

**FIFTH AMENDING AGREEMENT TO
AMENDED AND RESTATED CREDIT AGREEMENT AND CONSENT**

THIS AGREEMENT dated as of the 29th day of April, 2020.

BETWEEN:

THE BANK OF NOVA SCOTIA, a Canadian chartered bank

(herein, in its capacity as administrative agent for the Lenders, called the
“**Administrative Agent**”)

- and -

LUCARA DIAMOND CORP., a corporation existing under the laws of the
Province of British Columbia

(herein called the “**Borrower**”)

- and -

THE BANK OF NOVA SCOTIA, as Lender

WHEREAS the parties hereto entered into an amended and restated credit agreement dated as of May 5, 2014, as amended by a first amending agreement and consent dated July 18, 2016, a second amending agreement dated as of May 4, 2017, a third amending agreement dated February 22, 2018 and a fourth amending agreement dated December 19, 2018 (collectively, the “**Credit Agreement**”);

AND WHEREAS the parties hereto wish to amend certain provisions of the Credit Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the mutual covenants and agreements contained herein, the parties covenant and agree as follows:

**ARTICLE 1
DEFINED TERMS**

1.1 Capitalized Terms. All capitalized terms which are used herein without being specifically defined herein shall have the meanings ascribed thereto in the Credit Agreement as amended hereby.

ARTICLE 2 AMENDMENTS TO CREDIT AGREEMENT

2.1 General Rule. Subject to the terms and conditions herein contained, the Credit Agreement is hereby amended to the extent necessary to give effect to the provisions of this agreement and to incorporate the provisions of this agreement into the Credit Agreement.

2.2 Defined Terms. Section 1.1 of the Credit Agreement is hereby amended as follows:

- (a) the definition of “Maturity Date” is amended by deleting the reference therein to “May 5, 2020” and replacing it with “May 5, 2021”; and
- (b) the definition of “Material Agreements” is deleted in its entirety and replaced with the following:

“**Material Agreements**” means the Electric Supply Agreement, the Diamond Process Plant Operation and Maintenance Agreement, the Mining Services Agreement and any other contract to which a Subject Entity is a party and which the Administrative Agent, on the instructions of the Majority Lenders, has designated in writing to the Borrower as a Material Agreement and “**Material Agreement**” means any of the Material Agreements.

- (c) the definition of “Boteti” is deleted in its entirety and replaced with the following:

“**Boteti**” means Lucara Botswana (Proprietary) Limited (formerly known as Boteti Mining (Proprietary) Limited) a company incorporated under the laws of Botswana.

- (d) the definitions of “Kalcon Agreement” and “Minopex Agreement” are each deleted in their entirety;
- (e) the following new definitions are added in alphabetical order:

“**Diamond Process Plant Operation and Maintenance Agreement**” means the diamond process plant operation and maintenance agreement dated as of December 14, 2017 between Boteti Mining Proprietary Limited and Lazenby Holdings (PTY) Limited.

“**Mining Services Agreement**” means the mining services agreement dated as of October 16, 2018 between Lucara Botswana (PTY) Ltd. and Trollope Botswana (PTY) Limited.

“**Underground Capital Expenditures**” means, for any particular period, those expenditures of the Borrower on a consolidated basis with respect only to the underground expansion project at the mine relating to the Karowe Project which would, in accordance with GAAP, be considered capital expenditures of the Borrower for such period and, for greater certainty, shall not include any sustaining capital expenditures for such period that are incurred in connection with the Karowe Project.”

2.3 Effect of Benchmark Discontinuance Event. The Credit Agreement is hereby amended by adding the following new Section 3.5A immediately following Section 3.5 therein:

“3.5A Effect of Benchmark Discontinuance Event.

- (a) Notwithstanding anything to the contrary herein or any other Credit Document, upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, the Administrative Agent and the Borrower may amend this agreement to replace LIBOR with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5th) Banking Day after the Administrative Agent has posted such proposed amendment to all Lenders and the Borrower so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Majority Lenders. Any such amendment with respect to an Early Opt-in Election will become effective on the date that Lenders comprising the Majority Lenders have delivered to the Administrative Agent written notice that such Majority Lenders accept such amendment. No replacement of LIBOR with a Benchmark Replacement pursuant to this Section 3.5A will occur prior to the applicable Benchmark Transition Start Date.
- (b) In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Credit Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.
- (c) The Administrative Agent will promptly notify the Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date and Benchmark Transition Start Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes and (iv) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or Lenders pursuant to this Section 3.5A, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 3.5A.
- (d) Upon the Borrower’s receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for, conversion to or continuation of LIBOR Loan to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for, or conversion to, Base Rate Advance.

(e) As used in this Section 3.5A, the following terms have the following meanings:

“Benchmark Replacement” means the sum of: (a) the alternate benchmark rate (which may include Term SOFR) that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to LIBOR for U.S. dollar-denominated syndicated credit facilities and (b) the Benchmark Replacement Adjustment; provided that, if the Benchmark Replacement as so determined would be less than zero, the Benchmark Replacement will be deemed to be zero for the purposes of this Agreement.

“Benchmark Replacement Adjustment” means, with respect to any replacement of LIBOR with an Unadjusted Benchmark Replacement for each applicable Interest Period, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of LIBOR with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of LIBOR with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated credit facilities at such time.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest and other administrative matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement).

“Benchmark Replacement Date” means the earlier to occur of the following events with respect to LIBOR.

- (a) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event,” the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of LIBOR permanently or indefinitely ceases to provide LIBOR; or
- (b) in the case of clause (c) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein.

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to LIBOR:

- (a) a public statement or publication of information by or on behalf of the administrator of LIBOR announcing that such administrator has ceased or will cease to provide LIBOR, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide LIBOR;
- (b) a public statement or publication of information by the regulatory supervisor for the administrator of LIBOR, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the administrator for LIBOR, a resolution authority with jurisdiction over the administrator for LIBOR or a court or an entity with similar insolvency or resolution authority over the administrator for LIBOR, which states that the administrator of LIBOR has ceased or will cease to provide LIBOR permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide LIBOR; or
- (c) a public statement or publication of information by the regulatory supervisor for the administrator of LIBOR announcing that LIBOR is no longer representative.

“Benchmark Transition Start Date” means (a) in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication) and (b) in the case of an Early Opt-in Election, the date specified by the Administrative Agent or the Majority Lenders, as applicable, by notice to the Borrower, the Administrative Agent (in the case of such notice by the Majority Lenders) and the Lenders.

“Benchmark Unavailability Period” means, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to LIBOR and solely to the extent that LIBOR has not been replaced with a Benchmark Replacement, the period (x) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced LIBOR for all purposes hereunder in accordance with Section 3.5A and (y) ending at the time that a Benchmark Replacement has replaced LIBOR for all purposes hereunder pursuant to Section 3.5A.

“Early Opt-in Election” means the occurrence of:

- (a) (i) a determination by the Administrative Agent or (ii) a notification by the Majority Lenders to the Administrative Agent (with a copy to the Borrower) that the Majority Lenders have determined that U.S. dollar-denominated syndicated credit facilities being executed at such time, or that include language similar to that contained in Section 3.5A, are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace LIBOR, and

- (b) (i) the election by the Administrative Agent or (ii) the election by the Majority Lenders to declare that an Early Opt-in Election has occurred and the provision, as applicable, by the Administrative Agent of written notice of such election to the Borrower and the Lenders or by the Majority Lenders of written notice of such election to the Administrative Agent (with a copy to the Borrower).

"Relevant Governmental Body" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

"SOFR" with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website.

"Term SOFR" means the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"Unadjusted Benchmark Replacement" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment."

2.4 Distributions. Section 11.2(f) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"(f) Distributions. The Borrower shall not, nor shall it suffer to permit any other Subject Entity to, make or pay any Distributions except Distributions paid or made by a Subject Entity to another Subject Entity which is that first-mentioned Subject Entity's parent."

2.5 Underground Capital Expenditures. Section 11.2 of the Credit Agreement is hereby amended by adding the following new paragraph (n) immediately following paragraph (o) therein:

"(n) Underground Capital Expenditures. The Borrower shall not, and shall not suffer or permit any other Subject Entity to, make any Underground Capital Expenditures in an aggregate amount exceeding [REDACTED]."

2.6 Schedule H. Schedule H of the Credit Agreement is hereby deleted in its entirety and replaced with Schedule H attached hereto.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties. To induce the Lender and the Administrative Agent to enter into this agreement, the Borrower hereby represents and warrants to the Lender and the Administrative Agent that the representations and warranties of the Borrower which are contained in Section 10.1 of the Credit Agreement, as hereby amended, are true and correct on the date hereof as if made on the date hereof.

ARTICLE 4

CONDITIONS PRECEDENT TO EFFECTIVENESS OF AGREEMENT

4.1 Conditions Precedent. This agreement shall not become effective until the following conditions are satisfied:

- (a) a copy of this agreement is executed and delivered to the Administrative Agent by the parties hereto;
- (b) a confirmation of secured obligations in the form attached hereto is executed and delivered by each Guarantor to the Administrative Agent;
- (c) the Administrative Agent shall have received, in form and substance satisfactory to it, all of the following:
 - (i) certified copies of the charter documents and by-laws of each of the Borrower and Boteti (or equivalent documentation);
 - (ii) a duly certified resolution of each of the Borrower's and Boteti's board of directors authorizing it to execute and deliver this agreement and perform its obligations under the Credit Documents to which it is a party, as amended by this agreement;
 - (iii) a certificate of a senior officer of each of the Borrower and Boteti setting forth specimen signatures of the individuals authorized to sign the Credit Documents to which it is a party;
 - (iv) a certificate of status or good standing for each of the Borrower and Boteti issued by the appropriate governmental body or agency of the jurisdiction in which it is incorporated or formed; and
 - (v) opinion of counsel to each of the Borrower and Boteti addressed to the Lenders, the Administrative Agent and the Administrative Agent's counsel with respect to all matters as the Administrative Agent may reasonably request; and
- (d) the Borrower shall have paid to the Administrative Agent a non-refundable upfront fee of [REDACTED].

ARTICLE 5

MISCELLANEOUS

5.1 Future References to the Credit Agreement. On and after the date of this agreement, each reference in the Credit Agreement to "this agreement", "hereunder", "hereof", or words of like import referring to the Credit Agreement, and each reference in any other Credit Document or any related document to the "Credit Agreement", "thereunder", "thereof", or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as amended hereby. The Credit Agreement, as amended hereby, is and shall continue to be in full force and effect and is hereby in all respects ratified and confirmed.

5.2 Confirmation of Guarantee and Security. Each Obligor confirms and agrees that the Liens and other obligations expressed to be created under or pursuant to each Finance Document to which it is a party shall be binding upon such Obligor and its collateral (as described in each such Security Document) shall be unaffected by and shall continue in full force and effect notwithstanding the amendment to the Credit Agreement and consent in respect thereof as constituted hereby and the execution and delivery and effectiveness of this agreement shall not in any manner whatsoever reduce, release, discharge, impair or otherwise prejudice or change the rights of the Finance Parties arising under, by reason of or otherwise in respect of such Liens and other obligations constituted by each such Finance Document. For the avoidance of doubt, each Obligor hereby confirms that each Security Document to which it is a party secures its Secured Obligations and that each such Finance Document to which it is a party continues in full force and effect.

5.3 Governing Law. This agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.

5.4 Inurement. This agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns.

5.5 Conflict. If any provision of this agreement is inconsistent or conflicts with any provision of the Credit Agreement, the relevant provision of this agreement shall prevail and be paramount. This agreement shall not create any novation.

5.6 Further Assurances. The Borrower shall do, execute and deliver or shall cause to be done, executed and delivered all such further acts, documents and things as the Administrative Agent may reasonably request for the purpose of giving effect to this agreement and to each and every provision hereof.

5.7 Counterparts. This agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same agreement. Delivery of an executed signature page of this agreement by facsimile, email or pdf transmission shall be as effective as delivery of a manually executed counterpart hereof.

[Remainder of page intentionally blank.]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this agreement on the date first above written.

LUCARA DIAMOND CORP.

By: "Eira Thomas"

Name: Eira Thomas

Title: President & CEO

By: "Zara Boldt"

Name: Zara Boldt

Title: CFO & Corporate Secretary

**THE BANK OF NOVA SCOTIA, as
Administrative Agent**

By: "Clement Yu"

Name: Clement Yu

Title: Director

By: "Ryan Moonilal"

Name: Ryan Moonilal

Title: Analyst

THE BANK OF NOVA SCOTIA, as Lender

By: "Elizabeth Daponte"

Name: Elizabeth Daponte

Title: Managing Director

By: "Priya Francis"

Name: Priya Francis

Title: Associate

CONFIRMATION OF SECURED OBLIGATIONS

By its signature below, each of the undersigned hereby acknowledges, agrees to and consents to the foregoing amending agreement and the terms and conditions set forth therein (including, for greater certainty, Section 5.2 thereof).

LUCARA DIAMOND CORP.

By: "Zara Boldt"
Name: Zara Boldt
Title: CFO & Corporate Secretary

AFRICAN DIAMONDS LIMITED

By: "Zara Boldt"
Name: Zara Boldt
Title: Director

BOTETI DIAMOND HOLDINGS INC.

By: "Eira Thomas"
Name: Eira Thomas
Title: Director

By: "Zara Boldt"
Name: Zara Boldt
Title: Director

LUCARA DIAMOND HOLDINGS (I) INC.

By: "Eira Thomas"
Name: Eira Thomas
Title: Director

By: "Zara Boldt"
Name: Zara Boldt
Title: Director

**LUCARA BOTSWANA (PROPRIETARY)
LIMITED**

By: "*Zara Boldt*"

Name: Zara Boldt

Title: Director

**DEBWAT EXPLORATION
(PROPRIETARY) LIMITED**

By: "*Zara Boldt*"

Name: Zara Boldt

Title: Director

**WATI VENTURES (PROPRIETARY)
LIMITED**

By: "*Zara Boldt*"

Name: Zara Boldt

Title: Director

**SCHEDULE H
APPLICABLE RATES**

Level	Adjusted Leverage Ratio	Base Rate Loan interest rate margin	LIBOR Loan interest rate margin and Financial Letter issuance fee rate	Standby Fee	Non-Financial Letter issuance fee rate
I	< 1.00 to 1	■% per annum	■% per annum	■% per annum	■% per annum
II	≥ 1.00 to 1 and < 1.50 to 1	■% per annum	■% per annum	■% per annum	■% per annum
III	≥ 1.50 to 1 and < 2.50 to 1	■% per annum	■% per annum	■% per annum	■% per annum