

LUCARA

DIAMOND

**NOTICE OF MEETING AND MANAGEMENT PROXY CIRCULAR
ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON
FRIDAY, MAY 10, 2024
FOR
LUCARA DIAMOND CORP.**



NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

The Annual General and Special Meeting (the “Meeting”) of the shareholders of LUCARA DIAMOND CORP. (the “Corporation” or “Lucara”) will be held at the office of Blake, Cassels & Graydon LLP, 1133 Melville Street, Suite 3500, Vancouver, BC V6E 4E5, Canada on Friday, May 10, 2024 at 10:00 a.m. (Pacific Time) for the following purpose:

1. To receive the audited consolidated financial statements for the year ended December 31, 2023, together with the report of the auditors;
2. To reappoint the auditors for the upcoming year and to authorize the directors to fix their remuneration;
3. To elect directors for the upcoming year;
4. To consider and, if deemed advisable, to pass, an ordinary resolution of disinterested shareholders of the Corporation (the “Share Issuance Resolution”) to authorize and approve the issuance of up to 1,125,000 common shares of the Corporation to Nemesia S.à.r.l.(the “Share Issuance”), pursuant to the terms of a debenture agreement dated August 23, 2023 (the “Debenture Agreement”), as required pursuant to the rules of the Toronto Stock Exchange (“TSX”) given that the Issuance may “materially affect control” (as defined in the TSX Company Manual) of the Corporation.
5. To adopt an advisory resolution on executive compensation.

Your vote is important. If you held Lucara shares on Wednesday, March 20, 2024, you are entitled to receive notice of and vote at the Meeting or any postponement or adjournment thereof.

This Notice is accompanied by a Management Proxy Circular and a proxy form or a voting instruction form. The audited consolidated financial statements of the Corporation for the year ended December 31, 2023, have been provided separately to those shareholders who requested a copy. They are also available on the Corporation’s website at www.lucaradiamond.com and on SEDAR+ at www.sedarplus.ca.

If you are not able to attend the Meeting, please vote by using the proxy form or voting instruction form and return it according to the instructions provided before 10:00 a.m. (Pacific Time) Wednesday, May 8, 2024.

BY ORDER OF THE BOARD

(signed) William Lamb

Chief Executive Officer

Dated April 5, 2024



**Management Proxy Circular
Annual General and Special Meeting of Shareholders
Friday, May 10, 2024**

Dated April 5, 2024

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SECTION 1 – VOTING INFORMATION

1.1 GENERAL

You have received this Management Proxy Circular (the “Circular”) because you owned common shares (“Common Shares”) in the capital of **Lucara Diamond Corp.** (“Lucara” or the “Corporation”) on March 20, 2024, being the record date. As a shareholder, you have the right to attend the annual meeting of shareholders on **Friday, May 10, 2024**, at the time and place in the accompanying notice (the “Meeting”) or at any adjournment or postponement thereof. The business of the Meeting will be conducted at the place in the accompanying notice.

The Corporation encourages you to vote your shares by proxy in advance of the Meeting, via mail, telephone or on the internet.

Unless otherwise stated, the information contained in this Circular is given as at March 20, 2024 and all dollar amounts are expressed as Canadian dollars.

The solicitation of proxies on behalf of management is being made primarily by mail, at Lucara’s expense. Proxies may also be solicited personally or by telephone by directors, officers, and employees of the Corporation.

YOUR VOTE IS IMPORTANT – PLEASE READ THIS CIRCULAR CAREFULLY AND THEN VOTE YOUR COMMON SHARES, EITHER BY PROXY OR IN PERSON, AT THE MEETING.

The persons named on the proxy form are directors, officers, or employees of Lucara. They will vote your Common Shares for you unless you appoint someone else to be your proxyholder. You have the right to appoint another person to be your proxyholder. If you appoint someone else, he or she must be present at the Meeting to vote your Common Shares.

Please follow the instructions below for voting. This Circular is being sent to both registered and non-registered (or beneficial) shareholders of the Corporation (the “Shareholders”). The Corporation is **not** sending proxy-related materials directly to non-objecting beneficial owners under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporter Issuer* and is not relying on the notice-and-access provisions of securities law for delivery to either registered or beneficial Shareholders. The Corporation will deliver proxy-related materials to nominees, custodians and fiduciaries and they will be asked to promptly forward them to beneficial Shareholders. The Corporation intends to pay for intermediaries to forward the Meeting materials and voting instruction forms to objecting beneficial owners.

These security holder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the issuer (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Registered Shareholder

You are a registered Shareholder if your Common Shares are registered in your name and you have a share certificate.

Non-Registered (or Beneficial) Shareholder

You are a non-registered (or beneficial) Shareholder if your broker, investment dealer, bank, trust company, trustee, nominee or other intermediary holds your Common Shares for you. Most shareholders are non-registered (or beneficial) Shareholders.



If you are unsure if you are a registered Shareholder or non-registered (or beneficial) Shareholder, please contact Computershare at:

Computershare Investor Services Inc. 8th Floor,
100 University Avenue
Toronto, Ontario, M5J 2Y1
1-800-564-6253 (toll-free in Canada and U.S.)
1-514-982-7555 (international)
service@computershare.com

1.2 MATTERS TO BE VOTED ON AT THE MEETING

At the Meeting, shareholders will be asked to vote on the matters described in Section 2 of this Circular “BUSINESS OF THE MEETING”.

1.3 HOW TO VOTE IF YOU ARE A REGISTERED SHAREHOLDER AND YOUR SHARES TRADE ON THE TSX

In Person

You should identify yourself to the representative from Computershare before entering the Meeting to register your attendance at the Meeting.

By Proxy

1. *By mail:*

Complete, sign and date your proxy form and return it in the envelope provided. Please see below “*How to complete the Proxy Form if you are a registered Shareholder with shares trading on the TSX*” for more information.

2. *By telephone:*

Call 1-866-732-8683 (toll free in Canada and the United States) and follow the voting instructions. You will need your 15-digit control number which is noted on your proxy form. International holders wishing to vote by telephone can dial +1-312-588-4290 to place their vote.

3. *On the internet:*

Go to www.investorvote.com and follow the instructions on the screen. You will need your 15-digit control number which is noted on your proxy form.

How to complete the Proxy Form if you are a registered Shareholder with shares trading on the TSX:

Complete your voting instructions, sign and date your proxy form and return it so that it is received before **10:00 a.m. (Pacific Time) on Wednesday, May 8, 2024**, or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the adjourned or postponed Meeting. When you sign the proxy form (unless you appoint someone else, see below), you are authorizing the appointees, who are directors, officers, or employees of Lucara, to vote your Common Shares for you at the Meeting. The Common Shares represented by a proxy form will be voted in favour or withheld from voting or voted against, as applicable, in accordance with your instructions on any ballot that may be called for at the Meeting. If you return your proxy form and do not indicate how you want to vote your Common Shares, your vote will be cast:

- FOR the appointment of PricewaterhouseCoopers LLP as auditors and authorizing the directors to fix their remuneration;
- FOR the election of each of the persons nominated for election as directors in this Circular;
- FOR the Share Issuance Resolution as more fully described in this Circular; and

- FOR the adoption of an advisory resolution on executive compensation as more fully described in this Circular.

Your proxyholder will also vote your Common Shares as he or she sees fit on any other matter, including amendments or variations of matters identified in this Circular or that may properly come before the Meeting and in respect of which you are entitled to vote. As at the date of this Circular, the Board of Directors (the “Board”) and management do not know of any amendments or variations to the proposed items of business or any additional matters which may be presented for consideration at the Meeting.

If you are appointing someone else to vote your Common Shares at the Meeting, insert the name of the person you are appointing as your proxyholder in the space provided. Your proxyholder does not have to be a shareholder. Make sure that the person you appoint is aware that he or she has been appointed and attends the Meeting. At the Meeting, the person you appoint should register with the Computershare representative at the registration table.

If you are an individual shareholder, you or your authorized attorney must sign the proxy form. If the shareholder is a corporation or other legal entity, an authorized officer or attorney must sign the proxy form.

If you need help completing your proxy form, please contact Computershare at the contact information listed above under “GENERAL”.

How to Change or Revoke your Vote – if you are a registered Shareholder with shares trading on the TSX:

If you wish to change a vote you made by proxy:

- complete a proxy form that is dated later than the proxy form you are changing and deposit it with Computershare so that it is received before 10:00 a.m. (Pacific Time) on Wednesday, May 8, 2024 or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time set for the adjourned or postponed Meeting; or
- vote again by telephone or on the internet before 10:00 a.m. (Pacific Time) on Wednesday, May 8, 2024 or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time set for the adjourned or postponed Meeting.

If you wish to revoke a vote you made by proxy:

- attend in person at the Meeting;
- send a notice of revocation in writing from you or your authorized attorney to the registered office of the Corporation, at Suite 3500, 1133 Melville Street, Vancouver, BC V6E 4E5, Canada so that it is received by the close of business (Pacific Time) on May 8, 2024 or, in the case of any adjournment or postponement of the Meeting, by the close of business on the last business day before the day of the adjourned or postponed Meeting;
- give a notice of revocation in writing from you or your authorized attorney to the Chair of the Meeting or the Corporate Secretary on the day of, but prior to the commencement of the Meeting; or
- in any other manner permitted by law.

1.4 HOW TO VOTE IF YOU ARE A NON-REGISTERED (OR BENEFICIAL) SHAREHOLDER AND YOUR SHARES TRADE ON THE TSX

By Proxy

In accordance with applicable securities law requirements, the Corporation has distributed copies of the Meeting materials and the form of proxy and voting information form to the intermediaries and clearing agencies for distribution to the non-registered shareholders. The Corporation intends to pay for intermediaries to forward the Meeting materials and voting instruction forms to objecting beneficial owners.



Non-registered shareholders should carefully follow the instructions of their intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered. There may be deadlines for non-registered shareholders that are earlier than the deadlines for proxies from registered shareholders set out above.

To vote using the voting instruction form:

- Non-objecting beneficial owners: Fill in the voting instruction form you received with this package and carefully follow the instructions provided. You can send your voting instructions by phone or by mail or through the internet.
- Objecting beneficial owners: Sign and date the voting instruction form your intermediary sends to you and follow the instructions for returning the form.

Your intermediary (your broker, investment dealer, bank, trust company, nominee or other intermediary) is responsible for properly executing your voting instructions.

Your intermediary is required to ask for your voting instructions before the Meeting. Please contact your intermediary if you did not receive a voting instruction form together with this Circular. You may change your voting instructions given to an intermediary by notifying such intermediary in accordance with the intermediary's instructions. Only registered shareholders have the right to revoke a proxy. A non-registered shareholder who has submitted voting instructions to an intermediary should contact their intermediary for information with respect to revoking their voting instructions.

Make sure your voting instruction form or proxy form, as applicable, is properly completed and that you allow enough time for it to reach Computershare if you are sending it by mail.

In Person

Lucara does not have access to the names or holdings of our non-registered (or beneficial) shareholders. This means you can only vote your Common Shares in person at the Meeting if you have previously appointed yourself as the proxyholder for your Common Shares by inserting your name in the space provided on the voting instruction form, which you received from your intermediary, and submitting it as directed on the form.

Non-registered shareholders cannot use a voting instruction form to vote directly at the Meeting. If you are a non-registered shareholder and you wish to vote at the Meeting, you must appoint yourself as proxyholder by inserting your own name in the space provided on the voting instruction form sent to you and following all the applicable instructions provided therein, including as follows:

- Non-objecting beneficial owners: Follow the instructions on the voting instruction form. You must request a legal proxy form granting you the right to attend the Meeting and vote, and return the proxy form to our transfer agent, Computershare, within the time periods specified.
- Objecting beneficial owners: Follow the instructions on the voting instruction form from your intermediary, and request a proxy form, which grants you the right to attend the Meeting and vote and return the proxy form to our transfer agent, Computershare, within the time periods specified.

Your voting instructions must be received by Computershare by 10:00 a.m. (Pacific Time) on Wednesday, May 8, 2024, or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time set for the adjourned or postponed Meeting. You should identify yourself to the representative from Computershare before entering the Meeting to register your attendance at the Meeting.

1.5 HOW TO VOTE IF YOUR SHARES TRADE ON THE NASDAQ STOCKHOLM EXCHANGE

The information in this section is of significance to shareholders who hold their securities ("Euroclear Registered Securities") through Euroclear Sweden AB, which securities trade on the Nasdaq Stockholm Exchange. Shareholders who hold Euroclear Registered Securities are not registered holders of voting securities for the purposes of voting at the Meeting. Instead, Euroclear Registered Securities are registered under CDS & Co., the

registration name of the Canadian Depository for Securities. Holders of Euroclear Registered Securities will receive a Form of Proxy (the “Swedish Proxy”) by mail directly from Computershare AB (“Computershare Sweden”). The Swedish Proxy cannot be used to vote securities directly at the Meeting. Instead, the Swedish Proxy must be completed and returned to Computershare Sweden, strictly in accordance with the instructions and deadlines that will be described in the instructions provided with the Swedish Proxy.

1.6 HOW TO VOTE IF YOUR SHARES ARE HELD ON THE BOTSWANA STOCK EXCHANGE

The information in this section is of significance to shareholders whose securities are listed on the Botswana Stock Exchange (“Botswana Registered Securities”). Holders of Botswana Registered Securities will receive a proxy form (the “Botswana Proxy”) by email directly from BWinvestor@Lucaradiamond.com. The Botswana Proxy must be completed and returned to the same email address strictly in accordance with the instructions and deadlines described in such Proxy.

1.7 WHO IS ENTITLED TO VOTE AND HOW THE VOTES ARE COUNTED

Each shareholder is entitled to one vote for each Common Share held as of the record date, March 20, 2024, on all matters at the Meeting. As of the record date, there are 458,923,948 issued and outstanding Common Shares.

Computershare counts and tabulates the votes. It does this independently of Lucara to make sure that the votes of individual shareholders are confidential. Computershare refers proxy forms to Lucara only when:

- it is clear that a shareholder wants to communicate with management;
- the validity of the proxy is in question; or
- the law requires it.

1.8 WHO ARE THE PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and senior officers of Lucara, those shareholders listed in the table below are the only persons or companies beneficially owning or exercising control or direction, directly or indirectly, over Common Shares carrying more than 10% of the voting rights attached to all Common Shares.

PRINCIPAL SHAREHOLDER	COMMON SHARES	% OWNERSHIP
Nemesia S.à.r.l. (“Nemesia”) ⁽¹⁾	114,084,010	24.86% ⁽²⁾
Letko, Brosseau & Associates	62,944,050	13.72%

(1) Nemesia is a private corporation owned by a trust whose settlor is the Estate of Adolf H. Lundin.

(2) Effective February 20, 2024, Nemesia acquired an aggregate of 23,762,977 Common Shares of Lucara from its joint actor, Zebra Holdings and Investments S.à.r.l. (“Zebra”)

SECTION 2 – BUSINESS OF THE MEETING

2.1 FINANCIAL STATEMENTS

The audited consolidated financial statements of the Corporation for the year ended December 31, 2023 have been provided to shareholders who requested them and are available on Lucara’s website at www.lucaradiamond.com or at SEDAR+ at www.sedarplus.ca. Management of the Corporation will discuss these consolidated financial results at the Meeting. No vote of shareholders is required with respect to this item of business.

2.2 APPOINTMENT AND REMUNERATION OF AUDITORS

The Board recommends the re-appointment of PricewaterhouseCoopers LLP Chartered Professional Accountants (“PwC”), Vancouver, British Columbia, as auditors of the Corporation to hold office until the termination of the next annual meeting of the shareholders. The annual audit was most recently tendered in 2020.



As in past years, it is proposed that the remuneration to be paid to the auditors shall be determined by the Board. For further information on the external auditors including fees paid to the auditors in 2022 and 2023, please refer to page 27 of this Circular.

You may either vote for reappointing PwC as Lucara's auditor to hold office until the end of the next annual meeting and authorizing the directors to fix the auditor's remuneration or you can withhold your vote. If you do not specify how you want your shares voted, the named proxyholders intend to cast votes **FOR** reappointing PwC and authorizing the directors to fix PwC's remuneration.

2.3 ELECTION OF DIRECTORS

Nominees - Directors

The term of office of each of the present directors expires at the Meeting. The Board is recommending that the seven individuals nominated be elected at the Meeting, five of whom are existing directors of the Corporation. The Board has assessed the skills and experience that the directors standing for election offer and is satisfied the nominees meet the Board's requirements. Each director elected at the Meeting will serve as a director until the next annual meeting unless he or she resigns or is otherwise removed from office earlier. The average tenure of the non-executive directors standing for re-election is five years. The Chair of the Board will be appointed by the Board following the Meeting.

You may either vote for the election of each of the below nominees or you can withhold your vote. If you do not specify how you want your shares voted, the named proxyholders intend to cast votes **FOR** the election of the below named nominees. If any proposed nominee is unable to serve as a director or withdraws his or her name, the named proxyholders reserve the right to nominate and vote for another individual in their discretion.

The Board has adopted a Majority Voting Policy that provides that the Chair of the Board will ensure that the number of shares voted in favour or withheld from voting for each director nominee is recorded and promptly made public after the Meeting. If any nominee for director is not elected by at least a majority (50% + 1 vote) of the votes cast regarding his or her election, the director must immediately tender his or her resignation to the Chair of the Board following the Meeting, to take effect upon acceptance by the Board. The Board shall accept the resignation absent exceptional circumstances. To assist the Board in determining whether exceptional circumstances exist, the Board will refer the resignation to the Corporate Governance and Nominating Committee who will expeditiously consider the director's offer to resign and make a recommendation to the Board whether to accept the resignation. Within 90 (ninety) days of the Meeting, the Board will make a final decision concerning the acceptance of the director's resignation (and reasons for rejecting the resignation, if applicable) and announce that decision by way of a news release. Any director who tenders his or her resignation will not participate in the deliberations of the Board or any of its committees pertaining to the resignation. The policy applies only to uncontested elections, where the number of nominees as director is equal to the number of directors to be elected. If the director fails to tender his or her resignation as contemplated in the policy, the Board will not re-nominate the director. Subject to any corporate law restrictions, where the Board accepts the offer of resignation of a director and that director resigns, the Board may exercise its discretion with respect to the resulting vacancy and may, without limitation, leave the resultant vacancy unfilled until the next annual meeting of shareholders, fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of the shareholders, or call a special meeting of shareholders to elect a new nominee to fill the vacant position.

Information regarding each of the seven proposed nominees, is set out below. Further information on the proposed nominees can also found in this Circular; please see pages 48 and 50 for director compensation received.

Adam LUNDIN	
British Columbia, Canada Age, 37	Board and Committee Meeting Attendance Board: 14 of 14
Independent: Yes	Current Occupation Chair, Lundin Mining Corporation
Director since: May 2022	Biography Mr. Adam Lundin has many years of experience in capital markets and public company management across the natural resources sector. His background includes oil & gas and mining technology, investment advisory, international finance, and executive management. He began his career working for several Lundin Group mining companies in various countries before moving into finance where he specialized in institutional equity sales, ultimately becoming co-head of the London office for an international securities firm. Mr. Lundin formerly served as President, CEO and a Director of Josemaria Resources Inc., President and CEO of Filo Corp. and a director of Lundin Energy AB (now, Orrön Energy AB). Mr. Lundin currently sits on the Board of the Lundin Foundation, a Canadian registered non-profit organization.
# of voting securities owned: 1,000,000	Other Public Boards Lundin Mining Corporation (TSX, Nasdaq Stockholm) Filo Corp. (TSX-V, Nasdaq First North, OTCQB) NGEx Minerals Ltd. (TSX-V)
David DICAIRE	
British Columbia, Canada Age, 65	Board and Committee Meeting Attendance Board: 13 of 14 Audit Committee: 5 of 5 Safety, Health, Environment and Community Relations Committee: 4 of 4
Independent: Yes	Current Occupation Executive Vice President, Josemaria Project, Lundin Mining Corporation
Director since: May 2020	Biography Mr. Dicaire has over 40 years of experience in the mining, engineering, and construction industry on a variety of global projects leading both the Owners and EPCM teams. Mr. Dicaire was appointed Senior Vice President of the Josemaria Project in August 2022. His previous roles include Vice President, Projects at Lundin Gold where he oversaw the development and construction of the award winning Fruta Del Norte project in Ecuador and prior to that, Project Director at Freeport-McMoRan Inc. for the highly successful US\$4.6 billion Cerro Verde Expansion Project in Peru. Prior to moving to Freeport, Mr. Dicaire was the General Manager, Project Development for South America for Xstrata Copper (now Glencore plc) based in Santiago, Chile. Mr. Dicaire's experience covers all facets of project management for all types of mining projects ranging from running EPC/EPCM projects down to pre-feasibility studies.
# of voting securities owned: 0	Other Public Boards Bluestone Resources Inc. (TSX-V)

Ian GIBBS	
British Columbia, Canada Age, 55	Board and Committee Meeting Attendance Nominee
Independent: Yes	Current Occupation CFO, Filo Corp.
Director since: Nominee	Biography Mr. Gibbs currently serves as CFO of Filo Corp. (TSX and Nasdaq First North), a Canadian public company which is advancing its 100% owned Filo del Sol copper-gold-silver deposit located in Chile's Region III and adjacent San Juan Province, Argentina. Over the last 20 years, Mr. Gibbs has served as CFO for numerous public companies in the resource sector, including Josemaria Resources Inc., which was acquired by Lundin Mining Corporation in 2022, Africa Oil Corp., Tanganyika Oil Company Ltd. and Valkyries Petroleum. Mr. Gibbs is a Canadian Chartered Professional Accountant and a graduate of the University of Calgary where he obtained a Bachelor of Commerce degree.
# of voting securities owned: 0	Other Public Boards Lundin Gold Inc. (TSX, Nasdaq Stockholm) Africa Oil Corp. (TSX, Nasdaq Stockholm), not standing for re-election
Paul CONIBEAR⁽¹⁾	
British Columbia, Canada Age, 66	Board and Committee Meeting Attendance Board (Chair): 14 of 14 Compensation Committee (Chair): 4 of 4 Corporate Governance and Nominating Committee: 3 of 3
Independent: Yes	Current Occupation Corporate Director
Director since: April 2007	Biography Mr. Conibear has over 35 years of experience in the mining industry in Africa, North and South America and Europe. His background includes 21 years of project and construction management across a diverse range of minerals projects encompassing base and precious metal, coal, uranium, and potash investments. For the last 20 years he has held public company executive management and director's positions, last serving as President and CEO of Lundin Mining Corp. from 2010 until his retirement in 2018. Mr. Conibear also served for several years as President & CEO of Tenke Mining Corp., where he was instrumental in progressing the world class Tenke Fungurume copper/cobalt project towards its current position as a major mining operation in central Africa.
# of voting securities owned: 383,000	Other Public Boards N/A
Peter J. O'CALLAGHAN	
British Columbia, Canada Age, 65	Board and Committee Meeting Attendance Board: 14 of 14 Compensation Committee: 4 of 4 Corporate Governance and Nominating Committee (Chair): 3 of 3

Independent: Yes	Current Occupation Corporate Director
Director since: May 2020	Biography Mr. O’Callaghan was most recently the Office Managing Partner of the Vancouver office of Blake, Cassels & Graydon LLP, a leading Canadian law firm, until his retirement in December 2022. Mr. O’Callaghan’s practice was focused on merger and acquisition transactions in the mining sector. He also has extensive experience in corporate finance transactions, including public and private equity financings, take-over, and issuer bids, and acting as independent counsel to investment dealers and boards of directors. He has acted in respect of many mining transactions in Canada, the U.S., South America, Africa, China, and Australia.
# of voting securities owned: 0	Other Public Boards Filo Corp. (TSX, Nasdaq First North, OTCQB)
Sheila COLMAN	
British Columbia, Canada Age, 55	Board and Committee Meeting Attendance Nominee
Independent: Yes	Current Occupation VP, Legal and Sustainability & Corporate Secretary, Lundin Gold Inc.
Director since: Nominee	Biography Ms. Colman has more than two decades of experience working in public companies in the mining sector. She is Lundin Gold’s VP, Legal and Sustainability and, since the acquisition of the Fruta del Norte gold mine in Ecuador, she has been responsible for Lundin Gold’s legal affairs ranging from corporate and commercial transactions, equity and debt financings and strategic relationships to board matters, compliance, and corporate governance. Ms. Colman oversees the advancement of Lundin Gold’s sustainability strategy and leads ESG/climate initiatives. From 2015 to 2023, Ms. Colman held the position of Vice-President Legal and Corporate Secretary at Lundin Gold. Prior to joining Lundin Gold, she was Vice President and Corporate Secretary of Denison Mines Corp., a Canadian uranium mining company, a position which she held since 2004. Before moving into mining, she worked as in house counsel at Labatt Breweries, one of Canada’s leading brewers. Ms. Colman graduated from Queen’s University with a B.A.(H) in 1990 and received her LL.B. from Queen’s University in 1993. She is a member of both the British Columbia and Ontario Bars and has a Global Competent Boards designation (GCB.D) from Competent Boards.
# of voting securities owned: 0	Other Public Boards None
William LAMB	
British Columbia, Canada Age, 53	Board and Committee Meeting Attendance Board: 7 of 7 (following appointment) Safety, Health, Environment and Community Relations Committee: 1 of 1 (following appointment)
Independent: No	Current Occupation President, CEO and Director of the Corporation since August 17, 2023

Director since: August 2023	Biography William Lamb has more than 30 years of mining industry leadership and mine development experience. Most recently, Mr. Lamb was the CEO for NewGen Resource Lending Inc. and serves on the Board of Directors of a number of Canadian listed copper and gold companies. He was formerly the CEO of Lucara Diamond Corp., responsible for developing and commissioning the Karowe mine in Botswana, before which he was involved in the development, and operation of two diamond mines in Northern Ontario and the Northwest Territories in Canada. The primary focus of Mr. Lamb’s career has been in mine development and sustainable operations across a wide sector of different commodities, in remote locations in Africa and Northern Canada. He has focused on innovative technologies for the enhancement of economic value, a key aspect in the success generated during his decade with the Lundin Group of Companies. Mr. Lamb has a NDH in Extractive Metallurgy from Technicon Witwatersrand and an MBA from the Edinburgh Business School. He was EY’s Entrepreneur of the Year for 2017, Pacific Mining and Metals, and received 2016 Hugo Dummett Award, alongside Lukas Lundin, for excellence in diamond exploration and development.
# of voting securities owned: 416,000	Other Public Boards Riley Gold Corp. (TSX-V) Axe2 Acquisitions Inc. (TSX-V)

Notes to Profiles of the Nominated Directors re Corporate Cease Trade Orders/Bankruptcies:

(1) *RB Energy Inc. (“RBI”) commenced proceedings under the Companies’ Creditors Arrangement Act (the “CCAA”) in 2014. CCAA proceedings continued in 2015 and a receiver was appointed in May 2015. The TSX de-listed RBI’s common shares on November 24, 2014 for failure to meet the continued listing requirements of the TSX. Mr. Conibear was never a director, officer or control person of RBI but he was a director of one of the amalgamating companies that formed RBI, Sirocco Mining Inc. (“Sirocco”). On January 31, 2014, Mr. Conibear resigned as a director of Sirocco at which time Sirocco was financially solvent. However, as a result of the amalgamation of Canada Lithium and Sirocco to form RBI, Mr. Conibear was a director of an issuer within the period of 12 months preceding it filing for CCAA protection.*

Legend Stock Exchanges:

TSX	= Toronto Stock Exchange
TSX-V	= TSX Venture Exchange
Nasdaq First North	= Nasdaq First North
Nasdaq Stockholm	= Nasdaq Stockholm Exchange
NYSE	= New York Stock Exchange
OTCQB	= OTC Markets Group

Directors’ Skill Assessment Matrix

The Corporate Governance and Nominating Committee requests directors on an annual basis to complete a matrix identifying their experience against a key set of skills and experience deemed desirable for Board members. This matrix is used as a tool by the Board in assessing needs in the context of the nomination process.

AREA OF EXPERTISE	SHEILA COLMAN	PAUL CONIBEAR	DAVID DICAIRE	IAN GIBBS	ADAM LUNDIN	PETER J. O’ CALLAGHAN	WILLIAM LAMB	TOTAL
Diamond Industry		X	X				X	3
Diamond Sales and Marketing							X	1
Environmental, Safety and Occupational Health	X	X	X	X	X		X	5

Finance & Financial Reporting			X	X		X	X	4
Human Resources & Compensation	X	X	X	X	X	X		7
Legal and Corporate Governance	X	X	X	X	X	X		6
Mergers & Acquisitions (i.e. Project Assessment & Due Diligence)	X	X	X	X	X	X	X	7
Mining Operations and Technical Skills	X	X	X	X	X		X	6
Risk Management	X	X	X	X	X	X	X	7
Strategic Planning	X	X	X	X	X	X	X	7
Sustainability and ESG including climate change, tailings management and human rights	X	X	X	X	X	X	X	7
Technology Experience			X	X	X		X	4
OTHER METRICS OF INTEREST RELATED TO THE NOMINEES PROPOSED FOR ELECTION AT THE 2024 MEETING	SHEILA COLMAN	PAUL CONIBEAR	DAVID DICAIRE	IAN GIBBS	ADAM LUNDIN	PETER J. O' CALLAGHAN	WILLIAM LAMB	TOTAL
Gender Diverse Director	X							14%
Board Tenure (in years, including CEO)	-	17	4	-	2	4	1	4
Attendance at > 75% of Board Meetings	-	X	X	-	X	X	X	100%
Age 60 to 69 years		X	X			X		43%
Age 50 to 59 years	X			X			X	43%
Age less than 50 years					X			14%

Advance Notice

On March 21, 2013, the Board approved an advance notice policy for nominations of directors by shareholders in certain circumstances, which was approved by the shareholders of the Corporation on June 21, 2013 and is posted on the Corporation's website. As at the date of this Circular, Lucara has not received notice of any director nominations in connection with the Meeting. Accordingly, at this time, the only persons eligible to be nominated for election to the Board at the Meeting are the above nominees.

2.4 DISINTERESTED SHAREHOLDER APPROVAL

Background to Nemesia Share Issuances

On August 23, 2023, the Corporation announced the short-term extension of the maturity of its senior secured working capital facility (the "WCF").

The Corporation's debt package consists of two facilities (the "Facilities"), a project finance facility of US\$190 million to fund the development of an underground expansion at the Karowe Mine (the "Project Loan"), and the WCF of US\$30 million which is used to support on-going operations.

In connection with the WCF extension and the cost overrun reserve account deferral, the Corporation's largest shareholder, Nemesia, agreed to provide a liquidity support guarantee in favour of the Lenders of up to US\$15 million in aggregate ("Liquidity Guarantee"). In return, the Corporation agreed to issue the Debenture Agreement to



Nemesia to be drawn down if Nemesia is required to make a payment under the Liquidity Guarantee. In consideration for providing the Liquidity Guarantee, Lucara issued 450,000 Common Shares on August 28, 2023 as a fee upon execution of the Liquidity Guarantee and issued an additional 450,000 Common Shares on November 14, 2023 on the first draw down of funds under the Liquidity Guarantee. The Corporation will be charged an additional fee of 7,500 Common Shares (the “Additional Shares”) issuable to Nemesia for every US\$500,000 drawn down per month until the maturity date of August 29, 2029, subject to receipt of all required regulatory approvals. The Corporation has drawn down US\$15 million and there are 675,000 Common Shares owing to Nemesia as of the date of the circular and there will be 1,125,000 Common Shares owing to Nemesia at the Meeting pursuant to the terms of the Liquidity Guarantee.

Background to Nemesia’s Shareholdings Increase from 19.25% to 24.86%

Pursuant to the completion of an internal corporate restructuring effective February 20, 2024 between Nemesia and its joint actors, Zebra, Lorito Doraline S.à r.l., Lorito Floreal S.à r.l., Lorito Arole S.à r.l. and Lorito Orizons S.à r.l., each of which are private Luxembourg companies controlled by trusts settled by the late Adolf H. Lundin, Nemesia acquired an aggregate of 23,762,977 Common Shares of Lucara from its joint actor Zebra (the “Reorganization”). Following the Reorganization, Nemesia held 114,084,010 Common Shares, approximately 24.86% of the issued and outstanding shares of Lucara, which include 90,321,033 Common Shares of Lucara held by Nemesia prior to the Reorganization (approximately 19.25% of the issued and outstanding shares of Lucara).

Maximum Number of Securities issuable under the Debenture Agreement

The maximum number of Common Shares issuable to Nemesia under the Debenture Agreement is 15,525,000.

Securities Regulatory Matters

TSX Requirements

Pursuant to Section 604(a)(i) of TSX Company Manual (the “Manual”), the TSX will generally require security holder approval as a condition of acceptance of a notice of a transaction involving the issuance or potential issuance of securities if, in the opinion of the TSX, the transaction will “materially affect control” of the listed issuer. Under the Manual, a transaction is considered to “materially affect control” if it gives any security holder or combination of security holders acting together the ability to influence the outcome of a vote of security holders, including the ability to block significant transactions. A transaction that results, or could result, in a new holding of more than 20% of the voting securities by one security holder or combination of security holders acting together is generally considered to materially affect control, unless the circumstances indicate otherwise. Transactions resulting in a holding of less than 20% of the voting securities may also materially affect control, depending on the circumstances.

The Reorganization and the Share Issuance will result in Nemesia holding approximately 25.04% of the issued and outstanding Common Shares of the Corporation. As a result, the Reorganization and the Share Issuance will materially affect control of the Corporation and therefore, under the TSX rules, approval of Disinterested Shareholders (as defined below) is required for the Share Issuance to proceed.

Share Issuance Resolution

In order for the Share Issuance to proceed, pursuant to the rules of the TSX, the Share Issuance Resolution must be approved by a majority of the votes cast by the Disinterested Shareholders (as defined below) at the Meeting.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, approve, with or without variation, the Share Issuance Resolution, the full text of which is set out below. Pursuant to the rules of the TSX, in calculating the requisite approval of the Share Issuance Resolution, only the votes cast by the Disinterested Shareholders will be included.

You may either vote for approval of the following Share Issuance resolution or you can vote against. The Board recommends that you vote for this resolution. If you do not specify how you want your shares voted, the named proxyholders intend to cast votes **FOR** the adoption of the advisory resolution on executive compensation.



“TO BE RESOLVED that the Share Issuance pursuant to the Debenture Agreement, as further described in the Circular, is hereby authorized and approved and the execution and delivery of any relevant documentation by any director or officer of the Corporation is hereby authorized and approved.

TO BE FURTHER RESOLVED that the Reorganization and the Share Issuance materially affects control of the Corporation, and as such, a creation of Nemesia, and/or any affiliates of Nemesia, as a new Control Person of the Corporation is hereby authorized, ratified and approved.”

The 111,084,010 Common Shares currently held by Nemesia (representing approximately 24.86% of the issued and outstanding Common Shares of Lucara) (the **“Excluded Shareholder”**) will be excluded for purposes of calculating the requisite approval of the Share Issuance Resolution in accordance with the TSX rules. The Shareholders, minus the Excluded Shareholder, are collectively referred to herein as the **“Disinterested Shareholders”**.

2.5 ADVISORY RESOLUTION ON EXECUTIVE COMPENSATION

As part of Lucara’s commitment to strong governance practices, the Board has provided shareholders with an opportunity to cast an advisory vote on the Board’s overall approach to executive compensation (Say on Pay) at its annual meeting. Lucara’s approach to executive compensation was approved by 97.19% of the shares voted at the 2023 annual meeting. Again, this year, the Corporation is providing shareholders with a non-binding advisory vote on Say on Pay. The Executive Compensation section of this Circular provides details on Lucara’s compensation programs. As outlined in this section, the objectives of these programs are to structure compensation to recruit, retain and motivate qualified, high caliber executives and to link compensation to the performance of the Corporation.

You may either vote for approval of the following Say on Pay resolution or you can vote against. The Board recommends that you vote for this resolution. If you do not specify how you want your shares voted, the named proxyholders intend to cast votes **FOR** the adoption of the advisory resolution on executive compensation.

***“BE IT RESOLVED** that on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, that the shareholders accept the approach to executive compensation disclosed in this Circular delivered in connection with the 2024 annual meeting of shareholders.”*

Because the vote is advisory it will not be binding upon the Board. However, the Compensation Committee of the Board will review and analyze the results of the vote and take into consideration such results as part of its ongoing review of and responsibility for executive compensation.

SECTION 3 – CORPORATE GOVERNANCE

3.1 STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Lucara is committed to a high standard of corporate governance. The directors believe that a high standard of governance is important for the successful operation of the business and creation of shareholder value. The following provides information about the Board and sets out governance practices now in force.

3.2 MANDATE OF THE BOARD OF DIRECTORS

The Board has adopted a formal mandate (see Appendix A).

The principal responsibilities of the Board are to supervise and evaluate management, to oversee the conduct of the Corporation’s business, to set policies appropriate for the business of the Corporation and to approve corporate strategies and goals. The Board is to carry out its mandate in a manner consistent with the fundamental objective of enhancing shareholder value.

Responsibilities which are specific to the Board include:

a) Strategy

The Board is responsible for approving the Corporation's strategy. The Board provides guidance into the strategic planning process. Management is responsible for preparing a five-year strategic plan and budgets which are presented to the Board for discussion and approval. Strategic issues discussed include but are not limited to: competitive developments and corporate opportunities. The Board measures the success of the strategic plan by assessing performance results against annual corporate objectives.

b) Risk

The Board is responsible for overseeing the process management uses to identify the principal risks of the Corporation's business, including climate-related risks and opportunities. The Board oversees the implementation of appropriate risk management systems. The Audit Committee and the Safety, Health, Environmental and Community Relations Committee (the "SHECR Committee") assist the Board in its oversight of risk as they relate to Lucara's operations (including the operations of its active subsidiaries) by monitoring management's performance in managing and mitigating risks.

c) Governance

The Board is responsible for oversight of environmental, social and governance matters, the integrity of the Corporation's internal control and management information systems and the communication policy with the Corporation's shareholders, other stakeholders and with the public generally. The Board is responsible for appointing management of the highest caliber who create a culture of integrity throughout the organization and for placing limits on management's authority. The Board is responsible for the development of the Corporation's approach to corporate governance and reviewing, at least annually, the corporate governance principles and guidelines which are specifically applicable to the Corporation.

The Board discharges its responsibilities either directly or through its committees.

3.3 INDEPENDENCE

A majority of Lucara's current directors are independent; six of the seven nominees for election to the Board are independent.

Assessing Independence of Directors

The Board is responsible for determining whether a director is independent. It relies on the criteria set by the Canadian Securities Administrators in National Instrument 52-110 *Audit Committees* ("NI 52-110") and National Policy 58-201 *Corporate Governance Guidelines*.

The Board has reviewed the nominated directors and determined that William Lamb is not independent as he is Lucara's current President & CEO.

Structures and Processes to Facilitate Independence from Management

The Board believes that the following structures and processes facilitate the functioning of the Board independently of management:

a) Chair and Lead Director

The Chair of the Board position is separate from the CEO position. In the position description for the Chair setting out the responsibilities of the Chair, it is specified that if the Chair is not independent that such responsibilities will be carried out by the Lead Director. In addition, the Lead Director provides leadership for the Board's independent directors.

b) Meetings of Independent Directors and Without Management

To facilitate open and candid discussion among directors, a practice of holding two "in camera" sessions or meetings is normally followed for quarterly Board meetings. The first "in camera" session is for all directors, including the CEO, and the second is only with independent directors present. The "in camera" meetings of independent directors are presided over by the Chair unless he or she is not independent in



which case the Lead Director presides over the “in camera” portion of the meeting. The Audit Committee regularly holds sessions with the Corporation’s external auditors without management present to discuss the audit and cooperation from management. Each of the four committees of the Board hold “in camera” sessions as part of the Committee’s regular business.

c) Committee Membership

In 2023, the Audit, Compensation and Corporate Governance and Nominating Committees were composed entirely of independent directors.

d) Committee Constitution

Should all the individuals nominated be elected at the Meeting, it is anticipated that the committee members will not change following the Meeting.

e) Independent Advisor

Directors may, with the authorization of the Chair or the Corporate Governance and Nominating Committee, engage independent advisors at the expense of the Corporation.

3.4 SIZE OF BOARD

On an annual basis, the Corporate Governance and Nominating Committee considers the size of the Board. If it believes changes are warranted it makes a recommendation to the Board. No changes to the size of the Board are proposed for 2024 where a majority of the directors will be independent. The Board considers it to be an appropriate size which facilitates open dialogue among directors and effective decision making but also ensures there are sufficient directors with the appropriate experience and skills, such as in-depth mining, diamond, and technology experience, to fulfill its responsibilities.

3.5 SERVING ON OTHER BOARDS

Lucara’s directors do not serve on the boards of its competitors. Many do serve on other mining public company boards which may assist these directors in their performance of their duties to the Corporation as such other mining companies may have similar business, regulatory and social issues as Lucara. The public company directorships held by the nominees for this year’s election of directors are included in the Directors’ information section [2.3](#).

3.6 MEETING ATTENDANCE

The Board held fourteen meetings in 2023. The Audit Committee meets at least every quarter to review the Corporation’s financial statements and MD&A. Other committees typically meet three to four times per year to carry out their mandates. Committees of the Board held a total of sixteen meetings in 2023. The number of meetings and attendance records for all Board and Committee meetings held during 2023 are included in the Directors’ information section 2.3.

3.7 POSITION DESCRIPTIONS

The Board has developed and approved a written position description for the Chair of the Board. The Chair’s primary responsibilities are to: act as the effective leader of the Board and ensure that the Board’s agenda will enable it to successfully carry out its duties; provide leadership to the independent directors; organize the Board to function independently of management; preside as chair at Board meetings and communicate with all Board members to coordinate their input; ensure the accountability of Board members and, provide for the effectiveness of the Board. The Chair acts as the primary liaison between the Board and management.

A general position description for all chairs of the Board’s committees has been approved by the Board. The mandates of each committee are also approved by the Board. These mandates provide the committee chairs with specific responsibilities relating to the committee that they chair. On an annual basis, each committee mandate is reviewed by the applicable committee and changes are recommended to the Board for approval, if applicable.

The Board and the CEO have developed a written position description for the CEO. The CEO has responsibility for general supervision of the business and affairs of the Corporation, subject to the authority of the Board. The CEO is also responsible for making recommendations to the Board regarding the implementation, performance and monitoring, as the case may be, of each of the items referred to in the Board Mandate. Generally, the Board has delegated to the CEO the authority to transact business or approve matters that are in the ordinary course of business provided these matters do not exceed material levels of expenditures on the part of the Corporation. The Board has established clear limits of authority for the CEO, which are described in the Corporation's Policy of Authorizations.

3.8 ASSESSMENT OF BOARD PERFORMANCE

At the beginning of each calendar year, the Corporate Governance and Nominating Committee distributes a Board effectiveness assessment to directors. This assessment questions members as to their level of satisfaction with the functioning of the Board, its interaction with management and the performance of the standing committees of the Board. Board members conduct peer reviews and a self-assessment regarding their effectiveness as a Board member as part of this assessment process. The individual assessments are returned to the Chair of the Corporate Governance and Nominating Committee with a copy to the Corporate Secretary. The results are compiled for the Corporate Governance and Nominating Committee. This year's self-assessment was conducted on an anonymous basis to encourage candid feedback. The Committee reviews and discusses the results and makes recommendations to the Board regarding any action that may be deemed necessary or advisable to ensure the Board continues to function effectively and adequately perform its mandate. The Board aims for a 100% compliance rate for completion of the assessment by directors, and six of the seven directors completed the assessment this year. The peer reviews and self-assessments by directors are considered as part of the director nomination process. The results of the assessment process held in Q1 2024 indicated that the directors believed that the Board and the Board Committees functioned effectively during the year ended December 31, 2023.

The effective performance of the Board is also monitored by the completion of its annual workplan and completion by the Committees of their annual workplans. These workplans are reviewed annually and list standard items to be dealt with at each Board or committee meeting and any additional items for that year.

3.9 ORIENTATION AND CONTINUING EDUCATION

Included in the Corporate Governance and Nominating Committee's mandate is the requirement to develop, with the assistance of management, an orientation and education program for new recruits. As part of the orientation for all new members, opportunities are provided for the director to meet with other directors and members of Lucara's executive team to discuss the nature and operation of the Corporation's business. The following is also reviewed with each new member: (i) information and materials regarding the Corporation, including the role of the Board and its committees; and (ii) the legal obligations of a director of the Corporation. Each new Board member has access to a comprehensive package of material regarding Lucara through the Board portal service. A more specific orientation program is developed and tailored to meet the individual needs of a new director. For example, if the new director is highly sophisticated about diamond mining matters, orientation on that matter would not be necessary or if a director has a high level of financial expertise, orientation focused on financial literacy may not be included. The comprehensive director orientation package is made available to all directors.

With regard to continuing education for Board members, the Corporate Governance and Nominating Committee's mandate is to provide for such education for all directors with the assistance of management. As part of the annual director assessment process, directors are canvassed for their input on what additional information would assist them in increasing their effectiveness as directors. The Corporate Governance and Nominating Committee considers directors' responses and makes recommendations. In 2023, education sessions were held on mine rescue and Modern Slavery Act (Canada).

Directors are regularly informed by the CEO, verbally and through a written monthly report to the Board, of strategic and operational issues affecting Lucara, including the competitive environment, the Corporation's performance and developments, and risks that could materially impact the Corporation. Directors are also provided with information regarding legislative changes and governance trends, including those related to Environmental and Social

Governance (“ESG”) and climate change. From time to time, the Corporation arranges for legal counsel and industry experts to provide status updates and education.

3.10 NOMINATION OF DIRECTORS

The Corporate Governance and Nominating Committee, which is presently composed entirely of independent Board members, has the responsibility for proposing nominees for directors to the Board. To assist them in this exercise the Board has approved *Guidelines for the Composition of Lucara’s Board* (the “Guidelines”). These guidelines specify certain qualities, listed below, for consideration when evaluating the composition of the Board and when nominating potential candidates. When tabling these Guidelines, the Board acknowledged that the qualities listed were not intended to be exhaustive and were not listed in terms of their importance. In addition, the Guidelines require the Corporate Governance and Nominating Committee to seek diversity in perspectives, by considering qualified candidates with relevant education and experience of any age, gender, and background. The Guidelines were updated in February 2021 to include:

- i) seeking diversity in perspectives, by considering qualified candidates with relevant education and experience of any age, gender and ethnicity;
- ii) actively seek out highly qualified women to include in the pool from which Board nominees are chosen;
- iii) actively seek out highly qualified Black, Indigenous and People of Color (“BIPOC”) to include in the pool from which Board nominees are chosen; and
- iv) identify those skills and qualifications which are relevant to trends that affect the Corporation’s business including, but not limited to technology, globalization, business strategy and innovation.

Also, to ensure adherence to the *Board and Executive Officer Diversity and Inclusion Policy*, which is outlined below, this policy was last reviewed in February 2024, and determined to make no changes. For 2024, the key skills and experience criteria for Board members remains unchanged.

Key skills & experience criteria for Board members:

- Financial accreditation and/or financial literacy
- Sound business experience and expertise
- Corporate governance experience
- Industry specific experience and knowledge
 - Mining
 - Environment
 - Safety and Occupational Health
 - Technology
 - Diamond Market Experience
- Experience in corporate operations
- Financing, M&A experience
- Strong Board skills, such as:
 - Integrity
 - Networking abilities
 - Interpersonal skills
 - Ability to think strategically and act independently

- Independent, as such term is defined by the Canadian Securities Administrators
- Not previously bankrupt
- Prior personal history that is acceptable to regulators
- Willing to devote sufficient time and effort to Board duties

To identify potential nominees that possess the desired skills and competencies, the Committee members may utilize their extensive knowledge of the industry and personal contacts. In addition, the Board and management may also propose candidates to the Committee, or the Committee may, at the Corporation's expense, retain external consultants to assist in the search for suitable director nominees.

The Corporate Governance and Nominating Committee has approved a form of a Board Candidacy Questionnaire which potential candidates are required to complete as part of the nomination process. The information provided in this form is used to evaluate a candidate's suitability with the Guidelines.

The Corporate Governance and Nominating Committee requests directors on an annual basis to complete a matrix identifying their experience against a key set of skills and experience deemed desirable for Board members. This matrix is used as a tool by the Board in assessing needs in the context of the nomination process. The individual directors' skills are included in the matrix depicted beginning on pages 15 and 16.

3.11 DIVERSITY & INCLUSION - EXECUTIVE OFFICERS AND BOARD

In 2014, the Board adopted a *Board and Executive Officer Gender Diversity Policy*. In February 2021, this policy was re-named to *Board and Executive Officer Diversity and Inclusion Policy* (the "Diversity Policy") to acknowledge the inclusion of ethnic diversity. This policy formalizes the following vision for Lucara:

The Corporation recognizes the importance of identifying and recruiting individuals for Board and Executive Officer positions who possess diversity in age, gender, ethnicity, and experience. The Corporation believes that a diverse board and executive management structure enhances the decision making of the Board and at senior management levels.

As noted above, with regard to diversity and the Board, measures taken to ensure the policy is effectively implemented include the commitment from the Corporate Governance and Nominating Committee to actively seek out highly qualified women, highly qualified BIPOC individuals and those individuals who possess the skills and qualifications which are relevant to trends that affect the Corporation's business, to include in the pool from which Board nominees are evaluated and chosen. This commitment is documented in the Guidelines for the Composition of Lucara's Board.

Regarding diversity and senior management, measures taken to ensure the policy is effectively implemented include the mandate set out in the Diversity Policy that management of Lucara shall, as part of the hiring process of executive officers, actively seek out highly qualified women, highly qualified BIPOC individuals and those individuals who possess the skills and qualifications which are relevant to trends that affect the Corporation's business. The Diversity Policy also states that the ultimate decision by management to recommend a candidate for appointment as an executive officer shall be made on merit and the contribution the candidate can bring to the position.



The Corporate Governance and Nominating Committee tracks the following information on an annual basis and presents it to the Board:

CURRENT STATUS OF REPRESENTATION OF WOMEN	NUMBER OF WOMEN	TOTAL NUMBER	WOMEN AS A % OF TOTAL
Board Members	2	7	29%
Executive Officers – Lucara Diamond Corp.	2	5	40%
Executive Officers – Lucara Botswana Proprietary Limited	2	4	50%

**Executive Officer means an individual who is:*

- a chair, vice-chair or president;
- a chief executive officer or chief financial officer;
- a vice-president in charge of a principal business unit, division or function including sales, finance or production; or performing a policy-making function.

Pursuant to the Diversity Policy, the Corporate Governance and Nominating Committee is mandated to discuss targets for promoting diversity and make recommendations to the Board. In 2022, the Board set a target that at least 30% of the board members shall be women. In 2023, that target was substantially achieved with 29% of the board members being women. No changes to this target are foreseen for 2024. One of the nominees for election to the Board at the 2024 AGM is a woman, and while the Board recognizes that the 30% target will not be achieved following the appointment of the nominated directors, the Company remains committed to increasing Board diversity and recognizes that the Board’s background should represent a variety of backgrounds, experiences and skills. The Board will continue to evaluate how to achieve its stated target.

With regards to a gender diversity objective for executive officer positions, the Corporate Governance and Nominating Committee did not recommend a specific target be set for 2024. Currently 40% of the Corporation’s executive officers are women and 50% of the executive officers of the Corporation’s major operating subsidiary are women. The Corporate Governance and Nominating Committee recommended, and the Board agreed, that any executive officer appointments in the future be reviewed with the level of representation of women in executive officer positions in mind and consistent with the Diversity Policy, that management of the Corporation, as part of the hiring process of Executive Officers: (i) actively seek out women having the necessary skills, knowledge and experience to evaluate as potential candidates; and (ii) appointments be made based on a balance of criteria, including the merit and experience of the candidate plus the needs of the Corporation at the relevant time.

Currently there are no set targets for the level of ethnic diversity at either the Board or at the Executive level. Three of the four executives at Lucara Botswana are Black. Pursuant to the terms of the Diversity Policy, the Corporate Governance and Nominating Committee is responsible for monitoring the policy and reporting to the Board on the achievement of any targets set and it is also responsible to review the policy and make recommendations on changes to the Diversity Policy to the Board.

3.12 DETERMINATION OF DIRECTORS’ COMPENSATION

The Compensation Committee recommends the amount and form of the compensation of directors. In making recommendations to the Board, it considers the time commitment and responsibilities required to be met by directors. The Compensation Committee is also cognizant that the recommended compensation for directors must not compromise their independence. In 2021 the Compensation Committee retained Global Governance Advisors (“GGA”) to perform a compensation benchmarking exercise for the Executive Team and Board of Lucara and to evaluate and make recommendations with respect to the Corporation’s Peer Group. GGA worked with the Compensation Committee and collaborated with key executives, including the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), to provide a summary of relevant trends and benchmarking in each major aspect of remuneration to assist the Corporation in remaining competitive. GGA assessed the market competitiveness of executive and director compensation through a benchmarking exercise that considered several similar sized mining and development companies. This benchmarking exercise compared Lucara to fourteen other publicly traded



companies of a similar size and industry (mining and development) using compensation information from GGA’s proprietary database. GGA’s work was intended to supplement and update the comprehensive review of executive compensation conducted for Lucara in 2019. The Compensation Committee received an informal update from GGA in December 2023 where compensation practices and trends were discussed and compared to Lucara’s existing practice. The Board determines the amount and form of director compensation after considering recommendations received from the Compensation Committee. No changes to director compensation were recommended for 2024. This information is disclosed in this Circular on pages 48 and 50.

3.13 DIRECTOR RETIREMENT POLICY AND TERM LIMITS

The Board has not adopted a retirement policy or limits relating to the time a director can serve. The following sets out the tenure for the seven individuals nominated for election to the Board:

# OF DIRECTORS	TENURE (YEARS)
1	Seventeen
2	Four
1	Two
2	Zero
Average Tenure (excluding the Executive Director)	Five
1 (Executive Director)	One

The Board recognizes that term limits can ensure Board refreshment and new perspectives. However, one of Lucara’s long-serving directors has significant in-depth knowledge of Lucara and its business and he is highly valued for his expertise. Long-serving directors can provide historical context for consideration in corporate strategic decision making. In addition, these directors have industry connections which are very important to Lucara. The Board believes the risk of imposing director term limits and thereby losing long-serving directors who have in-depth knowledge and understanding of the Corporation will not serve the best interests of Lucara or its shareholders. In addition, the Board believes that its assessment process, which includes regular evaluations of the Board and committees, and an annual evaluation of each individual director provides a mechanism to promote Board renewal and regularly assess Board members’ effectiveness. In 2022, one new director was elected, and in 2023, one new director was elected generating Board renewal organically. If all nominees are elected at the Meeting, two new directors will be appointed to the Board in 2024 and three of the seven directors (43%) will have been elected to the Board since 2020.

3.14 COMMITTEES OF THE BOARD

To assist the Board with its responsibilities, the Board has established four standing committees: the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee (“CGNC”), and the SHECR Committee. The Board may form other committees from time to time as appropriate to address matters the Corporation faces. Each Committee has a written mandate, and it reviews its mandate annually. Also, as discussed above, each Committee has a work outline for the year which covers standard items to be dealt with at the committee meetings and any additional items for that year. The following is a brief summary of the key functions, roles and responsibilities of each of the Board committees.

Audit Committee

The Audit Committee consists of three independent directors. As of the record date, the members were Marie Inkster (Chair), Catherine McLeod-Seltzer, and David Dicaire, all of whom are financially literate as such term is defined in NI 52-110. Ms. Inkster also meets the definition of a financial expert as that term is defined in NI 52-110. Should the nominated directors all be elected, it is expected that Ian Gibbs and Peter O’Callaghan will be appointed to the Audit Committee. Mr. Gibbs meets the definition of a financial expert, and all are financially literate as such terms are defined in NI 52-110.

The Audit Committee represents the Board in discharging its responsibility relating to the accounting, reporting and financial practices of the Corporation and its subsidiaries, and has general responsibility for oversight of internal controls, accounting and auditing activities and legal compliance of the Corporation and its subsidiaries.

The Audit Committee assists the Board in its oversight of Lucara's operations (including the operations of its active subsidiaries) in the following areas:

a) Oversight of the Corporation's external auditors

The Audit Committee is responsible for making recommendations regarding the appointment, compensation, retention, or discharge of the independent public accountants as auditors of the Corporation (the "auditors") who perform the annual audit in accordance with applicable securities laws, and who shall be ultimately accountable to the Board through the Audit Committee. The Audit Committee must pre-approve all auditing services and non-audit services provided to the Corporation by the auditors to the extent and in the manner required by applicable law or regulation.

b) Oversight of the accounting, reporting and financial practises of the Corporation

- i) The Audit Committee reviews with management and the external auditors, significant financial reporting issues, the conduct and results of the annual audit, and significant finance, accounting and disclosure policies and other financial matters;
- ii) The Audit Committee also oversees the financial reporting processes of the Corporation by reviewing the Corporation's core disclosure documents, which include the annual and interim financial statements, MD&A and annual information form, before recommending these documents for approval by the Board; and
- iii) The Audit Committee reviews the Corporation's policies and practices with respect to cash management, insurance, related parties and taxation.

c) Oversight of the Corporation's risks and risk disclosure

The Audit Committee exercises an oversight function with respect to the Corporation's risk disclosure, including material climate-change related risks and management's assessment of current and potential impacts from material climate-change related risks as those may affect the Corporation's assets, liabilities, revenues, and expenses over the short, medium and long-term as well as forward-looking information reported.

d) Governance

The Audit Committee:

- i) Verifies that management has procedures in place that facilitate compliance with laws relating to insider trading and continuous disclosure;
- ii) Establishes procedures for the receipt, retention and treatment of complaints received by the Corporation regarding the audit or other accounting matters;
- iii) Monitors and assesses the Corporation's voluntary disclosure to ensure that all material information which requires disclosure is also included in the Corporation's regulatory filings; and
- iv) Oversees and annually reviews the Corporation's Code of Business Conduct and Ethics (see 'Ethical Business Conduct' beginning on page 30 of this Circular).

For additional information about the Audit Committee, including the Audit Committee Charter, see 'Audit Committee Information in Lucara's Annual Information Form dated March 28, 2024, which is available on the Corporation's website or on SEDAR+ at www.sedarplus.ca.

Information regarding PwC

PwC have been Lucara’s auditors since 2010. In 2020, the Corporation’s annual audit was put to tender to several audit firms qualified in both Canada and Botswana. Following the tender process, the Audit Committee recommended that PwC be re-appointed as the Corporation’s auditor for the ensuing year.

The Audit Committee pre-approves all services provided by PwC. The fees paid to PwC during 2022 and 2023 were as follows:

FISCAL YEAR ENDING	AUDIT FEES CDN\$(¹)	AUDIT-RELATED FEES CDN\$(²)	TAX FEES CDN\$(³)	ALL OTHER FEES(⁴)
December 31, 2023	329,000	69,000	Nil	Nil
December 31, 2022	411,000	60,500	Nil	Nil

- (1) *Audit fees represent the aggregate fees billed by the Corporation’s auditors for audit services, rounded to the nearest thousand dollars.*
- (2) *Audit-related fees represent the aggregate fees billed for assurance and related services by the Corporation’s auditors that are reasonably related to the performance of the audit or review of the Corporation’s financial statements and not disclosed in the Audit Fees column.*
- (3) *Tax fees represent the aggregate fees billed for professional services rendered by the Corporation’s external auditor for tax compliance, tax advice and tax planning.*
- (4) *All other fees represent the aggregate of fees billed for products and services provided by the Corporation’s auditors other than services reported under clauses (1), (2) and (3) above.*

CGNC

As of the record date, the members of the CGNC were all independent directors, namely Peter J. O’Callaghan (Chair, independent as of January 2023 following his retirement from Blakes), Paul Conibear and Catherine McLeod-Seltzer. Should the nominated directors all be elected, it is expected that Sheila Colman will be appointed to the CGNC to replace Ms. McLeod-Seltzer. No other changes to the composition of the CGNC are foreseen.

The CGNC is responsible for developing and monitoring the Corporation’s approach to corporate governance issues. The CGNC assists the Board in the following areas:

a) Board effectiveness

The CGNC oversees the effective functioning of the Board, takes steps to support the Board functioning independently of management, identifies possible nominees for the Board, develops an orientation program for new recruits to the Board and provides, with the assistance of management, director education opportunities. It has also set up a system for an annual review of the Corporation’s material policies by applicable Board committees.

b) Board structure

The CGNC annually reviews and makes recommendations to the Board with respect to: (i) the appointment of a lead director if the Chair is not independent; (ii) the size and composition of the Board; (iii) the appropriateness of the committees of the Board; and (iv) committee appointments.

c) Diversity and inclusion

The CGNC has been mandated under the Board and Executive Officer Diversity and Inclusion Policy to perform certain functions as described on pages 23 and 24 of this Circular under the section “Diversity & Inclusion - Executive Officers and Board.” The CGNC delivers this annual statement on corporate governance to the Board for inclusion in the Circular.

d) Governance oversight

The CGNC is responsible for completing an annual review of the Board’s mandate and its own mandate, considering existing corporate governance trends, and if necessary recommending changes for Board



approval. Also on an annual basis, the CGNC reviews the Corporation's policies and procedures to ensure ongoing applicability. The CGNC is responsible for preparing or reviewing any disclosure that must be made or approved by the Board that relates to corporate governance matters.

Compensation Committee

As of the record date, the Compensation Committee consisted entirely of independent directors, namely Paul Conibear (Chair), Marie Inkster and Peter J. O'Callaghan. Should the nominated directors all be elected, it is expected that Ian Gibbs and Sheila Colman will be nominated to the Compensation Committee to replace Ms. Inkster along with Mr. O'Callaghan. No other changes to the composition of the Compensation Committee are foreseen.

The Compensation Committee assists the Board in the following areas:

a) CEO compensation

The Compensation Committee is responsible for evaluating the performance of the CEO in light of pre-established corporate goals and objectives, and for making recommendations to the Board with respect to compensation levels (including the award of any cash short-term incentives or share ownership opportunities).

b) Named Executive Officer compensation

The Compensation Committee is responsible for evaluating the performance of the Named Executive Officer compensation considering pre-established corporate goals and objectives, and for making recommendations to the Board with respect to compensation levels (including the award of any cash short-term incentives or share ownership opportunities).

c) Director compensation

To make recommendations to the Board with respect to the adequacy and form of the compensation and benefits of the directors in their capacity as directors so as to ensure that such compensation realistically reflects the responsibilities and risks involved in being an effective director.

d) Succession planning

To establish succession planning for the CEO and oversee the Corporation's succession planning process.

e) Corporate goals and objectives

The Compensation Committee is responsible for reviewing and approving corporate goals and objectives relevant to executive compensation.

f) Incentive compensation plans

The Compensation Committee considers the implementation of short and long-term incentive plans, including equity-based plans, proposed by management, and makes recommendations to the Board with respect to these plans. The Compensation Committee reviews the Corporation's incentive compensation plan annually after their implementation and is responsible for reviewing any other benefit plans proposed by management and to make recommendations to the Board with respect to their implementation.

The Compensation Committee is responsible for approving share-based compensation grants including stock options, restricted share units and performance share units, as applicable, to new and existing employees of the Corporation and/or its subsidiaries in accordance with the terms and conditions of the Corporation's shareholder approved share-based compensation plans.

SHECR

As of the record date, the SHECR Committee consisted of a majority of independent directors, being Catherine McLeod-Seltzer (Chair), David Dicaire and William Lamb. William Lamb is the Corporation's President and CEO and is not independent. It was determined that Mr. Lamb's knowledge of the operations of the Corporation and previous mining experience would assist the Committee in fulfilling its mandate. Should the nominated directors all be elected, it is expected that Sheila Colman will be appointed to the SHECR Committee. No other changes to the SHECR



Committee composition are foreseen. The SHECR Committee assists the Board in its oversight of Lucara’s operations (including the operations of its active subsidiaries) in the following areas:

a) Safety, health, environment, and community risks

The Committee will review the effectiveness of the Corporation’s policies and the SHECR management system for identifying and managing safety, health, environmental and community risks.

a) Climate-related risks and opportunities

The Committee will review the Corporation’s identification, quantification and disclosure of climate-related risks, opportunities and financial impacts and the activities of Lucara Botswana Proprietary Limited’s Climate Action Working Group.

b) Compliance with applicable legal and regulatory requirements

The Committee will review the Corporation’s policies and SHECR management system for ensuring compliance with applicable safety, health, environmental, legal and regulatory requirements.

c) Performance in relation to safety, health, environmental, community relations and climate change matters

The Committee will receive reports from management and review the Corporation’s SHECR performance (including its operating subsidiaries performance) having regard to the safety, health, environmental, community, and climate change consequences of decisions and actions, including the impacts on employees and third parties and on the reputation of the Corporation.

d) The performance and leadership of the safety, health, environment, and community relations function.

The Committee will review the annual and longer-term SHECR plans to gain assurance on progress toward the achievement of the SHECR policies. The Committee will review the adequacy of resources available for the SHECR function.

e) External annual reporting in relation to safety, health, environmental, community relations, and climate change matters

The Committee will review and recommend to the Board approval of any external reports, including any sustainability reports, make recommendations on specific actions or decisions the Board should consider.

The Committee meets quarterly and provides a written report to the Board with the results of its reviews. The SHECR Committee also makes recommendations on specific actions or decisions the Board should consider.

3.15 APPROACH TO ENVIRONMENT, SOCIAL AND GOVERNANCE MATTERS

LUCARA’S APPROACH TO ENVIRONMENT, SOCIAL & GOVERNANCE MATTERS	
Mission	<p><i>Using innovation, creating value, making a difference across the diamond industry</i></p> <p>Lucara believes that sustainability is a long-term commitment that requires focus and discipline to help drive continuous improvements in all areas of our business and is fundamental to our success as an organization and in delivering broad based, lasting economic and social benefits to all our stakeholders and the communities in which we live and work.</p>
Values	<p>Respect We respect and listen to our people, our communities, and our local governments.</p> <p>Health & Safety What we do at work, we do at home.</p>

	<p>Transparency & Trustworthy Communicating with openness and honesty.</p> <p>Collaboration Creating positive economic and social benefits; partnering with our communities.</p> <p>Integrity Delivering on our promises and commitments.</p> <p>Contribute to the Lundin Group’s history of success and excellence</p>
Environment	<p>Lucara is committed to sustainable development and continuous improvement. This requires us to apply the precautionary principle in all our planning. Thorough environmental and social impact assessments assist us in developing robust management systems and plans that minimize adverse impacts and identify and maximize opportunities for sustainable investments.</p> <p>Our commitments are set out in our Environmental Policy, which we review every two years, last updated in March 2022. A copy of the Environmental Policy can be found on our website (Link).</p>
Social	<p>Lucara’s contributions extend beyond the creation of jobs. Through collaboration and partnerships, Lucara’s investments in sustainable initiatives are aimed at strengthening local communities.</p> <p>Our commitments are set out in our CSR Charter, which we review every two years, and which was last updated in March 2022. A copy of the CSR Charter can be found on our website (Link). In addition, we publish a Sustainability Report annually (Link).</p>
Governance	<p>We have adopted and apply good international corporate governance principles aligned with our values and the requirements of publicly listed mining companies.</p> <p>Corporate responsibility is central to our strategic and operational thinking. We cannot sustain good financial and operational performance without simultaneously achieving our objectives in health and safety, environmental stewardship, human resource development, and community investment.</p>

3.16 ETHICAL BUSINESS CONDUCT

The Corporation is committed to conducting its business in compliance with the law and the highest ethical standards. Accordingly, the Board has adopted a written *Code of Business Conduct and Ethics* (the “Code”) for directors, officers, and employees (including Contractors) of the Corporation. The Code was most recently amended in March 2020 when the Board approved certain amendments to the Code to add a new section on Crime and Money Laundering Prevention (clause 4 of the Code). This addition was included to better align with the regulatory requirements in Botswana and Canada which arise for Lucara as a seller of rough diamonds. The Code is available on the Corporation’s website and has been filed on and is accessible through SEDAR+ at www.sedarplus.ca.

If directors, officers, or employees observe or become aware of an actual or potential violation of the Code or of any law or regulation, whether committed by the Corporation’s employees or by others associated with the Corporation they have the responsibility to report the violation and to cooperate with any investigation. Reports may be submitted on a confidential basis to the Chair of the Corporation’s Audit Committee. Following receipt of any complaints, the Audit Committee will oversee the investigation of each matter so reported and report to the Board. The Corporation will not tolerate any reprisals against employees, officers and directors for good faith reporting of compliance concerns or violations.

The Audit Committee has the primary authority and responsibility for the enforcement of the Code, subject to the supervision of the Board. It reviews the Code on an annual basis and makes recommendations regarding compliance monitoring. Online training sessions on compliance with the Code are conducted through a third-party service provider to enhance understanding and promote compliance with the Code. All employees and contractors at the

Corporation's Karowe mine in Botswana, as well as at the head office of its subsidiary, Lucara Botswana Proprietary Limited and all the Corporation's directors, executive officers and employees are expected to complete this training.

With regards to conflicts, all directors have an obligation to act in the best interest of the Corporation. In accordance with the Code, any situation that presents an actual or potential conflict between a director's personal interests and the interests of the Corporation must be reported to the Chair of the Corporation's Audit Committee. In addition, the Corporation's Articles contain disclosure and voting restrictions that must be followed when a director or officer has an interest in an agreement or transaction with the Corporation being considered by the Board. The Audit Committee is mandated to review and monitor all related third-party contracts that may be entered into by the Corporation.

In addition to the Code, the Audit Committee has established a Policy and Procedures for the Receipt, Retention and Treatment of Complaints Regarding Accounting or Auditing Matters or "*Whistleblower Policy*" to encourage contractors, employees, officers, and directors to raise concerns regarding accounting, internal controls or auditing matters, on a confidential basis free from discrimination, retaliation or harassment.

Another example of the Board's commitment to the highest ethical standards is the Corporation's *Corporate Social Responsibility Charter*. The Charter specifies, among other things, that Lucara will impact positively on the quality of life of members of the local community and conduct its activities to meet or exceed standards in the protection and promotion of human rights. As part of its commitment outlined in the Charter, the Corporation participates in a sustainability reporting process. This process is monitored by the SHECR Committee and historically has utilized the Global Reporting Initiatives 4 ("GRI 4") guidelines. In 2022, the Corporation adopted the updated Sustainability Accounting Standards Board ("SASB") Standards. The Corporation's Sustainability Report for fiscal 2023 (to be published mid-2024) will adhere to the SASB Standards, with reference to GRI 4, and will continue to incorporate the recommendations of the Task Force on Climate-Related Financial Disclosures. In 2022, the Corporation participated in the "Early Adopter Program" for the enhanced Communication on Progress ("CoP") of the United Nations Global Compact ("UNGC"). A reporting cycle has been set up which involves a program of data collection, communication, and responses. The annual Sustainability Report is intended to share the Corporation's approach to ESG matters. The report provides information on several areas, including the Corporation's financial, operational, and social performance (social performance includes, for example, an evaluation of the Corporation's impact on human rights), details on our tailings storage facilities and environmental data related to our use of water and energy and our greenhouse gas emissions. Dust and air quality, land management and biodiversity are also included in the annual Sustainability Report as is information on our approach to reclamation. This monitoring of ESG assists the Corporation in conducting its business to meet high ethical standards.

In 2020 the Corporation adopted a *Responsible Mining Policy* which outlines the actions the Corporation is taking to address ESG issues, as well as the objective of planning for a positive legacy. In 2021, and most recently updated in 2023, the Corporation introduced a *Human Rights Policy* which is available on its website.

In 2016, Lucara became a member of the Responsible Jewellery Council (the "RJC"), a not-for-profit standard setting organization, which defines responsible ethical, human rights, social and environmental practices for businesses in the jewellery supply chain via a Code of Practices. Lucara is fully committed to adhering to the RJC Code of Practices. In 2021 Lucara was independently audited against the RJC Code of Practices, including our representations related to diamond provenance and we received our RJC member certification, valid until 2024. The Company is undergoing its recertification audit in 2024. Further information on the RJC and its Code of Practices can be found at: www.responsiblejewellery.com.

Lucara is also a registered participant in the UNGC, the world's largest corporate sustainability initiative. As a participant, Lucara is committed to implement and advocate the principles of the UNGC on human rights, labour, environment, and anti-corruption. Further information on the UNGC and their stated principles can be found at www.unglobalcompact.org. In 2023, for the fourth consecutive year, Lucara has been included in the Globe and Mail's "Women Lead Here", a benchmark on female leadership in corporate Canada.

3.17 DIFFERENCES FROM SWEDISH CORPORATE GOVERNANCE CODE

The Nasdaq Stockholm exchange in Sweden has a set of rules of corporate governance which are set forth in the Swedish Corporate Governance Code (the “Swedish Code”). Lucara has a secondary listing on the Nasdaq Stockholm exchange, however as its primary exchange is the TSX it follows the Corporate Governance rules applicable to a TSX listed company under Canadian securities laws (“Canadian Corporate Governance Rules”). There are differences between shareholder rights in Sweden, including the Swedish Code requirements, and Canadian Corporate Governance Rules. A description of the key differences is on Lucara’s website (www.lucaradiamond.com).

3.18 SHAREHOLDER COMMUNICATIONS

Structures are in place to promote effective communication between the Corporation, its shareholders, and the public. The Corporation has established a *Disclosure Policy* which is available on its website or on SEDAR+ at www.sedarplus.ca. This Policy sets out the internal structure that Lucara has established to effectively manage the dissemination of material information. In addition, the Corporation’s investor relations group responds to shareholders concerns on an individual basis. Shareholders are informed of corporate developments by the issuance of timely press releases which are concurrently posted to Lucara’s website and SEDAR+.

Shareholders or other interested parties may communicate directly with the Chair of the Board, the Chair of the Audit Committee and other independent directors by writing to them at Lucara’s Vancouver office, at the following address (envelopes should be marked Confidential and addressed to the attention of the appropriate party):

Lucara Diamond Corp., Suite 3500, 1133 Melville Street, Vancouver, BC V6E 4E5, Canada

SECTION 4 – EXECUTIVE COMPENSATION

4.1 2023 COMPENSATION DISCUSSION AND ANALYSIS

Objectives

The goal of Lucara’s executive compensation philosophy is to structure remuneration packages that are sufficiently attractive to recruit, retain and motivate qualified, high calibre executives.

Lucara’s compensation practices are based on a pay-for-performance philosophy in which assessment of performance is based on the Corporation’s financial and operational performance as well as individual contributions.

The compensation program is designed to reward each executive based on corporate and individual performance and is also designed to incentivize such executives to drive the organization’s growth in a sustainable and prudent way long-term.

The following key principles guide the Corporation’s overall compensation philosophy:

- Be sufficiently attractive to recruit, retain and motivate qualified, high calibre executives;
- Provide executives with compensation that is in accordance with existing market standards;
- Align the interests of Lucara’s executives with those of its shareholders; and
- Link individual executive compensation to the performance of both Lucara and the individual executive.

Lucara’s compensation philosophy has been designed to:

- Provide competitive base salaries that are targeted around the median (P50) of the Peer Group (defined herein); and
- Provide a market competitive incentive opportunity (through short and long-term incentives) that targets the median of the Peer Group with the ability to earn higher compensation closer to the 75th percentile for superior performance.

Elements of Compensation and Reward Structure

Executive compensation is comprised of three elements:

1. **Base salaries.** This is the basic method of compensating executives. Base salaries are reviewed using a comparator group (see Compensation Benchmarking described below), thereby enabling the Corporation to compete for and retain executives critical to the Corporation's long-term success. Lucara's executives have employment contracts which entitle them to receive a base salary provided they fulfil the job responsibilities associated with their position description. As payment of base salaries does not depend on the performance of any specific targets or goals it is not viewed as "at risk" compensation.
2. **Short-term Incentives ("STIP").** Executives have no contractual right to a short-term incentive payment and as such, this form of compensation is clearly "at risk". Such payments are made solely in the discretion of the Board. Short-term incentives are considered by the Board on the recommendation of the Compensation Committee. The decision by the Compensation Committee to recommend payment of short-term incentives is based on executives meeting agreed and pre-approved criteria. For Fiscal 2023, a "Balanced Scorecard" approach was again used as this type of plan more commonly aligns with market practices (see the Short-Term Incentive Program Framework described in Performance Goals on page 35). The Board uses the payment of short-term incentives to motivate and reward executives for meeting short-term performance goals which benefit the Corporation.
3. **Long-term Incentives ("LTIP").** The Corporation's performance-based equity incentives include stock options, restricted share units ("RSUs") and performance share units ("PSUs"). PSUs were introduced in 2020 and have increased in weighting since they were introduced. The PSU grants in February 2023 represented 62.5% of the LTIP granted, with RSUs representing 25% and stock options 12.5%. The PSU grants in February 2024 represented 50% of the LTIP granted, with RSUs representing 25% and stock options 25%. All equity-based incentives are administered by the Board. The Compensation Committee makes annual recommendations to the Board for grants of stock options and share units following the applicable year end and considers previous grants when determining award levels. The awards are made based on corporate and personal performance achievements for the previous year. This basis for providing grants is to ensure that an executive who demonstrates high performance in exceeding goals will over the long-term receive higher level of awards and the strong performance of the Corporation will result in executives receiving equity grants which have a higher value over the long-term. This form of compensation aligns the interests of executive officers with the longer-term interests of shareholders as the exercise price of options cannot be set below the market value of the Corporation's shares at the time of the grant. As options and share units vest over time they are an important executive retention strategy for Lucara. Stock options and share units are another form of compensation that is "at risk".

The Corporation recognizes that its compensation package must be sufficient to attract and retain the right level of skill, expertise, and talent in an increasingly competitive global market. The structure of the remuneration package must be well-balanced across short-, medium- and long-term elements, so that it is both attractive to the individual and cost effective for the Corporation.

In summary, Lucara uses base salary compensation to reward executives for effectively fulfilling their employment responsibilities, short-term incentives to reward executives for achieving short-term performance goals and share-based awards, consisting of stock options, restricted share units and performance share units as a retention strategy and to reward executives for the achievement of the Corporation's long-term business strategy. By providing base salary at a competitive level the Corporation can attract talented candidates. However, the short-term incentive provides executives with the opportunity to achieve a higher total annual reward through their own delivery of excellence at individual and business levels. Finally, the longer-term reward element (share-based awards), provides the opportunity to build ownership and better aligns with shareholder interests.

Compensation Benchmarking

Peer Group

In 2021, a compensation survey was completed by GGA, an external firm retained by Lucara’s Compensation Committee to conduct a compensation benchmarking exercise for its executive team and Board (the “2021 GGA Report”). The Compensation Committee uses the 2021 GGA Report, escalated for inflation, when making recommendations to the Board on executive compensation, with a view to structuring the Corporation’s executive compensation for continued alignment to the market and shareholder interests. The Compensation Committee reviewed GGA’s 2023 Annual Mining Salary Survey as part of its review and recommendations for director and executive compensation recommendations for 2024.

A compensation peer comparator group of mining companies was developed by GGA (the “Peer Group”) using the following criteria:

- Companies of a fairly similar size to Lucara (0.25x to 4x), primarily from a market capitalization perspective, but also taking into account other factors such as total revenue and total assets;
- Companies with operations in similar geographical locations to Lucara to account for geographic risk;
- Companies mining for precious metals (specifically diamonds), where possible;
- Companies who are operational and not exclusively in the exploration stage; and
- Companies currently operating a single mining asset.

A review of Lucara’s Peer Group was completed in 2023 by GGA. Data from companies of a similar size to Lucara from within GGA’s proprietary mining database was provided to the Compensation Committee as a “reality check” of the primary Peer Group data.

The Peer Group includes four diamond companies as set out in the table below:

	COMPANY NAME	SYMBOL	STOCK EXCHANGE
1.	Burgundy Diamond Mines Ltd.	BDM	ASX
2.	Caledonia Mining Corporation	PLCCMCL	NYSE, LSE
3.	Calibre Mining Corp.	CXB	TSX
4.	Galiano Gold Inc.	GAU	TSX, NYSE
5.	Gem Diamonds Ltd.	GEMD	LSE
6.	Giyani Metals Corp.	EMM	TSX-V
7.	Jaguar Mining Inc.	JAG	TSX
8.	Karora Resources Inc.	KRR	TSX
9.	Mandalay Resources Corp.	MND	TSX
10.	Mountain Province Diamonds Inc.	MPVD	TSX, NASDAQ
11.	Petra Diamonds Limited	PDL	LSE
12.	Platinum Group Metals Ltd.	PTM	TSX (NYSE: PLG)
13.	Robex Resources Inc.	RBX	TSX
14.	Shanta Gold Ltd.	SHG	AIM
15.	Thor Explorations Ltd.	THX	TSX-V, AIM

In determining compensation levels for 2024 and performance-based awards for 2023, the Compensation Committee used data from the Peer Group and other available information. The Compensation Committee also considered the following objectives:

- Total direct compensation to be targeted around the 50th percentile of the Peer Group;
- Reviewing the benchmark allocation between Base Salary, STIP and LTIP recommended by GGA, maintaining a greater weighting of “at-risk” compensation;
- A greater weighting towards PSUs (at 50% of target LTIP), with the opportunity to earn additional share units should superior performance (up to 150%) be achieved related to pre-determined metrics) with the remaining award split equally between RSUs and stock options; and



- Consideration of past practice (adjusted for actual performance) for the size and value of proposed share-based awards, including key person retention incentives.

Benchmarking - Executive Salaries

To develop its recommendations to the Board related to executive compensation, the Compensation Committee reviewed:

1. GGA’s 2023 Global Mining Compensation Survey Report;
2. the 2021 GGA Report which was prepared specifically for Lucara and included a peer group analysis, an evaluation of Total Direct Compensation (“TDC”) (base salary plus short-term incentive and long-term incentive) levels and a high-level analysis of Lucara’s short and long-term incentive design practices relative to the market); and,
3. various other compensation advisory firm papers issued in 2023.

Following a review of this information, the Compensation Committee recommended, and the Board of Directors approved, TDC targeted at the 50th percentile of the 2021 GGA Report Peer Group, with escalation applied for the period of time.

With recent appointments and changes in executives, no base salary changes were made for 2024.

Benchmarking Director Compensation

The 2021 GGA Report was used for a review of director compensation. This review indicated that director cash compensation was comparable to that of the Peer Group but, due to the lack of equity compensation, overall director compensation was less than market. The 2021 GGA Report highlighted that more than 2/3rds of Lucara’s Peer Group provided equity compensation to directors, typically in the form of DSUs. The Corporation adopted a deferred share unit plan (“DSU Plan”) in February 2020. This plan was subsequently approved by shareholders at annual meetings in May 2020 and May 2022. Directors may elect to take up to 100% of their cash compensation in the form of DSUs.

For 2023, no changes were recommended for director cash compensation, which has remained unchanged since 2017.

Performance Goals

Since 2020, the Corporation has utilized a “Balanced Scorecard” plan design to determine STIP payments for executives. This change was made to better align the Corporation’s STIP with the leveraged plan design more commonly used by the Corporation’s peers. A leveraged plan design communicates a lower percentage of base salary and then provides a multiplier (typically between 150% and 200%, the Corporation chose 150%) when stretch targets are achieved.

EXECUTIVE – 2023 STIP OPPORTUNITY	THRESHOLD	TARGET	SUPERIOR
President & CEO	40%	80%	120%
CFO & Corporate Secretary	30%	60%	90%
Vice-President, Technical Services	25%	50%	75%

For 2023, the “Balanced Scorecard” included four metrics critical to the achievement of the Corporation’s goals that were measured as part of the “Corporate” Key Performance Indicators (“KPIs”). Specific performance criteria for each of “threshold”, “target” and “superior” performance were developed for these four key metrics:

- *Environment, health, safety and social (“EHSS”);*
- *Revenue, production and cost;*
- *Underground expansion; and*
- *Clara Diamond Solutions, the Company’s wholly-owned digital diamond sales platform (“Clara”).*

Alignment of Compensation Programs and Risk Management

Risk management is a primary consideration of the Board when implementing its compensation program. The compensation program is structured to reduce the focus on short-term results and excessive risk taking by implementing the following strategies:

- Payments of short-term incentives, if any, are not made until performance goals have been met. Managing risk in the areas of safety, environmental and corporate social responsibility is extremely important to Lucara and hence the Corporation's record on safety, environmental and corporate social responsibility is an important factor when considering short-term incentives.
- The Board implemented a claw-back of compensation that applies to all annual short-term incentive payments awarded on or after January 1, 2017. The claw-back applies to the officers of the Corporation and provides the Corporation with the discretion to recover a short-term incentive payment in the event it is found that the achievements relating to such payment involved fraud, theft, or other intentional illegal conduct on such officers' part.
- Commencing in 2019, the Board recommended that a claw-back provision also be applied to long-term incentive awards earned by officers of the Corporation. On March 20, 2019, the Board approved the inclusion of this claw-back provision and certain other amendments to the incentive stock option plan ("Option Plan").
- The Corporation's Option Plan includes vesting provisions over time which reduces the risk of short-term decision making. The Board sets standard vesting terms on stock option grants which align optionees' interests with longer term growth of the Corporation, using a 4 or 5-year term and 36-month vesting provisions such that the first third of the options vest one year after grant, the second third vest two years after the grant date and the final third vest three years from the grant date. The stock options granted in 2023 cliff vest after three years (in February 2026) and have a five-year term to align with key milestone dates for the Karowe Underground Expansion Project (the "Karowe UGP").
- Pursuant to the terms of the Corporation's Share Unit Plan, restricted share units awards do not vest until three years after the date of the award which reduces the risk of short-term decision making. On March 18, 2020 the Board approved the inclusion of a claw-back provision and certain other amendments to the Share Unit Plan. This covers both restricted and performance share unit awards.
- Beginning in February 2020, the Corporation incorporated performance share units as a component of the Corporation's LTIP. Under the terms of the Corporation's Share Unit Plan, the number of PSUs that ultimately vest will be dependent on the achievement of pre-established metrics. For the PSUs granted in 2021 (vesting in 2024), metrics were based on a combination of total shareholder return (50% weighting) and cashflow from operations (50% weighting), measured at the end of a three-year period. Beginning with the grant of PSUs in 2022, 50% of the PSU's granted will be measured on total shareholder return at the end of a three-year period, and 50% of the PSU's granted will be measured on the achievement of specific, annual milestones related to the Karowe underground expansion program. These metrics have been used since February 2022 for subsequent grants. PSU metrics have been set with the objective of alignment to shareholder interest, reducing the risk of short-term decision making.
- Board members and executive officers are not permitted to purchase financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the director or officer.
- The Board has established share ownership guidelines for non-employee directors to demonstrate their commitment to Lucara's long-term success and to align their interests with shareholders. Non-employee directors must own or control shares with a value, calculated at the time of stock purchase or at the current share purchase price, whichever is greater, equal to twice the value of the basic annual retainer of CAD\$100,000. These shares must be acquired within four years of joining the Board. As of the date of this Circular, all directors standing for re-election met these guidelines.

- The Board also believes it is important for senior management to have equity ownership in the Corporation to demonstrate their commitment to Lucara’s long-term success and to align with shareholders. This is consistent with the nature of the Corporation’s long-term incentive program which includes the issuance of both stock options and share units (only share units count towards the share ownership requirement). Under the share ownership guidelines for executives, the ownership level should be achieved by the executive within five years of the implementation of the guidelines (the guidelines were adopted February 23, 2020), or if an officer is appointed after implementation, within five years of their appointment as an officer.

Prior to 2020, the executive share ownership requirement was a flat number of shares. The *Executive Share Ownership Guidelines* were revised as of February 23, 2020 such that Officers of the Corporation must own Qualifying Shares with a value, calculated at the time of the stock purchase or at the current share purchase price, whichever is greater, equal to a multiple of the Officer’s annual base salary.

Executive share ownership as of the date of the Circular is set out in the table below:

POSITION AND MULTIPLE OF ANNUAL BASE SALARY REQUIRED	SHARE OWNERSHIP VALUE REQUIRED ⁽¹⁾	# OF SHARES OWNED	# OF RESTRICTED SHARE UNITS GRANTED ⁽²⁾	# OF PERFORMANCE SHARE UNITS GRANTED ⁽²⁾	ASSESSMENT
CEO – 3.0x	\$2,250,000	416,000	2,130,000	2,260,000	Compliant ⁽³⁾
CFO - 1.5x	\$729,000	25,865	835,000	920,000	Compliant ⁽³⁾
VP, Technical Services – 1.0x	\$362,000	624,147	582,000	261,000	Compliant

(1) Share ownership value required is based upon the Executive’s 2024 base salary.

(2) Unvested restricted and performance share units held by an executive count towards the achievement of the applicable ownership guideline.

(3) Under the share ownership guidelines for executives, the ownership level should be achieved by the executive within five years of appointment as an officer. CEO and CFO, while not at the required share ownership value, are compliant as each has not reached five years since the date of appointment.

Consultant Work and Fees

In 2023, the Compensation Committee retained GGA to review specific benchmarking and peer group review to enable the Compensation Committee to evaluate director and executive compensation. GGA were paid a fee of CAD\$5,775 plus GST for these services rendered in 2023.

Role of Management in Determining Compensation

The accountability for decisions on executive remuneration is within the mandate of the Board with recommendations from the Compensation Committee; however, management has a key role in helping support the Compensation Committee in fulfilling its obligations. For example, the CEO will make specific recommendations to the Compensation Committee with respect to compensation for the other executive officers of the Corporation that are based on the Committee’s compensation philosophy and incentive programs approved by the Committee. The Board of Directors has ultimate responsibility for evaluating the CEO’s performance and determining CEO compensation.

Composition of the Compensation Committee

The Compensation Committee, on behalf of the Board, monitors compensation for the executive officers of the Corporation. The Compensation Committee consists of three directors, all of whom are independent directors as of the date of the Circular. The Compensation Committee members are: Paul Conibear (Chair), Marie Inkster and Peter J. O’Callaghan. In 2023, the Compensation Committee met a total of four times with all members of the Compensation Committee being present for each meeting.

Skills and Experience of Compensation Committee Members

All members of the Compensation Committee have direct experience which is relevant to their responsibilities as Compensation Committee members. Two of the three members have served as the CEO for a public company, and therefore have a good understanding of how compensation works and how to motivate employees. Mr. O’Callaghan was a senior partner at a national Canadian law firm until 2022 and has served as a member of that firm’s national executive committee and national compensation committee and was the managing partner of one of the firm’s large regional offices. All members have financial expertise which allows them to assess the costs versus benefits of the Corporation’s compensation plans. The members combined experience in the resource sector provides them with the understanding of the Corporation’s success factors and risks which is very important when determining metrics for measuring success.

The Compensation Committee members for the year ended December 31, 2023 were as follows:

NAME	INDEPENDENT ⁽¹⁾	EDUCATION AND EXPERIENCE RELEVANT TO PERFORMANCE OF COMPENSATION COMMITTEE DUTIES
Paul Conibear	Yes	Mr. Conibear, an engineer, was in a senior executive role in the resource sector until mid-2018 and has extensive experience in serving as a compensation committee member with other public company boards.
Marie Inkster	Yes	Ms. Inkster has served as both a CEO (2018-2021) and as a CFO (2009-2018) of companies within the mining industry and therefore has relevant experience in compensation matters.
Peter J. O’Callaghan	Yes	Mr. O’Callaghan is a securities lawyer and has experience advising many public companies on a variety of matters, including compensation. He has served as a member of his firm’s national executive committee and national compensation committee and was the managing partner, until his retirement in December 2022, of one of his firm’s large regional offices.

(1) A member is independent if he/she has no direct or indirect material relationship with the Corporation which could, in the view of the Board, reasonably interfere with the exercise of a member’s independent judgment or is otherwise deemed to have a material relationship under NI 52-110. Until his retirement in December 2022, Mr. O’Callaghan was a senior partner at the law firm of Blakes. While Mr. O’Callaghan did not provide legal advice to the Corporation directly, other partners at his firm did. As a result of this relationship during 2022, Mr. O’Callaghan was not considered independent. Following his retirement from Blakes, the Board has determined that Mr. O’Callaghan is independent.

4.2 COMPENSATION OF NAMED EXECUTIVE OFFICERS

Lucara’s Named Executive Officers (“NEOs”) for 2023 include the Corporation’s CEO and CFO, and the three other most highly compensated executives of the Corporation and its subsidiaries. Two of the NEOs hold positions with Lucara’s indirect, wholly-owned subsidiary, Lucara Botswana Proprietary Limited (“Lucara Botswana”).

Effective August 17, 2023, William Lamb was appointed President and CEO following the departure of Eira Thomas earlier in the month. Zara Boldt was the Corporation’s CFO throughout 2023. Ms. Boldt resigned effective December 31, 2023. Glenn Kondo was appointed the Corporation’s CFO and began in the position effective January 1, 2024.

The list of NEOs for 2023 is as follows:

NAME	TITLE	DATE OF APPOINTMENT
William Lamb	President and Chief Executive Officer, Lucara (“CEO”)	August 17, 2023

NAME	TITLE	DATE OF APPOINTMENT
Eira Thomas	President and Chief Executive Officer, Lucara (“CEO”)	February 25, 2018 – August 14, 2023
Zara Boldt	Chief Financial Officer and Corporate Secretary, Lucara (“CFO”)	April 1, 2018 – December 31, 2023)
Dr. John Armstrong	Vice President, Technical Services, Lucara (“VP Technical Services”)	August 2, 2013
Naseem Lahri	Managing Director, Lucara Botswana (“Lucara Botswana MD”)	May 1, 2018 ⁽¹⁾
Johane Mchive	General Manager, Karowe Mine (“Lucara Botswana GM”)	June 1, 2017

(1) Prior to her appointment as Managing Director, Ms. Lahri served as the CFO for Lucara Botswana

2023 Named Executive Officer Compensation Results

The Board reviewed Lucara’s 2023 performance and the analysis and recommendations of the Compensation Committee and approved all decisions on executive compensation for the two NEOs who were Lucara officers in 2023, and remained an officer at December 31, 2023: the CEO and the VP Technical Services (the “Officer NEOs”). The Board also approved decisions, based on the CEO’s and the Compensation Committee’s recommendations, for the awards for long-term incentives for the Managing Director of Lucara Botswana and the Lucara Botswana GM (the “Lucara Botswana NEOs”). The Lucara CEO reviewed Lucara Botswana’s performance and the individual performance of the Lucara Botswana NEOs and made decisions regarding: (i) their Base Salaries; and (ii) short-term incentive using a set of KPIs similar to the KPIs applicable to the assessment of performance for the Officer NEOs.

(i) Base Salaries

As discussed above under Benchmarking - Executive Salaries, the Compensation Committee considered benchmarking data for the Officer NEOs. The Officer NEOs were increased as of January 1, 2023. Officer NEO compensation is established in Canadian Dollars but paid in British Pounds Sterling for the Lucara CFO who resided in the UK for a portion of 2023.

As noted above, the Lucara Botswana NEOs are employees of the Corporation’s subsidiary Lucara Botswana. As neither of the Lucara Botswana NEOs are officers of the Corporation, their salaries are not reviewed by the Compensation Committee but are determined by the Lucara CEO and CFO. The Lucara Botswana NEOs are compensated in Botswana Pula (“BWP”).

(ii) Long-term Incentives

In determining the quantum of long-term incentive awards for the Officer NEOs, the total potential amount available to be earned was based on TDC at the 50th percentile of the Peer Group, using the 2021 GGA Report with an escalator of 4% applied to determine the value to be granted in February 2024, less amounts paid for base salary and the target short-term incentive. The resulting dollar value (“LTIP Award Amount”) was then used to determine the number of stock options and share units granted, with a weighting of 25% to stock options, 25% to RSUs and 50% to PSUs. The Compensation Committee determined that a greater weighting towards performance-based compensation would be appropriate, given the significant capital program underway at the Karowe mine in Botswana and the importance of that project to the Corporation’s growth plans.

An option value of \$0.16 was used to determine the number of stock options to be granted (the Black-Scholes value of the stock option grant on February 28, 2024 was \$0.13) and a share price of \$0.67 was used to determine the number of RSUs and PSUs to be granted (the actual share price on the February 28, 2024 date of grant was \$0.36).

Stock Options

The NEOs, who were eligible to receive an award, each received stock option grants in February 2024 based on their level of responsibility and their ability to impact the Corporation’s results (the value of such option grants, calculated using the Black-Scholes option pricing methodology, is set out below in the Summary Compensation Table) towards



generating long term value for the Corporation. For 2024, at the parent company, the weighting of stock option awards was 25% as a percentage of total LTIP, an increase from a 12.5% weighting of the total annual LTIP award in 2023. For NEOs at the subsidiary company, the weighting of stock option awards was 50% as a percentage of total LTIP, an increase from 12.5% weighting of the total annual LTIP award in 2023.

POSITION	EXECUTIVE	FEBRUARY 2024 OPTION GRANT ⁽¹⁾
President and CEO	William Lamb	330,000
CFO	Glenn Kondo	215,000
Lucara Botswana MD	Naseem Lahri	300,000
Lucara Botswana GM	Johane Mchive	250,000

(1) Based on 2022 Performance

Share Units

The Compensation Committee views the granting of share units as an important method, when combined with the minimum share ownership levels for officers, to align senior management’s interests with shareholders and to promote retention. The NEOs received share unit awards in February 2024, based on the targeted delivery of the Corporation’s long-term performance, their level of responsibility and their ability to impact the Corporation’s results (the value of such awards is set out below in the Summary Compensation Table).

For 2024, at the parent company, the weighting of PSU awards as a percentage of total LTIP decreased to 50% (from 62.5%) while the weighting of the RSUs as a percentage of total LTIP remained constant at 25% (from 2023). For NEOs at the subsidiary, the weighting awards as a percentage of total LTIP adjusted to 25% (from 62.5%) PSU awards and 25% RSU awards consistent from 2023.

POSITION	EXECUTIVE	FEBRUARY 2024 RESTRICTED SHARE UNIT AWARD ⁽¹⁾	FEBRUARY 2024 PERFORMANCE SHARE UNIT AWARD ⁽¹⁾⁽²⁾
President and CEO	William Lamb	130,000	260,000
CFO	Glenn Kondo	85,000	170,000
Lucara Botswana MD	Naseem Lahri	60,000	60,000
Lucara Botswana GM	Johane Mchive	50,000	50,000

(1) Actual common shares issued will depend on the achievement of the performance metrics of the grant and could range between 0% and 150%. The numbers in the table above assume achievement of 100% of the pre-determined metrics.

(2) Should Superior performance (150%) be achieved for all of the 2024 PSU grant metrics, an additional 810,000 common shares would be issued to the Officer NEOs and the Lucara Botswana NEOs, collectively.

Performance criteria for the 2024 PSU awards will be based on three criteria:

1. The total shareholder return of Lucara (25% weighting) over a three-year lookback period with the Corporation’s share price of \$0.39 as of December 31, 2023 as the measurement point.
2. The total shareholder return of Lucara’s Diamond Peer Group (25% weighting) over a three-year lookback period.
3. Annual construction milestones for each of 2024 to 2026 (50%) measured and settled annually over the three-year period against the underground expansion program’s schedule, budget, and safety record.

(iii) Annual Short-Term Incentives

The Officer NEOs are eligible for short-term incentives following an assessment by the Compensation Committee in accordance with the Corporation's STIP framework for executives, which uses a "Balanced Scorecard" approach to measure achievement. Short-term incentives related to fiscal 2023 performance metrics were paid in March 2024 (following the release of the Corporation's 2023 audited financial results).

The short-term incentive payments for the Lucara Botswana NEOs were determined by the Lucara CEO and CFO following an evaluation of performance against several operational KPIs related to safety and the environment, operational performance, financial targets, and leadership.

The 2023 performance metrics and the assessment of achievement against those performance metrics for the Officer NEOs are described below.

Overview of 2023 Corporate Performance

The Karowe diamond mine completed its eleventh year of continuous operations and successfully delivered on all key financial and operating metrics, including safety, production, and processing with costs trending below guidance. The Company was challenged to deliver on revenue and sales due to production mix, timing of shipments, market weakness and the termination of its sales agreement in HB in the fourth quarter of 2023 which resulted in the revenue achieving revised guidance released in the fourth quarter of 2023. The Company successfully completed a rebase of its project debt facilities in early 2024 and was able to secure a liquidity guarantee from its largest shareholders, Nemesia, to ensure continued access to sufficient liquidity to support the Corporation's operations and growth plans. As a result of significant water inflows during sinking in the water-bearing sandstones, there was a need to rebase the project schedule and budget in 2023. Several significant changes were implemented for the Karowe underground expansion project in 2023, including the completion of a rebase schedule and budget, staffing changes, successful grouting campaigns, improved cycle times during shaft sinking, and implementation and roll-out of a new safety program.

All key operational and financial metrics from the Corporation's 2023 revised guidance were achieved, including 2.7 million tonnes of ore and 3.1 million tonnes of waste mined, and a record 2.8 million tonnes of ore processed.

- Revenue for the year ended December 31, 2023 totalled \$177.4 million, including \$5.0 million through Clara.
- A total of 379,287 carats were sold through the Corporation's three sales channels, generating revenue of \$153.0 million before top-up payments of \$19.4 million for the year ended December 31, 2023.
- A strong U.S. dollar helped to mitigate increases in input costs, resulting in an operating cash cost of \$28.75 per tonne of ore processed⁽¹⁾ for the year ended December 31, 2023.
- Cash flow of \$63.4 million from operating activities.
- \$101.3 million invested in the Karowe UGP during 2023. Several significant milestones were achieved in 2023 including:
 - Shaft sinking, lateral development and grouting programs were the focus in both the ventilation and production shafts in 2023. At the end of 2023, the production and ventilation shafts were both at 348 metres below collar or 666 metres above sea level. The process of establishing the first shaft stations and lateral connection between the two shafts (670 level) had commenced.
 - Commissioning of the temporary bulk air coolers at each shaft was completed and construction of the permanent bulk air coolers at the production shaft was underway.
 - Detailed engineering and fabrication of the permanent men and materials winder commenced, representing the last major component for the permanent winders.

⁽¹⁾ See "Non-IFRS Financial Performance Measures".

A. Corporate Performance Ratings

The achieved performance for the 2023 corporate KPIs was as follows:

KPI	WEIGHTING	ACHIEVEMENT	SUMMARY ASSESSMENT
EHSS	10%	90%	Overall achievement was excellent on key KPIs in each category; Strong safety record maintained. Renewable energy proposal put on hold.
Revenue, Production and Cost	45%	67%	Production and cost metrics were achieved and exceeded; realized revenue was below target.
Underground	40%	12.5%	Challenges with sinking developed in H1 2023 due to water inflows and slower than expected cycle times in shaft sinking; rebase project schedule and budget was released in H2 2023. Commissioning of the 132kV transmission line and substations was completed on time and budget.
Clara	5%	20%	Several key financial metrics not achieved, although good progress in other areas observed through pivoting strategy.
Total	100%	45%	Weighted average achievement of 2023 Corporate KPIs

B. Individual Performance Ratings

The ratings for each of the Officer NEOs and the Lucara Botswana Officers are set out in the table below. In making the assessment of the Officer NEOs performance, the Compensation Committee considered the performance of the executives in their position, retention, and challenges experienced with main sinking at the Karowe underground expansion program.

The following chart sets out the performance metrics achieved and STIP award paid to each of the NEOs:

POSITION	EXECUTIVE ⁽¹⁾	% OF STIP METRICS ACHIEVED	TARGET STIP (%) ⁽²⁾	STI PAYMENT (%) ⁽²⁾	STI PAYMENT (CAD\$) ⁽³⁾
CEO (effective August 17, 2023)	William Lamb	132%	80%	106%	300,000
VP Technical Services	John Armstrong	102%	50%	51%	185,000
Lucara Botswana MD	Naseem Lahri	86%	90%	77%	267,000
Lucara Botswana GM	Johane Mchive	79%	75%	59%	172,000

(1) As Ms. Boldt departed on December 31, 2023, she was not eligible for a 2023 STIP award.

(2) As a percentage of base salary, rounded to the nearest thousand Canadian Dollars

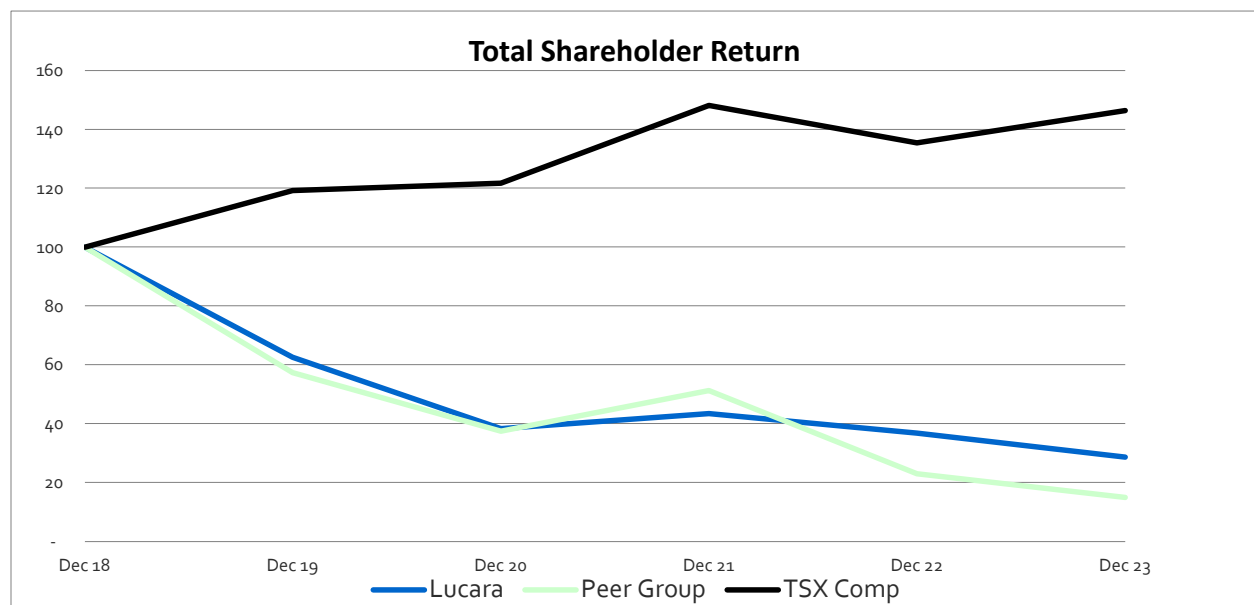
(3) The following conversion rates, being the Bank of Canada average rates for 2023, were used to convert the STIP payment earned by the Lucara Botswana NEOs in 2023 from the Botswana Pula into Canadian Dollars: CAD\$1.00=BWP9.89.

Areas of focus for each NEO were as follows:

POSITION	EXECUTIVE	KEY FOCUS AREAS (INDIVIDUAL)
CEO (effective August 17, 2023)	William Lamb	Overall leadership, growth, shareholder engagement.
VP Technical Services	John Armstrong	Operations, underground expansion, sustainability
Lucara Botswana MD	Naseem Lahri	Overall leadership, operations, government relations
Lucara Botswana GM	Johane Mchive	Operations, health, safety, and sustainability

Performance Graph

The following graph shows the total cumulative return on a CAD\$100 investment in Common Shares from December 31, 2018 compared to the cumulative total return of the TSX Composite Index and a diamond sector index comparator group, consisting of Petra Diamonds Ltd., Mountain Province Diamonds Inc., Gem Diamonds Limited and Star Diamonds Corporation, through the five years ending December 31, 2023, assuming reinvestment of all dividends.



The share performance as set out in the graph above does not necessarily indicate future price performance. Amounts below are stated in Canadian dollars. The shares trade on the TSX under the symbol “LUC”.

Two of the former Officer NEOs were appointed during the year ended December 31, 2018. Total compensation in 2018 included “New Hire Stock Option Grants” and “New Hire Share Unit Grants” awarded to the NEOs appointed in 2018, as well as an initial share unit grant to the Lucara Botswana MD.

In 2019, total NEO compensation was largely unchanged as TDC was targeted at P50 of the Corporation’s Peer Group. The diamond industry overall experienced significant decreases in equity value and the rough diamond market remained under significant pricing pressure in late 2018 and 2019. This impact is visible in the total shareholder return in comparison to the TSX composite.

In 2020, total NEO compensation was again targeted at P50 of the Peer Group, with a greater emphasis on “at risk” compensation and a move to a “Balanced Scorecard” approach for STIP. Lucara has outperformed its Peer Group with strong operational results, although the 2020 financial results reflected a very challenging market for diamond equities.

In 2021 and 2022, total NEO compensation remained targeted at P50 of the Peer Group, “at risk” compensation continued to be emphasized and increased in each year and the “Balanced Scorecard” approach for STIP implemented in 2020 was further refined. Lucara has outperformed its Peer Group with strong operational results, and an exceptional safety record. Following several years without adjustment, the annual base salaries for the Officer NEOs were increased effective July 1, 2021 (Lucara CFO) and as of January 1, 2022 for the Lucara CEO and Lucara VP Technical Services. An increase of 5% took effect as of January 1, 2023.

In 2023, total NEO compensation remained targeted at P50 of the Peer Group, “at risk” compensation continued to be a focus and the “Balanced Scorecard” approach for STIP implemented in 2020 was further refined. Lucara has continued to outperform its Peer Group with consistent operational results and safety record. The market continues to be muted within diamond equities.

Lucara underwent several changes in NEOs in 2023 with an incoming CEO and CFO (effective January 1, 2024); and the departure of former CEO and CFO. With the recent appointments, no changes were made to the annual base salaries for the Officer NEOs.

4.3 SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	YEAR	SALARY (CAD\$)	OPTION-BASED AWARDS ⁽²⁾ (CAD\$)	SHARE AWARDS ⁽³⁾ (CAD\$)	NON-EQUITY ANNUAL INCENTIVE PLAN ⁽⁴⁾ (CAD\$)	ALL OTHER COMPENSATION ⁽⁵⁾ (CAD\$)	TOTAL COMPENSATION ⁽¹⁾ (CAD\$)
William Lamb CEO (effective August 17, 2023)	2023	279,000	—	—	300,000	—	579,000
Eira Thomas CEO (January 1 – August 14, 2023)	2023	473,000	100,000	596,000	—	2,116,000 ⁽⁶⁾	3,285,000
	2022	721,000	94,000	609,000	434,000	—	1,858,000
	2021	700,000	94,000	630,000	770,000	—	2,194,000
Zara Boldt CFO	2023	446,000	49,000	290,000	—	—	785,000
	2022	425,000	44,000	288,000	207,000	58,000	1,022,000
	2021	400,000	56,000	371,000	350,000	—	1,202,000
Naseem Lahri Lucara Botswana MD	2023	347,000	32,000	188,000	267,000	110,000	944,000
	2022	346,000	31,000	192,000	257,000	109,000	935,000
	2021	345,000	33,000	206,000	243,000	108,000	935,000
John Armstrong VP Technical Services	2023	362,000	42,000	249,000	185,000	—	838,000
	2022	345,000	39,000	255,000	130,000	—	769,000
	2021	330,000	48,000	320,000	227,000	—	925,000
Johane Mchive Lucara Botswana GM	2023	292,000	25,000	129,000	172,000	98,000	716,000
	2022	294,000	25,000	128,000	152,000	98,000	697,000
	2021	290,000	25,000	150,000	139,000	84,000	688,000

(1) All amounts in the Summary Compensation Table are rounded to the nearest thousand Canadian dollars. Ms. Boldt was paid in Canadian Dollars and British Pounds Sterling in 2021, 2023 and Q1 2023. Ms. Lahri and Mr. Mchive were paid in Botswana Pula. A fixed conversion rate of CAD\$1.00=UK£0.59 was used to convert the salary paid to Ms. Boldt in the table above. The following conversion rates were used to convert salary payments for presentation in Canadian Dollars:

- Financial year ended December 31, 2023 average exchange rate of Botswana Pula 1=CAD\$0.101.
- Financial year ended December 31, 2022 average exchange rate of Botswana Pula 1=CAD\$0.105.
- Financial year ended December 31, 2021 average exchange rate of Botswana Pula 1=CAD\$0.113.

(2) This column represents stock options granted in the corresponding year of the table. The information presented for share-based compensation awards for 2021 has been adjusted to represent the awards granted in the year shown in the table. The amounts represent the fair value, on the date of grant, of awards made under Lucara’s Option Plan. The value has been determined using the Black-Scholes model. The amount presented in the table represents the fair value of the vested and unvested portion of the options granted for the period. For accounting purposes, the fair value is amortized over the

applicable vesting periods. Stock option values are calculated in Canadian dollars. It should be recognized that the actual future value will be based on the difference between the market value at time of exercise and the exercise price. Therefore, the value attributed to the stock options under the Black-Scholes model does not necessarily correspond to the actual future value that will be realized. The Black-Scholes option pricing model incorporates key assumptions dealing with risk free interest rate, expected stock price volatility, expected life and expected dividend yield. When determining the award value for 2023, an option value of CAD\$0.50 was used. This compares to the Black-Scholes value of CAD\$0.25 which is used for accounting/presentation purposes in the table above.

- (3) This column represents share units granted in the corresponding year of the table. The information presented for the awards for 2021 has been adjusted to represent the awards for those years. The amount presented in the table represents the fair value of the share unit (calculated as the fair value of one common share) as at the date of grant, presented in Canadian dollars. The Corporation’s RSUs and PSUs vest three years from the date of grant. In determining the number of RSUs and PSUs to be granted, the Compensation Committee used an estimated share price of CAD\$0.65; the share price at the date of grant was CAD\$0.56.
- (4) This column represents STIP awards earned in respect of the corresponding year’s performance. Payment of the 2023 STIP award was made in February or March 2024. Payment of the 2022 STIP award was made in February or March 2023. Payment of the 2021 STIP award was made in February or March 2022. STIP payments for employees of Lucara Botswana were made in Botswana Pula and translated to Canadian dollars at the rates disclosed in note (1) to the table.
- (5) Amounts in this column typically consist of benefits greater than CAD\$50,000 or 10% of the executive’s base salary which are not given to all employees. Ms. Lahri and Mr. Mchive, as employees of Lucara Botswana, receive a gratuity in lieu of a pension, calculated at 20% of base salary as well as certain allowances related to housing, vehicles, and medical insurance. The gratuity is required by law and is payable every three years.
- (6) This payment to Ms. Thomas related to the severance payment under her employment agreement and mutual separation agreement .

Pension Plan Benefits

The Corporation does not have any defined benefit or actuarial plan for Lucara employees. Lucara Botswana senior management, due to their employment in Botswana, are entitled by law to receive a gratuity equivalent to 15% of their base salary for the first 3 years of employment and 20% of their base salary thereafter in lieu of a pension. These amounts are accrued on an annual basis and paid every third year.

Liability Insurance

The Corporation is obligated to provide all Officer NEOs with liability insurance appropriate to the nature of their responsibilities.

Termination and Change of Control Benefits- NEOs

Except as disclosed below, all Officer NEOs have written employment agreements with Lucara. The Lucara Botswana Executives each have a written employment agreement with Lucara Botswana.

NAME AND TITLE	SALARY	STIP	LTIP	OTHER BENEFITS (1)/ KEY TERMS	ESTIMATED TERMINATION PAYMENT(2)
William Lamb, President & CEO	24 months	Payment equal to average STIP award earned in 2 years prior to termination	All unvested restricted and performance share units shall terminate within 90 days of the date of notice of termination.	Termination clauses “A” and “B”	\$2,100,000 (rounded)
Zara Boldt, CFO & Corporate Secretary	18 months	Payment equal to the STIP award earned in the year prior to termination	All share based compensation (stock options and share units) becomes fully	Termination clauses “A” and “B”	\$773,000 (rounded)

NAME AND TITLE	SALARY	STIP	LTIP	OTHER BENEFITS (1)/ KEY TERMS	ESTIMATED TERMINATION PAYMENT(2)
Dr. John Armstrong, Vice-President, Technical Services	12 months	Payment equal to the STIP award earned in the year prior to termination(4)	vested upon termination. Performance share units are subject to the achievement of the performance criteria and will continue until the measurement date (typically 3 years from the date of grant)	Termination clauses "A" and "C"	\$520,000 (rounded)
Termination Clause "A"	Pursuant to the employment agreement in effect on December 31, 2023, if the Lucara NEO's employment had been terminated without cause, they would have been entitled to the payment set out in the table above.				
Termination Clause "B"	Pursuant to the employment agreement in effect on December 31, 2023, if the Lucara NEO's employment had terminated their employment for "good reason"(3), they would have been entitled to receive the compensation set out in the table above.				
Termination Clause "C"	Pursuant to the employment agreement in effect on December 31, 2023, if the Lucara NEO's employment had been terminated upon a change of control of the Corporation to an entity not affiliated with the Lundin family and the Lucara NEO's employment was either terminated without cause or the Lucara NEO elected to terminate their employment, they would have been entitled to receive the compensation set out in the table above.				

(1) All Officer NEOs are entitled to a continuation of benefits for 12 months following termination.

(2) Estimated amount of cash compensation payable should the Lucara NEO's employment have been terminated on December 31, 2023. The estimated value of each Officer NEO's share-based compensation which would have vested had the Lucara NEO's employment been terminated on December 31, 2023, would have been \$0.5 million for the VP Technical Services, using the closing share price of \$0.39 as at December 31, 2023.

(3) "Good Reason" includes: a material reduction in the Lucara NEO's base salary or entitlement to receive incentives, a material reduction in the scope of the Lucara NEO's services, a requirement that the Lucara NEO relocate or a material breach by the Corporation of the Lucara NEO's employment agreement.

(4) STIP shall not exceed the Lucara NEO's annual salary

Ms. Lahri, Lucara Botswana MD

Pursuant to the employment agreement between Lucara Botswana and Ms. Lahri, if Ms. Lahri's employment is terminated without cause she will be entitled to receive a payment equal to 3 months' salary and a payment with respect to an accrued 20% gratuity in lieu of a pension. In addition, as her employment with Lucara Botswana is longer than two years, her share options and share units will become fully vested in the event her employment is terminated without cause. It is estimated the total value of Ms. Lahri's severance package would have been CAD\$89,000 (rounded) if a termination of her employment had occurred on December 31, 2023. The estimated value of share-based compensation which would have vested had her employment been terminated on December 31, 2023 would have been \$355,000.

Mr. Mchive, Lucara Botswana GM

Pursuant to the employment agreement between Lucara Botswana and Mr. Mchive, if Mr. Mchive's employment is terminated without cause he will be entitled to receive a payment equal to 3 months' salary and a payment with respect to an accrued 20% gratuity in lieu of a pension. In addition, as his employment with Lucara Botswana is

longer than two years, his share options and share units will become fully vested in the event his employment is terminated without cause. It is estimated the total value of Mr. Mchive's severance package would have been CAD\$75,000 (rounded) if a termination of his employment had occurred on December 31, 2023. The estimated value of share-based compensation which would have vested had his employment been terminated on December 31, 2023 would have been \$246,000.

Outstanding Option and Share based Awards

The following table sets forth for each NEO all awards outstanding at the end of 2023.

NEO	GRANT DATE	OPTION-BASED AWARDS				SHARE-BASED AWARDS		
		NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS (#)	OPTION EXERCISE PRICE (CAD\$)	OPTION EXPIRATION DATE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS (CAD\$) ⁽¹⁾	NUMBER OF SHARES OR UNITS OF SHARES THAT HAVE NOT VESTED ⁽³⁾ (#)	MARKET PAYOUT VALUE OF SHARE-BASED AWARDS THAT HAVE NOT VESTED ⁽²⁾ (CAD\$)	MARKET PAYOUT VALUE OF SHARE-BASED AWARDS NOT PAID OUT OR DISTRIBUTED (CAD\$)
Eira Thomas President & CEO (January 1 – August 14, 2023)	February 26, 2020	105,000	0.77 ⁽⁴⁾	February 26, 2024	–	–	–	–
	February 25, 2021	345,000	0.79 ⁽⁵⁾	February 25, 2025	–	–	–	–
	February 28, 2022	381,000	0.66 ⁽⁶⁾	February 28, 2026	–	–	–	–
	February 27, 2023	396,000	0.57 ⁽⁷⁾	February 27, 2028	–	–	–	–
Zara Boldt CFO	February 26, 2020	135,000	0.77 ⁽⁴⁾	February 26, 2024	–	–	–	–
	February 25, 2021	136,000	0.79 ⁽⁵⁾	February 25, 2025	–	–	–	–
	February 28, 2022	60,000	0.66 ⁽⁶⁾	February 28, 2026	–	–	–	–
John Armstrong VP, Technical Services	February 26, 2020	105,000	0.77 ⁽⁴⁾	February 26, 2024	–	–	–	–
	February 25, 2021	177,000	0.79 ⁽⁵⁾	February 25, 2025	–	427,000	166,500	–
	February 28, 2022	159,000	0.66 ⁽⁶⁾	February 28, 2026	–	399,000	156,000	–
	February 27, 2023	165,000	0.57 ⁽⁷⁾	February 27, 2028	–	444,000	173,000	–
Naseem Lahri Lucara Botswana MD	February 26, 2020	100,000	0.77 ⁽⁴⁾	February 26, 2024	–	–	–	–
	February 25, 2021	120,000	0.79 ⁽⁵⁾	February 25, 2025	–	275,000	107,000	–
	February 28, 2022	125,000	0.66 ⁽⁶⁾	February 28, 2026	–	300,000	117,000	–
	February 27, 2023	125,000	0.57 ⁽⁷⁾	February 27, 2028	–	335,000	130,650	–
Johane Mchive Lucara Botswana GM	February 26, 2020	75,000	0.77 ⁽⁴⁾	February 26, 2024	–	–	–	–
	February 25, 2021	90,000	0.79 ⁽⁵⁾	February 25, 2025	–	200,000	78,000	–
	February 28, 2022	100,000	0.66 ⁽⁶⁾	February 28, 2026	–	200,000	78,000	–
	February 27, 2023	100,000	0.57 ⁽⁷⁾	February 27, 2028	–	230,000	–	–

(1) Based on the closing price of the Common Shares on the TSX on December 31, 2023 of CAD\$0.39 per Common Share, less the exercise price of the in-the-money stock options. These stock options have not been, and may never be, exercised and the actual gain, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

(2) The value is based on the closing price of the Common Shares on the TSX on December 31, 2023 of CAD\$0.39.

(3) Share units include all units that have not vested, including units issued in lieu of cash dividends applicable to outstanding share units held when a dividend was paid by the Corporation. Share units vest three years from the date of grant.

- (4) One third vesting will occur 12, 24 and 36 months after the date of grant, being February 26, 2021, February 26, 2022 and February 26, 2023, respectively. As at the date of this Circular, all stock options granted on February 26, 2020 expired on February 26, 2024. As the options were not “in-the-money” at the time of expiry, none were exercised.
- (5) One third vesting will occur 12, 24 and 36 months after the date of grant, being February 25, 2022, February 25, 2023 and February 25, 2024, respectively.
- (6) One third vesting will occur 12, 24 and 36 months after the date of grant, being February 28, 2023, February 28, 2024 and February 28, 2025, respectively.
- (7) These values represent all unvested options. Vesting will occur 36 months after the date of grant, being February 27, 2026.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for each NEO’s incentive plan awards during 2023.

NAME	OPTION-BASED AWARDS – VALUE VESTED DURING THE YEAR ⁽¹⁾ (CAD\$)	SHARE-BASED AWARDS – VALUE VESTED DURING THE YEAR ⁽²⁾ (CAD\$)	NON-EQUITY INCENTIVE PLAN COMPENSATION-VALUE EARNED DURING THE YEAR ⁽³⁾ (CAD\$)
William Lamb	–	–	300,000
Eira Thomas	–	815,000	–
Zara Boldt	–	201,000	–
Naseem Lahri	–	121,000	267,000
John Armstrong	–	132,000	185,000
Johane Mchive	–	81,000	172,000

- (1) Calculated using the closing price of the Common Shares on the TSX on the dates on which stock options vested during 2023, or if the TSX is not open on such date, the closing price of the Common Shares on the TSX on the last date that the TSX is open preceding the vesting date and subtracting the exercise price of in-the-money stock options; rounded to the nearest thousand Canadian Dollars.
- (2) Calculated using the closing price of the Common Shares on the TSX on the dates on which share units vested during 2023, or if the TSX is not open on such date, the closing price of the Common Shares on the TSX on the last date that the TSX is open preceding the vesting date; rounded to the nearest thousand Canadian Dollars.
- (3) This column represents short-term incentive plan payments referred to earlier in the Circular, the incentive payment is paid in 2024 for 2023 performance. Ms. Boldt and Ms. Thomas were not employed by the Corporation in February 2024 and therefore, were not eligible for STI referred to earlier in the Circular. Ms. Lahri and Mr. Mchive were paid in Botswana Pula and that amount was converted to Canadian dollars for presentation in the table above. The following conversion rates were used to convert the 2023 short-term incentive plan payments Botswana Pula 1=CAD\$0.101.

SECTION 5 – COMPENSATION OF DIRECTORS

The following table sets forth the details of compensation provided to directors in 2023, other than Eira Thomas and William Lamb. Ms. Thomas, Lucara’s CEO did not receive compensation for her service as a director prior to her resignation in September 2023. Mr. Lamb, Lucara’s CEO (effective from August 17, 2023) did not receive compensation for his service as a director.

DIRECTORS – 2023	FEES CASH-BASED (CAD\$)	FEES SHARE-BASED AWARDS (CAD\$) ^{* (1)}	SHARE-BASED AWARDS (CAD\$) ^{* (2)}	TOTAL FEES EARNED (CAD\$)
Paul Conibeare	125,000	-	32,000	157,000
David Dicaire	-	110,000	61,000	171,000
Marie Inkster	57,500	57,500	46,500	161,500
Adam Lundin	-	100,000	55,000	155,000
Catherine McLeod-Seltzer	110,000	-	29,000	139,000

DIRECTORS – 2023	FEES CASH-BASED (CAD\$)	FEES SHARE-BASED AWARDS (CAD\$) ⁽¹⁾	SHARE-BASED AWARDS (CAD\$) ⁽²⁾	TOTAL FEES EARNED (CAD\$)
Peter J. O’Callaghan	55,000	55,000	45,000	155,000

Notes to Director Compensation table:

- (1) This column represents fees paid in DSUs in lieu of receipt of cash. Share units’ values were calculated in Canadian dollars based on the fair value of Common Shares on the grant date. The amount presented in the table represents the fair value of the share unit as at the date of grant. The Corporation’s DSUs vest immediately and are paid out to a director upon retirement from the Board.
- (2) This column represents share unit awards earned as part of a directors’ remuneration. Share units’ values were calculated in Canadian dollars based on the fair value of Common Shares on the grant date. The amount presented in the table represents the fair value of the share unit as at the date of grant. The Corporation’s DSUs vest immediately and are paid out to a director upon retirement from the Board.

In 2019, the Compensation Committee retained GGA to perform benchmarking for director compensation, which was updated in the 2021 GGA Report. The 2019 benchmarking data showed that the directors’ annual retainers were generally in line with the cash compensation paid to directors of the companies in the Peer Group, but that most of the Peer Group companies also provide some form of share-based compensation (stock options, deferred share units, etc.) as part of the director compensation package. As a result, in February 2020 the Board adopted the DSU Plan and made an initial grant to Directors. The DSU Plan was subsequently approved by Shareholders at the May 2020 annual meeting.

The Compensation Committee recommended (and the Board approved) a decision not to increase the cash compensation paid to non-executive directors in 2023 (nor in 2024).

DIRECTORS’ FEES	ANNUAL FEE PAID (CAD\$)
Each non-executive director’s annual base remuneration	100,000
The Chair of the Board and the Chair of the Audit Committee each receive additional compensation	15,000
Lead Director, the Chair of the SHECR Committee, the Chair of the Corporate Governance and Nominating Committee, and the Chair of the Compensation Committee, receive additional compensation	10,000
Effective for the year commencing January 1, 2022, a director who participates in the Technical Advisory Committee (which is not a committee of the Board) received additional compensation	10,000
Deferred share units are granted pursuant to the terms of the Corporation’s DSU Plan and are awarded at the discretion of the Board, typically following a recommendation from the Compensation Committee	

Lucara reimburses directors for any reasonable travel and out-of-pocket expenses relating to their duties as directors. No fees were paid for attendance at meetings. The Corporation provides all directors with liability insurance.

Outstanding Option-Based Awards

There were no outstanding option-based awards held by the directors of the Corporation at the end of 2023.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during 2023 by each director, other than William Lamb and Eira Thomas who are NEOs (see above).

DIRECTORS – 2023	SHARE-BASED AWARDS – VALUE VESTED DURING THE YEAR (CAD\$) ⁽¹⁾
Paul Conibear	32,000
David Dicaire	171,000
Marie Inkster	104,000
Adam Lundin	155,000
Catherine McLeod-Seltzer	29,000
Peter J. O’Callaghan	100,000

(1) Calculated using the closing price of the Common Shares on the TSX on the dates on which share units vested during 2023, or if TSX is not open on such date, the closing price of the Common Shares on the TSX on the last date that the TSX is open preceding the vesting date.

SECTION 6 – OTHER INFORMATION

6.1 EQUITY COMPENSATION PLAN INFORMATION

As at December 31, 2023, the Corporation had three compensation plans under which equity securities of the Corporation were authorized for issuance. The Share Unit Plan for executive compensation was approved on May 13, 2015 by the shareholders and amended most recently on May 12, 2023, the Option Plan was approved by shareholders on May 13, 2015, and approved most recently on May 12, 2023, and the DSU Plan for directors was approved on May 8, 2020, and approved most recently on May 12, 2023. The following information is presented as at the Corporation’s fiscal year-end of December 31, 2023, unless otherwise specified.

Equity Compensation Plan Information (as at fiscal year end December 31, 2023)

PLAN CATEGORY	NUMBER OF COMMON SHARES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS/SHARE UNITS	AS A % OF ISSUED AND OUTSTANDING	WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS (CAD\$)	NUMBER OF COMMON SHARES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER THE PLAN (EXCLUDING SECURITIES REFLECTED IN COLUMN (A))	AS A % OF ISSUED AND OUTSTANDING
EQUITY COMPENSATION PLANS APPROVED BY SECURITY HOLDERS:					
Option Plan	6,544,000	1.4%	\$0.68	3,456,000	0.8%
Share Unit Plan	3,614,000	0.8%	N/A (share units)	13,386,000	2.9%
DSU Plan	3,172,156	0.7%	N/A (share units)	1,327,844	0.3%
Total	13,330,156	2.9%	N/A	18,169,844	4.0%

In February 2024, the Corporation granted 2,625,000 stock options, 3,143,000 RSUs and 3,424,000 PSUs to the Officer NEOs including initial grants to the incoming CEO and CFO. A further 504,000 deferred share units were granted to directors.

On May 12, 2023, Shareholders approved certain amendments to the Share Unit Plan, the DSU Plan and the Option Plan.

Summaries of the key plan terms can be found on the following pages.

Burn Rate ⁽¹⁾

YEAR	STOCK OPTIONS GRANTED	BURN RATE	SHARE UNITS GRANTED	BURN RATE	DEFERRED SHARE UNITS GRANTED	BURN RATE
2023	2,412,000	0.5%	3,337,000	0.7%	1,056,053	0.2%
2022	2,332,000	0.5%	2,860,000	0.6%	881,593	0.2%
2021	2,357,000	0.6%	2,854,000	0.7%	704,963	0.2%
3-year total	7,101,000	1.5%	9,051,000	2.0%	2,642,609	0.6%

⁽¹⁾ Calculated using the TSX prescribed methodology that became effective for issuers with fiscal years ending on or after October 31, 2017 –calculated by dividing stock options/share units granted in the applicable fiscal year by the weighted average number of Common Shares outstanding over the applicable fiscal year.

The Share Unit Plan

The material terms of the Share Unit Plan can be summarized as follows:

- The Share Unit Plan provides that SUs may be granted by the Board, the Compensation Committee, or any other committee of directors authorized by the Board to administer the Share Unit Plan (the “Committee”).
- Full time employees of the Corporation or any of its subsidiaries, including any senior executive, vice president, and members of the management team of the Corporation or any of its subsidiaries are eligible to receive SUs under the Share Unit Plan.
- The number of Common Shares reserved for issuance under the Share Unit Plan is fixed at 17,000,000, currently 3.7% of the issued and outstanding Common Shares.
- Any Common Shares subject to an SU which are cancelled or terminated in accordance with the terms of the Share Unit Plan without settlement will again be available for issuance under the Share Unit Plan. Subject to shareholder of the amendment to the Share Unit Plan, Common Shares subject to an SU settled for cash in accordance with the terms of the Share Unit Plan will also again be made available for issuance under the Share Unit Plan.
- The grant of SUs under the Share Unit Plan is subject to the number of the Common Shares: (i) issued to any one participant within any one (1) year period; (ii) issued to insiders of the Corporation, within any one (1) year period, and (iii) issuable to insiders of the Corporation, at any time, under the Share Unit Plan, or when combined with all of the Corporation’s other security based compensation arrangements, shall not exceed 10% of the Corporation’s total issued and outstanding Common Shares, respectively.
- An SU is a unit credited by means of an entry on the books of the Corporation to a participant, representing the right to receive one Common Share or cash equal to the market price of the share on the vesting date.
- The number and terms of SUs granted to participants will be determined by the Committee and credited to the participant’s account effective on the grant date. Subject to the Committee’s discretion, SUs will vest 36 months from the grant date.
- The entitlement date, or date that the SU’s vest and are eligible for payment, shall be extended if this date occurs during a blackout to 10 days after the end of the blackout and notwithstanding this, must occur no later than 3 years following the end of the year the SU was granted.
- Following the entitlement date, the SUs will be settled by way of the issuance of Common Shares from treasury, cash equal to the market price of Common Shares or a combination of the two methods of settlement as determined by the Committee.



- All grants of SUs shall be evidenced by a confirmation share unit grant letter.
- In the event dividends are paid to shareholders while SUs are outstanding, additional SUs in lieu of any cash dividends will be credited to participants. For the avoidance of doubt, no cash payment will be made to a participant if cash dividends are paid to shareholders other than cash paid to a participant on an entitlement date.
- In the event of a participant's resignation or employment termination with cause, the SUs will be forfeited and of no further force or effect at the date of termination, unless otherwise determined by the Committee.
- In the event of the participant's employment termination without cause:
 - all unvested SUs that are not subject to performance vesting criteria will vest, for participants who were continuously employed by the Corporation or any subsidiary for at least two years including any notice period, prior to the date of termination and the Common Shares represented by the SUs held shall be issued as soon as reasonably practical;
 - all unvested SUs with performance vesting criteria will remain subject to the normal vesting schedule for participants who were continuously employed by the Corporation or any subsidiary for at least two years including any notice period; and
 - for participants who were not continuously employed by the Corporation for two years their SUs will be forfeited at the date of termination except as may otherwise be stipulated in the participant's grant letter.
- In the event of any participant's employment termination without cause, all unvested SUs will be cancelled immediately upon such termination, regardless of the term of such participant's employment, following amendments made to the Share Unit Plan in 2023.
- In the event of death, all unvested SUs will vest and the Common Shares will be issued to the participant's estate as soon as reasonably practical.
- In the event of the total disability of a participant, all unvested SUs will vest on the date the participant is determined to be totally disabled and the Common Shares will be issued as soon as reasonably practical.
- In the event of a change of control, all SUs outstanding will vest on the date of such change of control.
- A clawback provision allows for the Corporation to cancel any vested SUs granted and require repayment of any SUs vested within the past twelve months should a termination with cause occur or a restatement in the Corporation's financial results.
- All termination provisions in the Share Unit Plan shall be subject to the terms of any employment/severance agreement between the participant and the Corporation.
- SUs are not transferable other than by will or the laws of descent and distribution.
- The specific amendment provisions for the Share Unit Plan provide the Committee with the power, subject to the requisite regulatory approval, to make the following amendments without shareholder approval (without limitation):
 - amendments of a housekeeping nature;
 - the addition or a change to any vesting provisions of an SU;
 - changes to the termination provisions of an SU or the Share Unit Plan; and
 - amendments to reflect changes to applicable securities or tax laws.
- Any of the following amendments require shareholder approval:
 - materially increasing the benefits to a holder of SUs who is an insider to the material detriment of the Corporation and its shareholders;

- increasing the number of Common Shares or maximum percentage of Common Shares which may be issued pursuant to the Share Unit Plan (other than by virtue of adjustments permitted under the Share Unit Plan);
- permitting SUs to be transferred other than for normal estate settlement purposes;
- removing or exceeding the insider participation limits of the Share Unit Plan;
- materially modifying the eligibility requirements for participation in the Share Unit Plan; or
- modifying the amending provisions of the Share Unit Plan.

The DSU Plan

The material terms of the DSU Plan can be summarized as follows:

- The DSU Plan provides that DSUs may be granted by the Board, the Compensation Committee, or any other committee of directors authorized by the Board to administer the DSU Plan (the “Committee”).
- Directors who are not employees or officers of the Corporation, including a non-executive Chair of the Board are eligible to receive DSUs under the DSU Plan.
- There are 4,500,000 Common Shares currently reserved for issuance under the DSU Plan, representing approximately 1.0% of the current issued and outstanding Common Shares.
- Any Common Shares subject to a DSU which is cancelled or terminated in accordance with the terms of the DSU Plan without settlement, or settled in cash, will again be available for issuance under the DSU Plan.
- A director can elect to receive all or a portion of his or her director’s fees in the form of DSUs.
- The number of Common Shares (i) issued under the DSU Plan to insiders of the Corporation, within any one (1) year period, and (ii) issuable to insiders of the Corporation, at any time, under the DSU Plan, or when combined with all of the Corporation’s other security based compensation arrangements, shall not exceed 10% of the Corporation’s total issued and outstanding Common Shares, respectively. The number of Common Shares reserved for issuance under the DSU Plan to a director within a one year period, in combination with all other equity awards granted to directors under any other share compensation arrangement, shall be limited to an annual equity award value (based on the Black-Scholes model or market price of the Common Shares, as determined by the Board) of CAD\$150,000 per director. The aggregate number of Common Shares reserved for issuance to directors shall not exceed 1.0% of the total number of issued and outstanding Common Shares.
- A DSU is a unit credited by means of an entry on the books of the Corporation to a director, representing the right to receive one Common Share or cash equal to the market price of the share on the vesting date.
- The number of DSUs granted to participants will be determined by the Committee, or in the case of director’s fees will be calculated based on the market value of the Common Shares at the time of grant and credited to the participant’s account effective on the grant date. Subject to the Committee’s discretion to determine a later date, a director’s entitlement date to receive payment of his or her DSUs is her or her termination date.
- Following the entitlement date, the DSUs will be settled by way of the issuance of Common Shares from treasury, cash equal to the market price of Common Shares or a combination of the two methods of settlement as determined by the participant.
- In the event dividends are paid to shareholders while DSUs are outstanding, additional DSUs in lieu of any cash dividends will be credited to participants. For the avoidance of doubt, no cash payment will be made to a participant if cash dividends are paid to shareholders other than cash paid to a participant on an entitlement date.
- DSUs are not transferable other than by will or the laws of succession and distribution.
- In the event of death, all DSUs shall become payable to the director’s legal representative.

- The specific amendment provisions for the DSU Plan provide the Committee with the power, subject to the requisite regulatory approval, to make the following amendments without shareholder approval (without limitation):
 - amendments of a housekeeping nature;
 - changes to the termination provisions of a DSU or the DSU Plan; and
 - amendments to reflect changes to applicable securities or tax laws.
- Any of the following amendments require shareholder approval:
 - materially increasing the benefits to a holder of DSUs who is an insider to the material detriment of the Corporation and its shareholders;
 - increasing the number of Common Shares or maximum percentage of Common Shares which may be issued pursuant to the DSU Plan (other than by virtue of adjustments permitted under the DSU Plan);
 - permitting DSUs to be transferred other than for normal estate settlement purposes;
 - removing or exceeding the insider participation limits of the DSU Plan;
 - materially modifying the eligibility requirements for participation in the DSU Plan; or
 - modifying the amending provisions of the DSU Plan.

The Option Plan

The material terms of the Option Plan can be summarized as follows:

- Employees, directors (including non-employee directors), officers of the Corporation or any of its subsidiaries and, except in relation to a consultant company, any company wholly owned by such persons are eligible to receive options under the Option Plan.
- The aggregate number of Common Shares currently available at all times for issuance under the Option Plan is 10,000,000, which represents approximately 2.2% of the Corporation's current issued and outstanding Common Shares.
- Any option which has been exercised, cancelled or has expired or terminated for any reason in accordance with the terms of the Option Plan will again be available under the Option Plan.
- The exercise price per Common Share under an option shall be determined by the Board and shall not be lower than the market price of a Common Share. Market price is defined as the higher of the closing price on the TSX on the date the option is granted and the last trading date preceding the date the option is granted.
- The Option Plan does not provide for the transformation of options granted under the Option Plan into stock appreciation rights involving the issuance of securities from the treasury of the Corporation.
- The term of all options awarded under the Option Plan is a maximum of five years.
- Options granted pursuant to the Option Plan shall vest and become exercisable by an optionee at such time or times as may be determined by the Board at the date of grant and as indicated in the option commitment. Subject to the Board's discretion, options may have a vesting period of up to three years, with 1/3 of the options vesting 12 months from the date of grant; 1/3 of the options vesting 24 months from the date of grant; and the remaining 1/3 vesting 36 months from the date of grant.
- If Shareholders approve the proposed amendments to the Option Plan, to facilitate the exercise of options granted under the Option Plan, optionees under the Option Plan will be permitted to undertake a "cashless exercise" with the assistance of a broker.



- If the expiry of an option falls within, or within 48 hours of, a trading blackout period imposed, the expiry date of the option shall be automatically extended to the tenth business day following the end of the blackout period.
- The termination provisions under the Option Plan shall be:

An optionee will have, in all cases subject to the original option expiry date (i) 90 days to exercise his/her options, which will automatically vest for optionees who have been continuously employed by the Corporation or by a Corporation providing management services to the Corporation for at least two years including any notice period, if applicable, in the event of termination without cause; (ii) 90 days to exercise his/her options that have vested, in the event of resignation; and (iii) immediate termination of the options in the event of termination with cause, except as may be set out in the optionee's option commitment or as otherwise determined by the Board in its sole discretion. In the event of the death or disability of an optionee, all options will vest and the optionee will have, subject to the original option expiry date, 12 months to exercise his/her options. Notwithstanding the foregoing, all of the termination provisions shall be subject to the terms of any employment/severance agreement between the optionee and the Corporation.

provided that, following amendments made to the Option Plan in 2023, in the event that any optionee's employment is terminated without cause, all unvested options will be cancelled immediately, regardless of the optionee's length of employment.

- In the event of a change of control, all unvested options shall vest on/at the effective time of the change of control.
- The grant of options under the Option Plan is subject to the number of the Common Shares: (i) issued to insiders of the Corporation, within any one (1) year period, and (ii) issuable to insiders of the Corporation, at any time, under the Option Plan, or when combined with all of the Corporation's other security based compensation arrangements, not exceeding 10% of the Corporation's total issued and outstanding Common Shares, respectively.
- The aggregate number of options granted pursuant to the Option Plan to any one non-employee director, within any one-year period shall not exceed a maximum value of \$100,000.
- The aggregate number of Common Shares reserved for issuance pursuant to the Option Plan, together with any Common Shares that may be issued pursuant to any other share compensation arrangement to non-employee directors as a group, shall not exceed 1% of the number of issued and outstanding Common Shares.
- The aggregate number of Common Shares reserved for issuance pursuant to the Option Plan, or when combined with all of the Corporation's other security-based compensation arrangements, to any one participant within a one-year period shall not exceed 10% of the Common Shares outstanding at the time of the grant.
- Options are not assignable or transferable other than by will or by the applicable laws of descent.
- Unvested options and options granted which have vested within the twelve months, including Common Shares received from exercising such options, are subject to claw-back, to the extent permitted by law, if: (i) a participant was terminated with cause, or the Board reasonably determines after termination of a participant's employment that the termination could have been with cause; (ii) the Board reasonably determines that a participant engaged in conduct that causes material financial or reputational harm to the Corporation or its Affiliates, or engaged in gross negligence, willful misconduct or fraud in respect of the performance of the participant's duties; or (iii) the Corporation is required to restate its financial statements and the restated financial statements disclose materially worse financial results in the Board's reasonable opinion.
- The specific amendment provisions for the Option Plan provide the Board with the power to make the following amendments without shareholder approval:



- minor or technical modifications;
- correct ambiguity, defective provisions, error or omissions or reflect changes to applicable securities or taxation laws;
- change any vesting provisions of an option;
- change the termination provisions or extend the expiration date provided the extension is not beyond 5 years from the date the option is granted;
- add or change provisions relating to financial assistance to facilitate the purchase of securities; and
- add a cashless exercise feature.

Such amendment must be in accordance with applicable laws and stock exchange rules and cannot materially adversely affect existing rights of options.

- Any of the following amendments to the Option Plan or options granted thereunder also require shareholder approval:
 - increasing the number of Common Shares which may be issued pursuant to the Option Plan (other than by virtue of permitted adjustments);
 - reducing the exercise price of an option;
 - amending the term of an option to extend the term;
 - removing or exceeding the limits imposed on insiders and on non-employee Directors;
 - materially increasing the benefits to the holder of the options who is an insider to the material detriment of the Corporation and its shareholders;
 - permitting options to be transferred other than by will or the applicable laws of descent;
 - materially modifying the eligibility requirements for participation in the Option Plan; or
 - changing the amending provisions.

6.2 INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors or executive officers of the Corporation, proposed nominees for directors, or associates or affiliates of said persons, have been indebted to the Corporation at any time since the beginning of the last completed financial year of the Corporation.

6.3 MANAGEMENT CONTRACTS

Management functions of the Corporation and its subsidiaries are performed by directors, executive officers, or senior officers of the Corporation and not, to any substantial degree, by any other person with whom the Corporation has contracted.

6.4 INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than as disclosed herein, to the best of the Corporation's knowledge, no director or executive officer of the Corporation, or any person who has held such a position since the beginning of the last completed financial year of the Corporation, or any proposed nominee, or any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors.

6.5 INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, to the best of the Corporation's knowledge, no informed person of the Corporation, proposed director or any associate or affiliate of them, has or has had any material interest, direct or indirect, in any transaction, since the commencement of the Corporation's most recently completed financial year which has materially affected or will materially affect the Corporation or any of its subsidiaries.

On March 2, 2018, Lucara completed its acquisition of Clara for up-front consideration of 13.1 million shares of Lucara. Further staged equity payments totaling 13.4 million shares may become payable. Such shares will be paid in the event certain performance milestones, related to total revenues (revenues from rough diamonds bought and sold) generated through the platform, are achieved (the "Performance Milestones"). The Corporation has also agreed to a profit-sharing mechanism whereby the founders of the Clara technology will retain 13.3% and the management of Lucara will retain 6.67% of the annual EBITDA generated by the platform, to a maximum of US\$16.67 and US\$8.33 million per year, respectively, for 10 years.

Eira Thomas, the former CEO and a former director of Lucara, was a founder of Clara and was issued a total of 1,192,000 shares of Lucara in consideration for her shares of Clara. Ms. Thomas may be issued up to an additional 1,788,001 shares of Lucara. Such additional shares will only be issued upon Clara achieving the Performance Milestones or upon the occurrence of a change of control event.

Catherine McLeod-Seltzer was also a founder of Clara and, following Lucara's acquisition of Clara, was appointed to the Board. Ms. McLeod-Seltzer received 400,000 Lucara shares as consideration for her Clara shares. Ms. McLeod-Seltzer may be issued up to an additional 600,000 shares of Lucara. Such additional shares will only be issued upon Clara achieving the Performance Milestones or upon the occurrence of a change of control event.

John Armstrong, the Vice President (Technical Services) of the Corporation, and Zara Boldt, the former Chief Financial Officer of the Corporation (resigned December 31, 2023), were shareholders of Clara at the time of the Corporation's acquisition of Clara. Dr. Armstrong and Ms. Boldt each received 50,000 Lucara shares as consideration for the Clara shares. They may each receive a further 74,000 Common Shares of Lucara. Such additional shares will only be issued upon Clara achieving the Performance Milestones or upon the occurrence of a change of control event.

Pursuant to the profit-sharing mechanism described above, a total of 3.45% of the EBITDA generated by the platform, has been assigned to Ms. Thomas, a former officer and director, and Ms. McLeod-Seltzer and 3.22% of the EBITDA generated by the platform to be distributed to management, including Dr. Armstrong and Ms. Boldt, a former officer, at the discretion of Lucara's Compensation Committee based on key performance targets. In March 2019, the EBITDA sharing agreement between Clara and Eira Thomas and Clara and the Clara Management was amended. Under the terms of the amendment, each of Eira Thomas and the Clara Management waived their respective rights to the EBITDA payment to the extent that such payment relates to net income earned by Clara on the sale of rough diamonds from the Karowe Mine. This waiver was effective from the date of the share purchase agreement in February 2018 through to December 31, 2020.

Dr. Armstrong has maintained a business address at the Corporation's head office, located at Suite 502, 1250 Homer Street, Vancouver, British Columbia, V6B 2Y5. Ms. Boldt and Ms. Thomas previously maintained a business address at the Corporation's head office, located at Suite 502, 1250 Homer Street, Vancouver, British Columbia, V6B 2Y5 prior to departure. Ms. McLeod-Seltzer maintains a business address at: Suite 1400, 400 Burrard St., Vancouver, BC, V6C 3A6.

6.6 ADDITIONAL INFORMATION

The Corporation's Annual Information Form ("AIF"), annual audited, consolidated financial statements for the year ended December 31, 2023 ("Annual Financial Statements") and management's discussion and analysis ("Annual MD&A") as well as the interim financial statements from fiscal 2023 ("2023 Interims") are available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR+) at www.sedarplus.ca and on the Corporation's website at www.lucaradiamond.com. The Corporation will provide, without charge to a shareholder, a copy of this



Circular, its latest AIF, Annual Financial Statements and Annual MD&A, the 2023 Interims and interim financial statements and management’s discussion and analysis for subsequent periods upon request by contacting:

- (i) e-mail: info@lucaradiamond.com
- (ii) telephone: 604- 674-0272
- (iii) mail: Lucara Diamond Corp. / Attn: Investor Relations
Suite 502 – 1250 Homer Street
Vancouver, B.C., V6B 2Y5

6.7 DIRECTORS’ APPROVAL

The contents and the distribution of this Circular have been approved by the Board.

DATED the 5th day of April, 2024.

(Signed) “*William Lamb*”

Chief Executive Officer

APPENDIX A - BOARD OF DIRECTORS' MANDATE

(as amended and restated by the Board of Directors on March 23, 2022)

The following is a description of the mandate and responsibilities of the Board of Directors (the "Board") of Lucara Diamond Corp. (the "Company"):

- a. The principal responsibilities of the Board are to supervise and evaluate management, to oversee the conduct of the Company's business, to set policies appropriate for the business of the Company and to approve corporate strategies and goals. The Board is to carry out its mandate in a manner consistent with the fundamental objective of enhancing shareholder value.
- b. In discharging its duty of stewardship over the Company the Board expressly undertakes the following specific duties and responsibilities:
 - i. adopting, supervising and providing guidance on the Company's strategic planning process including, reviewing on at least an annual basis, a strategic plan which takes into account the opportunities and risks of the Company's business;
 - ii. identifying the principal risks of the Company's business and ensuring the implementation of appropriate risk management systems;
 - iii. overseeing of environmental, social and governance matters;
 - iv. overseeing of climate-related risks and opportunities;
 - v. appointing management of the highest calibre who create a culture of integrity throughout the organization;
 - vi. overseeing the integrity of the Company's internal control and management information systems;
 - vii. maintaining adequate and effective succession planning for senior management, including the CEO
 - viii. placing limits on management's authority;
 - ix. overseeing the Company's communication policy with its shareholders and with the public generally;
 - x. development of the Company's approach to corporate governance and reviewing, at least annually, the corporate governance principles and guidelines which are specifically applicable to the Company.
- c. The Board's independent directors shall meet without management and non-independent directors present at least quarterly. If a Lead Director has been appointed, such meetings of the independent directors will be presided over by the Lead Director.

Board members are expected to be prepared for all meetings, by advance reading of all meeting materials.

Outside Advisors and Fulfilling Responsibilities

A director may, with the prior approval of the Chair of the Board or the Lead Director, engage an outside advisor at the reasonable expense of the Company, where such director and the Chair of the Board or the Lead Director determine that it is appropriate in order for such director to fulfil his or her responsibilities, provided that the advice sought cannot properly be provided through the Company's management or through the Company's advisors in the normal course. If the Chairman of the Board is not available in the circumstances or determines that it is not appropriate for such director to so engage outside counsel, the director may appeal the matter to the Corporate Governance and Nominating Committee, whose determination shall be final.