



LUCARA
DIAMOND

BMO Mining Conference 2019
Diamond Session February 27

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.

LUCARA DIAMOND INVESTMENT CASE

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

100% Owned Karowe Diamond Mine, Botswana

Strong safety and operational performance in 2018

Record recoveries of Specials (diamonds >10.8 carats in size)

New mineral resource statement; orebody becoming more valuable with depth

Significant de-risking of potential underground development

100% Owned Clara Diamond Solutions

Inaugural sale successfully completed

Achieved higher rough diamond prices over traditional tender system and higher margins for purchasers

Dividend & Strong Balance Sheet

CDN \$0.10 per share = \$30.3 million paid in 2018

US\$249 million paid since 2014

Q1 2019 dividend of C\$0.025 per share will be paid on April 11, 2019

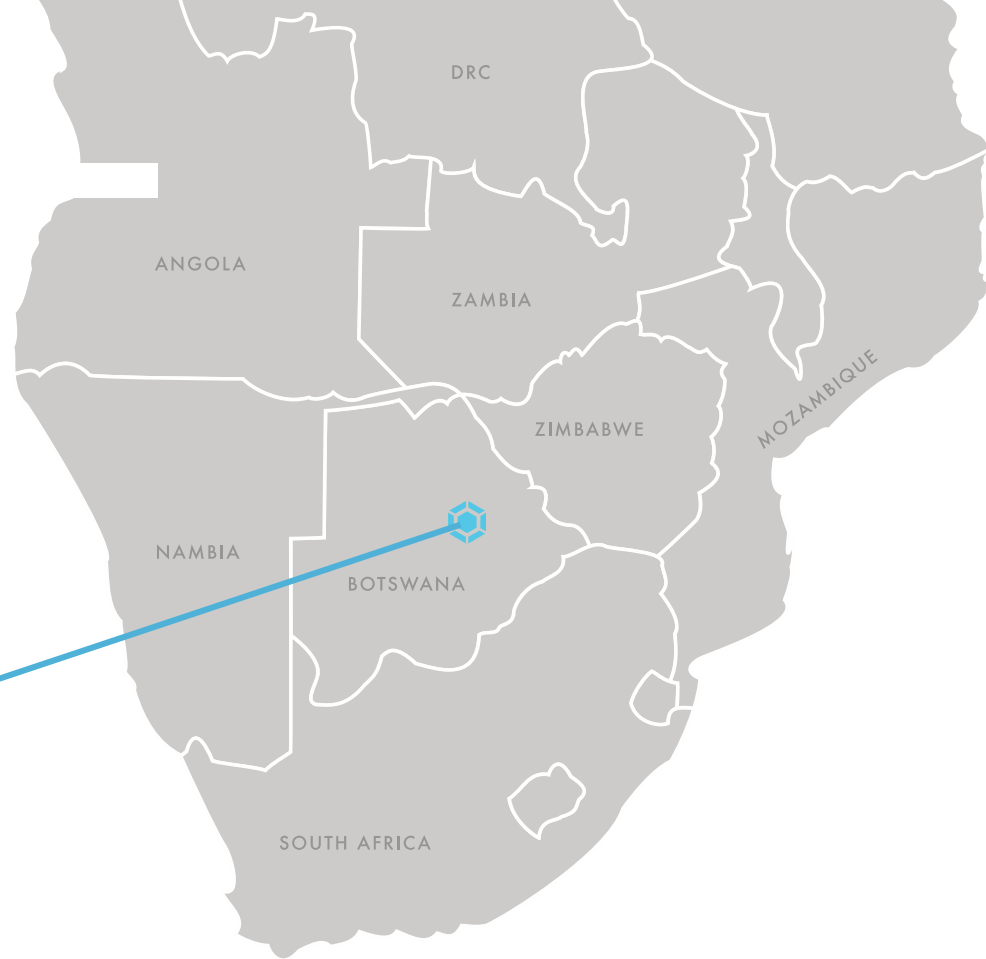


342 ct

KAROWE DIAMOND MINE



KAROWE DIAMOND MINE



Large, High Value Diamonds
7.9 million carats
at \$673/ct (Indicated)

Open Pit Reserves to 2026
Potential underground expansion
to at least 2036

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

HISTORIC DIAMOND RECOVERIES

Lucara has become renowned as one of the world's foremost producers of large, gem quality diamonds

Lesedi La Rona
1109 carat

Second largest gem
diamond ever
recovered
in the world



Constellation
813 carat

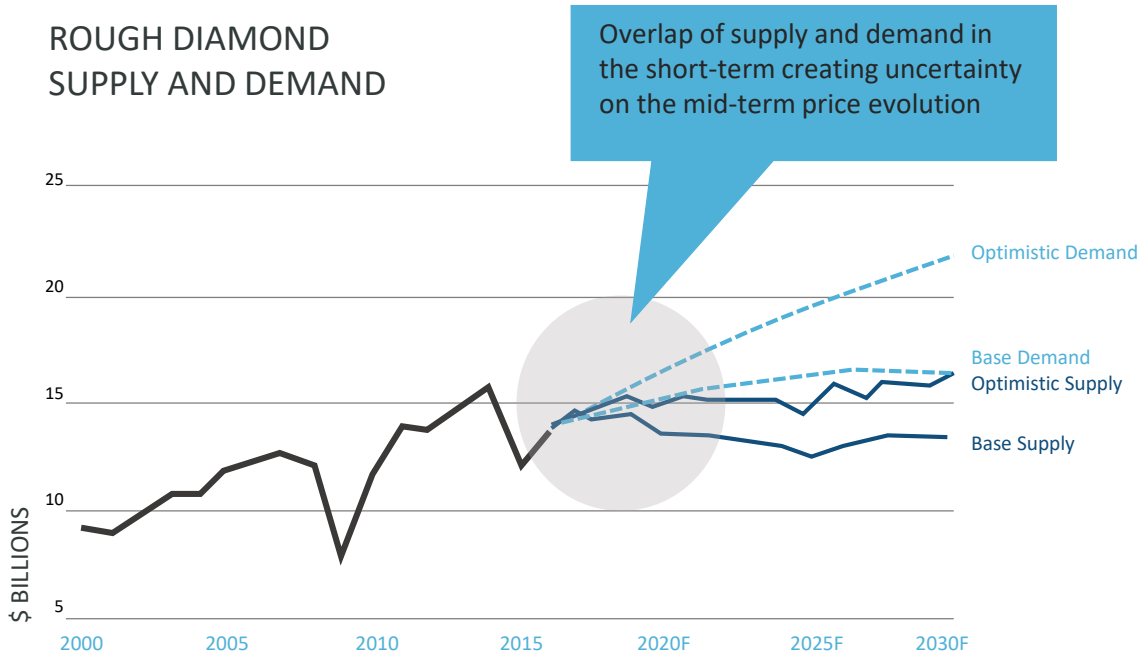
Sold for a record
\$63.1 M USD



DIAMOND MARKET

Stable dynamics, but weaker prices observed in small goods (half a carat or less). Demand led by USA, followed by China; supply and demand fundamentals expected to widen post 2020 as large mines deplete
 Synthetics ~ 5% of market, mostly in smaller goods, no threat to natural

ROUGH DIAMOND SUPPLY AND DEMAND



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 2017

LUCARA DIAMOND SALES 2018

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



2018

350,798 carats sold for an average price (AP) of \$502/ct and revenues of \$176.2 million

Record year for Specials (+10.8 carats):

- 829 stones = 24,793 carats
- 28 diamonds > 100 carats
- 5 stones >300 carats.
- 12 diamonds sold for > \$2 million
- 1 diamond sold for in excess of \$10 million

SPECIALS (+10.8 CARAT) DRIVE VALUE

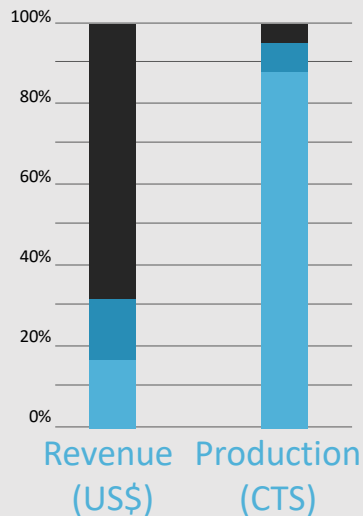
Specials contribute ~70% by revenue
and ~5% by volume

- Specials consistently high value and gem quality
- Since 2012 a total of 174 diamonds in excess of 100 carats have been recovered, 33 in 2018 alone; 12 diamonds in excess of 300 carats have been recovered, 5 of which were recovered in 2018
- 180 diamonds sold for >\$1 million each and 10 single diamonds have sold for >\$10 million



REVENUE AND PRODUCTION

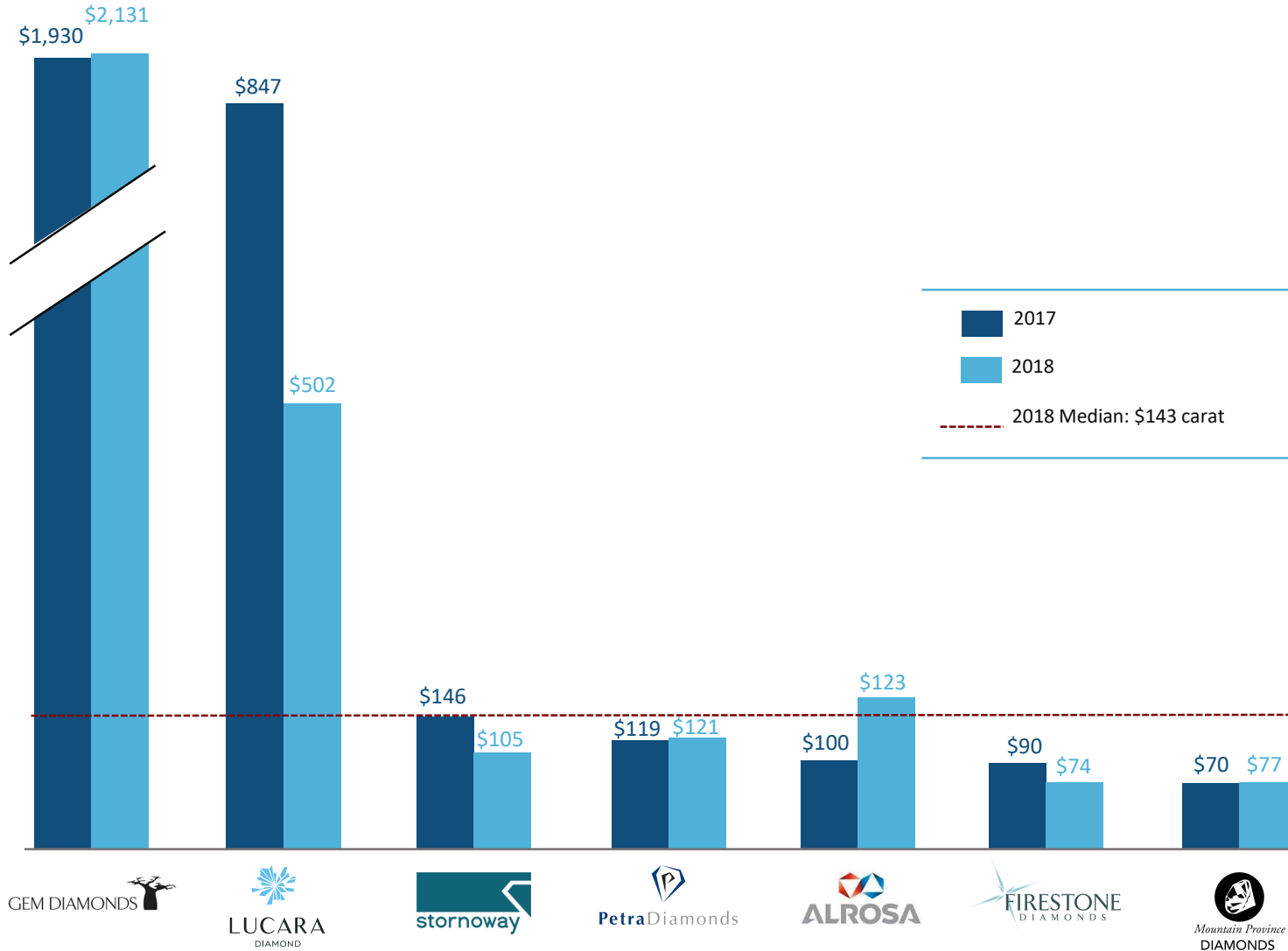
Includes 2015 to 2018



■ <2ct ■ +2ct ■ +10.8

GLOBAL ACHIEVED AVERAGE DIAMOND PRICES 2018

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





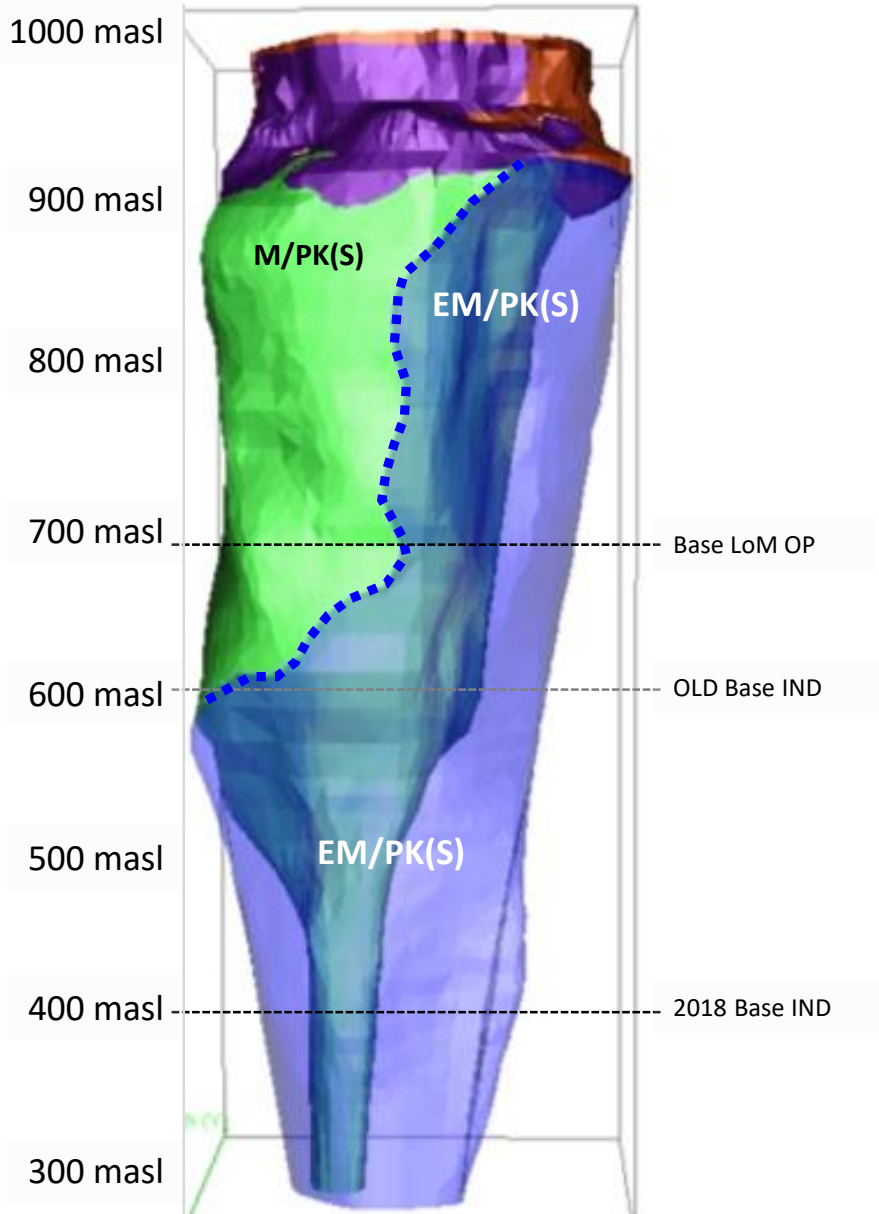
ORGANIC GROWTH

Expanding Karowe Underground Beyond 2026

- Positive PEA 2017 examined potential for underground mine life expansion from 2026 to 2036
- Feasibility Study initiated 2018 (target completion: H2, 2019) which continues to de-risk and enhance economics:
 - Hydrogeology – large drilling campaign in 2018 encountered minimal water strikes at depth and successfully de-risked key water aspects of the project
 - Geotechnical drilling/studies ongoing and will help inform selection of final UG mining method (Sub-level cave and Block Cave, and hybrid scenario being considered)
 - Updated Resource – orebody increasing in grade and value with depth

2018 GEOLOGICAL MODEL

South Lobe AK06



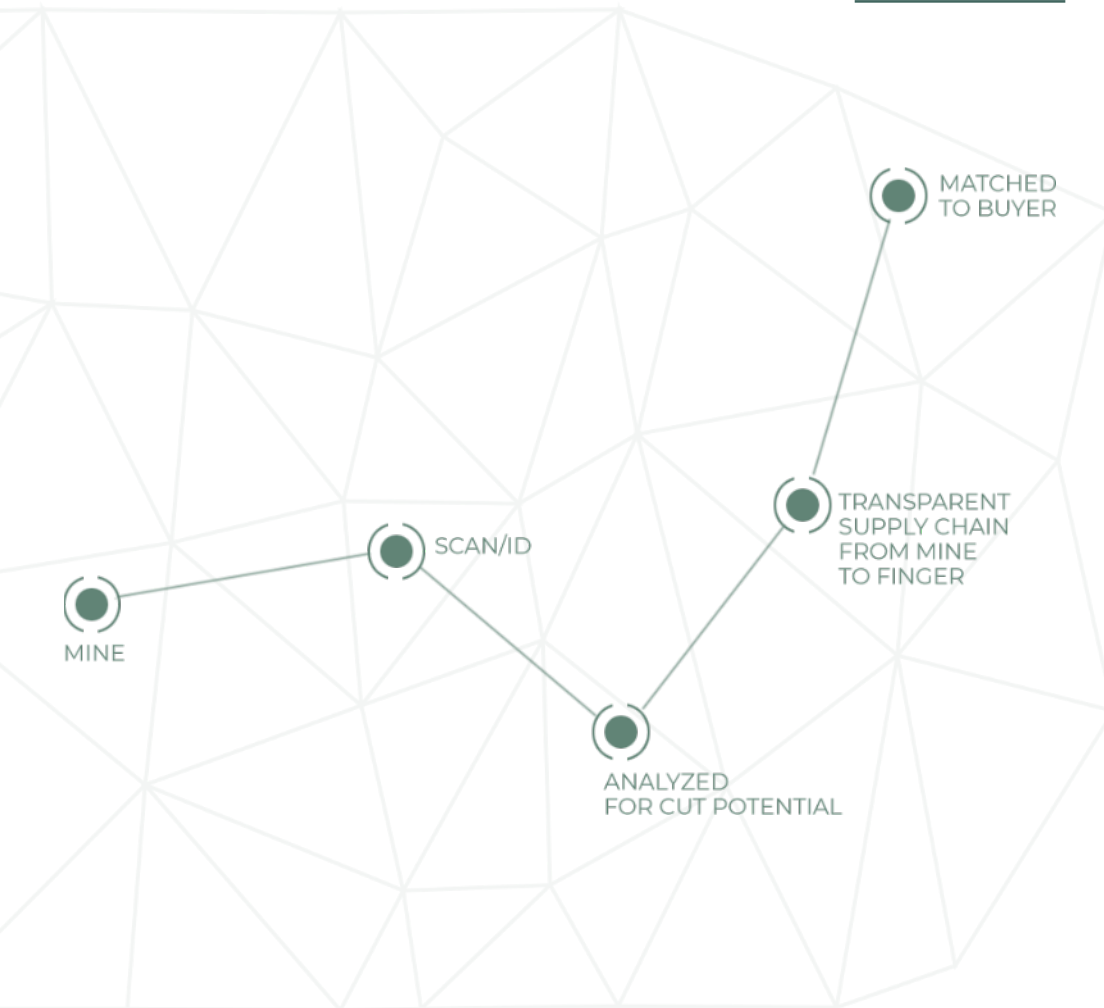
EM/PK(S) POSITIVE FOR UNDERGROUND FEASIBILITY STUDY

- 2018 Updated Mineral Resource: 54% increase in the Indicated, South Lobe from 4.42 Mct to 6.78 Mct
- Recognition that the EM/PK(S) is volumetrically the dominant unit at depth within the South Lobe
- EM/PK(S) is higher grade and has larger diamonds – source of Lesedi La Rona and Constellation



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

TWO CLARA SALES COMPLETED

December 2018/January 2019

CLARA

Two sales completed
POSITIVE RESULTS



~US\$1,500,000

worth of diamonds sold

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

+8%

over Lucara's
market price

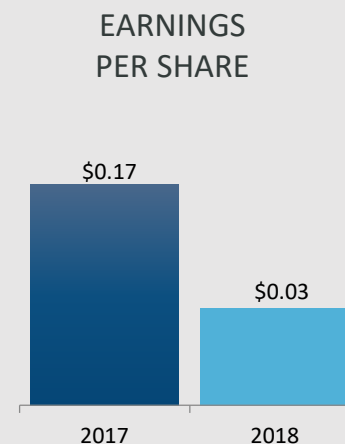
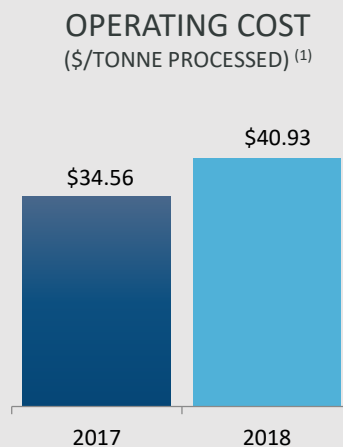
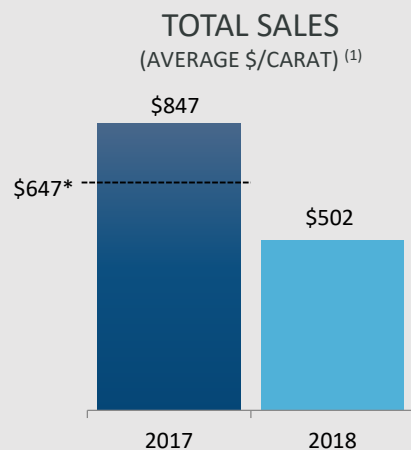
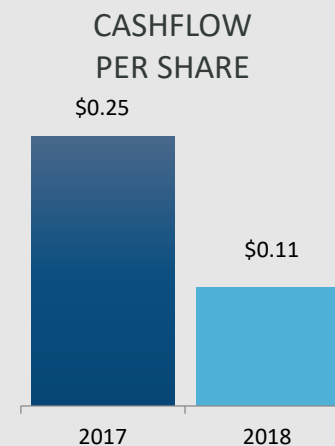
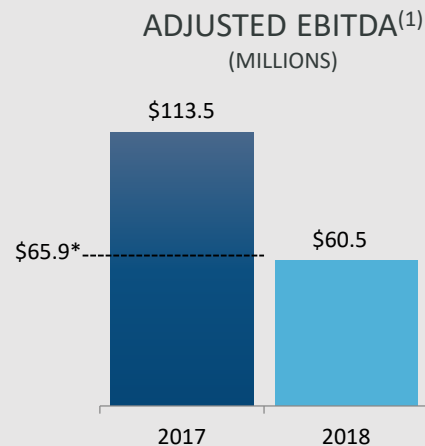
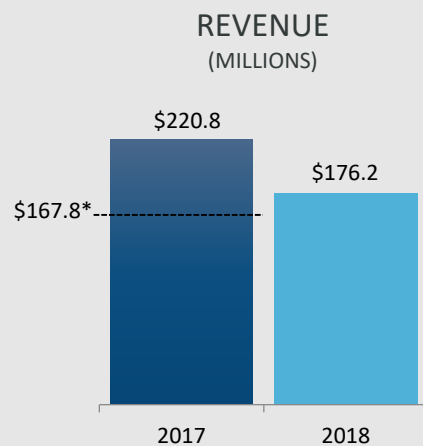
+15%

over Lucara's
reserve price

- Trial sales process completed December – POSITIVE RESULTS
- Second sale completed January – POSITIVE RESULTS IN LINE WITH FIRST
- Participants included large, vertically integrated jewelry houses and global diamond manufacturers
- Feedback being gathered and incorporated in support of the platform moving into continuous sales
- Clara is now ready to receive third-party rough diamond production; discussions with global producers underway
- Clara actively on-boarding additional manufacturers/customers as platform sales are ramped up in 2019

2018 FINANCIAL HIGHLIGHTS

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

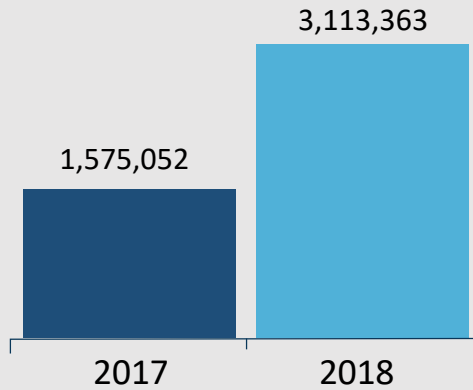


*Adjusted for the sale of Lesedi La Rona for \$53.0 million
⁽¹⁾ Non-IFRS measure

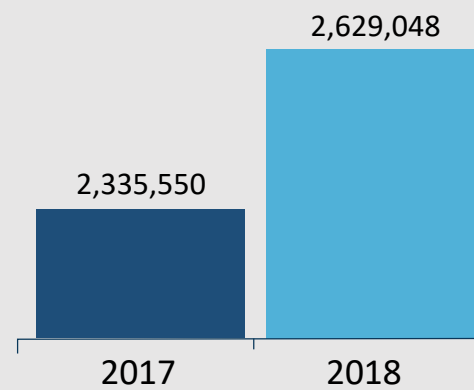
2018 OPERATIONAL HIGHLIGHTS

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

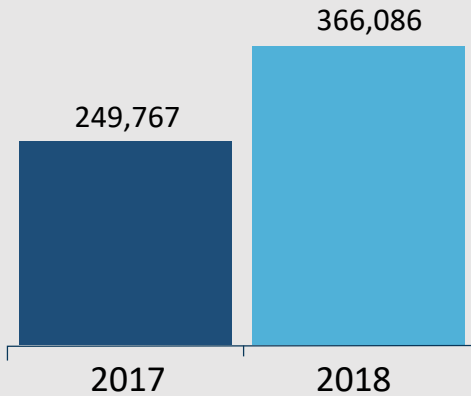
ORE MINED
(TONNES)



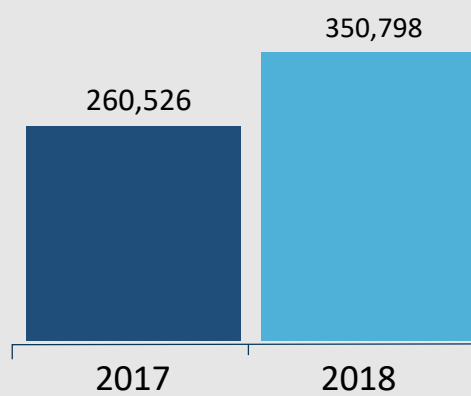
ORE PROCESSED
(TONNES)



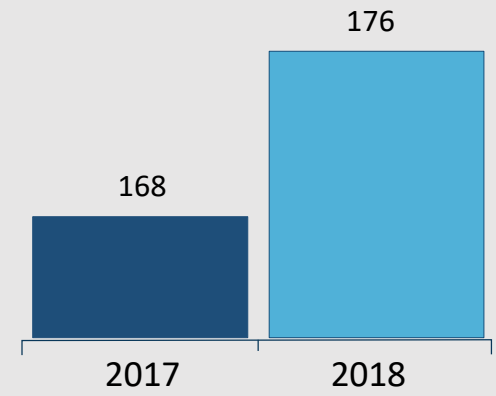
CARATS RECOVERED
(000'S)



CARATS SOLD
(0000'S)



REVENUE*
(\$MILLIONS)



*Adjusted for the sale of Lesedi La Rona in 2017 for \$53.0 million

2019 OUTLOOK

(all amounts in U.S. Dollars)



\$170 – \$200 million

DIAMOND REVENUE

300,000 – 320,000

DIAMOND SALES (CARATS)

300,000 – 330,000

DIAMONDS RECOVERED (CARATS)



2.5 – 2.8 million

ORE TONNES MINED

2.5 – 2.8 million

ORE TONNES PROCESSED

6.0-9.0 million

WASTE TONNES MINED

2.84

AVERAGE STRIP RATIO

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

OPERATING CASH COSTS



342 ct

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\$725M

MARKET CAP

\$10 M (Dec 2018)

DEBT

396.5M (Dec 2018)

ISSUED SHARES

402.0M (Dec 2018)

FULLY DILUTED SHARES

US\$24.4M (Dec 2018)

US\$40 M (available)

Credit Facility

CASH ON HAND

22%

Fully Diluted Basis

INSIDER HOLDINGS



LUCARA

DIAMOND

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