



Lucara Diamond Corp.

885 W. Georgia Street, Suite 2101
Tel: 604 689 7842
lucara@namdo.com

Vancouver, BC, Canada V6C 3E8
Fax: 604 689 4250
lucaradiamond.com

NEWS RELEASE

EXCELLENT RESULTS FROM TRIAL MINING PROGRAM AT MOTHAE DIAMOND MINE IN LESOTHO

November 4, 2010 (LUC – TSXV) ... Lucara Diamond Corp. (“Lucara” or the “Company”) is pleased to report excellent first results from the trial mining program at the Mothae diamond mine in Lesotho. Lucara is conducting a trial mining program to mine and process up to 720,000 tonnes of kimberlite from the Mothae pipe to gather further data on diamond grade, size distribution and diamond value information following a previously completed successful 100,000 tonne bulk sample program. The bulk sampling and trial mining programs are in preparation for future commercial diamond production from the Mothae mine.

Trial mining to date has recovered 2,101.73 carats of diamonds from approximately 86,928 dry tonnes mined from the ‘C’ kimberlite domain of the Mothae pipe. Included in this parcel are 97 stones between 2 and 5 carats in weight, 25 stones between 5 and 10 carats in weight, 9 stones between 10 and 20 carats in weight, and 3 stones greater than 20 carats. The largest three stones recovered to date in this program are 53.53 carats, 37.24 carats and 20.26 carats. The process plant is designed to recover diamonds greater than 2 mm in size. Test work demonstrates that a significant proportion of the larger diamond recoveries, including all three of the stones exceeding 20 carats in size, are Type IIa diamonds which are the rarest and most valuable diamonds in the world.

These early results are very encouraging for the potential of the Mothae mine. There are very few new diamond mines coming into production to meet the growing demand for quality diamonds and Lucara is developing two of them: the Mothae diamond mine in Lesotho as well as the recently announced AK6 diamond mine in Botswana.

In addition to the above, 77.65 carats of diamond were recovered from approximately 1,592 dry tonnes of ‘F’ domain kimberlite remaining on stockpile from prior bulk sampling work and used to commission the upgraded Mothae process plant. This brings the total parcel recovered to date in the trial mining program to 2,179.38 carats.

Mr. William Lamb, Lucara’s President and CEO, commented, “Mothae continues to deliver great results with the coarse nature of the diamonds being recovered. The recovery of a 53 carat type II diamond from the first 3,000 tonnes processed confirms our belief that Mothae will generate some of the rarest diamonds in the world. We are looking forward to the first open tender sale of diamonds from Mothae in the first quarter of 2011.”

Trial mining is currently focused on the ‘C’ kimberlite domain which is interpreted to make up the largest single domain of the Mothae Pipe. As trial mining progresses, work will focus on the higher grade ‘F’ and ‘G’ domains, the ‘H’ domain which was not tested in prior bulk sampling work, and the ‘E’ domain which was subjected to limited sampling in the prior bulk sampling program.

The following table summarizes the trial mining sample results to date.

Domain	Sample	Dry Tonnes	Stones	Carats	Ave. St. Size (Cts/Stone)	Dry Grade (cpht)
F	F1D	1 592	111	77.65	0.70	4.88
C	C4A	29 649	1 446	756.71	0.52	2.55
C	C5A	50 165	3 043	1 096.93	0.36	2.19
C	C6A	7 296	502	248.09	0.49	3.40
Total		87 109	4 991	2 101.73	0.42	2.41

Note that this diamond recovery information is provisional, Mothae Diamonds intends to process all recovery tails over a grease recovery system as an audit of the performance of the x-ray diamond recovery system employed in the process plant.

Tonnage estimates are based on daily plant weightometer readings and moisture content measurements to determine a dry tonnage estimate. The process plant is being operated by Minopex under contract to Mothae Diamonds. Diamond recovery and characterization work is carried out independently by the diamond sorting staff of Remote Exploration Services, also under contract to Mothae Diamonds. Current tonnage and grade estimates are provisional and may be adjusted depending on results of planned audit work of x-ray recovery tailings and final tonnage reconciliation with survey volumes.

Mothae Diamonds (Pty) Ltd is jointly held indirectly by Lucara Diamond Corp (75%) and the Government of the Kingdom of Lesotho (25%). One half of the interest held by the Government is free carried, and one half is paid through the Government's share of dividend.

Information contained in this news release has been reviewed and approved by Dr. Larry Ott, Lucara's V.P. Exploration, and a Qualified Person as that term is defined by NI43-101.

On Behalf of the Board,

William Lamb
President and CEO

Forward-looking Information

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, including Lucara's 2009 annual MD&A filed on April 27, 2010 on the system for electronic document analysis and retrieval ("SEDAR") at www.sedar.com.

For further information, please contact:
Sophia Shane on (604) 689-7842

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