



US\$7M FUNDING SECURED FROM IDC

- ZAR100m (US\$7m) funds secured from Industrial Development Corporation of South Africa
- Additional US\$1.5m received from the sale of Mothae diamonds recovered through bulk sampling plant

Lucapa Diamond Company Limited (ASX: **LOM**) (“Lucapa” or “the Company”) and the Government of the Kingdom of Lesotho (“GoL”) are pleased to announce the finalisation of ZAR100 million (US\$7 million) in development funding for the Mothae kimberlite diamond mine in Lesotho (Lucapa 70%; GoL 30%) from the Industrial Development Corporation of South Africa (“IDC”).

The funding from the IDC, which is one of the largest development financiers in southern Africa, followed the execution of the loan and ancillary agreements and completion of all conditions precedent to the approved Term Sheet, as announced to the ASX on 25 October 2018.

In addition to the funding from the IDC, proceeds of ZAR20.6 million (~US\$1.5 million) have also been received by Mothae from the sale of diamonds (~4,000 carats) recovered from various campaigns, in which material from multiple sources was processed through the bulk sampling plant. The sale included prices of up to US\$15,000 per carat for individual diamonds.



The new 1.1Mtpa Mothae diamond plant

As announced to the ASX on 5 December 2018, commercial diamond recoveries have now commenced through the new 1.1Mtpa Mothae treatment plant, which is being ramped up to its nameplate capacity. The new Mothae plant includes advanced diamond recovery technology including two XRT modules designed to recover large and rare Type IIa diamonds ahead of the secondary crushing circuits to avoid breakage.

Lucapa looks forward to updating progress with the ramping up of the new plant, and commercial diamond recoveries, in the Company's December 2018 Quarterly Report.

The first sale of commercial diamonds from Mothae is scheduled for Q1 2019.

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 through a systematic drilling and exploration program.

Lucapa has a 70% interest in the Mothae kimberlite mine in diamond-rich Lesotho. Lucapa has commenced commercial diamond recoveries at Mothae through a new 1.1Mtpa diamond treatment plant, complete with XRT recovery technology, under its Phase 1 development program.

Lucapa is also furthering two exploration projects in known diamond provinces, including 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 plans to drill kimberlite targets at the Orapa Area F project in Botswana's Orapa diamond field in Q1 2019.

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

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.

Forward-Looking Statements

This announcement has been prepared by the Company. This document contains background information about the Company and its related entities current at the date of this announcement. This is in summary form and does not purport to be all inclusive or complete.

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