

## Lucapa Diamond Co. Ltd

ASX : LOM

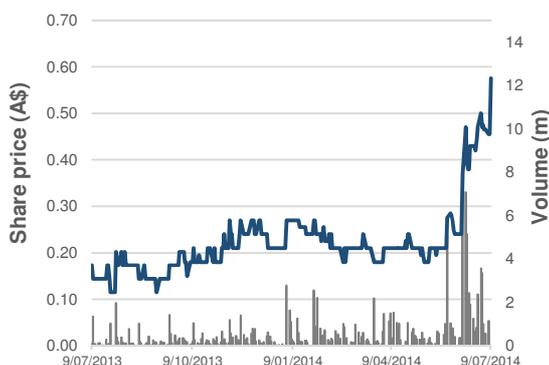
Price : \$0.58

07/07/2014

### COMPANY STATISTICS

Closing price	\$0.58
12 month Hi-Lo	\$0.58-\$0.12
Issued Shares (m)	160
Options (m)	49
Market Cap (A\$m)	92
Cash Balance (est.)	A\$4m
Debt (est.)	A\$0m

### SHARE PRICE PERFORMANCE



Source: IRESS

### MAJOR SHAREHOLDERS

Twynam Agricultural	5.2%
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Source: Company reports

### COMPANY DESCRIPTION

Lucapa Diamond Company Ltd is a diamond exploration and development company focusing on the 3,000km<sup>2</sup> Lulo concession in Angola. Pilot scale alluvial production commenced in late 2013, with expectations of commercial scale production in late '14. The forward work program is also expected to include assessing potential hard rock primary sources of the alluvial diamonds.

All amounts in AUD unless otherwise noted

Canaccord Genuity (Australia) Limited was Sole Lead Manager to the A\$5.5m placement in April 2014.

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**Lulo Kimberlite Update: Bulk sampling confirms additional diamond bearing kimberlites**

**Presence of rare and valuable Type Ila diamonds confirmed from kimberlites**

### WHY WE LIKE IT

#### Lulo: an exciting alluvial + hard rock diamond project in Angola

LOM recently announced that further bulk sampling of kimberlite pipes at its Lulo project in Angola continues to recover diamonds. A further six stones weighing a total of 3.15cts have been recovered from sampling at the large, 220ha Se251 prospect. Significantly, excavated samples from two other pipes (Se019 and Se257) have now also confirmed these prospects to be diamond bearing. A small (40 kg) sample from a further target at Se170 returned a micro-diamond, which can be indicative of the presence of larger diamonds. The occurrence of other diamond-bearing pipes proximal to the alluvial deposit at Lulo could suggest multiple sources.

#### Encouraging results – but still early days

Bulk sampling is seeking to identify various lithologies within the kimberlite pipe, with work to date not necessarily seeking to determine grade. Given the relatively small sample (~3,600t), and considering the possible tonnages involved (especially at Se251), results to date should by no means be extrapolated to be representative of the entire deposit. Further bulk sampling and deeper drilling using a wide diameter rig is planned to further assess the potential of Se251, with the bulk sampling of other kimberlite targets to be an on-going process.

#### Diamonds confirmed as rare, Type Ila stones

Type Ila diamonds are characterized by their comparative lack of impurities, often resulting in higher quality, and higher value stones. These diamonds are rare, representing ~1.5% of all natural diamonds mined. A recent appraisal of diamonds recovered from kimberlitic bulk sampling at Lulo has confirmed that 50% of those recovered are of Type Ila. This is encouraging from a diamond valuation perspective, which along with average stone size is a critical factor in determining the viability of a primary diamond deposit.

### CATALYSTS

- Kimberlite bulk sampling updates (on-going)
- Alluvial pilot production updates (2H'14)
- Alluvial Mining License grant (2H'14)

### RECENT DEVELOPMENTS

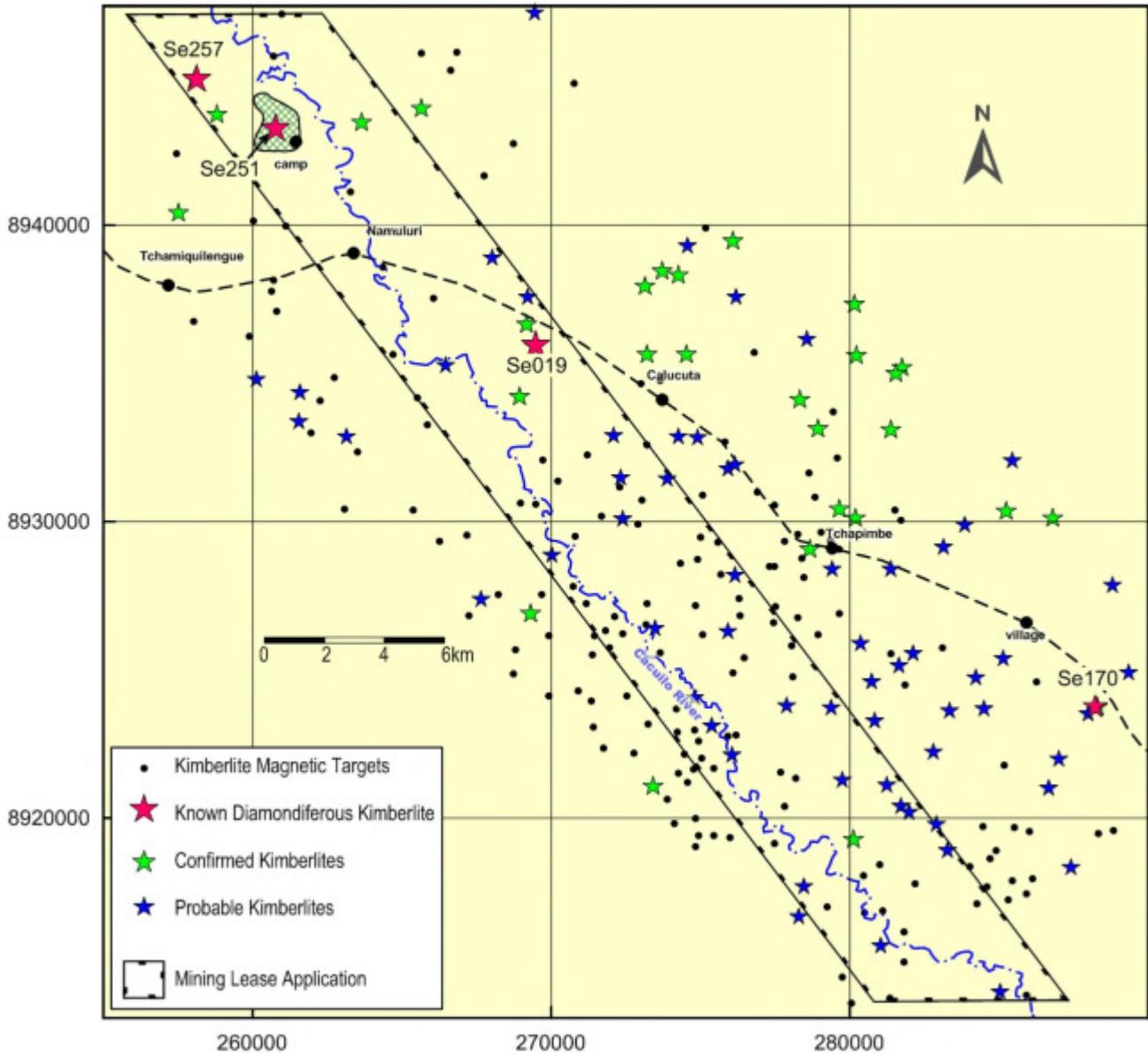
July '14

Multiple diamond-bearing pipes confirmed by bulk sampling; diamonds confirmed as rare, Type Ila.

June '14

Sampling confirms diamond-bearing kimberlite at Se251

Figure 1: Location map showing diamondiferous kimberlites, confirmed kimberlites and un-tested kimberlite targets



Source: Company reports

## APPENDIX: IMPORTANT DISCLOSURES

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**Site Visit:** No site visit has been undertaken.

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