



LUCARA
DIAMOND

NEWS RELEASE

LUCARA ANNOUNCES LAUNCH OF FIRST SALE THROUGH CLARA

VANCOUVER, October 21, 2018 /CNW/ - (LUC – TSX, LUC – BSE, LUC – Nasdaq Stockholm)

Lucara Diamond Corp. (“Lucara” or the “Company”) is pleased to announce that Clara Diamond Solutions, its 100% owned digital sales platform, will commence operations in November 2018 with a select group of large vertically integrated jewelry houses and global diamond manufacturers. Clara is designed to achieve a sustainable premium over existing sales channels, including tenders and long-term supply contracts for sellers, and deliver increased margins for buyers.

Eira Thomas, CEO commented: "After several months of intense commercialization efforts which are tracking on schedule and under budget, we are excited to be moving forward with our first sale. Clara is a scalable business solution for the entire diamond industry that is long overdue and necessary to modernize, streamline and increase consumer confidence in the marketplace. The platform has received strong interest from the diamond community and we are delighted to have secured excellent partners, consisting of leading diamond manufacturers and jewelry houses."

How does Clara work?

Clara uses proprietary analytics, with the latest cloud and blockchain technologies, to sell rough diamonds individually, based on polished characteristics and demand, transforming the sales process, driving efficiencies and unlocking value for diamond producers and manufacturers alike.

Under an [exclusive collaboration agreement with Sarine Technologies](#), a digital fingerprint of each rough diamond is created and uploaded to the Clara platform with a corresponding asking price. Simultaneously, diamond buyers upload their specific polished diamond requirements in terms of size, cut, color and quality, including their desired purchase price, creating an 'order' within Clara. Clara uses proprietary analytics to match individual, scanned rough diamonds to the buyers' optimal polished requirements. Clara earns the differential between the asking price and purchase price of each match as its revenue and requires a minimum transaction spread to facilitate an optimal match.

Inaugural Sale – November 2018

Rough diamonds offered in Clara's first sale will include a selection of diamonds from Lucara's Karowe mine and additional aggregated third-party rough diamonds consisting of stones between one and fifteen carats in size in the better colors and qualities. In recent weeks, Clara has onboarded a select number of leading vertically integrated jewelry houses and global diamond manufacturers to participate. These buyers shall place their polished diamond orders on Clara and Clara will run its first matching cycle. Clara will utilize the results of this inaugural sale to help optimize the quantity and selection of rough diamonds offered in the short term, as the platform moves into continuous sales. Diamonds sold through Clara will supplement and be complimentary to Lucara's existing diamond sales channels which will continue to use tenders.

Data collected from this sale will also provide key metrics to demonstrate the premium Clara can obtain over historical tenders and for rough purchased through long term supply contracts. In co-operation with our manufacturing partners, Clara will analyze both qualitative and quantitative feedback about their experiences as purchasers, at the time of sale and following delivery of the diamonds purchased. Additional feedback is anticipated as diamonds move through the diamond pipeline into manufacturing and ultimately final retail sale.



Benefits of Clara

- Eliminates diamond sales by assortments; facilitates diamond sales “stone by stone” achieving best possible pricing for producers
- Manufacturers purchase only the diamonds they want, eliminating the need to re-trade and finance unwanted inventories, achieving higher margins
- Continuous sales versus fixed sales cycles, smooths out revenue streams
- Clara is integrated with blockchain technology, so every rough diamond is tracked with a secure and immutable record of its origins and ownership, providing peace of mind for consumers

Next Steps

Following the incorporation of feedback from this initial sale, Clara intends to move into continuous sales using qualifying goods from the Karowe diamond mine and will be inviting other producers and manufacturers to participate on the Platform in the coming months.

For further information about the platform please visit www.claradiamonds.ca, where you will find a link to the new [Clara video](#).

Eira Thomas
President and Chief Executive Officer

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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 international best practices in the areas of sustainability, health and safety, environment and community relations.

ABOUT CLARA

Clara Diamond Solutions (Clara), wholly owned by Lucara Diamond Corp, is a secure, digital sales platform that uses proprietary analytics together with cloud and blockchain technologies to modernize the existing diamond supply chain, driving efficiencies, unlocking value and ensuring diamond provenance from mine to finger.

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 the Company under the EU Market Abuse Regulation. This information was publicly communicated on October 21, 2018 at 10:00pm 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 be achieved.

Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made, including in respect of the development and functionality of the technology related to the Clara platform, the intended benefits and performance of the Clara platform, including achieved margins in pricing, the timing and cost of commercialization and operation of the Clara platform, the timing and frequency of sales on the Clara Platform, and future participation of third parties on the Clara platform. These assumptions, opinion and estimates 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 accurate and such forward-looking information included herein should not be unduly relied upon.

There can be no assurance that such forward looking 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 "Risks and Uncertainties" 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 and polished diamonds, the cost and availability of computational resources, and unanticipated technical and operational difficulties.

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.