction was exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to the "financial hardship" exemptions provided, respectively, under Section 5.5(g) and 5.7(1)(e) of MI 61-101.

¹ EM/PK(S): Eastern Magmatic/Pyroclastic Kimberlite (South)



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This news release has been reviewed and approved by Dr. Lauren Freeman, PhD. Pr. Sci. Nat., Vice-President, Mineral Resources of the Company and a "Qualified Person" for the purposes of National Instrument 43-101.



On behalf of the Board,

William Lamb
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 Diamond Mine in Botswana. The Karowe Mine has been in production since 2012 and is the focus of the Company's operations and development activities. Lucara has an experienced board and management team with extensive diamond development and operations expertise. Lucara and its subsidiaries operate transparently and in accordance with international best practices in the areas of sustainability, health and safety, environment, and community relations. Lucara is certified by the Responsible Jewellery Council, complies with the Kimberley Process, and has adopted the IFC Performance Standards and the World Bank Group's Environmental, Health and Safety Guidelines for Mining (2007). The development of the UGP adheres to the Equator Principles. Lucara is committed to upholding high standards while striving to deliver long-term economic benefits to Botswana and the communities in which the Company operates.

The information in this release is subject to the disclosure requirements of Lucara pursuant to the EU Market Abuse Regulation. The Company's certified adviser on the Nasdaq First North Growth Market is Bergs Securities AB, ca@bergsecurities.se, +46 739 49 62 50. This information was submitted for publication, through the agency of the contact person set out above, on August 29, 2025, at 5:00 p.m. Pacific Time.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements made in this news release contain "forward-looking information" and "forward-looking statements" as defined in applicable securities laws. Generally, any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance and often (but not always) using forward-looking terminology such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "budgets", "scheduled", "forecasts", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions, are not statements of historical fact and may be forward-looking statements.

Forward-looking information and forward-looking statements may include, but are not limited to, information or statements with respect to the Company's ability to continue as a going concern, the Company's ability to continue operations, realize assets, and settle its liabilities as they become due, the project schedule and capital costs for the UGP, diamond sales, projection and outlook disclosure, the Company's ability to meet its obligations under the Rebase Amendments with its lenders, the future issuances of shares in the capital of the Company, the impact of supply and demand of rough or polished diamonds, estimated capital costs, future forecasts of revenue and variable consideration in determining revenue, cost and timing of the development of deposits and estimated future production, interest rates, including expectations regarding the impact of market interest rates on future cash flows and the fair value of derivative financial instruments, currency exchange rates, rates of inflation, credit risk, price risk, requirements for and availability of additional capital, capital expenditures, operating costs, production and cost estimates, tax rates, timing of drill programs, government regulation of operations, and the potential impacts of economic and geopolitical risks, including potential impacts from the ongoing world conflicts, and the resulting indirect economic impacts that strict economic sanctions may have.

While these factors and assumptions are considered reasonable by the Company as at the date of this news release in light of management's experience and perception of current conditions and expected developments, these statements are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking information and undue reliance should not be placed on such information. Such factors include, but are not limited to: the timing, scope and cost of additional grouting events at the UGP, the Company's ability to comply with the terms of the Facilities (as defined in the Company's most recent MD&A) which are required to construct the UGP, the impact of the Non-Financial Covenant Breaches (as defined in the Company's most recent MD&A), and any associated consequences, on the Company's business, whether the lenders will demand payment of the Facilities because of the Non-Financial



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Covenant Breaches, that expected cash flow from operations, combined with external financing will be sufficient to complete construction of the UGP, that the estimated timelines to achieve mine ramp up and full production from the UGP can be achieved, that sufficient stockpiled ore of sufficient grade and value will be available to generate revenue prior to the achievement of commercial production of the UGP, the economic potential of a mineralized area, the size and tonnage of a mineralized area, anticipated sample grades or bulk sample diamond content, expectations that the UGP and the pit steepening project will extend mine life, forecasts of additional revenues, future production activity, that depletion and amortization expense on assets will be affected by both the volume of carats recovered in any given period and the reserves that are expected to be recovered, the future price and demand for, and supply of, diamonds, expectations regarding the scheduling of activities for the UGP.

Forward-looking information and statements are based on the opinions and estimates of management as of the date such statements are made, and they are subject to several 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 due to a variety of risks, uncertainties, and other factors, including, without limitation, those referred to in this news release. The foregoing is not exhaustive of the factors that may affect any of our 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 correct. Certain risks which could impact the Company are discussed under the heading "Risks and Uncertainties" in the Company's most recent MD&A and in the Company's most recent Annual Information Form available on SEDAR+ at www.sedarplus.ca.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Accordingly, readers and investors should not place undue reliance on forward-looking statements. Forward-looking information and statements contained in this news release are made as of the date of this news release and accordingly are subject to change after such date. Except as required by law, the Company disclaims any obligation to revise any forward-looking information and statements to reflect events or circumstances after the date of such information and statements. All forward-looking information and statements contained or incorporated by reference in this news release are qualified by the foregoing cautionary statements.