



LUCAPA DRILLS HIGHEST PRIORITY DIAMOND TARGET AT LULO
As new 50tph DMS diamond plant containers arrive on site

HIGHLIGHTS

- **Se251 anomaly identified from recently-completed aeromagnetic survey at Lulo emerges as Lucapa's highest priority kimberlite target to date**
- **Se251 potentially the largest kimberlite identified at Lulo with an estimated surface area of ~150 hectares**
- **Five core holes drilled in the northern and central areas of Se251 all confirm kimberlitic material. First bulk sample hole now being drilled**
- **Containers with new 50 tonne per hour Dense Media Separation diamond recovery plant arrive on site at Lulo**
- **Completion of aeromagnetic survey at Lulo reveals multiple new kimberlite targets**

Lucapa Diamond Company Limited (ASX: LOM) is pleased to announce further significant progress at the Company's Lulo Diamond Concession in Angola. This includes the drilling of the highest priority Se251 kimberlite target and the long-awaited arrival on site at Lulo of containers with the remainder of Lucapa's new 50 tonne per hour Dense Media Separation diamond recovery plant.

As announced to the ASX on 1 May 2013, Lucapa received preliminary data from Fugro Airborne Surveys from an aeromagnetic survey flown over a 70km² strip in the south-western part of the Lulo concession, where the Company has identified significant diamondiferous alluvial gravels and recovered world-class gems of up to 131.4 carats.

This 70km² strip, which covers areas along the Cacuilu River, could not be flown during the original aeromagnetic survey flown at Lulo in 2008.

From the preliminary Fugro data, Lucapa's geologists identified an additional 8 targets with magnetic signatures consistent with known kimberlites (Figure 1). The most significant of these features, Se251, is a very large magnetic structure situated between Lucapa's current camp and plant sites (Figures 1 and 2).

Drilling completed over the past few weeks has confirmed that Se251 is a kimberlite - and is potentially the largest kimberlite identified to date within the 3,000km² Lulo concession with an estimated surface area of ~150 hectares (Figure 2).

Its large size and central location adjacent to, and within, the main alluvial workings of the Cacuilu Valley indicate Se251 could be a potential source of the large alluvial diamonds recovered from the area. Significantly, Lucapa's alluvial bulk samples BLK_02 and BLK_03, which both produced significant alluvial diamond concentrations, lie within Se251.

To date, the preliminary data from Se251 is insufficient to determine whether the magnetic target represents a single large kimberlite or a series of closely spaced smaller pipes. In any event, a kimberlite of this size will most likely have been formed by a number of discrete eruptive phases.

The evaluation of kimberlites formed as the result of multiple eruptive phases is complicated by the fact that each of the phases is likely to have its own diamond population, which can vary in both grade and diamond characteristics. Lucapa will undertake a drilling and sampling program on Se251 to determine kimberlite geometry and diamond grade.

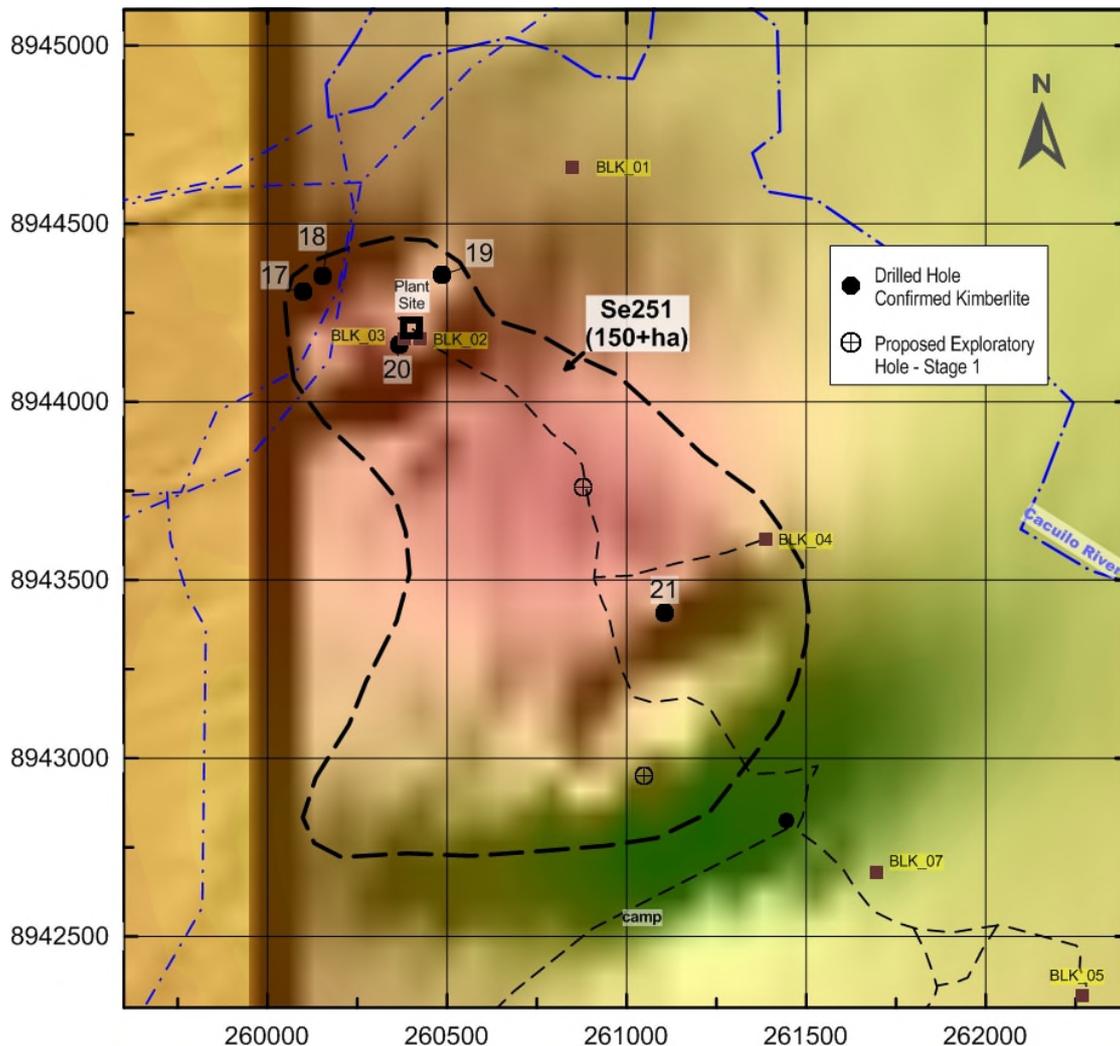


Figure 2: Magnetic target/kimberlite Se251

Meanwhile, further to the 1 May 2013 ASX announcement, Fugro has also now completed its aeromagnetic survey over the north-eastern two-thirds of the Lulo concession. This regional survey covered an area of ~2,000km² and included the headwaters of the Lulo River (Figure 3).

Processing of the aeromagnetic data from this area has not been completed as Fugro has provided Lucapa with only broad scale images to date.

Lucapa Drills Highest Priority Diamond Target At Lulo

However, the preliminary data does show a number of new targets with magnetic signatures consistent with known kimberlite pipes. These targets are concentrated along the eastern margin of the survey area (Figure 3). There is some evidence of Garimpeiro (artisanal miners) activity in at least one of the creek systems that drain some of the magnetic targets.

Lucapa will undertake a thorough review and interpretation of the survey results when the final aeromagnetic data becomes available in June 2013.

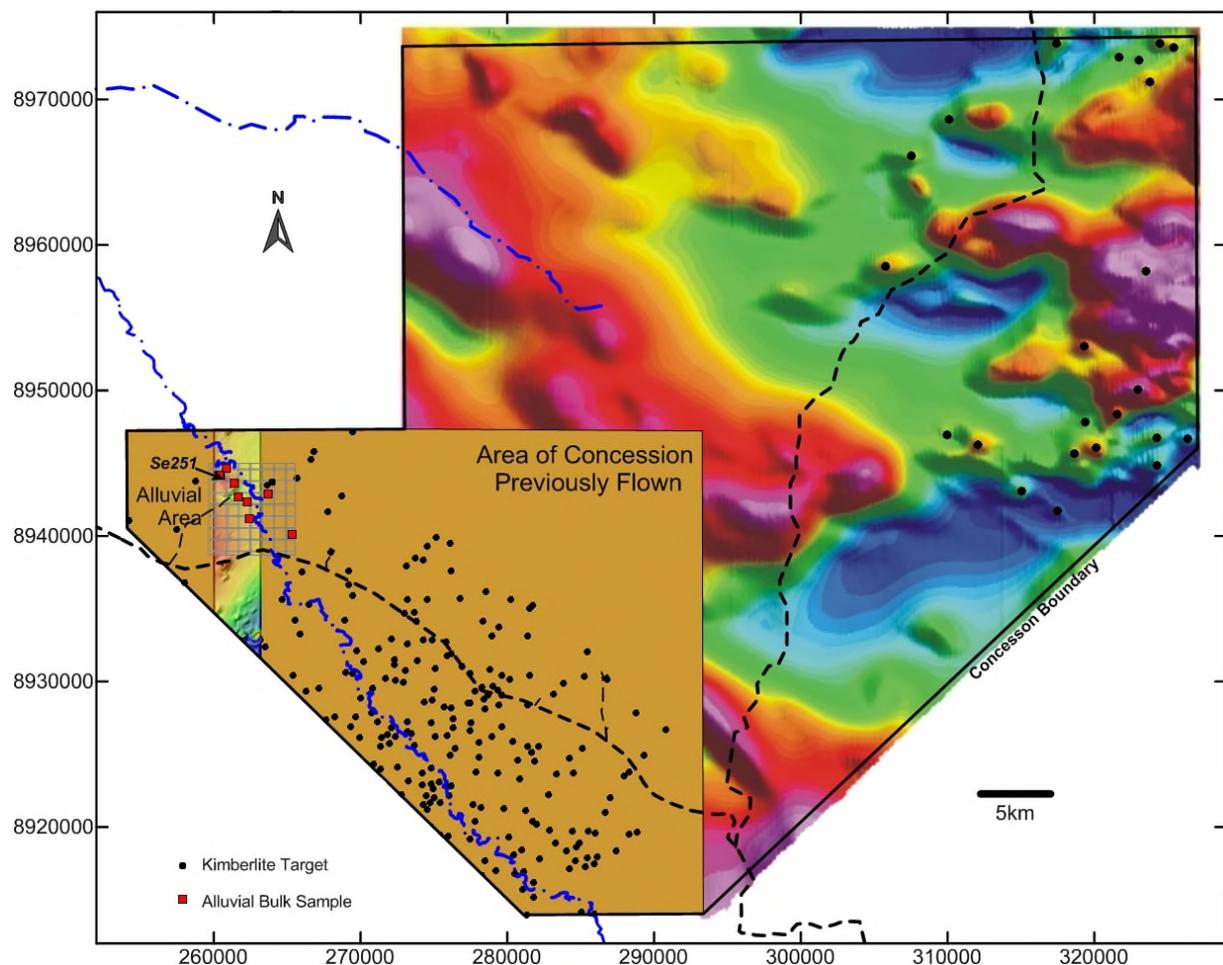


Figure 3: Aeromagnetic image – new data

New DMS Plant

Further to the ASX announcement of 28 March 2013, Lucapa is pleased to confirm that containers with the remainder of the Company's new 50tph DMS plant have arrived on site at Lulo. This follows unforeseen delays experienced in unloading the containers from the port in the Angolan capital of Luanda after shipping from South Africa.

As of 21 May 2013, four of six trucks carrying the DMS containers had arrived at Lulo, where Lucapa is completing site works for the new diamond processing plant. Lucapa hopes to have the new DMS plant commissioned and operational in the next quarter, which will greatly assist the processing of kimberlite and alluvial samples.

Lucapa Drills Highest Priority Diamond Target At Lulo



DMS containers being unloaded for trucking to Lulo



DMS plant containers arriving on site at Lulo



Containers with DMS plant being unloaded on site at Lulo

Diamond Sales

Further to the announcement of 28 March 2013, Lucapa is seeking clarification from officials in Angola regarding the timing and process for the proposed sale of alluvial diamonds recovered to date from Lulo, including the 131.4 carat stone which has been independently valued at \$US3.5 million.

The Company will update shareholders as soon as this information is received.

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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.