

Lucara Enters Into a Memorandum of Understanding to Sell Mothae

VANCOUVER, BRITISH COLUMBIA--(Marketwired - May 4, 2015) - Lucara Diamond Corp. ("Lucara" or the "Company") (TSX:LUC)(BOTSWANA:LUC)(NASDAQ OMX Stockholm:LUC) is pleased to announce that it has signed a Memorandum of Understanding ('MOU') with Paragon Diamonds Limited ("Paragon") to sell its 75% interest in its Mothae diamond project based in Lesotho. The sale is subject to approval by the Government of Lesotho.

The terms outlined in the MOU are summarized below:

- Paragon will pay Lucara US\$8.5 million in cash upon the closing of the acquisition. The transaction is subject to the negotiation of a definitive agreement with Paragon and the approval of the Government of Lesotho.
- Paragon plans to polish a selection of diamonds recovered from the Mothae asset. Lucara will receive a payment equal to 5% of the profits achieved from the sale of the polished stones. These payments will continue for the processing of not less than 6.75 million tonnes of ore.
- Lucara will also receive a payment equal to 5% of the profits achieved from the sale of rough diamonds not selected for polishing. These payments will also continue for the processing of not less than 6.75 million tonnes of ore.
- Paragon will be acquiring Lucara's Lesotho based company, which owns its 75% interest in the Mothae project. This will include all assets including plant and equipment, liabilities and the company's rehabilitation obligations. Paragon has agreed that it will employ all of the current employees working at Mothae.

William Lamb, President and Chief Executive Officer, commented, "We are pleased to announce that we have agreed terms with Paragon on the sale of Mothae. The transaction returns cash to Lucara and allows us to participate in future sales of diamonds from Mothae. We are working with the Government of Lesotho and Paragon to finalize the transaction and to transition ownership of the Mothae project to Paragon in an efficient manner."

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Information in this release is accurate at the time of distribution but may be superseded or qualified by subsequent news releases.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 (2007:528).

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.

On behalf of the Board,

William Lamb, President and CEO

<https://lucaradiamond.mediaroom.com/index.php?s=2429&item=122575>