



Lucara Diamond

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NEWS RELEASE

LUCARA ANNOUNCES COMPLETION OF ITS DIAMOND RECOVERY CAPITAL PROJECTS

SEPTEMBER 11, 2017 (LUC – TSX, LUC – BSE, LUC – Nasdaq Stockholm) ... Lucara Diamond Corp. (“Lucara” or the “Company”) is pleased to announce the completion of the Mega Diamond Recovery (“MDR”) and the Sub-middles XRT capital projects within budget and ahead of schedule.

The Company’s MDR circuit treats material in the size range between 50mm and 120mm and is located directly post the primary crusher and ahead of the process plant. This design maximizes the upfront recovery of exceptional diamonds prior to the comminution processes where diamond damage may occur and revenue lost. Commissioning of the circuit has been completed and the system has been integrated into the existing process stream.

The sub-middles XRT circuit processes material in the size range between 4mm and 8mm. The sub-middles circuit has replaced the need for a dense medium circuit and five diamond recovery unit processes for treating diamonds within this size fraction. The commissioning of the circuit has been completed and verification of the diamonds recovered within this size frequency distribution is being confirmed against historical recoveries.

William Lamb, President and CEO, commented, *“The commissioning of the MDR and Sub-middles XRT circuits advances the Company’s ability to efficiently recover its diamonds and maximize value for its exceptional diamonds. The Sub-middles XRT circuit cost effectively processes the variable yield material from the south lobe through the utilization of a single unit process which reduces feed to the more costly concentration and recovery processing units. The completion of these two capital projects concludes our major capital expenditures for upgrading the process facilities, all of which have been funded from internal cashflows.”*

Lucara further announces the launch of its virtual reality website. A site tour can be facilitated through the web portal: <http://www.lucara360.com/tour/>

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 Ila 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 international best practices in the areas of sustainability, health and safety, environment and community relations.

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 Swedish Securities Markets Act. This information was publicly communicated on September 11, 2017 at 2:00 p.m. Pacific Time.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain of the statements made and contained herein in the press release 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 be achieved.

In particular, this press 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 rates; expectations regarding the need to raise capital; possible impacts of disputes or litigation; and other risks and uncertainties described under the heading "Risks and Uncertainties" in the Company's most recent Annual Information Form available at <http://www.sedar.com> (the "AIF").

Forward-looking statements are based on the opinions, assumptions 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. Such assumptions include: the Company's ability to obtain necessary financing; the Company's expectations regarding the economy generally, results of operations and the extent of future growth and performance; and assumptions that the Company's activities will not be adversely disrupted or impeded by development, operating or regulatory risk. 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 in this press release should not be unduly relied upon.

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 "Risks and Uncertainties" in the Company's AIF, 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, regulatory or environmental changes resulting from global climate change 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.