



Lucara Diamond Corp.

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NEWS RELEASE

LUCARA RECEIVES RECORD PRICE FOR MOTHAE DIAMONDS

December 12, 2011 (LUC – TSX, LUC – BSE, LUC – NASDAQ OMX First North) ... Lucara Diamond Corp. (“Lucara” or the “Company”) is very pleased to report outstanding results from its second tender of rough diamonds recovered from the Mothae mine in Lesotho. A total of 7,190 carats in 28 sale lots were offered on tender in Antwerp between December 5 through 9, 2011. All 28 lots received multiple bids and winning offers resulted in an average price of US\$893 per carat and gross proceeds of US\$6.4 million, an increase from Lucara’s first diamond sale earlier in the year.

The three stones with the highest per carat value, all Type IIa, were a 28.89 carat diamond which sold for \$1.6 million (\$57,113/ct, a record for Mothae), a 56.51 carat diamond which sold for \$2.1 million (\$37,019/ct), and a 19.20 carat diamond which sold for \$490,000 (\$25,520/ct). These prices signify the exceptional quality and size of the stones that are regularly recovered from Mothae.

Mr. William Lamb, President and CEO of Lucara Diamond Corp., commented, “The results of this sale re-confirm the presence of a population of large, top quality diamonds within the Mothae kimberlite and demonstrate that these stones can be recovered with a regularity which greatly enhances the economic potential of the project. We are particularly pleased with the enthusiastic market response to Mothae production, suggesting that we can always expect strong demand for our type of diamonds regardless of market conditions.”

The tender was held at the offices of Bonus-Couzyn under the supervision of AGM Diamond Expertise (HK) LTD. The diamonds sold were recovered during the ongoing trial mining at Mothae. Sample grades for the material processed to recover the diamonds were as follows:

| Sample ID | Dry Tonnes | No. of Stones | Carats | Carats/Stone | Dry Sample Grade (cpht) ¹ |
|-----------|------------|---------------|-----------|--------------|--------------------------------------|
| G2A | 33,691 | 4,256 | 1,909.78 | 0.45 | 5.67 |
| G2B | 22,689 | 3,022 | 1,286.89 | 0.43 | 5.67 |
| G3A | 29,874 | 3,722 | 1,654.70 | 0.44 | 5.54 |
| F2A | 50,181 | 4,083 | 1,979.76 | 0.48 | 3.95 |
| C7A | 18,425 | 875 | 403.20 | 0.46 | 2.19 |
| Total | 154,860 | 15,958 | 7,234.33* | 0.45 | 4.67 |

¹ 2.0 mm bottom cut off size (or diamonds greater than 2.0mm)

The trial mining program at Mothae has been going very well and is expected to be completed in the third quarter of 2012. A total of 720,000 tonnes of kimberlite is scheduled to be processed of which 430,000 tonnes has been processed to date.

A Preliminary Economic Assessment study was contracted to ADP in October 2011 and is expected to be finalized in the fourth quarter of 2012. The objective of the study is to gain a further understanding of the economic potential of the Mothae project and to define the capital expenditure and operating costs for mine development to a pre-feasibility level.

A core drilling program of approximately 6,100 metres commenced in November 2011 and is anticipated to be completed in the second quarter of 2012. The objective of the drill program is to define the internal geology of the Mothae kimberlite and extend the currently defined kimberlite volume from a depth of 200 metres to 320 metres.

In the addition, the Company is pleased to announce the appointment of Ms. Jennifer Lecour as Corporate Secretary of Lucara effective December 1, 2011. Jennifer is a lawyer with more than 15 years experience in both the corporate and not-for-profit sector. Jennifer holds both a law degree and degree in psychology from Queen's University. She is also a graduate of the Queen's Executive Leadership Program and a member of the Institute of Corporate Directors.

About Lucara

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 Karowe diamond mine in Botswana and the Mothae diamond mine in Lesotho. The 100% owned Karowe Mine is in the construction stage with mine commissioning scheduled to commence in the first quarter of 2012. The 75% owned Mothae mine is currently in the trial mining stage. Both Mothae and Karowe are large scale assets with tonnage and throughput upside; diamond values from both could significantly increase with the continued recovery of Type IIA and large stones.

Mr. Anthony George, P. Eng., a mining engineer and Lucara's V.P. Development, is the Company's Qualified Person pursuant to NI 43-101 and has reviewed and approved the contents of this news release.

** Difference between sold carat weight and recovered carat weight is attributed to losses in the acidization process.*

On Behalf of the Board,

William Lamb
President and CEO

Forward Looking Statements: This document contains statements about expected or anticipated future events and financial results of Lucara that are forward-looking in nature and are based on Lucara's current expectations, estimates and projections. This forward-looking information is subject to certain risks and uncertainties, such as legal and political risk, civil unrest, general economic, market and business conditions, the regulatory process and actions, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events and management's capacity to execute and implement its future plans. The actual results, activities, performance or achievements of Lucara may differ materially from those projected by management. A discussion of factors that may affect Lucara's actual results, performance, achievements or financial position is contained in the filings by Lucara with the Canadian provincial securities regulatory authorities on the system for electronic document analysis and retrieval ("SEDAR") at www.sedar.com.

E. Öhman J:or Fondkommission AB (Pareto Ohman), part of the Pareto Securities group, is Lucara's Certified Adviser on NASDAQ OMX First North.

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