

Lucara Announces Decision on Mothae

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Dec. 22, 2014) - Lucara Diamond Corp. (TSX:LUC) (BOTSWANA:LUC)(NASDAQ OMX Stockholm:LUC) ("Lucara" or the "Company") announces that after extensive financial and economic review, the Company intends to divest of its Mothae asset.

The Company has considered multiple development options for Mothae, and while the resource has been proven to be diamondiferous, Mothae does not meet the Company's disciplined investment criteria for its targeted return on capital and its forecast generation of long term free cash flow potential. As a result the Company has decided to enter into a process of divestiture of the asset. Discussions have been held with the Government of Lesotho and they are supportive of the Company's approach and have committed to provide support for any potential new owner of the project. The Company intends to report a non-cash impairment of the book value for the Mothae asset in its year-end accounts. Current book value and estimated rehabilitation provision costs total approximately \$21 million.

William Lamb, President and Chief Executive Officer commented, "Lucara has been very fortunate to have the opportunity to evaluate the Mothae asset and develop relations with the Government and people of Lesotho. Based on our development strategy and the extensive work conducted on understanding the economics of the Mothae asset, we do not believe that sufficient shareholder value can be gained through the expenditure of current cash reserves on further assessment and development of this project. The Company will continue to focus on its Botswana production and exploration assets while assessing other value accretive opportunities. The Company believes that this operational and investment strategy, along with our current dividend policy, will continue to deliver maximum return to our shareholders."

On behalf of the Board,

William Lamb, President and CEO

About Lucara

Lucara is a well positioned new diamond producer. The Company has an experienced board and management team with extensive diamond development and operations expertise. The Company's two 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.

Information in this release is accurate at the time of distribution but may be superseded or qualified by subsequent news releases.

Information in this release is price sensitive and has been made public in accordance with the Swedish Securities Market Act (2077:528).

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 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 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 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.

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