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 release may contain forward looking information pertaining to the following: potential to expand the life of mine; updated resource and reserves for the Karowe Mine, including the Underground and the total expected life of mine production; estimates of the Company’s production and sales volumes for the Karowe Mine, including the Underground and associated cash flow and revenues; estimates of the economic benefits of the Underground, including the payback period; pre-production capital costs for the Underground and the quantum required, and availability of, external financing; anticipated operating margins for the Underground operations; the ability to integrate the underground operations seamlessly into the existing infrastructure; the anticipated mine plan and mining methods; the schedule of development of the underground, production profile and anticipated changes in diamond pricing, including trends in supplies and demands and the potential for stability in the diamond market and diamond pricing; changes to foreign currency exchange rate; the timing and ability of management to further commercialize the Clara digital sales platform and other forward looking information.

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 "Risks and Uncertainties" in 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.
- High operating margin (>60% LOM) sustained since production began in 2012
- 2.64 million carats sold, $1.49 billion in revenue in under 7 years
- Total capital investment less than US$200 million
- US$271 million in dividends paid since 2014
- Consistent recovery of high value +10.8ct diamonds, with additional realized input from high value coloured diamonds (blue, pink)
- Top of Class, only mine in recorded history to ever recover two +1,000 carat diamonds
• UG development will **double the mine life** from original 2010 FS
• Resource work completed since November 2017 identified a much larger economic opportunity at depth, on the basis of new drilling and open pit recoveries
• UG would add ~ US$ 4 billion in additional revenue
• + US$200 million in revenue from ‘exceptional’ diamonds not included in economic analysis: potential for + US$500 million in additional revenue over proposed new LOM
Updated geological resource confirms increasing value with depth

Underground NI 43-101
Indicated resources of 35 million tonnes @ 15 cpht for 5.1 million carats

Diamond price of US$725/carat (no escalation)

US$ 3.7 billion in revenue

Long hole shrinkage selected as underground mining method (700-310 masl)

Provides access to higher value ore early

Payback period in granites lowers risk

Maintains current production rate of 7,200 tpd 2.6 Mt/annum

Strong Economics on both stand alone UG and OP+UG scenarios

OP & UG Combined:

NPV US $945 million/$536 million (Pre/Post Tax @ 8%)

NPV US $1,266 Million/$718 million (pre/post tax@ 5%)

US $2.2 billion / $1.2 billion Cash Flow (pre/post tax)
<table>
<thead>
<tr>
<th>Company</th>
<th>Services</th>
</tr>
</thead>
</table>
| JDS Energy and Mining Inc. | Feasibility Study Lead, mine design, engineering, infrastructure, logistics, financial modelling, 
                           | Industry veterans including Gord Doerksen, Trace Arlaud, Peer review Iain Ross, Andre Van As, Murray Mcnab, Chris Hickey, Donald McMullin. |
| SRK Consulting          | Geotechnical data collection, Kimberlite and Country rock models, Mineral Resource Estimation, UG Material flow simulation |
|                         | Cliff Revering, Desmond Mossop, Christopher Tuitz                        |
| Exigo³                  | Hydrogeological Data Collection and Analysis, Mine Dewatering, Water Modelling and Water Management |
|                         | Koos Vivier                                                              |
| Pierce Engineering      | Geotechnical Analysis Lead                                               |
|                         | Matt Pierce, geotechnical analysis and recommendations                    |
| Itasca™                 | Geotechnical Modelling and analysis                                       |
|                         | Tyrana Garza-Cruz                                                        |
| Knight Piesold (RSA)    | Waste Management, tailings                                               |
| Royal HaskoningDHV      | Power Supply                                                             |
| Digby Wells             | Environment and Permitting                                               |
| DRA                     | Mineral Processing                                                        |
| Lucara Diamond          | Diamond Size and Value Distribution                                      |
|                         | John P. Armstrong                                                       |
STUDY ELEMENTS

Stakeholders
- Early engagement with Government of Botswana
- Permitting and consultation framework in final preparation

Comprehensive Dataset and Analysis
- Geotechnical and delineation core drilling (23,000 metres, 33 holes)
- Detailed core logging and geotechnical data collection
- Hyperspectral and wire line logging
- Revised kimberlite and country rock models
- 2,796 dry bulk density measurements
- Greater than 1,000 MiDa samples (approx. 8,800 kilograms)
- Over 8,000 field strength tests
- Over 2,000 laboratory tests encompassing shear strength, uniaxial and triaxial comprehensive strength, weathering susceptibility, tensile strength
- Pumping test from 23 water boreholes, 58 packer tests, 400 hydrogeochemical analyses
- Numerous trade off studies
- Internal and external peer review

Data quality and quantum appropriate for Feasibility level study. Mining method selection process was driven by data and guided by risks, opportunities and economics
Converted South lobe resource to Indicated between 400 and 250 masl
Increased depth of South Lobe Inferred to 66masl (previously 250masl)
Internal geology of south lobe is dominated by two domains EM/PK(S) and M/PK(S)
Size frequency and Value models have been established for each dominant domains

2019 Update utilised historical drilling and sampling data augmented by detailed logging, sampling and petrographic work on 33 new drillholes and 1,300 kilograms of additional microdiamond sampling (151 samples)

<table>
<thead>
<tr>
<th>Classification</th>
<th>Domain</th>
<th>Volume (Mm³)</th>
<th>Tonnes (Mt)</th>
<th>Density (t/m³)</th>
<th>Carats (Mcts)</th>
<th>Grade (cpht)</th>
<th>Average (US$/ct)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicated</td>
<td>South_M/PK(S)</td>
<td>9.40</td>
<td>27.81</td>
<td>2.96</td>
<td>3.01</td>
<td>10.8</td>
<td>$631</td>
</tr>
<tr>
<td></td>
<td>South_EM/PK(S)</td>
<td>7.62</td>
<td>22.10</td>
<td>2.90</td>
<td>4.68</td>
<td>21.2</td>
<td>$777</td>
</tr>
<tr>
<td></td>
<td>Centre</td>
<td>1.28</td>
<td>3.28</td>
<td>2.57</td>
<td>0.50</td>
<td>15.1</td>
<td>$367</td>
</tr>
<tr>
<td></td>
<td>North</td>
<td>0.44</td>
<td>1.08</td>
<td>2.45</td>
<td>0.13</td>
<td>11.8</td>
<td>$222</td>
</tr>
<tr>
<td>TOTAL INDICATED</td>
<td></td>
<td>18.74</td>
<td>54.27</td>
<td>2.90</td>
<td>8.32</td>
<td>15.3</td>
<td>$690</td>
</tr>
<tr>
<td>Inferred</td>
<td>South_M/PK(S)</td>
<td>0.10</td>
<td>0.31</td>
<td>3.05</td>
<td>0.03</td>
<td>10.5</td>
<td>$631</td>
</tr>
<tr>
<td></td>
<td>South_EM/PK(S)</td>
<td>1.40</td>
<td>4.18</td>
<td>2.97</td>
<td>0.87</td>
<td>20.9</td>
<td>$777</td>
</tr>
<tr>
<td></td>
<td>South_KIMB3</td>
<td>0.32</td>
<td>0.94</td>
<td>2.94</td>
<td>0.10</td>
<td>10.9</td>
<td>$631</td>
</tr>
<tr>
<td>TOTAL INFERRED</td>
<td></td>
<td>1.82</td>
<td>5.42</td>
<td>2.97</td>
<td>1.01</td>
<td>18.6</td>
<td>$750</td>
</tr>
</tbody>
</table>

Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. All numbers have been rounded to reflect accuracy of the estimate.; Mineral Resources are in-situ Mineral Resources and are inclusive of in-situ Mineral Reserves.; Mineral Resources are exclusive of all mine stockpile material.; Mineral Resources are quoted above a +1.25 mm bottom cut-off and have been factored to account for diamond losses within the smaller sieve classes expected within the current configuration of the Karowe process plant.; Inferred Mineral Resources are estimated on the basis of limited geological evidence and sampling, sufficient to imply but not verify geological grade and continuity. They have a lower level of confidence than that applied to an Indicated Mineral Resource and cannot be directly converted into a Mineral Reserve.; Average diamond value estimates are based on 2019 diamond sales data provided by Lucara Diamond Corp. Mineral Resources have been estimated with no allowance for mining dilution and mining recovery.
## MINERAL RESERVE STATEMENT

<table>
<thead>
<tr>
<th>Lobe - Type</th>
<th>Classification</th>
<th>Ore (Mt)</th>
<th>Diluted Grade (cpht)</th>
<th>Contained Carats ('000s ct)</th>
<th>Price (US$/ct)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Open Pit</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North</td>
<td>Probable</td>
<td>0.6</td>
<td>10.0</td>
<td>56</td>
<td>222</td>
</tr>
<tr>
<td>Centre</td>
<td>Probable</td>
<td>3.2</td>
<td>15.1</td>
<td>478</td>
<td>349</td>
</tr>
<tr>
<td>South – EM/PK(S)</td>
<td>Probable</td>
<td>3.6</td>
<td>23.9</td>
<td>850</td>
<td>777</td>
</tr>
<tr>
<td>South – M/PK(S)</td>
<td>Probable</td>
<td>10.2</td>
<td>10.8</td>
<td>1,098</td>
<td>631</td>
</tr>
<tr>
<td><strong>Open Pit Total</strong></td>
<td></td>
<td><strong>17.4</strong></td>
<td><strong>14.2</strong></td>
<td><strong>2,481</strong></td>
<td><strong>618</strong></td>
</tr>
<tr>
<td><strong>Underground</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>South – EM/PK(S)</td>
<td>Probable</td>
<td>16.3</td>
<td>19.9</td>
<td>3,246</td>
<td>777</td>
</tr>
<tr>
<td>South – M/PK(S)</td>
<td>Probable</td>
<td>17.1</td>
<td>10.6</td>
<td>1,807</td>
<td>631</td>
</tr>
<tr>
<td><strong>Underground Total</strong></td>
<td></td>
<td><strong>33.5</strong></td>
<td><strong>15.1</strong></td>
<td><strong>5,053</strong></td>
<td><strong>725</strong></td>
</tr>
<tr>
<td><strong>Stockpiles</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North</td>
<td>Probable</td>
<td>0.4</td>
<td>12.7</td>
<td>51</td>
<td>222</td>
</tr>
<tr>
<td>Centre</td>
<td>Probable</td>
<td>0.4</td>
<td>12.8</td>
<td>54</td>
<td>349</td>
</tr>
<tr>
<td>South – M/PK(S)</td>
<td>Probable</td>
<td>1.6</td>
<td>9.5</td>
<td>151</td>
<td>631</td>
</tr>
<tr>
<td>Mixed</td>
<td>Probable</td>
<td>4.0</td>
<td>5.0</td>
<td>198</td>
<td>609</td>
</tr>
<tr>
<td><strong>Stockpiles Total</strong></td>
<td></td>
<td><strong>6.4</strong></td>
<td><strong>7.1</strong></td>
<td><strong>454</strong></td>
<td><strong>542</strong></td>
</tr>
<tr>
<td><strong>Combined</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>All Total</strong></td>
<td></td>
<td><strong>57.3</strong></td>
<td><strong>13.9</strong></td>
<td><strong>7,988</strong></td>
<td><strong>681</strong></td>
</tr>
</tbody>
</table>

2. CIM definitions were followed for Mineral Reserves and the effective date of the Mineral Reserve is September 26, 2019.
3. Mineral Reserves are estimated at a cut-off value of US$31/t based on an OP and UG mining cost of US$9/t, a processing cost of US$16/t and a G&A cost of US$6/t. Process recovery of the diamonds was assumed to be 100% as the recoveries were included in the mineral resource block model assumptions and therefore have taken recoveries into account. All of the kimberlite material in the South Lobe is above the cut-off value.
4. Diamond value used are for FS study 2025-2037, no escalation was derived from historical sales adjusted for current and estimated future values.
5. Tonnages are rounded to the nearest 100,000 tonnes, diamond grades are rounded to one decimal place. Tonnage and grade measurements are in metric units; contained diamonds are reported as thousands of carats.
$/ct models are a function of size frequency distribution a (SFD) and value per size class

SFD models are constructed on very robust datasets, informed and reconciled by over 7 years of production

Value based on actual sales: Lucara rough price book, sales data for single stones

High value (+$10 million USD) single stones are excluded from generation of SFD and Value models

Current Value models adjust for market downturn in high colour large goods

2014-2019 LOM average prices are weighted approximately 70:30 South: North/Centre

2019-2036 LOM average prices are weighted approximately 85:15 South: North/Centre

* Excludes Lesedi la Rona and Constellation
MINERAL RESOURCE ESTIMATE

Indicated

Upper calcritized and weathered kimberlite and breccia domains

CFK(C)  BBX  FK(N)

250 masl

Inferred

Upper calcritized and weathered kimberlite and breccia domains

CFK(C)  BBX  FK(N)  FK(C)

M/PK(S)

KIMB3
• Trade off assessed block cave, sub level cave, assisted block cave
• Geotechnical testing results did not support caving or caving with preconditioning
• Higher value ore lies deeper and is attributable to higher grade and value EM/PK(S)
• Long Hole Shrinkage (LHS) is planned to systematically drill and blast the entire South Lobe on a vertical retreat basis
• Mucking of swell and ultimate pull down of broken muck will take place from an extraction level at the 310 Level (310masl)

### UG MINE DESIGN: LONG HOLE SHRINKAGE

<table>
<thead>
<tr>
<th>Capacity</th>
<th>2.6 Mt/y from UG mining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life</td>
<td>13-year UG production</td>
</tr>
<tr>
<td></td>
<td>5.5-years pre-production</td>
</tr>
<tr>
<td>UG Ore Tonnes</td>
<td>33.5 million tonnes</td>
</tr>
<tr>
<td>UG Carats</td>
<td>5.1 million carats</td>
</tr>
<tr>
<td></td>
<td>USD$725/carat</td>
</tr>
<tr>
<td></td>
<td>392 kcarats/year UG LOM</td>
</tr>
<tr>
<td>UG Mine Extent</td>
<td>700 masl to 310 masl</td>
</tr>
</tbody>
</table>
KAROWE UNDERGROUND MINE DESIGN

Prod. Shaft (767 m deep)  Vent. Shaft (717 m deep)

680 Level
580 Level
480 Level
380 Level
310 Level

Total development:
16,300 m lateral
2,800 m vertical
## KAROWE UNDERGROUND MINE DESIGN

### Shaft Access

<table>
<thead>
<tr>
<th>Shafts</th>
<th>Diameter</th>
<th>Depth</th>
<th>Elevation</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>7.5m</td>
<td>765m</td>
<td>245masl</td>
<td>2 x 21 tonne skips, service cage, fresh air intake</td>
</tr>
<tr>
<td>Ventilation</td>
<td>6.0m</td>
<td>715m</td>
<td>295masl</td>
<td>heavy lift hoist, secondary egress, ventilation exhaust</td>
</tr>
</tbody>
</table>

### 8 Levels

<table>
<thead>
<tr>
<th>Levels</th>
<th>Access</th>
<th>Purpose</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>680L</td>
<td>Shaft</td>
<td>drilling and dewatering level</td>
<td>drilling and dewatering level</td>
</tr>
<tr>
<td>580L</td>
<td>Ramp from 680L</td>
<td>drilling level</td>
<td>drilling level</td>
</tr>
<tr>
<td>480L</td>
<td>Shaft</td>
<td>drilling level</td>
<td>drilling level</td>
</tr>
<tr>
<td>380L</td>
<td>Ramp from 310L</td>
<td>drilling level</td>
<td>drilling level</td>
</tr>
<tr>
<td>310L</td>
<td>Shaft</td>
<td>primary working level, extraction level</td>
<td>primary working level, extraction level</td>
</tr>
<tr>
<td>335L</td>
<td>Shaft</td>
<td>conveyor level</td>
<td>conveyor level</td>
</tr>
<tr>
<td>285L</td>
<td>Shaft</td>
<td>shaft load out</td>
<td>shaft load out</td>
</tr>
<tr>
<td>245L</td>
<td>Shaft</td>
<td>shaft bottom</td>
<td>shaft bottom</td>
</tr>
</tbody>
</table>

### Extraction Level Design

<table>
<thead>
<tr>
<th>310 L Extraction Level</th>
<th>Panel</th>
<th>Panel Spacing (m)</th>
<th>Drawpoints</th>
<th>Drawpoint Spacing</th>
<th>Drawpoint Layout</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5</td>
<td>31.5</td>
<td>56</td>
<td>18 x 12m</td>
<td>Herringbone</td>
</tr>
</tbody>
</table>

### Production Metrics

<table>
<thead>
<tr>
<th>Pre-production Lateral Development</th>
<th>Drill Level Spacing</th>
<th>Drill Burden</th>
<th>Average Hole Length per ring (m)</th>
<th>Average t/m drilled</th>
<th>Powder Factor</th>
<th>Blasting</th>
<th>Ore tonnes/m Development</th>
<th>Tonnes per day hoisted</th>
</tr>
</thead>
<tbody>
<tr>
<td>16,300 m</td>
<td>100m vertical</td>
<td>4.25m x 5.0m ring spacing</td>
<td>58</td>
<td>34</td>
<td>Variable 0.4 to 0.6 kg/t</td>
<td>17.5 m increments</td>
<td>2,000 t/m</td>
<td>7,200 tpd</td>
</tr>
</tbody>
</table>
Kimberlite skin left until drawdown to support carbonaceous shales.

Muck is left in stope for sidewall support until all blasting is complete. Only swell is extracted during the blasting phase.

Mining advances upwards in 17.5 m average high lifts.

200 m (50%) vertical mining within competent granite. Payback while in granite host rock.
SOUTH LOBE RECOVERABLE CARATS BY LEVEL

Recoverable Carats (kc)

Elevation (masl)

775
750
725
700
675
650
625
600
575
550
525
500
475
450
425
400
375
350
325
300
275
250

MPK

EMPK
Production schedule is based on current assumptions which are listed in the FS and subject to risks and uncertainties and general operational factors which may vary from scheduling contemplated in the FS, review cautionary statement.
FS COMBINED OP/UG PRODUCTION METRICS

Carat Production

Open Pit  Underground

<table>
<thead>
<tr>
<th>Year</th>
<th>Waste Tonnes mined (millions)</th>
<th>Ore Tonnes mined (millions)</th>
<th>Processed Tonnes (millions)</th>
<th>Recovered Diamond grade (cpht)</th>
<th>Total Recovered Carats (millions)</th>
<th>Mine Life (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>13.43</td>
<td>49.97</td>
<td>56.03</td>
<td>13.99</td>
<td>7.838</td>
<td>20.9</td>
</tr>
</tbody>
</table>

Production Metrics

Schedule is based on current assumptions which are listed in the FS and subject to risks and uncertainties and general operational factors which may vary from scheduling contemplated in the FS, review cautionary statement.
KAROWE UNDERGROUND FEASIBILITY
ESTIMATED PRE-PRODUCTION CAPITAL
(All amounts in U.S. Dollars)
2019 KAROWE UNDERGROUND FEASIBILITY
STAND-ALONE SCENARIO
(all amounts in U.S. Dollars, UG carats only)

35 M Tonnes @ 15 Cphf
NI 43-101 INDICATED RESOURCE

5.1 M Carats @ $725/Carat
NO PRICE ESCALATION

13 Years
EXTENDS MINELIFE TO 2037

$3.7 billion in Revenue

Long Hole Shrinkage
BETWEEN 700-310 masl

7,200 tpd / 2.6 Mt/a
MAINTAINS CURRENT PRODUCTION RATE

$514 Million
PRE-PRODUCTION CAPITAL

Mining Cost $8.72/t

OPEX $30.52/t

NPV $454 M / 20.8% IRR
PRE-TAX @ 8% DISCOUNT

NPV $226 M / 16.0% IRR
POST-TAX @ 8% DISCOUNT

NPV $388 M / 16.0% IRR
POST-TAX @ 5% DISCOUNT

Undiscounted Cash Flow of
$1,447M / $884 M
PRE/POST TAX

2.4 Year Pay-back
POST TAX
2019 KAROWE UNDERGROUND + OPEN PIT
(All Amounts In U.S. Dollars)

7.84 million Carats
LOM DIAMONDS PRODUCED

$2.2 billion Cash Flow
PRE-TAX

$1.2 billion Cash Flow
POST-TAX

2.8 Year Pay-Back

50 M Ore Tonnes Mined
56 M Ore Tonnes Treated
FROM 2020-2040

7,200 tpd / 2.6 Mt/a
MAINTAINS CURRENT
PRODUCTION RATE

$28.43/t processed
OPERATING CASH COSTS

Mining Cost $8.44/t
OPERATING CASH COSTS

NPV $945 M
PRE-TAX @ 8% DISCOUNT

NPV $536 M
POST-TAX @ 8% DISCOUNT

NPV $1,266 M
PRE-TAX @ 5% DISCOUNT

NPV $718 M
POST-TAX @ 5% DISCOUNT
## PRE-PRODUCTION ESTIMATED CAPITAL BREAKDOWN WITH OP and UG SUSTAINING CAPEX
(all amounts in U.S. Dollars)

<table>
<thead>
<tr>
<th>Capital Costs</th>
<th>Pre-Production (US$M)</th>
<th>Sustaining/Closure (US$M)</th>
<th>Total (US$M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining</td>
<td>321.5</td>
<td>38.1</td>
<td>359.6</td>
</tr>
<tr>
<td>Bulk Earthworks</td>
<td>18.8</td>
<td>-</td>
<td>18.8</td>
</tr>
<tr>
<td>Process Plant</td>
<td>0.1</td>
<td>87.8</td>
<td>87.9</td>
</tr>
<tr>
<td>Tailings</td>
<td>-</td>
<td>30.7</td>
<td>30.7</td>
</tr>
<tr>
<td>Onsite Infrastructure</td>
<td>5.9</td>
<td>-</td>
<td>5.9</td>
</tr>
<tr>
<td>Buildings &amp; Facilities</td>
<td>1.6</td>
<td>-</td>
<td>1.6</td>
</tr>
<tr>
<td>Offsite Infrastructure</td>
<td>19.6</td>
<td>-</td>
<td>19.6</td>
</tr>
<tr>
<td>Project Indirects</td>
<td>47.7</td>
<td>-</td>
<td>47.7</td>
</tr>
<tr>
<td>Owner’s Costs</td>
<td>46.9</td>
<td>34.0</td>
<td>80.9</td>
</tr>
<tr>
<td>Subtotal</td>
<td>463.2</td>
<td>190.6</td>
<td>652.7</td>
</tr>
<tr>
<td>Contingency</td>
<td>51.6</td>
<td>17.8</td>
<td>69.4</td>
</tr>
<tr>
<td>Total</td>
<td>513.7</td>
<td>208.5</td>
<td>722.2</td>
</tr>
</tbody>
</table>

Current assumptions which are listed in the FS and subject to risks and uncertainties and general operational factors which may vary from scheduling contemplated in the FS, review cautionary statement.
HIGH MARGIN OPERATION
(All amounts in US $)

Cash Cost Summary (US$/ ct)

<table>
<thead>
<tr>
<th>Component</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining</td>
<td>$56</td>
</tr>
<tr>
<td>Processing</td>
<td>$108</td>
</tr>
<tr>
<td>On Site G&amp;A</td>
<td>$40</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$204</strong></td>
</tr>
<tr>
<td><strong>Carat margin</strong></td>
<td><strong>$522</strong></td>
</tr>
</tbody>
</table>

* Non IFRS Measure
## UG MINING OPEX SUMMARY

<table>
<thead>
<tr>
<th>Area</th>
<th>Unit Cost ($/t milled)</th>
<th>Unit Cost ($/carat)</th>
<th>LOM Estimate (M$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mine Development</td>
<td>0.22</td>
<td>1.5</td>
<td>7.5</td>
</tr>
<tr>
<td>Production Stoping</td>
<td>2.84</td>
<td>18.8</td>
<td>94.9</td>
</tr>
<tr>
<td>Crushing &amp; Hoisting</td>
<td>1.87</td>
<td>12.4</td>
<td>62.7</td>
</tr>
<tr>
<td>Mine Maintenance</td>
<td>1.06</td>
<td>7.0</td>
<td>35.3</td>
</tr>
<tr>
<td>Mine General</td>
<td>2.14</td>
<td>14.2</td>
<td>71.5</td>
</tr>
<tr>
<td>Contingency</td>
<td>0.41</td>
<td>2.7</td>
<td>13.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8.53</strong></td>
<td><strong>56.5</strong></td>
<td><strong>285.6</strong></td>
</tr>
</tbody>
</table>

*excluding $1.20 /t for mine overheads captured in G&A

Current assumptions which are listed in the FS and subject to risks and uncertainties and general operational factors which may vary from scheduling contemplated in the FS, review cautionary statement
# UG ONLY OPEX ESTIMATE

<table>
<thead>
<tr>
<th>Area</th>
<th>Estimate ($/t milled)</th>
<th>Estimate ($/carat)</th>
</tr>
</thead>
<tbody>
<tr>
<td>UG Mining</td>
<td>8.53*</td>
<td>57</td>
</tr>
<tr>
<td>Processing</td>
<td>15.70</td>
<td>104</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>6.33</td>
<td>42</td>
</tr>
<tr>
<td>Total</td>
<td>30.57</td>
<td>202</td>
</tr>
</tbody>
</table>

*excluding $1.20 /t for mine overheads captured in G&A
OP UG POST-TAX CASH FLOW

ANNUAL CF US$M

CUMULATIVE CF US$M

Annual Cash Flow
Cumulative Cash Flow
Sensitivity analyses were performed using diamond prices, mill head grade, CAPEX, and OPEX as variables. The value of each variable was changed plus and minus 20% independently while all other variables were held constant. The Project is most sensitive to the diamond price and head grade, followed by the OPEX and least sensitive to the CAPEX.

### SENSITIVITIES

<table>
<thead>
<tr>
<th>Variable</th>
<th>Pre-tax NPV₆% (M$)</th>
<th>Pre-tax IRR (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-20% Variance 0% Variance 20% Variance</td>
<td>-20% Variance 0% Variance 20% Variance</td>
</tr>
<tr>
<td>CAPEX</td>
<td>547 454 360</td>
<td>25.6 20.8 17.1</td>
</tr>
<tr>
<td>OPEX</td>
<td>609 454 264</td>
<td>23.9 20.8 16.3</td>
</tr>
<tr>
<td>Diamond Price or Grade</td>
<td>170 454 738</td>
<td>13.6 20.8 26.4</td>
</tr>
</tbody>
</table>

Current assumptions which are listed in the FS and subject to risks and uncertainties and general operational factors which may vary from scheduling contemplated in the FS, review cautionary statement.
Activities listed for underground development and surface infrastructure require available financing and Lucara Board approval.
NEXT STEPS

• Based on the assumptions used for this evaluation, the project shows positive economics and should proceed to detailed engineering, financing and construction.

• In the first half of 2020, the Company will focus on detailed engineering and early procurement initiatives.

• The Company will also be reviewing financing options and will update the market when such decisions are reached.

• The anticipated capital requirements in 2020 represent less than 10% of the initial capex estimate for the underground project. The Company’s anticipates funding initial expenses from cash flow, as financing options are explored.
Q3 2019 HIGHLIGHTS

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

Karowe Diamond Mine
Strong, stable operations for third consecutive quarter in 2019

0.68 million tonnes of ore processed

$31.06 operating cost per tonne of ore processed

Operating margin of 58%

$45.3 million quarterly revenue:
• 116,200 carats sold
• 5 diamonds sold for >$1 million
• 1 diamond sold >$2 million
• 211 Specials recovered, representing 6.1% weight percentage of total recovered carats from direct milling

9.74 carat gem quality blue diamond and a 4.13 carat gem quality pink were recovered in September

100% Owned Clara Diamond Solutions
Five sales successfully completed in Q3 2019

Doubled number of sales and total value ($2.4 million) transacted in Q3 2019

Customer base grew 35% to 27 participants

Strong Balance Sheet & Dividend Policy Change
Quarterly dividend of CDN $0.025/ share paid Sept 19th

Decision to suspend quarterly dividend to focus on early works for underground development

Cash and cash equivalents of US$4.8 million and no long term debt
YTD 2019 FINANCIAL HIGHLIGHTS
Nine months ended September 30, 2019
(All amounts in U.S. Dollars unless otherwise indicated)

<table>
<thead>
<tr>
<th></th>
<th>Q3 2018</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE (MILLIONS)</strong></td>
<td>$135.6</td>
<td>$136.5</td>
</tr>
<tr>
<td><strong>ADJUSTED EBITDA (1) (MILLIONS)</strong></td>
<td>$55.7</td>
<td>$50.2</td>
</tr>
<tr>
<td><strong>NET INCOME (MILLIONS)</strong></td>
<td>$17.8</td>
<td>$4.0</td>
</tr>
<tr>
<td><strong>AVERAGE PRICE (AVERAGE $/CARAT) (1)</strong></td>
<td>$564</td>
<td>$436</td>
</tr>
<tr>
<td><strong>OPERATING COST ($/TONNE PROCESSED) (1)</strong></td>
<td>$38.98</td>
<td>$31.06</td>
</tr>
<tr>
<td><strong>CASH FLOW PER SHARE FROM OPERATIONS (1)</strong></td>
<td>$0.09</td>
<td>$0.08</td>
</tr>
</tbody>
</table>

(1) Non-IFRS measure
YTD 2019 OPERATIONAL HIGHLIGHTS
Nine months ended September 30, 2019
(All amounts in U.S. Dollars unless otherwise indicated)

ORE MINED
(TONNES)

ORE PROCESSED
(TONNES)

CARATS RECOVERED
(CARATS)

CARATS SOLD
(CARATS)

OPERATING MARGIN
(\%)


2,550,084 2,608,785
2,026,672 2,157,015
284,236 346,638
240,245 313,189
63% 58%
2019 OUTLOOK

(all amounts in U.S. Dollars)

DIAMOND REVENUE
$170 – $180 million (revised)

ORE TONNES MINED
3.0 – 3.4 million

ORE TONNES PROCESSED
2.5 – 2.8 million

DIAMOND SALES (CARATS)
400,000 – 425,000 (revised)

DIAMONDS RECOVERED (CARATS)
400,000 – 425,000 (revised)

OPERATING CASH COST
$32 – $34 per tonne of ore processed (revised)

WASTE TONNES MINED
6.5 – 7.5 million
LUC

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

TSX

NASDAQ Sweden

BSE (Botswana)

~C$421M
MARKET CAP

US$4.8M (September 2019)
Credit Facility

$Nil (September 2019)
WORKING CAPITAL FACILITY

US$50.0M (available)

396.9M (September 2019)
ISSUED SHARES

22%
Fully Diluted Basis

402.5M (September 2019)
FULLY DILUTED SHARES

INSIDER HOLDINGS
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