

Lucapa Diamond Co. Ltd

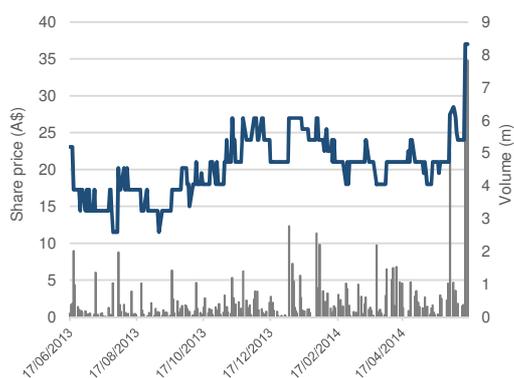
ASX : LOM
Price \$0.37

16th June 2014

COMPANY STATISTICS (A\$)

Closing Price (June 13, 2014)	0.37
52 Week Trading Range	0.12 – 0.37
Issued Shares	208.7m
Market Capitalisation	\$59m
Cash Balance (est.)	A\$4m
Debt	Nil
Enterprise Value	\$55m
Options	49m

SHARE PRICE PERFORMANCE



Source: IRESS

MAJOR SHAREHOLDERS

nil

COMPANY DESCRIPTION

Lucapa Diamond Co. is a diamond exploration and development company focusing on its Lulo concession in Angola. LOM commenced alluvial diamond production in Dec'13, ramping up to commercial throughput rates in late '14. The forward work program is expected to include expanding alluvial production while assessing 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 \$5.5m Placement in April 2014.

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Surface sampling confirms diamond-bearing kimberlite at Se251 – early days but immensely encouraging

Recent extension of Exploration Licenses covering both alluvial and hard rock targets; Alluvial mining license expected before year-end

WHY WE LIKE IT

Exciting alluvial & hard-rock diamond project in Angola

LOM's Lulo diamond project is located in the Lunda North province of Angola, which is the world's fourth largest producer of diamonds. The project consists of pilot scale alluvial production, where it has been recovering exceptional stones of up to +130cts, and kimberlite targets postulated to be the hard rock source of the alluvials. LOM operates the project under a JV (LOM 39-40%) with Endiama and a private company.

Sampling confirms diamond-bearing kimberlite at Se251

LOM has announced that surface sampling at the large (220ha) Se251 kimberlite target has confirmed the pipe to be diamondiferous, with the recovery of four stones weighing a total 1.85 cts. The recovery of macro diamonds (initial sampling will normally look to locate indicator minerals and micro diamonds) in a relatively small sample (356m³) is very significant, although it is too early to ascertain possible deposit grades or economic viability of the kimberlite.

Several other kimberlite targets to be tested

The JV partners have identified +250 possible kimberlite targets (based on magnetics) within the 3,000km² Lulo concession. Of these, eight priority kimberlite targets have been slated for sampling given their proximity to where large alluvial stones have been recovered. Preliminary sampling of these targets is to be undertaken during 2014 and then prioritised for further evaluation and assessment.

Exploration Licenses recently extended; Mining License application lodged

Exploration Licenses covering both the alluvials and kimberlite targets were recently renewed by the Angolan Govt. for an additional 2 years. The renewal provides security of tenure as kimberlite exploration efforts ramp up, and pilot scale alluvial production continues. LOM applied for an alluvial mining license earlier in 2014 which once granted (we anticipate by the end of 2014), will permit the move to commercial scale operations.

CATALYSTS

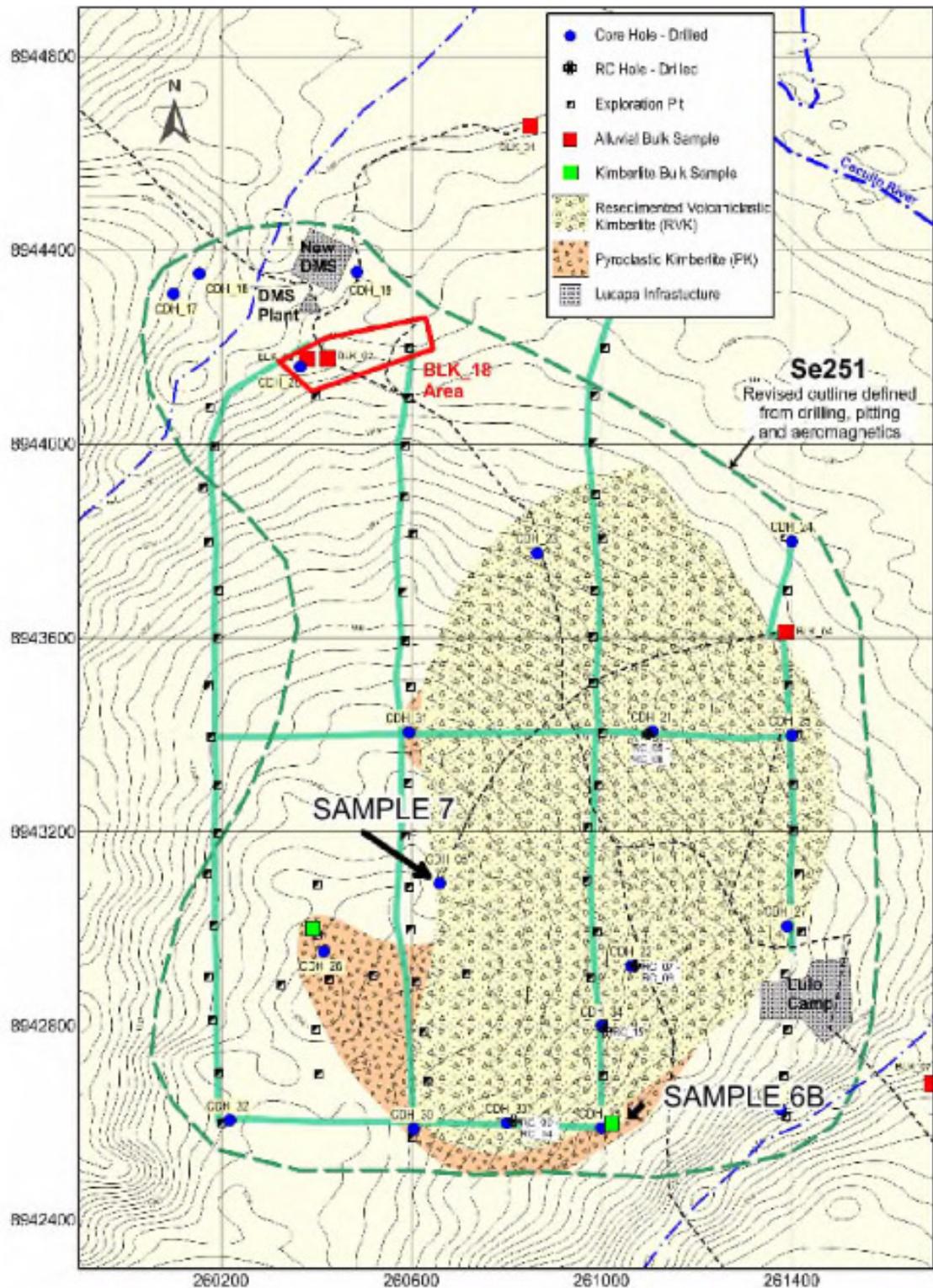
- Further results from kimberlite bulk sampling programs (ongoing)
- Alluvial production updates (2H'14)
- Mining licence grant (2H'14)

RECENT DEVELOPMENTS

June 2014 Confirmation of diamond bearing kimberlite at Se251

June 2014 Renewal of Exploration Licenses covering alluvial and kimberlite targets within the Lulo Project area

FIGURE 1: Se251 kimberlite pipe – outcrop geology and bulk sample locations



Source: Lucapa Diamonds

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Site Visit: No site visit has been undertaken.

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