

Lucara Announces AK6 Feasibility Study Update

VANCOUVER, BRITISH COLUMBIA--(Marketwire - June 29, 2010) - Lucara Diamond Corp. (TSX VENTURE:LUC) ("Lucara" or the "Company") and partner African Diamonds Plc ("AFD") have received an updated Feasibility Study on the Boteti Mining (Pty) Ltd ("Boteti") AK6 project in Botswana. Lucara, the project operator, holds a 60% interest in Boteti and AFD 40%.

The study details a cost effective technical solution with a process plant initially designed at a throughput rate of 2.5 million tonnes per annum ("mtpa") increasing to 4.0mtpa after 4 year. This phased production approach, combined with contract mining reduces up-front capital required to bring this project on steam.

From an Indicated Resource of 51 million tonnes ("mt") containing 8.2 million carats of diamond (Lucara News Release 24 March 2010), the mine design delineates Probable Reserve of 36.2 million tonnes of ore, containing 6.3 million carats of diamond in an open pit to a depth of 324 metres. The reserves are mined over an 11 year mine life.

The study indicates that the first phase will require a capital investment, including contingency, of US\$120 million, which includes the process plant and all mine site and off-site infrastructure. Operating costs over the life of mine are estimated to be US\$17.20 per tonne treated. The financial model, on an all equity basis using June 2010 costs, generates a free cash flow NPV (at 8%) of US\$164 million and an IRR of 29%. Diamond revenue data used was from the recent March valuation (Lucara News release 24 March 2010). The execution schedule indicates that with work commencing in July 2010, diamond production is expected to ramp up to full design capacity during 2012.

Lucara are also pleased to announce that project engineering has been awarded to DRA Africa (Pty) Ltd ("DRA") and work will commence immediately.

Mr. William Lamb, President and CEO of Lucara, commented, "We are very pleased with the positive indications from this work and we will be proceeding immediately with project engineering. We continue to achieve project milestones to ensure that we remain on track for becoming a significant diamond producer in Botswana, in 2012."

The contents of this release have been reviewed and verified by Dr. Larry Ott a professional geologist and Lucara's V.P. Exploration, and by Mr. Anthony George, P. Eng, a mining engineer and Lucara's V.P. Development, both of whom are Qualified Persons pursuant to NI 43-101.

Lucara is an African focused diamond production company with currently two mines under development: the newly commissioned Mothae mine in Lesotho and the AK6 project in Botswana. Both projects are known for their large, high-quality, high-value diamonds including Type IIA stones produced from the Mothae mine.

On Behalf of the Board,

William Lamb, President and CEO

<https://lucaradiamond.mediaroom.com/index.php?s=2429&item=122695>