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 2013 annual MD&A filed on February 20, 2013 on the system for electronic document analysis and retrieval ("SEDAR") at 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:


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.

All currencies mentioned in this presentation are in United States Dollars (“US$”) unless otherwise mentioned.
Lucara 2014 Guidance

Karowe
• Forecast revenue of $240 - $250 million
• Carat production of between 400,000 - 420,000 carats
• Operating costs of $31 - $33 per tonne
• Capital expenditure of $50 - $55 million
• Updated NI43-101 Technical Report (Feb 3, 2014)

Mothae
• Initial development option finalization

Exploration
• Two prospecting licenses covering 5 known kimberlite occurrences awarded to Lucara (Boteti)

9.46 carat blue diamond sold for $477,272 per carat
Capital Structure

- **Listed Exchanges under Symbol “LUC”**
  - TSX
  - NASDAQ OMX (Sweden)
  - BSE (Botswana)

- **Issued share** 379M
- **Fully diluted shares** 381M
  - Options 2.4M (C$ 0.89 WA exercise price)
  - Warrants Nil
  - Convertibles Nil

- **Market Cap** C$ 950 million (Aug, 2014)
- **Debt** Nil
- **Cash on hand – Q2, 2014** US$ 82 million
- **Regular dividend** $0.04 per annum
Focused on Southern Africa

- Karowe Mine: 100% Owned Production
- Mothae Project: 75% Owned Advanced Exploration
Resource Update

- Updated resource statement for the Karowe deposit issued in Dec 2013
- Primary change is in the value of the diamonds
  - Centre lobe $351/ct, up from $276/ct
  - South lobe $413/ct, up from $231/ct
- 2014 sales average diamond price - $764/ct in H1
- Resource continues to deliver significant quantities of stones greater than 10.8cts with greater than 440 being recovered YTD at an average stone size of 26.7ct/stn
**Karowe Operating Performance**

<table>
<thead>
<tr>
<th></th>
<th>H1 2014</th>
<th>H1 2013</th>
<th>Variance %</th>
<th>2013 Full Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mining and Process</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ore processed (t)</td>
<td>1,345,542</td>
<td>1,094,170</td>
<td>23%</td>
<td>2,355,000</td>
</tr>
<tr>
<td>Carats recovered (cts)</td>
<td>210,179</td>
<td>210,808</td>
<td>0%</td>
<td>440,750</td>
</tr>
<tr>
<td>Plant feed grade (cpht)</td>
<td>16.3</td>
<td>19.3</td>
<td>-16%</td>
<td>18.7</td>
</tr>
<tr>
<td>Waste mined (t)</td>
<td>5,168,966</td>
<td>2,369,206</td>
<td>118%</td>
<td>5,493,000</td>
</tr>
<tr>
<td><strong>Costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$/t processed</td>
<td>$21</td>
<td>$20</td>
<td>-5%</td>
<td>$18.6/t</td>
</tr>
<tr>
<td>$/ct processed</td>
<td>$124</td>
<td>$93</td>
<td>33%</td>
<td>$100/ct</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Period Revenue</td>
<td>$103.8M</td>
<td>$79.7M</td>
<td>-30%</td>
<td>$180.5M</td>
</tr>
<tr>
<td>Period Sales Revenue</td>
<td>$128.6M</td>
<td>$81.8M</td>
<td>57%</td>
<td>$180.5M</td>
</tr>
<tr>
<td>$/ct sold</td>
<td>$586</td>
<td>$331</td>
<td>77%</td>
<td>$411/ct</td>
</tr>
<tr>
<td>Operating margin</td>
<td>$462</td>
<td>$239</td>
<td>93%</td>
<td>$311/ct</td>
</tr>
</tbody>
</table>

**Adjusted Net Income**

- **(millions)**
  - H1 2014: $48.7
  - H1 2013: $28.8
  - Variance: +69.1%
  - 2013 Full Year: $69.6

**Operating Earnings**

- **(millions)**
  - H1 2014: $50.1
  - H1 2013: $50.1
  - Variance: +38.9%
  - 2013 Full Year: $50.1

**EBITDA**

- **(millions)**
  - H1 2014: $61.3
  - H1 2013: $43.7
  - Variance: +40.3%
  - 2013 Full Year: $180.5M

**Cash-on-hand**

- **(millions)**
  - H1 2014: $82.1
  - H1 2013: $28.5
  - Variance: +188.1%
During H1, 2014, more than 210,000 carats were sold for gross revenues of $128.6 million.

A total of 440 diamonds larger than 10.8 carats were recovered in the first half of the year.

These included 76 diamonds larger than 50 carats, 11* of which were larger than 100 carats.

Current volume of diamonds greater than 10.8 carats is 5.6%, far exceeding the updated resource estimate of 3.8%.

* Does not include diamonds recovered from reprocessing of recovery tailings.
Sales Update

• Two Exceptional Stone Tenders (“EST”) have been held in April and July, generating over $89M in revenue

• Lucara expects to sell between 400,000 and 420,000 carats of diamond in 2014

• Sales will occur through 7 diamond tenders and 3 EST’s

• Sales migration plan for all regular sales in Gaborone starting in 2015 is being implemented

• Dedicated diamond cleaning facility in Gaborone commissioned and operating
Sales Update

Diamonds sold in the second Exceptional Stone Tender
2014 Capital – Plant Upgrade

Plant Modifications

• Planned as part of the original feasibility study to address the treatment of harder and higher yield south lobe material
• Upgrade designed to ensure sustainable 2.5 million tonnes per annum throughput
• Inclusion of a “Large Diamond Recovery” circuit treating material up to 60-70mm in size

Capital Costs and Schedule

• Estimated capital expenditure of $50 to $55 million
• Complete installation and commissioning scheduled for Q2 2015
  – Engineering well advanced
  – Orders placed for long-lead items with $26M committed (crushers, sorting machines, screens)
  – Allowance of 30 days of downtime for integration and ramp-up of new equipment – first shutdown scheduled for July 2014
2014 Capital – Plant Optimization Project

- Pebble crusher bleed screen
- XRT units being readied for Factory Acceptance Testing
- XRT Building foundations
- Early Large Diamond Recovery circuit conveyors
Resource Replacement

Karowe UG
• Preliminary desktop study
• Opportunity to move Inferred into Indicated below current Cut 2 Design

Prospecting Licenses
• Boteti awarded 2 PL’s in mid-Sept 2014
• Both PL’s host known diamondiferous kimberlites
• Block A (BK02)
• Block E (AK11,12,13,14)
Prospecting License : Block E – AK 11,12,13,14

Background
• License area is 55.4km², host up to 4 known kimberlites, potential for additional discoveries, northern edge is contiguous with Debswana Orapa Mine Lease. Excellent road access, 15 kilometres north of Karowe Mine
• AK11 is poorly constrained, AK12 is diamond-bearing however little advanced work. AK13,14 at discovery-phase little to no exploration work
• AK11 and AK12 covered by very thin veneer of sand – amenable for surface trenching

Work Plan
• Site assessment and mapping of all historic workings,
• Ground geophysics to re-establish control on anomalies
• Collection of a surface sample of up to 5000 tonnes for diamond content and size distribution analysis – both AK11 and AK12 are candidates
• Drill program pending bulk sample results
Prospecting License : Block A – BK 02

**Background**

- License area is 1.07km², BK02 was discovered in 1967 during regional exploration by DeBeers, one of first discoveries in Orapa District, access by cut-line dirt track, 30km to east of Karowe Mine
- Surface area of 2.4ha, outcrops, with local thin sand and calcrite cover
- Previous work includes percussion drilling and surface trenching. Fresh magmatic kimberlite, shown to contain diamonds through historic trenching results and microdiamond sampling. No grade estimation
- Evidence of potential coarse distribution (stone broken during drilling, recovery of 1.6 ct diamond from trench)

**Work Plan**

- Site assessment and mapping of all historic workings,
- Ground geophysics and DEM analysis
- Collection of a surface sample of up to 5000 tonnes for diamond content and size distribution analysis
- Drill program pending bulk sample results
Management’s Focus

**Lucara**
- Continue to strengthen balance sheet
- Develop resource extension programs for potential new and current assets

**Karowe**
- Estimated annual diamond revenue of $240 - $250 million
- Carat production of 400,000 - 420,000 carats
- Operating costs of US$31 - US$33 per tonne processed
- Delivery of capital project with minimal interruption to normal operations

**Mothae**
- Finalize development plan for Mothae (short and medium term)
The Diamond Sector – Supply/Demand

Rough-diamond supply and demand, 2009-2023, base scenario, 2012 prices, $ billions

Forecast

High Demand
Base Demand
Low Demand
Production Increase
Base Production
Stable Production

Note: Rough-diamond demand has been calculated based on polished-diamond demand using a historical ratio of rough to polished diamond
Source: Bain & Company - Global Diamond Report 2013

Global Rough Diamond Production

Production declined significantly during the crisis and volumes have yet to recover.

Annual production, millions of carats

CAGR
-5% 4%

Note: Russia includes ALROSA, Nizhne-Lenskoye (acquired by ALROSA in 2013) and Uralalmaz
Source: Kimberley Process
Expected New Mine Production

New mines are expected to add 18 million carats a year by 2023

Source: Company plans; expert interviews; publication analysis; Bain analysis
Rough Diamond Demand
(2012 – 2023) Driven by India and China and is expected to reach $26 billion

Note: Diamond jewelry demand is based on polished-diamond demand and diamond content projections
Source: IDEX, Tacy Ltd. and Chaim Even-Zohar; publication analysis; Bain analysis
- Rough diamond prices have increased, on average, 5 - 8% during the first quarter of 2013.
- Stable to weaker prices expected in the latter half of the year.
<table>
<thead>
<tr>
<th>Contact Information</th>
<th></th>
</tr>
</thead>
</table>
| **Address** | **Ph.** 604-689-7842  
**Fax.** 604-689-4250  |
| Suite 2000  
885 West Georgia St.  
Vancouver, B.C.  
Canada  
V6C 3E8 | lucara@namdo.com  
www.lucaradiamond.com |

---

**Contact Information**

- **Address**: Suite 2000, 885 West Georgia St., Vancouver, B.C., Canada, V6C 3E8
- **Phone and Fax**: Ph. 604-689-7842, Fax. 604-689-4250
- **Email and Web**: lucara@namdo.com, www.lucaradiamond.com