



LUCARA  
BOTSWANA

# Making Diamond History

## The Junior Indaba

02 June 2021



# Cautionary Statement

---

## Forward-looking information

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

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

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

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

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

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

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

Qualified Persons: Dr. John Armstrong, Ph.D. P.Geol, is the Qualified Person as defined by NI 43-101. Dr. Armstrong is Vice President Technical Services for the Company and has reviewed and approved the scientific and technical information contained in this presentation. Mr. Cliff Revering, P. Eng. of SRK Consulting is the independent Qualified Person as defined by NI 43-101 responsible for the Karowe Diamond Mine Mineral Resource estimation, and Mr. Gord Doerksen of JDS Energy and Mining Inc. is the Independent Qualified person as defined by NI 43-101 responsible for the Karowe Diamond Mine Mineral Reserve estimation. The most recent Mineral Resource and Mineral Reserve estimations are located in the 2020 Annual Information Form for the year ended December 31, 2020, dated March 30, 2021, which can be found on the Company's website and under its profile on SEDAR at [www.sedar.com](http://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](http://www.sedar.com).



**High operating margin**  
sustained since production  
began in 2012

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

**3.2 million**  
carats sold

---

**\$1.7 billion**  
in revenue in ~8 years

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

Total capital investment less than  
**\$200 million**

---

**\$271 million**  
in dividends paid 2014 - 2019

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

## Historic Diamond Recoveries

---

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



998 ct



1,758 ct  
Sewelô



813 ct  
Constellation



1,109 ct  
Lesedi La Rona



549 ct  
Sethunya

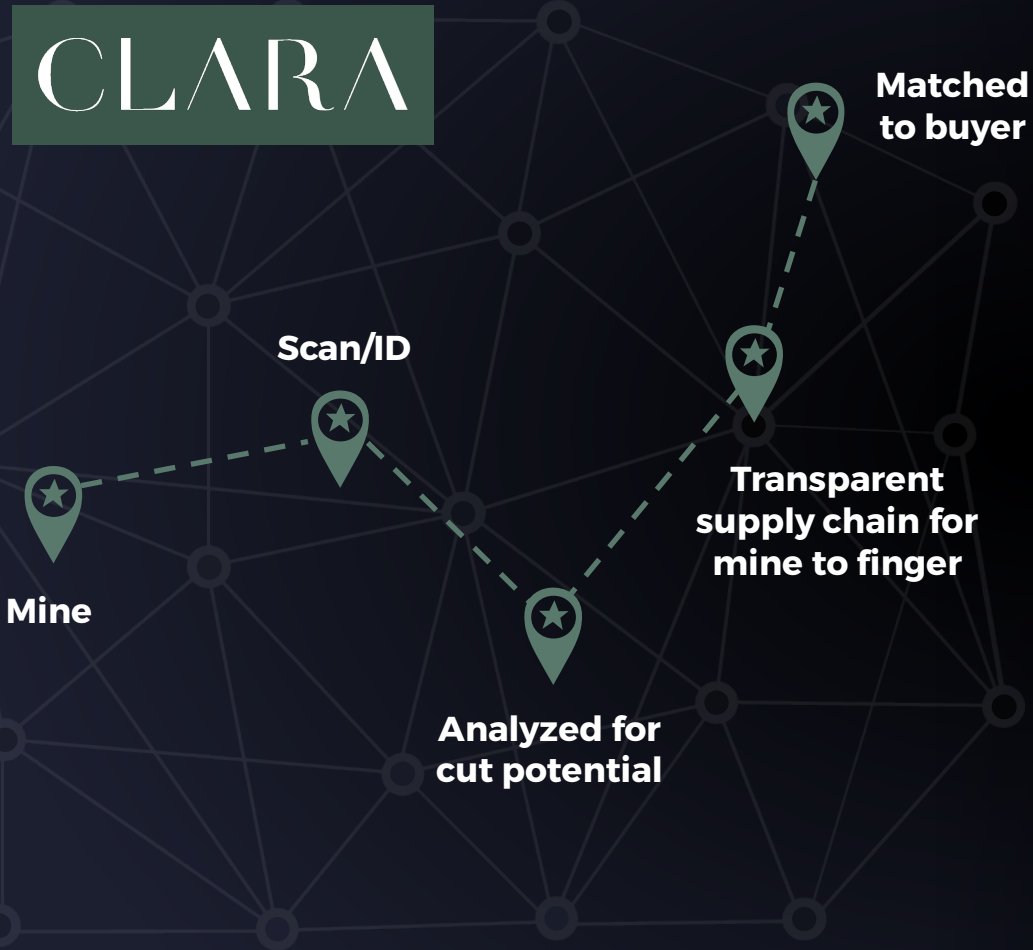
# Karowe Has Recovered 4 of the World's Largest Rough Diamonds

## Top Rough Diamonds Reported Recovered >300 Carats

Rank	Carats	Name	Country	Mine	Date
1	3106,75	Cullinan Diamond	South Africa	Premier Mine	1905
2	1758	Sewelô	Botswana	Karowe Mine	2019
3	1109	Lesedi La Rona	Botswana	Karowe Mine	2015
4	998		Botswana	Karowe Mine	2020
5	995,2	Excelsior Diamond	South Africa	Jagersfontein Mine	1893
6	969	Star of Sierra Leone	Sierra Leone	Diminco Mine	1973
7	910	Lesotho Legend	Lesotho	Letseng Mine	2018
8	890	Incomparable Diamond	DRC	Société Minière de Bakwanga	1984
9	813	The Constellation	Botswana	Karowe Mine	2015
10	793	Koh-i-Noor	India	Kollur Mine	13th Century
29	549	Sethunya	Botswana	Karowe Mine	2020
30	544		Botswana	Karowe Mine	2018
36	472,37		Botswana	Karowe Mine	2018
47	378		Botswana	Karowe Mine	2021
48	375,24		Botswana	Karowe Mine	2019
49	373		Botswana	Karowe Mine	2015
50	372,83		Botswana	Karowe Mine	2019
53	355,52		Botswana	Karowe Mine	2015
54	354,97		Botswana	Karowe Mine	2018
56	347		Botswana	Karowe Mine	2016
58	341,9	Queen of Kalahari	Botswana	Karowe Mine	2015
59	341,1		Botswana	Karowe Mine	2020
60	336,4		Botswana	Karowe Mine	2015
61	327,48		Botswana	Karowe Mine	2018
62	321,06		Botswana	Karowe Mine	2018

# Transforming the Diamond Sales Process

## Using Innovation and Technology



Opportunity to disrupt the existing supply chain, driving efficiencies and unlocking value



Rough diamonds are sold stone by stone based on polished demand



Diamond provenance is assured



Exclusive collaboration with Sarine Technologies fundamental to the platform

# Clara

## Digital sales platform (1 to 10 carat)

**47 sales** completed since inception  
**~US\$29.4 million** of diamonds sold by value through the platform

**Regular Sales** ongoing

**>18,500 carats** sold through the platform

Buyers on the platform increased from 75 to 80 in 2021:  
**Wait-list** being maintained

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

Negotiations with several third parties **resumed in Q1 2021**

Travel restrictions **accelerating adoption** of new technology



CLARA

**Forty-seven sales between December 2018 and April 2021**  
**POSITIVE RESULTS**



**~\$29.4 million diamonds sold by value**

between one and ten carats in size, in better colours and qualities

# Supply Agreement with HB Antwerp Extended

---

## Sale of specials +10.8 carats

All +10.8 carat stones “specials” produced from the Karowe Mine

24-month **extension** to December 2022

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

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

**Revenue** from shipments in 2020 and 2021 **continue to be recognized**



Sethunya,  
549 carats



# Louis Vuitton & HB Collaboration Agreements on the Sethunya & Sewelô

## Luxury Brand & Cutting Edge Manufacturing

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

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

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



549 ct  
Sethunya



1,758 ct  
Sewelô

# 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



# Karowe Underground

---

## Extending Mine-life to at least 2040

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

NPV \$1,266 million/\$718 million  
(pre/post tax) @ 5%; **No real  
escalation** in price

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

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

**Mining license extended to 2046**

**Credit approvals** received for up to  
**\$220M** debt financing; due  
diligence complete; **target close in  
H2 2021**



# Conclusion

**Lucara is a premier, mid-tier, investible diamond company, positioned for long term, sustainable growth**



High margin diamond producer



Botswana - a low risk jurisdiction



Strong balance sheet and available liquidity



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



Asset diversification and additional revenue stream opportunity through Clara



Thank you



LUCARA  
BOTSWANA