

Lucara Expects to Form New Supply Deals After HB Fallout



Lucara Diamond Corp. has forecast a rebound in diamond revenue in 2024 as it anticipates launching new supply deals following the termination of its agreement with Belgian manufacturer HB.

The miner has predicted rough sales of \$220 million to \$250 million from its Karowe deposit in Botswana next year, compared with its latest 2023 estimate of \$160 million to \$190 million, it said Wednesday.

Lucara previously sold stones above 10.8 carats to HB via a contract whereby Lucara received payment for the rough as well as a portion of the polished proceeds. However, the company [terminated that agreement](#) in September, citing a “material breach of financial commitments” by the [Antwerp-based cutting firm](#).

Earlier this month, Lucara reduced its 2023 revenue forecast from an earlier projection of \$200 million to \$230 million, citing the slow market and the termination of the HB deal. The [miner](#) plans to look for another company to fill the gap.

“The company expects to seek opportunities to sell its higher-value specials through agreements whereby the rough stones are manufactured, giving the company exposure to polished prices and regular cash flow,” it said.

Meanwhile, Lucara expects both production and sales volume to be between 345,000 and 375,000 carats in 2024. Those figures are lower than for 2023, for which it anticipates production of 395,000 to 405,000 carats. The miner plans to sell its production through multiple channels to maximize revenue, with diamonds under 10.8 carats sold at tenders or through the miner’s Clara digital platform.

Some 87% of the stones the company will offer in 2024 will come from the site’s M/PK(S) and EM/PK(S) units in the high-value south lobe, it explained. The remainder will be from the center lobe, which has higher-grade ore but a lower percentage of diamonds over 10.8 carats than the south lobe.

The company will mine between 2.8 million and 3.2 million tonnes of ore in 2024. It plans to stockpile a portion of that ore prior to ceasing open-pit mining in mid-2025. Lucara will process the stored ore between 2025 and 2027 before the mine transitions to underground mining, it explained. The miner expects to spend up to \$100 million next year on the underground expansion at Karowe, it said.

Lucara also announced the return of Glenn Kondo as chief financial officer and corporate secretary, beginning January 1, 2024. His experience in the diamond industry, and at Lucara, will be key to the company achieving its financial goals, the company noted.

[Lucara Unearths 692ct. Rough at Karowe](#)



MAIN IMAGE: THE KAROWE MINE. (LUCARA DIAMOND CORP.)

