

Lucara Announces Dates for Exceptional Stone Tender

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Oct. 3, 2016) - Lucara Diamond Corp. ("Lucara" or the "Company") (TSX:LUC)(BOTSWANA:LUC)(NASDAQ OMX Stockholm:LUC) is pleased to announce the dates for its second Exceptional Stone Tender of 2016. Viewings for the tender will take place from November 7 through November 16, 2016 with the sale closing at 4.00pm CET on November 16, 2016. The sale will include no less than 12 exceptional diamonds with a combined weight of approximately 1,100 carats.

In addition, the Company is also pleased to announce the completion of the first stage of plant modifications to upgrade the Large Diamond Recovery ("LDR") circuit to enable the processing of material of up to 90mm in size. This size fraction would allow for the recovery of a diamond of similar size to the 3,106 carat Cullinan diamond recovered in 1905.

William Lamb, President and Chief Executive Officer, commented, "The Karowe mine has continued to produce large exceptional high value stones. The ongoing sale of these diamonds has solidified the Company's market leadership position and brand recognition for the sale of exceptional high quality, large diamonds. Our focus on advancing our recovery techniques, marketing strategy and the routes to market for the sale of such exceptional diamonds has resulted in the expansion of our premium customer base and is achieving maximum diamond recoveries, prices and shareholder value."

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The information in this release is accurate at the time of distribution but may be superseded or qualified by subsequent news releases.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 EU Market Abuse Regulation and the Securities Markets Act. This information was submitted for public release by the above person(s) on October 3, 2016 at 2:30 p.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.

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