



CLARA

Lucara's Next Generation Growth Project
Kimberley Process Intersessional June 2018

Cautionary Statement

This investor presentation contains forward-looking statements and information as defined in applicable securities laws, including information and statements with respect to: the design, operation, utility and benefits of Clara's sales platform, including the platform's ability to efficiently match diamond demand to supply and reduce other industry inefficiencies, smooth diamond sale cycles, establish a chain of custody and ensure diamond provenance and optimize value for all stakeholders involved in the diamond industry by maximizing the selling price achieved for each diamond; the benefits to Lucara of its acquisition of Clara, including Lucara's ability to successfully integrate Clara's platform into Lucara's existing diamond mining business and XRT technology and benefit from such integration, the impact of the acquisition upon Lucara's industry reputation, the ability of the sales platform to increase realized prices for Karowe rough diamonds and stabilize cashflow; Lucara's plans in respect of the Clara sales platform and the timelines associated therewith; Lucara's issuance of equity and cash consideration to Clara shareholders and management in the future upon Clara's achievement of revenue and earnings through its sales platform; Lucara's ability to lead technological change in the diamond industry by establishing the diamond industry's first true block chain technology; the pace and nature of industry technological change and statements in respect of the diamond industry generally.

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 assumptions, opinions and estimates of management as of the date such statements are made, including in respect to: industry competition; the pace and nature of technological change in the diamond industry; the inefficiency of current diamond industry practices and Lucara's ability to alter these practices; future plans for the design and development of Lucara's technology and Lucara's ability to develop and adapt its technology; the applicability, acceptance and utility of the Clara platform; favourable equity and debt capital markets; Lucara's ability to raise any necessary additional capital on reasonable terms to advance the continued growth and development of Lucara's business and its technology; requirements under applicable laws; stability in financial markets; Lucara's ability to attract users to the Clara sales platform; Lucara's ability to benefit from its intellectual property; and claims, lawsuits and other legal proceedings and challenges.

These assumptions, opinions and estimates are subject to a number of known and unknown risks and uncertainties which may cause the actual results, performance or achievement of the Company to be materially different from any future results, performance or achievement expressed or implied by such forward-looking statements. In particular, such risks include 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, acts of foreign governments and the outcome of legal proceedings, unanticipated operational difficulties (including the failure to integrate new technologies effectively into existing technologies and operations and the 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 and other risks and uncertainties described under Risks and Uncertainties disclosed under the heading "Risk Factors" in the Company's most recent Annual Information Form available at <http://www.sedar.com>.

More specifically with regard to the Clara sales platform, risks and uncertainties include as well as the above noted risks, risks associated with competition from other industry participants; changes in technological innovation, including the development of new platforms; a lack of available qualified personnel to develop and integrate technologies into Lucara's technology and business; Lucara's ability to continue research and development efforts in respect of the Clara sales platform and related technologies; security breaches and unauthorized access; data security and hacking; market acceptance of the Clara sales platform; Lucara's ability to enforce and protect its current intellectual property rights and other proprietary rights and any intellectual property rights and other proprietary rights developed or acquired in the future; and Lucara's compliance with applicable privacy legislation.

Forward-looking statements and information 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. Readers are cautioned not to place undue reliance on forward-looking statements and information. This presentation does not constitute an offer or invitation to purchase or subscribe for any securities and no part of it shall form the basis of or be relied upon in connection with any investment decision in relation thereto.

Summary of Acquisition



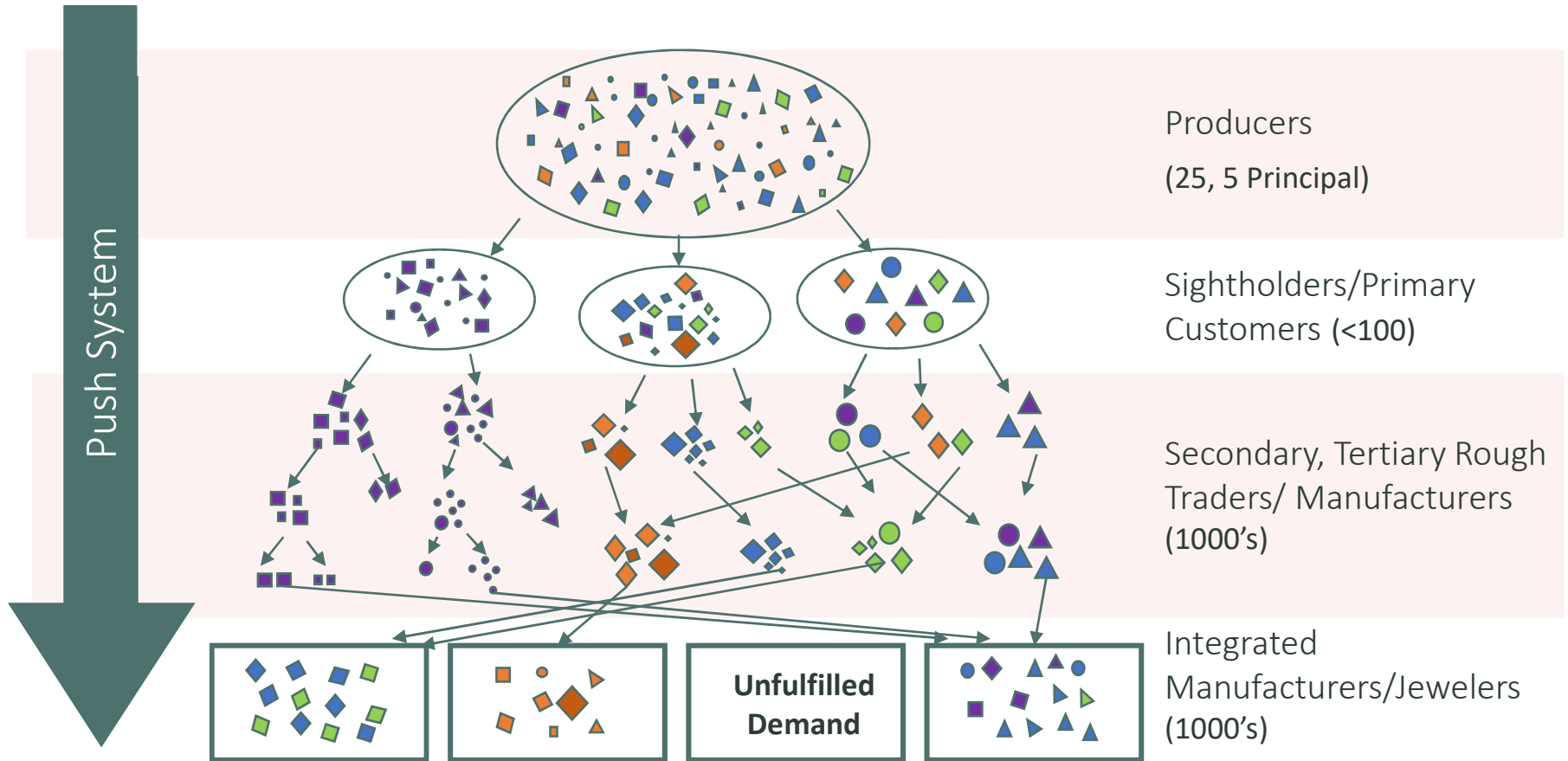
- Clara, wholly owned by Lucara Diamond Corp, is an affordable, potentially high value growth opportunity for Lucara that is compatible with our core diamond mining business
- All share transaction; low dilution (3.7%) and no impact to dividend
 - 13.1 million shares up front
 - Contingent payments of 13.4 million shares on milestones achieved
 - 80/20 EBITDA sharing for ten years capped at \$25 million/annum

Why?

- Current supply chain is static, inefficient, and inflexible; uses an entrenched system that hasn't changed in over 100 years, and is ripe for disruption
- Recent technological advances make disruption possible and inevitable
- Value is being lost across the entire diamond pipeline; producers and manufacturers alike stand to benefit from a new and improved system

Prevailing Supply Chain

100 years old, Highly Inefficient, Unoptimized; Value Loss Throughout Supply Chain



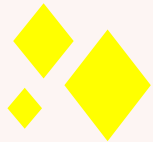
How Can This be Improved?

By disrupting the existing diamond value chain, using proprietary analytics together with cloud and blockchain technologies to match diamond demand to supply, ensuring diamond provenance from mine to finger, driving efficiencies and unlocking value for all stakeholders.

How?

Producers

- Galaxy scan all rough diamonds as they are extracted (continuous, real time)
- Diamonds undergo a “basic” assortment for size and color



Clara Platform (Cloud Based)

- Plans each rough diamond
- Matches the sellers with buyers based on strength of demand from the buyer

Manufacturers/Retailers

- Upload polished diamond orders (using Polished Diamond Parameters “PDP”s) and price list for each diamond

PDP\$



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CLARA

Benefits

Producers

- Maximum selling price achieved for every stone
- Not reliant on tender sale cycles
- Reduces sorting inefficiencies, removes human factor
- Inventory greatly reduced, potentially eliminated
- Opportunity to establish a true “block chain” system to provide chain of custody and assurance on diamond provenance

Benefits

Manufacturers/Retailers

- Purchase of rough based on polished orders
- Eliminates financial carrying costs of unwanted inventory
- Eliminates manufacturing losses taken on unwanted inventory
- Eliminates secondary market trading losses
- Opportunity to establish a true “block chain” system to provide chain of custody and assurance on diamond provenance

Benefits to Lucara



- Clara is an affordable, potentially high value, near term growth platform, compatible with the Company's core diamond mining business
- Supports Lucara's reputation as an industry-leader in the adoption of new technology. Non-cash transaction with no expected impact on the dividend
- Higher realized prices for Karowe rough and stable, continuous cashflow that is no longer tied to a fixed sales cycle
- Diversifies Lucara's existing business model and creates future growth optionality; commercialization underway, on schedule for roll out Q3
- Blockchain business solution that will unlock value and ensure diamond provenance, integrity and transparency throughout the value chain

CLARA

Effect on Kimberley Process

Clara has two primary long-term benefits to the Kimberley process:

1. Selling of rough individually

- Clara is the first rough diamond initiative that provides the economics to both producer and manufacturer to sell rough diamonds individually
- Tracking of rough individually will begin at the producer level
- Individual parceled rough dramatically increases transparency and tracking capabilities for organizations like KP
 - Main weakness of current KP capabilities is the difficulty in tracking diamond provenance once parcels are mixed

2. Tracking of rough individually in blockchain

- All records are published to a diamond blockchain which can be further continued downstream
- Individual attributes tracked – dates, weight, internal and external scan, color etc.

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