



LUCAPA'S LULO PROJECT HOSTS RARE TYPE IIA DIAMONDS

HIGHLIGHTS

- **Diamonds from the Lulo Concession confirmed as Type Iia gems, which are the rarest and most valuable diamonds in the world**
- **Sale of Lulo diamonds next month under a revenue-sharing agreement with Endiama could generate significant proceeds for Lucapa Diamond Company**
- **Aeromagnetic survey to be flown next month could expand Lucapa's search for the kimberlite source or sources of the rare alluvial diamonds recovered from Lulo**

Lucapa Diamond Company Limited (ASX: LOM) is pleased to announce its Lulo Diamond Concession in Angola has been confirmed as hosting Type Iia diamonds, which are the world's rarest and most valuable gems.

The diamonds recovered from Lulo which have been independently assessed and confirmed as being in the Type Iia category include the largest diamond recovered to date, the 131.4 carat gem which was found in the BLK_08 alluvial bulk sample in August 2012.

In addition, two of the other larger alluvial diamonds which Lucapa has recovered from the Lulo concession - weighing 53.2 carats and 22.13 carats - have also been confirmed as Type Iia diamonds.

Type Iia diamonds are considered the rarest and most sought after in the world, accounting for less than 1% of global diamond production. All of the world's most famous large white flawless diamonds are Type Iia, including the Cullinan, Star of Sierra Leone, Centenary, Millenium and Lesotho Promise.

Lucapa Chairman Gordon Gilchrist said confirmation that the Lulo concession hosted Type Iia diamonds was another significant milestone for Lucapa.

"What we now know is that Lucapa's Lulo Diamond Concession hosts diamonds which are among the rarest and most valuable in the world," said Mr Gilchrist.

"The exciting challenge before us is to locate the kimberlite source, or sources, of the rare Type Iia diamonds we have been recovering from the concession. And that is, of course, the goal of the ongoing kimberlite drilling program being conducted at Lulo."

The diamonds were confirmed as rare Type Iia gems by independent Johannesburg-based firm G2 Squared Diamond Consultants, which inspected and appraised a parcel of Lulo diamonds weighing a total of 496.65 carats in the Angolan capital of Luanda last week, using a specialist Yehuda colorimeter diamond grading machine.

G2 Squared Diamond Consultants estimated that while the 131.4 carat stone recovered from Lulo had a current market value of \$US3.5 million or \$US26,610 per carat, "due to the complexity for sales for this type of very high valued polished diamonds, a final price in excess of \$US4 million could be achieved."



Diamonds from Lulo, including the 131.4 carat Type IIA diamond.

Mr Gilchrist confirmed Lucapa had successfully negotiated a revenue-sharing agreement with Endiama which would enable the diamonds recovered from the Lulo concession to date, including the 131.4 carat stone and other Type IIA gems, to be offered for sale in Luanda next month.

The agreement means Lucapa will be entitled to a significant share of the proceeds from the sale of the diamonds, despite not having a Mining Licence which is a prerequisite for selling diamonds recovered from Lulo under the terms of the joint venture agreement with Endiama.

As previously announced, Lucapa has commissioned Fugro Airborne Surveys to fly a new aeromagnetic survey over areas which were not covered in the original survey flown over the Lulo concession in 2008.

Significantly, this survey will cover a ~70km² area near the area where Lucapa recovered the 131.4 carat gem which has now been confirmed as a Type IIA diamond.

That aeromagnetic survey is scheduled to be flown in April 2013 and could lead to an increase in the number of priority kimberlite targets being drill-tested and excavated by Lucapa as part of the Company's ongoing kimberlite exploration program.

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Competent Person's Statement

Information in this announcement that relates to exploration results, mineral resources or ore reserves is based on information compiled by David Jones BSc (Hons) MSc of Ascidian Prospecting Pty Ltd, who is a Corporate Member of the Australasian Institute of Mining and Metallurgy. Mr Jones is a director of Lucapa Diamond Company Limited. Mr Jones has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr Jones consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

Mr Guy Compton from G2 Squared Diamond Consultants has consented to the inclusion in this announcement of the reference to the Type IIA diamonds and the valuations referred to.