

LUCARA
DIAMOND

Q3 2020 Results Conference Call

NOVEMBER 11, 2020



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.

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.

Q3 2020 Highlights

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

Karowe Diamond Mine (100%)

Strong, safe, reliable production results;
All physicals achieved to plan

Diversification of sales channels:

- Groundbreaking supply partnership announced in July provides upside exposure from polished sales (>10.8 carats)
- September tender (<10.8 carats) held in Antwerp
- Clara sales continue (<10.8 carats)

Revenue of \$41.3 million in Q3 including first sales under new agreement with HB

Average sales price \$365/carat in Q3

Operating cost of \$26.92 per tonne of ore processed ⁽¹⁾; Below budget and plan

Q3 EBITDA⁽¹⁾ of \$9.9 million and an operating margin of 47%

Clara Diamond Solutions (100%)

103% growth in customers from 35 to 71 participants

Third party sellers trialing the platform

Seven sales completed in Q3

20 sales year-to-date (Oct 31, 2020)

Sales continued through COVID-19 pandemic



Sethunya, 549 carats

Strong Balance Sheet

Cash and cash equivalents of \$10.1million; Net debt of \$9.9 million

\$30 million available on credit facility; New lender participating in the facility

Strong cash position and available liquidity as COVID-19 pandemic continues; Diamond market improvements observed

More regularity to cash flows from sales through the HB agreement

⁽¹⁾ Non-IFRS measure

COVID-19 Response

Operations consistent, Diamond sales continue, Liquidity stable

The Botswana Government declared mining an essential service in late March 2020 and recently extended the State of Emergency to the end of March 2021. Guidelines being followed include increased travel restrictions, work from home, implementation of social distancing and additional cleaning protocols.

We continue to focus on protecting the health and well-being of our employees, contractors and host communities and the financial well being of the Company. We've also contributed to the Botswana Government's COVID-19 Relief Fund and local initiatives.

The Government of Botswana recently granted permission to conduct Covid-19 testing at our operations in Botswana. To-date, more than 99% of the tests conducted have been negative. The Company has also constructed several isolation pods for use by the community in the Letlhakane area.

Diamond sales through HB Antwerp, Clara and quarterly tenders in Antwerp continued as price improvements and demand increased during Q3.

Karowe Underground Next Steps



Based on the assumptions used for the evaluation, the project shows

positive economics

COVID-19 Response

Pushed out early surface civil works due to travel restrictions and reduced capital spend

2020 Plan Rescoped

Focus on detailed engineering and early site works using local contractors, start on long lead time item procurement; Underground budget decreased to \$22 million

Continue to explore

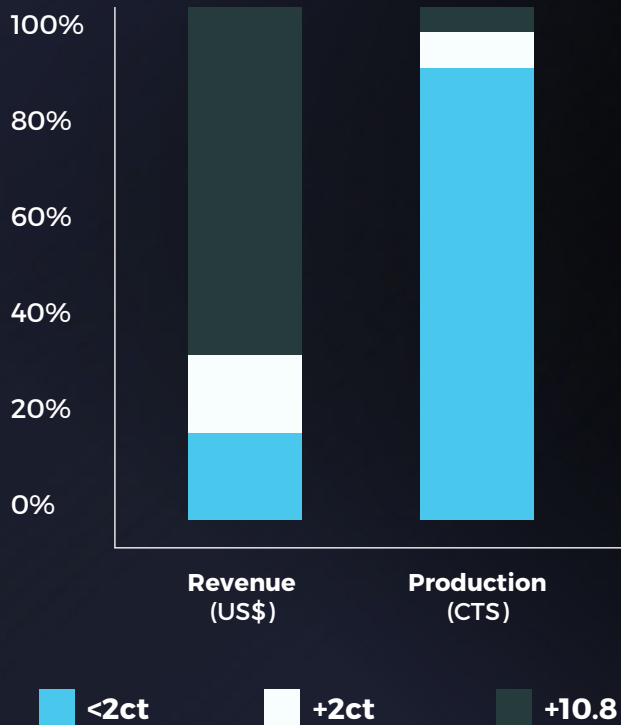
financing options

Focus on debt financing opportunities

Consistent Recovery of Large Diamonds

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

Revenue and production includes 2015 to 2019

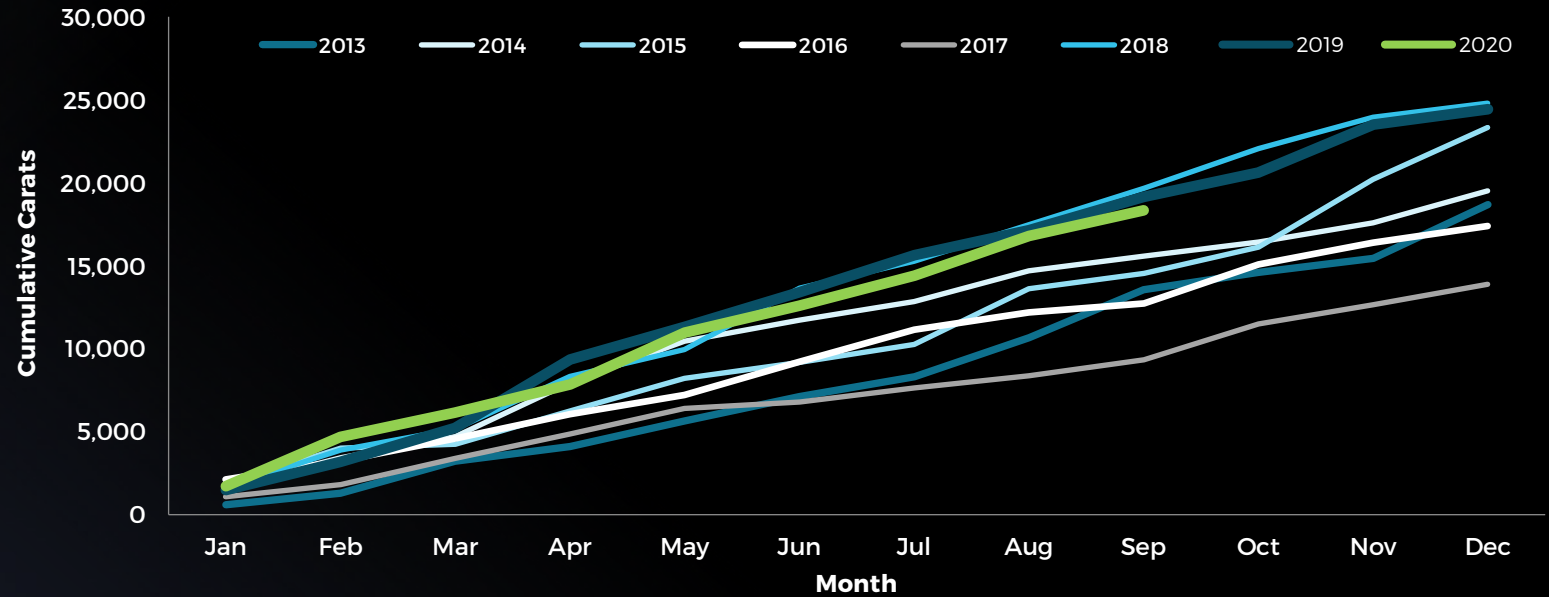


Life of mine recovery of 176,000 carats of individual stones > 10.8ct (over 6,000 diamonds; all sources)

Since 2012: 15 diamonds in excess of 300 carats have been recovered, including 2 diamonds > 1,000ct

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

Karowe Cumulative Specials (ct)



Another Historic Recovery – 998 carats

November 2020

998 carat diamond recovered unbroken from the MDR (mega diamond recovery) in November 2020

High white clivage diamond sourced from the EM/PK(S) unit of the South Lobe

Followed a notable series of diamond recoveries during this recent production run including a number of top quality clivage and gem quality stones of 273, 105, 83, 73, and 69 carats in weight



998 carats

+10.8 carat recoveries

November 2020



Collaboration Agreement on “Sethunya” with Louis Vuitton and HB Antwerp

November 2020

549 carat white gem diamond “**Sethunya**”, meaning flower in Setswana, recovered from the Karowe Mine in February 2020

Lucara, Louis Vuitton and HB will collaborate and plan the creation of the **highest value polished diamonds** from the Sethunya rough, which will be made available **exclusively** to Louis Vuitton

In line with its long tradition of personalisation, **Louis Vuitton** envisages crafting beautiful, bespoke and made-to-order, high value polished stones of variable size and shape; The opportunity to create a **storied family heirloom**

Lucara will receive payment based on the polished outcome **no later than Q4 2021**



Supply Agreement with HB Antwerp

July 2020

All **+10.8 carat stones** produced from the Karowe Mine

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

Sales of **\$25.9 million** from the supply agreement in **Q3**

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

Current agreement continues to the end of 2020; Revenue from deliveries in 2020 will continue to be recognized for the remainder of year, **extending into early 2021**



Sethunya,
549 carats

Clara

Clara sales platform

36 sales completed since inception
~US\$18.1 million of diamonds sold by value through the platform

37th sale ongoing

>10,000 carats sold through the platform

Manufacturers on the platform have **doubled in Q3** from 35 to 71 customers and **grown 163% in 2020**

Trials of third party supply **began in the third quarter**

Travel restrictions **accelerating adoption** of new technology



CLARA

Thirty-six sales between December 2018 and October 2020
POSITIVE RESULTS



~\$18.1 million diamonds sold by value

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

Sales Channels 2020

Sales through Clara, HB Antwerp and Tenders

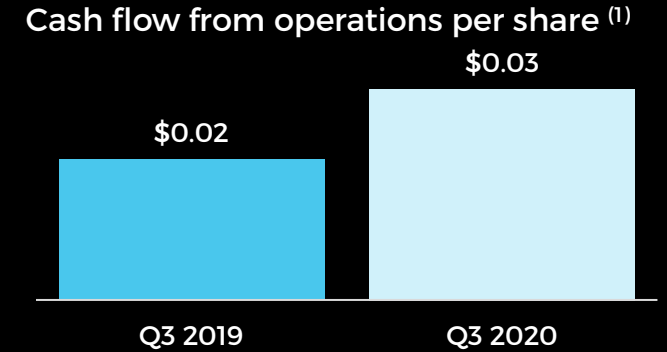
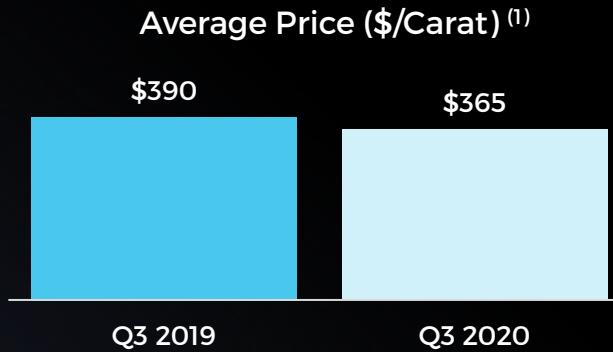
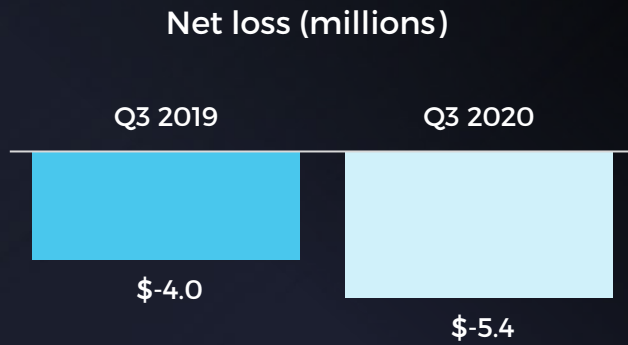
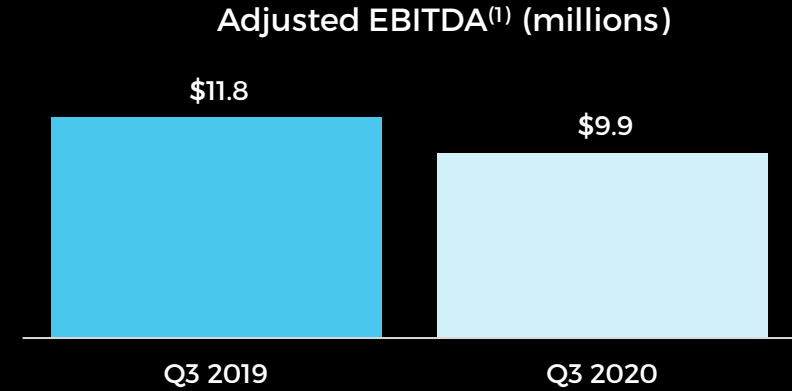
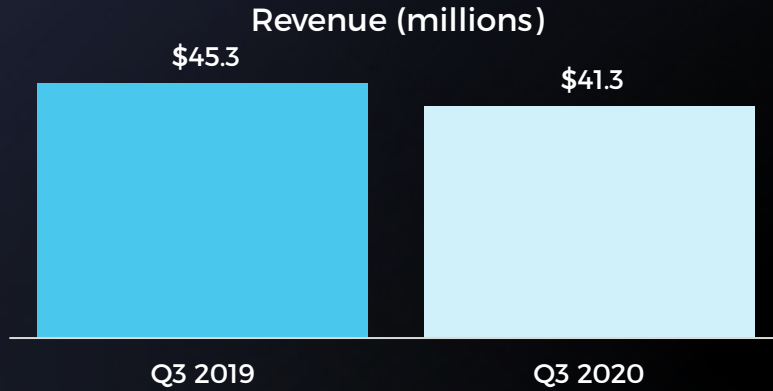
- All +10.8 carats are sold through HB Antwerp; only high value Specials (+10.8 carats) are manufactured and sold as polished
- Higher quality diamonds between 1 and 10 carats are sold through Clara; all other diamonds less than 10.8 carats which are not suitable for sale on Clara are sold through a quarterly tender

Q3 2020 Rough Carats Sold	Q3 2020 Revenue Recognized (millions)	Q3 2020 Average Price per Carat	Sales Channel	YTD 2020 Rough Carats Sold	YTD 2020 Revenue Recognized (millions)	YTD 2020 Average Price per Carat
2,027 cts	\$ 2.8	\$ 1,381	CLARA	4,554 cts	\$ 6.7	\$ 1,469
5,633 cts	\$ 25.9	\$ 4,597 *		6,511 cts	\$ 27.0	\$ 4,149
105,283 cts	\$ 12.6	\$ 120	 LUCARA DIAMOND	257,036 cts	\$ 49.2	\$ 191
112,943 cts	\$ 41.3	\$ 365	Total Sales	268,101 cts	\$ 82.9	\$ 309

* The Q3 2020 AP of \$4,597 per carat sold through HB does not include several large, high value polished stones which are expected to be sold in Q4.

Q3 2020 Financial Highlights

Three months ending September 30, 2020
(All currency figures in U.S. Dollars)

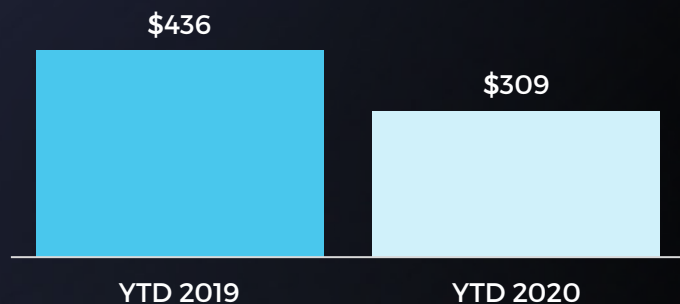


⁽¹⁾ Non-IFRS measure

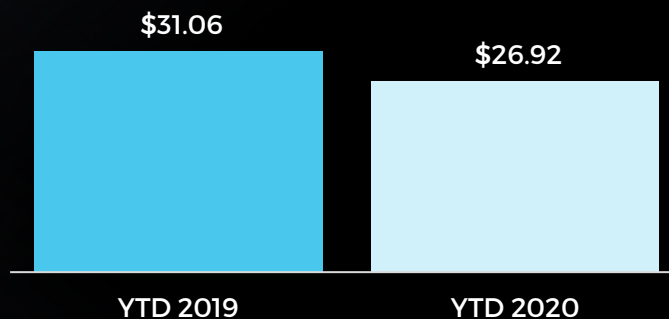
YTD 2020 Financial Highlights

Nine months ending September 30, 2020
(All currency figures in U.S. Dollars)

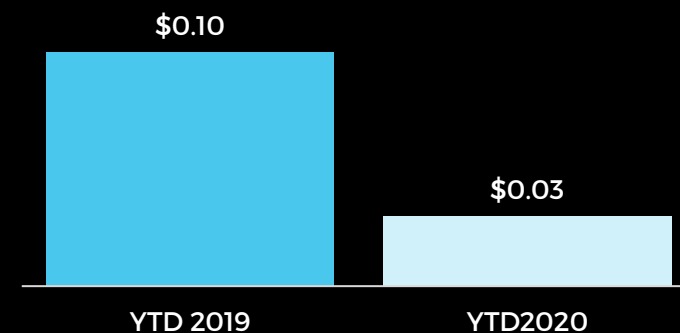
Average Price (Average \$/Carat)⁽¹⁾



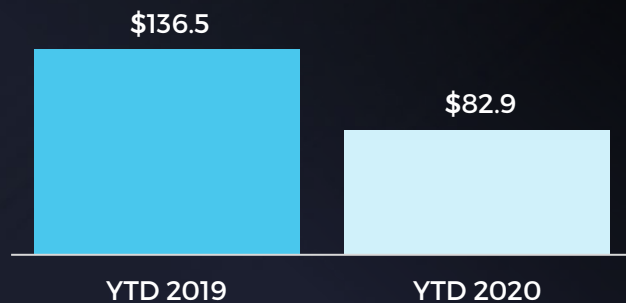
Operating Cost (\$ per tonne processed)⁽¹⁾



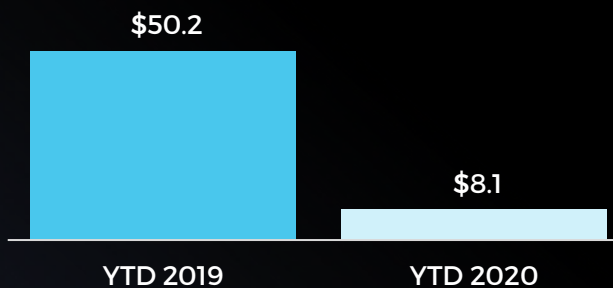
Cash flow from operations per share⁽¹⁾



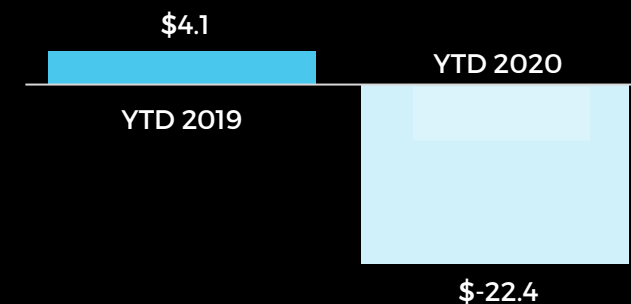
Revenue (millions)



Adjusted EBITDA⁽¹⁾ (millions)



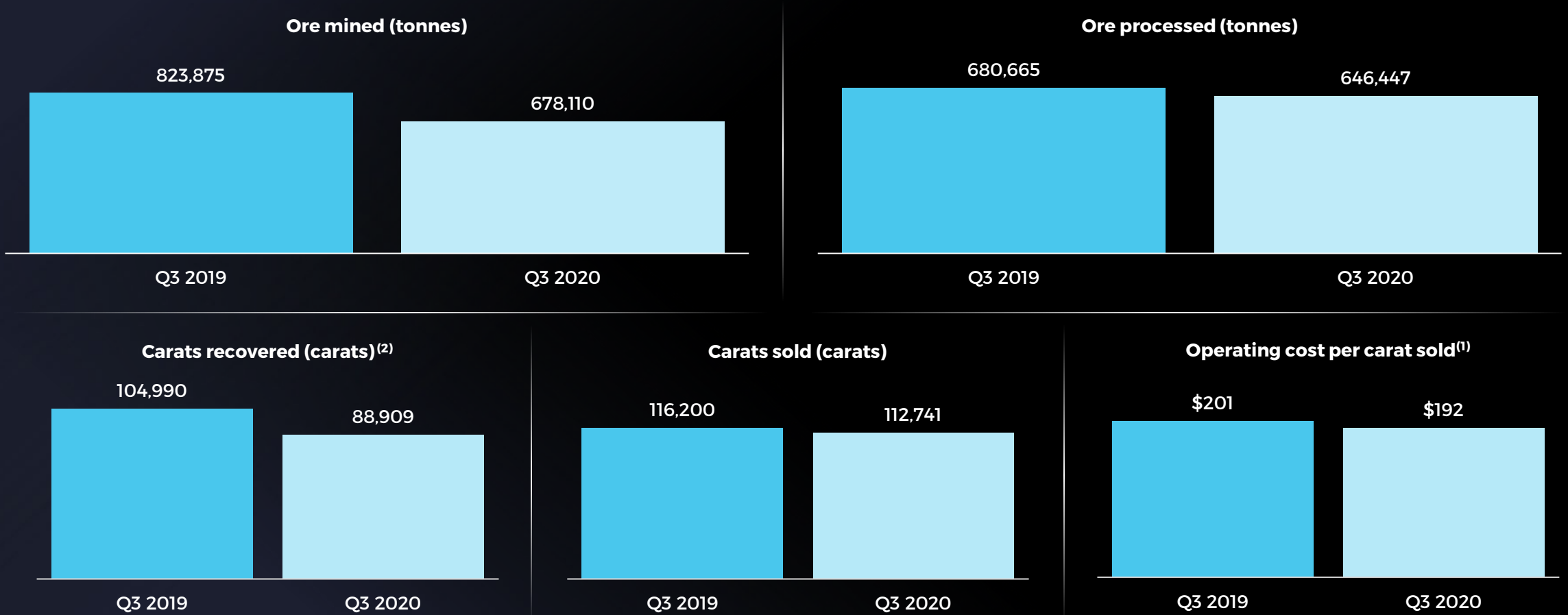
Net income (loss) (millions)



⁽¹⁾ Non-IFRS measure

Q3 2020 Operational Highlights – Karowe Mine

Three months ending September 30, 2020
(All currency figures in U.S. Dollars)

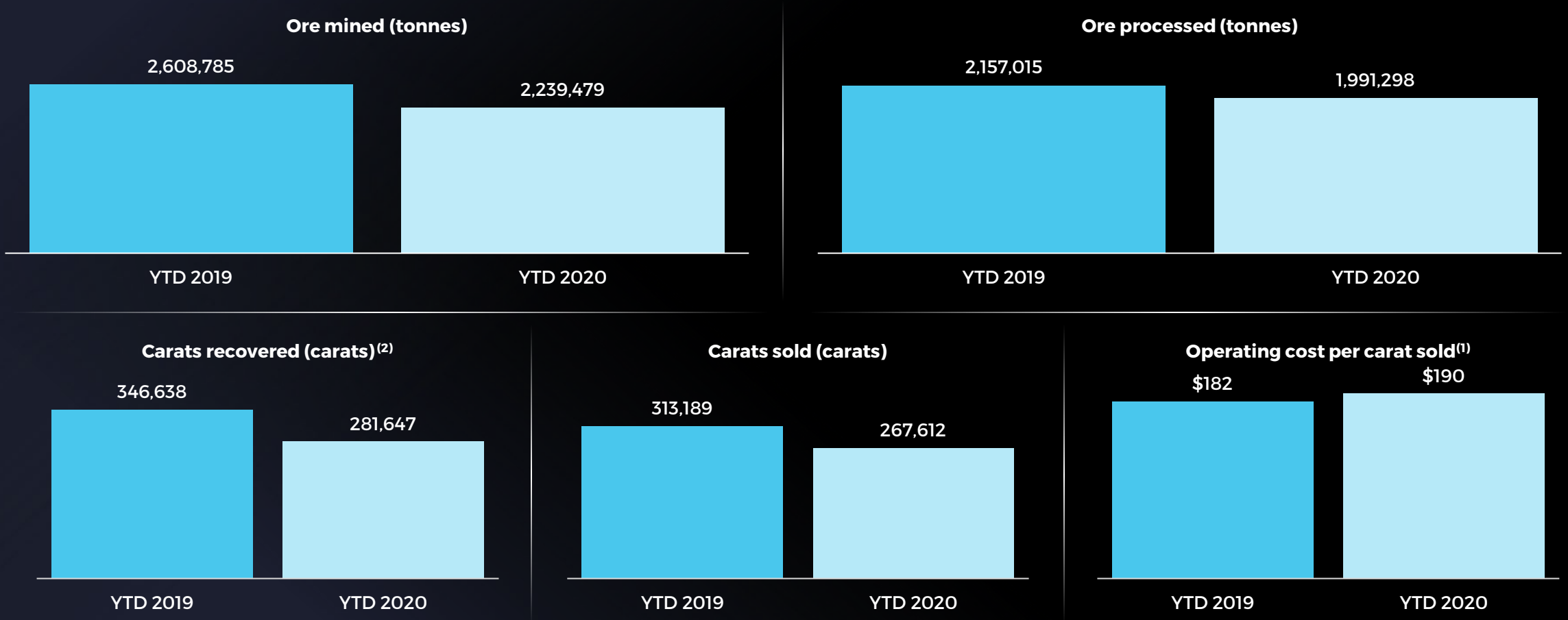


⁽¹⁾ Non-IFRS measure

⁽²⁾ Carats recovered during Q3 2019 included 10,646 carats recovered from re-processing historic recovery tailings.

YTD Operational Highlights – Karowe Mine

Nine months ending September 30, 2020
(All currency figures in U.S. Dollars)



⁽¹⁾ Non-IFRS measure

⁽²⁾ Carats recovered during YTD 2019 included 29,717 carats recovered from re-processing historic recovery tailings.

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 and available liquidity



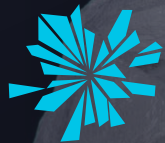
Consistent recovery of high value Specials (+10.8 carats);
Open pit mineable reserves to 2026 with underground reserves that will double the mine life to 2040



Asset diversification and additional revenue stream through Clara



813 ct



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DIAMOND

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