



Lucara Diamond Corp. Full Year 2015 Results

Cautionary statement

Forward-looking information

- This investor presentation contains forward-looking statements and information as defined in applicable securities laws including: the estimates of the Company's mineral reserve and resources; estimates of the Company's production and sales volumes, revenue for the Karowe Mine; exploration and development plans and objectives, production costs, exploration and development expenditures. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or achieved. Forward-looking statements are based on the assumptions, opinions and estimates of management as of the date such statements are made, and they are subject to a number of known and unknown risks and uncertainties which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievement expressed or implied by such forward-looking statements. In particular, such risks include general business and economic conditions, changes in interest and foreign currency rates, the supply and demand for, deliveries of and the level and volatility of prices of rough diamonds, costs of power and diesel, acts of foreign governments and the outcome of legal proceedings, inaccurate geological and recoverability assumptions (including with respect to the size, grade and recoverability of mineral reserves and resources), unanticipated operational difficulties (including failure of plant, equipment or processes to operate in accordance with specifications or expectations), cost escalations, unavailability of materials and equipment, government action or delays in the receipt of government approvals, industrial disturbances or other job actions, adverse weather conditions, and unanticipated events relating to health safety and environmental matters and other risks and uncertainties describe under Risks and Uncertainties disclosed under the heading "Risk Factors" in the Company's most recent Annual Information Form available at <http://www.sedar.com>.
- Forward-looking statements and information speak only as of the date the statements were made, and the Company does not assume any obligations to update or revise them to reflect new events or circumstances, except as required by law. Readers are cautioned not to place undue reliance on forward-looking statements and information. This presentation does not constitute an offer or invitation to purchase or subscribe for any securities and no part of it shall form the basis of or be relied upon in connection with any investment decision in relation thereto.

Technical information

- 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. Updated NI43-101 report released on February 4, 2014, based on update Mineral Resource Estimate released by Lucara Diamond Corp., dated December 19, 2013.
- 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.

Full Year 2015 – Highlights

Where Bigger Is™

- Recovery of Lesedi La Rona the world's second largest gem quality diamond in November 2015 ✓
- Strong operating and financial performance with return on equity at 30% and continued cash growth ✓
- Plant optimization delivered on budget and on time ✓
- Exploration program advancing ✓
- Strong, increasing demand for Karowe production - Regular tenders average sales price at \$335 per carat (2014: \$318 per carat) ✓
- Introduction of progressive dividend for 2016: CND \$0.06/share per annum ✓



Key financial performance

Revenue (millions)



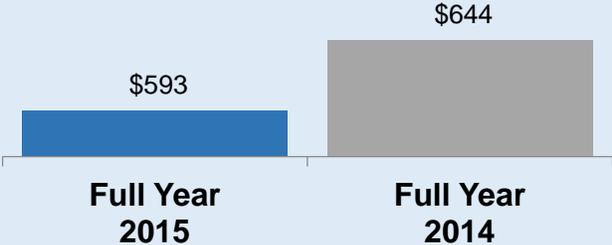
EBITDA (millions)



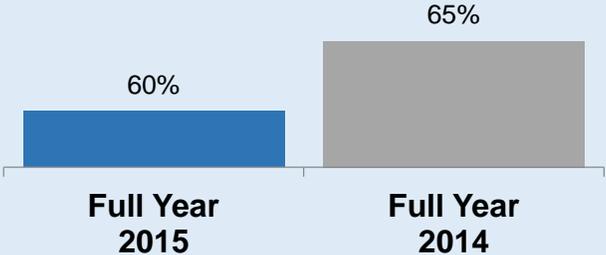
Net Income (millions)



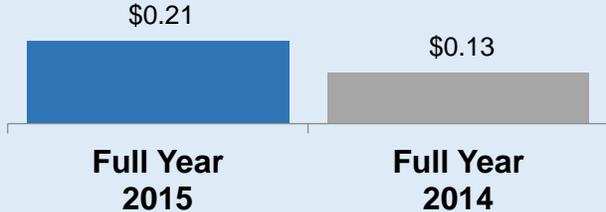
Total Sales (average dollar per carat)



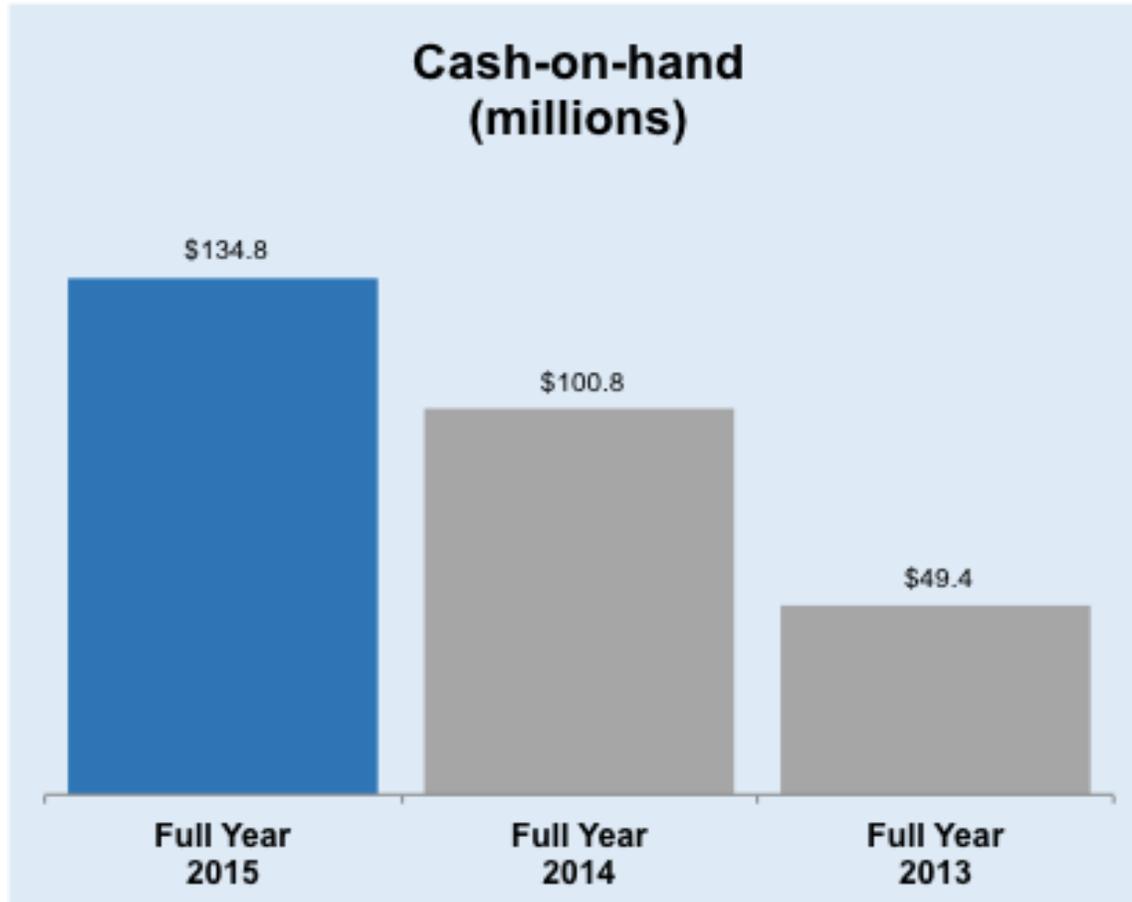
EBITDA Margin



Earnings per share



Strengthening cash position



- Cash flow growth of 173% since December 2013.
- Strong operating cash flow generation has financed capital projects and resulted in cumulative shareholder dividends paid of US\$39 million.
- Company enters 2016 with over 60,000 carats in inventory, including the Lesedi La Rona and 813 carat diamond.
- First Exceptional Diamond tender closing on April 13, 2016.
- Scotia Bank facility of US\$50 million remains undrawn.

Karowe Mine – Botswana



Karowe operating performance

Production Information	Full Year 2015	Full Year 2014
Ore processed (tonnes)	2,238,974	2,421,506
Ore mined (tonnes)	3,187,222	3,327,754
Carats recovered (carats)	365,690	430,292
Plant feed grade (carats per hundred tonnes)	16.3	17.7
Waste mined (tonnes)	13,890,115	10,270,720
Costs		
\$ per tonne processed	28.9	27.0
\$ per carat sold	133	115
Revenues and Operating Margin		
Full year revenues	\$223.8M	\$265.5M
Carats sold	377,136	412,136
Revenues (\$ per carat)	593	644
Operating margin (\$ per carat)	460	529

➤ Karowe Operating Performance:

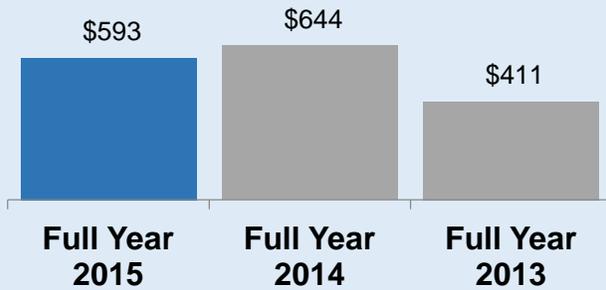
- Tonnes processed post plant optimization commissioning increased each quarter.
- Fourth quarter processing was focused on south lobe ore which recovered the Lesedi La Rona and the 813 carat stones.

➤ Operational and cost discipline:

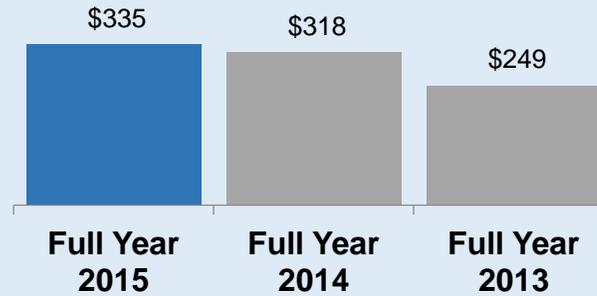
- Full year costs at \$28.9 per tonne ore processed were well controlled and were below forecast of between \$33-36 per tonne ore processed.
- Full year operating margin was \$460 per carat or 78%.

Sales performance

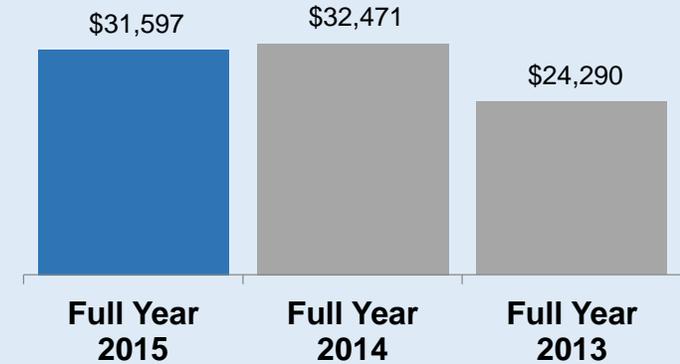
Total Sales
(average dollar per carat)



Regular Tenders
(average dollar per carat)

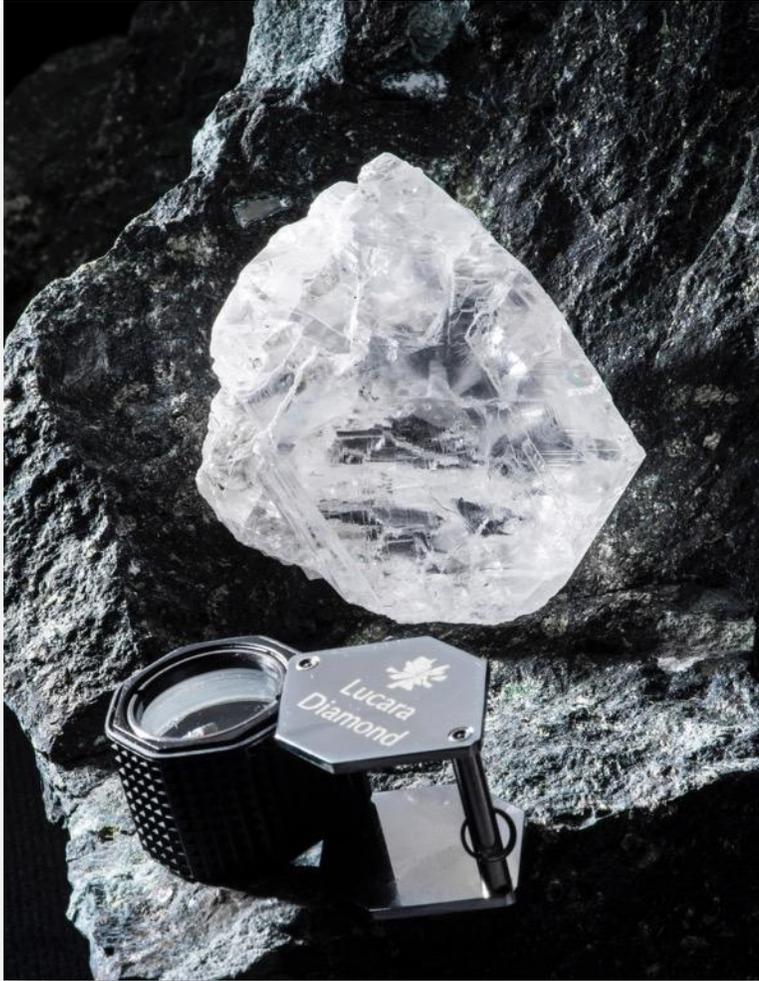


Exceptional Stone Tenders
(average dollar per carat)



- Regular tender value increase of 5.3% compared to 2014 due to increase in high value single stones in tenders and higher weight percentage of >10.8 carat diamonds recovered.

Product excellence



Lesedi La Rona – 1,109 carats



Exceptional recovery of large stones with a total of 47 stones greater than 100 carats (2014: 31 stones) including 20 stones greater than 200 carats (2014: 4 stones) of which 7 stones were greater than 300 carats.

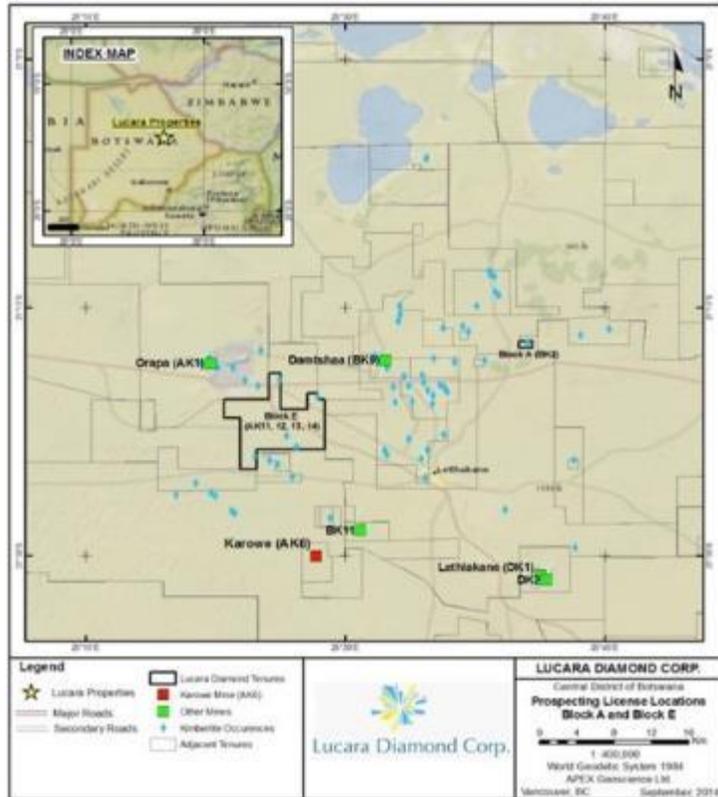
CSR and Health & Safety

- Safety performance for the year was excellent with Safety and Health Lost time injury frequency rates ('LTIFR') for 2015 of less than 0.4 (measured per 1,000,000 hours) (2014: 0.99).
- Karowe wins three safety awards in Botswana for medium size mines in the following categories:
 - Classified Injury Frequency Rate,
 - Total Recordable Injury Frequency Rate
 - Most Improved Classified Injury Frequency Rate.
- Karowe wins the Environmental & Social Responsibility Award from the Prospectors and Developers Association of Canada ("PDAC") for the Company's stakeholder initiatives, community engagement and focus on sustainable practices and long-term benefits at the Karowe mine.

Exploration



Resource replacement



- In 2014, the Company was awarded two precious stone prospecting licenses (PL367/2014 and PL371/2014) which are known to host the kimberlites, BK02, AK11 and AK12, AK13 and AK14.
- The prospecting licenses are located within a distance of 15 km and 30 km from the Karowe Diamond mine.

Exploration update

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BK02



AK12



Bulk Sample Plant



- Bulk sampling activities at BK02 were 50% complete at year end and processing of the surface sample was initiated during Q4 2015.
- The BK02 diamond results will be released once processing of the sample is complete – forecast during the first half of 2016.
- Bulk sampling activities at AK12 will commence in Q1 2016 followed by trenching at AK11.

2016 Karowe guidance

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Revenue (US\$ million)	200 - 220
Sales (thousand carats)	340 - 380
Tonnes of ore processed (million tonnes)	2.2 – 2.4
Ore mined (million tonnes)	3.0 – 3.5
Waste mined (million tonnes)	13.0 - 14.0
Operating cash costs per tonne ore processed (dollars)	33.5 - 36.5
Large Diamond Recovery (“LDR”) circuit and the installation of an Mega Diamond Recovery (“MDR”) (US\$ million)	15 - 18
Sustaining capital expenditure includes a mill re-liner at a cost of \$1.5 million and an investment of \$1.5 million for a combined sales and administrative office in Gaborone (US\$ million)	11
Exploration costs (US\$ million)	Up to 7
Deep drilling program – resource extension (US\$ million)	3.7

Lucara and outlook



Proven operational excellence



Attractive and sustainable growth potential

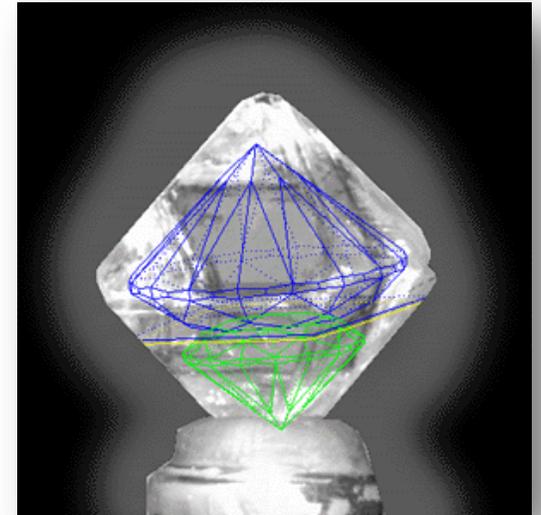
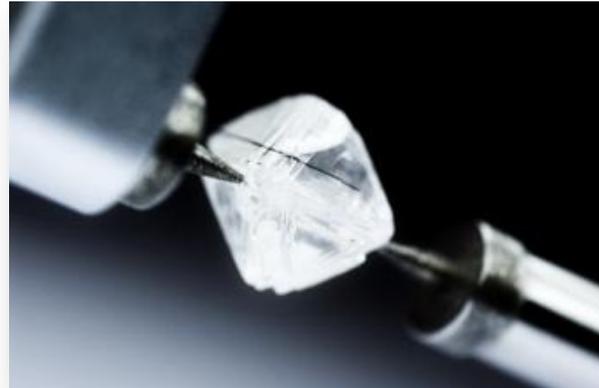
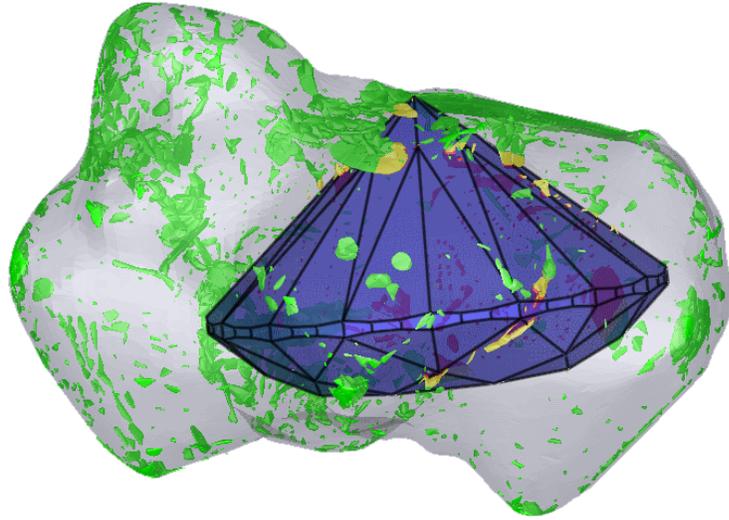


Financial strength and stability

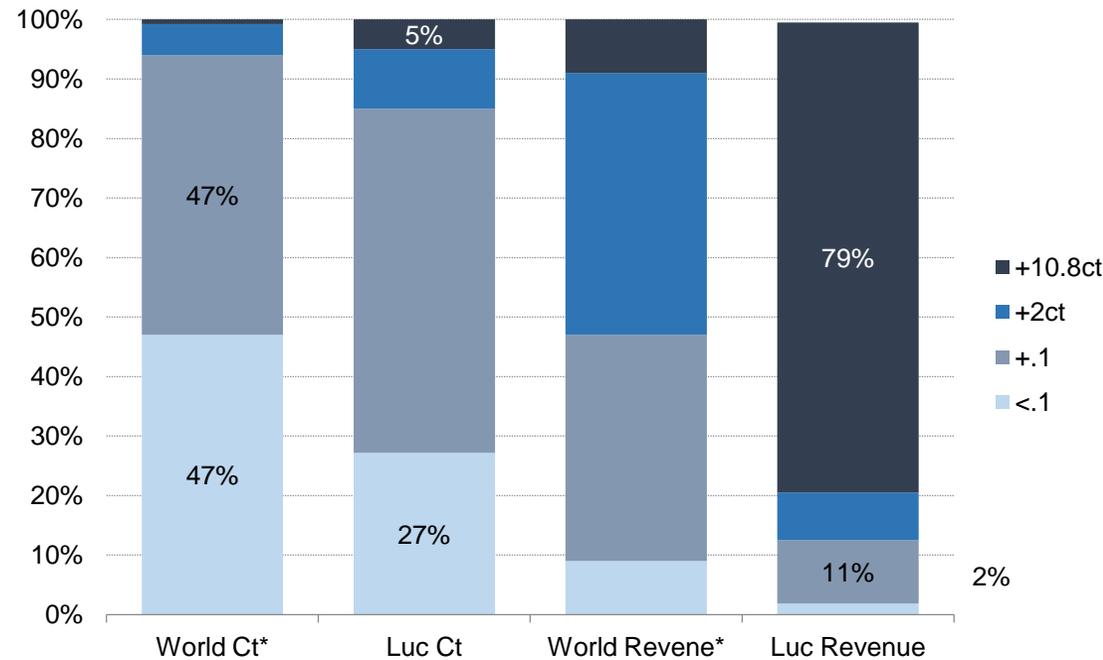


Product excellence

The Diamond market



Diamond market and Lucara production



- The diamond market experienced some weakening in 2015.
- Although there has been some price recovery in Q1 2016, a cautious outlook for prices in 2016 is maintained.
- Karowe production, with 79% of diamonds sold greater than 10.8 carats including type IIa diamonds provides shelter from market price decreases and inventory stocking in smaller sized diamonds.
- Customer base for Lucara diamonds continues to increase for both exceptional and regular tenders.
- Sale of Lesedi La Rona planned for 2016.

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