

Extractive Sector Transparency Measures Act Report

Reporting Year From: 1/1/2016 To: 12/31/2016
Reporting Entity Name Lucara Diamond Corp.

Reporting Entity ESTMA Identification Number E383853

Subsidiary Reporting Entities (if necessary) not applicable

Attestation: Please check one of the the boxes below and provide the required information

Attestation (by Reporting Entity)

In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest I have reviewed the information contained in the ESTMA report for the entity(ies) listed above. Based on my knowledge, and having exercised reasonable diligence, the information in the ESTMA report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Attestation (through independent audit)

In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest that I engaged an independent auditor to undertake an audit of the ESTMA report for the entity(ies) and reporting year listed above. Such an audit was conducted in accordance with the Technical Reporting Specifications issued by Natural Resources Canada for independent attestation of ESTMA reports.

*The auditor expressed an unmodified opinion, dated [ENTER DATE: YYYY-MM-DD], on the ESTMA report for the entity(ies) and period listed above.
The independent auditor's report can be found at [INSERT WEBLINK TO AUDIT OPINION POSTED ONLINE – link should be on same page as report link]*

Director or Officer of Reporting Entity Full Name:
Position Title:

"Glenn Kondo"
Chief Financial Officer

Date: May 29, 2017

Extractive Sector Transparency Measures Act - Annual Report

Reporting Year
Reporting Entity Name

From: 1/1/2016 To: 12/31/2016
Lucara Diamond Corp.

Reporting Entity ESTMA
Identification Number

E383853

Subsidiary Reporting Entities (if
necessary)

not applicable

Payments by Payee

Country	Payee Name	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes
Botswana	Federal Government of Botswana	USD 88,200,000	USD 23,040,000	USD 0	USD 0	USD 0	USD 0	USD 0	USD 111,240,000	SEE BELOW (i), (ii), and (iii)
Botswana	Central District Council of Botswana	USD 0	USD 0	USD 0	USD 0	USD 300,000	USD 0	USD 0	USD 300,000	SEE BELOW (i), (ii), and (iv)
Total		USD 88,200,000	USD 23,040,000	USD 0	USD 0	USD 300,000	USD 0	USD 0	USD 111,540,000	

NOTES:

i. ALL PAYMENTS ARE REPORTED IN UNITED STATES DOLLARS (THE REPORTING CURRENCY OF THE REPORTING ENTITY) AND CONVERTED AT THE UNITED STATES DOLLAR TO BOTSWANAN PULA EXCHANGE RATE AND UNITED STATES DOLLAR TO CANADIAN DOLLAR EXCHANGE RATE AT THE 2016 ANNUAL AVERAGE EXCHANGE RATE OF 10.89 AND 0.76 RESPECTIVELY.

ii. ALL NUMBERS HAVE BEEN ROUNDED TO THE NEAREST \$10,000 USD.

iii. TAXES WERE PAID TO THE BOTSWANA UNIFIED REVENUE SERVICES ("BURS") AND ROYALTIES WERE PAID TO THE BOTSWANA GOVERNMENT.

iv. THIS AMOUNT IS COMPOSED OF PAYMENT IN KIND VALUED AT \$300,000. THIS WAS VALUED FROM ACTUAL COST INCURRED FOR THE CONSTRUCTION OF THE ABATTOIR THAT IS CONTROLLED AND OWNED BY THE LOCAL MUNICIPALITY. THERE WAS NO OTHER IN KIND PAYMENT OTHER THAN THIS USD 300,000 FOR THE ABATTOIR IN 2016.

Extractive Sector Transparency Measures Act - Annual Report

Reporting Year **From:** 1/1/2016 **To:** 12/31/2016
 Reporting Entity Name *Lucara Diamond Corp.*
 Reporting Entity ESTMA Identification Number *E383853*

Subsidiary Reporting Entities (if necessary) *not applicable*

Payments by Project

Country	Project Name	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes
Botswana	Karowe Mine	USD 88,200,000	USD 23,040,000	USD 0	USD 0	USD 300,000	USD 0	USD 0	USD 111,540,000	SEE BELOW (i), (ii), and (iii)
Total		USD 88,200,000	USD 23,040,000	USD 0	USD 0	USD 0	USD 0	USD 0	USD 111,540,000	

NOTES:

i. ALL PAYMENTS ARE REPORTED IN UNITED STATES DOLLARS (THE REPORTING CURRENCY OF THE REPORTING ENTITY) AND CONVERTED AT THE UNITED STATES DOLLAR TO BOTSWANAN PULA EXCHANGE RATE AND UNITED STATES DOLLAR TO CANADIAN DOLLAR EXCHANGE RATE AT THE 2016 ANNUAL AVERAGE EXCHANGE RATE OF 10.89 AND 0.76 RESPECTIVELY.

ii. ALL NUMBERS HAVE BEEN ROUNDED TO THE NEAREST \$10,000 USD.

iii. THIS AMOUNT IS COMPOSED OF PAYMENT IN KIND VALUED AT \$300,000. THIS WAS VALUED FROM ACTUAL COST INCURRED FOR THE CONSTRUCTION OF THE ABATTOIR THAT IS CONTROLLED AND OWNED BY THE LOCAL MUNICIPALITY. THERE WAS NO OTHER INKIND PAYMENT OTHER THAN THIS USD 300,000 FOR THE ABATTOIR IN 2016.