



Lucara Diamond

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NEWS RELEASE

LUCARA APPOINTS NEW MINING CONTRACTOR

January 24, 2017 (LUC – TSX, LUC – BSE, LUC – Nasdaq Stockholm) Lucara Diamond Corp. (“Lucara” or the “Company”) is pleased to announce the appointment of Moolman Mining Botswana (Pty) Ltd (“Aveng Moolmans”) as its new mining contractor at the Company’s 100% owned Karowe diamond mine in Botswana. Aveng Moolmans, a company forming part of Aveng Mining has been contracted for a 6 year period to provide the full suite of mining services at the Karowe mine, including all drill, blast, load and haul functions for both ore and waste. Aveng Moolmans will commence mobilization of equipment to site during January and February 2017 and expects to begin mining activities in early March 2017.

William Lamb, President and Chief Executive Officer commented *“We are very pleased to have engaged Aveng Moolmans as our new mining partner at the Karowe mine. Their extensive expertise in working in Botswana and other African countries together with their proven track record and their ability to achieve production volumes over the contract period, makes them a valuable partner as we work to maximize the future value of this incredible resource, at Karowe, for our shareholders and all our stakeholders in Botswana.*

“The transition to Aveng Moolmans also provides the Company with increased mining flexibility and capacity to achieve sustainable production and continued strong operating cash flows.

“Since December 2016, we have continued to process ore from the south and centre lobe stockpiles and are in line to achieve our production and operating guidance for 2017.”

Stuart White, Operating Group Managing Director, Aveng Mining commented *“We are grateful for the opportunity of joining the Lucara team at the Karowe mine as its mining department and look forward to adding value to this prestigious diamond mining operation. This long-term project allows us to build on our 15 year presence in Botswana in which we will strive to make a positive contribution to all our stakeholders, including the communities in which we operate.*

“Mobilization preparations are underway to ensure a timely start of mining activities, and production to plan.”

On behalf of the Board,

William Lamb
President and CEO

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About Lucara

Lucara is a leading independent producer of large exceptional quality Type IIa diamonds from its 100% owned Karowe Mine in Botswana. The Company has an experienced board and management team with extensive diamond development and operations expertise. The Company operates transparently and in accordance with good international practices in the areas of health and safety, environment and community relations.

About Aveng Mining

Aveng Mining is a world leader in the shaft sinking and access development market with ability to sink and equip vertical and decline shafts through all types of rock formation. The group offers services across the mining value chain and, as one of only four deep-level shaft-sinking companies worldwide, is involved in all aspects across the mining value chain, ranging from shaft sinking to underground development, contract mining, open-cut mining, mineral processing, acid mine drainage plants, construction of mining-related infrastructure, and supply of mining equipment and products. Aveng Mining's experience spans a broad range of commodities, and it has worked successfully in remote and difficult locations.

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 January 24, 2017 at 2:45 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.