



PRESS RELEASE

FOR IMMEDIATE RELEASE

Sarine to Collaborate with Lucara Diamond Corp. on Innovative Clara Initiative

Providing Key Technology for Rough Diamond Evaluation

Hod Hasharon, (Israel), 20 August 2018 – Singapore Exchange Mainboard-listed Sarine Technologies Ltd ("**Sarine**" or "**the Company**" and together with its subsidiaries "**the Group**") (U77:SI), a worldwide leader in the development, manufacture and sale of precision technology products for the evaluation, planning, processing, finishing and trading of diamonds and gems, is pleased to announce that it has entered into an agreement with Clara Diamond Solutions Corporation ("Clara"), a subsidiary of Lucara Diamond Corp. ("Lucara"), a Vancouver-based diamond mining producer which aims to change the way certain rough diamonds are sold.

The rough diamond industry handles some US \$14 billion worth of stones annually. An estimated 90 percent of diamonds are sold in "boxes", typically to pre-approved major polishers, who may or may not also be major retailers. Buyers, sometimes called "sightholders", are allocated these boxes of rough diamonds and sell the stones they do not want into the secondary market by way of brokers. Sometimes the sightholders get many stones that closely match their actual current needs, but sometimes just a few and need to buy more in the secondary market themselves. Ultimately what Clara is proposing is that buyers don't buy boxes of stones, but rather buy individual stones that all closely match what they need most.

Clara proposes to sell diamonds directly to jewellery manufacturers via a digital platform backed by secure blockchain technology developed by Clara. Clara's platform will enable recording the mine origin of the rough diamond before it is sold. Sarine's Galaxy® inclusion

mapping technology and its Advisor[®] optimal rough planning will then be applied to the rough stone to generate possible cutting and polishing solutions as per polished diamond manufacturers' retail customers' pre-defined orders. Optimisation of the sorting process in this manner will match available rough material with manufacturers' and retailers' current market demand, allowing them to search for the exact stone(s) they need at the price they want. Initially Lucara will sell some of its own diamonds on Clara and may expand to allow other producers' rough stones to be sold via the platform.

Sarine will be remunerated on a per-stone per-carat basis both for its Galaxy[®] services, as well as for its Advisor[®] new cloud-technology enhanced planning services being used for the first time on the Clara platform. This will create a new source of recurring revenue from the upstream of the diamond value chain.

The use of blockchain, the distributed ledger technology, will be utilized to keep information confidential and secure and improve transparency of the provenance chain. That is especially key for millennial consumers to reassure them about where their diamonds came from.

Ms. Eira Thomas, CEO of Lucara stated, "Clara is delighted to be partnering with Sarine, the industry leader in diamond scanning and planning technology, already in widespread use throughout the industry. Sarine's Galaxy[®] and Advisor[®] technologies will integrate seamlessly with Clara's digital sales platform to facilitate rough diamond sales 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."

The following link is a podcast in which Ms. Thomas, explains her vision on the new initiative, starting at minute 3:00 –

<http://www.northernminer.com/news/the-northern-miner-podcast-miner-moment-12-eira-thomas-explains-lucaras-plans-to-completely-disrupt-global-diamond-sales/1003797766/>

Mr. David Block, CEO of the Group commented, "We are excited to have the opportunity to contribute to this initiative, 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 believe that we will further cooperate with Lucara on their provenance blockchain initiative, as our Diamond Journey™ is a natural fit.”

About Sarine Technologies:

Established in 1988, Sarine Technologies Ltd. is a worldwide leader in the development and manufacturing of advanced evaluation, planning, processing, and finishing systems for diamond and gemstone production. Sarine products include the Galaxy® family of inclusion mapping systems, rough diamond planning optimisation systems, laser cutting and shaping systems, laser-marking and inscription machines and polished diamond Clarity, Color, Cut and light performance grading tools and visualisation systems. Sarine systems have become standard tools in every modern manufacturing plant, properly equipped gemmology lab and diamond appraisal business, and are essential aids for diamond polishers, dealers and retailers. For more information about Sarine and its products and services, visit <http://www.sarine.com>.

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