



LULO AND MOTHAE DIAMOND UPDATES

- *Select large premium-value Lulo diamonds to be the first Lulo production sold through new marketing channels being introduced as part of Angola's diamond sector reforms*
- *Diamonds include six top-colour Type IIa Lulo white diamonds weighing 114 carats, 85 carats, 75 carats, 70 carats, 62 carats and 43 carats, along with a 46 carat pink*
- *First parcel of ~2,500 carats of Mothae diamonds exported to the global diamond trading centre of Antwerp, Belgium*

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 provide an update on diamond sales from the Lulo alluvial diamond mine in Angola.

As previously advised, Lucapa has been supporting its Angolan Government partners as Angola establishes the technical regulations for the recently-gazetted diamond marketing policy being introduced as part of the Government's diamond sector reforms.

As part of these discussions, Lulo alluvial mining company, Sociedade Mineira Do Lulo ("SML"), is preparing to sell certain select large premium-value diamonds in what will be the first Lulo production to be sold through the new marketing channels.

The diamonds were extracted from run of mine production at Lulo and held over from previous sales by SML in anticipation of the new marketing policy being introduced. They include six top-colour Type IIa white diamonds weighing a total of 449 carats, along with a 46 carat pink diamond (Figures 1 and 2).



Figure 1: 46 carat pink Lulo diamond



Figure 2: Other large white Type IIa Lulo Special diamonds in SML inventory

Lucapa Managing Director Stephen Wetherall commented: *“The discussions with our Angolan partners regarding the policy changes taking place in the Angolan diamond sector have reached a stage where we are now able to plan for the sale of these large premium-value Lulo diamonds held over from previous sales.”*

“We look forward to marketing these exceptional diamonds as soon as the necessary arrangements are put in place to continue showcasing Angolan diamonds to the world.”

The large and premium-value diamonds noted above were excluded from recent sales of Lulo diamonds. The latest run of mine production parcel of 2,531 carats (excluding the 114 carat, 85 carat and 62 carat diamonds) achieved gross sale proceeds of US\$2.5 million (A\$3.4 million), representing an average price per carat of US\$985 (A\$1,355).

In addition, Lucapa and the Government of the Kingdom of Lesotho are pleased to announce the first export of diamonds from the high-value Mothae kimberlite diamond mine in Lesotho.



Figure 3: Large Mothae Specials in the first export parcel

The parcel of ~2,500 carats of Mothae diamonds recovered from the ongoing bulk sampling program have been exported to the global diamond trading centre of Antwerp in Belgium for cleaning and valuation. This parcel includes yellow diamonds weighing 89 carats and 25 carats, other Special diamonds of up to 28 carats (Figure 3) as well as small light pink diamonds (Refer ASX announcement 7 August 2018).

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 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 1.1 million tonne per annum 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 at Brooking in the West Kimberley lamproite province in Western Australia to follow up on the discovery of lamproite with very 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.

Competent Person's Statement

Information included in this announcement that relates to exploration results and resource estimates is based on and fairly represents information and supporting documentation prepared and compiled by Richard Price MAusIMM who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Price is an employee of Lucapa Diamond Company Limited. Mr Price 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 2012 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr Price consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

No New Information

To the extent that announcement contains references to prior exploration results and Mineral Resource estimates, which have been cross referenced to previous market announcements made by the Company, unless explicitly stated, no new information is contained. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

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