



LULO PARTNERS DECLARE US\$8M DIVIDEND/ LOAN REPAYMENT

- *Lulo partners to receive US\$4 million in dividends – US\$1.6m attributable to Lucapa*
 - *Lucapa to receive US\$4 million repayment of investment loan*
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Lucapa Diamond Company Limited (ASX: **LOM**) (“Lucapa” or “the Company”), Empresa Nacional de Diamantes E.P. (“Endiama”) and Rosas & Petalas (“the partners”), are pleased to announce that during the General Assembly of Sociedade Mineira Do Lulo (“SML”), the partners resolved to declare an US\$8 million distribution and loan repayment.

The US\$8 million declaration by SML comprises:

- A US\$4 million distribution to the Lulo partners, of which Lucapa will receive US\$1.6 million in line with its 40% interest in SML; and
- A US\$4 million loan repayment to Lucapa.

The US\$8 million will be paid from the cash reserves of SML, which operates the Lulo alluvial mine, the world’s highest US\$ per carat alluvial production. The Lulo diamond mine has been producing commercial run of mine diamonds since 2015 and now employs 390 workers and contractors, 87% of whom are Angolan nationals.

The latest declaration from SML follows an US\$8 million loan repayment and distribution declared to Lucapa and its partners in March 2017 (Refer ASX announcement 8 March 2017). This marks the third consecutive year that a distribution has been made by Lulo.

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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