



Lucara Diamond

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NEWS RELEASE

LUCARA PROVIDES EXPLORATION UPDATE

March 06, 2017 (LUC – TSX, LUC – BSE, LUC – Nasdaq Stockholm) Lucara Diamond Corp. (“Lucara” or the “Company”), is pleased to announce the results of the second BK02 mini-bulk sample and provide an update on other exploration activities.

A total of 309.79 carats were recovered from the processing of 5,021 tonnes of BK02-2, for a sample grade of 6.2 cpht (carats per hundred tonne). The largest diamond recovered was a 4.56 white/grey octahedron. A total of 22 stones were recovered greater than 1 carat in weight, including 5 diamonds in excess of 2 carats in weight (inclusive of the 4.56 carat diamond). The sample was collected from the same location as the results announced on 13 June 2015, after a drill and blast sample was taken to deepen the sample pit, followed by excavation and trucking to the Karowe Mine where processing was conducted through a 15 tonne per hour Bulk Sample Dense Media and X-ray Recovery Plant.

Diamonds were exported to the Lucara Sales and Sorting office for final cleaning and sizing. The second phase sample results confirm the coarse size distribution of the BK02-1 sample.

Table 1. BK02-2 Diamond Results

SAMPLE	SAMPLE TONNES	+21DTC	+19DTC	+17DTC	+15DTC	+13DTC	+11DTC	+9DTC	+7DTC	+5DTC	+3DTC	-3DTC
BK02-2	5021	4.56	16.3	7.4	7.67	32.25	63.15	53.46	36.82	56.77	24.13	7.27

Three largest diamonds recovered, 4.56, 2.71, 2.26 carats

The combined BK02-1 and BK02-2 samples are presented in Table 2, a total of 584.12 carats have been recovered from 10,937 tonnes of kimberlite for a sample grade of 5.3 cpht. A total of 46 diamonds have been recovered greater than 1 carat in weight, including 8 diamonds greater than 2 carats in weight.

Table 2. Combined BK02-1 and BK02-2 Samples

SAMPLE	SAMPLE TONNES	+21DTC	+19DTC	+17DTC	+15DTC	+13DTC	+11DTC	+9DTC	+7DTC	+5DTC	+3DTC	-3DTC
BK02 Total	10937	10.04	24.17	10.965	23.26	57.53	103.1	96.92	67.29	114.36	53.93	22.54

Three largest diamonds recovered, 5.48, 4.56, 2.71 carats

The diamonds recovered are scheduled to be independently valued early in the second quarter of 2017.

A large diameter drill (LDD) program at BK02 is in the advanced planning stage, with the tendering process underway with first material from the pilot drilling program expected in Q2 2017.

A total of 17 drill holes totalling 1,990 metres were drilled into the BK02 kimberlite during 2016 and Q1 2017. A total of 1059 metres of kimberlite were intersected with the deepest intersection of 201m in a vertical PQ diamond drill hole, drilled adjacent to the surface mini-bulk sample excavation. The

interpreted surface area of BK02 is 2.1 hectares and additional delineation drilling is planned prior to the commencement of the LDD program.

William Lamb, President and CEO, commented, "Results of the second BK02 mini bulk sample are very encouraging with the improvement in the grade and confirmation of the coarse nature of the BK02 diamond size distribution. The combined parcel of diamonds is suitable for a preliminary diamond valuation which we expect to provide to the market in the second quarter of 2017. The next stage of exploration at BK02 will be to develop an understanding of the diamond content and size distribution continuity at depth."

AK06 Deep Drilling Program

A deep drilling program at the Karowe Mine AK06 kimberlite was completed in Q1 2017. A total of 12 drillholes (9,750 metres) were completed with approximately 2,770 linear metres within the South Lobe of the AK06 kimberlite being drilled. The program was designed to increase confidence in the geological model for the South Lobe of the AK06 kimberlite and provide sufficient data and material for an updated resource to be utilised in an underground option study for the Karowe mine. Core logging and interpretation is ongoing. Mineral Services Canada has been contracted to aid in the development of a sampling program and internal geology updates that will be utilised for an updated resource estimation for the current inferred portion of the Karowe Mine.

AK11 and AK13 Exploration Update

During Q3 2016 a drill program was initiated and completed at AK11 with a total of 10 core holes (1,570 metres) being drilled. A total of 914m of kimberlite was intersected in the nine holes which were drilled into AK11. Kimberlite was intersected in all of the nine holes drilled. The deepest intersection was 205 metres in a vertical PQ hole drilled into the centre of the AK11 geophysical anomaly. The tenth hole, which did not intersect kimberlite, tested a geophysical anomaly to the west of AK11. Preliminary core logging indicates that AK11 has two distinct pipe infill sequences, a well preserved crater infill (graded bedding, re-sedimented kimberlite), and a more magmatic/pyroclastic kimberlite phase. Drilling confirmed the size of AK11 at approximately 2.5 hectares. Logging and sampling of the drill core is underway, microdiamond samples (1,287 kilograms) are currently being processed and results will be released when the program is complete.

During Q1 2017 a drill program was completed at AK13. A total of 6 holes (756 metres drilling) tested a 150 metre strike length of a vertical kimberlite dyke system, 5 holes intersected kimberlite with 3 holes intersecting wider intercepts of kimberlite, a additional 3 holes tested geophysical anomalies adjacent to AK13 with no kimberlite being intersected. A SE-plunging blow along the AK13 (50 degree plunge on 145 degree azimuth) dyke was identified with a maximum dimension of 130 by 30 metres. The deepest kimberlite intersection is 120 metres vertical. Further drilling is dependant on results of microdiamond samples. Microdiamond samples will be submitted during Q2 2017 and results announced when the program is complete. Drilling is planned to start at AK14 during late Q1 2017.

Lucara's diamond exploration programs are conducted under the direction of Dr. John P. Armstrong, Ph.D. P.Geo., Vice President Mineral Resources and a Qualified Person under NI 43-101. Dr. Armstrong has reviewed and approves the scientific and technical content of this press release.

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.

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 March 6, 2017 at 2:30 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 reserve and resources; estimates of the Company's production and sales volumes for the Karowe Mine; estimated costs to construct 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 disclosed in the Company's 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 Factors" 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 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), 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.