

Lucara Announces the Payment of A Special Dividend

VANCOUVER, BRITISH COLUMBIA--(Marketwired - July 19, 2016) - Lucara Diamond Corp. ("Lucara" or the "Company") (TSX:LUC)(BOTSWANA:LUC)(NASDAQ OMX Stockholm:LUC), is pleased to announce that the Board of Directors has approved the return of Canadian \$172 million to shareholders by way of a special dividend of Canadian \$0.45 per share to the holders of the Company's common shares. The special dividend will be paid in addition to the Company's existing progressive 2016 quarterly dividend of Canadian \$0.015 per share.

A total dividend payment of Canadian \$0.465 per share is hereby declared and will be paid on September 15, 2016 to holders of record of the Company's common shares at the close of business on September 2, 2016.

The payment of this dividend is consistent with the Company's dividend policy providing for the payment of quarterly dividends and the payment, from time to time, of a special dividend based on revenues generated based on the Company's overall financial position and other factors existing at the time under consideration. The payment of future cash dividends under the policy is subject to the Board's continuing determination that the declaration of a dividend is in the best interests of Lucara and Lucara's shareholders and is in compliance with all laws and agreements of Lucara applicable to the declaration and payment of cash dividends.

William Lamb, President and CEO of Lucara commented: "Lucara is rewarding its shareholders with a significant special dividend which is unprecedented in the industry and shows our commitment to rewarding our shareholders based on the Company's success in generating strong financial returns. The Karowe mine is a premier diamond deposit and continues to recover high quality stones, which is resulting in continued growth in the Company's cash balance. Following this dividend payment, we will continue to maintain a strong balance sheet and continue to seek value accretive opportunities, which includes advancing our exploration and drilling program to increase the Company's resources".

On behalf of the Board,

William Lamb, President and CEO

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About Lucara

Lucara is a well positioned diamond producer. The Company has an experienced board and management team with extensive diamond development and operations expertise. The Company's main producing asset is the 100% owned Karowe Mine in Botswana. The Company also conducts exploration activities and holds two precious stone prospecting licenses close to its Karowe mine.

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

The information in this release is subject to the disclosure requirements of Lucara Diamond Corp. under the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. This information was publicly communicated on July 19 at 10:30 a.m. Pacific Time.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain of the statements made and contained herein 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 achieved.

Forward looking statements are based on the 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, 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. 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 herein should not be unduly relied upon. In particular, this 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 rate; expectations regarding the need to raise capital; possible impacts of disputes or litigation and other risks and uncertainties describe under "Risks and Uncertainties" as disclosed in the Company's most recent Annual Information Form.

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 "Risk and Uncertainties" in the Company's most recent Annual Information Form available at <http://www.sedar.com>, 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, 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.

<https://lucaradiamond.mediaroom.com/index.php?s=2429&item=122533>