

Lucara Diamond Corp. Announces Q1 2023 Results; Underground Expansion Continues

12.05.2023 | [CNW](#)

VANCOUVER, May 11, 2023 - ([Lucara Diamond Corp.](#) ("Lucara" or the "Company") (TSX: LUC) (BSE: LUC) (Nasdaq Stockholm: LUC) today reports its results for the quarter ended March 31, 2023. View PDF version.

Q1 2023 HIGHLIGHTS:

- Guidance maintained.

(1) ~~Net~~ **Non-IFRS Financial Performance** includes 0.5 million tonnes of ore and 0.8 million tonnes of waste mined, 0.7 million tonnes of ore processed, and 89,640 carats recovered.

- The Q1 2023 operating cash cost of \$26.65 per tonne of ore processed⁽¹⁾ was well below the expected Eira Thomas operating cash cost range of \$32.50 to \$35.50 per tonne of ore processed than in the comparative period for the quarter ended March 31, 2023, which totalled \$42.8 million and reflecting a significant improvement from continuing geopolitical and economic uncertainty. Lucara's outlook for the year remains unchanged as the largest cash flow generator from operating activities was \$620 million contributions of south lobe ore in subsequent quarters. Setting the Karowe bore the production and personnel challenges with 2023 focused on: improvement to planned sinking rates achieved for the production shaft and mitigations underway in the ventilation shaft to achieve the same. Water management remains a key focus area. An update to the schedule and budget for the underground project has been initiated in response to slower than planned ramp up to expected sinking rates, and, to account for time incurred and anticipated for future grouting programs. We remain on-track to complete the results of this analysis before the end of Q2, 2023."

- Main source of production
- The source of energy
- Complete combustion
- Stage of combustion through

REVIEW FOR THE QUARTER ENDED MARCH 31, 2023

- Operational highlights from the Karowe Mine for Q1 2023 included:
 - Ore and waste mined of 0.5 million tonnes respectively.
 - 0.7 million tonnes (Q1 2022: 0.7) of ore produced
 - A total of 89,640 carats recovered (Q1 2022: 12.5 tonnes of direct milled ore (Q1 2022: 12.5 tonnes)
- The Karowe month
 - Improving fundamentals around Karowe
 - Demand and demand soft values of \$3.2 million
 - Global economic conditions combined with geopolitical uncertainty, including the conflict in Ukraine
 - 2022 price of \$25.00 in the market, particularly in North America. Prices are beginning to show signs of \$90.00 stabilization as China becomes open 2022 price. This trend is anticipated to continue towards the end of the year. The high grade of diamonds produced during the period increased prices to approximately 25.00 per carat with improved technology in part due to the 2022 job of diamonds processed. This further highlighted the market segment of the 30% value added market and highlights the trend in 2022 and 20% increase in value of natural diamonds. The longer-term market fundamentals remain unchanged and positive, pointing to strong price growth over the medium term, as demand is expected to grow 5% (2022: 12.5%) of future supply recognized in Q1 2023.
 - Sales of non-Karowe diamonds through Clara were \$1.5 million in Q1 2023 (Q1 2022: \$1.0 million).

No changes were made to the Company's 2023 Guidance (released in December 2022).

Karowe Diamond Mine	Full Year - 2023
In millions of U.S. dollars unless otherwise noted	
Diamond revenue (millions)	\$200 to \$230
Diamond sales (thousands of carats)	385 to 415
Diamonds recovered (thousands of carats)	395 to 425
Ore tonnes mined (millions)	1.9 to 2.3
Waste tonnes mined (millions)	2.2 to 2.8
Ore tonnes processed (millions)	2.6 to 2.9
Total operating cash costs ⁽¹⁾ including waste mined ⁽²⁾ (per tonne processed)	\$32.50 to \$35.50
Botswana general & administrative expenses including marketing costs (per tonne processed)	\$3.50 to \$4.50
Tax rate ⁽³⁾	0 %
Average exchange rate - USD/Pula	12.0

(1) Operating cash costs are a non-IFRS measure. See "Non-IFRS Financial Performance Measures".

(2) Includes ore and waste mined cash costs of \$7.00 to \$8.00 (per tonne mined) and processing cash costs of \$12.00 to \$13.00 (per tonne processed).

(3) The Company is subject to a variable tax rate in Botswana based on a profit and revenue ratio which increases as profit as a percentage of revenue increases. The lowest variable tax rate is 22% while the highest variable tax rate is 55% (only if taxable income were equal to revenue). Capital expenditures are deductible when incurred. With planned capital expenditures of up to \$105 million for the UGP, a tax rate of 0% is forecast for 2023. Should capital expenditures vary from plan, the Company could be subject to current tax.

DIAMOND SALES

Karowe diamonds are sold through three separate and distinct sales channels: through the HB sales agreement, on the Clara digital sales platform and through quarterly tenders.

HB SALES AGREEMENT FOR +10.8 CARAT DIAMOND PRODUCTION FROM KAROWE

For the three months ended March 31, 2023, the Company recorded revenue of \$24.5 million from the HB agreement (inclusive of top-up payments of \$6.6 million), as compared to revenue of \$45.2 million (inclusive of top-up payments of \$11.7 million). The revenue achieved in Q1 2023 is comparable to the \$24.1 million earned from the HB agreement (inclusive of top-up payments of \$3.6 million) in Q4 2022.

The decrease in revenue in Q1 2023 versus the comparative quarter can be attributed primarily to the number of high value diamonds delivered to HB in 2022 and the value of diamonds delivered earlier in 2021 for which top-up revenue was received in the period. Top-up values will typically increase as the more valuable stones move through production and become available for sale. Adjusting for the sale of Sewelô, a lower number of carats from production were delivered to HB in Q1 2023 compared to Q1 2022. The lower initial value of the shipments was reflective of the value in the stones delivered consistent with the change in product mix. This result is consistent with the resource model and expected.

At March 31, 2023, a number of higher value and more technically complex stones that take longer to manufacture had not fully completed the manufacturing and sales process. As these stones finish the manufacturing process, the Company may record additional revenue in the form of "top-up" payments when these diamonds are sold.

Despite the overall decrease in revenue recognized in Q1 2023, diamond market fundamentals continued to support healthy prices as the number of polished stones sold by HB has improved from Q4 2022. Natural variability in the quality profile of the +10.8ct production in any production period or fiscal quarter results in fluctuations in recorded revenue and associated top-ups. During Q1 2023, 4% weight percentage of Specials of total carats recovered was consistent with the Karowe resource model.

CLARA SALES PLATFORM

As Clara grows, to complement goods from the Karowe mine, additional supply is being made available through diamonds purchased by the Company and re-sold through Clara and secondary market suppliers. Total volume transacted on the platform was \$5.3 million in Q1 2023, with Karowe goods representing 63% of the total sales volume transacted. Sales of third-party diamonds increased to \$1.5 million in Q1 2023 (Q1 2022: \$1.0 million). The Company is focused on growing Clara through building additional supply in 2023, both from third-party producers and the secondary market. The number of buyers on the platform continues to grow with 99 buyers on the platform at March 31, 2023.

During Q1 2023, the sales volume transacted was \$5.3 million (Q1 2022: \$7.0 million), as lower volumes were placed for sale (due to a shift in product mix from the Karowe Mine). A softening in market prices was observed between Q1 2023 and Q1 2022.

QUARTERLY TENDER

The Q1 2023 tender of \$12.9 million (Q1 2022: \$16.1 million) reflected a good performance in rough diamond pricing with strength in the small stones. Rough diamond prices had reached a multi-year high point at the time of the Q1 2022 tender. Pricing achieved through the tender remained at or above price levels in 2019. A total of 77,750 carats were sold in the March 2023 tender, generating revenues of \$12.9 million (Q1 2023 tender: \$16.1 million from the sale of 74,638 carats).

KAROWE UNDERGROUND EXPANSION UPDATE

The Karowe UGP is expected to extend the mine life to at least 2040, with initial underground carat production predominantly from the highest value EM/PK(S) unit and is forecast to contribute approximately \$4 billion in additional revenues, using conservative diamond prices.

During 2022, the Company updated the estimated capital cost for the Karowe UGP to \$547 million (including contingency). As a result of sinking delays and grouting events beginning in mid-2022 and which are ongoing, the Company is evaluating the impact of the incurred delays against the overall project schedule and budget. Several operational adjustments were implemented beginning in Q4 2022 to address the challenges encountered. An update to the project schedule and budget to take into account these developments is expected to be completed before the end of Q2, 2023.

During the three months ended March 31, 2023, a total of \$30.5 million was spent on the Karowe UGP development, primarily in relation to ongoing construction activities, including:

- Main sinking in the production and ventilation shafts:
- The 11kV transmission line to the project site was commissioned in mid-January 2023.
- In response to water inflows from the sandstones, one two events in the production shaft were successfully completed. Experiences gained from these first grouting events will be used as the shafts progress to depth.
- Planned sinking rates achieved in the production shaft were mitigations implemented in Q4 2022. Further investment will be made to improve sinking cycle times to planned rates in the ventilation shafts. Cycle time is the period it takes to complete a vertical advance to achieve the next planned vertical advance.
- The ventilation shaft is currently at 213 metres below ground level. The production shaft is currently at 187 metres below ground level.

This represents a significant milestone for the Karowe UGP as it is now fully powered through grid-supplied electricity.

- Transition of the temporary power supply to a back-up power configuration. Back-up power

will continue to be provided by diesel generators.

- Stage
two
of
the
bulk
power
supply
upgrade
to
connect
all
mine
power

requirements to the new Karowe Substation and 132kV power line. This upgrade is expected to deliver stable and dedicated power to the Karowe Mine operations.

- The roll out of a behavioural-based safety training program in Q4 2022 has

continued in the first quarter of 2023. The UGP achieved a three-month period with no reportable incidents delivering a three-month rolling Total Recordable Injury Frequency Rate of zero.

Activities for the Karowe UGP in Q2 2023 are expected to include the following:

- Sinking and grouting within both the ventilation and production shafts.
- Procurement of underground equipment, including dewatering pumps, underground crush and convey systems and the permanent stage winder.
- Initiation of construction on the bulk air cooler system.
- Development of a request for proposal for the underground lateral development work; and,
- Continuation of detailed design and engineering of the underground mine infrastructure and layout.

The capital cost estimate for the underground expansion in 2023 is \$105 million - see "2023 Outlook". The program will focus predominantly on shaft sinking and grouting activities in both shafts, along with construction of the bulk air cooler, tendering of the underground development contract and underground equipment purchases. Ramp-up to planned sinking rates for the ventilation shaft continues and additional

cover grouting events are expected for both shafts in 2023 and 2024.

FINANCIAL HIGHLIGHTS - Q1 2023

	Three months ended March 31,	
In millions of U.S. dollars, except carats or otherwise noted	2023	2022
Revenues	\$ 42.8	68.2
Operating expenses	(18.3)	(18.0)
Net income for the period	1.0	19.0
Earnings per share (basic and diluted)	0.00	0.04
Operating cash flow per share ⁽¹⁾	0.03	0.08
Cash on hand	31.2	39.1
Amounts drawn on working capital facility ⁽²⁾	23.0	12.0
Amounts drawn on project finance facility	90.0	45.0
Karowe Revenue	41.2	67.2
Carats sold	83,374	80,295

(1) Operating cash flow per share before working capital adjustments is a non-IFRS measure. See "Use of Non-IFRS Performance Measures" below.

(2) Excludes amounts drawn from the Clara revolving credit facility.

QUARTERLY RESULTS OF OPERATIONS - KAROWE MINE, BOTSWANA

	UNIT	Q1-23	Q4-22	Q3-22	Q2-22	Q1-22
Sales						
Revenues from the sale of Karowe diamonds	US\$M	41.3	40.1	46.5	50.0	67.2
Karowe carats sold	Carats	83,374	81,264	99,301	66,167	80,295
Production						
Tonnes mined (ore)	Tonnes	541,400	484,705	920,410	1,091,192	811,947
Tonnes mined (waste)	Tonnes	761,295	199,385	453,860	357,764	482,104
Tonnes processed	Tonnes	700,678	690,946	693,398	719,207	666,488
Average grade processed ⁽¹⁾	cpht (*)	12.8	12.5	11.4	12.0	12.6
Carats recovered	Carats	89,640	86,655	78,879	86,317	83,917
Costs						
Operating cost per tonne of ore processed ⁽²⁾	US\$	26.65	26.20	29.33	28.78	27.80
Capital Expenditures						
Sustaining capital expenditures	US\$M	0.8	9.9	4.0	4.1	0.8
Underground expansion project ⁽³⁾	US\$M	30.5	22.3	23.9	29.1	31.1

(*) carats per hundred tonnes

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

(2) Operating cost per tonne of ore processed is a non-IFRS measure. See "Use of Non-IFRS Performance Measures" below.

(3) Excludes qualifying borrowing cost capitalized in each quarter.

CONFERENCE CALL

The Company will host a conference call and webcast to discuss the results on Friday, May 12, 2023 at 5:00am Pacific, 8:00am Eastern, 1:00pm UK, 2:00pm CET.

To join the conference call please use the following link <https://emportal.link/3MK80nT> or the phone numbers listed below.

Conference ID:
33643944 / Lucara Diamond

Dial-In Numbers:

Toll-Free Participant Dial-In North America (+1) 888 390 0605
UK Toll free 0800 652 2435
Local Vancouver (+1) 416 764 8609

Webcast:

To view the live webcast presentation, please log on using this direct link:

<https://app.webinar.net/8rMY2nz2Z7p>

The presentation slideshow will also be available in PDF format for download from the Lucara website (Link to presentation).

Conference Replay:

A replay will be available until May 19, 2023. The pass code for the replay is: 643944#.

Replay number (Toll Free North America) (+1) 888 390 0541

Replay number (Local) (+1) 416 764 8677

On behalf of the Board,
Eira Thomas
President and Chief Executive Officer

Follow Lucara Diamond on Facebook, Twitter, Instagram, and LinkedIn

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. Clara Diamond Solutions Limited Partnership ("Clara"), a wholly-owned subsidiary of Lucara, has developed 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. 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 has adopted the IFC Performance Standards and the World Bank Group's Environmental, Health and Safety Guidelines for Mining (2007). Accordingly, the development of the Karowe underground expansion project ("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 is information that Lucara 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 May 11, 2023 at 5:00pm Pacific Time.

NON-IFRS FINANCIAL PERFORMANCE MEASURES

This news release refers to certain financial measures, such as adjusted EBITDA, adjusted operating earnings, operating cash flow per share, operating margin per carat sold and operating cost per tonne of ore processed, which are not measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS. These measures may differ from those made by other corporations and accordingly may not be comparable to such measures as reported by other corporations. These measures have been derived from the Company's financial statements, and applied on a consistent basis, because the Company believes they are of assistance in the understanding of the results of operations and financial position. Please refer to the Company's MD&A for the quarter ended March 31, 2023 for an explanation of non-IFRS measures used.

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, forward-looking information and forward-looking statements in this news release may include, but are not limited to, information or statements of projected capital costs associated with the Karowe UGP, the Company's ability to comply with the terms of the facilities which are required to construct the Karowe UGP, that expected cash flow from operations, combined with external financing will be sufficient to complete construction of the Karowe UGP, the potential impacts of COVID-19, economic and geopolitical risks, including potential impacts from the Russian military invasion of Ukraine, expectations regarding longer-term market fundamentals and price growth, the disclosure under "2023 Outlook", expectations regarding top-up payments, processing expectations, expectations that the Karowe UGP will extend mine life, forecasts of additional revenues, estimated capital costs, production and cost estimates, tax rates, expectations regarding the scheduling of activities for the Karowe UGP in 2023 and in future, that the estimated timelines to achieve mine ramp up and full production from the Karowe UGP can be achieved, the economic potential of a mineralized area, the size and tonnage of a mineralized area, anticipated sample grades or bulk sample diamond content, future production activity, the future price and demand for, and supply of, diamonds, future forecasts of revenue and variable consideration in determining revenue, estimation of mineral resources, exploration and development plans, cost and timing of the development of deposits and estimated future production, currency exchange rates, success of exploration, requirements for and availability of additional capital, capital expenditures, operating costs, the completion of transactions the profitability of Clara and the Clara Platform, and the scaling of the digital platform for the sale of rough diamonds owned by Clara, the Company's intent to continue to seek additional supply, both from third-party producers and the secondary market, the benefits to the Company of diamond supply agreements with HB and the ability to generate better prices from the sale of the Company's +10.8 carat production as a polished stone.

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, Economic and Geopolitical Risks" 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, changes in inflation, the supply and demand for, deliveries of and the level and volatility of prices of rough diamonds, costs of power and diesel, impacts of potential disruptions to supply chains, 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.

SOURCE [Lucara Diamond Corp.](#)

Contact

Hannah Reynish, Investor Relations & Communications, +1 604 674 0272 | info@lucaradiamond.com;
Sweden Robert Eriksson, Investor Relations & Public Relations, +46 701 112615 | reriksson@rive6.ch; UK
Public Relations Charles Vivian / Jos Simson, Tavistock, +44 778 855 4035 | lucara@tavistock.co.uk

Dieser Artikel stammt von [GoldSeiten.de](https://www.goldseiten.de)

Die URL für diesen Artikel lautet:

<https://www.goldseiten.de/artikel/579918-Lucara-Diamond-Corp.-Announces-Q1-2023-Results-Underground-Expansion-Continues.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer](#)!

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by GoldSeiten.de 1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinen](#).