LUCARA DIAMOND CORP.

Supply Chains Act Report

For the Financial Year Ended December 31, 2025

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ABOUT THIS REPORT

Lucara Diamond Corp. presents this Fighting Against Forced Labour and Child Labour in Supply Chains Report (the "Report") in accordance with Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act") for the financial year ended December 31, 2025. Lucara Diamond Corp. makes this Report on behalf of itself and its indirect, wholly owned operating subsidiary, Lucara Botswana Proprietary Limited ("Lucara Botswana"), (together "Lucara" or the "Company").

The Report details actions taken by Lucara to assess and address Lucara's risks with respect to forced labour and child labour practices in our operations and supply chains. All monetary amounts are in U.S. dollars, unless otherwise stated.

ABOUT OUR BUSINESS

Lucara Diamond Corp. is a publicly listed Canadian diamond mining company headquartered in Vancouver, operating the 100% owned Karowe Diamond Mine ("Karowe" or the "Karowe Mine") in Botswana.

Lucara's revenue comes from the sale of natural rough diamonds mined by Lucara Botswana at Karowe and which are sold through three sales channels, namely through HB Antwerp, quarterly tenders held in Gaborone and Antwerp, and via the Clara digital sales platform. Botswana is a conflict-free country.[1]

Lucara is a member of the Lundin Group of Companies and is listed on the Toronto Stock Exchange, the Nasdaq First North Growth Market, and the Botswana Stock Exchange under the symbol "LUC".

At the end of 2025, Lucara had approximately 610 employees primarily in Botswana and Canada. The majority of Lucara's employees are located at the Karowe Mine and approximately 99% of the employees who work in the open pit operation of the Karowe Mine and 93% of the employees who work on the Karowe Underground Project are citizens of Botswana.

[1] Per the 2025 Global Peace Index, Botswana is ranked 43 out of 163 countries with an overall score of 1.743 out 5. The lower the score the more peaceful the country.

Mission: Using innovation, creating value, making a difference across the diamond industry.

Values:

- Respect - We respect and listen to our people, our communities and our local governments.
- Health & Safety - What we do at work, we do at home.
- Transparency & Trustworthy - Communicating with openness and honesty.
- Collaboration - Creating positive economic and social benefits; partnering with our communities.
- Integrity - Delivering on our promises and commitments.
- Pursuing excellence - Contribute to the Lundin Group's history of success and excellence.

GOVERNANCE

Lucara's Board of Directors (the "Board") oversees the Company's approach to risk management, which includes risks related to human rights.

We believe in conducting our business in a transparent manner that complies with all applicable laws, respects human rights, protects the environment, and safeguards our employees, contractors, and communities. The Board Mandate establishes the responsibilities of the Board, and along with the Company's policies, highlights the Board's accountability to shareholders and stakeholders, both internal and external.

Since 2018, Lucara has been a Participant of the United Nations ("UN") Global Compact, and we are committed to implementing its Ten Principles focused on Human Rights, Labour, Environment, and Anti-Corruption. We also support the UN Sustainable Development Goals ("SDGs") and have adopted the Mining Association of Canada's Towards Sustainable Mining ("TSM") Standard, the IFC Performance Standards, the World Bank Group's Environmental, Health and Safety Guidelines for Mining, in addition to the Equator Principles. Lucara adheres to the Kimberley Process and is a certified member of the Responsible Jewellery Council ("RJC").

OVERVIEW OF SUPPLY CHAINS

Procurement

Lucara's supply chains rely on national and international networks of business partners for the provision of products and services required to support business activities at Karowe. Many of Lucara's procurement activities take place in Botswana, which is governed by the Lucara Botswana Procurement Policy, and aligns with Botswana's Citizen Economic Empowerment Policy and is further supported by the principles of the *Economic Inclusion Act* (2021), which gives preference to products and services from Botswana-registered and citizen-owned vendors and contractors. In 2025, spending on goods and services procured locally in Botswana account for 49% of the total procurement spend.

Our procurement practices begin at the sourcing and awarding of the contract and continue through the duration of the contract until contract completion. We conduct our procurement practices in a transparent and ethical manner.

Our service providers and contractors are expected to adhere to Lucara procurement policies, practices, and protocols, and are expected to acknowledge and adhere to the Lucara *Code of Business Conduct & Ethics*, which is available on our website at https://lucaradiamond.com/about-us/corporate-governance/. Furthermore, we expect service providers and contractors at Karowe to adhere to the ISO 45001: 2018 Occupational Health and Safety management system requirements. In furtherance of that expectation, our service providers and contractors are subject to periodic assessments, supplier performance reviews, and internal audits to evaluate compliance with the standards. The general contract terms stipulate that a contract can be terminated where there is a breach of the governing laws and regulations such as the labour laws outlined in the *Employment Act* of Botswana.

Service providers and contractors are advised that they have the right to report any irregular, improper or corrupt procurement practices to Lucara's third-party operated whistleblower hotline.

POLICIES, DUE DILIGENCE PROCESSES, AND GRIEVANCE PROCEDURES

Lucara's corporate policies define our commitment to act lawfully, ethically, and responsibly, and outline the Company's expectations of acceptable business practices.

i. *Code of Business Conduct & Ethics (the "Code")* – sets out key guiding principles of conduct and ethics that Lucara expects of its employees, directors, and officers and is designed to deter wrongdoing and to promote responsible business practices. Lucara expects its employees and contractors to comply and act in accordance with the Code at all times.

   Lucara's Code includes explicit mention of forced labour and child labour and states: "*The Company will comply with all applicable labour laws including laws prohibiting the use of forced labour and child labour*". The Code also includes mention of forced labour and child labour in relation to contractors and stipulates that: "*Contractors must operate in full compliance with all laws, rules and regulations applicable to the countries in which they operate including anti-bribery laws, insider trading laws, competition laws and prohibition of forced labour and child labour laws*".

   All officers and all managers, including those at the Company's subsidiaries, maintain an "open door" policy regarding questions of business conduct as regards to this Code and its applicability. Employees are encouraged to ask such questions in respect of any particular situation no matter how small or insignificant it may seem to be. Each employee is encouraged to be alert to any work-related activities which could be construed as a violation of the Code. They should: (i) bring the matter to the attention of their immediate supervisor, or an officer of the Company, as appropriate or proceed internally on a confidential and/or anonymous basis as explained in the Code; and (ii) take corrective action, if possible, to remediate the situation and/or prevent recurrence of the violation.

   The Company's human resource function has a responsibility to educate employees and contractors on adherence and consequences of violation of the Company's Code and other policies and procedures relating to labour rights. The function also facilitates resolution of grievances violations, in line with established internal grievance and disciplinary processes.

   If any employee is uncertain whether an activity in which they are engaged or an activity they are witnessing could be construed as a violation of the Code, they are expected to discuss the matter with their immediate supervisor, or an officer of the Company, as appropriate. If it is determined that there is a violation, the process includes the employee, supervisor or officer, as applicable, advising the Chair of the Audit Committee in writing.

   Following the receipt of a report of a violation, the process includes steps for the Chair of the Audit Committee to investigate each matter and report to the Board. From here, the Board may take corrective disciplinary actions, if appropriate, which may include termination of employment.

   There will be no reprisals against employees, officers and directors for good faith reporting of compliance concerns or violations.

   The Code also references the Company's Whistleblower Policy, which allows employees, to voice genuine concerns in relation to a breach of legal regulations, breaches of the Code, financial malpractice or impropriety or fraud, failure to comply with a legal obligation or legislation, dangers to health and safety or the environment, criminal activity, or attempts to conceal any of these. Employees can submit reports to Lucara's third-party operated whistleblower hotline. The Company's Whistleblower Policy protects potential whistleblowers from retaliation for reporting in good faith any concerns with respect to the above matters and outlines the procedure to follow if such a report were to be made.

The Code was updated and re-approved by the Board in December 2025.

ii. *Human Rights Policy* – Lucara is committed to meeting our responsibility to respect human rights and labour standards as defined by the UN Guiding Principles on Business and Human Rights. Our commitment is based on the Kimberley Process, the RJC Code of Practices (2019), and other relevant standards. We actively participate in the UN Global Compact and have adopted ten of the seventeen UN SDGs. Our principle is that where national law and international human rights standards differ, we will follow the higher standard; where they are in conflict, we will adhere to national law, while seeking ways to respect international human rights to the greatest extent possible. The Human Rights Policy applies to Lucara Diamond Corp. and all its subsidiaries. Contractors and suppliers are also expected to uphold these principles.

Lucara's Human Rights Policy includes the following principle on forced labour and child labour: "*Throughout our business practices, we uphold the freedom of association, the elimination of forced or compulsory labour, the effective abolition of child labour, and the elimination of discrimination in respect of employment and occupation*".

If any violation of the Human Rights Policy is observed, whether committed by Company employees or by others associated with the Company, it should be reported to an immediate supervisor, or an officer of the Company, as appropriate. If it is determined that there is a violation, there is a process for the employee, supervisor or officer, as applicable, to advise the Chair of the ESG Committee in writing.

Following the receipt of any reports submitted under the Human Rights Policy, the process provides the Chair of the ESG Committee with the power to investigate each matter and report to the Board. The Board may apply corrective disciplinary actions, if appropriate, up to and including termination of employment.

There will be no reprisals against employees, officers and directors for good faith reporting of compliance concerns or violations.

We report to the public on our human rights-related commitments, efforts and statements, consistent with this Human Rights Policy, as part of our annual Sustainability Report (available on Lucara's website).

The Human Rights Policy is overseen by Lucara's Chief Executive Officer with support from the management team. This supports our expectation that every part of our business understands the responsibility to respect human rights and to remedy violations. Board-level oversight is provided by Lucara's ESG Committee.

The Human Rights Policy was last reviewed by the Board in November 2025.

iii. *Anti-Bribery and Anti-Corruption Policy* – In terms of this policy, Lucara, including its subsidiaries, is committed to conducting its business in accordance with all applicable laws, rules and regulations and the highest ethical standards. The Anti-Bribery and Anti-Corruption Policy sets out Lucara's expectations regarding compliance by the Company and its officers, directors, employees and agents with Canada's *Corruption of Foreign Public Officials Act*, Botswana's *The Penal Code and the Corruption and Economic Crime Act*, the UK's *Bribery Act*, South Africa's *Prevention and Combatting of Corrupt Practices Act*, the U.S.

Foreign Corrupt Practices Act, and any other anti-bribery or anti-corruption laws that are applicable. This Policy supplements Lucara's Code and applicable laws and applies to Lucara's operations worldwide.

The Anti-Bribery and Anti-Corruption Policy applies to all directors, officers, and employees of the Company. The Company's agents, contractors, consultants, and suppliers are expected to comply with this Policy, or their own policy that Lucara has determined to be comparable, as a condition of doing business with Lucara.

Lucara's Chief Executive Officer is responsible for administering and interpreting this Policy, under the oversight of the Audit Committee. Any questions about the permissibility or lawfulness of any transaction or activity should be directed promptly to the Chief Executive Officer before the transaction or activity takes place.

The Anti-Bribery and Anti-Corruption Policy was last reviewed by the Board in November 2025.

iv. *Whistleblower Policy* – The Audit Committee of the Board has established the Whistleblower Policy, which includes procedures for the receipt, retention and treatment of reports, concerns or submissions regarding accounting, internal accounting controls or auditing matters by its employees, officers and directors.

The Whistleblower Policy was last reviewed by the Board in November 2025.

v. *Responsible Mining Policy* – Lucara's Responsible Mining Policy details Lucara's commitments to environmental responsibility, social responsibility, governance, and planning for a positive legacy. This includes our commitment to sustainable development, on-going dialogue with a range of stakeholders across our operations and conducting our business in a transparent manner that complies with applicable laws, respects human rights, and safeguards our employees, contractors, communities, and stakeholders.

The Responsible Mining Policy was last reviewed by the Board in November 2025.

vi. *Corporate Social Responsibility Charter* – Lucara seeks to initiate and promote ongoing dialogue with a broad range of stakeholders across our operations, maintained in a spirit of transparency and good faith. Lucara recognizes that effective stakeholder engagement can create value and mitigate risk for both the company and its stakeholders. We acknowledge that mining is, by definition, finite and therefore will work to provide lasting benefits in the communities where we live and work.

The Corporate Social Responsibility Charter was last reviewed by the Board in February 2026.

POTENTIAL MODERN SLAVERY RISKS

According to the Walk Free Global Slavery Index, both Canada and Botswana have a modern slavery prevalence of 1.8 per 1,000 people and rank in the lowest 20 countries, out of a measure of 160 countries.[2]

Lucara's employment processes adhere to legal requirements in Canada and Botswana and are overseen by management. Lucara has assessed the risk of child labour within its own workforce as extremely low.

The Botswana Constitution prohibits slavery, servitude, and forced or compulsory labour.[3]

[2] Source: Walk Free Global Slavery Index - Botswana and Canada
[3] Constitution of Botswana

Botswana ratified the ILO Convention No. 138 in 1997, which stipulated 15 years as the minimum age for employment and prohibits children under 18 years to be employed in hazardous work, and ratified ILO Convention No. 182 concerning the Worst Forms of Child Labour in 1999. The Botswana *Employment Act* also sets the minimum age for employment at 15 years and allows for 15 to 18-year-olds to contract on light or non-hazardous work.[4] Lucara's internal recruitment and hiring policies prohibit the employment of persons under the age of 18 years.

Botswana ratified the ILO Convention No. 105 of 1957 on the Abolition of Forced Labour in 1997. Working hours at Lucara are within the legally approved hours of work. Working hours for shift workers and overtime are within the limits stipulated by Botswana law.

Wages paid to Lucara employees in Botswana are above the statutory minimum requirements and are competitive within the Botswana mining sector. The Company's remuneration philosophy is based on affordability and sustainability. Lucara's collective Labour Agreement with the Botswana Mine Workers Union (the "Union") provides for the required annual review of wages and other conditions of service. Disputes that arise in the workplace, are processed through Lucara's internal grievance protocols and other dispute resolution mechanisms provided by law. Since commencement of operations, Lucara has never had any labour unrests or strike action emanating from disputes over employment conditions or wages. This has been achieved through continuous consultation with the workforce and regular engagements with the representative Union. Our aim has always been to create an environment that is conducive for our employees to work and to continually foster a positive work culture.

Employees can raise concerns about any labour rights violations through the Company's grievance mechanisms and whistleblower hotline.

TRAINING

All new employees read and acknowledge their understanding of the Company's policies, including the Code and the Human Rights Policy. On an annual basis Lucara employees review and acknowledge their understanding of the policies. All Lucara Botswana employees received training on the Code in 2025.

Lucara is committed to aligning its security practices with the Voluntary Principles on Security and Human Rights (VPSHR). All security personnel receive human rights training on a three-year refresher cycle. By the end of 2025, 71% of security staff had completed refresher human rights training, following the completion of our three-year cycle. The remaining staff are scheduled for the 2026 and 2027 cycles. Contracted security providers are required to complete mandatory human rights training within six months of engagement. A Memorandum of Understanding with Botswana law enforcement agencies supports alignment with national legislation and the VPSHR.

ASSESSING EFFECTIVENESS AND 2025 ACTIVITIES

No child labour or forced labour related cases involving Lucara and its activities were reported in 2025.

Lucara's internal audit function conducted several audits throughout 2025, including audits in supply chain management, project management, and industrial relations areas, which consider supplier due diligence, contractor oversight, and adherence to labour laws and ethical standards. Further, the internal audit function conducted security effectiveness and stockpile management audits, considering illegal or informal labour activities, including unauthorized access, illicit material sourcing, and unsafe scavenging practices often linked to vulnerable groups.

Lucara conducts quarterly internal labour and human rights compliance audits of its contractors. The audit criteria assess alignment with the Company's Human Rights Policy and include evaluation of risks related to child labour,

[4] Source: International Labour Organization - Action Programme on the Elimination of Child Labour, Botswana 2008-2012

forced labour, modern slavery, and fair employment practices, including remuneration. During the 2025 reporting period, no contractors were found to be in violation of human rights requirements.

In addition, Lucara uses the RJC audit cycle to test that its documented controls are operating in practice against labour rights criteria, including forced labour and child labour. If any non-conformances are identified through RJC audits, there are processes in place to have the non-conformance recorded, assigned to accountable owners, and closed out through corrective action plans, in accordance with the timeframe prescribed in the corrective action plan, which will be established based on the nature of the non-conformance. Lucara was most recently recertified by the RJC in 2024 following third-party audits at our operations at Karowe and at our corporate office in Vancouver, Canada. Human rights were assessed under the RJC Code of Practices (2019).

APPROVAL AND ATTESTATION

This Report was approved by the Board of Directors of Lucara Diamond Corp. on May 7, 2026, pursuant to section 11(b)(ii) of the Act for and on behalf of itself and its subsidiaries.

On behalf of the Board,

Signed "William Lamb"

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William Lamb, I have the authority to bind Lucara Diamond Corp.
President, Chief Executive Officer & Director
May 7, 2026