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 $150 - $160 million
- Carat production of between 400,000 - 420,000 carats
- Operating costs of $31 - $33 per tonne
- Capital expenditure of $45 - $53 million (including sustaining capital)

Mothae
- Initial development option finalization

Exploration
- Three exploration licenses applied for in Botswana with known kimberlite occurrences
Capital Structure

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

- Issued share 379M
- Fully diluted shares 381M
  - Options 2.4M (C$ 0.77 WA exercise price)
  - Warrants Nil
  - Convertibles Nil

- Market Cap C$ 970 million (June, 2014)
- Debt Nil
- Cash on hand – Q1, 2014 US$ 56.8 million
- Dividend $0.04 per annum

1.79 carat pink diamond sold for $60,256 per carat
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

<table>
<thead>
<tr>
<th>Year</th>
<th>Production</th>
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<tbody>
<tr>
<td>2006</td>
<td>168</td>
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<tr>
<td>2007</td>
<td>163</td>
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<tr>
<td>2008</td>
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<td>2009</td>
<td>128</td>
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<tr>
<td>2010</td>
<td>123</td>
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<tr>
<td>2011</td>
<td>128</td>
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<tr>
<td>2012</td>
<td>128</td>
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CAGR
-5% 4%

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<td>Others</td>
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<td>Botswana</td>
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</tbody>
</table>

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
Focused on Southern Africa

- Karowe Mine: 100% Owned Production
- Mothae Project: 75% Owned Advanced Exploration
2013 Geological Model

Profile view facing east of 2013 updated geological model

Plan view of 2013 updated geological model
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
- Rolling 12 month sales diamond price - >$550/ct
- Resource continues to deliver significant quantities of stones greater than 10.8cts with greater than 330 being recovered YTD
## Performance

<table>
<thead>
<tr>
<th></th>
<th>Q1, 2014</th>
<th>Q1, 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>
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</tr>
<tr>
<td>Ore processed</td>
<td>680,730 t</td>
<td>533,260 t</td>
<td>28%</td>
<td>2,355,000 t</td>
</tr>
<tr>
<td>Carats recovered</td>
<td>111,037 cts</td>
<td>123,228 cts</td>
<td>-11%</td>
<td>440,750 cts</td>
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<tr>
<td>Plant feed grade</td>
<td>16.3 cpht</td>
<td>23.1 cpht</td>
<td>-29%</td>
<td>18.7 cpht</td>
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<tr>
<td>Waste mined</td>
<td>2,002,322 t</td>
<td>1,109,727 t</td>
<td>80%</td>
<td>5,493,000 t</td>
</tr>
<tr>
<td><strong>Costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$/t processed</td>
<td>$18.6/t</td>
<td>$23.3/t</td>
<td>-20%</td>
<td>$18.6/t</td>
</tr>
<tr>
<td>$/ct processed</td>
<td>$118/ct</td>
<td>$86/ct</td>
<td>37%</td>
<td>$100/ct</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>$33.6 million</td>
<td>$32.4 million</td>
<td>4%</td>
<td>$180.5 million</td>
</tr>
<tr>
<td>$/ct sold</td>
<td>$305/ct</td>
<td>$225/ct</td>
<td>36%</td>
<td>$411/ct</td>
</tr>
</tbody>
</table>

### Adjusted Net Income (millions)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2014</th>
<th>Q1 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted Net Income (millions)</td>
<td>$10.1</td>
<td>$6.2</td>
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<tr>
<td>Variance %</td>
<td>+62.9%</td>
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</table>

### Cash Operating Earnings (millions)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2014</th>
<th>Q1 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Operating Earnings (millions)</td>
<td>$16.8</td>
<td>$16.8</td>
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<tr>
<td>Variance %</td>
<td>- %</td>
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</tr>
</tbody>
</table>

### EBITDA (millions)

<table>
<thead>
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<th>Q1 2014</th>
<th>Q1 2013</th>
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</thead>
<tbody>
<tr>
<td>EBITDA (millions)</td>
<td>$13.3</td>
<td>$14.7</td>
</tr>
<tr>
<td>Variance %</td>
<td>-9.5%</td>
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</table>

### Cash-on-hand (millions)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2014</th>
<th>Q1 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash-on-hand (millions)</td>
<td>$56.8</td>
<td>$17.4</td>
</tr>
<tr>
<td>Variance %</td>
<td>+226.4%</td>
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</table>
Sales Update

- During Q1, 2014, more than 107,000 carats were sold for gross revenues of $33.6 million.
- A total of 188 diamonds larger than 10.8 carats were recovered, 4.2% by weight.
- These included 18 diamonds larger than 50 carats, 4 of which were larger than 100 carats.
- Current volume of diamonds greater than 10.8 carats is exceeding resource estimate of 3.8%.
Sales Update

- EST #1 – 20 diamond sold for $50 million in April 2014
- EST #2 – 16 diamond sold for $40 million in July 2014
- EST #3 – scheduled for Q4, 2014
- Lucara expects to sell between 400,000 and 420,000 carats of diamond in 2014
- Sales will occur through 7 diamond tenders and 3 Exceptional Stone Tenders ("EST")
- Sales migration plan for all regular sales in Gaborone starting in 2015
- Dedicated diamond cleaning facility in Gaborone commissioned and operating
Sales Update

Diamonds potentially allocated to second Exceptional Stone Tender
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 60mm in size

Capital Costs and Schedule

- Estimated capital expenditure of $45 to $50 million
- Complete installation and commissioning scheduled for early 2015
  - Engineering well advanced
  - Orders placed for long-lead items with $20M 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 Upgrade

Screening and XRT Plant

Secondary Gyratory Crusher
Management’s Focus

Lucara
• Continue to strengthen balance sheet
• Develop resource extension programs for potential new and current assets
• Continue to look for growth opportunities

Karowe
• Estimated annual diamond revenue of $150 - $160 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)
Contact Information

Address
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V6C 3E8

Phone and Fax
Ph. 604-689-7842
Fx. 604-689-4250

Email and Web
lucara@namdo.com
www.lucaradiamond.com
Global Diamond Jewelry Market

Global diamond-jewelry market, $ billions

Diamond Jewelry Demand (2012)

Note: China including Hong Kong; India, China, Europe and Persian Gulf countries’ diamond-jewelry demand for 2006–2010 was calculated using the polished-diamond market share of the appropriate market in total.
Source: Jewelry Retail Chains 2012 by RBC Research; IDEX, Tacy Ltd. and Chaim Even-Zohar; publication analysis
Rough Diamond Demand
(2012 – 2023) Driven by India and China and is expected to reach $26 billion

Primary demand increase

CAGR (2012–2023) 5.1%

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.