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 described 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](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](http://www.sedar.com).

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

Large, High Value Diamonds
7.9 million carats at $673/ct (Indicated)

Open Pit Reserves to 2026
Potential underground expansion to at least 2036

Innovative Design
First diamond mine to use state of the art XRT technology for primary diamond recovery
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
813 carat
Sold for a record $63.1 M USD
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 is the largest ever graded by the GIA; 7 satellite diamonds were also cut with the largest being 102 carats.
Sewelô, an unbroken 1,758 carat near gem quality diamond recovered in April 2019; largest diamond from Karowe to date

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

A ‘kernel’ stone of clean white material with windows through the diamond, domain of measuring approx. 350-400ct

Analysis in Antwerp currently underway

Only mine in recorded history to recover two diamonds greater than 1,000 carats
OPERATIONAL HIGHLIGHTS H1 2019

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

100% Owned
Karowe Diamond Mine, Botswana

Continued strong safety and operational performance in H1 2019

Operating cash cost of $31.16 per tonne processed; 65% Operating Margin

Record carat production 30% higher carats sold than H1 2018

$91 million H1 2019 revenue; 14 diamonds sold for >$1 million including 6 diamonds sold >$3 million

100% Owned
Clara Diamond Solutions

Five sales successfully completed in H1 2019

12th Sale commencing

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

Dividend & Strong Balance Sheet

Quarterly dividends of CDN $0.025 per share paid April 11th, June 20th and Sept 19

Dividends of US$271.1 million paid since 2014

Cash and cash equivalents of US$7.1 million and US$5.0 million of working capital debt
Over two years (>7 million man hours worked) without a lost time incident (LTI)

769 LTI free days at June 30, 2019

All injury frequency rate (AIFR) of zero for the quarter

Mokubilo Farm Initiative

Community focused initiative to generate, broad based sustainable income

Phase 1: butternut, tomatoes, peppers and eggs

2018 Sustainability Report available on www.LucaraDiamond.com
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 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
Long term fundamentals strong but pricing environment in short to medium term is challenged, De Beers and Alrosa sales at lowest levels since 2017, mid-stream continues to struggle, polished demand weak.

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

A total of 196,988 carats were sold for gross revenue of $91.2 million, $463/carat

14 diamonds which sold for > $1 million, including 6 for > $3 million

115 carat sold for $3.66 million; 77 carat faint pink sold for $3.11 million; 2.24 carat blue stone sold for $347,222/carat; 241 carat sold for $8.1 million

Carats sold 30% higher than H1 2018

2019 is the first full year for Blended Tenders resulting in a smoother revenue profile & decreased time to market for high value diamonds

395 Specials recovered, representing 6% weight percentage of total recovered 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

- Life of mine recovery of > 126,000 carats of individual stones > 10.8ct (over 4,400 diamonds)
- Since 2012: 15 diamonds in excess of 300 carats have been recovered, 2 diamonds > 1,000ct
- Long term upside for diamond recoveries
- 10 diamonds sold for > USD$ 10 million each (not included in resource value modes)
GLOBAL ACHIEVED AVERAGE DIAMOND PRICES 2018/2019

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

Lucara’s Average price ~4x Global Average

YTD 2019 Median $126/Carat
Underground Feasibility study initiated 2018 driven by current and past performance of resource.

Since onset of mining in 2012: 16 million tonnes processed, 2.6 million carats recovered, $1.4 billion in revenue, only mine to ever recover two +1,000 carat diamonds.

Resource work indicates the higher grade, potentially coarser size frequency distribution, EM/PK(S) unit become volumetrically more significant at depth, up to 85% by volume at contemplated depth of first UG mining.

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.
• Substantive field programs completed in April 2019, over 24km of geotechnical and resource drilling, additional ~8km of hydrogeological drilling in addition to test pumping, modeling and outfitting of new de-watering wells
• Significant project de-risking since PEA 2017
• Mining method selection complete, mine and related infrastructure design well progressed with costing advancing
• US$14.8 million program for 2019
• US$ 8.4 million spent to end of Q2, program on budget
• On schedule to deliver study results in Q4
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
Five sales completed during H1 2019 with $2.9 million of diamonds transacted through the platform

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

CLARA SALES PLATFORM

2019

CLARA

Eleven sales between December 2018 and October 2019

POSITIVE RESULTS

~US$6.6 million diamonds sold by value between one and four carats in size in better colours and qualities
H1 2019 FINANCIAL HIGHLIGHTS

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

<table>
<thead>
<tr>
<th></th>
<th>H1 2018</th>
<th>H1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong> (millions)</td>
<td>$89.9</td>
<td>$91.2</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong> (millions)</td>
<td>$37.5</td>
<td>$38.6</td>
</tr>
<tr>
<td><strong>Net Income</strong> (millions)</td>
<td>$12.7</td>
<td>$8.1</td>
</tr>
<tr>
<td><strong>Average Price</strong> ($/carat)</td>
<td>$648</td>
<td>$463</td>
</tr>
<tr>
<td><strong>Operating Cost</strong> ($/tonne processed)</td>
<td>$36.64</td>
<td>$31.16</td>
</tr>
<tr>
<td><strong>Earnings Per Share</strong></td>
<td>$0.03</td>
<td>$0.02</td>
</tr>
</tbody>
</table>

(1) Non-IFRS measure
H1 2019 OPERATIONAL HIGHLIGHTS

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

- **ORE MINED (TONNES)**
  - H1 2018: 1,333,068
  - H1 2019: 1,784,910

- **ORE PROCESSED (TONNES)**
  - H1 2018: 1,297,710
  - H1 2019: 1,476,350

- **CARATS RECOVERED (000'S)**
  - H1 2018: 157,205
  - H1 2019: 241,648

- **CARATS SOLD (0000'S)**
  - H1 2018: 138,646
  - H1 2019: 196,989

- **OPERATING MARGIN (%)**
  - H1 2018: 65%
  - H1 2019: 63%
2019 OUTLOOK

(all amounts in U.S. Dollars)

$170 – $200 million
DIAMOND REVENUE

375,000 – 420,000 (revised)
DIAMOND SALES (CARATS)

375,000 – 420,000 (revised)
DIAMONDS RECOVERED (CARATS)

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

3.0 – 3.4 million (revised)
ORE TONNES MINED

2.5 – 2.8 million
ORE TONNES PROCESSED

6.0 – 9.0 million
WASTE TONNES MINED

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

TSX

NASDAQ Sweden

BSE (Botswana)

~C$460M
MARKET CAP

US$7.1M (June 30, 2019)
Credit Facility

US$45.0M (available)

$5.0 M (September 30, 2019)
WORKING CAPITAL FACILITY

CASH ON HAND

396.9M (September 30, 2019)
ISSUED SHARES

22%
Fully Diluted Basis

402.5M (June 30, 2019)
FULLY DILUTED SHARES

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