First Quarter 2019

RESULTS

May 10, 2019
Conference Call

LucaraDiamond.com | LUC.TO
Forward-looking information

This investor presentation contains forward-looking statements and information as defined in applicable securities laws including: the estimates of the Company’s mineral reserve and resources; estimates of the Company’s production volumes; forecasted sales volumes and pricing; projected revenues of the Company; exploration and development plans and objectives including a new resource statement; estimated production costs, exploration and development expenditures; estimates of ore to be mined by the Company and corresponding operating and sustaining costs; and the cost, timing and results of the commercialization of Clara. 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 achieved. Forward-looking statements are based on the assumptions, 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 and uncertainties 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. In particular, such risks include 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), 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, unanticipated events relating to health safety and environmental matters, delays or failure to successfully commercialize Clara’s platform, acceptance of Clara’s platform by the diamond industry, risks relating to the technology underlying Clara’s platform and other risks inherent in the implementation of new technologies, and other risks and uncertainties describe under Risks and Uncertainties disclosed under the heading “Risk Factors” in the Company’s most recent Annual Information Form available at http://www.sedar.com.

Forward-looking statements and information 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. Readers are cautioned not to place undue reliance on forward-looking statements and information. This presentation does not constitute an offer or invitation to purchase or subscribe for any securities and no part of it shall form the basis of or be relied upon in connection with any investment decision in relation thereto.

Technical information


The authors of these technical reports are independent of the Company and are qualified persons for the purposes of National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”). The technical reports are available for review on SEDAR at www.sedar.com.

All currencies mentioned in this presentation are in United States Dollars (“US$”) unless otherwise mentioned.
Q1 2019 HIGHLIGHTS

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

100% Owned

Karowe Diamond Mine, Botswana

Continued strong safety and operational performance in Q1 2019

Record 0.76 million tonnes quarterly ore processed

1,758 carat near gem quality diamond recovered in April, largest in Karowe’s history

$48.7 million quarterly revenue; including 7 diamonds selling for >$1 million

240 carat sold for $8.1 million

100% Owned

Clara Diamond Solutions

Three sales successfully completed; achieved average of 8% over traditional tender prices

Ramp up continues; focus on increasing demand and onboarding of manufacturers

Dividend &

Strong Balance Sheet

CDN $0.025 per share declared in Q1 2019 paid on April 11, 2019

US$256 million paid since 2014

Cash and cash equivalents of US$17.9 million and no debt
Mokubilo Farm Initiative
Community focused initiative to generate, broad based sustainable income
Phase 1: butternut, tomatoes, peppers and eggs

SAFETY, HEALTH, COMMUNITY RELATIONS

6.2 million man hours worked without lost time incident (LTI); 677 LTI free days
All injury frequency rate (AIFR) of zero for the quarter
Stable dynamics, but weaker prices observed in small goods (half a carat or less). Demand led by USA, followed by China; supply and demand fundamentals expected to widen post 2020 as large mines deplete.

Synthetics ~ 5% of market, mostly in smaller goods, no threat to natural.

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 2017

Millennials will be the highest-spending generation from 2020 and the leaders in luxury spending, especially in China.
A total of 95,057 carats were sold for gross revenue of $48.7 million, $512/ct.

31 stones greater than +10.8 carats with 7 stones sold for > $1 million, including 4 > $3 million

Carats sold 50% higher than Q1 2018

2019 will be the first full year with blended tenders = smoother revenue profile & decreased time to market for high value diamonds

170 Specials recovered, representing 4.1% weight percentage of total recovered carats including a 240 carat top white gem and a 223 carat high white gem
An unbroken 1,758 carat near gem quality diamond recovered; largest diamond from Karowe to date

One of the largest diamonds in the world and the largest for Botswana

Only mine in recorded history to recover two diamonds greater than 1,000 carats
1,758 CARAT DIAMOND
Two +1,000 carat diamonds from Karowe in 4 years

- Similarities in shape/size to other significant large diamonds at Karowe
- There are significant domains within the stone that appear as clean, white material
- A ‘kernel’ stone with windows through the diamond, some domain measuring 40x40x16mm (approx. 350-400ct)

1,109 Lesedi La Rona

1,758 Carat
The 1,109 Carat Lesedi La Rona was recovered from Karowe in 2015 and purchased by Graff in 2017 for US$53 million.

The resulting 302.37 carat Graff Lesedi La Rona is the largest highest colour, highest clarity diamond ever certified by the GIA, and the world’s largest square emerald cut diamond.

66 satellite diamonds ranging from <1 carat to >26 carats.
SPECIALS (+10.8 CARAT) DRIVE VALUE

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

- Specials consistently high value and gem quality
- Since 2012 a total of 181 diamonds in excess of 100 carats have been recovered; 13 diamonds in excess of 300 carats have been recovered
- 187 diamonds sold for >$1 million each and 10 single diamonds have sold for >$10 million
ORGANIC GROWTH

Expanding Karowe Underground Beyond 2026

- Positive PEA 2017 examined potential for underground mine life expansion from 2026 to 2036
- Feasibility Study initiated 2018 (target completion: H2, 2019) which continues to de-risk and enhance economics:
  - Hydrogeology – large drilling campaign in 2018 encountered minimal water strikes at depth and successfully de-risked key water aspects of the project
  - Geotechnical drilling/studies ongoing and will help inform selection of final UG mining method (Various scenarios are being considered)
  - Updated Resource – orebody increasing in grade and value with depth
2018 Updated Mineral Resource: 54% increase in the Indicated, South Lobe from 4.42 Mct to 6.78 Mct

Recognition that the EM/PK(S) is volumetrically the dominant unit at depth within the South Lobe

EM/PK(S) is higher grade and has larger diamonds – source of Lesedi La Rona and Constellation diamonds and the 1,758 carat diamond recovered in April 2019
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
Sales continued on Clara with three sales completed during the first quarter of 2019.

Participants included large, vertically integrated jewelry houses and global diamond manufacturers.

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

Manufacturers on the platform have doubled since initial trial.

Discussions are underway to add third party supply to the platform.

>US $2 million diamonds sold by value between one and four carats in size in better colors and qualities.
Q1 2019 FINANCIAL HIGHLIGHTS
(All amounts in U.S. Dollars unless otherwise indicated)

REVENUE (MILLIONS)
Q1 2018: $25.4
Q1 2019: $48.7

ADJUSTED EBITDA\(^{(1)}\) (MILLIONS)
Q1 2018: $1.4
Q1 2019: $23.4

NET INCOME
Q1 2018: $(7.0)
Q1 2019: $7.4

TOTAL SALES (AVERAGE $/CARAT) \(^{(1)}\)
Q1 2018: $401
Q1 2019: $512

OPERATING COST ($/TONNE PROCESSED) \(^{(1)}\)
Q1 2018: $39.97
Q1 2019: $30.52

EARNINGS PER SHARE
Q1 2018: $(0.02)
Q1 2019: $0.02

\(^{(1)}\) Non-IFRS measure
### PRODUCTION

<table>
<thead>
<tr>
<th>Description</th>
<th>Q1 2018</th>
<th>Q1 2019</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ore Processed (tonnes)</td>
<td>599,407</td>
<td>763,313</td>
<td>+ 163,906</td>
</tr>
<tr>
<td>Ore Mined (tonnes)</td>
<td>630,242</td>
<td>1,011,048</td>
<td>+ 380,806</td>
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<tr>
<td>Carats Recovered (carats)</td>
<td>75,698</td>
<td>132,336(2)</td>
<td>+ 56,638</td>
</tr>
<tr>
<td>Plant Feed Grade (carats per hundred tonnes)</td>
<td>12.6</td>
<td>15.9(2)</td>
<td>+ 3.3</td>
</tr>
<tr>
<td>Waste Mined (tonnes)</td>
<td>3,991,648</td>
<td>2,485,548</td>
<td>(1,506,100)</td>
</tr>
</tbody>
</table>

### REVENUES AND OPERATING MARGINS (all amounts in U.S. Dollars)

<table>
<thead>
<tr>
<th>Description</th>
<th>Revenue ($ millions)</th>
<th>Carats Sold</th>
<th>Revenue ($ per carat) (1)</th>
<th>Operating Margin ($ per carat) (1)</th>
<th>Operating Margin (%) (1)</th>
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<tbody>
<tr>
<td></td>
<td>25.4</td>
<td>63,317</td>
<td>401</td>
<td>170</td>
<td>42%</td>
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<tr>
<td></td>
<td>48.7</td>
<td>95,057</td>
<td>512</td>
<td>343</td>
<td>67%</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>+ 23.3</td>
<td></td>
<td>(25%)</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>+ 31,740</td>
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<td></td>
<td></td>
<td></td>
<td>+ 111</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>+ 173</td>
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</table>

(1) Non-IFRS measure

(2) Includes 10,899 carats recovered from re-processing historic recovery tailings from previous milling. Plant feed grade is reported as direct milling carats per hundred tonnes.
2019 OUTLOOK
(all amounts in U.S. Dollars)

$170 – $200 million
DIAMOND REVENUE

300,000 – 320,000
DIAMOND SALES (CARATS)

300,000 – 330,000
DIAMONDS RECOVERED (CARATS)

2.5 – 2.8 million
ORE TONNES MINED

2.5 – 2.8 million
ORE TONNES PROCESSED

$32 – $37 per tonne of ore processed
OPERATING CASH COSTS

6.0 – 9.0 million
WASTE TONNES MINED

< 2.46*
AVERAGE STRIP RATIO

*CHANGED FROM PREVIOUS GUIDANCE
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, potential for underground to least 2036
- Asset diversification and additional revenue stream through Clara
## LUC

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

- **TSX**
- **NASDAQ Sweden**
- **BSE (Botswana)**

### CAPITAL STRUCTURE

<table>
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<tr>
<th>Description</th>
<th>Details</th>
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<tbody>
<tr>
<td>MARKET CAP</td>
<td>~C$625M</td>
</tr>
<tr>
<td>DEBT</td>
<td>$Nil (March 2019)</td>
</tr>
<tr>
<td>ISSUED SHARES</td>
<td>396.7M (March 2019)</td>
</tr>
<tr>
<td>FULLY DILUTED SHARES</td>
<td>403.7M (March 2019)</td>
</tr>
<tr>
<td>CASH ON HAND</td>
<td>US$17.9M (March 2019)</td>
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<tr>
<td>Credit Facility</td>
<td>US$50.0M (available)</td>
</tr>
<tr>
<td>INSIDER HOLDINGS</td>
<td>22% Fully Diluted Basis</td>
</tr>
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CONTACT

Suite 2000
885 West Georgia St.
Vancouver, BC
V6C 3E8

Tel: +1 604 689 7872
Fax: +1 604 689 4250
Email: info@lucaradiamond.com