



**LUCARA**  
DIAMOND



## **IMARC Online**

**PARTNERSHIPS, COLLABORATION AND DIVERSITY  
AS KEY INGREDIENTS TO COMPANY SUCCESS**

[LucaraDiamond.com](http://LucaraDiamond.com) | [LUC.TSX](http://LUC.TSX) | [LUC.XSTO](http://LUC.XSTO) | [LUC.BSE](http://LUC.BSE)

# Cautionary Statement

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## 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 presentation may contain forward looking information pertaining to the following: the impact of the COVID-19 pandemic on the Company's operations and cash flows and its plans with respect to the Karowe underground expansion project; the estimates of the Company's mineral reserves and resources; estimates of the Company's production and sales volumes for the Karowe Diamond Mine; estimated costs for capital expenditures related to the Karowe Diamond Mine; production costs; exploration and development expenditures and reclamation costs; expectation of diamond prices and the potential for the supply agreement with HB Group to achieve both higher prices from the sale of polished diamonds and to provide more regular cash flow than in previous periods; expectation of diamond prices; changes to foreign currency exchange rates; assumptions and expectations related to the possible development of an underground mining operation at Karowe, including associated capital costs, financing strategies and timing; expectations in respect of the development and functionality of the technology related to the Clara platform, the intended benefits and performance of the Clara platform, including our ability to complete sales without viewing diamonds,

The growth of the Clara platform, the timing and frequency of sales on the Clara Platform, and the quantum of and timing for participation of third parties on the Clara platform; expectations regarding the need to raise capital and its availability; possible impacts of disputes or litigation; and other risks and uncertainties described under the heading "Risks and Uncertainties" in the Company's most recent Annual Information Form available at <http://www.sedar.com> (the "AIF").

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 "COVID-19 Global Pandemic" in the "Risks and Uncertainties" section of 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.

Qualified Persons: Dr. John Armstrong, Ph.D. P.Geol, is the Qualified Person as defined by NI 43-101. Dr. Armstrong is Vice President Technical Services for the Company and has reviewed and approved the scientific and technical information contained in this presentation. Mr. Cliff Revering, P. Eng. of SRK Consulting is the independent Qualified Person as defined by NI 43-101 responsible for the Karowe Diamond Mine Mineral Resource estimation, and Mr. Gord Doerksen of JDS Energy and Mining Inc. is the Independent Qualified person as defined by NI 43-101 responsible for the Karowe Diamond Mine Mineral Reserve estimation. The most recent Mineral Resource and Mineral Reserve estimations are located in the 2020 Annual Information Form for the year ended December 31, 2020, dated March 30, 2021, which can be found on the Company's website and under its profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Technical Reports: For further details regarding the Karowe Underground Project and Qualified Persons as defined by NI 43-101, please refer to the technical report dated December 16, 2019 with an effective date of September 26, 2019, titled "Karowe Mine Underground Feasibility Study Technical Report, Botswana", posted to the Company's website and under its profile on SEDAR at [www.sedar.com](http://www.sedar.com).

**Botswana**

**KAROWE DIAMOND  
MINE (100%)**



## COVID-19 Response

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### **Operations consistent, Diamond sales continue, Liquidity stable**

The Botswana Government declared mining an essential service in late March 2020 and recently extended the State of Emergency to the end of March 2021. Guidelines being followed include increased travel restrictions, work from home, implementation of social distancing and additional cleaning protocols.

We continue to focus on protecting the health and well-being of our employees, contractors and host communities and the financial well being of the Company. We've also contributed to the Botswana Government's COVID-19 Relief Fund and local initiatives.

The Government of Botswana recently granted permission to conduct Covid-19 testing at our operations in Botswana. To-date, more than 99% of the tests conducted have been negative. The Company has also constructed several isolation pods for use by the community in the Letlhakane area.

Diamond sales through HB Antwerp, Clara and quarterly tenders in Antwerp continued as price improvements and demand increased during Q3.



**High operating margin**  
sustained since production  
began in 2012

Consistent recovery of high value  
**+10.8ct diamonds**  
with additional realized input  
from high value coloured diamonds  
(blue, pink)

**2.9 million**  
carats sold

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**\$1.6 billion**  
in revenue in ~8 years

**Innovative design**  
First diamond mine to use state  
of the art XRT technology for  
primary diamond recovery

Total capital investment less than  
**\$200 million**

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**\$271 million**  
in dividends paid since 2014

Top of class, only mine in  
recorded history to ever recover  
**Two +1,000 carat diamonds**

# Exceptional Diamonds >500 Carats

10 Diamonds Sold for in excess of \$10 Million each



998 ct



1,758 ct  
Sewelô



813 ct  
Constellation



1,109 ct  
Lesedi La Rona



549 ct  
Sethunya

# Lesedi La Rona & Constellation

## Polished Outcomes



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



# Total Clarity

## The facts on modern diamond mining

### Total Clarity Report by Trucost

examined 150 metrics across the Natural Diamond Council (NDC) members which comprise approximately 75% of the world's diamond production with global operations including Botswana, Russia, South Africa, Lesotho, Australia, Zimbabwe and Tanzania.

Trucost  
ESG Analysis

S&P Global

NATURAL  
DIAMOND  
COUNCIL

THE REPORT FOUND THAT  
NDC MEMBERS CREATE

**US\$16 billion**

IN NET SOCIOECONOMIC AND  
ENVIROMENTAL 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 NDC  
MEMBERS IN 2016

# Governance

Focused on transparency, the protection of our people and stakeholder engagement

Code of Business Conduct and Ethics

Whistleblower Policy

Responsible Mining Policy

Corporate Social Responsibility Charter

Lucara is certified by the Responsible Jewellery Council (RJC), compliant with the Kimberley Process, and a member of the Natural Diamond Council (NDC)

In 2018, Lucara became a UN GC participant and contributes to 10 of the 17 UN SDGs

Lucara's Sustainability Report is prepared in accordance with the GRI Standards: Core option, and selected G4 Mining and Metals Sector Disclosures



## SUSTAINABLE DEVELOPMENT

# GOALS

17 GOALS TO TRANSFORM OUR WORLD



## Sustainability through Collaboration

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### Mokubilo Integrated Farm

**The Karowe Village Initiative (KVI) is focussed on investing in community-driven and owned projects**

Malnutrition and unemployment was found to be prevalent in the area of Mokubilo and Mmea Settlements

The Mokubilo Integrated Farm is run by a co-operative, employs 16 people and provides fresh produce and eggs to the local school and village

Excess produce is sold locally, generating additional income for the village

This successful pilot project also provides training and education opportunities:

- Schools come for tours of the farm
- Villagers come to learn how to farm
- Working with the Botswana University of Agriculture and Natural Resources

# Sustainability through Collaboration

## Letlhakane Abattoir

Owned by the District Council, it is their largest source of revenue annually

Meat inspection process in the abattoir ensures that meat from animals are free from diseases, are wholesome and of no risk to human health.



Farmers  
receive  
government  
set livestock  
prices



# Gender Diversity

## Equal Pay for Equal Work

- Lucara promotes equal opportunities throughout the organization and maintains one of the highest ratios of women in mining in southern Africa (18%)
- Women dominate in senior leadership roles including the CEO, the CFO, the MD and CFO of Lucara Botswana
- Currently 11 women in leadership positions in Lucara Botswana



# Conclusions

**Lucara is a high margin, mid-tier diamond producer in operation since 2012 who's success is founded on the strength of its assets, its people and its engagement and partnerships with local communities and stakeholders**



High margin diamond producer, 98% of workforce from Botswana



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



813 ct

# Capital Structure

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## LUC

Lucara is a publicly listed company trading under the symbol "LUC"

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TSX

NASDAQ Stockholm

BSE (Botswana)

**~C\$202M**

Market Cap

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**US\$20.0**

(September 2020)

Working capital facility

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**396.9M**

(September 2020)

Issued shares

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**22.4%**

Fully Diluted Basis

Insider Holdings

**404.8M**

(September 2020)

Fully diluted Shares

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**US\$10.1M**

(September 2020)

Cash on hand

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**US\$30.0M**

(available)

Credit Facility



549 ct



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