



LUCAPA WELCOMES NEW ANGOLAN DIAMOND MARKETING POLICY

Lucapa Diamond Company Limited (ASX: **LOM**) (“Lucapa” or “the Company”) and its partners Empresa Nacional de Diamantes E.P. (“Endiama”) and Rosas & Petalas are pleased to announce that a new Angolan Government policy regarding the marketing of Angolan diamond production has been formally enacted.

The new laws are central to the new Angolan Government’s drive to double the country’s diamond production by implementing more favourable investment and marketing policies designed to increase foreign investment in the diamond sector and grow its contribution to the Government fiscus.

In line with that goal, Angolan President, His Excellency Joao Lourenco, last month issued a decree to launch new marketing policies for Angolan diamond production. Lucapa and its Lulo partners were advised yesterday that the decree had been formally gazetted, thus bringing Angola’s new diamond marketing policies into law.

Lucapa Managing Director Stephen Wetherall said the new diamond marketing legislation represented a significant and positive step for the Angolan diamond sector.

“During a recent visit to the global diamond trading centre of Antwerp, President Lourenco told the international media he recognised that Angola’s old diamond sector policies did not serve the interests of the country, or its producers, and that he would soon announce a new framework to change that,” said Mr Wetherall.

“The fact that President Lourenco and his Government have enacted the new diamond marketing laws so expeditiously is further proof that the Angolan diamond sector is open for business.”

“As a company which has operated successfully in Angola for a decade, Lucapa congratulates President Lourenco and his Government and we look forward to implementation of the new policy as the Lulo partners continue to develop the Lulo concession.”

For and on behalf of the Lucapa Board.

STEPHEN WETHERALL
MANAGING DIRECTOR

ABOUT LUCAPA

Lucapa is a growing diamond company with a portfolio of high-quality production, development and exploration assets in Angola, Lesotho, Australia and Botswana. The Company's focus on high-value diamond production is designed to protect cash flows in a sector of the diamond market where demand remains robust.

Lucapa's flagship asset is the Lulo Diamond Project in Angola, which is a prolific producer of large and premium-value alluvial diamonds. Lulo has produced 11 +100ct diamonds to date and is the highest US\$ per carat alluvial diamond production in the world. Lucapa and its Lulo partners continue to advance their search for the primary kimberlite sources of these exceptional alluvial gems, with three drill rigs available in the ongoing kimberlite exploration program.

In keeping with the Company's growth strategy, Lucapa has acquired a 70% interest in the advanced Mothae kimberlite project in diamond-rich Lesotho. The Mothae kimberlite pipe is a high-quality diamond resource located within 5km of Letšeng, the highest US\$ per carat kimberlite diamond mine in the world. Lucapa is constructing a 150 tonne per hour (90,000 tonnes per month) diamond treatment plant, complete with XRT recovery technology, under its Phase 1 development program and is scheduled to commence high-value production at Mothae in H2 2018. A bulk sampling plant has also been refurbished and Lucapa has commenced testing areas of the kimberlite pipe either not included in the JORC resource or where additional sampling is required. Large Special diamonds including two yellow diamonds weighing 89 carats and 25 carats have already been recovered from these areas in the bulk sampling program.

Lucapa is also furthering two exploration projects in known diamond provinces. This includes an extensive exploration program launched at Brooking in the West Kimberley lamproite province in Western Australia to follow up on the discovery of lamproite with high concentrations of micro and macro diamonds. Lucapa is also scheduled to drill its kimberlite targets at the Orapa Area F project in Botswana's Orapa diamond field in H2 2018.

Lucapa's Board and management team have extensive diamond industry experience across the globe with companies including De Beers and Gem Diamonds.