

Lucara to Acquire AK6 Diamond Project From De Beers

VANCOUVER, BRITISH COLUMBIA--(Marketwire - Nov. 10, 2009) - Lucara Diamond Corp. ("Lucara" or the "Company") (TSX VENTURE:LUC) is pleased to announce that it has entered into a Sale Agreement to acquire a 70.268% interest in Boteti Exploration (Pty) Ltd. ("Boteti"), which holds a 100% interest in the AK6 project, from De Beers Prospecting Botswana (Pty) Limited ("De Beers"). The AK6 project is an advanced diamond development project located in the Orapa district of Botswana, the largest diamond producing region in the world.

A mining license was awarded to the project in October 2008. The development of AK6 is planned as an open pit operation. Detailed design work will commence as soon as the feasibility study has been updated, which is expected to be completed in the first half of 2010. It is expected that the AK6 mine will be in production within 18 months of completion of the feasibility study update, subject to approval from the Government of the Republic of Botswana. In addition, the Company expects to prepare an NI 43-101 technical report on the property within four months following the closing of the transaction.

There is excellent infrastructure within a reasonable distance from the AK6 deposit including paved roads, water and power from the national grid. The project is proximal to some of Botswana's largest diamond mines. The AK6 body comprises three intersecting pipe-shaped lobes of diamond-bearing kimberlite with similar geology to the nearby diamond mines.

Botswana has one of the highest credit ratings in Africa (A+), a democratically elected government since independence in 1966 and internationally recognized transparent mining regulation. It maintains one of the highest and most consistent economic growth rates in the world.

Mr. William Lamb, President and COO of Lucara, commented, "We are extremely excited about this acquisition and are looking forward to working with African Diamonds on the development of the AK6 project. The Company's mission since inception has been to build a leading African-focused diamond production and development company. With this acquisition, we are well on our way to achieving that goal. We have the Mothae project in Lesotho going into pre-production test mining next year and now the AK6 deposit in Botswana expected the year after. AK6 adds another strong asset to Lucara's growing portfolio."

Transaction Highlights

Pursuant to the Sale Agreement, Lucara will acquire from De Beers a 70.268% interest in Boteti Exploration (Pty) Ltd. ("Boteti") which holds a 100% interest in the AK6 project. Lucara will acquire its interest in consideration of US\$49 million. The remaining interest in Boteti is held as to 28.381% by African Diamonds PLC ("African Diamonds") and indirectly by Wati Ventures (Pty) Ltd. ("Wati Ventures") as to 1.351%.

Lucara has agreed to grant African Diamonds a call option exercisable for 120 days from the completion of the acquisition of AK6, allowing African Diamonds to increase its interest in Boteti by a further 10.268% in consideration for approximately US \$7 million plus interest at 8% per annum. If African Diamonds elects to exercise this option, Lucara would hold a 60% interest in Boteti, African Diamonds would hold a 38.65% interest and Wati will hold 1.35%. The parties also have an option to acquire Wati Ventures' interest for US\$700,000.

To fund the AK6 acquisition, Lucara has entered into a guarantee and loan facility with an insider of the Company in the amount of US\$49 million. As a condition of the guarantee and loan facility, the lender will receive consideration of 12,191,200 shares of Lucara, of which 5,202,436 will be subject to shareholder approval. No further consideration is payable. The shares will be subject to a four month hold period.

In addition, Lucara has agreed to provide a US\$2 million convertible loan to African Diamonds to fund their portion of the updated feasibility study and working capital. The loan is convertible into shares of African Diamonds at a conversion price equal to 85% of the 5 day volume weighted average share price prior to the date of conversion. The convertible loan bears interest at 8% and is due within 120 days of demand. Lucara has funded this convertible loan by a short term loan facility from an insider of the Company in the amount of US\$2 million. The short term loan facility bears interest at US prime plus 2% and is due in six months.

The acquisition transaction is subject to the approval of the Government of the Republic of Botswana.

Haywood Securities Inc. acted as financial adviser to Lucara in respect of the transaction.

The technical contents of this release have been reviewed by Dr. Tom Nowicki of Mineral Services Canada, a Qualified Person in terms of NI43-101.

On Behalf of the Board,

William Lamb, President and COO

Forward-looking statements: This press release contains statements about expected or anticipated future events, including the completion of the transactions contemplated by the Sale Agreement and development and production activities on the AK6 project, that are forward-looking in nature and, as a result, are subject to certain risks and uncertainties, such as: general economic, market and business conditions; the regulatory process and actions in Botswana and the other locations in which the parties to the Sale Agreement operate; the availability of financing on commercially reasonable terms; technical issues; new legislation in Botswana and the other locations in which the parties to the Sale Agreement operate; competitive factors and conditions; the uncertainties resulting from potential delays in development or changes in plans; the occurrence of unexpected events and management's capacity to finance, execute and implement its future plans. Actual results may differ materially from those projected by management.

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