

First Quarter 2014 Results
May 8, 2014



Lucara Diamond Corp.



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- **Two diamond tenders completed during the quarter** – Proceeds of \$33.6 million were achieved during the quarter.
- **Exceptional stone tender:**
 - Exceptional stone tender closed after quarter end for proceeds of \$50m.
 - Second large stone tender planned for early Q3.
- **Operational and cost discipline:**
 - Revenues of \$305 per carat was achieved at a cost of \$118 per carat.
 - Operating margin of \$187 per carat achieved during the period.
 - Operating cost per tonne processed was \$18.6 per tonne
- **Strong balance sheet:**
 - Cash balance at the end of the quarter was \$57m, excluding exceptional stone tender proceeds of \$50 million.
 - \$50 million Scotiabank credit facility completed in May.
- **Dividend declaration:** Declaration of the Company's first semi-annual dividend of \$0.02 per share
- **Plant upgrade** - on target to meet operational requirements. Mobilization has commenced.

Production Information	Q1 2014	Q1 2013
Ore processed (tonnes)	680,730	533,260
Ore mined (tonnes)	888,888	969,330
Waste mined (tonnes)	2,002,232	1,109,727
Plant feed grade (carats per hundred tonnes)	16.3	23.1
Carats recovered (carats)	111,037	123,228

USD millions	Q1 2014 Actual	Q1 2013 Actual
Revenues	32.8	32.5
Royalty expenses	3.3	3.3
Operating expenses	12.7	12.5
Administration/sales and marketing	0.9	0.8
EBITDA	15.9	15.9
EBITDA margin (%)	48%	48%

Operating Margin and Cost of Production (US\$)	Q1 2014 Actual	Q1 2013 Actual
Average per carat sold	305	225
Cost per carat produced	118	86
Operating margin per carat sold	187	139
Cost per tonne ore processed	18.6	23.3
Diamonds sold (carats)	107,454	144,712

	Outlook 2014
Revenue (US\$ million)	150 - 160
Sales (thousand carats)	400 - 420
Tonnes of ore processed (million tonnes)	2.2 - 2.4
Ore mined (million tonnes)	3 - 3.5
Waste mined (million tonnes)	10 - 11
Operating cash costs per tonne ore processed (dollars)	\$31 - \$33
Plant upgrade capital expenditure (US\$ million)	\$45 - \$50
Sustaining capex (US\$ million)	\$3.5

- Project on track to achieve operational requirements
- Budget \$45 - \$50 million
- Long lead items ordered
- Mobilization occurred during the first quarter. Site preparation and civils are according to schedule