

LUCARA
DIAMOND

Q1 2023 Results Conference Call

MAY 12, 2023



Cautionary Statement

Forward-looking information

Certain of the statements made and contained herein and elsewhere constitute forward-looking statements as defined in applicable securities laws. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved.

Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made, and they are subject to a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievement expressed or implied by such forward-looking statements. The Company believes that expectations reflected in this forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be accurate and such forward-looking information included herein should not be unduly relied upon.

In particular, forward-looking information and forward-looking statements in this presentation may include, but are not limited to, information or statements project capital costs associated with the Karowe underground expansion project (the "Karowe UGP"), the Company's ability to comply with the terms of the facilities which are required to construct the Karowe UGP, the potential impacts of COVID-19, economic and geopolitical risks, including potential impacts from the Russian military invasion of Ukraine, expectations regarding longer-term market fundamentals and price growth, the disclosure under "2023 Outlook", expectations regarding top-up payments, processing expectations, expectations that the Karowe UGP will extend mine life, forecasts of additional revenues, estimated capital costs, production and cost estimates, tax rates, expectations regarding the scheduling of activities for the Karowe UGP in 2023, that expected cash flow from operations, combined with external financing will be sufficient to complete construction of the Karowe UGP, that the estimated timelines to achieve mine ramp up and full production from the Karowe UGP can be achieved, the economic potential of a mineralized area, the size and tonnage of a mineralized area, anticipated sample grades or bulk sample diamond content, future production activity, the future price and demand for, and supply of, diamonds, future forecasts of revenue and variable consideration in determining revenue, estimation of mineral resources, exploration and development plans, cost and timing of the development of deposits and estimated future production, currency exchange rates, success of exploration, requirements for and availability of additional capital, capital expenditures, operating costs, timing of drill programs, the completion of transactions, the profitability of Clara and the Clara Platform, and the scaling of the digital platform for the sale of rough diamonds owned by Clara, the Company's intent to continue to seek additional supply, both from third-party producers and the secondary market, the benefits to the Company of diamond supply agreements with HB and the ability to generate better prices from the sale of the Company's +10.8 carat production as polished stones.

There can be no assurance that such forward looking statements will prove to be accurate, as the Company's results and future events could differ materially from those anticipated in this forward-looking information as a result of those factors discussed in or referred to under the heading "COVID-19 Global Pandemic" in the "Risks and Uncertainties" section of the Company's most recent Annual Information Form available at <http://www.sedar.com>, as well as changes in general business and economic conditions, changes in interest and foreign currency rates, the supply and demand for, deliveries of and the level and volatility of prices of rough diamonds, costs of power and diesel, acts of foreign governments and the outcome of legal proceedings, inaccurate geological and recoverability assumptions (including with respect to the size, grade and recoverability of mineral reserves and resources), and unanticipated operational difficulties (including failure of plant, equipment or processes to operate in accordance with specifications or expectations, cost escalations, unavailability of materials and equipment, government action or delays in the receipt of government approvals, industrial disturbances or other job actions, adverse weather conditions, and unanticipated events relating to health safety and environmental matters).

Accordingly, readers are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date the statements were made, and the Company does not assume any obligations to update or revise them to reflect new events or circumstances, except as required by law.

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

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

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

Q1 2023 Highlights

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



Revenues \$42.8 million;
Adjusted EBITDA¹ of \$15.3 million

4% Specials (+10.8 carats) by weight
Including 2 stones >100 carats

Long term market fundamentals remain positive despite softer prices in Q1 2023

Karowe UGP main shaft sinking continued; successful completion of first grout cover; \$30.5 million invested

Strong, Safe, Reliable Production
Operational metrics on plan; 2023 Guidance maintained

Cash flow of \$20.4 million
Operating cost \$26.65 per tonne processed¹

Strong available liquidity: cash and cash equivalents of \$31.2 million

Project debt facility of \$170 million (\$90 million drawn)
Working capital facility of \$50 million (\$23 million drawn)

⁽¹⁾ Non-IFRS measure

Q1 2023 Operational Highlights – Karowe Mine

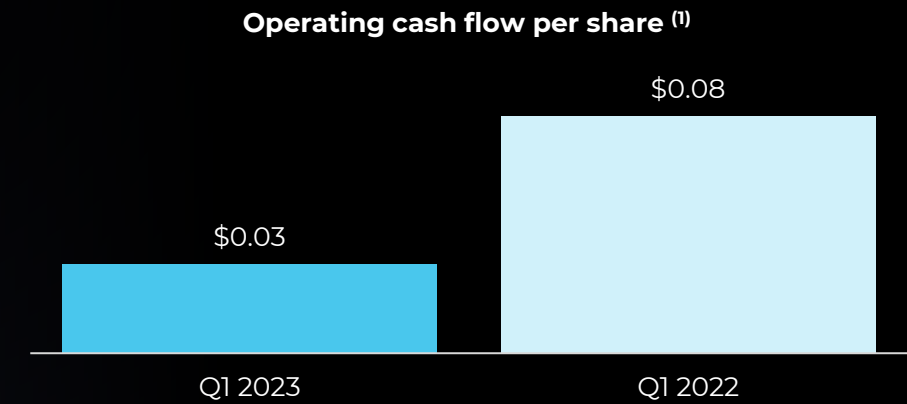
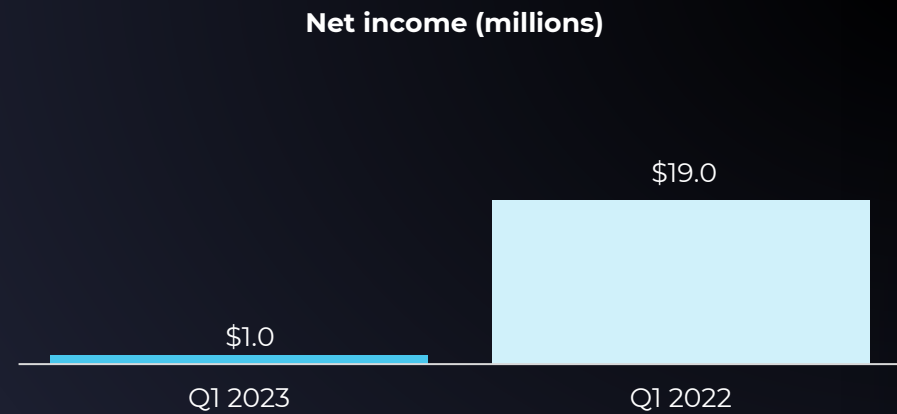
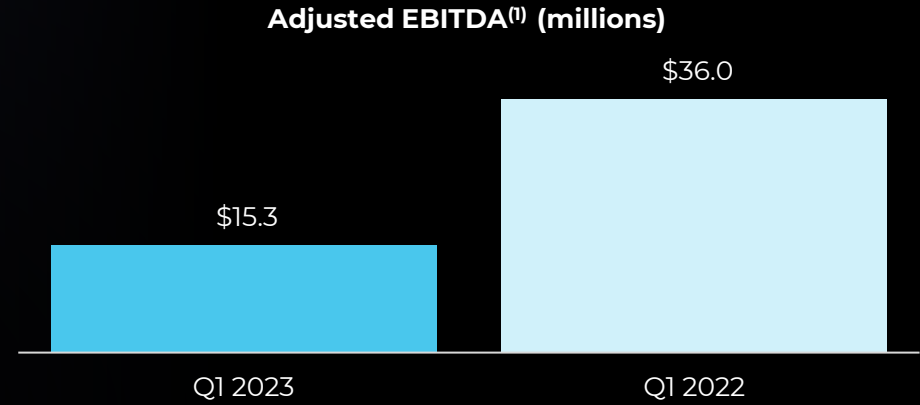
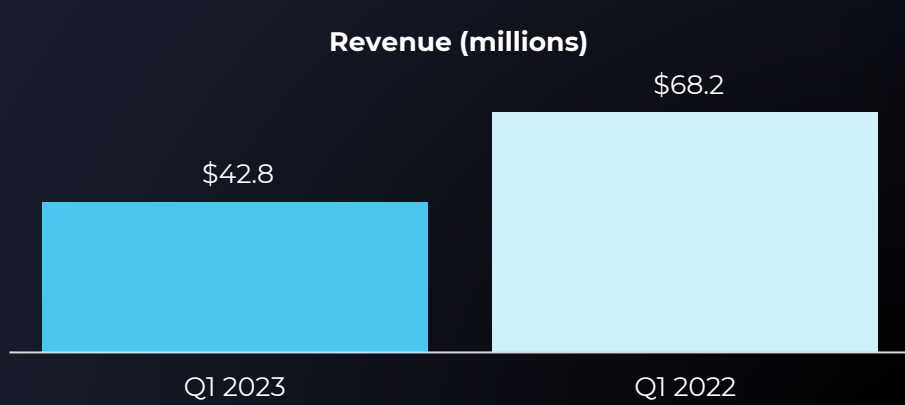
Three months ending March 31, 2023
(All currency figures in U.S. Dollars)



⁽¹⁾ Non-IFRS measure

Q1 2023 Financial Highlights

Three months ending March 31, 2023
(All currency figures in U.S. Dollars)



⁽¹⁾ Non-IFRS measure

Sales Channels Q1 2023 – Karowe Mine

Sales through HB Antwerp, Clara, and Quarterly Tender

- High value Specials (+10.8 carats) are manufactured and sold as polished through the HB Antwerp supply agreement.
- Diamonds between 1 and 10 carats that meet specific criteria are sold through Clara.
- All other diamonds are sold through quarterly tenders.

Sales Channel	Q1 2023		Q1 2022	
	Rough Carats Sold	Revenue Recognized (USD millions)	Rough Carats Sold	Revenue Recognized (USD millions)
HB Antwerp	2,971	18.0	2,870	33.5
Clara ¹	2,653	3.8	2,787	6.0
Tender ²	77,750	12.9	74,638	16.0
Total - Karowe carats	83,374	34.7	80,295	55.5
Top-up Payments		6.6		11.7
Total Revenue - Karowe		41.3		67.2



⁽¹⁾ Four sales were completed on Clara in Q1 2023 (Q1 2022: three).

⁽²⁾ Non-gem +10.8 carat diamonds and diamonds less than 10.8 carats in size which did not meet characteristics for sale on Clara were sold through tender.

2023 Annual Guidance – *No Changes in Q1*

(All currency figures in U.S. Dollars)

Karowe Diamond Mine	FY2023
Diamond revenue ¹	\$200 to \$ 230 million
Diamond sales	385,000 to 415,000 carats
Diamonds recovered	395,000 to 425,000 carats
Ore tonnes mined	1.9 to 2.3 million
Waste tonnes mined	2.2 to 2.8 million
Ore tonnes processed	2.6 to 2.9 million
Total operating cash costs	\$32.50 to \$35.50 per tonne processed
Botswana G&A (including sales & marketing)	\$3.50 to \$4.50 per tonne processed
Tax rate	0%
Average exchange rate – USD/Pula	12.0

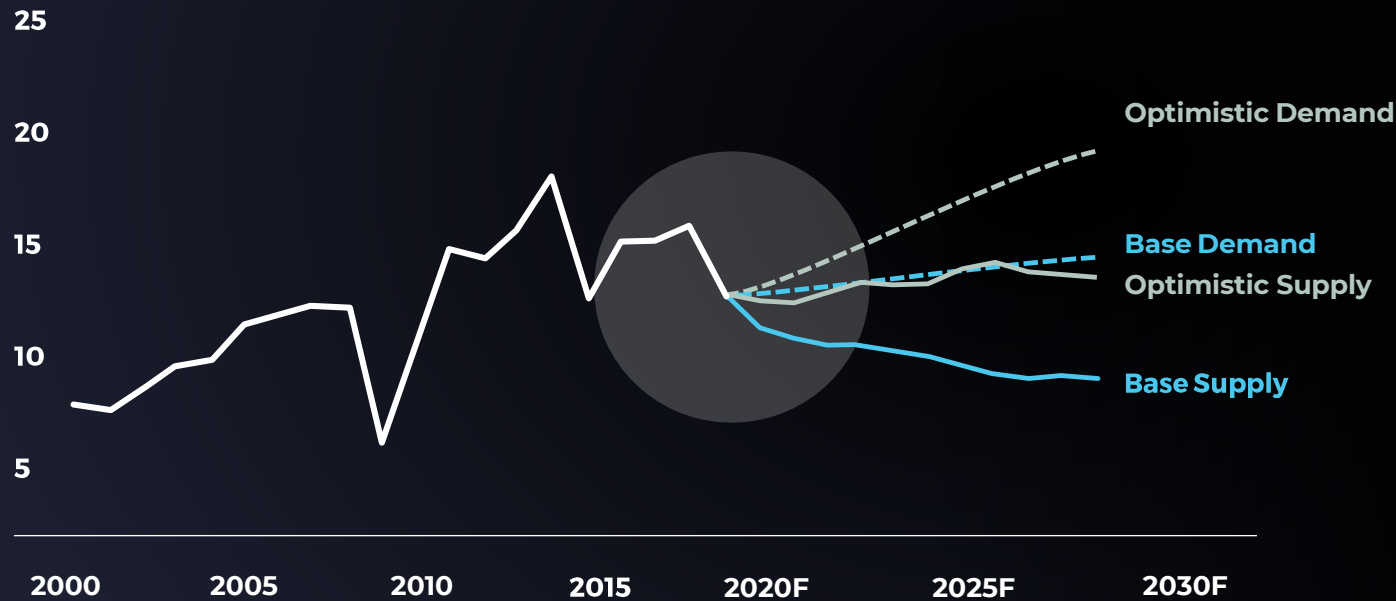


¹⁾ Diamond revenue guidance does not include revenue related to the sale of exceptional stones, or the Sethunya.

Diamond Market

- **Global supply constraints continue to support a positive, longer-term outlook on diamond prices; diamond fundamentals remain unchanged**
- **Softer prices continue in Q1 2023 in response to global economic uncertainties; despite pull back, prices show signs of stabilization as China begins to open post-Covid**

Rough diamond supply and demand

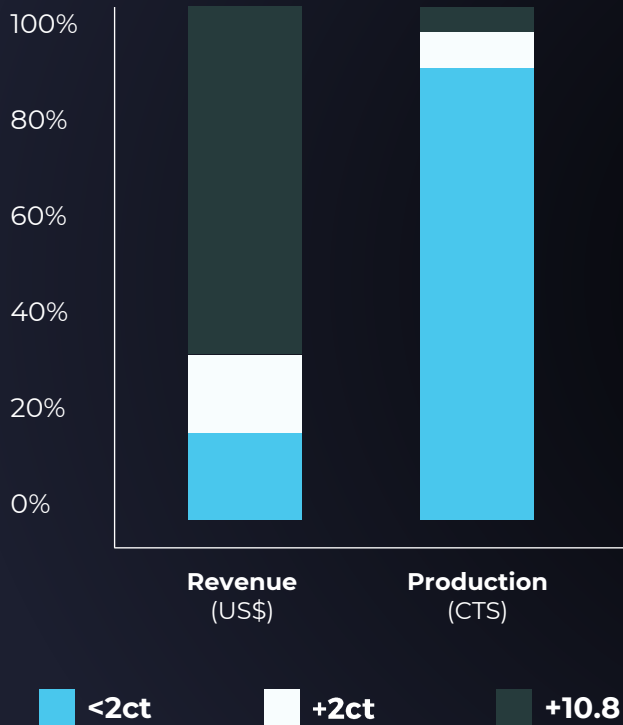


Note: Rough-diamond demand has been converted from polished-diamond demand using a historical ratio of rough to polished diamond values Source: Bain & Company - Global Diamond Report

Consistent Recovery of Large Diamonds

Specials contribute ~60-70% by revenue and ~5-7% by volume historically

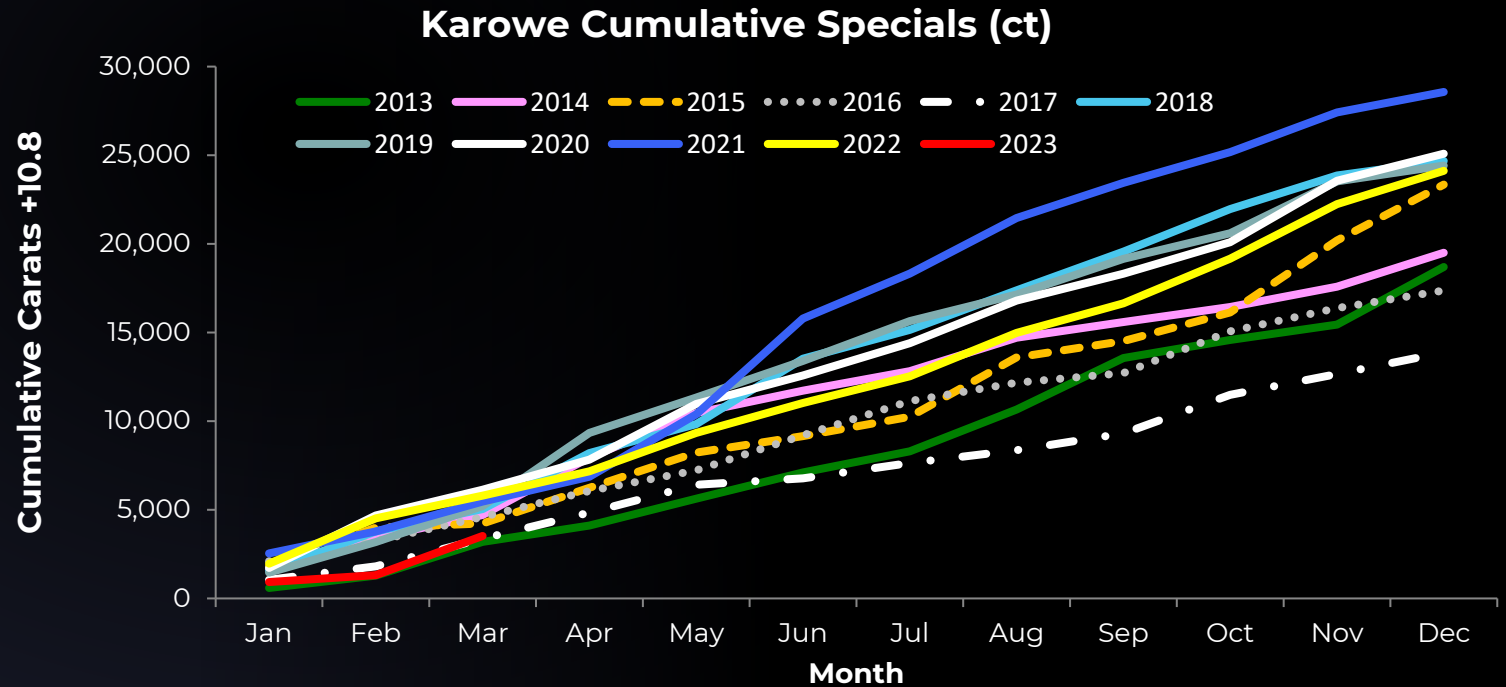
Revenue and production includes 2015 to 2022



Q1 2023 Recoveries: 98 specials, 4 wt.% of production. 2 stones > 100cts

Since 2012: 30 diamonds in excess of 300 carats have been recovered, including 3 diamonds > 1,000ct

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



Sales Channels – Strong Q1 2023 Results

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



Rough



Clara



Polished



Jewellery

Increasing Margin Capture Downstream

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

30%
of Revenue

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

12%
of Revenue

Manufacturing into
Polished Diamonds
with HB Antwerp

58%
of Revenue

Collaboration with
Brands to Create Made
to Order Jewellery

**Special Diamonds
Sethunya and
Sewelô (sold Q1 2023)**



Sewelô Sale to Louis Vuitton

Botswana's Largest Diamond

Sewelô “rare find”, an unbroken 1,758 carat near gem quality diamond recovered in April 2019

Collaboration between Lucara (50%), Louis Vuitton (25%), HB Antwerp (25%)

After almost 2 years of global touring, Louis Vuitton offered to purchase the diamond outright from the partnership, with the aim of preserving the diamond in its natural rough form, rather than polishing it.

Louis Vuitton has contributed \$500,000 towards the construction of a sports complex, underway as part of Lucara's sustainability efforts in Botswana.



Supply Agreement with HB Antwerp

High Value +10.8 Carat “Specials” Only

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

Regular cash flow from the large, high value segment of production

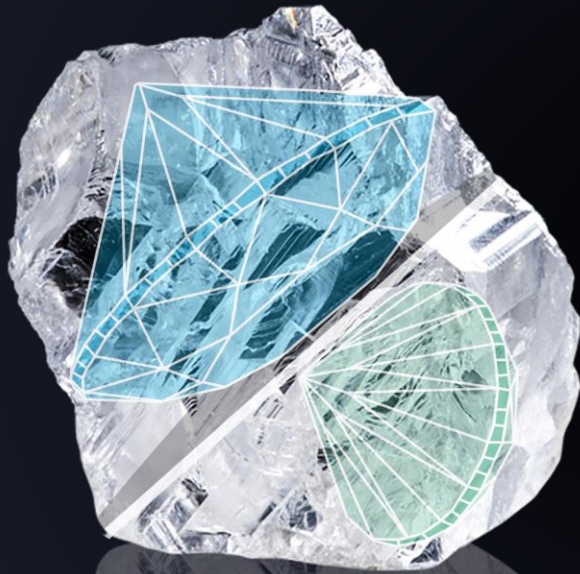
Q1 2023: **\$18.0 million revenue from sales of Karowe diamonds** (excluding top-up payments of \$6.6 million); **upside potential** from polished prices continues to be realized

Long term rough and polished diamond **market fundamentals remain compelling.**



549 carat

CLARA



80 sales completed

~\$92 million sold by value

~50,000 carats sold by weight

Low operating cost

99 buyers; active waitlist

Producer Trial completed in 2022

Additional trials of third-party supply began in Q1 2023

Growth Potential in Primary & Secondary Markets

\$5.3 million transacted in Q1 2023

37% of goods from third-party sources

Karowe Underground Expansion

Extending mine-life to at least 2040

Construction Advancing

Project facility drawdown of \$90 million end of Q1 2023

Q1 2023 Capital Spend

\$30.5 million spent

Main shaft sinking activities continued

Successful completion of the first grout programs in each shaft in Q1 2023

Completion of bulk power supply upgrade; UGP fully powered through **grid-supplied electricity**

Q2 2023 - schedule and budget update will incorporate the impact of sinking delays, grouting events and operational improvements implemented since Q4 2022.



Karowe Underground Expansion

Q1 2023 Highlights

- Activities focused on ongoing construction:
 - Main sinking in both shafts continued; ventilation shaft at 213 metres below collar and production shaft at 187 metres below collar
 - Successful grouting events in both shafts completed in Q1
 - Planned sinking rates achieved in production shaft in Q1; expected improvements in ventilation shaft sinking cycle times
 - 11kV transmission line to project site was commissioned in mid-January 2023; UGP now fully powered through grid-supplied electricity
 - Stage 2 of bulk power supply upgrade completed; all mine power connected to new Karowe Substation and 132kV power line
 - Continuation of behavioural-based safety training program; no reportable incidents in Q1 2023



Approach to Sustainability

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

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



SUSTAINABLE DEVELOPMENT

GOALS

17 GOALS TO TRANSFORM OUR WORLD



Lucara Investment Rationale

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

1

DIAMONDS

Diamond market fundamentals remain strong, bolstered by global supply declines

2

LUCARA

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

3

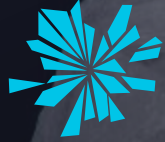
CLARA

Disrupting the historical approach to diamond sales – more sustainable, more transparent

LUC: TSX – MAY 11, 2023

Share Price	CA \$0.52
Market Cap (millions)	CA \$235.9
Shares Outstanding ¹	454,578,873
Cash Position (Mar 31, 2023) (million)	US \$31.2

(1) Fully diluted as of April 30, 2023, was 473,447,022 common shares



LUCARA
DIAMOND

Contact

Suite 502
1250 Homer St.
Vancouver, BC
V6B 2Y5 Canada

Tel: +1 604 674 0272
Email: info@lucaradiamond.com

