

Lucara Diamond Corp.: Development of AK6 Diamond Mine Passes Half Way Point and Remains on Time and Within Budget

VANCOUVER, BRITISH COLUMBIA--(Marketwire - June 27, 2011) -Lucara Diamond Corp. ("Lucara" or the "Company") (TSX VENTURE:LUC) is pleased to provide an update on the development of its 100% owned AK6 diamond project in Botswana. The AK6 mine, to be commissioned by year end, will ramp up to full production in early 2012 to deliver over 400,000 carats of high quality diamonds in its first year of operation.

As at the end of May there were over 400 construction crew members on site and a total of 326,000 hours worked. With the overall project execution at 64% the project remains on target for process plant commissioning to commence in the Q4 of this year. Engineering is now 91% complete; procurement is at 81%; fabrication and delivery at 55%; and construction at 39% complete. The project capital expenditure is also trending in-line with the Feasibility Study estimate of \$120 million.

The first structural steel was delivered to site mid-June and first steel erected for the primary crusher structure on June 17. All supplies and equipment deliveries are ramping up in support of construction activities. The power-line construction is well advanced and is scheduled for completion mid-July. The first bay of the main sub-station will be complete in August to provide power for commissioning with the second bay complete in September.

Recruitment of Boteti operational staff is progressing well and all senior positions have been filled with Batswana. The mining operations contractor and process plant operations and maintenance contractors have been appointed and will be mobilizing to site in Q3 in support of commissioning.

Site photographs showing project advancement can be accessed on the company website.

William Lamb, President and CEO, commented, "We're on the home stretch now. It is exciting to see the project take shape and be on schedule and within budget for production to commence later this year. AK6 will be the only new diamond mine coming on stream in the near future and will soon be contributing high quality diamonds to a strengthening diamond market."

Lucara is a well positioned emerging new diamond producer. The Company has an experienced board and management team with years of diamond development expertise. The Company's two key assets are the AK6 diamond mine in Botswana and the Mothae diamond mine in Lesotho. The 100% owned AK6 project is in the construction stage with mine commissioning scheduled to commence in the fourth quarter of 2011. The 75% owned Mothae mine is currently in the trial mining stage. Both Mothae and AK6 are world class assets with tonnage and throughput upside; diamond values from both could significantly increase with the continued recovery of Type IIA and large stones.

On Behalf of the Board,

William Lamb, President and CEO

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