

**LUCARA**  
DIAMOND

# Vancouver Resource Investment Conference

January 2020

[LucaraDiamond.com](http://LucaraDiamond.com) | [LUC.TSX](http://LUC.TSX) | [LUC.XSTO](http://LUC.XSTO) | [LUC.BSE](http://LUC.BSE)

# CAUTIONARY STATEMENT

## Forward-looking information

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

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

In particular, this release may contain forward looking information pertaining to the following: potential to expand the life of mine; updated resource and reserves for the Karowe Mine, including the Underground and the total expected life of mine production; estimates of the Company's production and sales volumes for the Karowe Mine, including the Underground and associated cash flow and revenues; estimates of the economic benefits of the Underground, including the payback period; pre-production capital costs for the Underground and the quantum required, and availability of, external financing; anticipated operating margins for the Underground operations; the ability to integrate the underground operations seamlessly into the existing infrastructure; the anticipated mine plan and mining methods; the schedule of development of the underground, production profile and anticipated changes in diamond pricing, including trends in supplies and demands and the potential for stability in the diamond market and diamond pricing; changes to foreign currency exchange rate; the timing and ability of management to further commercialize the Clara digital sales platform and other forward looking information.

There can be no assurance that such forward looking statements will prove to be accurate, as the Company's results and future events could differ materially from those anticipated in this forward-looking information as a result of those factors discussed in or referred to under the heading "Risks and Uncertainties" in the Company's most recent Annual

Information Form available at <http://www.sedar.com>, as well as 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).



# KAROWE DIAMOND MINE

High operating margin (>60% LOM) sustained since production began in 2012

2.64 million carats sold, ***\$1.49 billion in revenue in under 7 years***

Total capital investment less than \$200 million; ***\$271 million in dividends paid since 2014***

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

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



# Q3 2019 HIGHLIGHTS

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

## Karowe Diamond Mine (100%)

Strong, stable operations for third consecutive quarter in 2019

Positive Underground Feasibility Study, doubling the mine life

\$31.06 operating cost per tonne of ore processed trending at the low end of guidance; Operating Margin 58%

\$45.3 million quarterly revenue:

- 5 diamonds sold for >\$1 million
- 1 diamond sold >\$2 million

**9.74 carat gem quality blue diamond and a 4.13 carat gem quality pink were recovered in September**

## Clara Diamond Solutions (100%)

Five sales successfully completed in Q3 2019

17th sale ongoing

Doubled number of sales and total value (\$2.4 million) transacted in Q3 2019

Customer base grew 35% to 27 participants



## Strong Balance Sheet & Dividend Policy Change

Quarterly dividend of CDN \$0.025/ share paid Sept 19<sup>th</sup>

Decision to suspend quarterly dividend to focus on early works for underground development

Cash and cash equivalents of \$4.8 million and no long-term debt

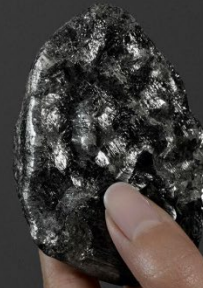
# SEWELÔ COLLABORATION WITH LOUIS VUITTON Botswana's Largest Diamond

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

Collaboration between Lucara (50%), Louis Vuitton (25%), HB Company (25%) – planning, cutting and polishing a collection of diamonds from Sewelô

Lucara to receive an upfront non-material payment from the JV partners; LUC to participate in 50% of the proceeds of the polished diamonds that result

5% of all the retail sales proceeds from the historic



## HISTORIC DIAMOND RECOVERIES

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

Lesedi La  
Rona **1109**  
carat

Second largest  
gem diamond  
ever recovered  
in the world



Constellation  
on **813**  
carat

Sold for a  
record  
**\$63.1 M USD**





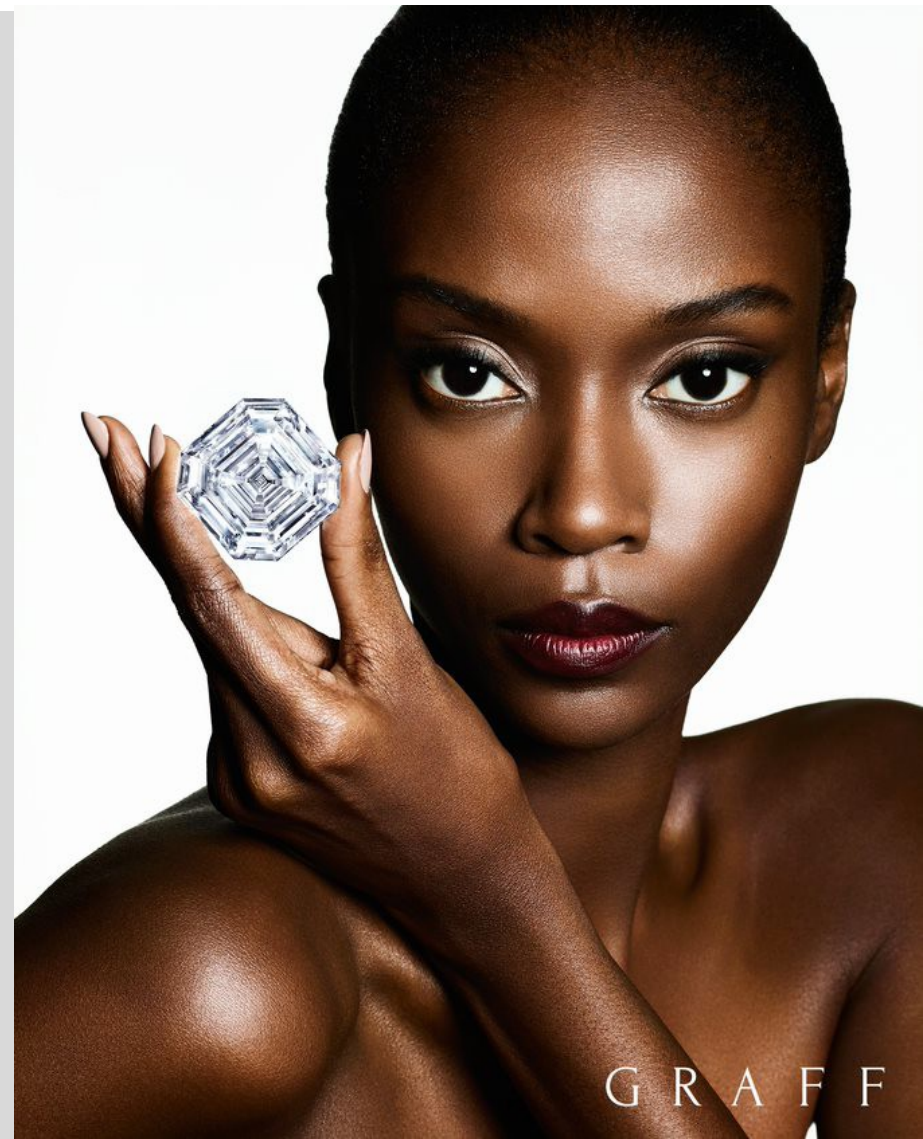
## LESEDI LA RONA & CONSTELLATION

The 1,109 carat Lesedi La Rona was recovered in 2015 and purchased by Graff in 2017 for US\$53 million resulting in the 302.37 carat Graff Lesedi La Rona;

Graded by the GIA, one of the world's largest square emerald cut diamonds; 66 satellite diamonds were also cut ranging from <1 carat to >26 carats.

The 813 carat Constellation was recovered in 2015 and purchased for US\$63 million, the highest price ever achieved for the sale of a rough diamond.

The resulting 313 carat Constellation One is the largest D coloured emerald cut diamond in the world today and



G R A F F

# SAFETY, HEALTH, ENVIRONMENT & COMMUNITY RELATIONS

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## Very Strong safety record

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First Place Winner –  
Botswana Chamber of  
Mines Inter-Mines First  
Aid Competition

## Mokubilo Farm Initiative

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Community  
focused initiative to  
generate, broad  
based sustainable  
income

Phase 1: butternut,  
tomatoes, peppers  
and eggs

**2018 Sustainability Report available on**  
***[www.LucaraDiamond.com](http://www.LucaraDiamond.com)***





# SUSTAINABILITY



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

In 2018, Lucara became a UN GC participant and contributes to 10 of the 17 UN SDGs

Lucara is certified by the Responsible Jewellery Council (RJC), compliant with Kimberley Process, and a member of Diamond Producers Association (DPA)

# TOTAL CLARITY THE FACTS ON MODERN DIAMOND MINING

Trucost  
ESG Analysis  

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S&P Global



**Total Clarity Report by Trucost** examined 150 metrics across the DPA members which comprise approximately 75% of the world's diamond production with global operations including Botswana, Russia, South Africa, Lesotho, Australia, Zimbabwe and Tanzania.

THE REPORT  
FOUND THAT DPA  
MEMBERS CREATE

US\$16 billion

IN NET SOCIOECONOMIC  
AND ENVIRONMENTAL  
BENEFITS

60%

OF THE US\$16 BILLION NET BENEFIT  
FLOWS BACK INTO LOCAL COMMUNITIES

THE ESTIMATED CO2  
ASSOCIATED WITH LABORATORY  
GROWN DIAMONDS IS NEARLY

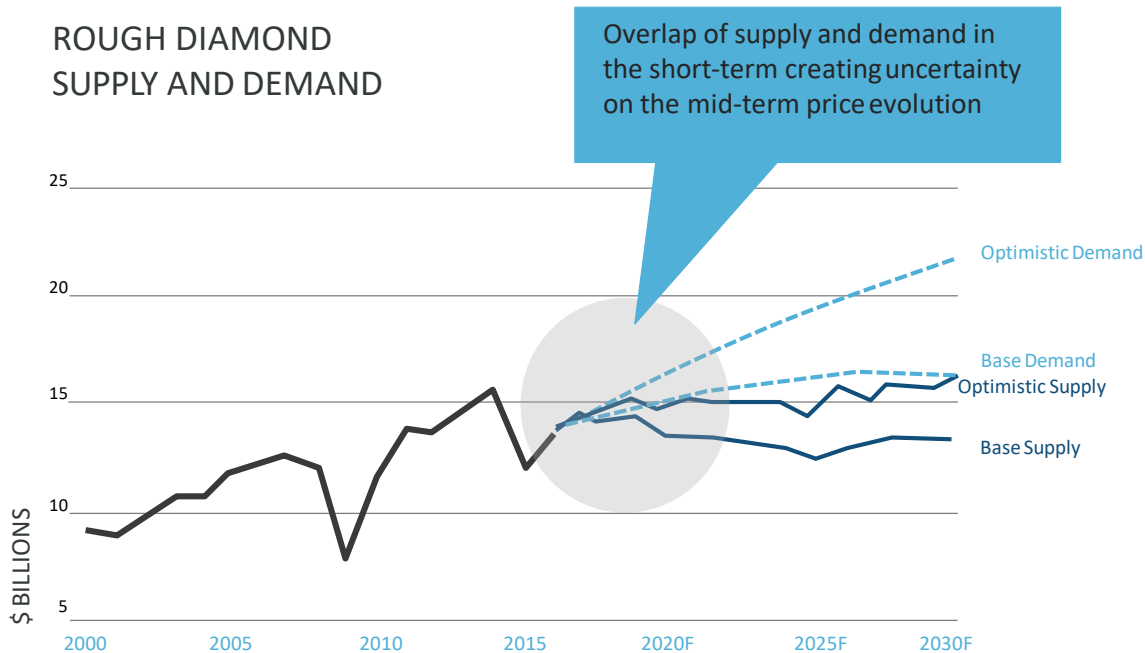
3x greater

THAN DIAMONDS RECOVERED  
BY DPA MEMBERS IN 2016

VIEW THE FULL REPORT AT [TOTAL-CLARITY.COM](http://TOTAL-CLARITY.COM)

# DIAMOND MARKET

Long term fundamentals strong but pricing environment has been challenged in 2019;  
Market is starting to show signs of stability



Millennials will be the highest-spending generation from 2020 and the leaders in luxury spending, especially in China



2000-2030: 2019 prices, constant exchange rates, optimistic and base scenarios

Note: Rough-diamond demand has been converted from polished-diamond demand using a historical ratio of rough to polished diamond values

Source: Bain & Company - Global Diamond Report 2018



# LUCARA DIAMOND SALES 2019

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



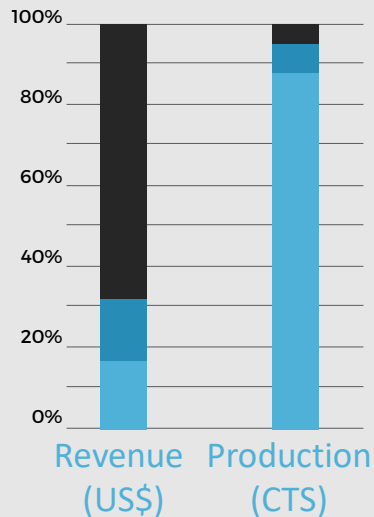
- Total proceeds of \$192.5 million (including Clara); Strong December tender; Higher carat recovery YoY
- Average Price \$468/carat
- 30 diamonds which sold for > \$1 million, including 7 for > \$3 million
- 241 carat sold for \$8.1 million; 127 carat sold for \$5.14 million; 165 carat sold for \$3.97 million
- 2019 is the first full year for Blended Tenders resulting in a smoother revenue profile & decreased time to market for high value diamonds
- 786 Specials recovered, representing 6.1% weight percentage of total recovered direct milling carats including the 1,758 carat Sewelô, the largest stone recovered in the Karowe's history

# CONSISTENT RECOVERY OF LARGE DIAMONDS

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

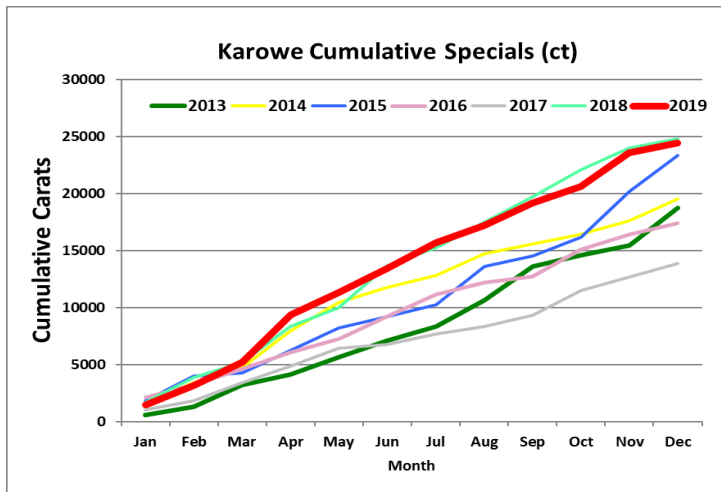
## REVENUE AND PRODUCTION

Includes 2015 to 2018



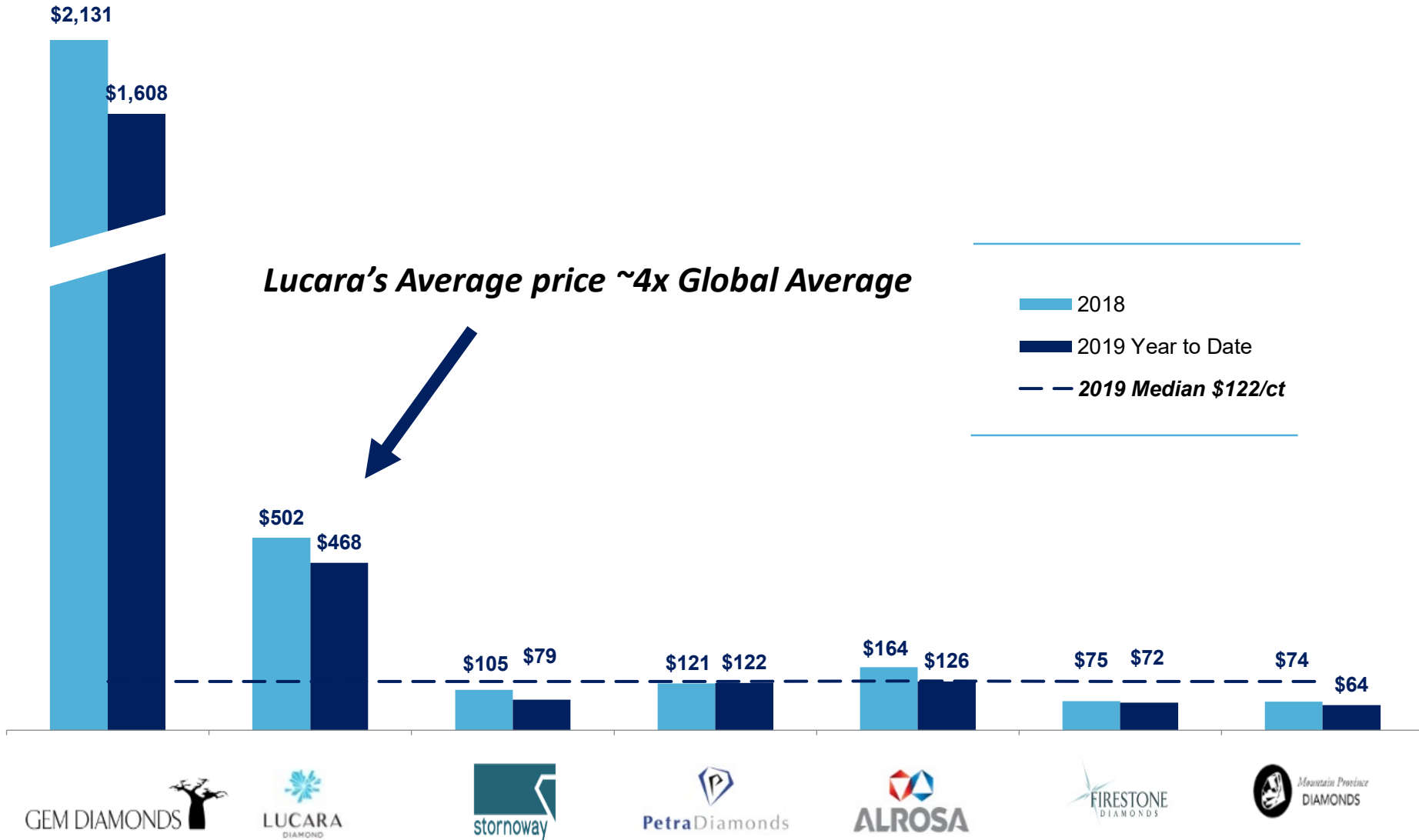
■ <2ct   ■ +2ct   ■ +10.8

- Life of mine recovery of 157,000 carats of individual stones > 10.8ct (over 5,400 diamonds; all sources)
- Since 2012: 15 diamonds in excess of 300 carats have been recovered, including 2 diamonds > 1,000ct
- Long term upside for diamond recoveries
- 10 diamonds sold for > USD\$ 10 million each (not included in resource value models)



# GLOBAL ACHIEVED AVERAGE DIAMOND PRICES 2018/2019

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



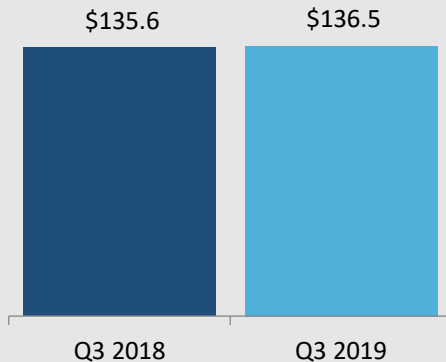


# 2019 FINANCIAL HIGHLIGHTS

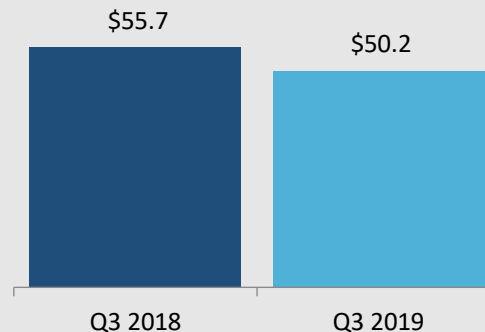
## NINE MONTHS ENDED SEPTEMBER 30, 2019

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

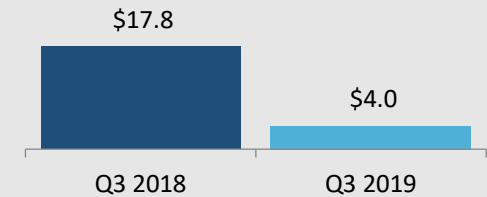
### REVENUE (MILLIONS)



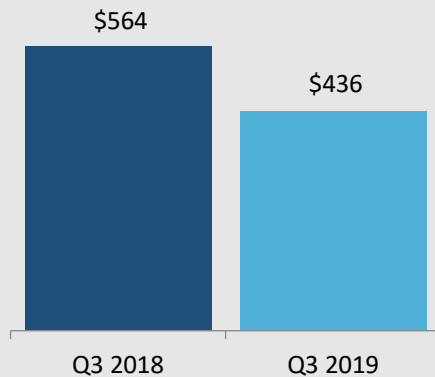
### ADJUSTED EBITDA<sup>(1)</sup> (MILLIONS)



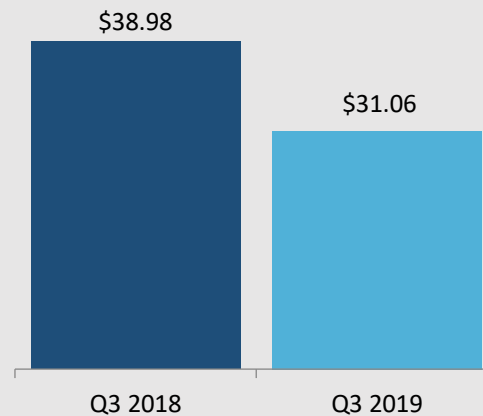
### NET INCOME (MILLIONS)



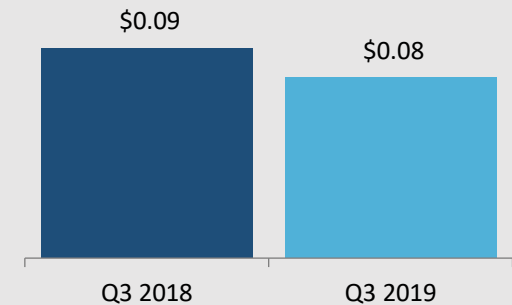
### AVERAGE PRICE (AVERAGE \$/CARAT)<sup>(1)</sup>



### OPERATING COST (\$/TONNE PROCESSED)<sup>(1)</sup>



### CASH FLOW PER SHARE FROM OPERATIONS<sup>(1)</sup>



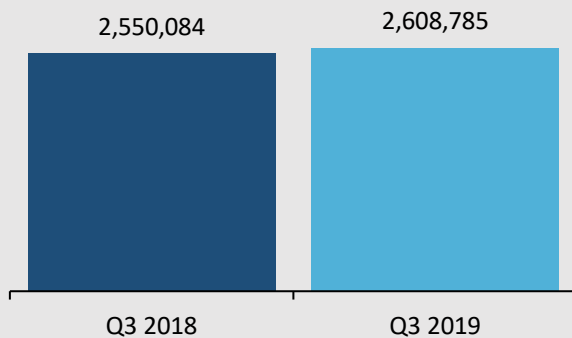
<sup>(1)</sup> Non-IFRS measure

# 2019 OPERATIONAL HIGHLIGHTS

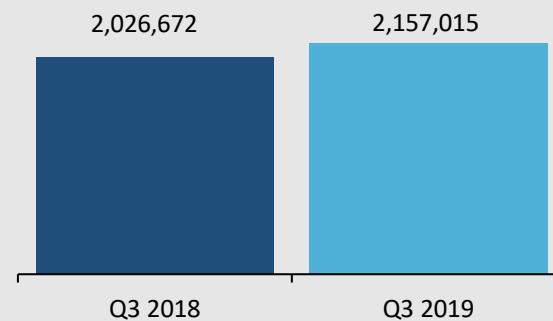
## NINE MONTHS ENDED SEPTEMBER 30, 2019

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

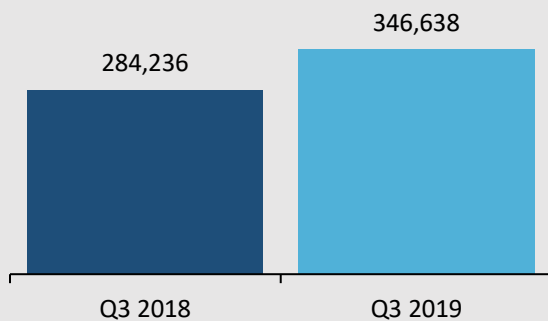
### ORE MINED (TONNES)



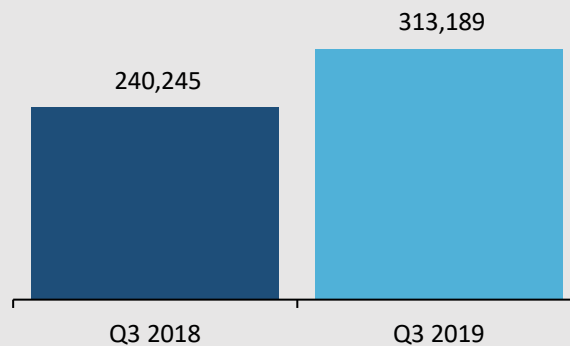
### ORE PROCESSED (TONNES)



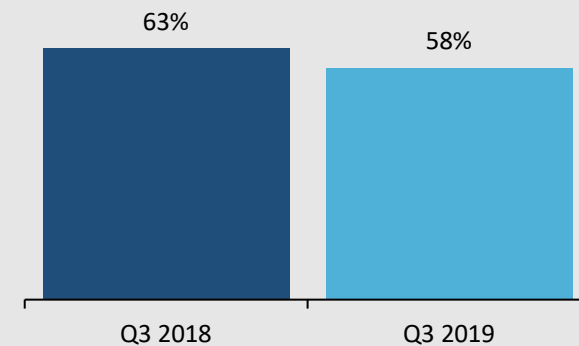
### CARATS RECOVERED (CARATS)



### CARATS SOLD (CARATS)



### OPERATING MARGIN (%)





# KAROWE UNDERGROUND

## Extending Mine-life to 2040

- UG development will ***double the mine life*** from original 2010 Feasibility Study
- Resource work completed since November 2017 identified a much ***larger economic opportunity at depth***, on the basis of new drilling and open pit recoveries
- UG would add ~ ***US\$4 billion in additional revenue***
- + US\$200 million in revenue from ‘exceptional’ diamonds not included in economic analysis: potential for + US\$500 million in additional revenue over proposed new LOM



# UNDERGROUND FEASIBILITY KEY FINDINGS

All currency figures in US Dollars, unless otherwise stated

## Updated geological resource confirms increasing value with depth

Underground NI 43-101 Indicated resources of 35 million tonnes @ 15 cpht for 5.1 million carats

Diamond price of \$725/carat (no escalation)

\$3.7 billion in revenue

## Long hole shrinkage selected as underground mining method (700-310 masl)

Provides access to higher value ore early

Payback period in granites lowers risk

Maintains current production rate of 7,200 tpd 2.6 million annum

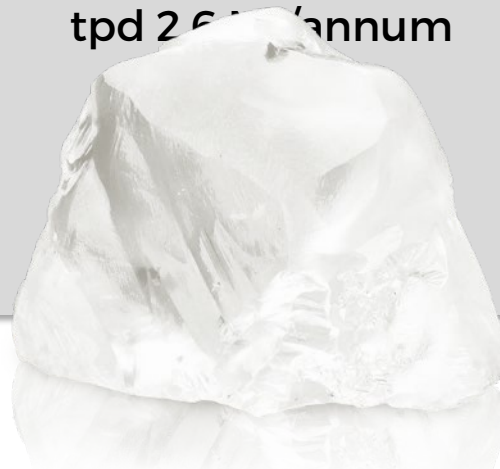
## Strong Economics on both stand alone UG and OP+UG scenarios

*OP & UG Combined:*

NPV \$945 million/\$536 million (Pre/Post Tax @ 8%)

NPV \$1,266 million/\$718 million (pre/post tax@ 5%)

\$2.2 billion / \$1.2 billion Cash Flow (pre/post tax)



342 ct

# KAROWE UNDERGROUND + OPEN PIT

(All Amounts In U.S. Dollars )



7.84 Million Carats  
LOM DIAMONDS PRODUCED

\$2.2 Billion Cash  
Flow

PRE-TAX  
\$1.2 Billion Cash  
Flow

POST-TAX  
2.8 Year Pay-Back



50 M Ore Tonnes Mined  
56 M Ore Tonnes  
Treated

FROM 2020-2040  
7,200 tpd / 2.6 Mtpa

MAINTAINS CURRENT  
PRODUCTION RATE

\$28.43/t Processed  
OPERATING CASH COSTS

Mining Cost \$8.44/t  
OPERATING CASH COSTS



NPV \$945 M

PRE-TAX @ 8% DISCOUNT

NPV \$536 M

POST-TAX @ 8% DISCOUNT

NPV \$1,266 M

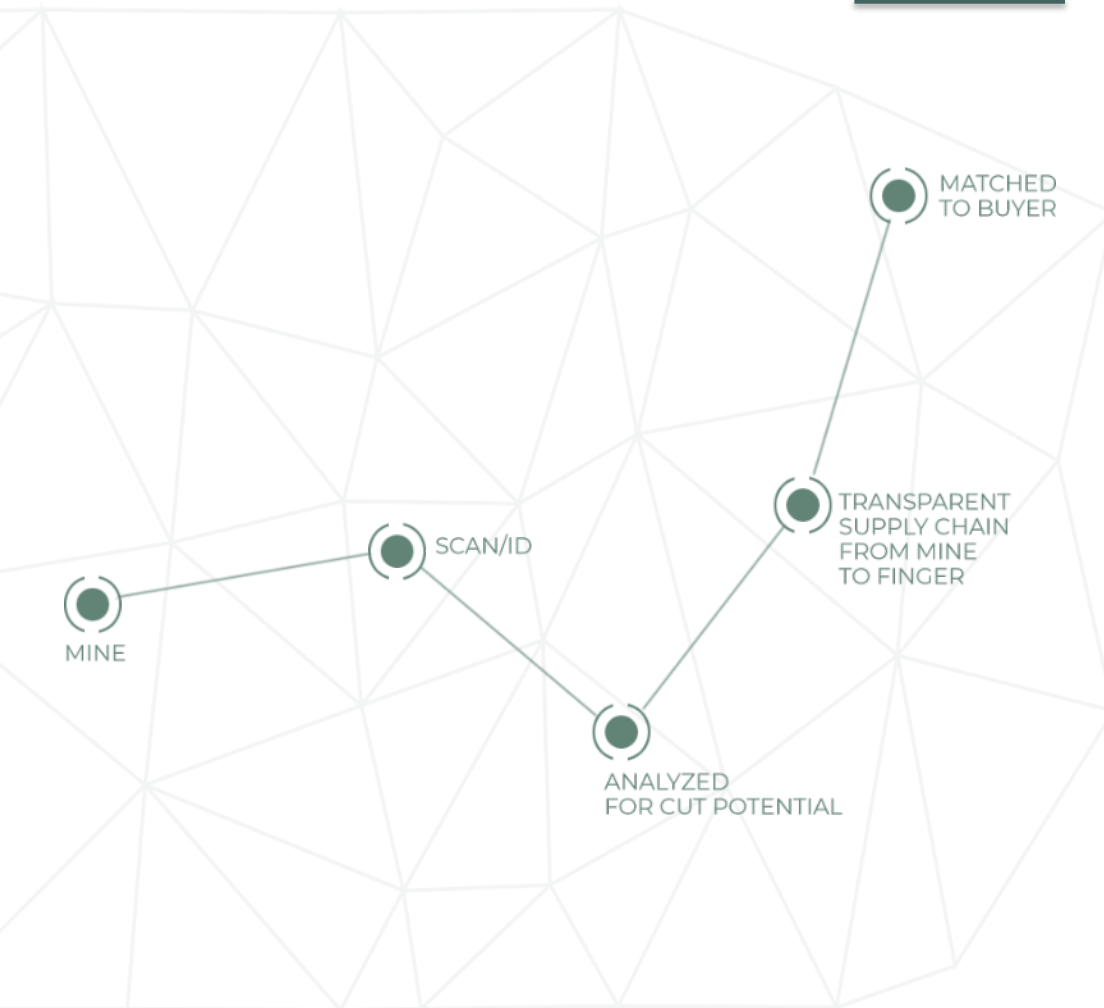
PRE-TAX @ 5% DISCOUNT

NPV \$718 M

POST-TAX @ 5% DISCOUNT

# 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 SALES PLATFORM 2019

# CLARA

Sixteen sales between  
December 2018 and January 2020  
**POSITIVE RESULTS**



**~US\$9 million diamonds  
sold by value**

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

16 sales completed with ~\$9 million of  
diamonds sold by value through the  
platform;

17<sup>th</sup> sale ongoing

Frequency of sales and number of  
participants increasing

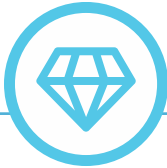
Manufacturers on the platform have grown  
from 4 to 28 customers

Focus on growing supply and demand  
concurrently through adding third-party  
production to the platform and increasing  
the number of manufacturers/buyers  
invited to join

Discussions are underway to add third party  
supply to the platform

# 2020 OUTLOOK

(all amounts in U.S. Dollars)



\$180 – \$210 million

DIAMOND REVENUE

350,000 – 390,000

DIAMOND SALES (CARATS)

370,000 – 410,000

DIAMONDS RECOVERED (CARATS)



3.5 – 3.9 million

ORE TONNES MINED

2.5 – 2.8 million

ORE TONNES PROCESSED

3.6 – 4.2 million

WASTE TONNES MINED

\$32 – \$36 per tonne  
of ore processed

OPERATING CASH COST



342 ct



# LUCARA

DIAMOND

## CONCLUSIONS

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

High margin diamond producer

Botswana - a low risk jurisdiction

Strong balance sheet

Open pit mineable reserves to 2026,

Underground reserves will double the mine life to 2040

Asset diversification and additional revenue stream through Clara



813 ct

# CAPITAL STRUCTURE

## LUC

Lucara is a publicly listed company trading under the symbol “LUC”

~~TSX~~

~~NASDAQ Sweden~~

~~BSE (Botswana)~~

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~C\$340M  
MARKET CAP

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\$Nil (September 2019)  
WORKING CAPITAL FACILITY

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396.9M (September 2019)  
ISSUED SHARES

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402.5M (September 2019)  
FULLY DILUTED SHARES

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US\$4.8M (September 2019)

US\$50.0M (available)  
Credit Facility

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CASH ON HAND

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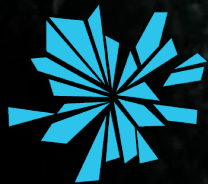
22%  
Fully Diluted Basis

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INSIDER HOLDINGS

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# LUCARA

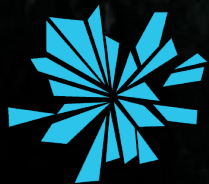
DIAMOND

## CONTACT

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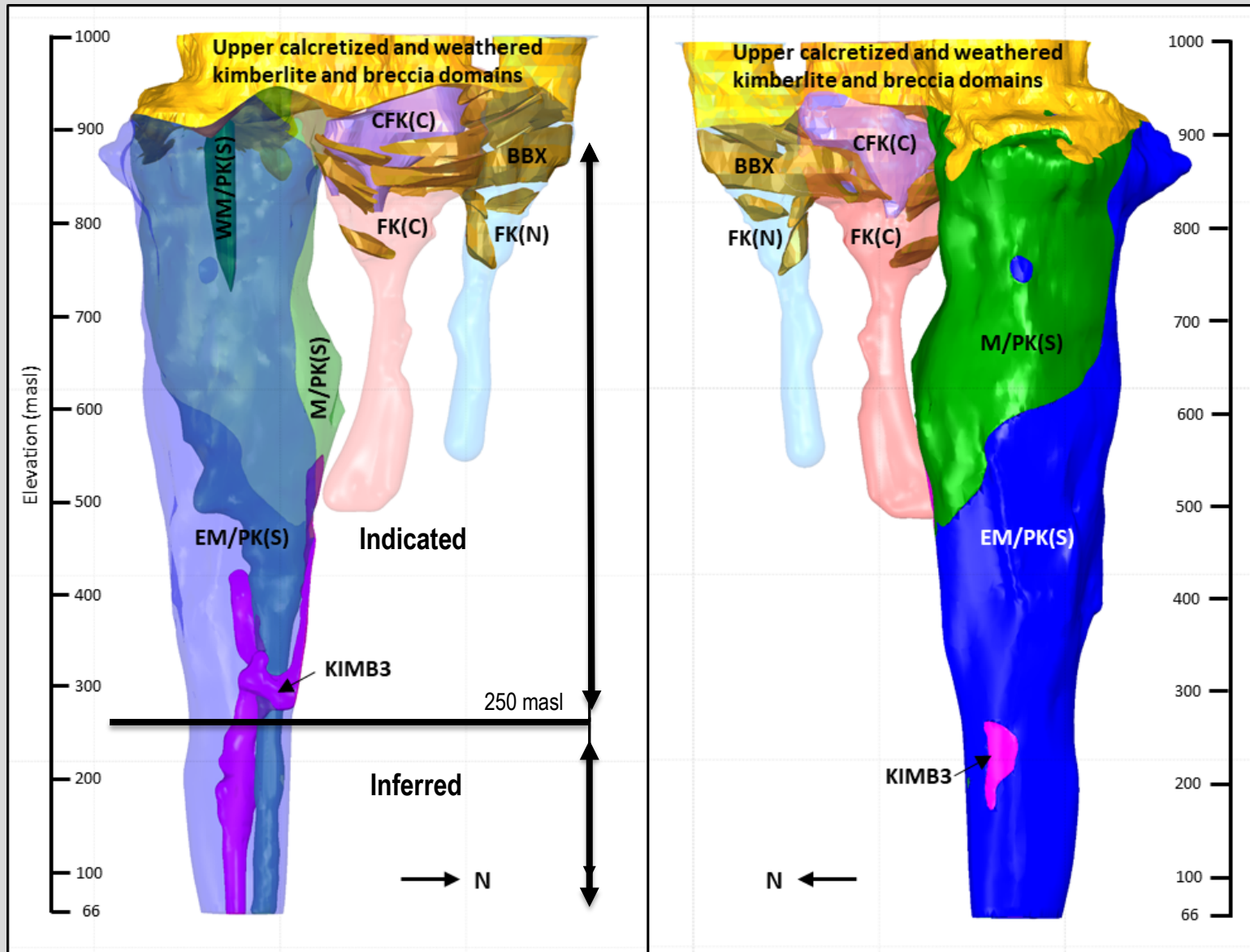
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## Appendix

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# MINERAL RESOURCE UPDATE 2019



# UG MINE DESIGN:LONG HOLE SHRINKAGE

- Trade off assessed block cave, sub level cave, assisted block cave
- Geotechnical testing results did not support caving or caving with preconditioning
- Higher value ore lies deeper and is attributable to higher grade and value EM/PK(S)
- Long Hole Shrinkage (LHS) is planned to systematically drill and blast the entire South Lobe on a vertical retreat basis
- Mucking of swell and ultimate pull down of broken muck will take place from an extraction level at the 310 Level (310masl)

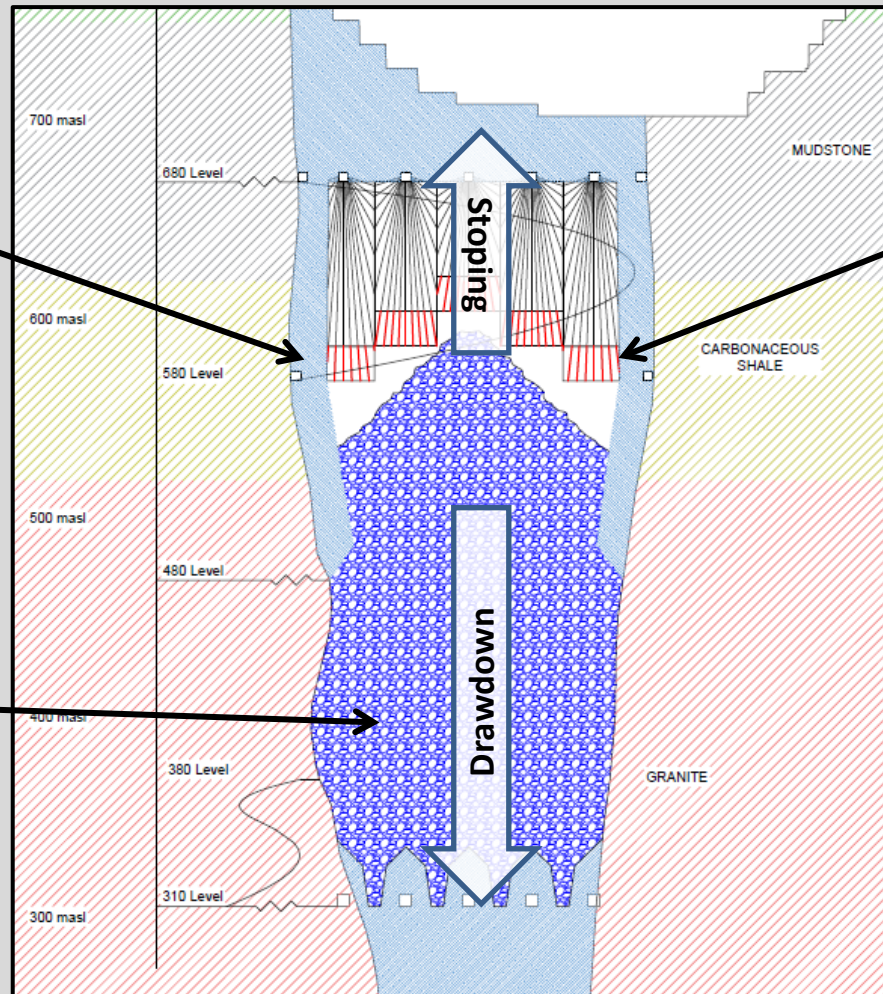
Capacity	Life
UG Ore Tonnes	13-year UG production 5.5-years pre-production
UG Carats	33.5 million tonnes 5.1 million carats USD\$725/carat 392 kcarats/year UG LOM
UG Mine Extent	700 masl to 310 masl



# STOPE DESIGN AND SEQUENCE

Kimberlite skin left until drawdown to support carbonaceous shales

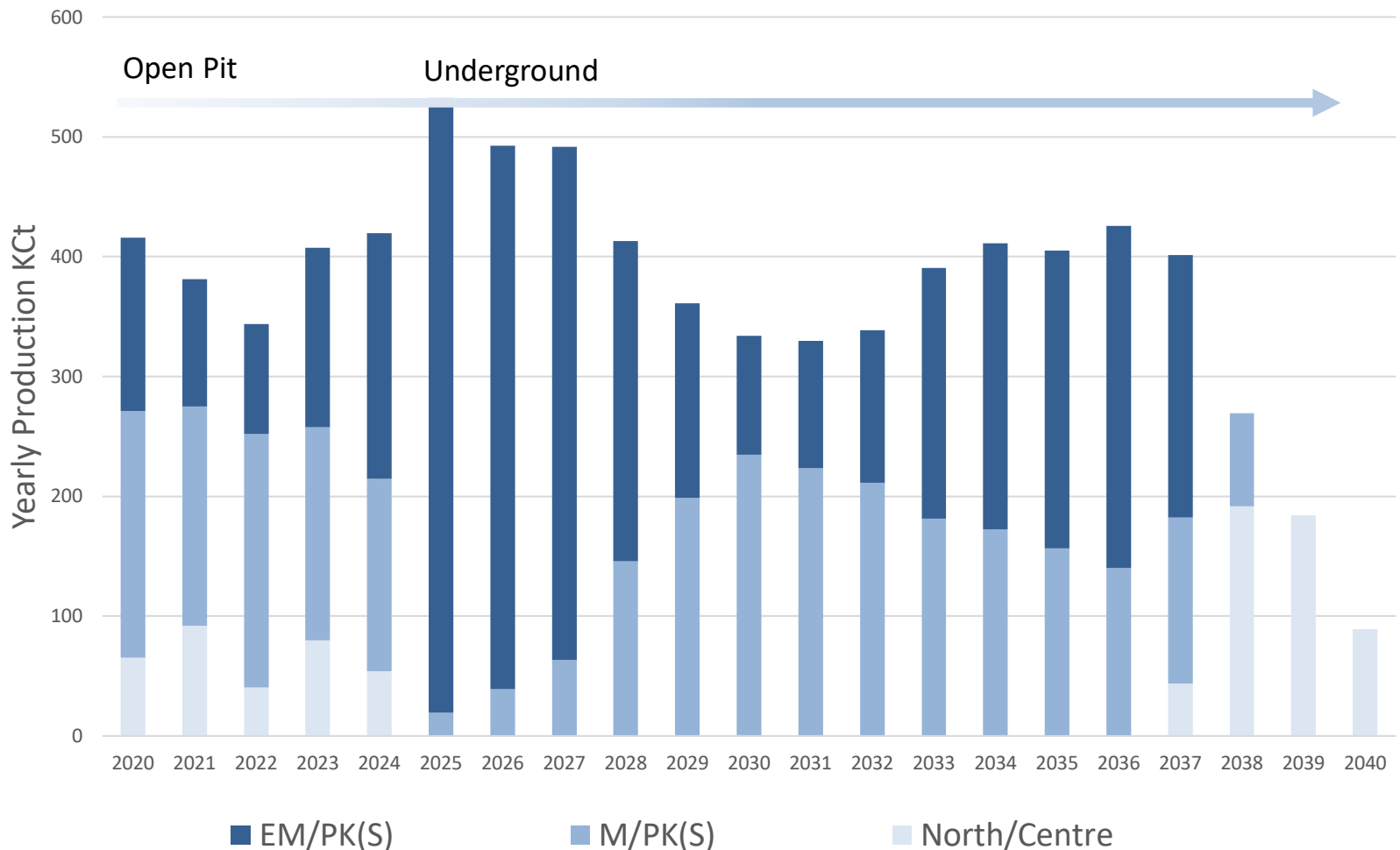
Muck is left in stope for sidewall support until all blasting is complete. Only swell is extracted during the blasting phase.



Mining advances upwards in 17.5 m average high lifts

**200 m (50%)  
vertical mining  
within competent  
granite.  
Payback while in  
granite host rock**

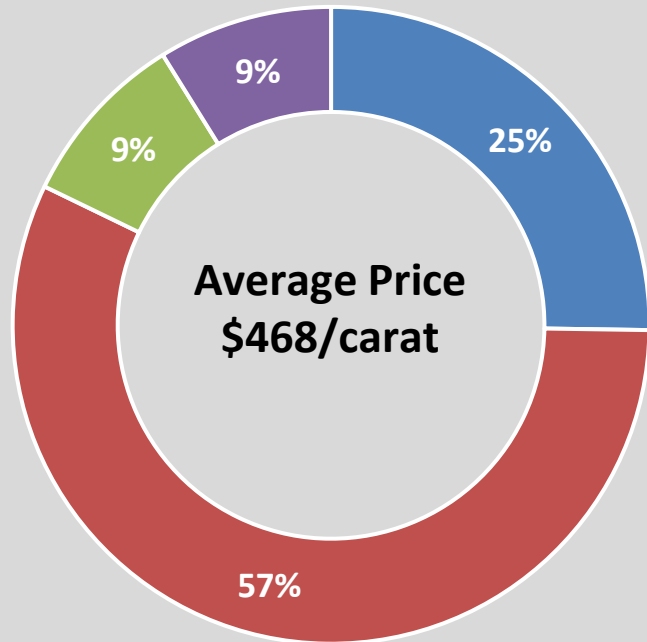
# COMBINED OP/UG PRODUCTION BY SOURCE



Production schedule is based on current assumptions which are listed in the FS and subject to risks and uncertainties and general operational factors which may vary from scheduling contemplated in the FS , review

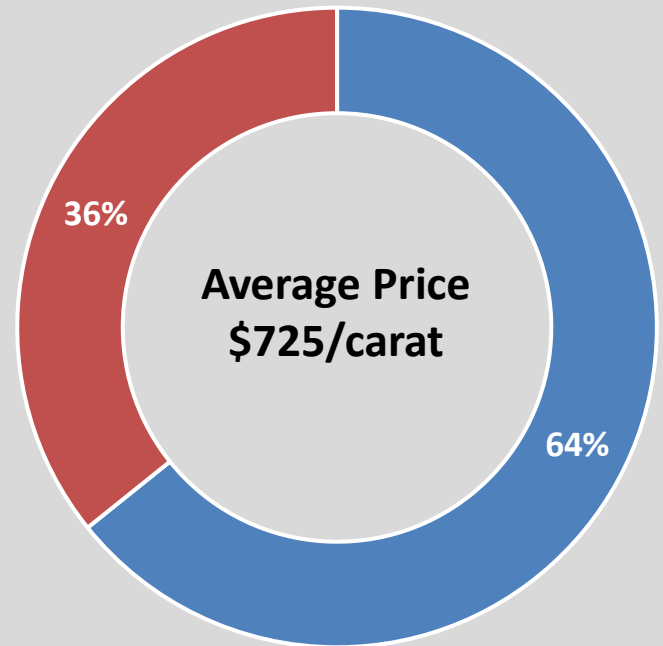
# PRODUCTION CARATS BY SOURCE

2019 Carats by Source  
South Lobe Ore 82%



■ EM/PK(S) ■ M/PK(S) ■ Centre ■ North

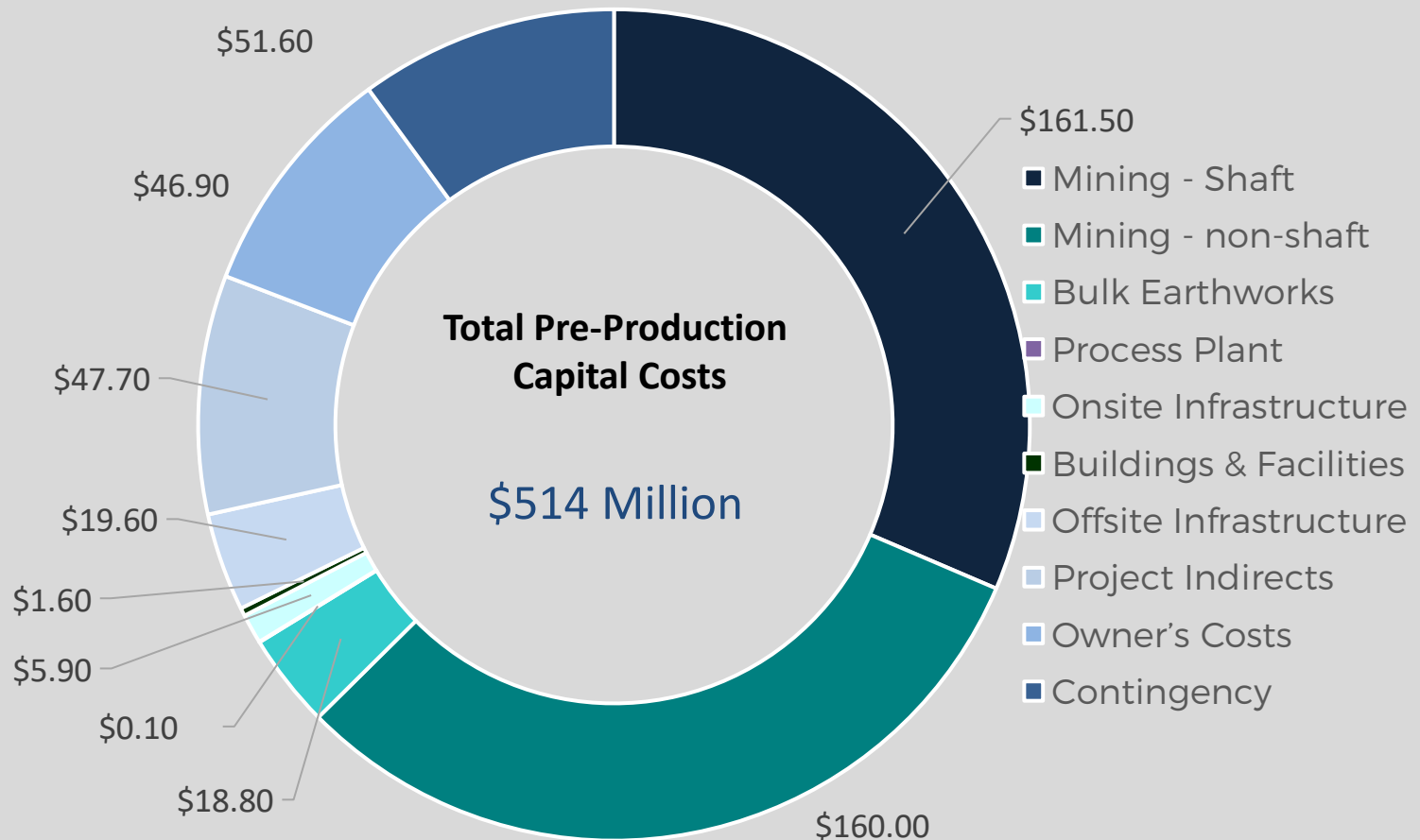
UG Carats By Source 2025-39  
South Lobe Ore 100%



■ EM/PK(S) ■ M/PK(S)

# UNDERGROUND ESTIMATED PRE-PRODUCTION CAPITAL

(All amounts in U.S. Dollars )



# HIGH MARGIN OPERATION

(All amounts in US\$)

(US\$)

\$1,000

\$900

\$800

\$700

\$600

\$500

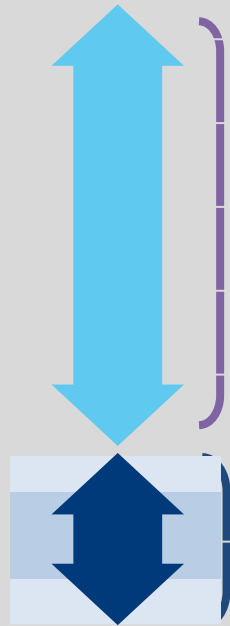
\$400

\$300

\$200

\$100

\$0



**Margin**  
**\$522/ct**

**Average  
Operating  
Cost\***  
**\$204/ct**

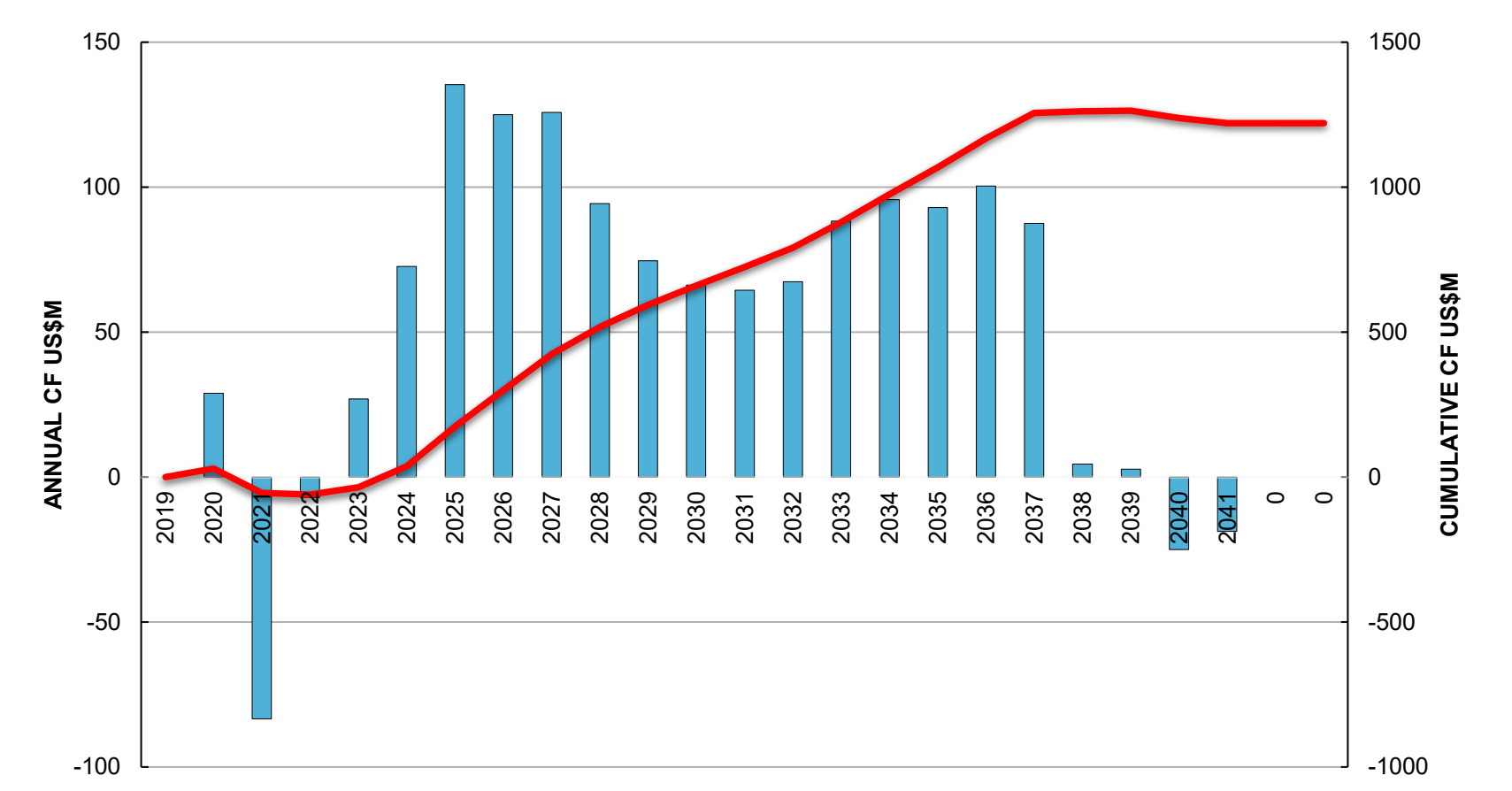
## Cash Cost Summary (\$/ ct)

Mining	\$56
Processing	\$108
On Site G&A	\$40
<b>Total</b>	<b>\$204</b>
<b>Carat margin</b>	<b>\$522</b>



# COMBINED OP POST-TAX CASH FLOW

(All Amounts In U.S. Dollars )



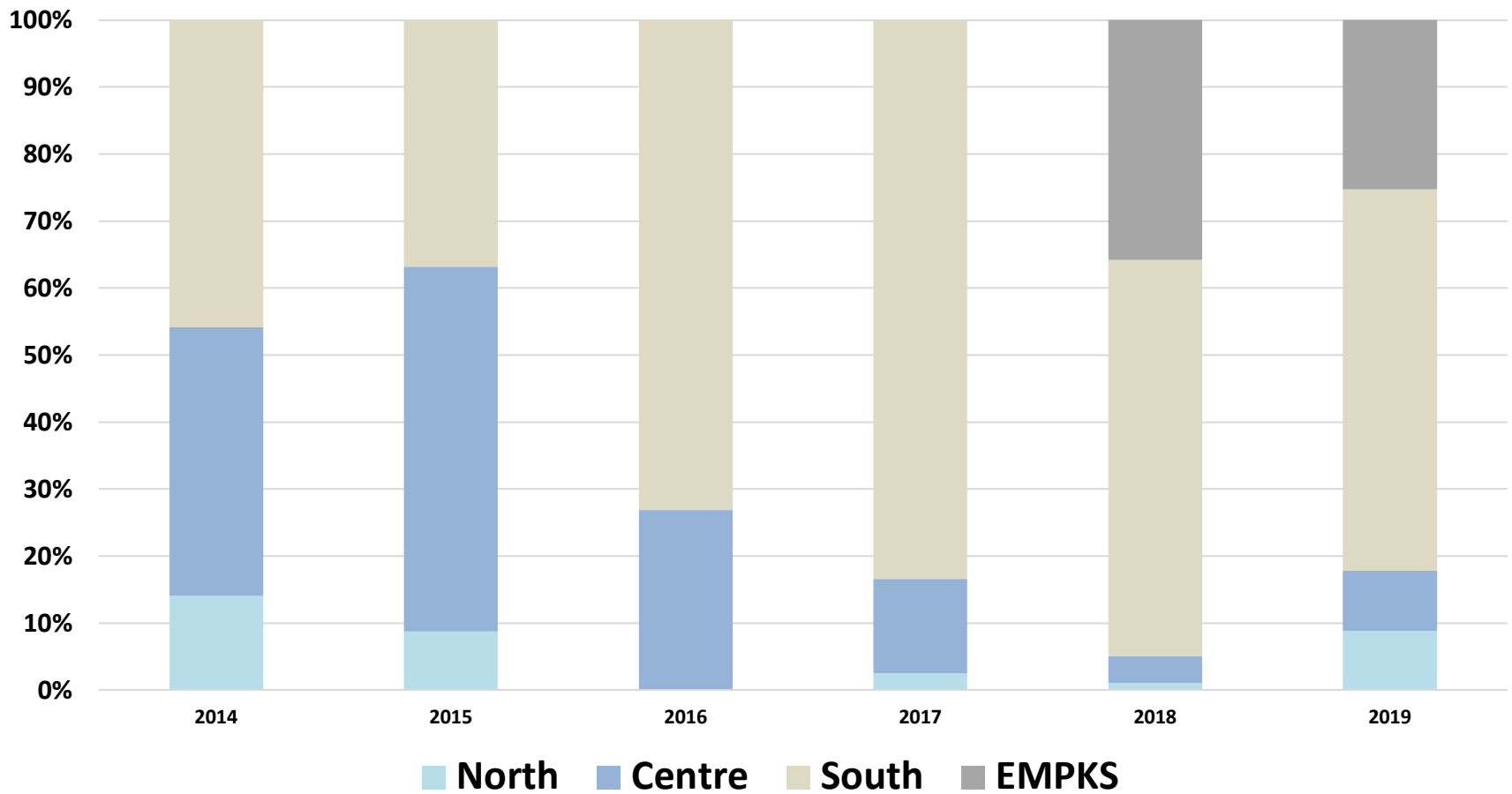
Annual Cash Flow Cumulative Cash Flow

# KAROWE UNDERGROUND NEXT STEPS

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- Based on the assumptions used for this evaluation, the project shows positive economics and should proceed to detailed engineering, financing and construction.
- In the first half of 2020, the Company will focus on detailed engineering and early procurement initiatives.
- The Company will also be reviewing financing options and will update the market when such decisions are reached.
- The anticipated capital requirements in 2020 represent less than 10% of the initial capex estimate for the underground project. The Company's anticipates funding initial expenses from cash flow, as financing options are explored.

# KAROWE CARAT PRODUCTION BY SOURCE 2014 - 2019



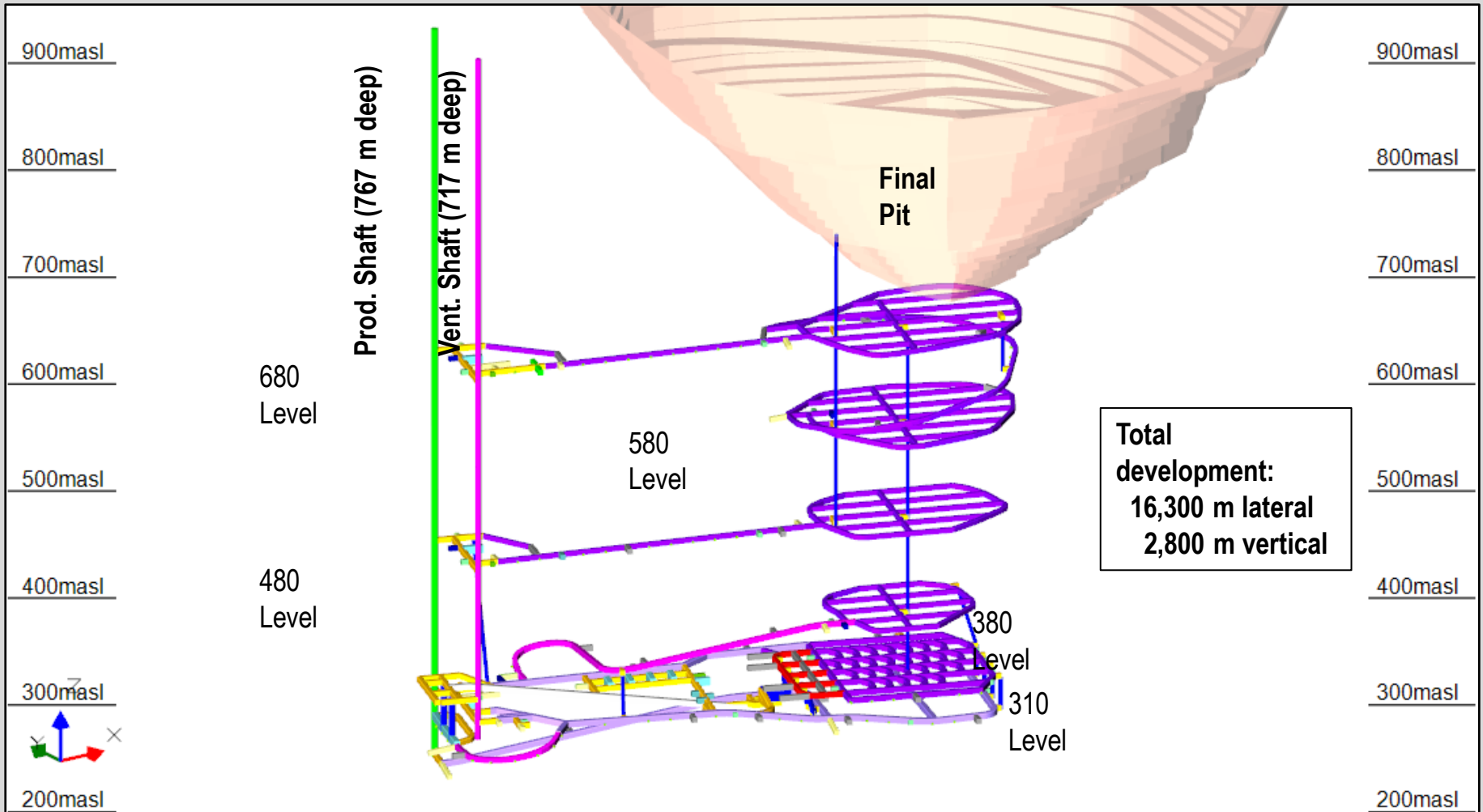
# MINERAL RESOURCE UPDATE 2019

- An update to the mineral resource and geological model increased the extent of the Indicated resource of the high value South Lobe between 400 and 250 masl and increased the depth of South Lobe Inferred to 66masl (previously 250masl)
- Internal geology of south lobe is dominated by two domains EM/PK(S) and M/PK(S) - Size frequency and Value models have been established for each dominant domains
- 2019 Update utilised historical drilling and sampling data augmented by detailed logging, sampling and petrographic work on 33 new drillholes and 1,300 kilograms of additional microdiamond sampling (151 samples)

Classification	Domain	Volume (Mm <sup>3</sup> )	Tonnes (Mt)	Density (t/m <sup>3</sup> )	Carats (Mcts)	Grade (cpht)	Average (US\$/ct)
Indicated	South_M/PK(S)	9.40	27.81	2.96	3.01	10.8	\$631
	South_EM/PK(S)	7.62	22.10	2.90	4.68	21.2	\$777
	Centre	1.28	3.28	2.57	0.50	15.1	\$367
	North	0.44	1.08	2.45	0.13	11.8	\$222
<b>TOTAL INDICATED</b>		<b>18.74</b>	<b>54.27</b>	<b>2.90</b>	<b>8.32</b>	<b>15.3</b>	<b>\$690</b>
Inferred	South_M/PK(S)	0.10	0.31	3.05	0.03	10.5	\$631
	South_EM/PK(S)	1.40	4.18	2.97	0.87	20.9	\$777
	South_KIMB3	0.32	0.94	2.94	0.10	10.9	\$631
<b>TOTAL INFERRERD</b>		<b>1.82</b>	<b>5.42</b>	<b>2.97</b>	<b>1.01</b>	<b>18.6</b>	<b>\$750</b>

Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. All numbers have been rounded to reflect accuracy of the estimate.; Mineral Resources are in-situ Mineral Resources and are inclusive of in-situ Mineral Reserves.; Mineral Resources are exclusive of all mine stockpile material.; Mineral Resources are quoted above a +1.25 mm bottom cut-off and have been factored to account for diamond losses within the smaller sieve classes expected within the current configuration of the Karowe process plant.; Inferred Mineral Resources are estimated on the basis of limited geological evidence and sampling, sufficient to imply but not verify geological grade and continuity. They have a lower level of confidence than that applied to an Indicated Mineral Resource and cannot be directly converted into a Mineral Reserve.; Average diamond value estimates are based on 2019 diamond sales data provided by Lucara Diamond Corp. Mineral Resources have been estimated with no allowance for mining dilution and mining recovery.

# KAROWE UNDERGROUND MINE DESIGN





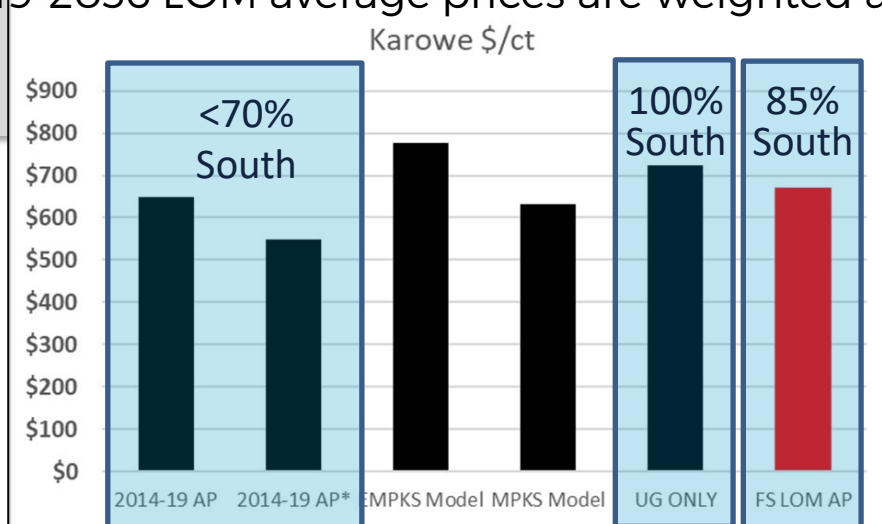
# HIGH LEVEL INDICATIVE SCHEDULE

Activity	2020				2021				2022				2023				2024				2025
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>Preparation</b>																					
Detailed Engineering	█	█																			
Detailed Schedule	█	█																			
Permitting	█	█																			
BPC Powerline Permitting and Eng.	█	█																			
Early Procurement	█	█																			
Early Recruitment	█	█																			
<b>Underground Development</b>																					
Shaft Grout Curtains Installation		█	█	█	█	█	█	█													
Vent Shaft Development		█	█	█	█	█	█	█	█	█	█	█									
Production Shaft Development			█	█	█	█	█	█	█	█	█	█									
660 Dewatering Drilling									█	█	█	█	█	█	█	█					
310 Development											█	█	█	█	█	█					
480 Development													█	█	█	█	█	█	█	█	
680 Development													█	█	█	█	█	█	█	█	
UG Mechanical Equip. Installation													█	█	█	█					
Shaft Equipping																	█	█	█	█	
Ramp Up Begins																					
Full Production																					
<b>Surface Infrastructure</b>																					
Camp Construction		█	█																		★
Surface Infrastructure Development		█																			★
BPC Powerline Construction					█	█	█	█	█	█	█	█									

Activities listed for underground development and surface infrastructure require available financing and Lucara Board approval

# DIAMOND PRICING: KAROWE UNDERGROUND MODEL

- \$/ct models are a function of size frequency distribution a (SFD) and value per size class
- SFD models are constructed on very robust datasets, informed and reconciled by over 7 years of production
- Value based on actual sales: Lucara rough price book, sales data for single stones
- High value (+\$10 million USD) single stones are excluded from generation of SFD and Value models
- Current Value models adjust for market downturn in high colour large goods
- 2014-2019 LOM average prices are weighted approximately 70:30 South: North/Centre
- 2019-2036 LOM average prices are weighted approximately 85:15 South: North/Centre



\* Excludes Lesedi la Rona and Constellation

# UNDERGROUND ONLY OPEX ESTIMATE

(All amounts in US \$)

Area	Estimate (\$/t milled)	Estimate (\$/carat)
UG Mining	8.53*	57
Processing	15.70	104
G&A	6.33	42
Total	30.57	202

\* Excluding \$1.20/t for mine overheads captured in G&A