



Lucara Diamond

WHERE BIGGER IS™

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NEWS RELEASE

LUCARA PROVIDES OPERATING OUTLOOK FOR 2016 AND PROGRESSIVE DIVIDEND POLICY

December 2, 2015 (LUC – TSX, LUC – BSE, LUC – Nasdaq Stockholm) Lucara Diamond Corp. (“Lucara” or the “Company”) is pleased to provide operating guidance for 2016 and its progressive dividend policy.

Highlights

- Revenue of US \$200 million to US \$220 million is budgeted. This excludes the sale of exceptionally high value diamonds recovered during 2016 and the Company’s current high value diamond inventory, including the 1,111 and 813 carat diamonds recently recovered.
- Karowe operating cash costs (including waste mining) are expected to be between US \$33.5-\$36.5 per tonne treated.
- The Company is investing in organic growth through exploration and potential resource extension at Karowe while enhancing the recovery of exceptionally large, high value diamonds at the mine.
- A progressive dividend policy will be introduced in 2016 with the aim of maintaining or increasing the Canadian dollar dividend per share each year. The Company anticipates it will declare an annual dividend of Canadian \$0.06 per share in 2016 to be paid in four equal payments at the end of each financial quarter.

William Lamb, President and Chief Executive Officer commented, “Lucara had a successful operating year in 2015 which culminated in the historic recovery of the world’s second and sixth largest gem quality diamonds. Our 2015 performance has positioned us well for 2016 as we focus on mining in the high value south lobe and advancing our organic growth projects at Karowe. We continue to deliver strong cash flows and returns for our shareholders and as a result we are introducing a progressive dividend policy.”

Karowe - Diamond Sales, Production and Cost Outlook (US\$):

Karowe Mine	Full Year 2016
Diamond revenue (million) – excluding sale of high value exceptional diamonds	\$200 - \$220
Diamond sales (thousands of carats)	340 - 380
Waste tonnes mined (million)	13.0 – 14.0
Ore tonnes milled (million)	2.2 – 2.4
Operating cash costs including waste mined (per tonne milled). This includes costs of (a) to (c) as follows:	\$33.5 – \$36.5
(a) Ore and waste mined cash costs (per tonne mined)	\$2.50 - \$2.75
(b) Processing cash costs (per tonne milled)	\$11.0 – \$12.5
(c) Mine on-site departmental costs (security, technical services, mine planning, safety and health, geology) – per tonne milled	\$3.50 - \$4.50
Operating cash costs excluding waste mined (per tonne milled)	\$20.0 - \$22.0
Botswana general and administration costs including marketing costs (per tonne milled)	\$2.50 - \$3.00

Diamond Revenue

The Company forecasts that annual revenue of between US \$200 million to US \$220 million excluding the sale of exceptionally high value diamonds such as the recently recovered 1,111 and 813 carat diamonds. This baseline revenue is supported by Karowe's consistent recovery and yearly sales of its current diamond profile, including specials (+10.8 carats) and its exceptional diamonds. Although the Company has recovered exceptionally high value stones from the mine and is now focused on the high value south lobe, it is unable to predict when these diamonds will be recovered and sold. The Company therefore considers sales from these diamonds as additional revenue to the baseline US \$200 million to US \$220 million revenue forecast, which has the potential to significantly increase annual cash flows.

2016 Production

The Karowe mine is forecast to treat between 2.2 to 2.4 million tonnes of ore, producing over 350,000 carats of diamond. The mine is expected to process up to 60% of material from the south lobe during 2016. Karowe is forecast to mine between 13.0 and 14.0 tonnes of waste during 2016. Waste mining continues to open up the full extent of the south lobe.

Cash Costs – Operating costs per tonne milled

Cash costs per tonne of ore treated is forecast to be between US \$33.5 to US \$36.5 per tonne. The forecast increase in operating cash costs from 2015 is due to investment in changes to the process plant facilities to improve large diamond recovery and to process harder material from deeper in the south lobe, current forecast power costs in Botswana and a CPI increase in Botswana of approximately 4%.

Karowe – Investment in Organic Growth and Recovery of Exceptionally Large High Value Diamonds

The Company is investing in organic growth at Karowe and enhancing the capability to recover exceptionally large, high value diamonds. These investments include:

- Exploration program: A budget of up to US \$7.0 million has been allocated to advance bulk sampling and drilling work at the Company's two exploration licenses.
- Karowe deep drilling on the AK6 kimberlite and south lobe is budgeted at US \$3.7 million with the aim of converting inferred resources below 400 metres depth to an indicated resource and to determine the economic viability for underground mining, potentially extending the life of mine at Karowe.
- Exceptional large diamond recovery installation: The current process circuit has been designed to recover diamonds to a maximum size of up to 1,000 carats. Based on the recent recoveries of very large diamonds and the expected continuation of recoveries of exceptionally large diamonds in the south lobe the Company will be integrating an additional large diamond recovery process with an investment of between US \$15 million to US \$18 million.

Sustaining Capital Expenditures

Sustaining capital is budgeted at up to US \$11 million including on time costs of US \$1.5 million for a mill re-liner, an investment of US \$1.5 million for a combined sales and administrative office in Gaborone.

Dividend Policy

In 2016, the Company will introduce a progressive dividend with the aim of maintaining or increasing the Canadian dollar dividends per share paid each year on a quarterly basis. The Company anticipates it will declare an annual dividend in 2016 of Canadian 6 cents per share to be paid in four equal payments at the end of each financial quarter. The amount of any dividend declared will remain at the discretion of the Board of Directors. In determining the rate of the total dividend, in Canadian dollars per share, the Board of Directors will consider current operating results and outlook, the need to invest to maintain profitable long term growth, the external environment and any other factors deemed relevant. This dividend policy replaces the Company's current policy, which contemplates a semi-annual dividend payment and a potential performance related based on performance.

Conference Call

The Company will host a conference call to discuss the guidance on Thursday, December 3, 2015 at 6:00 a.m. Pacific, 9:00 a.m. Eastern or 3:00 p.m. CET.

Please call in 10 minutes before the conference call starts and stay on the line (an operator will be available to assist you).

Dial-In Numbers:

Toll-Free North America: +1-866-393-4306

North America: +1-734-385-2616

Sweden: +46 (0) 8 5661-9361

A replay of the telephone conference call will be available until December 10, 2015.

Replay number (Toll Free North America): +1-855-859-2056

Replay number (International): +1-404-537-3406

The pass code for the replay is: 92852384

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 assets include the Karowe Mine in Botswana, two Precious Stone Exploration Licenses in Botswana and the Mothae Project in Lesotho. The 100% owned Karowe Mine is in production. The 75% owned Mothae Project is currently being divested.

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 Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. This information was publicly communicated on December 2, 2015 at 3:00 p.m. Pacific Time.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This press release contains forward-looking statements and information as defined in applicable securities laws including: the estimates of the Company's mineral reserve and resources; estimates of the Company's production and sales volumes, revenue for the Karowe Mine; exploration and development plans and objectives, production costs, exploration and development expenditures. 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 assumptions, 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 and uncertainties 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. In particular, such risks include 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 and other risks and uncertainties describe under Risks and Uncertainties disclosed under the heading "Risk Factors" in the Company's most recent Annual Information Form available at <http://www.sedar.com>.

Forward-looking statements and information 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.

Readers are cautioned not to place undue reliance on forward-looking statements and information.