Lucara Diamond

Lucara announces exclusive collaboration agreement between Clara Diamond Solutions and Sarine Technologies

VANCOUVER, Aug. 20, 2018 /CNW/ - (LUC – TSX, LUC – BSE, LUC – Nasdaq Stockholm) Lucara Diamond Corp. ("Lucara" or the "Company") is pleased to announce that Clara Diamond Solutions Corporation ("Clara"), its 100% owned subsidiary, has entered into a Collaboration Agreement with Sarine Technologies Ltd. ("Sarine"), the world's leading developer of technologies for the diamond industry.

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Clara will be the exclusive, worldwide customer for customized interfaces and versions of Sarine's Galaxy® inclusion mapping technology and its Advisor® optimal rough planning for use with Clara's 100% owned, proprietary digital diamond sales platform. Clara is on track to launch in 2018, with inaugural rough diamond sales set to commence in the third quarter.

Eira Thomas, CEO commented: "Clara is delighted to be partnering with Sarine in a ground-breaking Collaboration Agreement that will align Sarine and Clara in their efforts to create a new, leading sales channel for rough diamonds globally. Sarine is the industry leader in diamond Galaxy® scanning and Advisor® planning technology, which is in widespread use in the diamond industry today. Using these technologies in combination with our proprietary analytics, Clara will sell rough diamonds on a stone by stone basis, based on a customers' specific requirements and needs, aligning rough diamond production to polished demand and unlocking significant value throughout the diamond pipeline."

David Block, CEO of Sarine Technologies Ltd. commented: "We are excited to have the opportunity to contribute to this initiative as we believe it will unlock value throughout the diamond supply chain which is a core principle of all of Sarine's endeavours. It will provide numerous benefits to the industry as well as to Sarine, as it broadens our addressable market into the upstream mining and producing segment of the diamond industry value chain. It is also the first opportunity to extend our pay-per-services paradigm to the actual planning of rough diamonds. We plan to further cooperate with Clara on its provenance blockchain initiative, as our Diamond Journey™ is a natural fit."

How does Clara work?

Clara uses proprietary analytics together with the latest cloud and blockchain technologies to sell diamonds individually, based on polished demand, transforming the sales process, driving efficiencies and unlocking value for diamond producers and manufacturers alike. Under the exclusive collaboration agreement with Sarine, selected diamonds recovered at a mine site will undergo Galaxy® inclusion mapping, creating a digital fingerprint that will be uploaded to the Clara platform. Simultaneously, diamond buyers will be uploading their specific polished diamond requirements in terms of size, cut, color and quality for their specific needs, creating an 'order' within Clara. Clara will use Sarine's Advisor® optimal rough planning technology together with proprietary analytics to match individual, scanned rough diamonds to the buyers optimal polished requirements.

What is the benefit?

By eliminating the "batch" style sales process, which is focused on selling diamonds in assortments and can only ever achieve "average" prices, Clara sells diamonds individually and achieves the best possible price for each diamond. Diamonds will be uploaded for sale as soon as they are recovered from the mine and processed through the Sarine Galaxy® scanning and Advisor® planning technology. Batching of rough diamonds for tender, auction, and site allocation will no longer be necessary, eliminating inventory carrying costs and smoothing out revenue streams.

Equally transformative for the manufacturers and retailers, Clara will facilitate diamond sales on a stone by stone basis, allowing customers to purchase only those rough diamonds that meet their specific manufacturing requirements, eliminating the need to re-trade and finance unwanted inventories.

The added benefit of diamond provenance

More than ever, consumers are interested in understanding diamond source and provenance with assurance that the diamonds have been recovered and sourced in a socially and environmentally responsible manner. 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.

The way forward

Clara commercialization efforts are well underway and tracking to schedule and budget. Clara has identified a selection of industry leading diamond manufacturers and integrated jewelry houses that have agreed to participate in a trial of the Clara digital sales platform beginning in the third quarter of 2018. Clara will initiate sales on the platform using selected diamonds recovered from Lucara's Karowe diamond mine. More details about this trial will be provided in the coming weeks. Thereafter, additional diamond producers and manufacturers will be invited to try Clara.

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 August 20, 2018 at 6:00am 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, and the timing and cost of commercialization of 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.

SOURCE Lucara Diamond Corp.

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