Cautionary Statement

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.
Q3 2018 Highlights

100% owned Karowe Mine in Botswana
- No LTI’s / 4.7 million man hours since last LTI / LTIFR of 0
- Third quarter operational performance at Karowe exceeds expectations; mining contractor transition progressing well
- Record utilization rates for the process plant have positively impacted carat recoveries
- 2018 guidance increased for diamond recoveries and ore tonne mined
- Waste mining and operating cash cost per tonne processed remain within guidance

100% owned Clara Diamond Solutions
- Clara will commence first sales trial in November 2018 with a select group of large vertically integrated jewelry houses and global diamond manufacturers.

Progressive Annual Dividend
- 4th Quarter dividend of C$0.025 per share to be paid on Dec. 20; CDN$0.10 for 2018.
Diamond Market

- Overall, strong continued diamond demand in Q3 with the exception of small goods (half a carat or less)
- Consumer demand remains decent, particularly in the USA, where a strong sales season is expected; China remains steady
- DeBeers Lightbox initiative with a strategy to differentiate synthetic from natural diamond markets; Synthetics represent less than 5% of the world’s rough supply and majority is in small goods; Main feedback from retailers is that “natural diamonds sell themselves”
Lightbox production commences end of 2019
10,000 cts per annum full production
Sold only in earrings and pendants. Fashion items.
Deep watermark on piece so cannot be re-polished
Made lab grown more acceptable
Production of lab grown diamonds (LGD) represents less than 5% of world’s rough
LGD remains a difficult sell. More push than pull.
Majority of LGD is in smalls. Not easy to move larger polished.
Demand remains mostly in the USA. India and China prefer mostly natural diamonds as they view diamonds as an investment opportunity
Threat to the industry is non disclosure; potential negative impact on consumer confidence
Main feedback from retailers is that “natural diamonds sell themselves”
Lucara Diamond Sales YTD
(as at September 30, 2018)

Q3:

- 89,461 carats sold for total revenue of $41.8 million, proceeds of $3.9 million from June tender were received in Q3
- 5 diamonds sold for more than $1 million, of which 2 diamonds sold in excess of $3 million

Year to date:

- For nine months ending September 30th, 240,246 carats sold for total revenue of $135.6 million or $564/ct
- 21 diamonds sold for more than $1 million, of which 6 diamonds sold in excess of $3 million and 1 diamond sold for more than $10 million
Financial and Operational Highlights
Three and Nine Months Ended September 30, 2018
### Highlights - Karowe Operations
Three Months Ended September 30th

<table>
<thead>
<tr>
<th>Production</th>
<th>Q3 2017</th>
<th>Q3 2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ore Processed (tonnes)</td>
<td>591,196</td>
<td>728,962</td>
<td>+ 137,766</td>
</tr>
<tr>
<td>Ore Mined (tonnes)</td>
<td>386,906</td>
<td>1,217,016</td>
<td>+ 830,110</td>
</tr>
<tr>
<td>Carats Recovered (carats)</td>
<td>62,425</td>
<td>127,031</td>
<td>+ 64,606</td>
</tr>
<tr>
<td>Plant Feed Grade (carats per hundred tonnes)</td>
<td>10.6</td>
<td>17.4</td>
<td>+ 6.8</td>
</tr>
<tr>
<td>Waste Mined (tonnes)</td>
<td>5,540,139</td>
<td>3,850,225</td>
<td>(1,689,914)</td>
</tr>
</tbody>
</table>

#### Revenues and Operating Margins

<table>
<thead>
<tr>
<th></th>
<th>Q3 2017</th>
<th>Q3 2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue ($ millions)</td>
<td>77.9</td>
<td>45.7</td>
<td>(32.2)</td>
</tr>
<tr>
<td>Carats Sold</td>
<td>67,125</td>
<td>101,600</td>
<td>+ 34,475</td>
</tr>
<tr>
<td>Revenue ($ per carat)</td>
<td>1,161*</td>
<td>450</td>
<td>(711)</td>
</tr>
<tr>
<td>Operating Margin ($ per carat)</td>
<td>932</td>
<td>265</td>
<td>(667)</td>
</tr>
<tr>
<td>Operating Margin (%)</td>
<td>80%</td>
<td>59%</td>
<td>(21%)</td>
</tr>
</tbody>
</table>

(1) Non-IFRS measure
(2) Includes the sale of Lesedi La Rona for $53 million ($47,777 per carat). Adjusted for the sale of Lesedi La Rona, average revenue was $389/carat during Q3 2017.
## Highlights - Karowe Operations
Nine Months Ended September 30th

<table>
<thead>
<tr>
<th>Production</th>
<th>YTD 2017</th>
<th>YTD 2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ore Processed (tonnes)</td>
<td>1,703,773</td>
<td>2,026,672</td>
<td>+ 322,896</td>
</tr>
<tr>
<td>Ore Mined (tonnes)</td>
<td>950,303</td>
<td>2,550,083</td>
<td>+ 1,599,780</td>
</tr>
<tr>
<td>Carats Recovered (carats)</td>
<td>185,290</td>
<td>284,236</td>
<td>+ 98,946</td>
</tr>
<tr>
<td>Plant Feed Grade (carats per hundred tonnes)</td>
<td>10.9</td>
<td>14.0</td>
<td>+ 3.1</td>
</tr>
<tr>
<td>Waste Mined (tonnes)</td>
<td>11,119,512</td>
<td>12,258,234</td>
<td>+ 1,138,722</td>
</tr>
</tbody>
</table>

| Revenues and Operating Margins                 |           |           |             |
| Revenue ($ millions)                           | 183.6     | 135.6     | (48.0)      |
| Carats Sold                                   | 191,168   | 240,245   | + 49,077    |
| Revenue ($ per carat) (1)                     | 960*      | 564       | (396)       |
| Operating Margin ($ per carat) (1)            | 729       | 356       | (373)       |
| Operating Margin (%) (1)                      | 76%       | 63%       | (13%)       |

(1) Non-IFRS measure
(2) Includes the sale of Lesedi La Rona for $53 million ($47,777 per carat). Adjusted for the sale of Lesedi La Rona, average revenue was $687/carat during YTD 2017.
Financial Highlights
Nine Months Ended September 30th

Revenue (millions)
- YTD Q3 2017: $183.6
- YTD Q3 2018: $135.6

EBITDA (millions)
- YTD Q3 2017: $106.4
- YTD Q3 2018: $55.7

Net Income (millions)
- YTD Q3 2017: $63.6
- YTD Q3 2018: $17.8

Total Sales (average $/carat)
- YTD Q3 2017: $687*
- YTD Q3 2018: $32.40

Operating Cost ($/tonne)
- YTD Q3 2017: $32.40
- YTD Q3 2018: $41.20

Earnings per share
- YTD Q3 2017: $0.17
- YTD Q3 2018: $0.05

*excluding the sale of LLR
2018 Guidance
## 2018 Outlook Updated (all amounts in USD)

<table>
<thead>
<tr>
<th>Category</th>
<th>Revised Estimate</th>
<th>Previously Estimated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diamond revenue</td>
<td>$180 – $190 million</td>
<td>(previously $170 – $200 million)</td>
</tr>
<tr>
<td>Diamond sales (carats)</td>
<td>325,000 – 350,000</td>
<td>(previously 270,000 – 290,000)</td>
</tr>
<tr>
<td>Diamonds recovered (carats)</td>
<td>325,000 – 350,000</td>
<td>(previously 270,000 – 290,000)</td>
</tr>
<tr>
<td>Ore tonnes mined</td>
<td>2.9 – 3.1 million</td>
<td>(previously 2.5 – 2.8 million)</td>
</tr>
<tr>
<td>Waste tonnes mined</td>
<td>13.0 – 16.0 million</td>
<td></td>
</tr>
<tr>
<td>Ore tonnes processed</td>
<td>2.4 – 2.7 million</td>
<td></td>
</tr>
<tr>
<td>Operating cash cost(^{(1)})</td>
<td>$38 - $42 per tonne of ore processed</td>
<td></td>
</tr>
</tbody>
</table>

\(^{(1)}\) Non-IFRS measure
Process Plant Improvements

- Steady increase in milled tonnes
- Improvement in availability and utilization
- September record: 268,108 milled tonnes
• Resource performance for Q3/18 achieved a mine call factor of 115%, new resource model recoverable grades,
• Improved fine diamond recovery in DMS and 4-8mm XRT circuit
• 197 specials recovered in Q3, 4.7 wt.% (Q3-17 4.1%) of recovered carats, average stone of 30.67 ct/stone. Ten diamonds > 100 carats, including 2 > 300ct
• YTD recovered 5 diamonds > 300ct, nine month cumulative high for +10.8ct diamonds at 19,678 carats
Consistency in Specials

- Consistent recovery of large diamonds
- LoM over 121,600 carats in more than 4,300 individual diamonds
- Influence of South Lobe as mining has progressed
- 2018 YTD excellent recoveries with respect to count and weight
2018 Lucara Diamond Sales

Annual Achieved Average Price ($/Carat)*

<table>
<thead>
<tr>
<th>Year</th>
<th>Price ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$253.57</td>
</tr>
<tr>
<td>2013</td>
<td>$412.45</td>
</tr>
<tr>
<td>2014</td>
<td>$644.28</td>
</tr>
<tr>
<td>2015</td>
<td>$593.00</td>
</tr>
<tr>
<td>2016</td>
<td>$647.50</td>
</tr>
<tr>
<td>2017</td>
<td>$643.95</td>
</tr>
<tr>
<td>2018</td>
<td>$564.37</td>
</tr>
</tbody>
</table>

*Excluding Constellation and Lesedi La Rona,
**Q3 2018 AP/ct based on total carats sold over the period
Karowe Underground Study

- 2017 positive PEA released
- 2018 completed Resource Update, IND to 600mbg
- 2018 initiated Feasibility Study and technical studies
- Trade off studies for:
  - Access: decline, shaft
  - Mining Method: Sub level cave, sub level retreat, block cave, hybrid scenarios
  - Open pit – underground transition and schedule
- Engagement with Botswana Government on Mining License renewal, other stakeholder engagement
Karowe Underground Study

Technical studies
- Geotechnical drilling for country rock and kimberlite characterization (15,000 metres drilled to date), de-risk access and infrastructure
- Ongoing life of mine (LOM) open pit de-watering and characterization of deep aquifers, initiate de-watering for underground, drilling of regional monitoring boreholes, significant de-risk as deep hydrogeological regime more favourable than original regional model
- Focused mining and processing of EM/PK(S)

FS Report
- Anticipate technical programs complete to FS level H1 2019 and FS reporting in H2 2019

Early Works
- Requirement for early infrastructure work in 2019 for site establishment
Clara Update

• Clara uses proprietary analytics, with the latest cloud and blockchain technologies, to sell rough diamonds individually, based on polished characteristics and demand, transforming the sales process, driving efficiencies and unlocking value for diamond producers and manufacturers alike.

• Under an exclusive collaboration agreement with Sarine Technologies, a digital fingerprint of each rough diamond is created and uploaded to the Clara platform with a corresponding asking price. Simultaneously, diamond buyers upload their specific polished diamond requirements in terms of size, cut, color and quality, including their desired purchase price, creating an 'order' within Clara. Clara uses proprietary analytics to match individual, scanned rough diamonds to the buyers' optimal polished requirements. Clara earns the differential between the asking price and purchase price of each match as its revenue and requires a minimum transaction spread to facilitate an optimal match.

• Clara will commence operations in November 2018 with a select group of large vertically integrated jewelry houses and global diamond manufacturers.

• Rough diamonds offered in Clara's first sale will include a selection of diamonds from Lucara's Karowe mine and additional aggregated third-party rough diamonds consisting of stones between one and fifteen carats in size in the better colors and qualities.

• Following the incorporation of feedback from this initial sale, Clara intends to move into continuous sales using qualifying goods from the Karowe diamond mine and will be inviting other producers and manufacturers to participate on the Platform in the coming months.

• A general “What is Clara?” video has been released
Corporate Development Strategy – Focus on Diamonds, Growth & Value

• Growth - Karowe underground project & Clara
• Opportunities – Diversify asset base, Grow production profile, Additional product for Clara
• Open geographically - Diamond universe is small
• Value Add - Karowe – A high quality asset – Botswana & Type IIa diamonds
• Maintain strong balance sheet & dividend
• Inaugural Clara sale Q4
• Feasibility Study underway on Karowe underground with potential to extend the mine life to 2036
• Blended tender process started Q3 - lowers inventory time for large, high value diamonds, smoother more predictable revenue profile
• Brownfields exploration continuing; Sunbird greenfield exploration initiative launched
Lucara is a publicly listed company trading under the symbol “LUC”

- TSX
- NASDAQ Sweden
- BSE (Botswana)

Issued shares 396,509,387 (Nov 2018)
Fully diluted shares 402,154,931 (Nov 2018)
Insider Holdings 22% on fully diluted basis
Debt NIL
Cash on hand $31.1 million (Q3 2018)
$50 million Credit Facility (undrawn)