



LUCARA
DIAMOND

Precious Metals Summit 2021

BEAVER CREEK



LucaraDiamond.com | [LUC.TSX](https://www.cbc.com/quote/LUC.TSX) | [LUC.XSTO](https://www.cbc.com/quote/LUC.XSTO) | [LUC.BSE](https://www.cbc.com/quote/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, forward-looking information and forward-looking statements in this presentation include, but are not limited to, information or statements with respect to the length by which the UGP will extend the life of mine, forecasted revenues, diamond prices, the UGP being fully financed from a combination of debt, equity and projected cash flows from open pit operations, that expected cash flow from operations, combined with external financing will be sufficient to complete construction of the UGP, the anticipated total capital expenditures and schedule to develop and complete the UGP, the timing of key construction milestones including shaft sinking activities, the timing of achieving production targets, the Company's adoption of and compliance with internationally recognized standards including IFC Performance Standards and the Equator Principles, the timing for the UGP to pay back capital, that the timing of the end of the open pit mine life will limit the risk of a production shortfall during the UGP ramp-up, statements on how COVID-19 or variants thereof have or may impact the schedule for the UGP or the Company's ability to continue to mine the open pit during the construction period, that the decisions taken to de-risk the UGP will be successful, that the people, equipment and materials required to build the UGP will be available when required to maintain the proposed UGP schedule, that the use of LHS to mine the underground will provide additional mine life from the Karowe ore body and that the use of this mining method will allow access to the EM/PK(S) ore as planned, that minimal dilution will result from the use of LHS and that the underground development can occur simultaneously with open pit operations.

Other forward-looking information and forward-looking statements include: 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.

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 "Risks and Uncertainties" in the Company's most recent Annual Information Form available at <http://www.sedar.com>, as well as impacts from COVID-19 or variants thereof on the Company's ability to continue to operate as planned, including the availability of people, equipment and materials required to maintain the proposed UGP schedule, the Company's ability to access the markets and generate revenues at anticipated diamond prices, the Company's ability to continue to comply with the terms of its debt financing, 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 2020 Annual Information Form for the year ended December 31, 2020, dated March 30, 2021, 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.



High operating margin
sustained since production
began in 2012

Consistent recovery of high value
+10.8ct diamonds
with additional realized input
from high value coloured diamonds
(blue, pink)

3.2 million
carats sold

\$1.7 billion
in revenue in ~8 years

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

Total capital investment less than
\$200 million

\$271 million
in dividends paid 2014 - 2019

Top of class, only mine in
recorded history to recover
**Three +1,000 carat
diamonds**

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



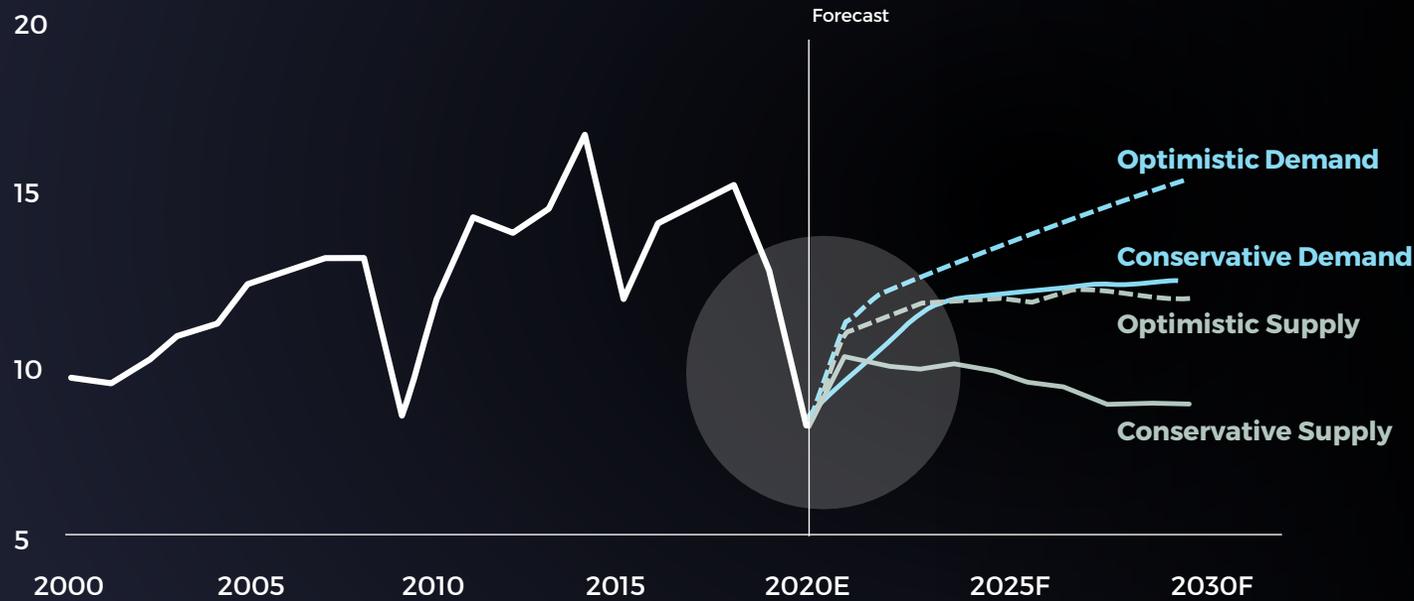
549 ct
Sethunya

Diamond Market

Strong market due to healthy supply & demand balance; Increasing price performance in all sizes and qualities

Longer term outlook remains strong supported by supply constraints

Rough natural diamond supply and demand (\$ billions)



**Strong demand in key markets – the US & China
Luxury goods spending remains high**

Note: Long-term growth trend (1-2% p.a.). The white line represents rough diamond sales dynamics for 2000-20E; forecast of supply and demand is performed in real terms, 2020 prices and constant exchange rates; rough diamond demand has been converted from polished diamond demand using a historical ratio of rough diamond and polished diamond values
Source: Bain & Company - The Global Diamond Industry Report 2020-21

COVID-19 Response

Health & Well-Being Focus

As mining has been designated an essential service in Botswana, the Karowe mine has remained fully operational throughout the pandemic.

COVID-19 measures and guidelines, which were implemented by the Government of Botswana in late March 2020, remain in place and the current state of emergency in Botswana has been extended to September 30, 2021.

We continue to focus on protecting the health and well-being of our employees, contractors and host communities and the financial well being of the Company. Lucara has also contributed to the Botswana Government’s COVID-19 Relief Fund and local initiatives.

The Company is conducting COVID-19 testing at our operations, and providing necessary support for all employees and contractors.

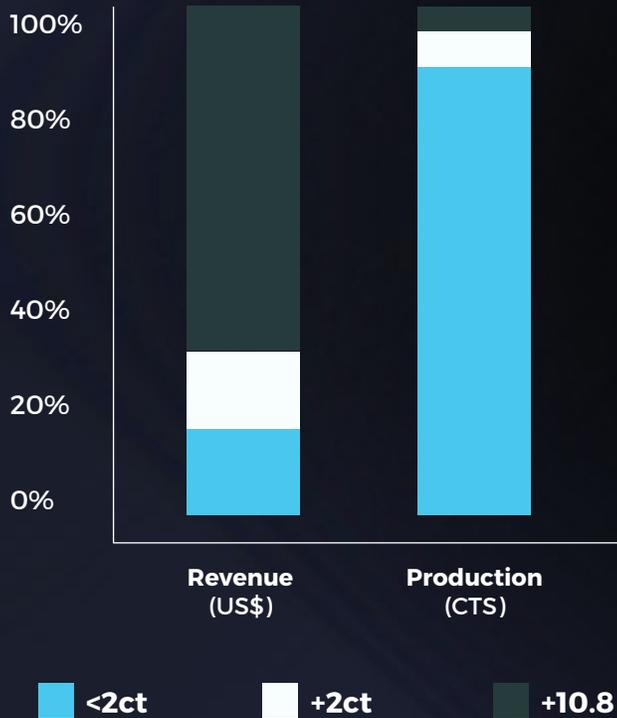
Diamond sales through HB Antwerp, Clara and quarterly tenders in Antwerp have continued.



Consistent Recovery of Large Diamonds

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

Revenue and production includes 2015 to 2020

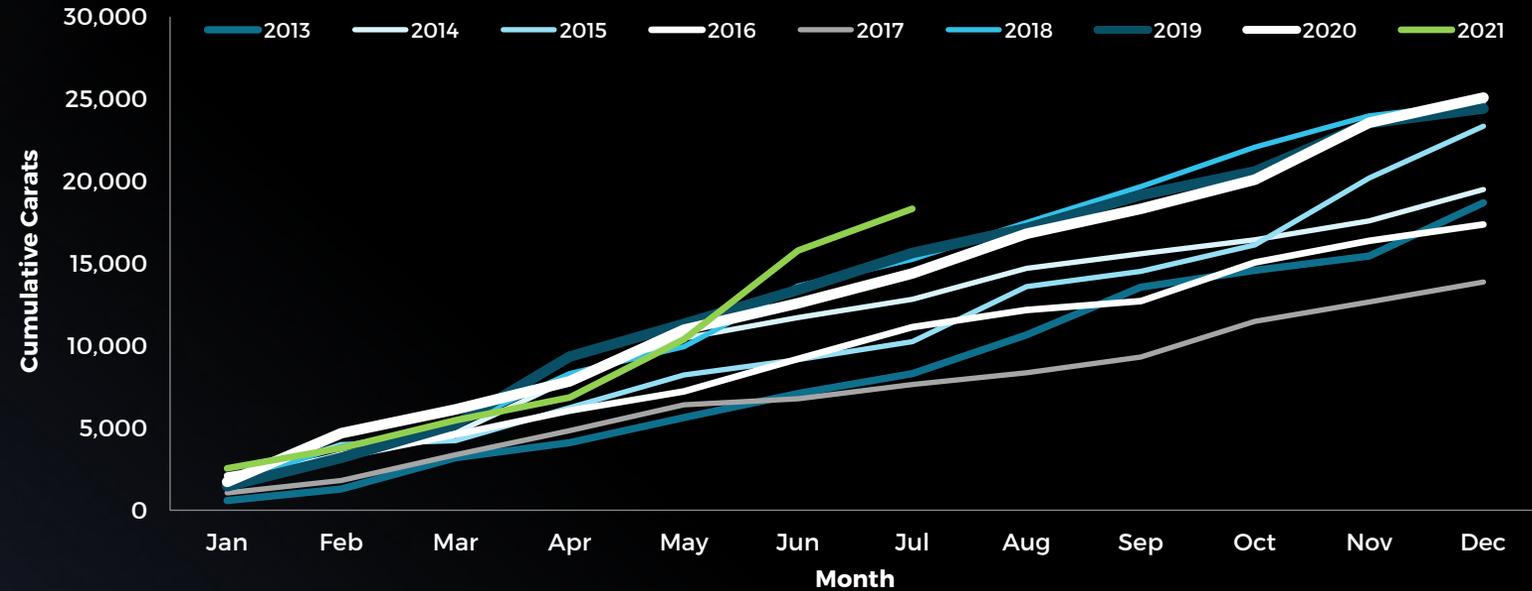


Life of mine recovery of +198,000 carats of individual stones > 10.8ct (over 6,700 diamonds; all sources)

Since 2012: 24 diamonds in excess of 300 carats have been recovered, including 3 diamonds > 1,000ct

11 diamonds sold for >\$10 million each (not included in resource value models)

Karowe Cumulative Specials (ct)



Supply Agreement with HB Antwerp

+10.8 Carat “Specials”

Includes only high value +10.8 carat “specials” produced from the Karowe Mine for manufacturing

24-month **extension** to December 2022

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 the large, high value segment of production

Average price achieved of **\$6,767** per carat Q2 2021



Louis Vuitton & HB Collaboration Agreements on the Sethunya & Sewelô

Luxury Brand & Cutting Edge Manufacturing

Working together within the supply chain, creating **true alignment** for the first time, to achieve **maximum polished value** for two of Lucara's rare, exceptional diamonds

In line with its long tradition of personalisation, Louis Vuitton envisages crafting beautiful, bespoke, high value diamond jewelry, targeting Louis Vuitton's exclusive global customer base; **Lucara to receive payment for Sethunya no later than Q4 2021**

Lucara will participate in **all sales of polished diamonds resulting from the Sethunya and 50% of polished sales resulting from the Sewelô** with a further commitment from LV to contribute 5% of all Sewelô retail jewelry sales towards community-based initiatives in Botswana



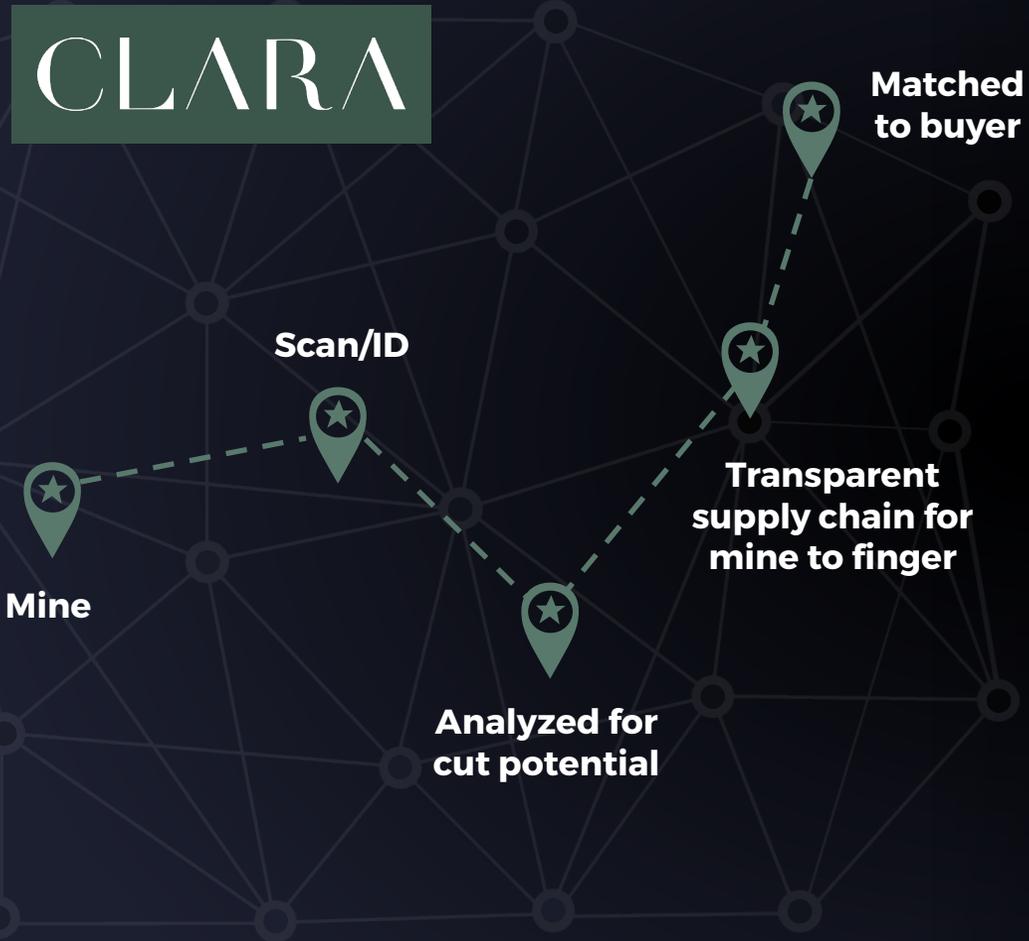
549 ct
Sethunya



1,758 ct
Sewelô

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

Digital sales platform (1 to 15 carat)

54 sales completed since inception
~\$40 million of diamonds sold by value through the platform

Regular Sales ongoing

~25,000 carats sold through the platform

Buyers on the platform increased from 75 to 84 in 2021:
Wait-list being maintained

Trials of **third party** supply began in 2020;

Negotiations with several third parties continues

Travel restrictions **accelerating adoption** of new technology



CLARA

Fifty-three sales between December 2018 and August 2021

~\$40 million diamonds sold by value
between one and fifteen carats in size, in better colours and qualities

Sales Channels Q2 2021

Sales through Clara, HB Antwerp and Quarterly Tender

- All +10.8 carat stones are sold through HB Antwerp; only high value Specials (+10.8 carats) are manufactured and sold as polished
- Higher quality diamonds between 1 and 10 carats are sold through Clara; all other diamonds less than 10.8 carats are sold through a quarterly tender

Sales Channel	Q2 2021 Rough Carats Sold	Q2 2021 Revenue Recognized (millions)	Q2 2021 Average Price per Carat
CLARA	5,198 cts	\$ 8.3	\$ 1,604*
 HB ANTWERP	4,541 cts	\$ 30.7	\$ 6,767
 LUCARA DIAMOND	59,222 cts	\$ 7.3	\$ 123*
Total Sales	68,961 cts	\$ 46.3	\$ 671

*Average price for rough carats sold less than 10.8 carats was \$242/carat

2021 Highlights

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

Karowe Diamond Mine

Strong, safe, reliable production results; All physicals achieved to plan.

Exceptional recoveries from the South Lobe: 3 top white gems >300 carats (341, 378, 393 carats); 1175 carat, 3rd diamond >1000 carats recovered; 62.7 carat high-quality fancy pink diamond “Boitumelo”

Key milestones achieved for the Underground Expansion of Karowe:

- Financing Secured
- Granted 25-year extension to Karowe mining license (to 2046)

Extension of the novel supply agreement with HB Antwerp for +10.8 carat “specials”; provides optionality through polished sales

Clara Diamond Solutions

Doubled volume transacted year on year

Customer growth continues to be strong at 84 customers; new participants are being wait-listed



Sethunya, 549 carats

Balance Sheet & Liquidity

Cash and cash equivalents of \$13.7 million; Net debt of \$36.6 million (June 2021)

Strong cash position and available liquidity as COVID-19 pandemic continues

Senior secured project financing package of up to \$220 million for the Karowe underground expansion completed. First funding mid-September 2021.

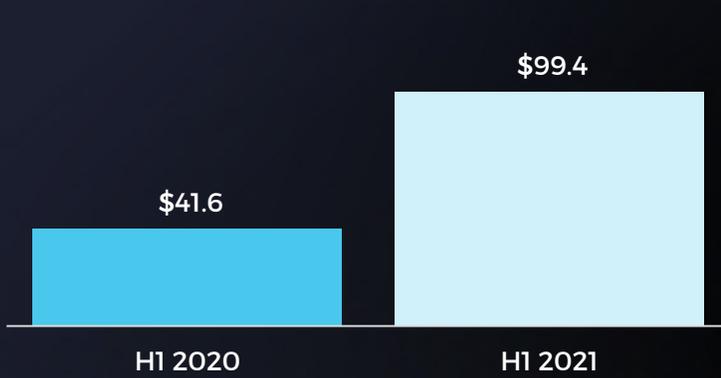
Equity financing of C\$41.4 million closed July 15, 2021

Market Cap ~C\$310 million

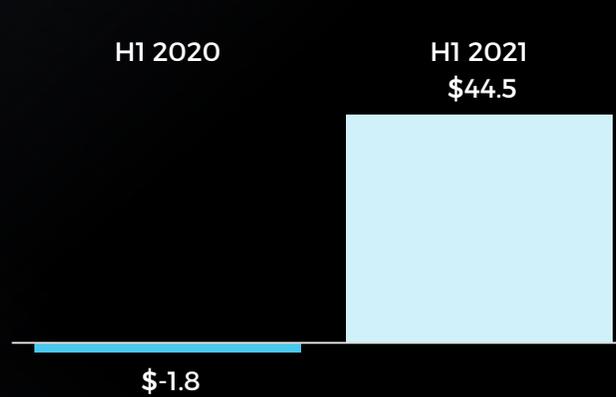
H1 2021 Financial & Operational Highlights

Six months ending June 30, 2021
(All currency figures in U.S. Dollars)

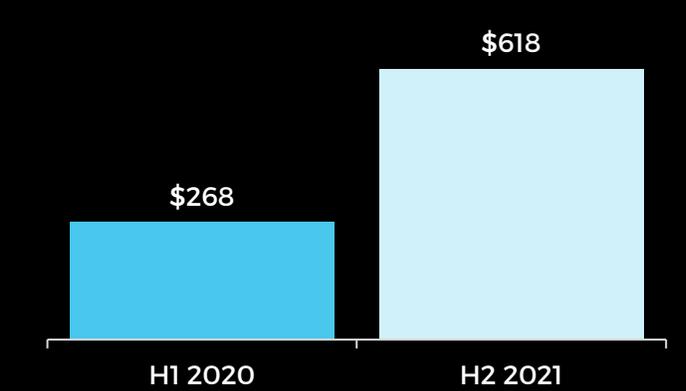
Revenue (millions)



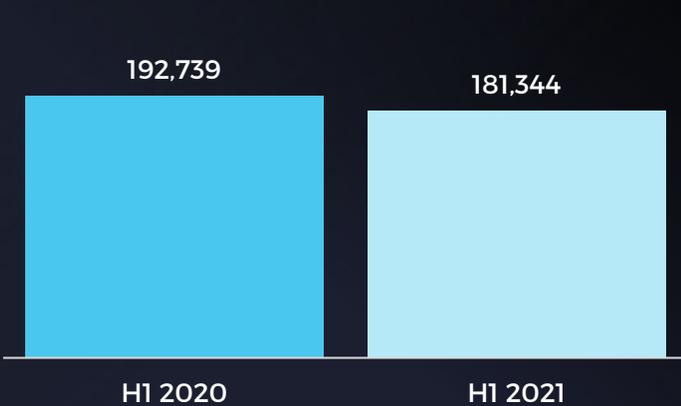
Adjusted EBITDA⁽¹⁾ (millions)



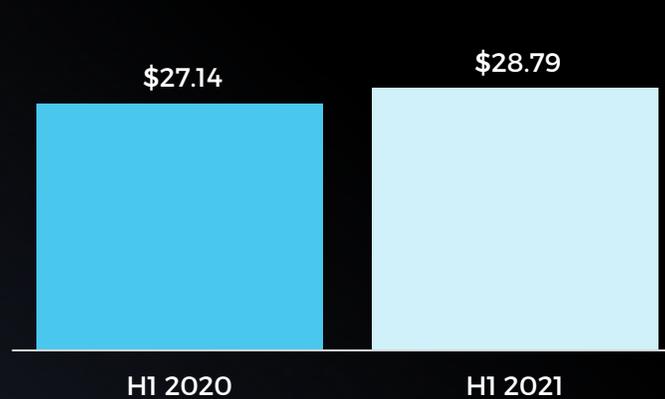
Average Price (\$/Carat) ⁽¹⁾



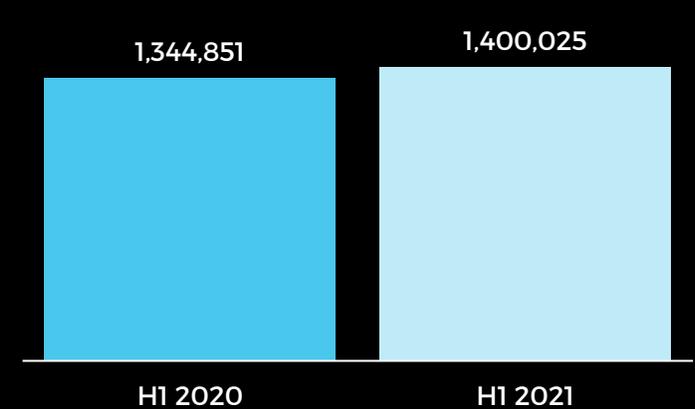
Carats recovered (carats)



Operating Cost (\$ per tonne processed)⁽¹⁾



Ore processed (tonnes)



(1) Non-IFRS measure

2021 Annual Guidance Updated

(All currency figures in U.S. Dollars)

Karowe Diamond Mine	Full Year - 2021
Diamond revenue	\$180 million to \$210 million
Diamond sales	350,000 to 390,000 carats
Diamonds recovered	340,000 to 370,000 carats
Ore tonnes mined <i>(revised)</i>	3.8 million to 4.2 million*
Waste tonnes mined <i>(revised)</i>	2.1 million to 2.6 million*
Ore tonnes processed	2.6 million to 2.9 million
Total operating cash costs	\$28 to \$32 per tonne processed
Botswana G&A (including sales & marketing)	\$3 to \$4 per tonne processed
Tax rate	0% to 25%
Average exchange rate - USD/Pula	11.0



*Updated

Karowe Underground Expansion

Extending Mine-life to at least 2040

Underground expansion adds
~ **\$4 billion additional net revenue**

NPV \$1,28 million/\$750 million
(pre/post tax) @ 5%;
No real escalation in price

Conservative Price Assumptions:
highest value stones removed from
the economic model

EM/PK(S) unit dominant; **Highest
value** unit of Karowe ore body

Mining license extended to 2046

Project fully financed; Up to **\$220
million** senior secured debt financing
package completed



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

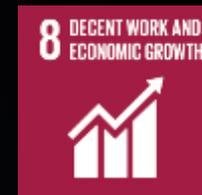
Lucara's Sustainability Report is prepared in accordance with the GRI Standards: Core option, and selected G4 Mining and Metals Sector Disclosures



SUSTAINABLE DEVELOPMENT

GOALS

17 GOALS TO TRANSFORM OUR WORLD



Conclusion

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 and available liquidity



Consistent recovery of high value "Specials" (+10.8 carats); Open pit mineable reserves to 2026 with underground expansion extending the mine life to at least 2040



Asset diversification and additional revenue stream opportunity through Clara





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