LUCARA REPORTS STRONG 2014 OPERATIONAL AND FINANCIAL RESULTS

February 19, 2015 (LUC – TSX, LUC – BSE, LUC – Nasdaq Stockholm) Lucara Diamond Corp. ("Lucara" or the "Company") is pleased to report full year revenues of $266 million and a year-end cash balance of $101 million.

HIGHLIGHTS

Revenues: During the year the Company had sales totaling 412,136 carats for gross proceeds of $265.5 million at an average price of $644 per carat. The increase in revenues of 47% or $85.0 million compared to the prior year was due to higher prices received for the Karowe diamonds and a larger number of carats being sold in the large exceptional stones tenders, which contributed $135.6 million to revenues. The exceptional stone sales resulted in an average price of $32,471 per carat in 2014 (2013: $24,290 per carat, with the remaining tenders achieving $318 per carat (2013: $249 per carat).

Cash flows and operating margins: The Company’s EBITDA for the year was $173.4 million compared to the previous year of $102.9 million. The strong operating margins were largely due to the exceptional stone sales and the Company’s focus on cost control, which resulted in a cost per tonne treated of $28 compared to guidance of $31-$33 per tonne.

Net cash position: The Company’s year-end cash balance was $100.8 million compared to a cash balance of $49.4 million at the end of 2013. The increase in the Company’s cash balance was due to its strong operating cash flows, which more than financed the Company’s plant optimization expenditure of $35 million and its dividend payment to shareholders of $27 million during the year. The Company’s Scotiabank $50 million credit facility remains undrawn.

Karowe operating performance: Karowe’s performance was in line with forecast for the year in terms of ore and waste mined and carats recovered. Karowe recovered 815 special stones (+10.8 carats; 2013 recovery of 732 specials) during the year. This included 27 stones greater than 100 carats (2013: 17 stones) and 4 stones over 200 carats (2013: 4 stones). The plant optimization program is advancing to plan and the plant is expected be commissioned during Q2 2015 within the $55 million forecast cost.

Adjusted Earnings per share and Return on Capital Employed: Adjusted earnings per share was $0.24 per share for the year ended December 31, 2014 (2013: adjusted earnings per share was $0.17) and $0.05 per share for the quarter ended December 31, 2014 (2013: adjusted earnings per share was $0.05).

The Companies strong earnings have resulted in the Company achieving a return on capital employed (‘ROCE’) of 63% during the year. ROCE increased from 37% in 2013 following the increase in sales from the exceptional stone tender and the Companies operating and capital cost discipline.

Dividends: In 2014, the Company paid a special dividend of CA$ 0.04 per share in addition to its regular dividend of CA$ 0.04 per share. The total dividend paid in 2014 by the Company of US$27 million was
equivalent to a dividend yield of 3.7% based on the TSX closing price on December 31, 2014 and a dividend cover of 3.4x using adjusted net income.

**Mothae divestment:** On December 22, 2014, the Company announced it would divest of the Mothae project based on the Company’s development strategy and the extensive work conducted on understanding the economics of the asset. The Company does not believe that sufficient shareholder value can be gained through expenditure of current cash reserves on further assessment and development of this project.

**Botswana Prospecting Licenses:** The Company was awarded two precious stone prospecting licenses within the Orapa Kimberlite field in close proximity to the Karowe Diamond mine during the year. The Company has ordered a bulk sampling plant and will commence work programs on the two prospecting licenses during 2015.

William Lamb, President and Chief Executive Officer commented “We are very pleased that our second full year of operations saw us deliver on our major commitments to our shareholders through operational delivery which resulted in us selling over 412,000 carats for $266 million at an operating margin in excess of 80%.

We remain disciplined with our deployment of capital focusing on completing our plant optimization program to enhance our recovery of diamonds from Karowe, advancing our exploration program in Botswana and making the decision to dispose of Mothae based on our strict investment criteria. Our focus on return on capital is driving the right behaviors and at an average return on capital of 50% over the past two years we have built a strong balance sheet while rewarding shareholders with the payment of our first dividend during 2014. We are pleased that the continued recovery of exceptional diamonds at Karowe during the year allowed us to increase our return to shareholders with our special dividend.

Following a period of weakening diamond prices during the end of 2014, we saw improved market conditions and firmer prices at our first sale of 2015. The long term fundamentals for the rough diamond market continue to be strong. As a Company, we remain focused on our delivery of optimal results at the Karowe mine and anticipate an exciting 2015, which will see us complete our plant optimization program during the second quarter. We will also be advancing into the higher value south lobe on a sustainable basis during the second half of the year.”

**FINANCIAL HIGHLIGHTS**

<table>
<thead>
<tr>
<th>In millions of U.S. dollars unless otherwise noted</th>
<th>Three months ended</th>
<th>Year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>December 31</td>
<td>December 31</td>
</tr>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td>Revenues (1)</td>
<td>$ 70.5</td>
<td>$ 58.7</td>
</tr>
<tr>
<td>Average price per carat sold ($/carat)</td>
<td>675</td>
<td>433</td>
</tr>
<tr>
<td>Operating expenses per carat sold ($/carat)</td>
<td>89</td>
<td>109</td>
</tr>
<tr>
<td>Operating margin per carat sold ($/carat)</td>
<td>586</td>
<td>324</td>
</tr>
<tr>
<td>Net income (loss) for the period (2)</td>
<td>(16.8)</td>
<td>21.3</td>
</tr>
</tbody>
</table>

(1) Revenue is presented based on cash receipts received during the period and excludes tender proceeds received after each quarter end. See results of operations in MD&A (page 3) for reconciliation of revenue and total proceeds for tenders received for each quarter.
(2) Net loss in Q4 2014 was mainly generated by the Mothae impairment and restoration charge: $21.2 million in the period.
### FINANCIAL HIGHLIGHTS (CONTINUED)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted net income for the period</td>
<td>90.8</td>
<td>65.2</td>
</tr>
<tr>
<td>Earnings per share (basic and diluted)</td>
<td>0.13</td>
<td>0.17</td>
</tr>
<tr>
<td>Adjusted earnings per share</td>
<td>0.24</td>
<td>0.17</td>
</tr>
<tr>
<td>Cash on hand</td>
<td>100.8</td>
<td>49.4</td>
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</table>

### RESULTS OF OPERATIONS

**Karowe Mine, Botswana**

<table>
<thead>
<tr>
<th></th>
<th>UNIT</th>
<th>Year ended Dec-14</th>
<th>Q4-14</th>
<th>Q3-14</th>
<th>Q2-14</th>
<th>Q1-14</th>
<th>Q4-13</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>US$m</td>
<td>265.5</td>
<td>70.5</td>
<td>91.3</td>
<td>71.0</td>
<td>32.7</td>
<td>58.7</td>
</tr>
<tr>
<td>Proceeds generated from sales tenders conducted in the quarter are comprised of:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales proceeds received during the quarter</td>
<td>US$m</td>
<td>265.5</td>
<td>70.5</td>
<td>91.3</td>
<td>71.0</td>
<td>32.7</td>
<td>58.7</td>
</tr>
<tr>
<td>Q2 2014 tender proceeds received post Q2 2014</td>
<td>US$m</td>
<td>-</td>
<td>-</td>
<td>(24.8)</td>
<td>24.8</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Q1 2014 tender proceeds received post Q1 2014</td>
<td>US$m</td>
<td>-</td>
<td>-</td>
<td>(0.8 )</td>
<td>0.8</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Q3 2013 tender proceeds received post Q3 2013</td>
<td>US$m</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(10.9)</td>
<td></td>
</tr>
<tr>
<td>Carats sold for proceeds generated during the period</td>
<td>Carats</td>
<td>412,136</td>
<td>104,405</td>
<td>88,364</td>
<td>111,900</td>
<td>107,467</td>
<td>110,635</td>
</tr>
<tr>
<td>Carats sold for revenues recognized during the period</td>
<td>Carats</td>
<td>412,136</td>
<td>104,405</td>
<td>115,362</td>
<td>84,915</td>
<td>107,454</td>
<td>127,804</td>
</tr>
<tr>
<td>Average price per carat for proceeds generated during the period</td>
<td>US$</td>
<td>644</td>
<td>675</td>
<td>753</td>
<td>849</td>
<td>312</td>
<td>433</td>
</tr>
<tr>
<td><strong>Production</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tonnes mined (ore)</td>
<td>Tonnes</td>
<td>3,327,754</td>
<td>757,672</td>
<td>1,003,312</td>
<td>677,882</td>
<td>888,888</td>
<td>918,765</td>
</tr>
<tr>
<td>Tonnes mined (waste)</td>
<td>Tonnes</td>
<td>10,270,720</td>
<td>2,477,687</td>
<td>2,624,067</td>
<td>3,166,644</td>
<td>2,002,322</td>
<td>1,694,134</td>
</tr>
<tr>
<td>Tonnes treated</td>
<td>Tonnes</td>
<td>2,421,506</td>
<td>566,681</td>
<td>509,283</td>
<td>664,812</td>
<td>680,730</td>
<td>613,064</td>
</tr>
<tr>
<td>Average grade processed</td>
<td>cpht (*)</td>
<td>17.8</td>
<td>20.1</td>
<td>20.8</td>
<td>14.9</td>
<td>16.3</td>
<td>18.9</td>
</tr>
<tr>
<td>Carats recovered</td>
<td>Carats</td>
<td>430,292</td>
<td>113,950</td>
<td>106,162</td>
<td>99,142</td>
<td>111,037</td>
<td>116,061</td>
</tr>
<tr>
<td><strong>Costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating costs per carats sold</td>
<td>US$</td>
<td>115</td>
<td>89</td>
<td>122</td>
<td>132</td>
<td>118</td>
<td>109</td>
</tr>
<tr>
<td>Capital expenditures (including capitalized waste)</td>
<td>US$m</td>
<td>50.5</td>
<td>24.8</td>
<td>14.1</td>
<td>9.7</td>
<td>1.9</td>
<td>1.5</td>
</tr>
</tbody>
</table>

(*) carats per hundred tonnes

The second full year of operations at Karowe was a success with all operational and cost targets either being met or exceeded. Safety and Health LTIFR for 2014 was 0.99 (measured per 1,000,000 hours), and 500,000 LTI free hours had been worked on the plant optimization project. At year-end, Karowe reported 1,064,481 LTI free hours. No reportable environmental incidents occurred during the year.

Mining and process production at Karowe were in line with forecast for 2014. Tonnes of ore mined were in line with forecast, and at a slightly higher grade. Waste stripping was also in line with the mine plan achieving three months of exposed ore for plant feed at year-end. The process plant has dealt with processing the increasingly harder ore encountered at depth and the plant upgrade
project has progressed well and delivered two new circuits and the large diamond recovery within 2014 as per schedule.

**REVIEW OF PROJECTS**

*Mothae Diamond Project, Lesotho*

The Mothae project is located in northeast Lesotho. On December 22, 2014, the Company announced it would divest of the Mothae project. The Company does not believe that sufficient shareholder value can be gained through expenditure of current cash reserves on further assessment and development of this project.

The Company’s decision to cease development resulted in an impairment charge of $18.8 million in 2014, which is included in other expenses and reflects a write-down of Mothae project’s carrying value of $18.8 million. The Company also incurred a $2.4 million restoration charge to increase its Mothae closure cost provisions to $2.9 million.

*Karowe, Plant Optimization Project*

The plant upgrade project to modify the process plant to treat harder, more dense ore at depth is well advanced. The Company has spent approximately $35 million of the forecasted $55 million. A bleed screen circuit and secondary gyratory crusher have been commissioned along with the large diamond recovery circuit, which has been installed and in operation since September 2014.

**2015 OUTLOOK**

The following provides management’s production and cost estimates for 2015. These are “forward-looking statements” and subject to the cautionary note regarding the risks associated with forward-looking statements.

*Karowe Mine, Botswana*

Karowe is forecast to process 2.3-2.5 million tonnes of ore and to sell 400,000 to 420,000 carats of diamond in 2015. Revenue is forecast between $230 and $240 million.

Ore mined is forecast between 2.5-2.8 million tonnes and waste mined is expected to be between 12.0-12.5 million tonnes.

Karowe’s operating cash costs are expected to be between $33 and $36 per tonne ore treated.

Capital expenditures include the completion of the Karowe’s plant optimization project during the second quarter of 2015 for a total cost of $55 million and sustaining capital expenditure is forecast between $7.5-$8.5 million in 2015. This includes a mill relining machine for a full cost of $5 million of which $3 million will be send in 2014.

The Company has also forecast exploration expenditures of $7.0-$8.0 million for work on its two Botswana prospecting licenses, of which $2.0 million of a forecast total cost of $4.5 million on a bulk sample plant has been spent in 2014.

On behalf of the Board,

William Lamb
President and CEO
A full copy of our Financial Statements and Management’s Discussion and Analysis ("MD&A") has been filed on our website at www.lucaradiamond.com and under our profile on: (i) SEDAR at www.sedar.com; and; (ii) the Botswana Stock Exchange's website at www.bse.co.bw.

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About Lucara

Lucara is a well positioned diamond producer. The Company has an experienced board and management team with extensive diamond development and operations expertise. The Company’s two assets are the Karowe Mine in Botswana and the Mothae Project in Lesotho. The 100% owned Karowe Mine is in production. The 75% owned Mothae Project has completed its trial mining program.

Information in this release is accurate at the time of distribution but may be superseded or qualified by subsequent news releases.

Information in this release is price sensitive and has been made public in accordance with the Swedish Securities Market Act (2077:528).

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 complete the Karowe Mine optimization, 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.