

LUCARA
DIAMOND

Canada Growth Conference

SEPTEMBER 22-24

LucaraDiamond.com | LUC.TSX | LUC.XSTO | LUC.BSE



Cautionary Statement

Forward-looking information

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, this presentation may contain forward looking information pertaining to the following: the impact of the COVID-19 pandemic on the Company's operations and cash flows and its plans with respect to the Karowe underground expansion project; the estimates of the Company's mineral reserves and resources; estimates of the Company's production and sales volumes for the Karowe Diamond Mine; estimated costs for capital expenditures related to the Karowe Diamond Mine; production costs; exploration and development expenditures and reclamation costs; expectation of diamond prices and the potential for the supply agreement with HB Group to achieve both higher prices from the sale of polished diamonds and to provide more regular cash flow than in previous periods; expectation of diamond prices; changes to foreign currency exchange rates; assumptions and expectations related to the possible development of an underground mining operation at Karowe, including associated capital costs, financing strategies and timing; expectations in respect of the development and functionality of the technology related to the Clara platform, the intended benefits and performance of the Clara platform, including our ability to complete sales without viewing diamonds,

The growth of the Clara platform, the timing and frequency of sales on the Clara Platform, and the quantum of and timing for participation of third parties on the Clara platform; expectations regarding the need to raise capital and its availability; possible impacts of disputes or litigation; and other risks and uncertainties described under the heading "Risks and Uncertainties" in the Company's most recent Annual Information Form available at <http://www.sedar.com> (the "AIF").

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" in the "Risks and Uncertainties" section of the Company's most recent Annual Information Form available at <http://www.sedar.com>, as well as changes in 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), 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.

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

Qualified Persons: Dr. John Armstrong, Ph.D. P.Geol, is the Qualified Person as defined by NI 43-101. Dr. Armstrong is Vice President Technical Services for the Company and has reviewed and approved the scientific and technical information contained in this presentation. Mr. Cliff Revering, P. Eng. of SRK Consulting is the independent Qualified Person as defined by NI 43-101 responsible for the Karowe Diamond Mine Mineral Resource estimation, and Mr. Gord Doerksen of JDS Energy and Mining Inc. is the Independent Qualified person as defined by NI 43-101 responsible for the Karowe Diamond Mine Mineral Reserve estimation. The most recent Mineral Resource and Mineral Reserve estimations are located in the 2021 Annual Information Form for the year ended December 31, 2021, dated March 30, 2022, which can be found on the Company's website and under its profile on SEDAR at www.sedar.com.

Technical Reports: For further details regarding the Karowe Underground Project and Qualified Persons as defined by NI 43-101, please refer to the technical report dated December 16, 2019 with an effective date of September 26, 2019, titled "Karowe Mine Underground Feasibility Study Technical Report, Botswana, posted to the Company's website and under its profile on SEDAR at www.sedar.com.

Lucara Investment Rationale

A Premium Diamond Equity De-Risked and Positioned for Long-Term Growth

1

Diamonds

Diamond market fundamentals are the best they have been in the last five years

2

Lucara



Prolific, high-margin diamond mine in Botswana with a fully funded expansion program

3

Clara

CLARA

First digital diamond sales platform provides asset diversification and additional revenue stream

LUC: TSX AUGUST 31, 2022	
Share Price	CAD \$0.62
Market Cap	CAD \$281 M
Shares Outstanding ¹	468,951,510
Cash Position (June 30, 2022)	USD \$40.8 M

ANALYST COVERAGE

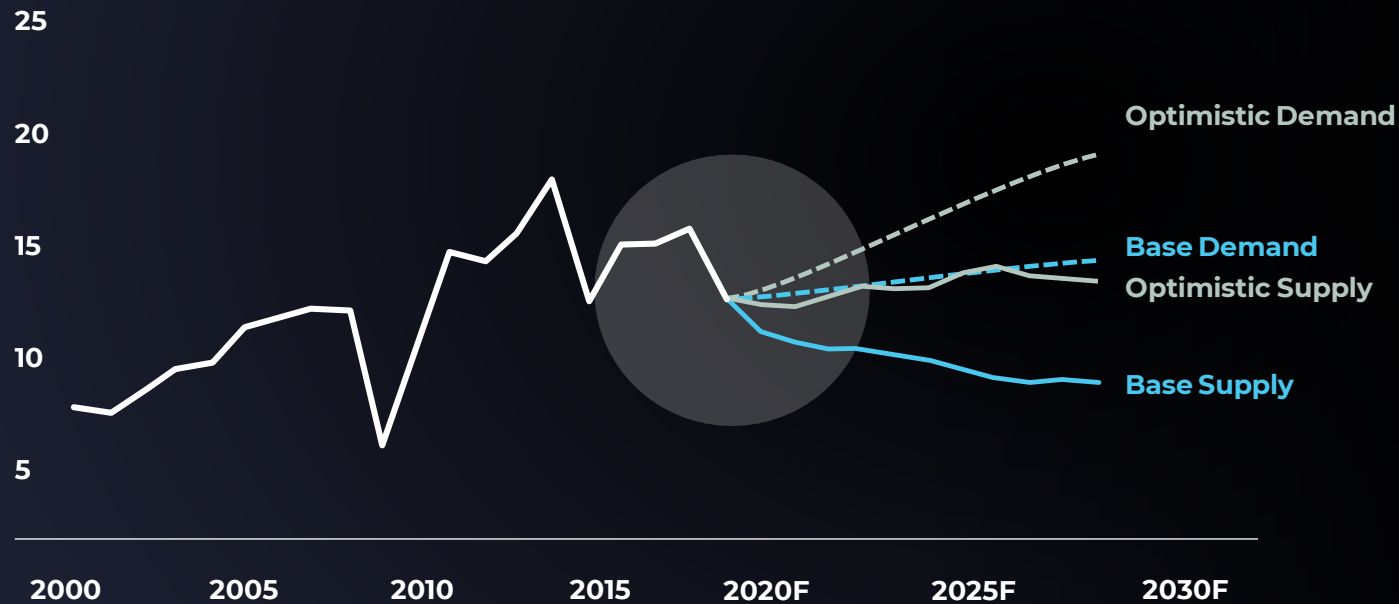
Bank of America Merrill Lynch
Berenberg
BMO Capital Markets
Pareto Securities Ltd.

(1) Fully diluted as of August 31, 2022

Diamond Market

- **Strong prices; rough and polished in balance supported by healthy demand**
- **Longer term outlook remains POSITIVE, supported by global supply constraints**

Rough diamond supply and demand



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

Karowe Mine – Botswana



Botswana ranked 2nd in the world for diamond production by volume and value

100% owned, high margin diamond mine in production since 2012, **mine life to at least 2040**

3.7 million carats sold
\$2 billion in revenue in ~ 9 years

Consistent recovery of high value **+10.8ct type II diamonds**

Innovative design
First diamond mine to use state of the art XRT technology for primary diamond recovery

Only mine in recorded history to recover **three +1,000 carat diamonds**

\$547 M underground expansion underway will add **\$4Bn in revenues**

Historic Diamond Recoveries

Karowe has yielded 25% of the World's Largest Diamonds and 5 of the top 10

24 diamonds >300 carats have been recovered from Karowe, including 3 diamonds > 1,000 carats

Rank	Carats	Name	Country	Mine	Date
1	3106.75	Cullinan Diamond	South Africa	Premier Mine	1905
2	1758	Sewelô	Botswana	Karowe Mine	2019
3	1174.76		Botswana	Karowe Mine	2021
4	1109	Lesedi La Rona	Botswana	Karowe Mine	2015
5	998		Botswana	Karowe Mine	2020
6	995.2	Excelsior Diamond	South Africa	Jagersfontein Mine	1893
7	969	Star of Sierra Leone	Sierra Leone	Diminco Mine	1973
8	910	Lesotho Legend	Lesotho	Letseng Mine	2018
9	890	Incomparable Diamond	DRC	Société Minière de Bakwanga	1984
10	813	The Constellation	Botswana	Karowe Mine	2015
30	549	Sethunya	Botswana	Karowe Mine	2020



1,758 ct
Sewelô



813 ct
Constellation



1,109 ct
Lesedi La Rona



549 ct
Sethunya

Lesedi La Rona & Constellation



The 1,109 carat Lesedi La Rona was recovered in 2015 and purchased by Graff in 2017 for US\$53 million resulting in the 302.37 carat Graff Lesedi La Rona



Graded by the GIA, one of the world's largest square emerald cut diamond; 66 satellite diamonds were also cut ranging from <1 carat to >26 carats



The 813 carat Constellation was recovered in 2015 and purchased for US\$63 million, the highest price ever achieved for the sale of a rough diamond



The resulting 313 carat Constellation One is the largest D coloured emerald cut diamond in the world today and is the largest ever graded by the GIA; 7 satellite diamonds were also cut with the largest being 102 carats



Sales Channels

Optimized Sales of Rough and Polished Diamonds to Create Alignment Along the Supply Chain and Maximize Revenues



Rough



Clara



Polished



Jewellery

Increasing Margin Capture Downstream

Tenders (Auctions) of
Rough Diamonds < 10.8
carats in size

21%
of Revenue

Proprietary Digital
Marketplace for Rough
Diamonds 1-15 carats in size

14%
of Revenue

Manufacturing into
Polished Diamonds
with HB Antwerp

65%
of Revenue

Collaboration with
Brands to Create Made
to Order Jewellery

**Special Diamonds
Sethunya and Sewelo**

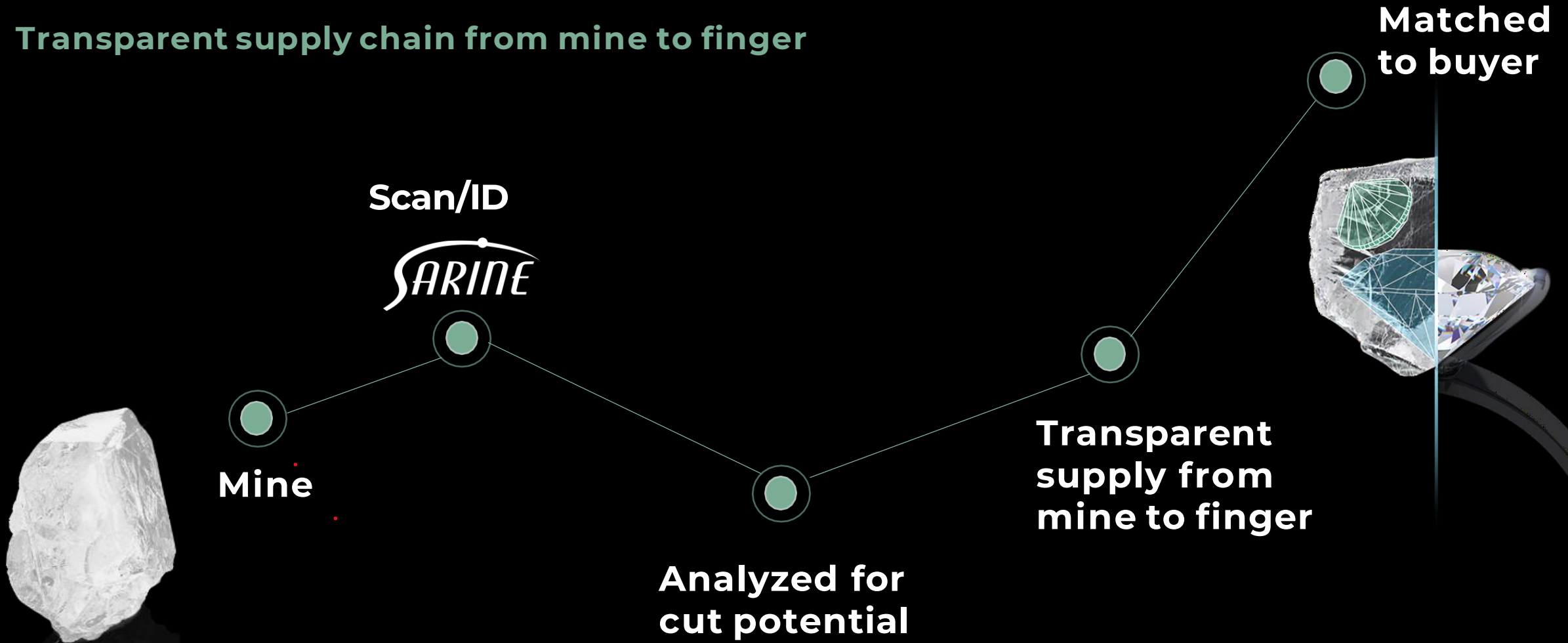


CLARA

The future of the rough
diamond marketplace



Transparent supply chain from mine to finger





68 sales completed since inception
~\$72 million of diamonds sold by value through the platform

Low operating cost platform with regular sales

Fee-based structure

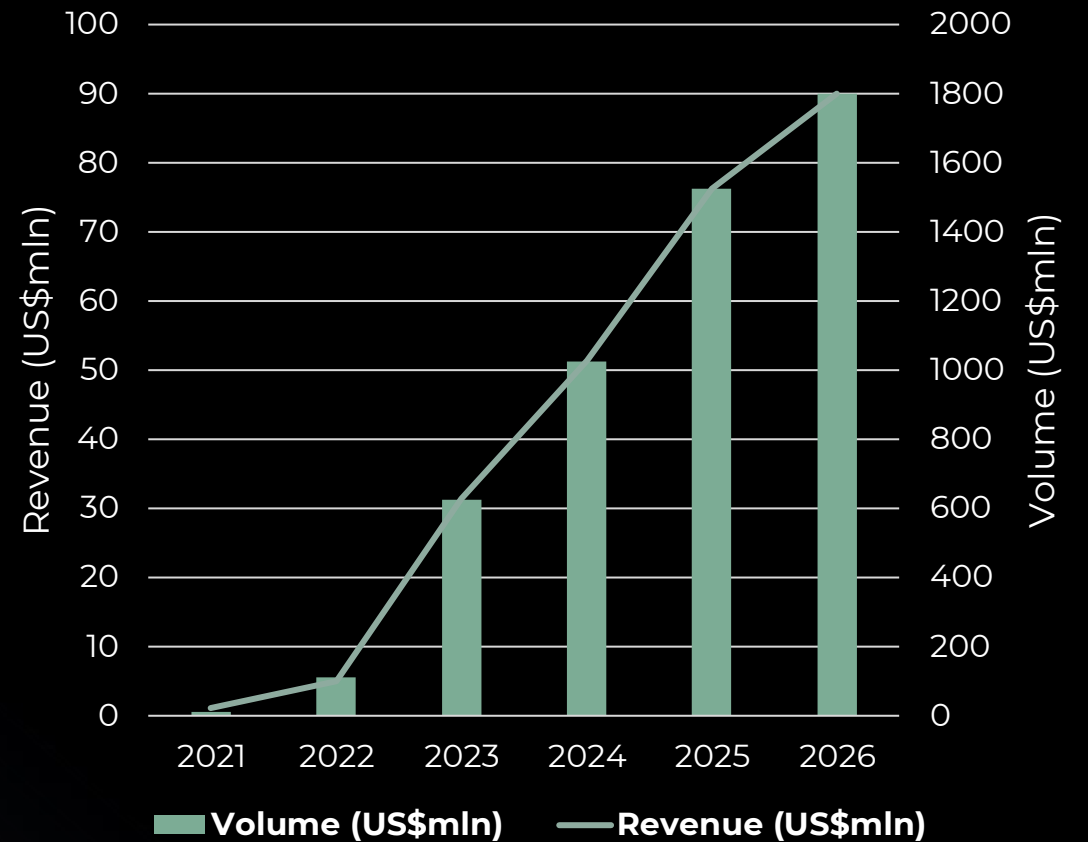
~39,000 carats sold through the platform

Growth Potential in Primary & Secondary Markets
Buyers stabilized and **wait-list** being maintained

Trials of **third-party** supply **began in 2020**;
Six Sale Producer Trial commenced in Q2

Travel restrictions **accelerating adoption** of new technology

5 Year Potential Growth Profile



Supply Agreement with HB Antwerp

High Value +10.8 Carat “Specials” Sold as Polished ~70% of Lucara’s Production by Value

Initial price is based on an **estimated polished outcome**, determined through state-of-the-art scanning and planning technology, with an **adjustment** for actual achieved polished sales, less a fee and cost of manufacturing

Regular cash flow from large, high value segment of production

Q2 2022: **\$19.3 million revenue; AP** of **\$6,561** per carat⁽¹⁾; **strong performance** reflecting healthy recoveries and sales, top-up payments, and higher market prices

Strong prevailing rough and polished diamond market fundamentals



⁽¹⁾ Karowe production excluding the impact of top-up payments earned pursuant to the diamond sales agreement with HB Trading BV (“HB”). Total revenues of \$52.3 million during the second quarter include \$2.3 million from the sale of third-party goods on Clara.



Karowe Underground Expansion

Extending mine-life to at least 2040

Fully Financed, Construction Advancing

Project facility drawdown of \$65 Million end of Q2

NPV \$1,280 million/\$750 million (pre/post tax) @ 5%; using **conservative diamond price** assumptions

\$547 million⁽¹⁾ underground expansion adds ~ **\$4 billion additional net revenue**

Q2 2022 Capital Spend

\$29.1 million spent in Q2; pre-sink activities completed; power substation construction continues

Transition to main shaft sinking

Ventilation shaft sinking commenced June 2022; production shaft sinking commenced August 2022

(1) The estimated capital cost for the Karowe UGP has increased from \$534 million (including contingency) to \$547 million to reflect expected pricing changes following execution of the main sink contract.



Q2 2022 Highlights

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

**Revenues up 13% to
\$52.3 M**

**Strong cashflow, Adjusted
EBITDA² of \$24.4 M**

**6.1% Specials (+10.8
carats) by weight
Including 5 >100 carats**

**Strong sales through
HB, Clara and Tenders**

**Underground tracking
on plan: main sink
phase commenced
in Q2**

**Strong, safe, reliable
production
On track with Guidance**

**Clara sales volume
transacted of \$9.4M
A third-party series of trial
sales to commenced in Q2
which are continuing into Q3**

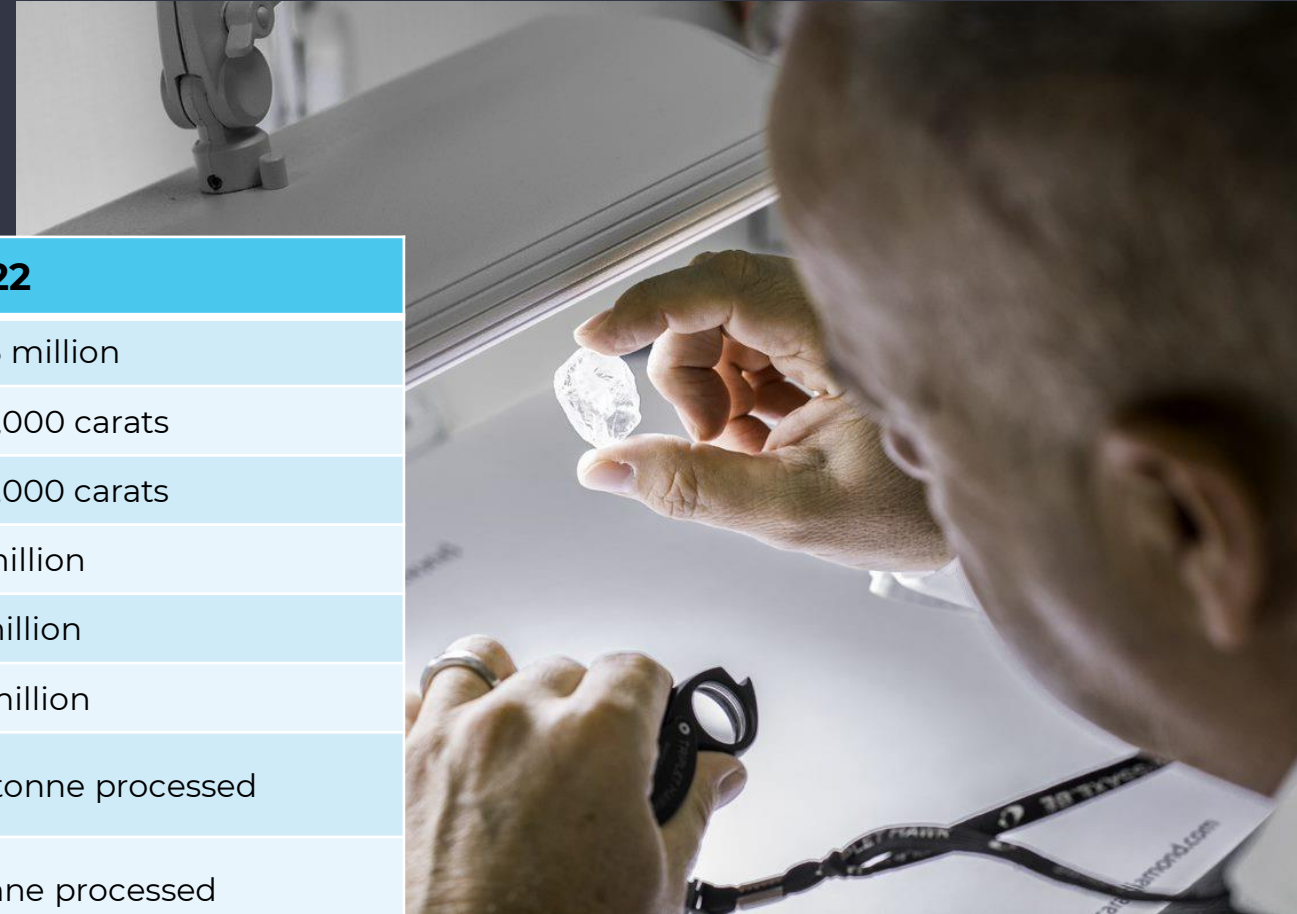
**Average price achieved
of \$557 per carat¹**

**Cash and cash equivalents of
\$40.8 million;
Available working capital
facility of \$50 million;
Drawdowns on project debt
facility of \$65 million**

⁽¹⁾ Karowe production excluding the impact of top-up payments earned pursuant to the diamond sales agreement with HB Trading BV ("HB")

2022 Annual Guidance – No Changes in Q2

(All currency figures in U.S. Dollars)



Karowe Diamond Mine	FY2022
Diamond revenue ¹	\$195 to \$ 225 million
Diamond sales	300,000 to 340,000 carats
Diamonds recovered	300,000 to 340,000 carats
Ore tonnes mined	3.1 to 3.5 million
Waste tonnes mined	1.5 to 2.1 million
Ore tonnes processed	2.6 to 2.8 million
Total operating cash costs	\$29.50 to \$33.50 per tonne processed
Botswana G&A (including sales & marketing)	\$3.50 to \$4 per tonne processed
Tax rate	0%
Average exchange rate – USD/Pula	11.0

¹⁾ Revised from guidance released on November 24, 2021. Diamond revenue guidance does not include revenue related to the sale of exceptional stones, or the Sethunya.

Approach to Sustainability

Focused on transparency, the protection of our people, and stakeholder engagement

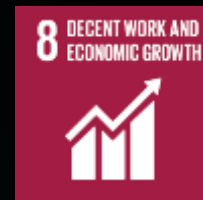
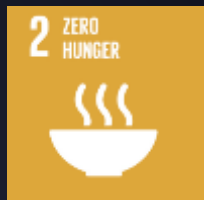
- ✓ Code of Business Conduct and Ethics
- ✓ Whistleblower Policy
- ✓ Responsible Mining Policy
- ✓ Corporate Social Responsibility Charter
- ✓ Lucara is certified by the Responsible Jewellery Council (RJC), compliant with the Kimberley Process, and a member of the Natural Diamond Council (NDC)
- ✓ In 2018, Lucara became a UN GC participant and contributes to 10 of the 17 UN SDGs
- ✓ Lucara's Sustainability Report is prepared in accordance with the GRI Standards: Core option, and selected G4 Mining and Metals Sector Disclosures



SUSTAINABLE DEVELOPMENT

GOALS

17 GOALS TO TRANSFORM OUR WORLD



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DIAMOND

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