August 7, 2026

NEWS RELEASE

LUCARA ANNOUNCES Q2 2026 RESULTS

VANCOUVER, B.C., August 7, 2026 /CNW/ (LUC – TSX, LUC – BSE, LUC – Nasdaq FNGM)

Lucara Diamond Corp. ("Lucara" or the "Company") today reports its results for the quarter ended June 31, 2026. All amounts are in U.S. dollars unless otherwise noted. References to "C$" are to Canadian dollars.

Q2 2026 HIGHLIGHTS

- Q2 2026 revenue was $41.0 million (Q2 2025: $43.7 million), including the sale of the 2,488 carat Motswedi, a 6% decrease from Q2 2025. The decrease was primarily driven by lower carats sold through tender and a lower average dollar-per-carat from stones less than 10.8 carats. Q2 2025 revenue included the sale of the 1,094 carat Seriti.

- Operating cost of $23.76 per tonne processed[1] (Q2 2025: $26.76), a decrease of 11% compared to the prior year and below the Company's full year guidance range of $27.50 to $31.00 per tonne processed. The decrease was primarily driven by an increase in tonnes processed during the quarter, partially offset by increased electricity and fuel costs.

- A total of 90,082 carats were recovered in Q2 2026; 83,109 carats were from direct ore feed from the pit and run-of-mine stockpiles, at a recovered grade of 10.9 carats per hundred tonnes ("cpht"), and an additional 6,973 carats were recovered from processing of historical recovery tailings. 176 Specials (defined as stones above 10.8 carats) (Q2 2025: 242) were recovered in Q2 2026.

- The Company is maintaining its full year outlook, including its revenue guidance which remains unchanged at $100.0 million to $130.0 million.

- Open pit mining continued through Q2 2026 and remains on track to conclude in Q4 2026, consistent with the Company's prior outlook. Following depletion of the open pit, the Company will continue processing run-of-mine stockpiles, comprising ore previously mined but not yet processed.

- Subsequent to quarter end, the Company recovered a 1,303[2] carat Type IIa diamond in July 2026, marking Lucara's tenth diamond in excess of 1,000 carats since operations commenced.

- Subsequent to quarter end, in July 2026, the 15-person auxiliary winder and the 105-person man and material winder on the production shaft were licensed by the Botswana Department of Mines, marking a significant milestone in the shaft sinking and equipping programme for the Karowe Underground Project ("UGP").

William Lamb, President & CEO commented: "The quality of the Karowe resource is undeniable, as reaffirmed by the recovery of our tenth diamond weighing more than 1,000 carats, a stunning D-colour, Type IIa white diamond.

During Q2 2026 Lucara continued to execute against our strategic priorities while maintaining our focus on safe, disciplined operations at Karowe. With open pit mining substantially complete and the UGP advancing well, we continue

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[1] Operating cost per tonne of ore processed is a non-IFRS measure. See information in the Company's Q2 2026 MD&A.

[2] 1,303 carats reflects the cleaned weight of the stone which was previously reported at 1,305 carats.

to make meaningful progress toward the mine's next phase of production and long-term value creation. The successful completion of our financing strategy earlier this year has strengthened our financial position, allowing us to continue advancing the UGP while maintaining operational flexibility.

As we move through the second half of 2026, our priorities remain firmly focused on the safe and timely delivery of the UGP. The UGP is expected to extend access to one of the world's most exceptional diamond orebodies, supporting Lucara's long-term ability to recover rare, high-value diamonds and create sustainable value for all stakeholders."

KAROWE UNDERGROUND PROJECT UPDATE

The UGP is designed to access the highest value portion of the Karowe orebody, with initial planned underground carat production predominantly from EM/PK(S)[3]. The UGP is expected to extend the mine life to 2038.

On January 30, 2026, the Company announced an update to the UGP schedule and budget (the "Updated Feasibility Study") (link to news release). Full-scale production from the UGP is anticipated in H1 2028, with a total estimated cost at completion of $779.2 million (including contingency). As at June 30, 2026, remaining costs to complete the UGP, including contingency, were $275.9 million. Committed, not yet incurred, UGP costs were $99.8 million. See "Liquidity and Capital Resources" in the Company's Q2 management's discussion and analysis ("MD&A") for further information on the funding of the UGP.

The UGP has progressed well, highlighted by reaching the bottom of the 776 metres ("m") production shaft and the 729 m ventilation shaft in 2025, significantly de-risking the project as shaft sinking activities were concluded. In July 2026, the production shaft auxiliary and man and material winders were licensed by the Botswana Department of Mines, marking a key milestone in shaft sinking activities. The UGP has achieved 2,340 lost-time injury free days. The project-to-date Total Recordable Injury Frequency Rate ("TRIFR") was 0.57, below the project target of 0.90, with a 12-month rolling TRIFR of 0.63.

Construction of the headframe steel took longer than scheduled due to late and out-of-sequence steel deliveries and the requirement for on-site steel rework, leading to an approximately six-week delay. This had delayed the mobilization of the lateral development contractor, Group R Mining ("Group R"), who is now scheduled to commence underground mining activities in August 2026. To mitigate the impact, additional lateral development was completed during the period, creating additional headings from which Group R can commence mining and supporting an accelerated ramp-up of lateral development activities. The licensing of the main production shaft on July 17, 2026, also enabled the slinging of major lateral development equipment underground in preparation for the commencement of mining activities. The Company has maintained its overall project schedule and project costs.

Total UGP capital expenditures for Q2 2026 were $22.1 million[4]. Expenditures were primarily directed toward shaft development and equipping, lateral development, and surface infrastructure.

Ventilation Shaft

The ventilation shaft continued advancing lateral development during Q2 2026, primarily at the 310-level[5]. During Q2 2026, approximately 410 m of lateral development was advanced, bringing project-to-date lateral development to 1,655 m as at June 30, 2026. Construction activities at the 285-level during the quarter included completion of airlock door installations and civil works, and the commencement and continued installation of a side-loading conveyor arrangement. The UGP's ongoing hydrogeological monitoring program continued throughout the quarter. During May 2026, a water intersection was encountered and was successfully managed through a targeted grouting program. In

[3] EM/PK(S): Eastern magmatic/ pyroclastic kimberlite (south).

[4] Excludes qualifying borrowing cost capitalized.

[5] Each level is equivalent to a metre above sea level.

June 2026, a further water intersection was encountered in the same area during subsequent development; this was managed without requiring additional grouting, reflecting the effectiveness of the grouting completed in May. These outcomes demonstrate the project team's ability to anticipate and respond effectively to hydrogeological conditions encountered during development.

Production Shaft

Work continued throughout Q2 2026 to convert the production shaft's temporary sinking headframe configuration to permanent production headframe. This included removing temporary steelwork used during shaft sinking and replacing it with permanent structural steel, conveyance guides, and support equipment across multiple levels of the headframe. Civil works continued on the production shaft ground floor, including completion of quality-control decking and concrete works. Construction of the headframe loading bin, including chutes, dividers, and rope-up of both ore transport skips in the rock compartment was also completed.

The shaft's hoisting equipment, including the winders used to transport personnel and materials in and out of the shaft, progressed significantly during the quarter. By the end of June, key components had been successfully test-operated, representing important steps toward full commissioning of the shaft's hoisting systems. Electrical and instrumentation works also advanced in parallel, including cable racking, terminations, and control panel installations at multiple levels of the shaft.

Lateral Development and Surface Infrastructure

Group R continued mobilization and operational readiness activities during Q2 2026. The Company also engaged a raiseboring contractor to support critical path infrastructure development between the 470-level and the 285-level. Surface infrastructure activities continued during Q2 2026. Installation of the main surface ventilation fans advanced, with civil works substantially complete and handover to the mechanical installation contractor achieved. Assembly of the control room building also progressed, along with contract awards for control room programming and equipping. The mechanical evaporator installation was completed and commissioned during the quarter.

Activities planned for the UGP in Q3 2026 include the following:

- Continue production shaft conversion to permanent infrastructure, including completion of structural steel installation, testing of winder systems in preparation for commissioning, and continued installation of shaft electrical and instrumentation systems.
- Advance lateral development at the 310-level and 285-level, including completion of the side-loading conveyor installation, and commence preparatory works at the 470-level in support of raiseboring activities.
- Commence installation of the main surface ventilation fans following completion of civil works, and continue assembly and equipping of the control room building.
- Advance mobilization of Group R and raiseboring crew, with underground development activities targeted to commence in Q3 2026.

DIAMOND MARKET

Global natural diamond production is forecast to remain in the range of approximately 100 million carats in 2026, down from over 150 million carats less than a decade ago, reflecting the depletion of legacy mines, limited new discoveries, and the suspension or closure of several mines industry-wide. Lab-grown diamond wholesale and retail prices have continued to decline through 2026, consistent with continued growth in production capacity.

In the near term, the natural diamond market is showing signs of a K-shaped recovery. Larger, rarer and higher-value goods show stronger price performance, supported by constrained supply and resilient demand, while smaller commercial categories recover more gradually and continue to face pricing pressure. Encouragingly, positive price movement is becoming evident across rough and polished markets, suggesting that conditions are beginning to stabilise after a prolonged downturn. Macroeconomic uncertainty and lab-grown substitution remain headwinds, particularly in price-sensitive categories; however, tightening natural diamond supply, improving sentiment and emerging price momentum provide an increasingly positive outlook for the remainder of 2026.

FINANCIAL HIGHLIGHTS – Q2 2026

In millions of U.S. dollars, except carats sold	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Revenues	$ 41.0	$ 43.7	$ 62.8	$ 74.0
Operating expenses	(11.9)	(15.4)	(33.5)	(29.4)
Net income for the period	15.6	12.5	1.0	12.4
Earnings per share (basic and diluted)	$ 0.01	$ 0.03	$ 0.00	$ 0.03
Carats sold	58,553	77,167	138,297	150,038

	As at June 30, 2026	As at December 31, 2025
Cash	$ 243.6	$ 31.9
Cost Overrun Reserve Account	-	33.7
Amounts drawn on Working Capital Facility	-	30.0
Amounts drawn on Project Facility	-	190.0
Bonds payable	$ 342.8	$ -

QUARTERLY SALES RESULTS

In millions of U.S. dollars	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Sales Channel				
HB	$ 33.9	$ 34.0	$ 47.5	$ 53.2
Tender	5.4	7.8	12.7	17.1
Clara	1.7	1.9	2.7	3.6
Total Revenue(1)	$ 41.0	$ 43.7	$ 62.8	$ 74.0

(1) Figures may not add due to rounding.

Diamond Sales

Diamonds from Karowe are sold through three sales channels: through a diamond sales agreement with HB Trading BV (“HB”), through quarterly tenders, and on the Clara Diamond Solutions (“Clara”) sales platform.

For the three months ended June 30, 2026, the Company reported revenue of $33.9 million from HB, compared to $34.0 million for the same period in 2025. Revenue from HB accounted for 83% of total revenue recognized for the three months ended June 30, 2026, compared to 78% for the three months ended June 30, 2025. Revenue from HB includes "top-up" and "top-down" payments, which are made to or from the Company when the final polished diamond sales price differs from the estimated initial polished value. Given the time required to fully monetize a stone through this process, top-up and top-down payments can introduce variability into HB revenue on a quarter-to-quarter basis.

For the three months ended June 30, 2026, tender sales totaled $5.4 million compared to $7.8 million in Q2 2025, while Clara sales totaled $1.7 million compared to $1.9 million in Q2 2025. Compared to Q2 2025, a lower volume of carats was sold through tender while higher volume of carats was sold through Clara. Average prices per carat declined across both channels, with tender prices falling 5% and Clara prices falling 17%, reflecting continued pricing pressure on mid-range and lower-grade stones, and cautious consumer sentiment.

QUARTERLY RESULTS FROM OPERATIONS – KAROWE MINE

		Q2-26	Q1-26	Q4-25	Q3-25	Q2-25
Sales						
Revenues	$M	41.0	21.8	34.5	51.2	43.7
Carats sold	Carats	58,553	79,744	101,842	101,422	77,167
Production						
Tonnes mined (ore)	Tonnes	392,695	6,231	312,148	517,155	721,111
Tonnes mined (waste)	Tonnes	-	-	-	5,682	55,221
Tonnes processed	Tonnes	761,848	718,404	705,513	744,753	661,352
Average grade processed(1)	cpht(*)	10.9	10.0	12.2	12.8	12.5
Carats recovered(1)	Carats	83,109	72,061	86,110	95,302	82,555
Costs						
Operating cost per tonne of ore processed(2)	$	23.76	24.74	32.88	25.65	26.76
Capital Expenditures						
Sustaining	$M	2.9	1.9	4.8	3.0	2.0
UGP(3)	$M	22.1	19.0	20.3	22.7	13.6

(*) Carats per hundred tonnes

(1) Average grade processed is from direct processing carats and excludes carats recovered from re-processing historical recovery tailings.

(2) Operating cost per tonne of ore processed is a non-IFRS measure. See Table 6 in the Company's Q2 2026 MD&A.

(3) Excludes qualifying borrowing cost capitalized.

2026 OUTLOOK

This section of the news release provides management's production and cost estimates for 2026. These are forward-looking statements and subject to the cautionary note regarding the risks associated with such statements.

Karowe Diamond Mine *In millions of U.S. dollars unless otherwise noted*	**2026** Full Year
Diamond revenue (millions)	$100 to $130
Diamond sales (thousands of carats)	340 to 360
Diamonds recovered (thousands of carats)	340 to 360
Ore tonnes mined (millions)	Up to 0.6
Waste tonnes mined (millions)	Up to 0.2
Ore tonnes processed (millions)	2.6 to 2.9
Total operating cash costs(1) (per tonne processed)	$27.50 to $31.00
UGP capital expenditure	Up to $110 million
Sustaining capital expenditure	Up to $11.5 million
Average exchange rate – Botswana Pula per United States Dollar	14.0

(1) Operating cash costs are a non-IFRS measure. See "*Non-IFRS Measures*" in the Company's Q2 2026 MD&A.

The table above reflects the natural variability in the resource, including both recovered grade and diamond quality, which may influence the revenue guidance for 2026. In 2026, the Company expects to process 2.6 to 2.9 million tonnes of ore primarily from run-of-mine stockpiled material. The assumptions for carats recovered and sold as well as tonnes of ore processed are consistent with achieved plant performance in recent years. Run-of-mine stockpiled material (North, Centre, South Lobe) and life-of-mine stockpiles will provide mill feed until H2 2027 when UGP development ore is scheduled to start replacing stockpiles with high-grade EM/PK(S) ore from the UGP. Full scale underground production is planned for H1 2028. The Company's 2026 revenue guidance reflects the anticipated transition to run-of-mine stockpile processing following the conclusion of open pit mining in Q4 2026.

In 2026, capital costs for the UGP are expected to be up to $110.0 million. Expenditures in 2026 will focus predominantly on shaft equipping, and advancing lateral development. Surface works will focus on the removal of stage and ropes, headgear changeover, and main ventilation fan installation.

Sustaining capital is expected to be up to $11.5 million with a focus on the replacement and refurbishment of key asset components and tailings advancement.

RESULTS WEBINAR

The Company will host a conference call and webinar to discuss the results on Monday, August 10, 2026 at 6:00am Pacific.

To join the webinar please use the following link: https://www.c-meeting.com/web3/joinTo/3YPHBZTQCNB9VF/knQZSmC6SQ9l1rNBeF-eAQ or the phone numbers listed below.

Canada/ USA Toll Free	1-844-763-8274
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On behalf of the Board,

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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. Karowe is the only diamond mine in the world to have recovered ten diamonds in excess of 1,000 carats in weight. The Karowe Mine has been in production since 2012 and is the focus of the Company's operations and development activities. Karowe is transitioning from open pit to underground mining with the development of the UGP. The UGP is designed to access the highest value portion of the Karowe orebody. Underground development ore from the UGP is scheduled to begin replacing unprocessed run-of-mine stockpiles in 2027, with full-scale underground production planned for the first half of 2028.

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. 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@bergssecurities.se, +46 739 49 62 50. This information was submitted for publication, through the agency of the contact person set out above, on August 7, 2026, at 2:00 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 project schedule and capital costs for the UGP, diamond sales projections and outlook disclosure under "2026 Outlook", the Company's ability to meet its obligations under the Bond terms, future price stability, supply and demand of rough or polished diamonds, estimated capital costs, the focus of future expenditures, future forecasts of revenue and variable consideration in determining revenue, the outcome of tax assessments and the likelihood of recoverability of tax payments made, activities planned for the UGP, including to finalize production shaft equipping and headframe modifications, advance lateral development, and continue operational readiness, estimation of mineral resources including the determination of the boundary between South Lobe M/PK(S) and EM/PK(S) domains due to the significant grade difference between these two domains, cost and timing of the development of deposits and estimated future production, currency exchange rates, rates of inflation, 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, environmental risks and compliance obligations, limitations on insurance coverage, and geopolitical and economic risks affecting the Company's operational viability including sanctions, trade restrictions and tariffs, the impact of the growing supply of laboratory grown diamonds on the demand for and pricing of the Company's natural diamond production, and the risk that continued expansion in laboratory grown diamond production and shifts in consumer preferences could further adversely impact revenues achievable by the Company, the ability of HB to perform its obligations, including making timely payments to the Company, and the concentration of credit risk associated with HB representing a significant proportion of the Company's total revenue, that carat production and revenues from the processing of run-of-mine ore stockpiles will be sufficient to support the Company's operations and liquidity requirements during the period prior to the achievement of commercial production from the UGP, and the ability of key contractors, including the lateral development contractor, to perform their obligations under their respective agreements in the manner and timeframe contracted for, and the risk that any failure or delay in contractor performance could result in material delays to the UGP and increased project costs.

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 and covenants of the Bonds, the consequences of any defaults under the Bonds including the potential enforcement of security granted to bondholders over the assets of the Company and its subsidiaries, that expected cash flow from operations, combined with external financing will be sufficient to complete construction of the UGP, credit risk, price risk, that the estimated timelines to achieve mine ramp up and full production from the UGP can be achieved, that sufficient run-of-mine stockpiled ore of sufficient grade and value will be available to generate revenue prior to the achievement of commercial production from 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 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 AIF available at 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.