

Lucara Diamond

A Magnificent 204 Carat Diamond Will Headline Lucara's Third Exceptional Stone Tender of the Year

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Aug. 27, 2014) -

Editor's note: There is a photo associated with this release.

Lucara Diamond Corp. ("Lucara" or the "Company") (TSX:LUC) (BOTSWANA:LUC) (NASDAQ OMX:LUC) is pleased to announce that the Company will hold its third Exceptional Stone Tender for 2014 in October.

- Viewings in Gaborone from October 6 to 8
- Viewings in Antwerp from October 13 to 21
- Tender Close at 16:00 on October 21

The sale features seven Type 2A diamonds of greater than 100 carats, including a 239 carat and a magnificent 204 carat diamond of exceptional color and quality.

William Lamb, President and CEO, commented, "Karowe Mine production puts Lucara as an industry leader in the supply of large and exceptional stones. This sale, our third of 2014, highlights the continued success, and value, of this unique operation in northern Botswana."

A picture of the 204 carat stone can be found below and on the Company's website: www.lucaradiamond.com

On Behalf of the Board,

William Lamb, President and CEO

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 two key assets are the Karowe Mine in Botswana and the Mothae Project in Lesotho. The 100% owned Karowe Mine is in production. The 75% owned Mothae Project has completed its trial mining program.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain of the statements made and contained herein in the MD&A 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 in this MD&A should not be unduly relied upon. In particular, this MD&A may contain forward looking information pertaining to the following: the estimates of the Company's mineral reserve and resources; estimates of the Company's production and sales volumes for the Karowe Mine; estimated costs to construct 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 disclosed in the Company's 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 Factors" in the Company's Annual Information Form dated March 27, 2013 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 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)

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.

To view the *204 Carat Diamond from Karowe Mine, Botswana* photo associated with this release, please visit the following link: <http://www.marketwire.com/library/20140827-964890.jpg>

<https://lucaradiamond.mediaroom.com/index.php?s=2429&item=122592>