

Mothae Diamond Project Lesotho

Management intends to aggressively explore and develop the highly prospective Mothae Diamond Project in Lesotho and continue to evaluate other opportunities in the diamond sector for possible acquisition.

- Lesotho – prolific diamond region producing some of the highest value diamonds in the world
- Mothae Project directly adjacent to and on trend with the world famous Letseng Diamond Mine
- Mothae Project hosts a large diamondiferous pipe
- The pre-feasibility evaluation of the Mothae pipe will process up to 100,000 tonnes of kimberlite
- 24.7 sq km concession

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A Lundin Group Company



Lucara Diamond Corp.



Lesotho

A long history of diamond production. Concentration of kimberlite pipes and dykes among the highest in the world.

Lucara has an option to acquire up to a 70% interest in the Mothae Diamond Project in Lesotho pursuant to a Option Agreement signed with Motapa Diamonds Inc., for funding of US\$10 million. Lucara has invested US\$8.0 million and earned a 65% interest in the Mothae Diamond Project.

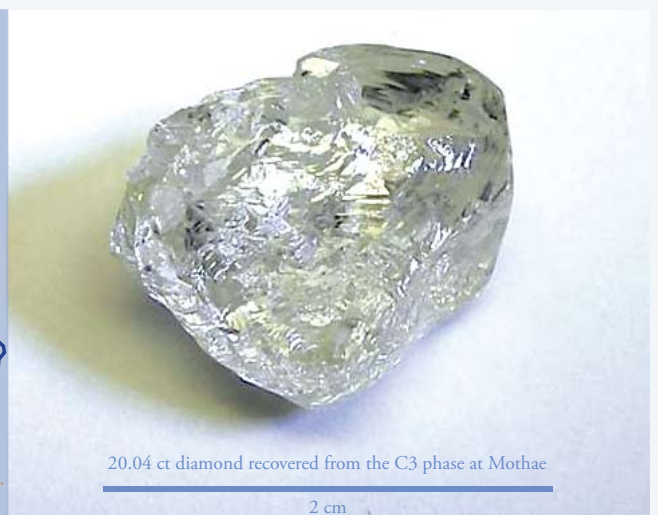
The Mothae Diamond Project is a 24.7 square kilometre concession located in one of the most prolific diamond producing regions in the world. The project hosts a large diamondiferous kimberlite pipe with an estimated surface extent of 8.8 hectares and is located adjacent to and directly on trend with the Letseng la Terai kimberlite.

The Mothae kimberlite was discovered in the early 1960s and proven to be diamondiferous. However, exploration and sampling carried out at that time was insufficient to determine diamond size distribution and value. Current work and evaluation of the project by Motapa Diamonds Inc. has included an extensive ground geophysical program comprising gravity, magnetic and electromagnetic surveys which have greatly assisted in the delineation of the kimberlite body.

Analysis of the kimberlite indicator mineral chemistry from the various lithologies identified have shown results which compare favorably with the Letseng la Terai kimberlite.

Letseng la Terai known to be a high-value, low-grade diamond kimberlite which was mined by De Beers from 1976 to 1982 and recently put back into production by Gem Diamond Mining Company. Letseng la Terai has a reputation for producing very large, high quality type IIA diamonds. In late 2006 the recovery of the 603 carat "Lesotho Promise" attracted wide media attention. This stone is the fifteenth largest diamond ever found in the world and was sold for greater than US\$12.3 million or US\$20,500 per carat.

During October 2008, a 23.4 carat type IIA diamond was recovered during Phase 2 bulk sampling at the Mothae project in Lesotho. The diamond is a white anhedral stone that has been confirmed as a type Ila diamond using a frequency specific ultraviolet light type Ila tester developed by the Swiss Gemological Institute. Type Ila diamonds provide a high proportion of the world's highest value stones on account of their exceptional colour clarity, which is ascribed to having no detectable nitrogen within the diamond crystal structure. The presence of a population of type IIA diamonds in any kimberlite greatly enhances its economic potential.



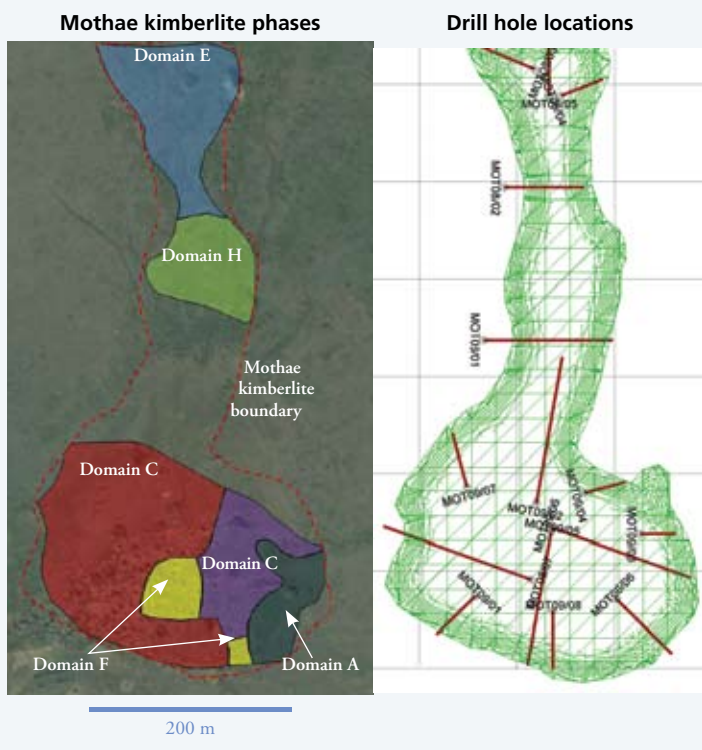
20.04 ct diamond recovered from the C3 phase at Mothae

2 cm



Extensive program of surface pitting, trenching, geological mapping, gravity and magnetic surveys completed.

Lucara and Motapa initiated a pre-feasibility evaluation of the Mothae pipe in late 2007. The evaluation comprised the processing of up to 100,000 tonnes of kimberlite from five of the six kimberlite lithologies identified, along with 2,500 m of NQ delineation drilling. Kimberlite processing was completed in April 2009, the results of which are shown in the table below. The delineation drilling information was used to compile a 3D geometric model of the Mothae kimberlite. High level volumes and tonnage potential was calculated using the interpreted drill core data and core densities.



Mothae Sample Processing Results

Kimberlite Domain	Dry Tonnes	# of Stones	Total carats	Carats/Stone	Dry Grade
A	4,565	372	129.83	0.35	2.84
C	23,592	2,042	902.51	0.44	3.83
E	4,338	255	99.61	0.39	2.30
F	21,664	2,681	1,160.05	0.43	5.35
G	28,169	3,536	1,575.04	0.45	5.59
All Samples	82,328	8,886	3,867.04	0.44	4.70

Diamonds recovered from the bulk sample include 217 stones greater than 2 carats, 63 stones greater than 5 carats, 13 stones greater than 10 carats and 5 stones greater than 20 carats.

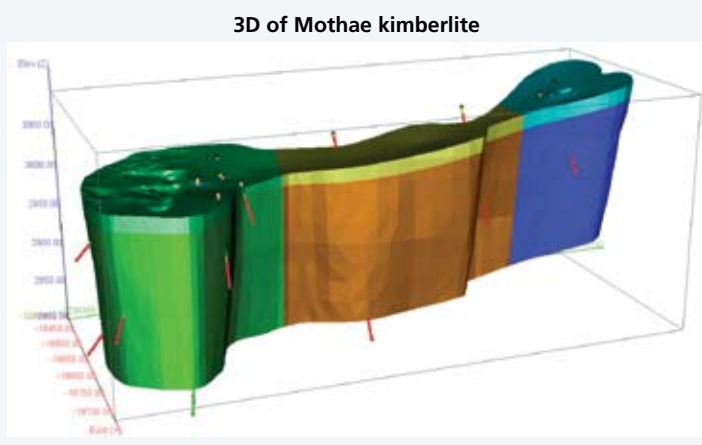
A conceptual study, to determine the requirements to build a mine at Mothae was completed in April 2009. This document will be used to support the application for a mining license for Mothae.

Looking Forward

The Mothae site was placed on Care and Maintenance in May 2009 for a period of 6 months. During this period The following will be completed:

- An application for a mining license will be filed with the Ministry of Natural Resources.
- Preliminary design work will be completed to upgrade the existing process plant
- Preliminary mine design will be completed based on the drilling data which is available and future data requirements

It is envisaged that the site will start to ramp up for further drilling and a trial mining phase in November 2009.



Management team – diamond expertise and successful track record

Lucara Diamond Corp. is a member of the Lundin Group of Companies, a group of internationally recognized, publicly-traded resource-based companies founded by Adolf H. Lundin and now headed by sons Lukas H. Lundin and Ian H. Lundin. In business for over three decades, the Lundins are leaders in identifying superior global investment opportunities in the natural resource sector.

Operating in over 30 different countries, the companies within the Lundin Group produce and explore for copper, zinc, lead, silver, gold, iodine, oil and gas, diamonds, potash and uranium. Well over \$3 billion in financing has been raised to develop Lundin Group projects.

The Lundin Group is headquartered in Geneva, Switzerland. Corporate offices are located in Vancouver, Toronto, Paris and Stockholm. Project offices are worldwide, with key project offices located in Denver, Santiago, Moscow, Jakarta, Tunis, Buenos Aires, Damascus, London and Accra.

Directors

Lukas Lundin *President and CEO*
Paul Conibear
Brian Edgar
Sophia Shane
Murray Sinclair

Share Listing

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Issued and outstanding – 63.99 million shares



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