



LUCARA
DIAMOND

Development for the Future

SEPTEMBER 2023

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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 Lucara Diamond Corp. (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 may include, but are not limited to, information or statements with respect to the Company's revenues, sales, diamond recoveries, mine life, expectations regarding the updated schedule and budget for the Karowe underground expansion project (the "Karowe UGP"), ore and waste mined, ore processed, cash costs and expenses, and the Company's ability to continue as a going concern, the size distribution model, including expectations regarding +10.8ct and specials production, forecast cost at completion, expectations regarding construction and production, expectations regarding the project economics and recovery, expectations regarding the first years of the Karowe UGP recovery and production, including by source, estimated capital to reach project completion, expectations regarding the sufficiency of surface stockpiles, estimates regarding after-tax cash flow, economic risks, expectations regarding longer-term market fundamentals and price growth, the disclosure under "2023 Annual Guidance – No Changes in Q2" and "What Makes Us Excited", the impact of supply and demand of rough or polished diamonds, expectations regarding top-up values and processing, the benefits to the Company of diamond supply agreements with HB Trading BV ("HB") and the ability to generate better prices from the sale of the Company's +10.8 carat production as a polished stone, projected capital costs associated with the Karowe UGP, estimated capital costs, expectations regarding the sales changes and margin capture, the timing, expectations regarding the focus for H2 2023, scope and cost of additional grouting events, the Company's ability to comply with the terms of the two facilities which are required to construct 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, expectations that the Karowe UGP will extend mine life, forecasts of additional revenues, future production activity, the future price and demand for, and supply of, diamonds, expectations regarding the scheduling of activities for the Karowe UGP in 2023, future forecasts of revenue, estimation of mineral resources, development plans, cost and timing of the development of deposits and estimated future production, interest rates, currency exchange rates, rates of inflation, requirements for and availability of additional capital, capital expenditures, operating costs, timing of completion of technical reports and studies, production and cost estimates, tax rates, government regulation of operations, environmental risks and ability to comply with all environmental regulations, the profitability and operating cost of Clara Diamond Solutions Limited Partnership ("Clara") and the digital platform for the sale of rough diamonds owned by Clara (the "Clara Platform") and the scaling of the digital platform for the sale of rough diamonds owned by Clara, expectations regarding the Clara Platform's growth, that the Company intends to continue to seek additional supply, both from third-party producers and the secondary market for Clara, the growth potential of Clara in primary and secondary markets, expectations regarding cash flow from the supply agreement with HB, expectations regarding sales of 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, Economic and Geopolitical Risks" and "Risks and Uncertainties" section in the Company's most recent MD&A and under the heading "Risks and Uncertainties" in the Company's most recent Annual Information Form available at www.sedarplus.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.

Additionally, the forward-looking statements, including any future-oriented financial information and financial outlooks contained herein, are presented solely for the purpose of conveying management's reasonable belief of the direction of the Company and may not be appropriate for other purposes.

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

Non-IFRS Financial Measures

Certain financial measures referred to herein, such as adjusted EBITDA, total operating cash costs, operating cash flow per share, operating cash flow before working capital, Botswana G&A (including sales & marketing) and operating cost per tonne of ore processed, are not measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS. These measures may differ from those made by other corporations and accordingly may not be comparable to such measures as reported by other corporations. These measures have been derived from the Company's financial statements, and applied on a consistent basis, because the Company believes they are of assistance in the understanding of the results of operations and financial position. Please see the "Non-IFRS Financial Measures" section in the Company's most recent MD&A available at www.sedarplus.com which section is incorporated by reference herein.

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 2022 Annual Information Form for the year ended December 31, 2022, dated March 13, 2023, which can be found on the Company's website and under its profile on SEDAR+ at www.sedarplus.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.sedarplus.com.

Karowe Mine – Botswana



Botswana is ranked 2nd in the world for diamond production by volume and value

100% owned, high margin diamond mine in production since 2012, **mine life to at least 2040**

3.8 million carats sold

\$2.1 billion in revenue in ~ 10 years

Consistent recovery of high value **+10.8ct type II diamonds**

\$683M underground expansion underway that will **extend mine life to at least 2040**

Only mine in recorded history to recover **four +1,000 carat diamonds**

Community Impact



Karowe Village Initiatives

- ✓ Community-ownership and governance, with a focus on vulnerable communities
- ✓ Investment to develop and further expand the Mokubilo and Khwee co-operative farms

Community Engagement

- ✓ Hardware store
- ✓ Kolonkwaneng horticultural project – handover in Q2 2023
- ✓ Bogogobo borehole project – handover in Q2 2023
- ✓ Denim Day and anti-Gender Based Violence initiatives

Karowe Emerging Entrepreneurs Fund (KEEF) Legacy Projects

- ✓ With the Lundin Foundation, KEEF has funded eight emerging entrepreneurs and their projects, including: manufacturing (brick and garment making), agriculture (chicken and goat production), services (events hosting) and retail (hardware and fabric shops) in Letlhakane and around Botswana.

Approach to Sustainability

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

- ✓ Two and a half years without a lost time injury
- ✓ No reportable environmental matters during quarter
- ✓ Completed Phase 2 of a feasibility study to examine renewable energy options

- ✓ Global Industry Standards Tailing Management
- ✓ Towards Sustainable Mining
- ✓ Code of Business Conduct and Ethics
- ✓ Whistleblower Policy
- ✓ Responsible Mining Policy
- ✓ Corporate Social Responsibility Charter

- ✓ Certified by the Responsible Jewellery Council (RJC), compliant with the Kimberley Process, and a member of the Natural Diamond Council (NDC)
- ✓ 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

UN GOALS

17 GOALS TO TRANSFORM OUR WORLD



H1 2023 Underground Highlights



- ✓ **Updated schedule and budget for Karowe UGP announced July 2023. Capex ~\$683 million**
- ✓ **Karowe UGP grouting programs and shaft sinking advancing**
- ✓ **Project debt facility¹ of \$170 million**
- ✓ **Working capital facility¹ of \$50 million**
- ✓ **Project economics remain extremely robust with significant upside potential as has been historically demonstrated**

(1) On August 23, 2023, Lucara announced the short-term extension of the maturity of its \$50 million senior secured working capital facility and a deferral to November 1, 2023 of the requirement to place \$52.9 million in a cost overrun reserve account by September 2, 2023. (All currency figures in U.S. Dollars, unless otherwise stated)

Karowe Underground Expansion Update

Extending mine-life to at least 2040

Updated budget and schedule announced July 2023;

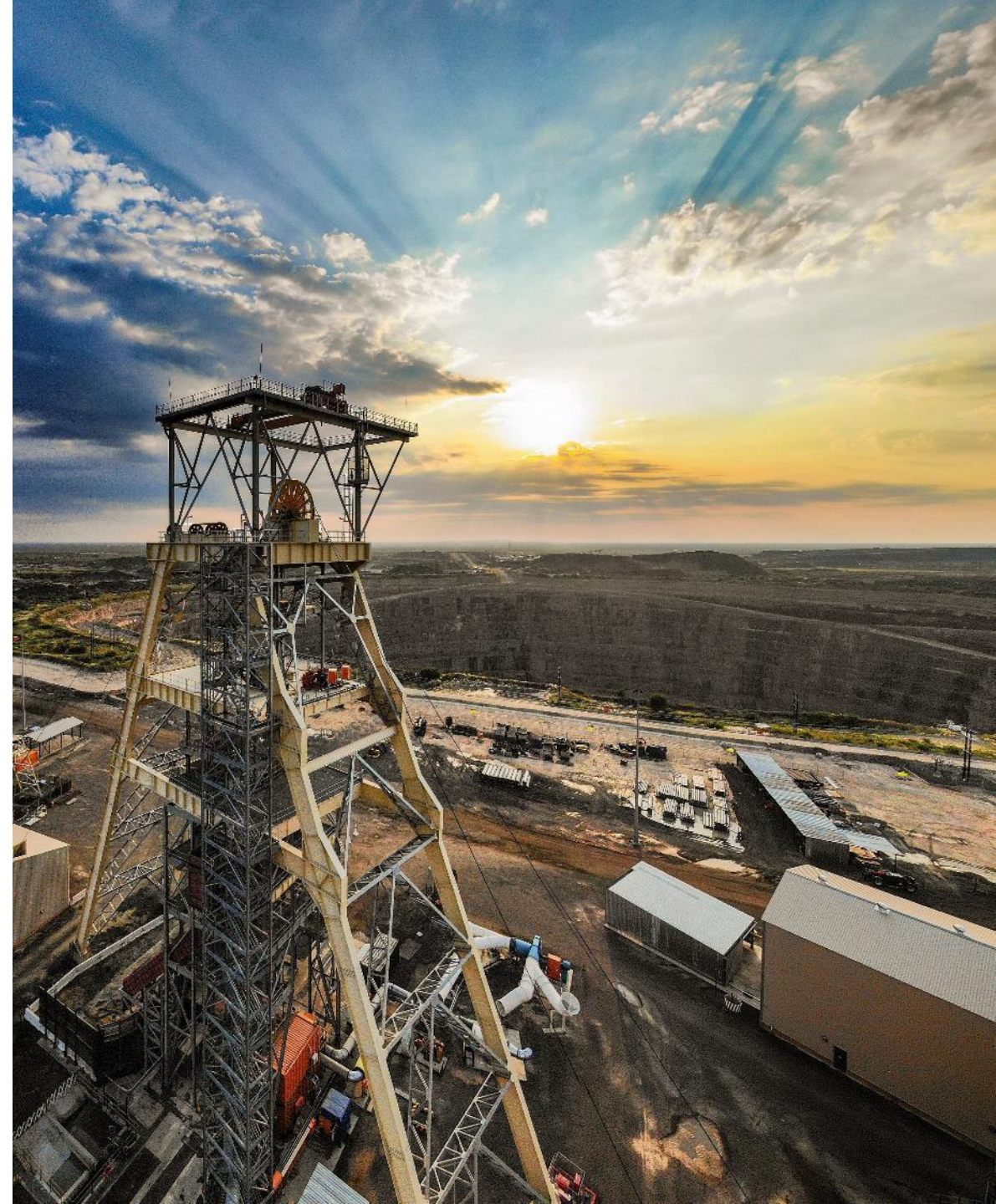
Forecast cost at completion is \$683 million;
Extension to construction period, with anticipated commencement of production in H1 2028

Project economics remain robust

Increasing large stone recovery indicates the resource has significant upside to offer

The increase in estimated capital to reach project completion is predominantly related to increased schedule duration and grouting costs, much of which has been incurred

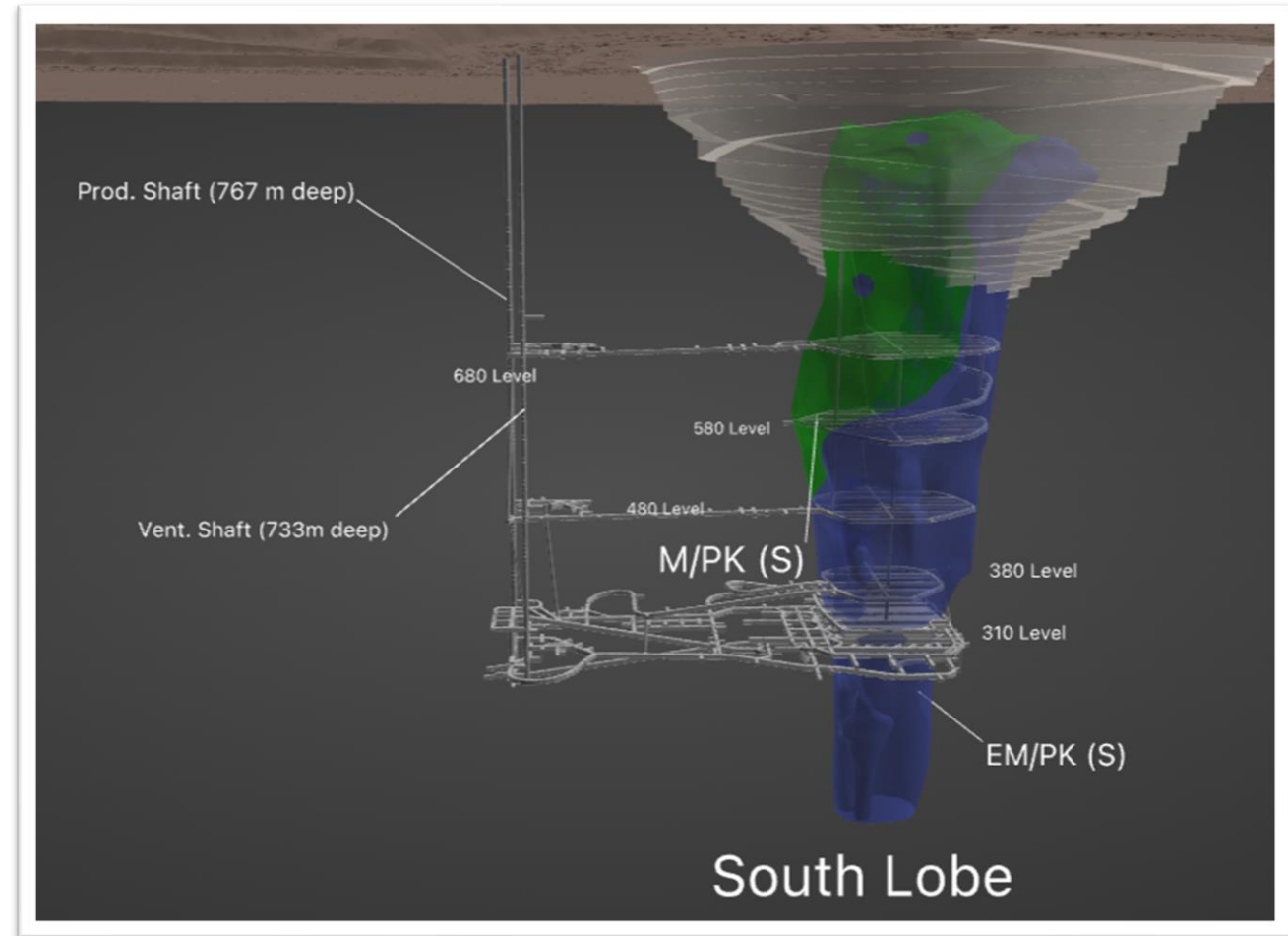
Sufficient surface stockpiles available to maintain mill feed for the duration of the schedule increase.



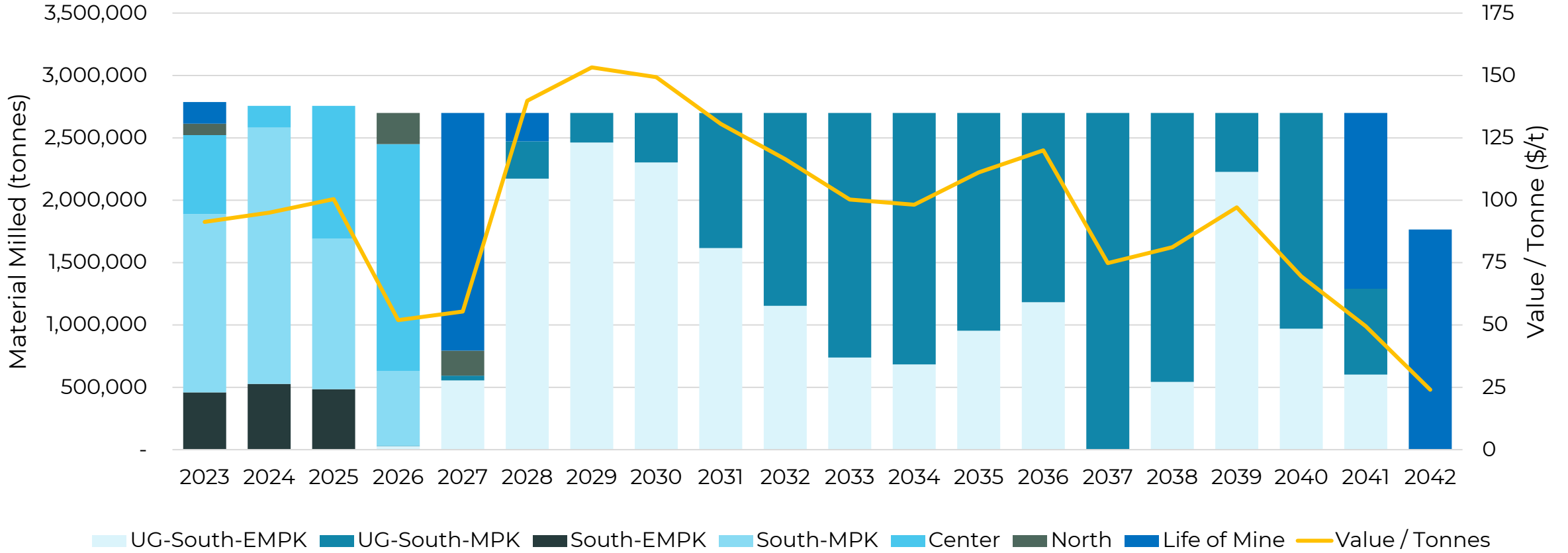
Karowe Underground Expansion

Estimated \$105 million capital cost in 2023

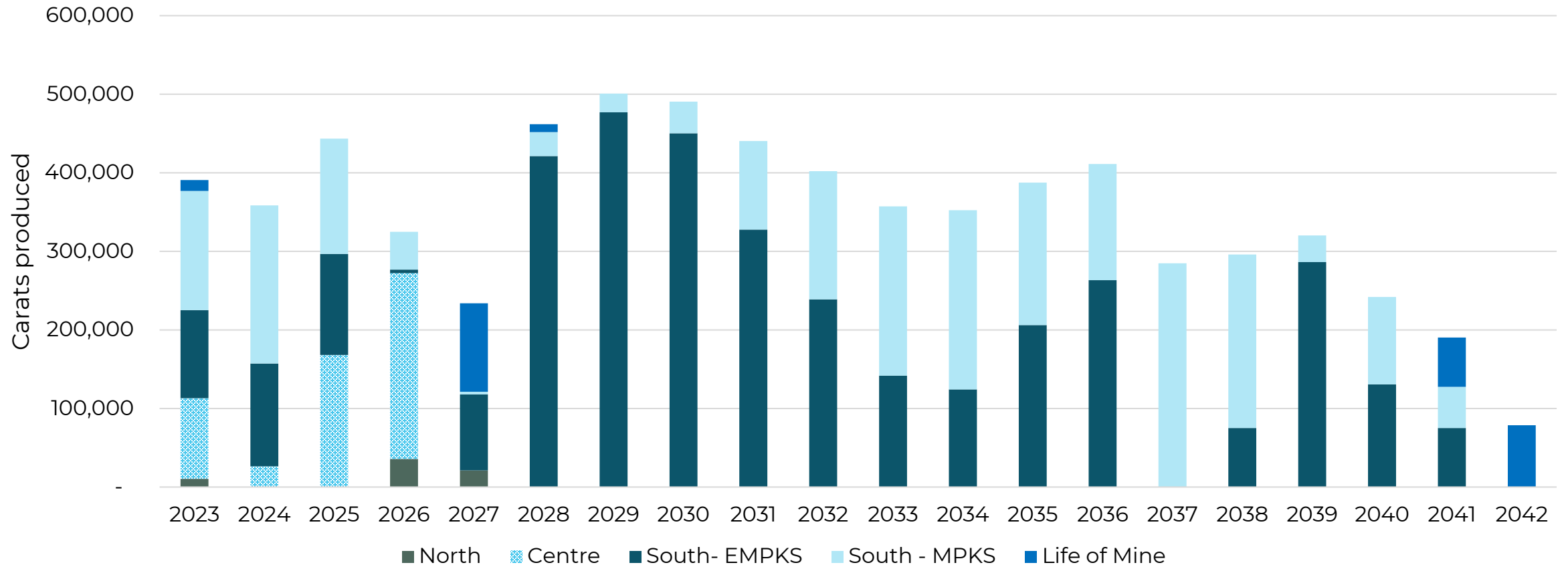
- Focus Areas for H2 2023 include:
 - Sinking and grouting within the ventilation and production shafts.
 - Transition to the Thlabala mudstone is expected in Q4, 2023.
 - Ongoing procurement of major underground and surface infrastructure equipment.
 - Construction of the bulk air cooler system, commissioning of temporary air coolers.
 - Preparation of underground lateral development tender documentation.
 - Continuation of detailed design and engineering of the underground mine infrastructure and layout.



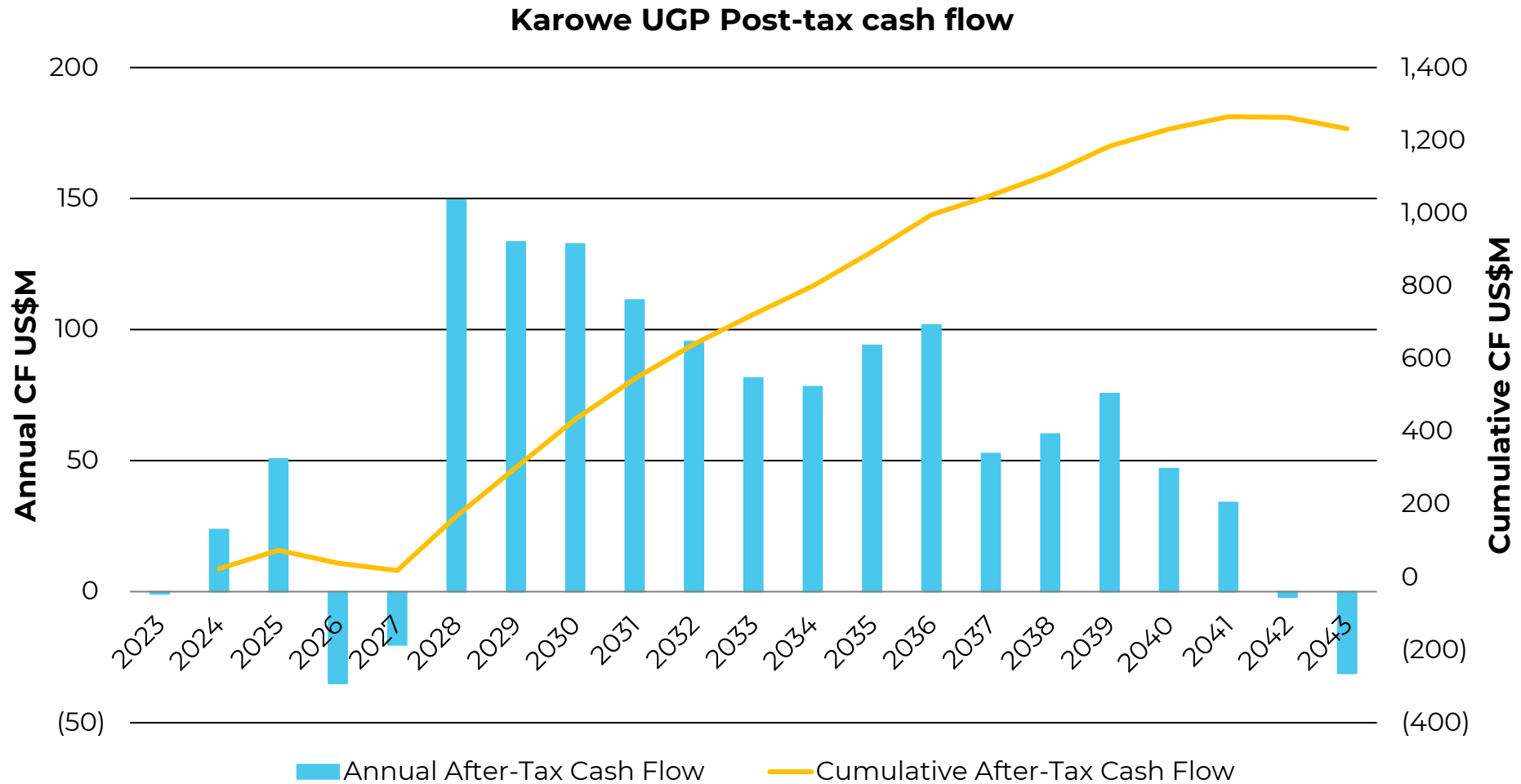
Total Blended Mine and Mill Feed from Underground



Expected Carats Produced



Karowe Underground Expansion – Post-tax cash flow



The after-tax cash flow model has been updated to estimate annual cash flows and sensitivities of the Karowe Project. The results laid out in the graph above are approximations.

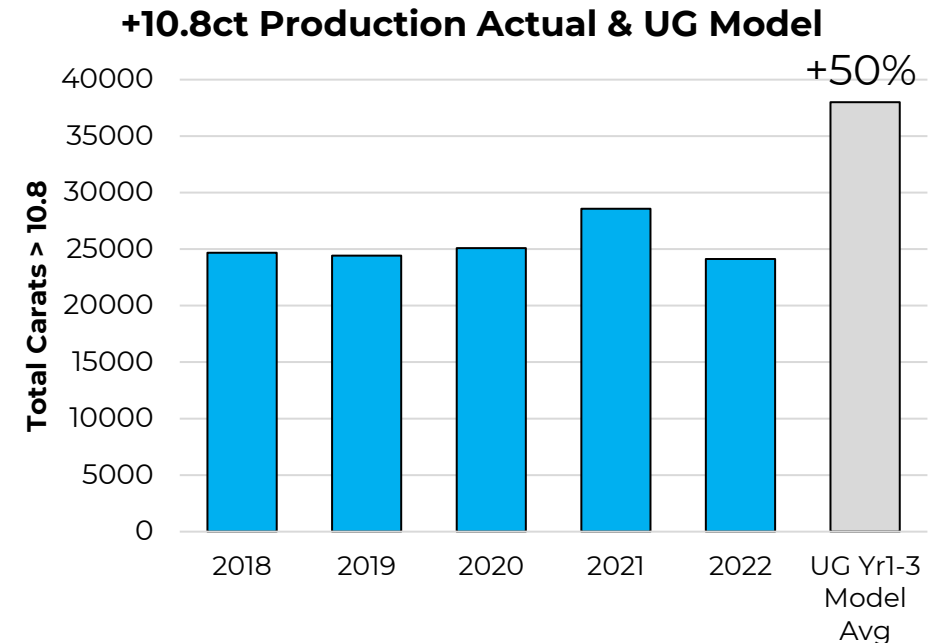
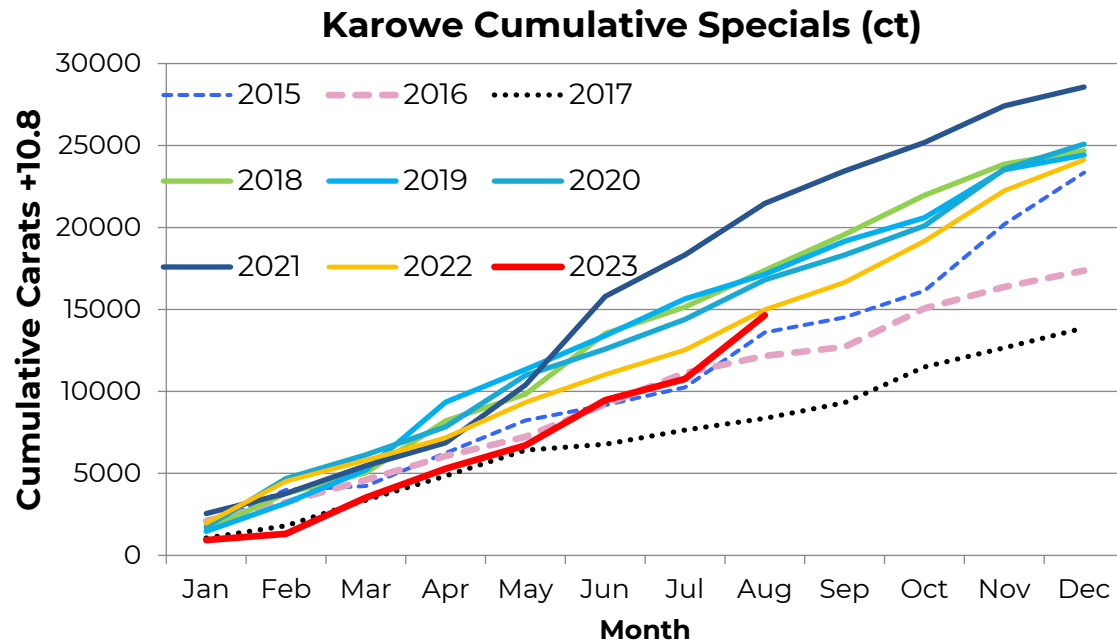
Consistent Recovery of Large Diamonds

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

Since 2012: 32 diamonds in excess of 300 carats have been recovered, including 4 diamonds > 1,000ct

Over 11 diamonds sold for > US\$10 million, represents US\$237 million in revenue not modelled into the Resource.

First Years of Underground Production are **dominated by EM/PK(S) ore** with a modelled +50% increase in +10.8ct diamonds recovered



Recent Exceptional Stone Recoveries from the South Lobe

Q3 2023 Recoveries

Recovered in the Coarse XRT unit at Karowe from direct milling of ore sourced from the M/PK(S) unit of the South Lobe.

1,080.1 carat Type IIa top white gem of high quality

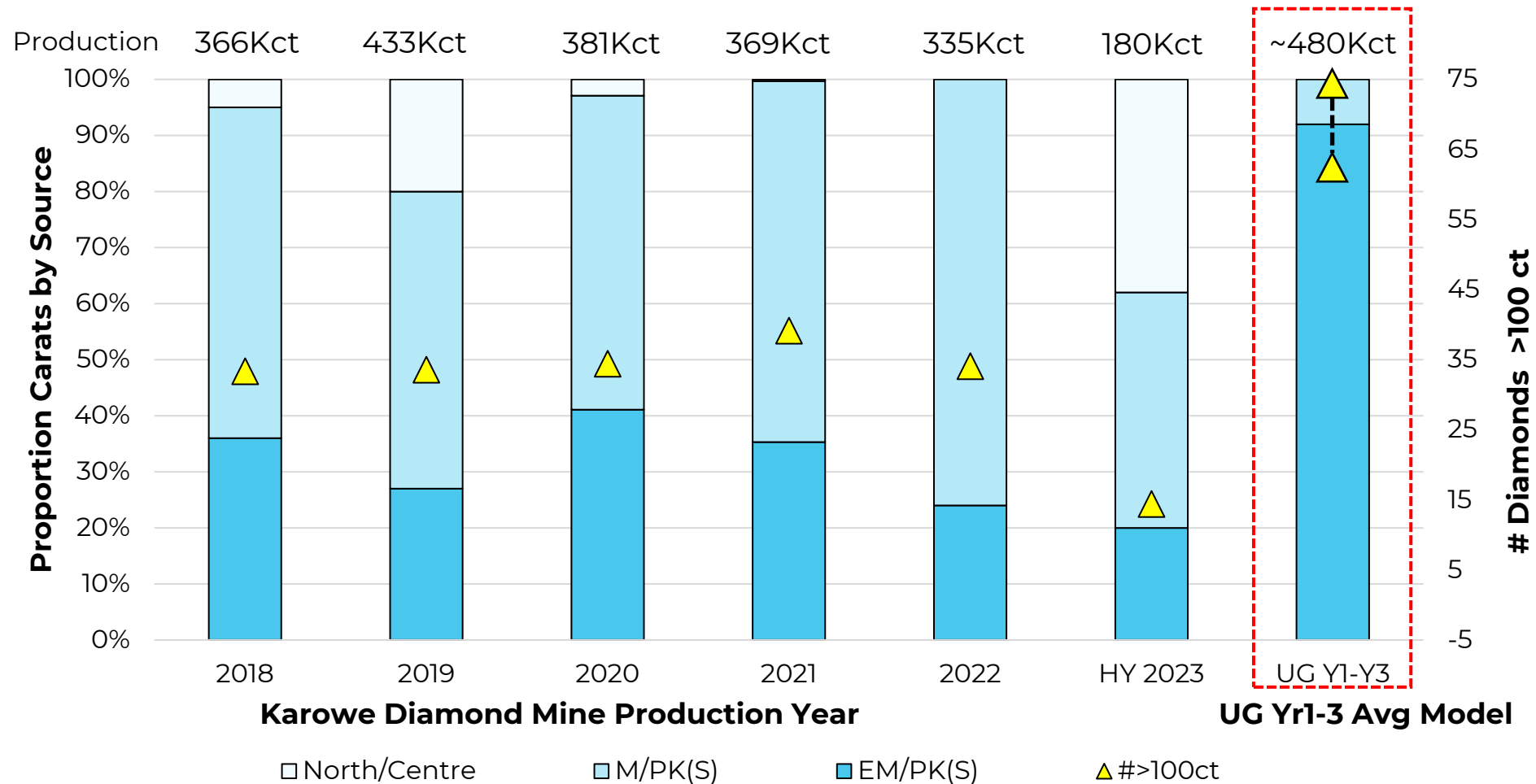


Recovered in the MDR XRT unit at Karowe from direct milling of ore sourced from the EM/PK(S) unit of the South Lobe.

692.3 carat Type IIa top high white gem



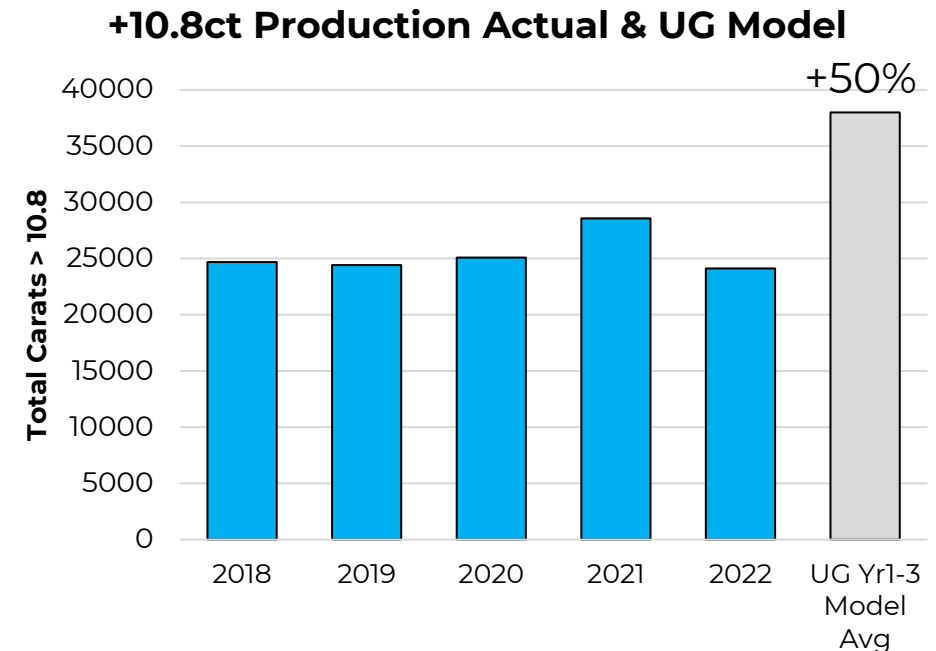
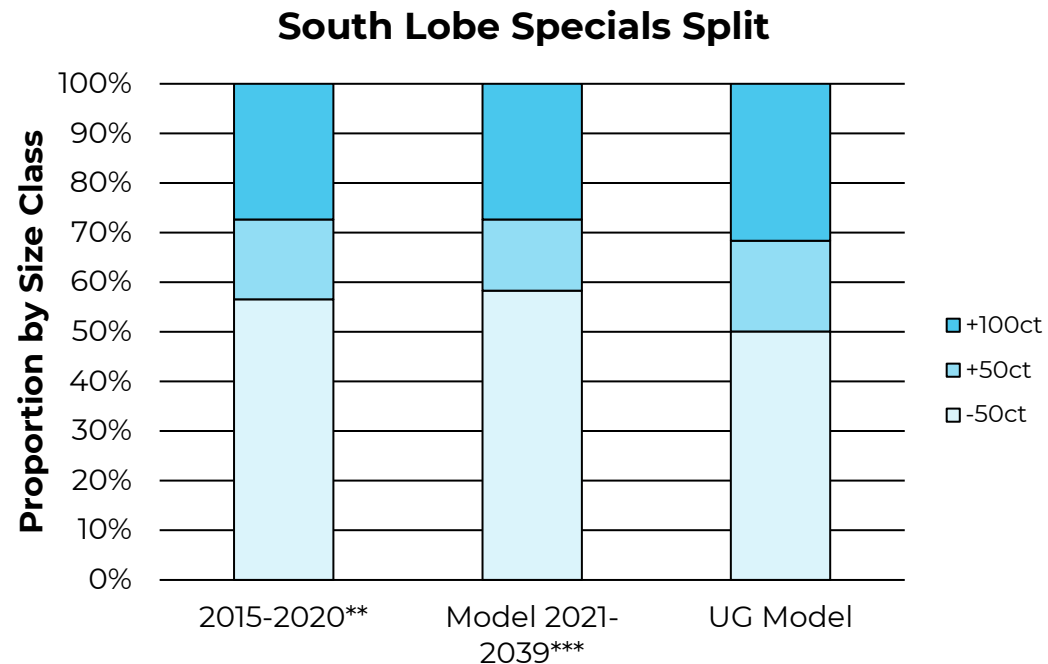
Large Diamond Recovery and Contribution of South Lobe and EM/PK(S)



Years 2015-2017 prior to geological model update, some EM/PK(S) formed part of feed but not tracked.
 2023 to end of Q2.
 UGY1 to YR3 proportion of carats based on current UG mine plan and design

Underground – Large Diamond Potential

- Size distribution model for +10.8 carat diamonds indicates that 30% of the +10.8ct production are expected to be in excess of 100 carat stones, based on historical production
- Model for remaining Life of Mine indicates Karowe will produce over 450kct of Specials, of which 30% are expected to be > 100ct
- First three years of UG production will produce almost 50% more Specials than current production



** less Lesedi La Rona, Sewelô, 998ct diamond
 *** Model 2020-29 Weighted by Source (EM/PK(S) vs M/PK(S))

Sales Channels

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



Rough



Clara



Polished

Increasing Margin Capture Along the Value Chain

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

24%
of Revenue

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

13%
of Revenue

Manufacturing into
Polished Diamonds
with HB Antwerp

63%
of Revenue

CLARA



85 sales completed

~**\$98 million** sold by value

~**53,000 carats** sold by weight

Low operating cost

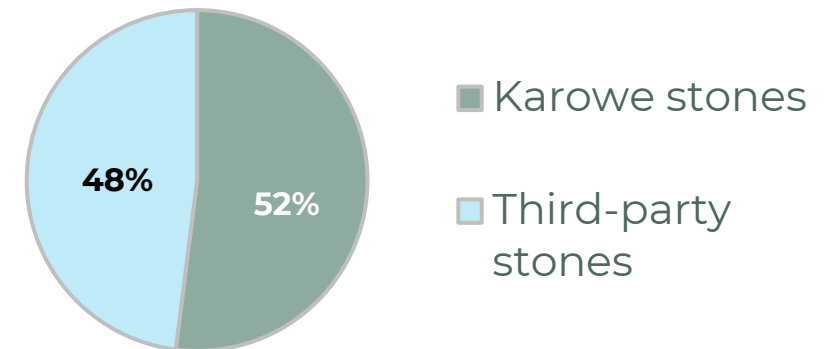
100 buyers

\$5.7 million transacted in Q2 2023

Continuing to add third-party supply; **48% of goods from third-party sources**

Growth Potential in Primary & Secondary Markets

Scalable business solution for the industry



Supply Agreement with HB Antwerp

High Value +10.8 Carat “Specials” Only

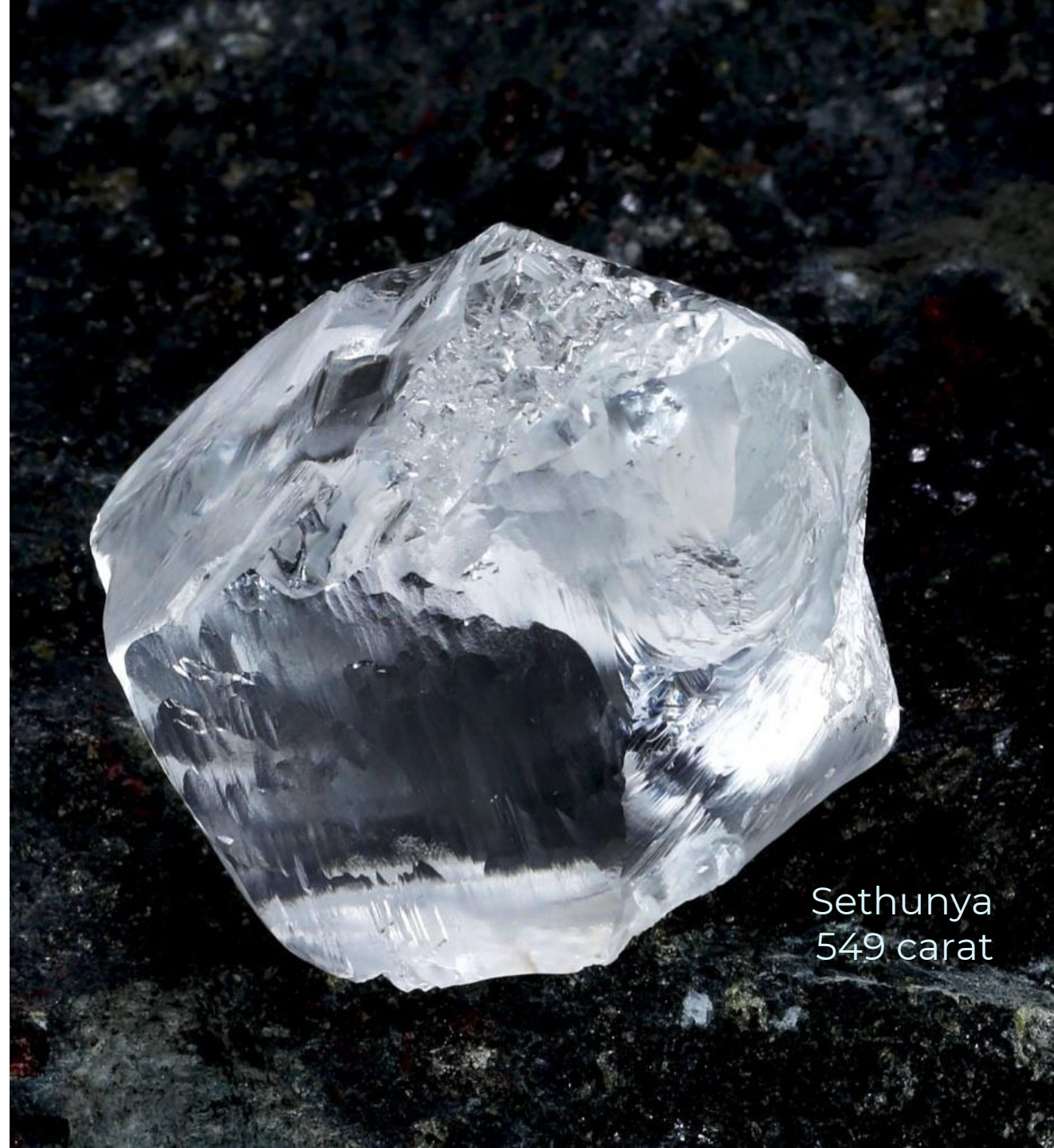
Initial price is based on an **estimated polished outcome**, determined through state-of-the-art scanning and planning technology, with an **adjustment** for actual achieved polished sales, less a fee and cost of manufacturing

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

Q2 2023: **\$20.7 million revenue from sales of Karowe diamonds** (excluding top-up payments of \$5.1 million); **upside potential** from polished prices continues to be realized

Several large high-value stones over 100 carats, **will be polished and sold in the latter half of the year**

As of June 30, 2023, Lucara has received **\$20 million in prepayments** from HB Antwerp for the Sethunya



Sethunya
549 carat

H1 2023 Highlights

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



Revenues \$83.9 million; Adjusted EBITDA¹ of \$31.1 million

5.2% Specials (+10.8 carats) by weight
Including 15 stones >100 carats

Long term market fundamentals remain positive

Karowe UGP grouting programs and shaft sinking continued; \$53 million invested

Strong, Safe, Reliable Production

Cash flow of \$29.7 million
Operating cost \$27.23 per tonne processed¹

Updated schedule and budget for Karowe UGP announced

Project debt facility² of \$170 million (\$90 million drawn)
Working capital facility² of \$50 million (\$35 million drawn)

2023 Guidance maintained

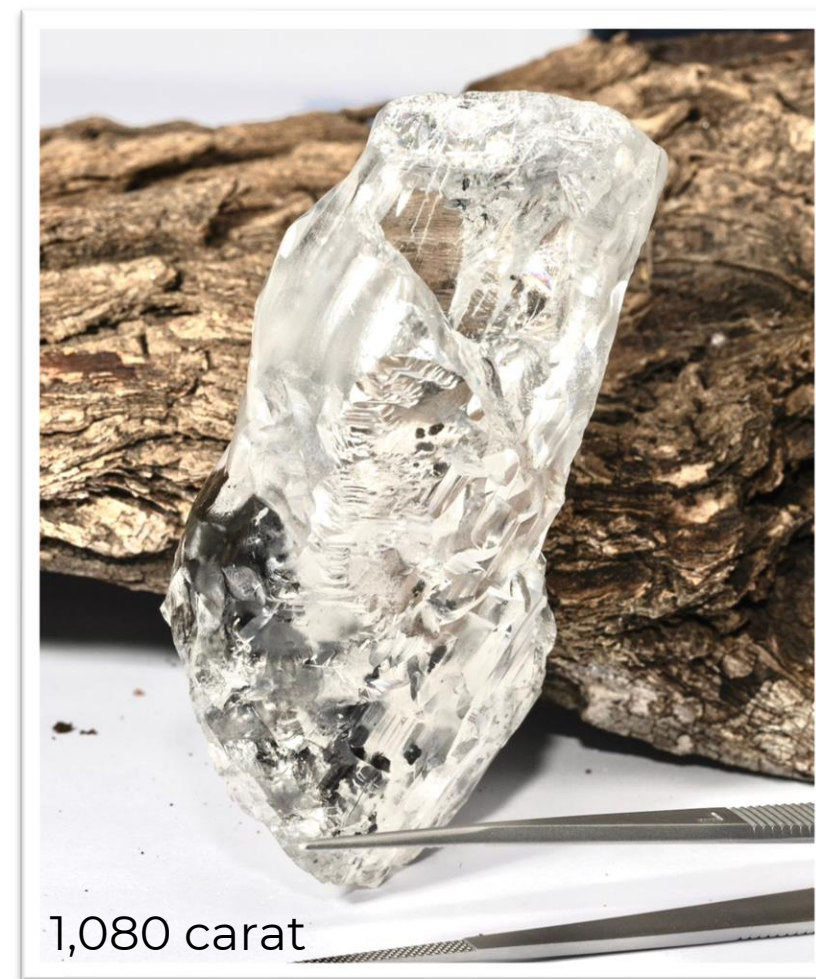
(1) Non-IFRS measure. See “Non-IFRS Financial Measures”.

(2) On August 23, 2023, Lucara announced the short-term extension of the maturity of its \$50 million senior secured working capital facility and a deferral to November 1, 2023 of the requirement to place \$52.9 million in a cost overrun reserve account by September 2, 2023.

2023 Annual Guidance – *No Changes in Q2*

(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 ²	\$32.50 to \$35.50 per tonne processed
Botswana G&A (including sales & marketing) ²	\$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

(2) Non-IFRS measure. See “Non-IFRS Financial Measures”.

What Makes Us Excited

The Resource Never Disappoints

Karowe's AK6 kimberlite has consistently produced some of the world's largest and highest value diamonds and we have only scratched the surface

High Risk Components which affect the UG development are behind us

A significant knowledge base has been compiled from past experience which will allow us to manage the future better

Open pit operations support UG development

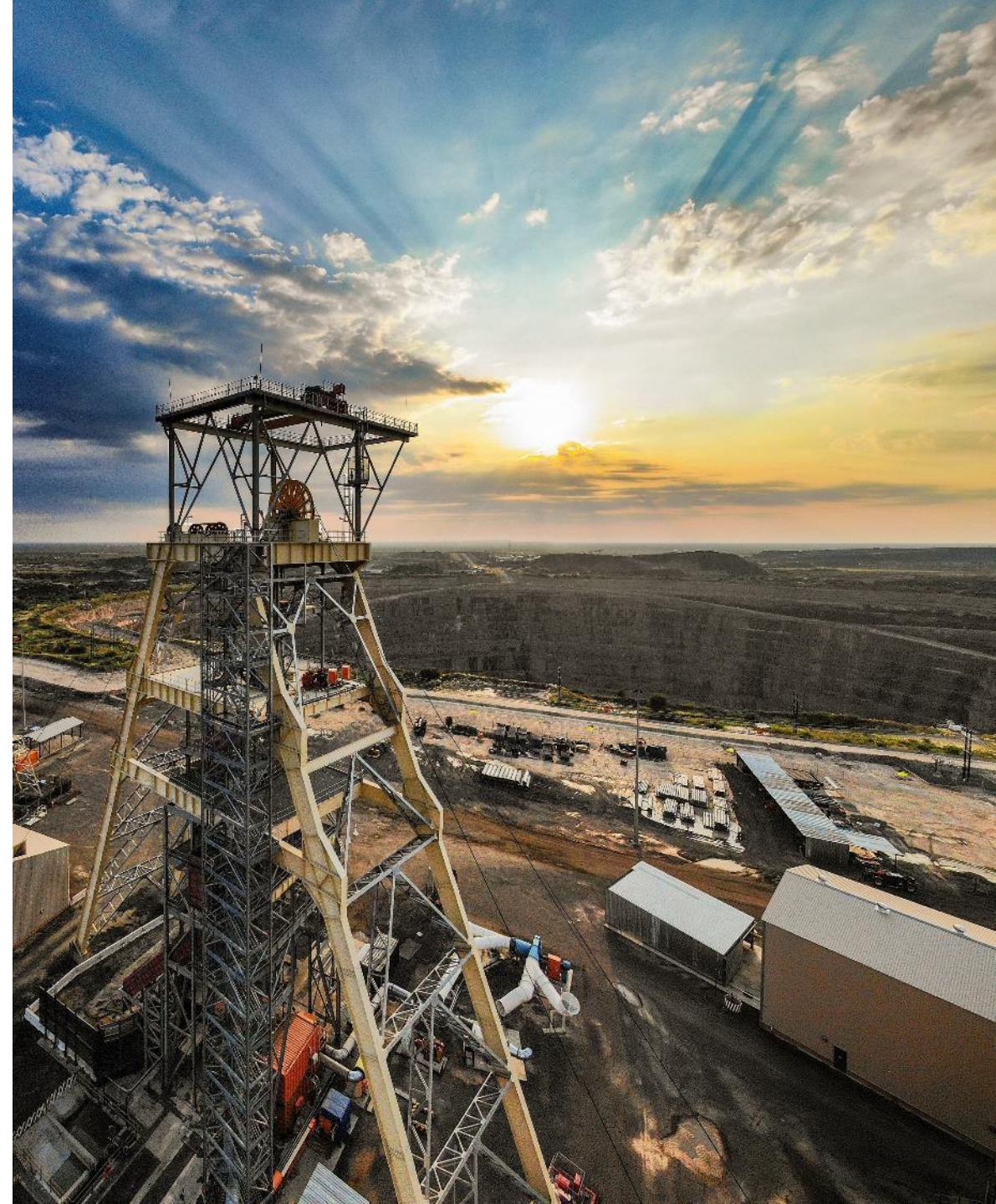
Strong operation performance from the existing operations continues to produce strong returns for development of the future

The correct resources and support

Management structures have been established to focus on deliverables while the major shareholder remains extremely supportive

Social and Environmental focus

Ongoing social and community projects
Investigating options for GHG emission reduction





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APPENDIX

2023 Annual Guidance & H1 Actuals

(All currency figures in U.S. Dollars)

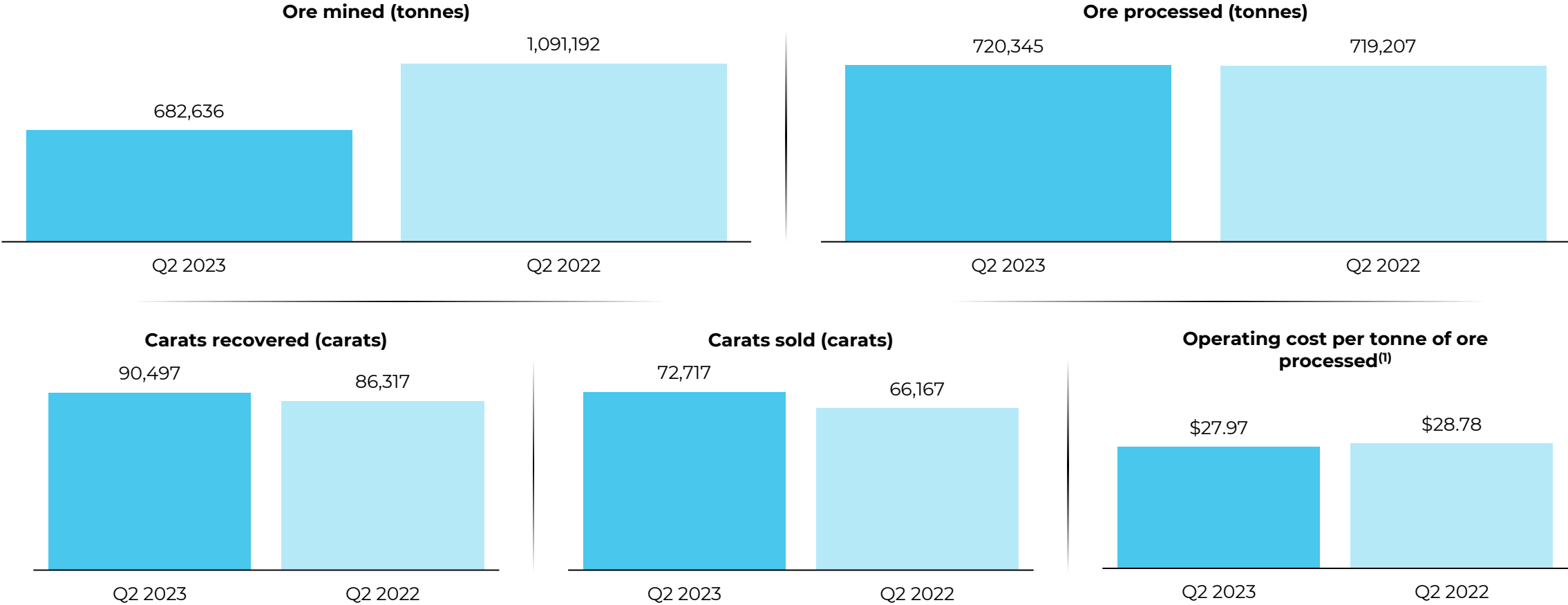
	FY2023 Guidance	H1 Actuals
Diamond revenue ¹	\$200 to \$ 230 million	\$83.9 million
Diamond sales	385,000 to 415,000 carats	156,000 carats
Diamonds recovered	395,000 to 425,000 carats	180,000 carats
Ore tonnes mined	1.9 to 2.3 million	1.2 million
Waste tonnes mined	2.2 to 2.8 million	1.7 million
Ore tonnes processed	2.6 to 2.9 million	1.4 million
Total operating cash costs ²	\$32.50 to \$35.50 per tonne processed	\$27.23 per tonne processed
Tax rate	0%	0%
Average exchange rate – USD/Pula	12.0	13.2

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

(2) Non-IFRS measure. See “Non-IFRS Financial Measures”.

Q2 2023 Operational Highlights – Karowe Mine

Three months ending June 30, 2023
 (All currency figures in U.S. Dollars)

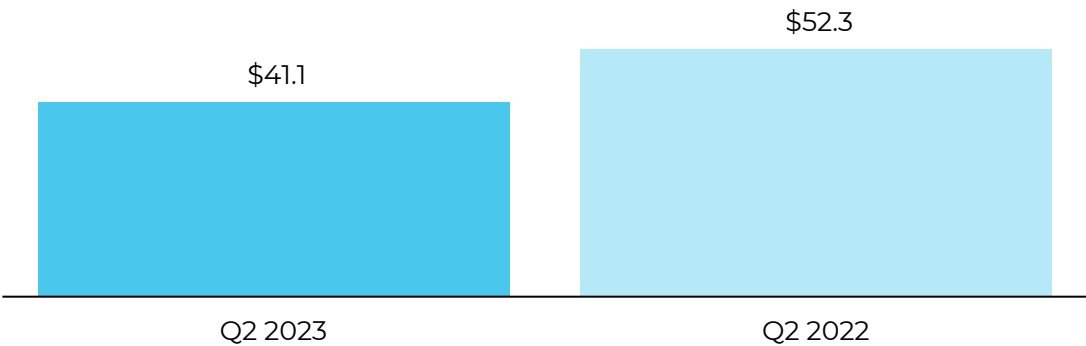


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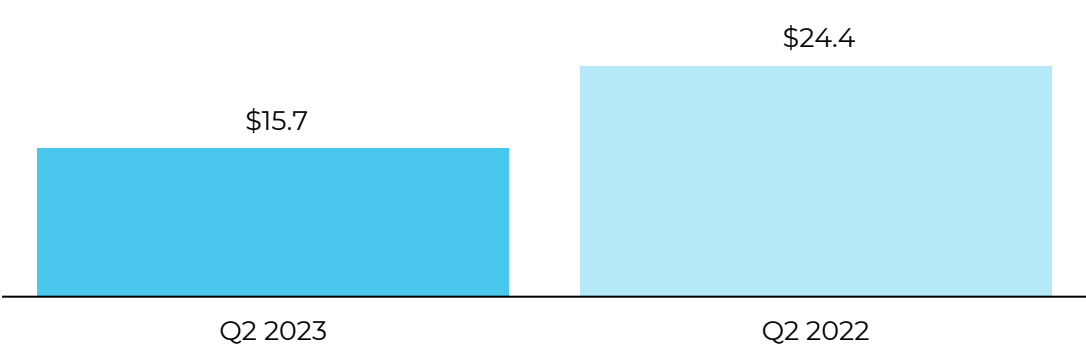
Q2 2023 Financial Highlights

Three months ending June 30, 2023
(All currency figures in U.S. Dollars)

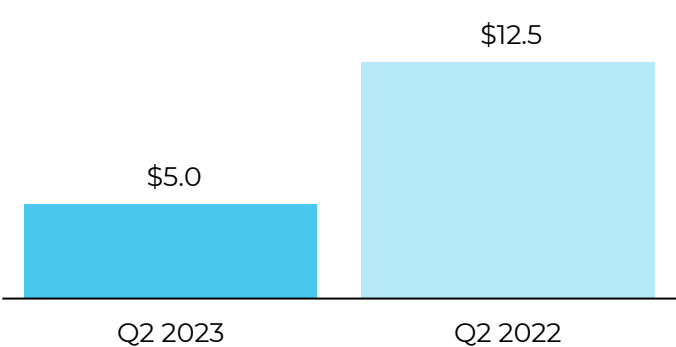
Revenue (millions)



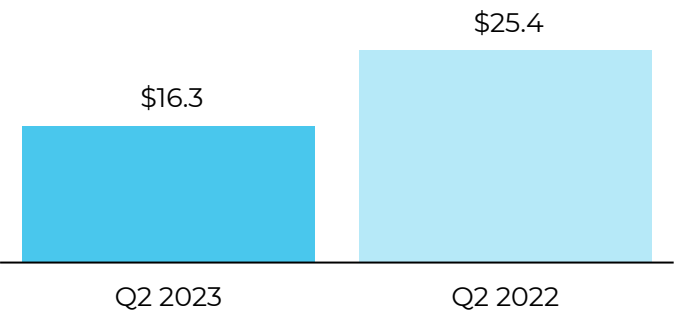
Adjusted EBITDA⁽¹⁾ (millions)



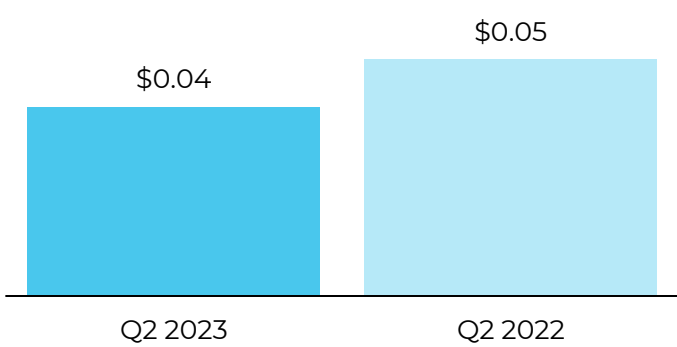
Net income (millions)



Operating cash flow before working capital⁽¹⁾ (millions)



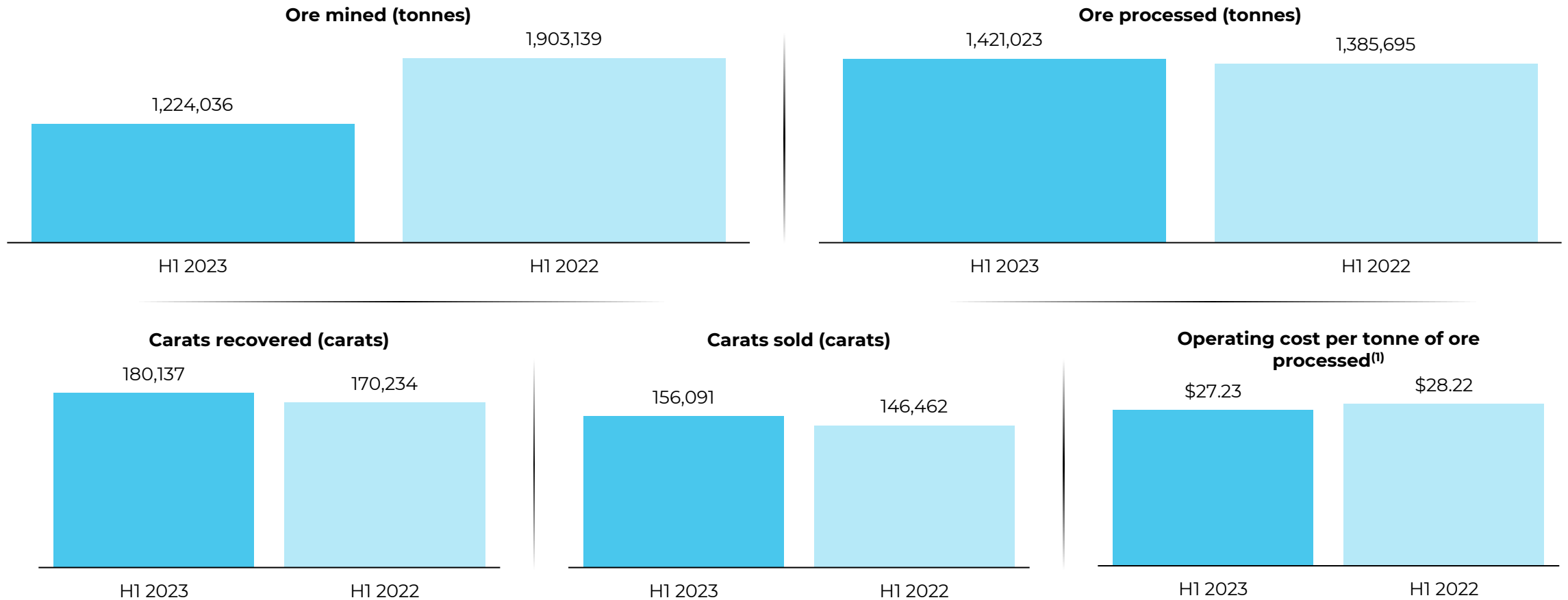
Operating cash flow per share⁽¹⁾



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

H1 2023 Operational Highlights – Karowe Mine

Six months ending June 30, 2023
(All currency figures in U.S. Dollars)

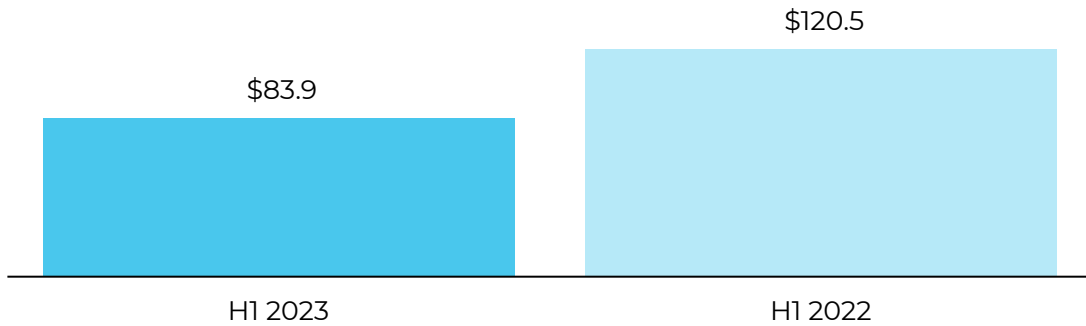


(1) Non-IFRS measure. See "Non-IFRS Financial Measures".

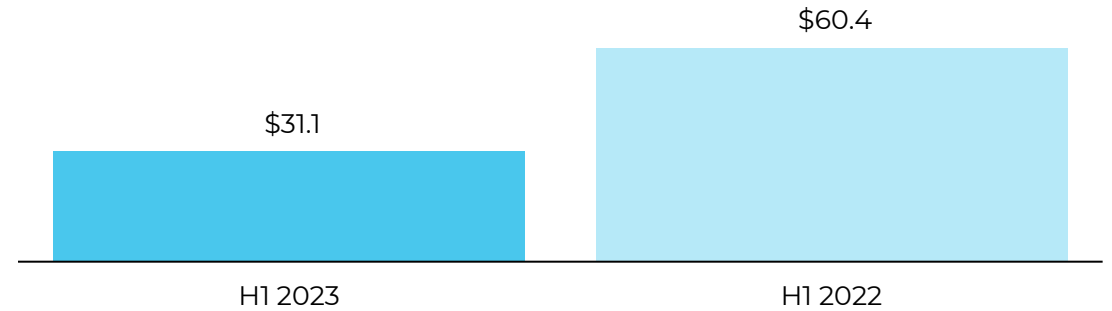
H1 2023 Financial Highlights

Six months ending June 30, 2023
(All currency figures in U.S. Dollars)

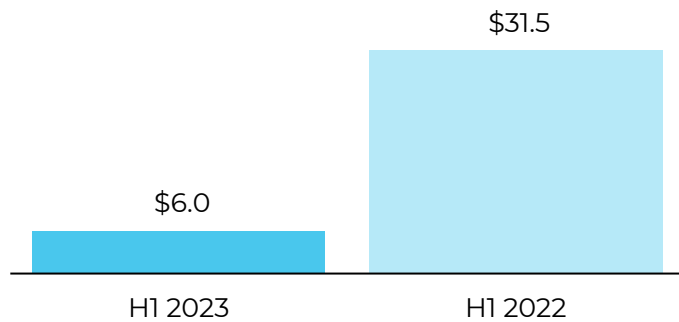
Revenue (millions)



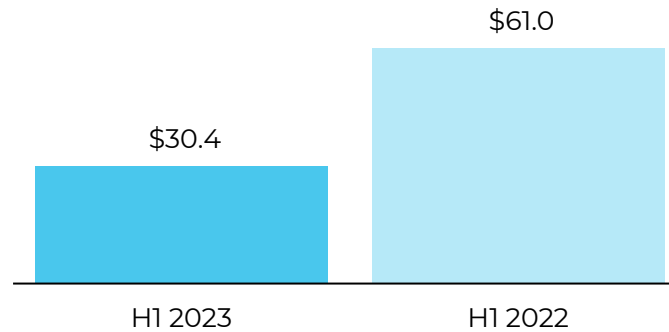
Adjusted EBITDA⁽¹⁾ (millions)



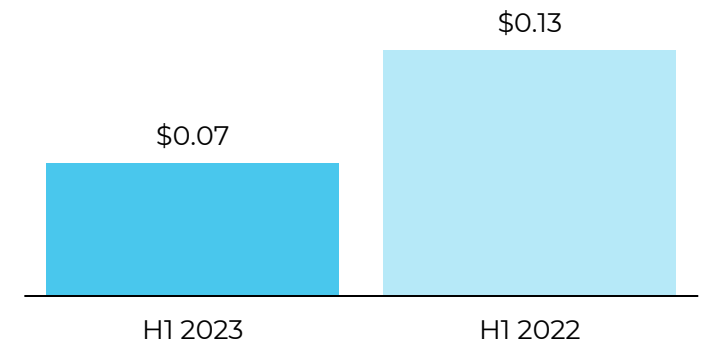
Net income (millions)



Operating cash flow before working capital⁽¹⁾ (millions)



Operating cash flow per share⁽¹⁾



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

Sales Channels Q2 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	Q2 2023		Q2 2022	
	Rough Carats Sold	Revenue Recognized (USD millions)	Rough Carats Sold	Revenue Recognized (USD millions)
HB Antwerp	2,818	20.7	2,942	19.3
Clara ¹	2,226	3.0	3,299	7.1
Tender ²	67,673	9.8	59,926	10.5
Total – Karowe carats	72,717	33.5	66,167	36.9
Top-up Payments		5.1		13.1
Total Revenue - Karowe		38.6		50.0



(1) Five sales were completed on Clara in Q2 2023 (Q2 2022: five).

(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.