



Lucara Diamond

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NEWS RELEASE

LUCARA ACHIEVES US\$54.8 MILLION FROM ITS FIRST EXCEPTIONAL STONE TENDER OF 2017

May 11, 2017 (LUC – TSX, LUC – BSE, LUC – Nasdaq Stockholm) Lucara Diamond Corp. (“Lucara” or the “Company”) is pleased to announce results from its first Exceptional Stone Tender (“EST”) of Karowe diamonds in 2017 and its eleventh EST since mining began in 2012. The tender consisted of 15 single stone lots, ranging from 373.72 carats to 29.90 carats in size, totaling 1765.72 carats and achieved gross revenues of US\$54.8 Million (US\$31,010 per carat).

Highlights:

- 7 diamonds sold for more than US\$2.0 Million each
- Lot 1001, the 373.72 carat Type Ila diamond sold for US\$17.54 Million (US\$46,935/ct)
- An additional three diamonds sold for more than US\$4.0 Million including the 182.47 carat stone which sold for US\$6.3 Million
- Average value of diamonds sold YTD exceed US\$1221 per carat

William Lamb, President and CEO, commented, "Now in its fifth year of production, Karowe continues to deliver strong, consistent, results from its Regular and Exceptional Tenders, demonstrating the robust nature of the orebody and the predictable contribution from large, high value diamonds (+10.8 carat specials).

This tender achieved a price in excess of US\$31,000 per carat, further evidencing the continued, strong demand for our diamonds in the marketplace. To date, the Company has sold 145 diamonds for more than US\$1 Million each, bringing in revenues of greater than US\$528 Million. These strong cashflows support the Company's dividend policy and growth strategy."

For the brochure and images of the diamonds sold in this and previous Exception Stone Tenders, please visit the Lucara website at www.lucaradiamond.com.

William Lamb
President and CEO

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About Lucara

Lucara is a leading independent producer of large exceptional quality Type IIa diamonds from its 100% owned Karowe Mine in Botswana. The Company has an experienced board and management team with extensive diamond development and operations expertise. The Company operates transparently and in accordance with international best practices in the areas of sustainability, health and safety, environment and community relations.

The information in this release is accurate at the time of distribution but may be superseded or qualified by subsequent news releases.

This is information that Lucara Diamond Corp. is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above on May 11, 2017 at 3:30 p.m. Pacific Time.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain of the statements made and contained herein in the press release and elsewhere constitute forward-looking statements as defined in applicable securities laws. 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 be achieved.

In particular, this press release may contain forward looking information pertaining to the following: the estimates of the Company's mineral reserves and resources; estimates of the Company's production and sales volumes for the Karowe Mine; estimated costs for capital expenditures related to the Karowe Mine; start-up, exploration and development plans and objectives; production costs; exploration and development expenditures and reclamation costs; expectation of diamond price and changes to foreign currency exchange rates; expectations regarding the need to raise capital; possible impacts of disputes or litigation; and other risks and uncertainties described under the heading "Risks and Uncertainties" in the Company's most recent Annual Information Form available at <http://www.sedar.com> (the "AIF").

Forward-looking statements are based on the opinions, assumptions and estimates of management as of the date such statements are made, and they are subject to a number of known and unknown risks, uncertainties and other factors 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. Such assumptions include: the Company's ability to obtain necessary financing; the Company's expectations regarding the economy generally, results of operations and the extent of future growth and performance; and assumptions that the Company's activities will not be adversely disrupted or impeded by development, operating or regulatory risk. The Company believes that expectations reflected in this forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking information included in this press release should not be unduly relied upon.

There can be no assurance that such statements will prove to be accurate, as the Company's results and future events could differ materially from those anticipated in this forward-looking information as a result of those factors discussed in or referred to under the heading "Risks and Uncertainties" in the Company's AIF, as well as changes in 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 and availability 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) and 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, regulatory or environmental changes resulting from global climate change and unanticipated events relating to health safety and environmental matters).

Accordingly, readers are cautioned not to place undue reliance on these forward-looking statements which 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.