

## Kennedy keen on alluvial future – Australia's Paydirt – October 2014

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**L**ucapa Diamond Company Ltd chief executive Miles Kennedy said the company is on the cusp of a "game-changing event" guaranteed to change its operations in Angola forever.

Kennedy told Africa Down Under delegates Lucapa was close to signing a mining licence with the Angolan Government that would give it access to alluvial diamonds at the company's Lulo project.

"The commercial terms of this licence are all agreed upon and the duration of the licence will be a period of 35 years," Kennedy said.

"The tax rate has been set at no more than 25%. The deductions that are allowable to us are very considerable and, importantly, of the \$40 million that we have invested in this project, this agreement guarantees that we will recover 100% of our investment before further proceeds are distributed between the partners. I hope that when we are able to announce this it will be subject to ministerial and presidential sign-off and gazetted so we can ... be operational before the onset of the Angolan wet season."

Lucapa already holds more than 3,000sq km of land at Lulo, 218sq km of which is al-



Miles Kennedy

ready permitted for mining in the Caculo River Valley.

To date the company has recovered 15 kimberlite diamonds during its preliminary sampling programme, with the three latest diamonds weighing a total of 2.2ct, recovered from a 9b bulk sample.

They included a 1.65ct stone (the biggest

of the 15 kimberlite diamonds recovered thus far) and a 0.35ct and 0.20ct stone.

The kimberlite surface sampling programme – which started in May – is an initial step in defining Lulo's kimberlite pipes at Lulo, which are the primary source of large and valuable alluvial diamonds.

Kennedy said Lucapa expected Lulo to be a very profitable project once operational.

"We have high and low ranges of what we expect here, and at the lower end of what we expect here is 500,000ct @ \$500/ct," he said.

"If we are at the lowest end of the scale, with 500,000ct at \$500/ct, we will pick up \$250 million worth of diamonds. At the higher end, if we use what we have currently, then we will pick up some \$10.4 billion worth of diamonds from this deposit."

If Lucapa can run its production plant on double shifts for 12 hours a day, Kennedy anticipates the company's daily revenue will exceed \$93,000.

- Rhys Dickinson