



LUCARA
DIAMOND

Second Quarter 2019

RESULTS

August 9, 2019

Conference Call

LucaraDiamond.com | LUC.TO

CAUTIONARY STATEMENT

Forward-looking information

This investor presentation contains forward-looking statements and information as defined in applicable securities laws including: the estimates of the Company's mineral reserve and resources; estimates of the Company's production volumes; forecasted sales volumes and pricing; projected revenues of the Company; exploration and development plans and objectives including a new resource statement; estimated production costs, exploration and development expenditures; estimates of ore to be mined by the Company and corresponding operating and sustaining costs; and the cost, timing and results of the commercialization of Clara. 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 achieved. Forward-looking statements are based on the assumptions, 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 and uncertainties 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. In particular, such risks include 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), 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, unanticipated events relating to health safety and environmental matters, delays or failure to successfully commercialize Clara's platform, acceptance of Clara's platform by the diamond industry, risks relating to the technology underlying Clara's platform and other risks inherent in the implementation of new technologies, and other risks and

uncertainties describe under Risks and Uncertainties disclosed under the heading "Risk Factors" in the Company's most recent Annual Information Form available at <http://www.sedar.com>.

Forward-looking statements and information 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. Readers are cautioned not to place undue reliance on forward-looking statements and information. This presentation does not constitute an offer or invitation to purchase or subscribe for any securities and no part of it shall form the basis of or be relied upon in connection with any investment decision in relation thereto.

Technical information

The technical information in this document for the AK6 diamond project (Karowe Mine) in Botswana is based on the following technical reports, respectively: NI 43-101 Technical Report on the Feasibility Study for the AK6 Kimberlite Project, Botswana Prepared by MSA Geoservices (Pty) Ltd on behalf of Lucara Diamond Corp., dated December 31, 2010; Updated NI 43-101 report released on February 4, 2014, based on update Mineral Resource Estimate released by Lucara Diamond Corp., dated December 19, 2013; NI 41-101 Technical Report on the Preliminary Economic Assessment of the Karowe Diamond Mine Underground Project, Botswana Prepared by Royal Haskoning DHV on behalf of Lucara Diamond Corp., dated November 27, 2017; NI 43-101 Technical Report for the Karowe Mine: Updated Mineral Resource Update prepared by Mineral Services on behalf of Lucara Diamond Corp., dated August 9, 2018.

The authors of these technical reports are independent of the Company and are qualified persons for the purposes of National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). The technical reports are available for review on SEDAR at www.sedar.com.

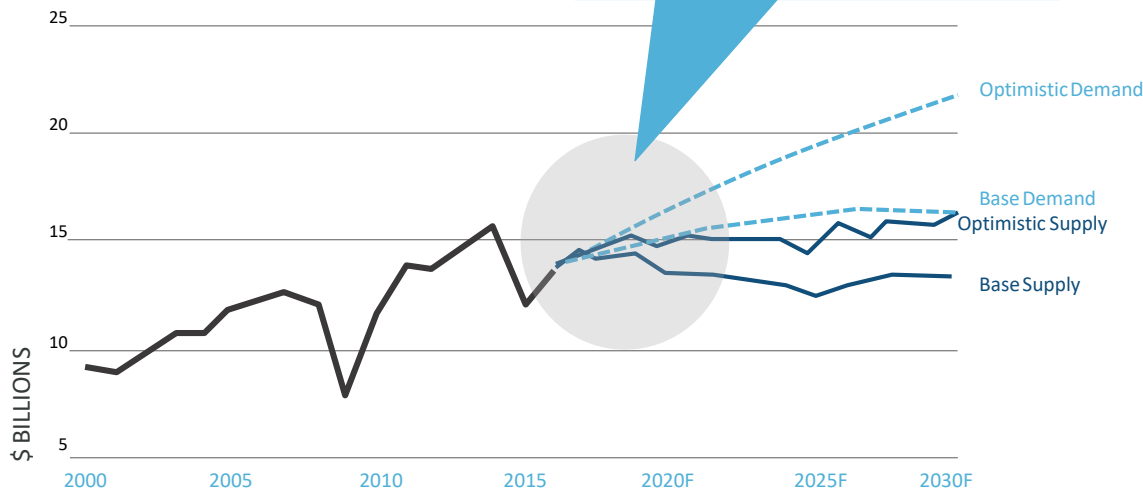
All currencies mentioned in this presentation are in United States Dollars ("US\$") unless otherwise mentioned.

DIAMOND MARKET

Long term fundamentals strong but pricing environment in short to medium term is challenged, De Beers and Alrosa sales at lowest levels since 2017, mid-stream continues to struggle, polished demand weak

ROUGH DIAMOND SUPPLY AND DEMAND

Overlap of supply and demand in the short-term creating uncertainty on the mid-term price evolution



Millennials will be the highest-spending generation from 2020 and the leaders in luxury spending, especially in China



2000-2030: 2019 prices, constant exchange rates, optimistic and base scenarios

Note: Rough-diamond demand has been converted from polished-diamond demand using a historical ratio of rough to polished diamond values

Source: Bain & Company - Global Diamond Report 2018

Q2 2019 HIGHLIGHTS

All currency figures in U.S. Dollars, unless otherwise stated

100% Owned Karowe Diamond Mine, Botswana

Continued strong safety and operational performance in Q2 2019

0.71 million tonnes of ore processed in Q2 2019

Operating cash cost of \$31.16 per tonne processed

\$42.5 million quarterly revenue; 7 diamonds sold for >\$1 million including 2 diamonds sold >\$3 million

Two key agreements successfully negotiated with Union

100% Owned Clara Diamond Solutions

Five sales successfully completed in H1 2019

Ramp up continues; focus on increasing demand and onboarding of manufacturers



342 ct

Dividend & Strong Balance Sheet

Quarterly dividends of CDN \$0.025 per share paid April 11th and June 20th

Dividends of US\$263.6 million paid since 2014

Cash and cash equivalents of US\$7.1 million and US\$5.0 million of working capital debt

SAFETY, HEALTH, ENVIRONMENT & COMMUNITY RELATIONS

Two years without a lost time incident (LTI) reached in May 2019

6.9 million man hours worked without lost time incident (LTI)

769 LTI free days at June 30, 2019

All injury frequency rate (AIFR) of zero for the quarter

Mokubilo Farm Initiative

Community focused initiative to generate, broad based sustainable income

Phase 1: butternut, tomatoes, peppers and eggs



2018 Sustainability Report available on www.LucaraDiamond.com

SUSTAINABILITY



Lucara's Sustainability Report is prepared in accordance with the GRI Standards: Core option, and selected G4 Mining and Metals Sector Disclosures

In 2018, Lucara became a UN GC participant and contributes to 10 of the 17 UN SDGs

Lucara is certified by the Responsible Jewellery Council (RJC), compliant with Kimberley Process, and a member of Diamond Producers Association (DPA)

LUCARA DIAMOND SALES 2019

(All amounts in U.S. Dollars unless otherwise indicated)



Q2

- A total of 101,931 carats were sold for gross revenue of \$42.5 million, \$417/ct, primarily through tender sales
- May 2019 tender included 7 diamonds which sold for > \$1 million, including 2 for > \$3 million (115 ct for \$3.66 million, 77ct faint pink for \$3.11 million)
- A 2.24 ct blue stone sold for \$347,222/ct
- Carats sold 35% higher than Q2 2018
- Blended tenders = smoother revenue profile & decreased time to market for high value diamonds
- 225 Specials recovered, representing 8.1% weight percentage of total recovered carats including the 1,758 carat Sewelô, the largest stone recovered in the Karowe's history

RECORD DIAMOND RECOVERY

Sewelô, an unbroken 1,758 carat near gem quality diamond recovered in April 2019; largest diamond from Karowe to date

One of the largest diamonds in the world and the largest for Botswana

A 'kernel' stone of clean white material with windows through the diamond, domain of measuring approx. 350-400ct

Analysis in Antwerp currently underway

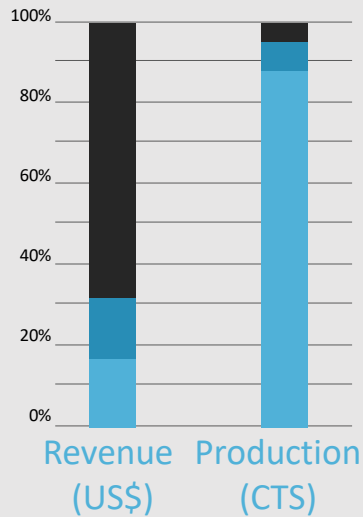
Only mine in recorded history to recover two diamonds greater than 1,000 carats



CONSISTENT RECOVERY OF LARGE DIAMONDS

REVENUE AND PRODUCTION

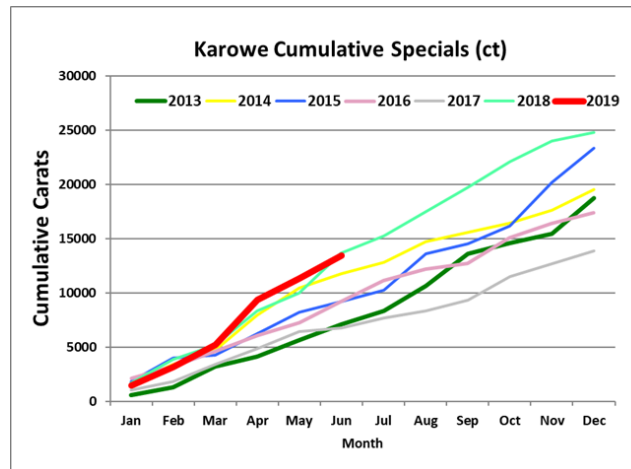
Includes 2015 to 2018



■ <2ct ■ +2ct ■ +10.8

Specials contribute ~70% by revenue and ~5% by volume

- Life of mine recovery of > 126,000 carats of individual stones > 10.8ct (over 4,400 diamonds)
- Since 2012: 14 diamonds in excess of 300 carats have been recovered, 2 diamonds > 1,000ct
- Long term upside for diamond recoveries
- 10 diamonds sold for > USD\$ 10 million each (not included in resource value modes)



327 ct
LUCARA DIAMOND



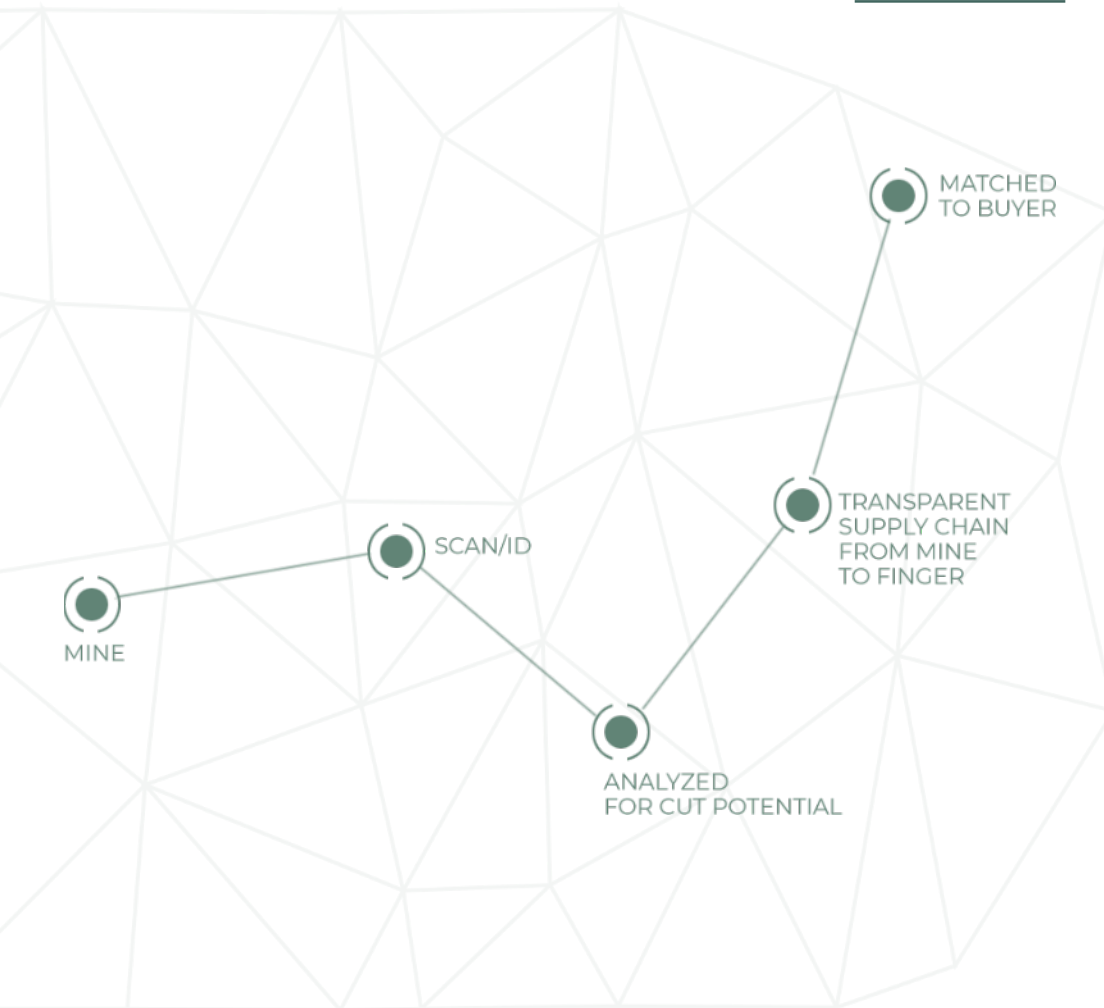
ORGANIC GROWTH

Expanding Karowe Underground Beyond 2026

- Impetus for UG feasibility study driven by current and past performance of resource since onset of mining in 2012: 16 million tonnes processed, 2.6 million carats recovered, \$1.4 billion in revenue, only mine to ever recover two +1,000 carat diamonds
- Resource work indicates the higher grade, potentially coarser size frequency distribution, EM/PK(S) unit become volumetrically more significant at depth, up to 85% by volume at contemplated depth of first UG mining
- Substantive field programs completed in April 2019, over 24km of geotechnical and resource drilling, additional circa 8km of hydrogeological drilling in addition to test pumping, modeling and outfitting of new de-watering wells, significant project de-risking
- Mining method selection complete, mine and related infrastructure design well progressed with costing advancing
- \$14.8 million program for 2019
- \$ 8.4 million spent to end of Q2, program on budget
- On schedule to deliver study results in Q4 2019

TRANSFORMING THE DIAMOND SALES PROCESS

Using Innovation and Technology



Opportunity to **disrupt** the existing supply chain, driving efficiencies and unlocking value

Rough diamonds are sold stone by stone based on polished demand

Diamond provenance is assured

Exclusive collaboration with Sarine Technologies fundamental to the platform

CLARA SALES PLATFORM

Q2 2019

CLARA

Seven sales between
December 2018 and July 2019

POSITIVE RESULTS



>US \$4.3 million diamonds
sold by value

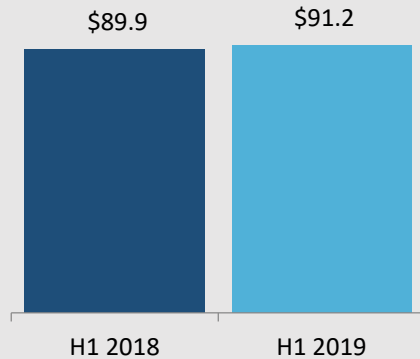
between one and four carats in size in better colors
and qualities

- Three sales completed during Q2 2019 with \$2.9 million of diamonds transacted through the platform in the first half of 2019.
- Frequency of sales and number of participants increasing
- Manufacturers on the platform have grown from 4 to 20 customers in the first half of the year
- Focus on growing supply and demand concurrently through adding third-party production to the platform and increasing the number of manufacturers/buyers invited to join
- Discussions are underway to add third party supply to the platform

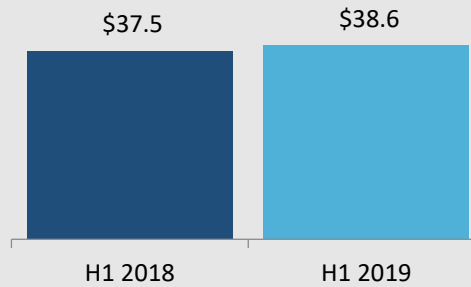
H1 2019 FINANCIAL HIGHLIGHTS

(All amounts in U.S. Dollars unless otherwise indicated)

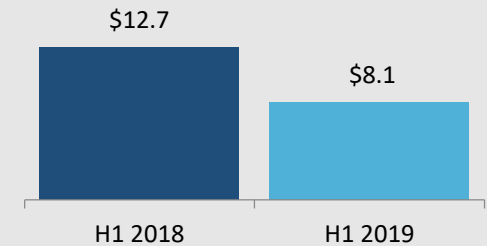
REVENUE (MILLIONS)



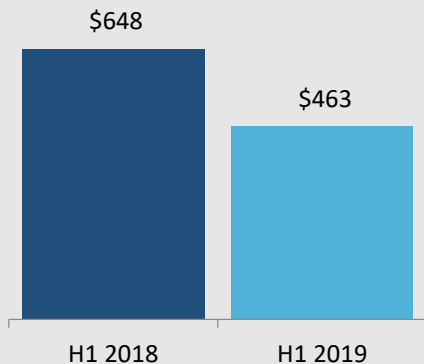
ADJUSTED EBITDA⁽¹⁾ (MILLIONS)



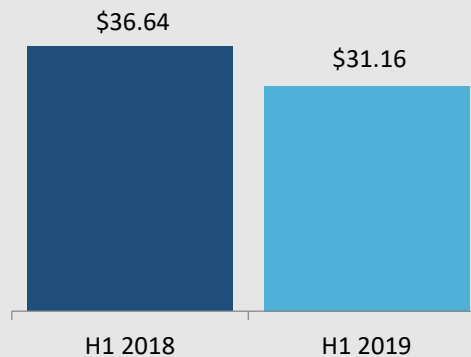
NET INCOME



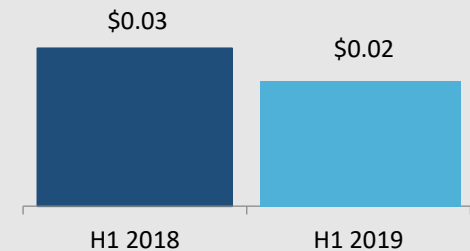
TOTAL SALES (AVERAGE \$/CARAT)⁽¹⁾



OPERATING COST (\$/TONNE PROCESSED)⁽¹⁾



EARNINGS PER SHARE



⁽¹⁾ Non-IFRS measure

QUARTERLY HIGHLIGHTS - KAROWE OPERATIONS

For the Three Months Ended June 30, 2019

PRODUCTION	Q2 2018	Q2 2019	CHANGE
Ore Processed (tonnes)	698,303	713,037	+ 14,734
Ore Mined (tonnes)	702,826	773,861	+ 71,035
Carats Recovered (carats)	81,507	109,312 ⁽²⁾	+ 27,805
Plant Feed Grade (carats per hundred tonnes)	11.7	14.2 ⁽²⁾	+ 2.5
Waste Mined (tonnes)	4,416,362	1,826,972	(2,589,390)

REVENUES AND OPERATING MARGINS (all amounts in U.S. Dollars)

Revenue (\$ millions)	64.5 ⁽³⁾	42.5	(22.0)
Carats Sold	75,329	101,931	+ 26,602
Revenue (\$ per carat) ⁽¹⁾	856 ⁽³⁾	417	(439)
Operating Margin (\$ per carat) ⁽¹⁾	636	243	(393)
Operating Margin (%) ⁽¹⁾	74%	58%	(16%)

(1) Non-IFRS measure

(2) Includes 8,172 carats recovered from re-processing historic recovery tailings from previous milling. Plant feed grade is reported as direct milling carats per hundred tonnes.

(3) Q2 2018 includes one Exceptional Stone Tender for proceeds generated of \$32.4 million in addition to a Regular Stone Tender during the quarter. Starting in Q3 2018 Lucara moved to a blended stone tender.

HALF YEAR HIGHLIGHTS - KAROWE OPERATIONS

For the Six Months Ended June 30, 2019

PRODUCTION	Q2 2018	Q2 2019	CHANGE
Ore Processed (tonnes)	1,297,710	1,476,350	+ 178,640
Ore Mined (tonnes)	1,333,068	1,784,910	+ 451,842
Carats Recovered (carats)	157,205	241,648 ⁽²⁾	+ 84,443
Plant Feed Grade (carats per hundred tonnes)	12.1	15.1 ⁽²⁾	+ 3.0
Waste Mined (tonnes)	8,408,010	4,312,520	(4,095,490)

REVENUES AND OPERATING MARGINS (all amounts in U.S. Dollars)

Revenue (\$ millions)	89.9	91.2	+ 1.3
Carats Sold	138,646	196,989	+ 58,343
Revenue (\$ per carat) ⁽¹⁾	648	463	(185)
Operating Margin (\$ per carat) ⁽¹⁾	423	292	(131)
Operating Margin (%) ⁽¹⁾	65%	63%	(2%)
Operating cost (\$ per tonne processed) ⁽¹⁾	\$36.64	\$31.16	(5.48)

(1) Non-IFRS measure

(2) Includes 19,071 carats recovered from re-processing historic recovery tailings from previous milling. Plant feed grade is reported as direct milling carats per hundred tonnes.

2019 OUTLOOK

(all amounts in U.S. Dollars)



\$170 – \$200 million

DIAMOND REVENUE

375,000 – 420,000 (revised)

DIAMOND SALES (CARATS)

375,000 – 420,000 (revised)

DIAMONDS RECOVERED (CARATS)



3.0 – 3.4 million (revised)

ORE TONNES MINED

2.5 – 2.8 million

ORE TONNES PROCESSED

6.0 – 9.0 million

WASTE TONNES MINED

\$32 – \$37 per tonne of
ore processed

OPERATING CASH COSTS



LUCARA DIAMOND



LUCARA

DIAMOND

CONCLUSIONS

Lucara is a premier, mid-tier, investible diamond company, positioned for long term, sustainable growth

- High margin diamond producer
- Botswana - a low risk jurisdiction
- Strong balance sheet
- Open pit mineable reserves to 2026, potential for underground to least 2036
- Asset diversification and additional revenue stream through Clara



813 ct

CAPITAL STRUCTURE

LUC

Lucara is a publicly listed company trading under the symbol “LUC”

TSX

NASDAQ Sweden

BSE (Botswana)

~C\$600M

MARKET CAP

\$5.0 M (June 2019)

WORKING CAPITAL FACILITY

396.9M (June 2019)

ISSUED SHARES

402.5M (June 2019)

FULLY DILUTED SHARES

US\$7.1M (June 2019)

US\$45.0M (available)

Credit Facility

CASH ON HAND

22%

Fully Diluted Basis

INSIDER HOLDINGS



LUCARA

DIAMOND

CONTACT

Suite 2000
885 West Georgia St.
Vancouver, BC
V6C 3E8

Tel: +1 604 689 7872
Fax: +1 604 689 4250
Email: info@lucaradiamond.com

LucaraDiamond.com | LUC.TO