



## Lucara Diamond Corp.

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## NEWS RELEASE

### **LUCARA \$110 MILLION PRIVATE PLACEMENT CLOSED**

**December 16, 2009 (LUC – TSXV) ... Lucara Diamond Corp.** (“Lucara” or the “Company”) is pleased to announce that the \$110 million private placement announced on December 1, 2009 and amended on December 3, 2009 has closed.

Subscription receipts (“Subscription Receipts”) were sold by a syndicate of agents, led by GMP Securities L.P. and including Canaccord Financial Ltd., BMO Nesbitt Burns Inc., Cormark Securities Inc., Haywood Securities Inc. and PI Financial Corp., on a private placement basis at a price of Cdn \$1.00 per Subscription Receipt, for aggregate gross proceeds to the Company of Cdn \$110 million (the “Offering”). Each Subscription Receipt will, upon satisfaction of the escrow release conditions, entitle the holder thereof to receive one common share of the Company without further payment or action on the part of the holder.

The gross proceeds of the Offering, less the Agents expenses incurred in connection with the Offering, will be held in escrow pending receipt of (i) the satisfaction of all conditions precedent to the AK6 diamond project acquisition (the “Acquisition”) by Lucara from De Beers previously announced by the Company on November 10, 2009 including, without limitation, the approval of the Government of the Republic of Botswana of the Acquisition, and (ii) all required shareholder and regulatory approvals, as applicable, in connection with the offering. Following satisfaction of the escrow release conditions, the Company intends to use the net proceeds of the offering to fund commitments related to the AK6 diamond project acquisition, for ongoing exploration and development activity and for general corporate purposes. The Company has received conditional acceptance of the offering from the TSX Venture Exchange. In the event that the escrow release conditions are not met by January 31, 2010, the escrowed proceeds, together with any interest accrued thereon, will be returned to the holders of the Subscription Receipts and the Subscription Receipts will be cancelled.

In connection with the Offering, the agents will receive a commission equal to 5% of the gross proceeds of the Offering placed by the agents. The agents have agreed to make a charitable donation to “Lundin for Africa” in an amount equal to 0.5% of the aggregate gross proceeds placed by the agents, paid from the agents’ commission.

The Subscription Receipts and the common shares issuable on exercise thereof will be subject to a four-month hold period in accordance with applicable Canadian securities laws expiring on April 17, 2010.

On Behalf of the Board,

William Lamb  
President and COO

*This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.*

*Forward-looking statements: This press release contains statements about expected or anticipated future events, including the completion of the transactions contemplated by the acquisition, satisfaction of the escrow release conditions, use of proceeds, and development and production activities on the AK6 project, that are forward-looking in nature and, as a result, are subject to certain risks and uncertainties, such as: general economic, market and business conditions; the regulatory process and actions in Botswana and the other locations in which the Company operates; the availability of financing on commercially reasonable terms; technical issues; new legislation in Botswana and the other locations in which the Company operate; competitive factors and conditions; the uncertainties resulting from potential delays in development or changes in plans; the occurrence of unexpected events and management's capacity to finance, execute and implement its future plans. Actual results may differ materially from those projected by management.*

For further information, please contact:  
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