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, **US$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)

Innovative Design - First diamond mine to use state of the art XRT technology for primary diamond recovery

Top of Class, only mine in recorded history to ever recover **two +1,000 carat diamonds**
Sewelô “rare find”, an unbroken 1,758 carat near gem quality diamond recovered in April 2019

Collaboration between Lucara (50%), Louis Vuitton (25%), HB Company (25%) – planning, cutting and polishing a collection of diamonds from Sewelô

Lucara to receive an upfront non-material payment from the JV partners; LUC to participate in 50% of the proceeds of the polished diamonds that result

5% of all the retail sales proceeds from the historic jewellery collection will be invested back into Botswana community-based initiatives
HISTORIC DIAMOND RECOVERIES

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 US$63.1 million
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 diamond; 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.
2019 HIGHLIGHTS

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

**Karowe Diamond Mine (100%)**

Strong, stable operations for consecutive quarters in 2019

Very strong safety record; First Place Winner – Botswana Chamber of Mines Inter-Mines First Aid Competition

Operating costs of $31.06 cost per tonne of ore processed (end of Q3) trending at the low end of guidance; Operating Margin ~60%

Revenue of $192.5 million exceeding annual guidance (including Clara) vs. 2018 revenue of $176.2 million

241 carat stone sold for $8.1 million; 127 carat stone sold for $5.14 million; 165 carat sold for $3.97 million

Positive Underground Feasibility Study, Doubling the mine life

**Clara Diamond Solutions (100%)**

Fifteen sales completed for proceeds of ~$8 million

19th sale ongoing

Sales frequency and value increasing; Doubled number of sales and total value transacted in H2

Customer base grew from 4 to 27 participants

**Strong Balance Sheet & Dividend Policy Change**

Quarterly dividend of C$0.025/share paid to Sept 19th

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

Cash and cash equivalents of $4.8 million (Q3 2019)

No long-term debt; $50 million credit facility undrawn (Q3 2019)

Market Cap ~C$330 million

**Karowe Diamond Mine (100%)**

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Positive Underground Feasibility Study, Doubling the mine life
CONSISTENT RECOVERY OF LARGE DIAMONDS

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

- Life of mine recovery of 157,000 carats of individual stones > 10.8ct (over 5,400 diamonds; all sources)
- Since 2012: 15 diamonds in excess of 300 carats have been recovered, including 2 diamonds > 1,000ct
- 10 diamonds sold for > US$ 10 million each (not included in resource value models)
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

<table>
<thead>
<tr>
<th>Year to Date</th>
<th>2018</th>
<th>2019 Median $122/ct</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lucara</td>
<td>$2,131</td>
<td>$1,608</td>
</tr>
<tr>
<td>$502</td>
<td>$468</td>
<td>$1,608</td>
</tr>
<tr>
<td>$105</td>
<td>$79</td>
<td>$121 $120</td>
</tr>
<tr>
<td>$121 $120</td>
<td>$164 $126</td>
<td>$75 $72</td>
</tr>
<tr>
<td>$75 $72</td>
<td>$74 $64</td>
<td>$74 $64</td>
</tr>
</tbody>
</table>

2019 Median $122/ct
Long term fundamentals strong but pricing environment has been challenged in 2019; Market is starting to show signs of stability

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 2018

Millennials will be the highest-spending generation from 2020 and the leaders in luxury spending, especially in China

2000-2030: 2019 prices, constant exchange rates, optimistic and base scenarios


$ BILLIONS

Overlap of supply and demand in the short-term creating uncertainty on the mid-term price evolution

ROUGH DIAMOND SUPPLY AND DEMAND

$ BILLIONS

Optimistic Demand

Base Demand

Optimistic Supply

Base Supply

2019 FINANCIAL & OPERATIONAL HIGHLIGHTS
NINE MONTHS ENDED SEPTEMBER 30, 2019*

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

REVENUE* (MILLIONS)

<table>
<thead>
<tr>
<th>Year</th>
<th>Q3 2018</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$176.2</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td>$192.5</td>
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</table>

ADJUSTED EBITDA(1) (MILLIONS)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3 2018</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$55.7</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td>$50.2</td>
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</table>

AVERAGE PRICE* (AVERAGE $/CARAT) (1)

<table>
<thead>
<tr>
<th>Year</th>
<th>Q3 2018</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$502</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td>$468</td>
</tr>
</tbody>
</table>

CARATS RECOVERED (CARATS)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3 2018</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>284,236</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td>346,638</td>
</tr>
</tbody>
</table>

OPERATING COST ($/TONNE PROCESSED) (1)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3 2018</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$38.98</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td>$31.06</td>
</tr>
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</table>

OPERATING MARGIN (%)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3 2018</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>63%</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td>58%</td>
</tr>
</tbody>
</table>

(1) Non-IFRS measure
* Full Year
2020 OUTLOOK

(all amounts in U.S. Dollars)

$180 – $210 million
DIAMOND REVENUE

350,000 – 390,000
DIAMOND SALES (CARATS)

370,000 – 410,000
DIAMONDS RECOVERED (CARATS)

3.5 – 3.9 million
ORE TONNES MINED

2.5 – 2.8 million
ORE TONNES PROCESSED

$32 – $36 per tonne of ore processed
OPERATING CASH COST

3.6 – 4.2 million
WASTE TONNES MINED
KAROWE UNDERGROUND

Extending Mine-life to 2040

• UG development will double the mine life from original 2010 Feasibility Study

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

Provides access to higher value ore early

Payback period in granites lowers risk; 2.8 Year payback

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

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

100% South Lobe Ore – EMPK(S) unit dominant

Diamond price of $725/carat (no escalation)

$3.7 billion in revenue

$514 million Pre-Production Capital

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

**OP & UG Combined:**

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

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

$2.2 billion / $1.2 billion

Cash Flow (pre/post tax)

High Margin Operation; Carat Margin $522
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, 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 anticipates funding initial expenses from cash flow, as financing options are explored.
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
• 18 sales completed with ~US$10.5 million of diamonds sold by value through the platform;
• 19th sale ongoing
• Frequency of sales and number of participants increasing
• Manufacturers on the platform have grown from 4 to 30 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
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).

**Mokubilo Farm Initiative**
Community focused initiative to generate, broad-based sustainable income.
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
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, Underground reserves will double the mine life to 2040
- Asset diversification and additional revenue stream through Clara
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

LucaraDiamond.com | LUC.TSX | LUC.XSTO | LUC.BSE