



# The New Diamond Producer

June 2013



Lucara Diamond Corp.

# Cautionary Statement



## *Forward-looking information*

This document contains statements about expected or anticipated future events and financial results of Lucara that are forward-looking in nature and are based on Lucara's current expectations, estimates and projections. This forward-looking information is subject to certain risks and uncertainties, such as legal and political risk, civil unrest, general economic, market and business conditions, the regulatory process and actions, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events and management's capacity to execute and implement its future plans. The actual results, activities, performance or achievements of Lucara may differ materially from those projected by management. A discussion of factors that may affect Lucara's actual results, performance, achievements or financial position is contained in the filings by Lucara with the Canadian provincial securities regulatory authorities, including Lucara's 2012 annual MD&A filed on March 21, 2013 on the system for electronic document analysis and retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com).

## *Technical information*

The technical information in this document for the Mothae diamond project in Lesotho ("Mothae") and the AK6 diamond project (Karowe Mine) in Botswana is based on the following technical reports, respectively:

NI 43-101 Technical Report and Mineral Resource Estimate for the Mothae Diamond Project, Lesotho Prepared by MSA Geoservices (Pty) Ltd on behalf of Lucara Diamond Corp., dated February 28, 2013

NI 43-101 Technical Report on the Feasibility Study for the AK6 Kimberlite Project, Botswana Prepared by MSA Geoservices (Pty) Ltd on behalf of Lucara Diamond Corp., dated December 31, 2010

The authors of these technical reports are independent of the Company and are qualified persons for the purposes of National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). The technical reports are available for review on SEDAR at [www.sedar.com](http://www.sedar.com).

# 2013 Outlook



## Karowe

- 2013 carat production target of 420,000 carats
- Operating costs of \$23 per tonne
- Total of 8 regular and 1 large stone diamond tender planned for 2013 with estimated revenues of approximately \$118 million

## Mothae

- Trial mining phase completed in September 2012
- Mothae Resource Estimate Completed and path forward for Mothae being investigated

# Capital Structure

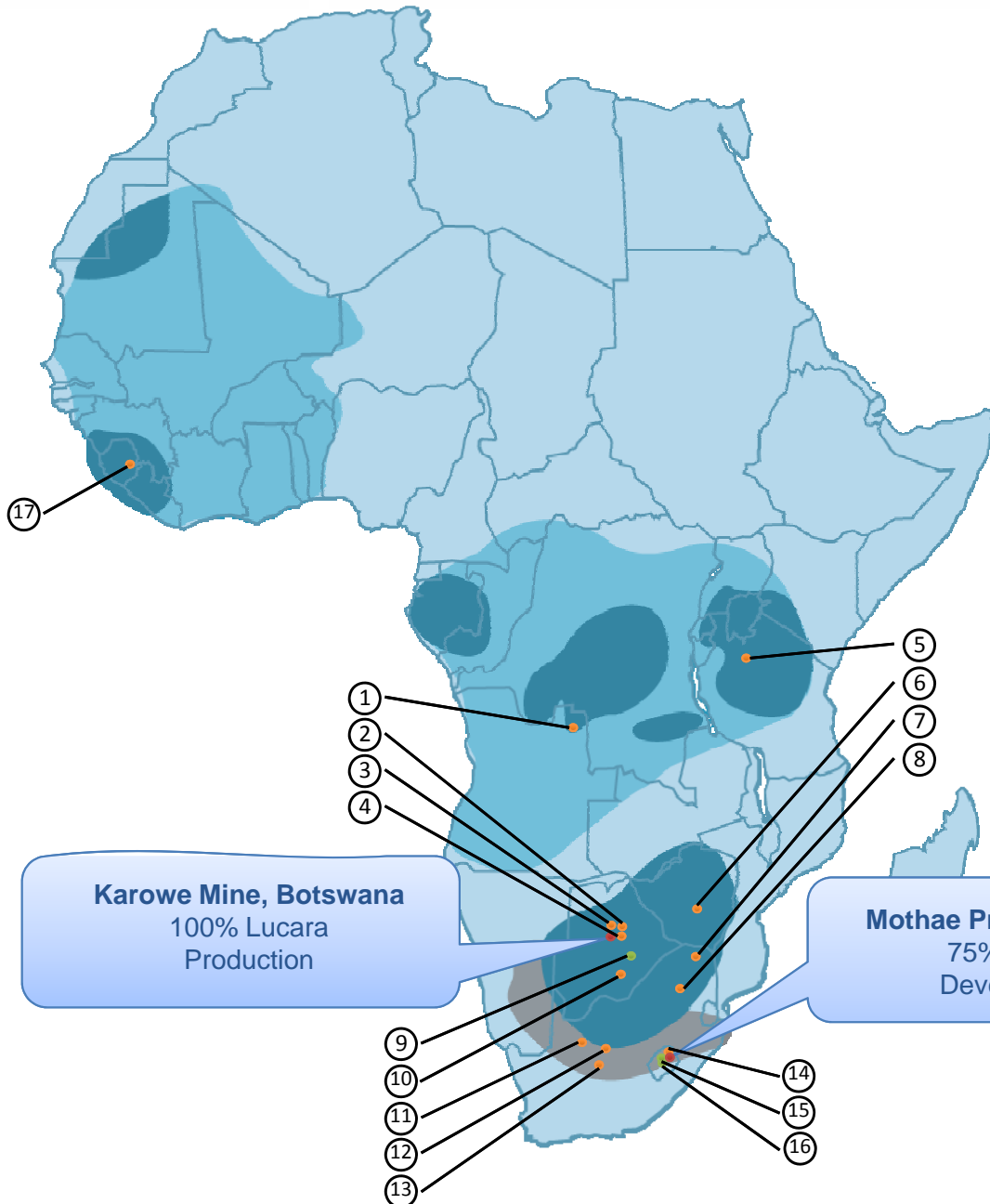


- Listed Exchanges under Symbol “LUC”
  - TSX
  - OMX (Sweden)
  - BSE (Botswana)
  
- Issued share 376M
- Fully diluted shares 381M
  - Options 5.1M (C\$ 0.79 WA exercise price)
  - Warrants Nil
  - Convertibles Nil
  
- Market Cap C\$ 263 million (May, 2013)
  
- Debt US\$ 41.7 million
  
- Cash – Q1, 2013 US\$ 13 million

# African Focus



**60% of worlds rough diamond originate from Africa**



### Kimberlite Mines and Projects

- |               |                   |              |
|---------------|-------------------|--------------|
| 1. Catoca     | 8. Cullinan       | 15. Lihobong |
| 2. Letlhakane | 9. Ghaghoo        | 16. Kao      |
| 3. Orapa      | 10. Jwaneng       | 17. Koidu    |
| 4. Damtshaa   | 11. Finsch        |              |
| 5. Williamson | 12. Kimberley     |              |
| 6. Murowa     | 13. Koffiefontein |              |
| 7. Venetia    | 14. Letseng       |              |

- Archons: Archean areas (3,500 – 2,500 million years old)
- Procons : Early and middle proterozoic areas (2,500 – 1,500 million years old)
- Tectons: Late proterozoic areas (1,500 – 600 million years old)

# Karowe Mine



The Karowe mine – commissioned Q2, 2012, commercial production July 2012 and proving to have far more to offer than originally anticipated.



Karowe Mine – March 2013



9.46 carat blue diamond recovered in Oct 2012, sold for \$4.51 million (\$477,424/ct)



239 carat diamond recovered in March 2013, sold for \$5.7 million.

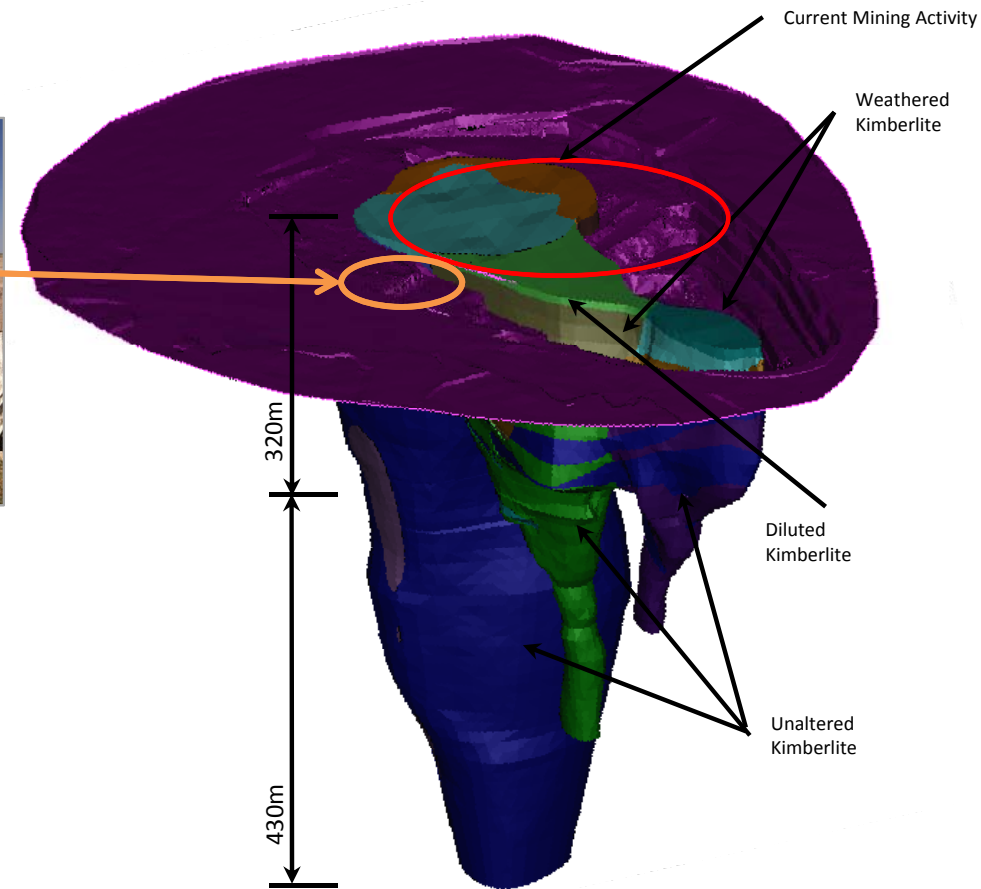
One of 85, +10.8ct diamonds recovered during a single production cycle

# Karowe – The Mine



Mining at Karowe focused on long-term sustainability

- Mining according to plan
- Opening sufficient area to provide flexibility in plant feed



Current mining is focused on the Centre lobe with stripping of the South. The Centre lobe forms the majority of material processed in 2013

# Karowe – The Plant



Mill and crushed ore stockpile

DMS, Recovery, Sorthouse and Tailings Systems



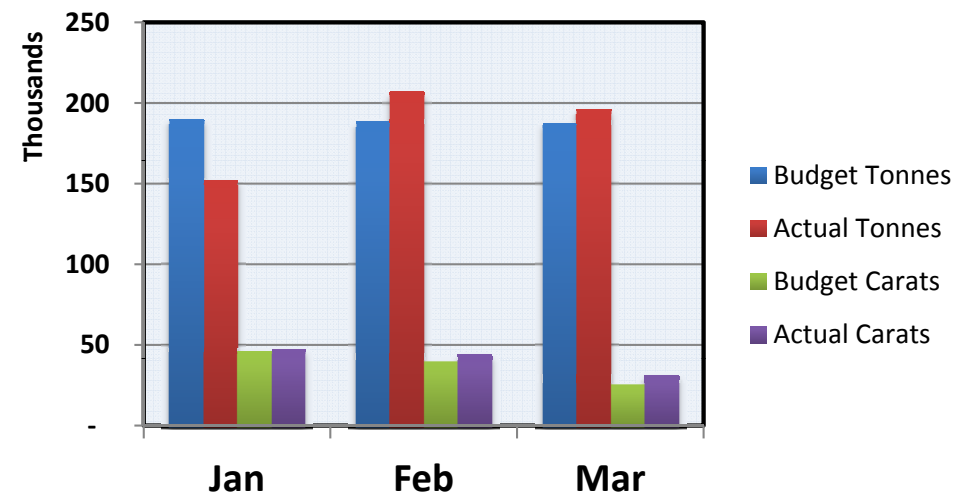


# Karowe Mine – Status Update



- Process plant operations are mature with greater understanding of AG mill operational parameters
- Mine is currently running at or above design capacity
- Water resources effectively being managed through process optimization and feed material selection
- Process changes made to increase top-size of material processed following the recovery of large diamonds
- Major maintenance activities scheduled for May moved to January

### Karowe Plant Production Data

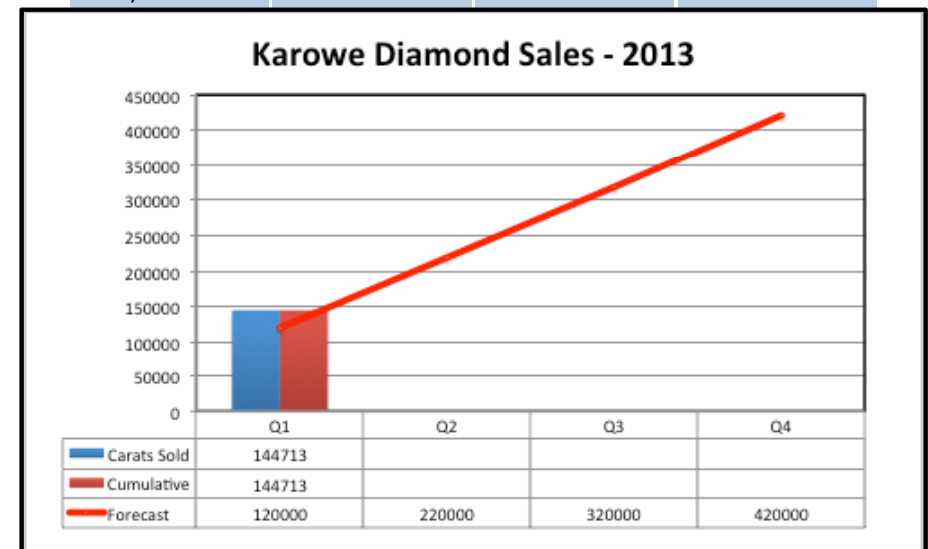


# Karowe Mine – Diamond Sales



- Eight sales planned for 2013 (two per quarter) averaging 50,000 carats per sale
- Average sales value for Q1 sales at \$243/ct (excl. diamonds not sold in Dec.)
- 18,233 carats of smaller size diamonds held over from December sale due to low bidding volume.
- Sales assortments more consistent with larger sales volumes.
- Careful management of sales lots required as diamond quality shifts with the recovery of centre lobe diamonds

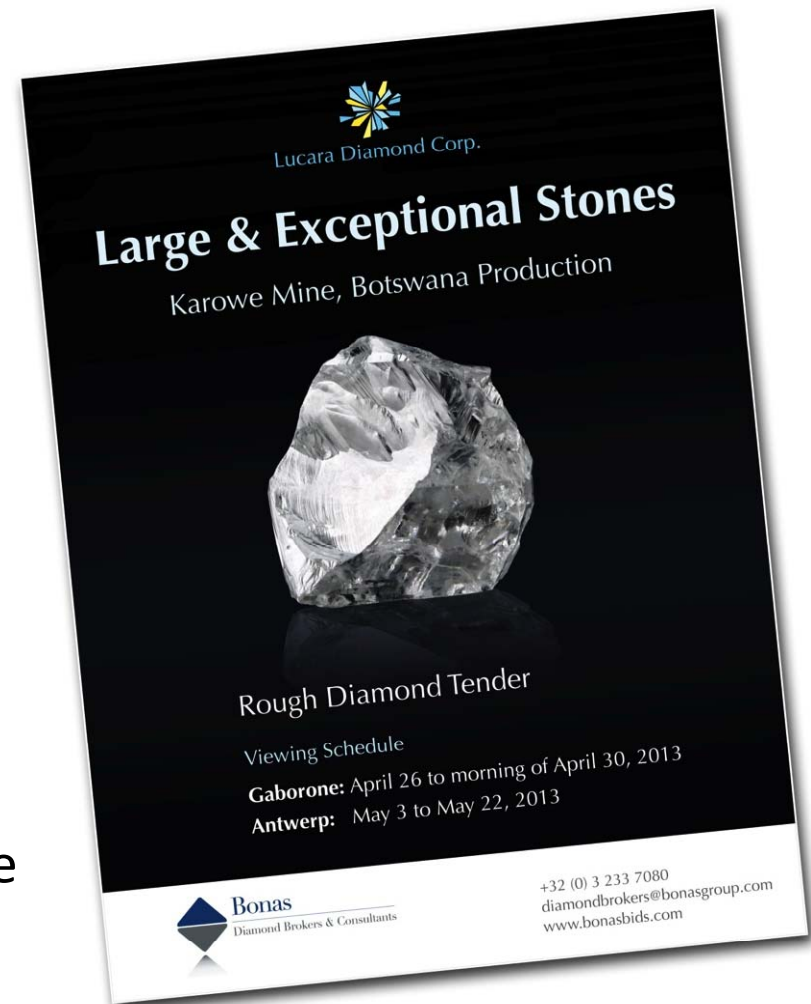
Sale Month	Carats Sold	Revenue (million's)	Value (\$/ct)
Q1 2013 (ROM)	126,490	\$30.74	\$243/ct
Q1 2013 Total (Including Dec)	144,723	\$32.45	\$224/ct



# Karowe Mine – Diamond Sales



- In March a 239 carat diamond was recovered at Karowe
- Following this recovery, over a 6 week period, 84 more diamonds larger than 10.8 carats were recovered, including 6 diamonds larger than 50 carats and 28 diamonds larger than 20 carats
- On May 22, 2013, all stones were sold for gross proceeds of \$24.5 million (\$30,468/carat)
- All large diamonds recovered during a single production cycle



# Karowe Diamonds



## The Diamonds of Karowe

**70.91 cts sold for \$2.76 million**



**50.72 cts sold for \$3.3 million**



**123.63 cts sold for \$4.54 million**



## Safety, Health, Environmental and Socio-Economic

- Exemplary safety record
- Global Reporting Initiative (“GRI”) – first report produced in Q1, 2013 (Available at [www.lucaradiamond.com](http://www.lucaradiamond.com))
- Good relationships with local communities
- Lundin Foundation currently evaluating and implementing sustainable project in operational areas

**The Drivers of Operational  
Excellence**

# Mothae Mine – Resource

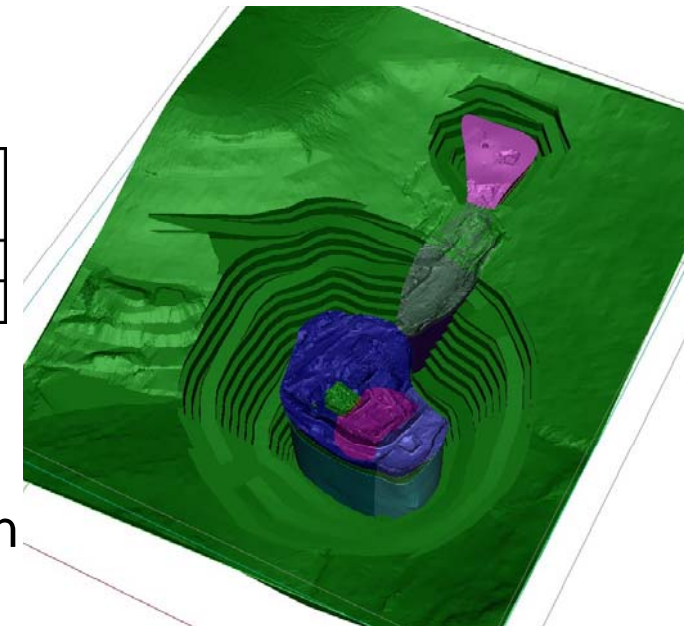


- Trial Mining complete in September 2012 – site put on temporary care and maintenance
- Mothae Resource Update – Complete Q1, 2013

	Volume (Mm <sup>3</sup> )	Density (g/m <sup>3</sup> )	Tonnes (Mt)	Grade (cpht)	Carats	Value (\$/ct)
<b>Indicated</b>	1.04	2.29	2.39	3.0	71,700	\$ 1,196
<b>Inferred</b>	14.37	2.55	36.57	2.7	987,390	\$ 1,053

NI 43-101 Compliant Resource – [www.sedar.com](http://www.sedar.com)

- Project development options under review based on accumulated information



Mothae Kimberlite and proposed mine layout

# Shareholder Value



- **Focus in 2013**

- Carat production and sales of 420,000 carats
- Sustainable production of 2.5 million tonnes
- Revenue generation of ~\$118 million
- Mothae – further understanding of development options

- **First Quarter 2013**

- Strong diamond tenders in Q1 generating \$32.45 million from first two sales
- Large diamond sale in Q2 generating \$24.5 million following strong third diamond tender
- Mining and processing on target

- **Experienced management and Board**

- **Lundin Group Company focused on growth and shareholder value**

# Contact Information



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