



# A New Diamond Producer

February 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 2011 annual MD&A filed on March 22, 2012 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 in Botswana ("AK6") is based on the following technical reports, respectively:

Mothae Kimberlite Project, Lesotho, Geology and Mineral Resource Estimate, Prepared by Mineral Services Canada Inc. for Mothae Diamonds (Pty) Ltd, dated December 21, 2012. Report and Investigation complete by: Tom Nowicki PhD., P.Geo.

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 400,000 carats
- Operating costs of \$23 per tonne
- Total of 8 diamond sales planned for 2013 with estimated revenues of approximately \$90 million

## Mothae

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

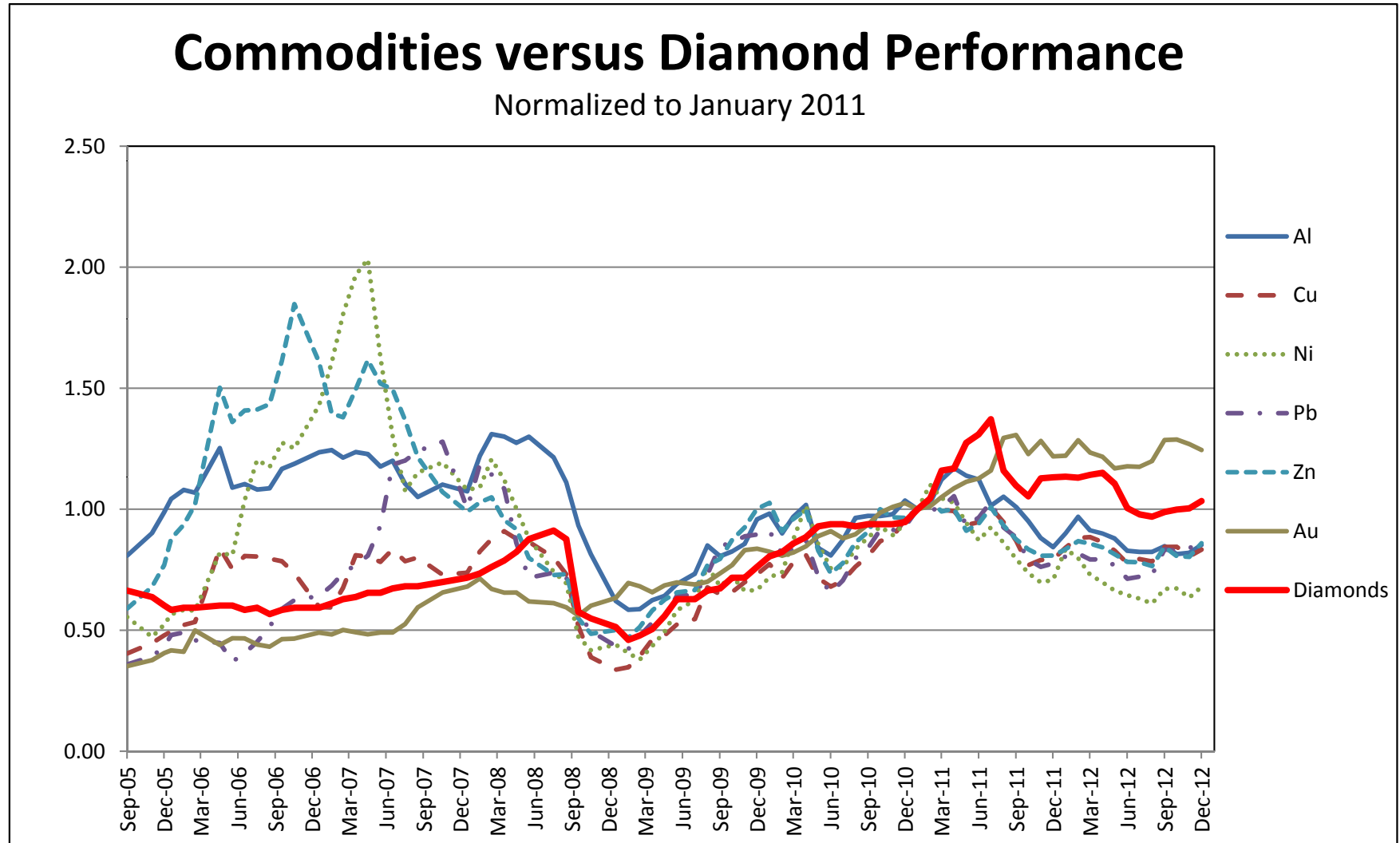


# Capital Structure

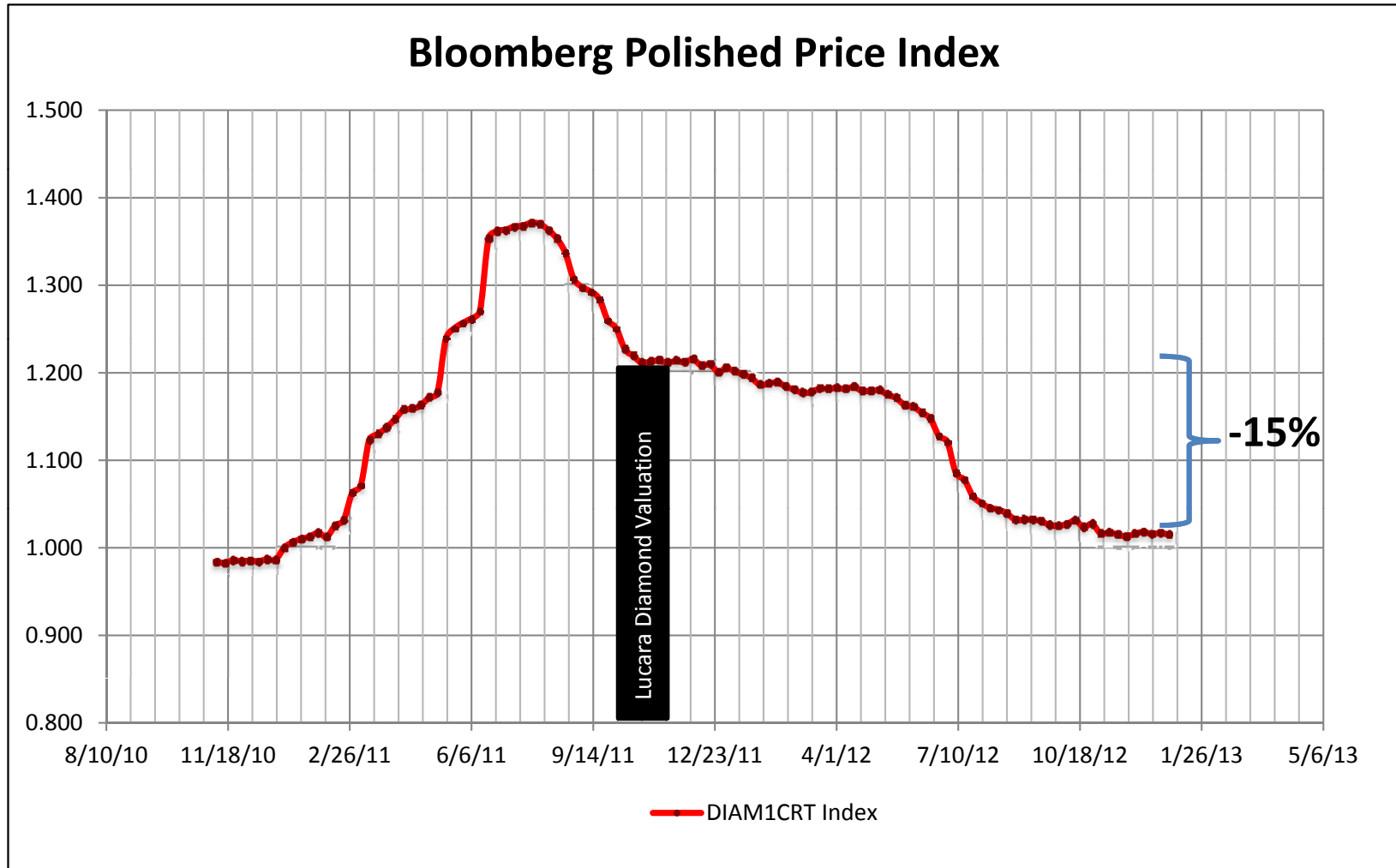


- Listed Exchanges under Symbol “LUC”
  - TSX
  - OMX (Sweden)
  - BSE (Botswana)
  
- Issued share 376M
- Fully diluted shares 381M
  - Options 4.3M (C\$ 0.93 WA exercise price)
  - Warrants Nil
  - Convertibles Nil
  
- Market Cap C\$ 237 million (Jan, 2013)
  
- Debt US\$ 50 million
  
- Cash at Year End US\$ 10 million

# The Diamond Market



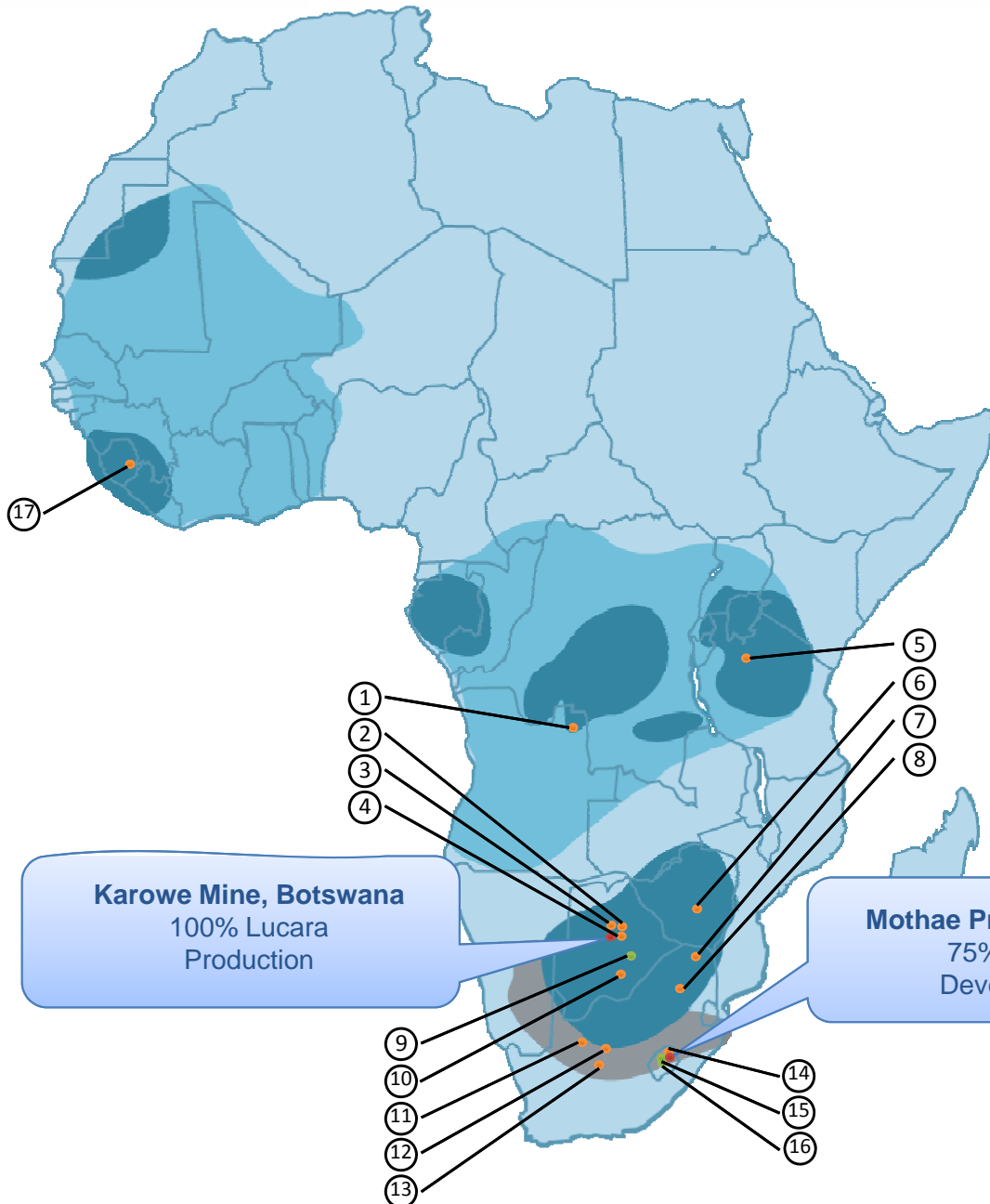
# The Diamond Market



# 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



When Lucara acquired a stake in the Karowe project in Q4, 2009 it was simply two sample trenches



After completing construction of the mine over an 18 month period, the mine was ramped up to design capacity in 5 months, August 2012.



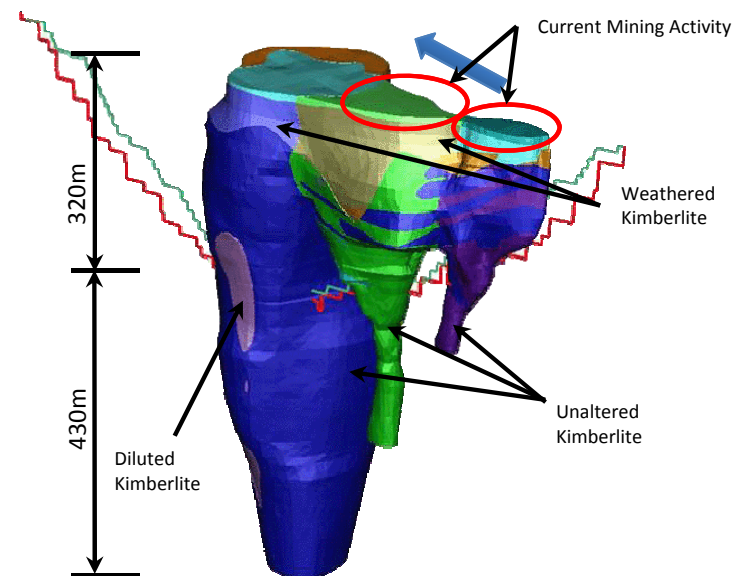
# Karowe – The Mine



The pit at Karowe has started to look like a mine



Current mining is focused on the North Lobe with stripping of the Centre which forms the majority of material processed in 2013



# Karowe – The Plant



Mill and crushed ore stockpile

DMS, Recovery, Sorthouse and tailings Systems

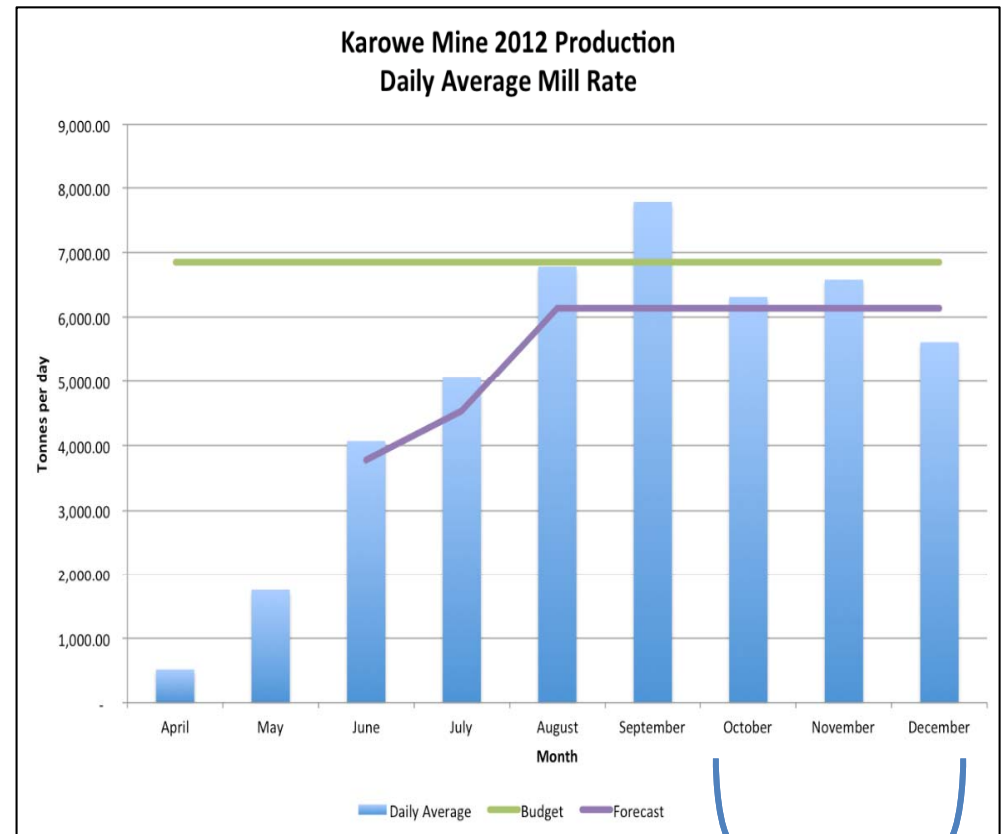




# Karowe Mine – Status Update



- Management and operations team fully staffed and operationally mature
- Mine is currently running at or above design capacity
- Process water being effectively managed
- Five diamond sales took place in 2012 with gross revenues of >\$54 million
- 2012 carat production target exceeded by 12 % with total production of 303,000 carats



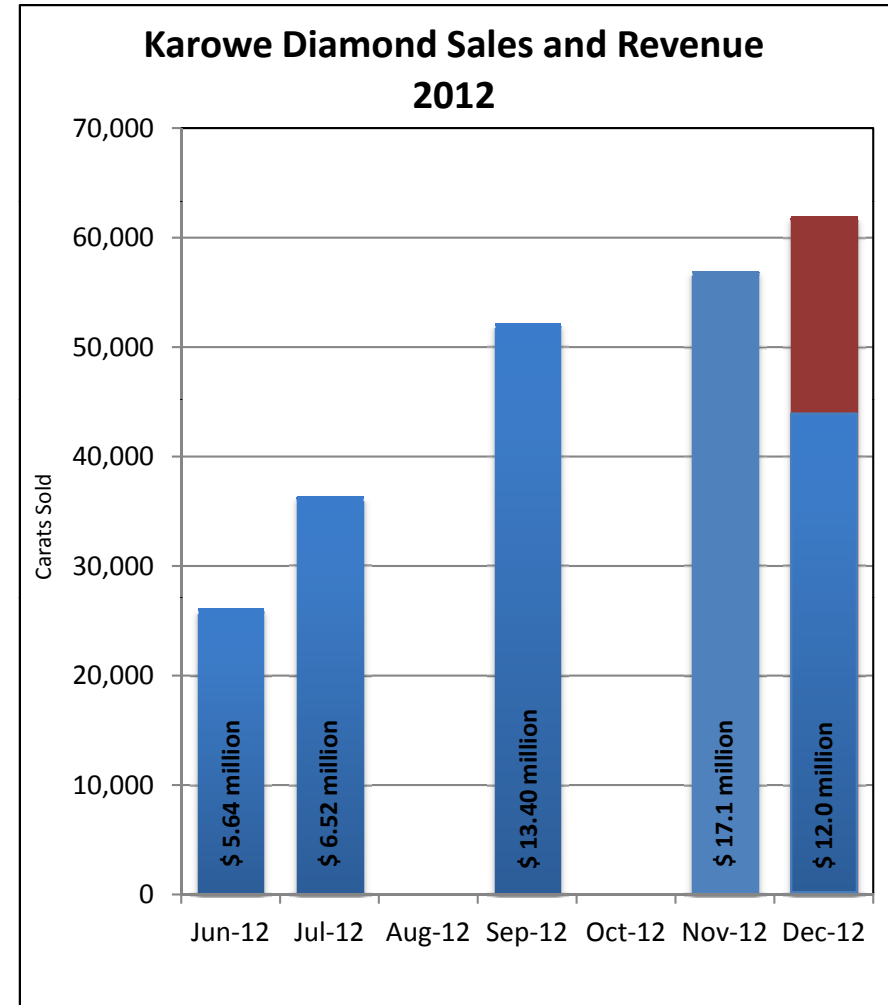
Hardrock Processing



# Karowe Mine – Diamond Sales



- First two sales held with viewing in Gaborone only
- Sales in Sep, Nov and Dec with viewing in Gaborone and Antwerp – increased client viewings by >150%
- Larger parcel of diamonds for final three sales provided greater consistency resulting in better quality sales lot assortments
- Sales cycles are being adapted to ensure optimal client parcel size and number of client viewings



# Karowe Diamonds



## Diamond Sorters



- Confirmed recovery of Type IIa diamonds from Karowe
- Resource performing according to expectations



5 – 10 carat High White

# Karowe Blue Diamonds



## The Upside of a Unique Product

9.46 carat Blue Diamond



- Sold on tender in Nov for \$4.5 million or \$477,272 per carat
- Second 4.77 carat blue diamond recovered in Dec 2012







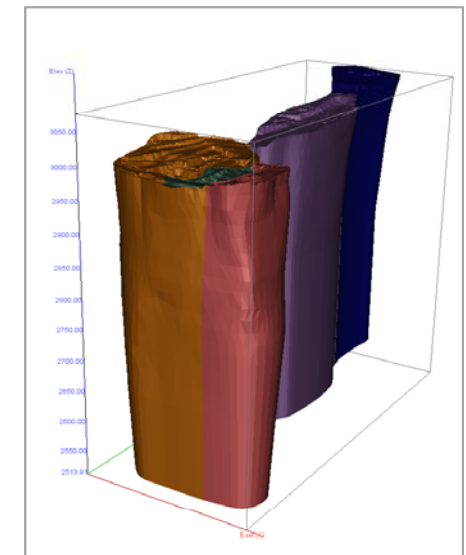
## Safety, Health, Environmental and Socio-Economic

- Exemplary safety record with 2.7 million man hours without a lost time injury (March 2010)
- Government approved EIA and EMP
- Global Reporting Initiative (“GRI”) – first report in Q1, 2013
- Good relationships with local communities
- All senior management and technical staff are Botswana nationals
- Lundin Foundation currently evaluating sustainable project initiatives

# Mothae Mine – Resource



- Trial Mining complete in September 2012 – site put on care and maintenance
- Three diamond sales totaling more than 20,000 carats with gross revenues of \$16.1 million
- Mothae Update – Complete Q1, 2013
  - Tonnage potential – 39 Mt to 300m depth at 2.9 cpht\*
  - Average diamond value - \$854/ct (based on actual and modelled data)
    - \* Calculated at a 2.0mm cut-off size – Not NI 43-101 Compliant
- Project development options under review as infrastructure requirements and current diamond price result in uneconomic development opportunity.



Mothae Kimberlite

# Mothae – Diamonds



## Mothae Diamonds



84ct Type Ia recovered in two pieces



56.5ct Type IIa – Sold for \$ 2.09M  
(\$ 37,019 per carat)



3gr Run-of-mine



13.8ct Type IIa – Sold for \$ 530,400  
(\$ 43,000 per carat)



28.9ct Type IIa – Sold for \$ 1.65M  
(\$ 57,113 per carat)





- **Focus in 2013**

- Carat production and sales of 400,000 carats
- Sustainable production of 2.5 million tonnes
- Revenue generation of ~\$90 million
- Mothae – further understanding of development options

- **Joined the exclusive club of diamond producers**

- Karowe Mine – achieved design capacity in Q3, 2012
- Carat production of ~303,000 cts in 2012

- **Experienced management and Board**

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

# Contact Information



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# Management and Directors



## **William Lamb** – President & CEO, Director

- Manager of De Beers' Victor diamond mine processing facilities with over 20 years of experience in the diamonds and mineral processing industry

## **Lukas Lundin** – Chairman

- Internationally recognized financier and head of the Lundin Group of Companies

## **Dr. Larry Ott** – VP Exploration

- Former CEO of Motapa Diamonds with over 30 years diamond and natural resource exploration experience

## **Tony George** – VP Development

- A professional engineer with over 30 years of experience in the mining industry – General Manager at Victor diamond mine which was voted best mine worldwide in 2009

## **Glenn Kondo** – CFO

- A CA with 20 years experience in the resource industry and the financial services sector

## **Eira Thomas** – Director

- A respected Canadian geologist responsible for the discovery of the Diavik Diamond project in the NWT

## **Paul Conibear** – Director

- A professional engineer with over 20 years experience in heavy industrial mining projects Instrumental in the development of Tenke Fungurume in the DRC

## **Brian Edgar** – Director

- A securities lawyer active in the public markets for over 25 years

## **Dr. John Gurney** – Director

- One of the world's leading authorities in the field of geochemical exploration for diamondiferous kimberlites

## **Richard Clark** – Director

- A securities lawyer from 1987 to 1993. A senior executive with the Lundin Group of Companies. Previously President of Red Back Mining.