



LUCAPA ADVANCES SEARCH FOR THE LULO DIAMOND SOURCE

Lucapa Diamond Company Limited (ASX: **LOM**) (“Lucapa” or “the Company”) and its *Project Lulo* partners Empresa Nacional de Diamantes E.P. (“Endiama”) and Rosas & Petalas are pleased to provide an update on the search for the hard-rock sources of the high-value alluvial diamonds being mined at the Lulo diamond project in Angola.

Following the highly-encouraging tributary sampling results set out in the ASX announcements of 19 February and 21 February 2020, the *Project Lulo* partners commenced a drilling program in the Canguige catchment area targeting five kimberlite pipes considered prospective to host diamonds, along with two additional priority anomalies.

Once the existing priority kimberlites are drilled, kimberlite bulk samples from these five pipes will be excavated for processing to test for diamonds.

The Canguige catchment is upstream of the Caculo River valley, where Lucapa and its partners have, for several years, been mining some of the world’s highest-value and quality alluvial diamonds.



Figure 1: Drilling of kimberlite L030 with the mobile Hanjin rig in the Canguige catchment area at Lulo

The five kimberlites and two anomalies in the Canguige catchment became the focus of the search for the primary source of the Lulo alluvial diamonds following the recent recovery of 45 diamonds of up to 3.75 carats from a stream bulk sample taken from the Canguige tributary (Figures 2 and 4).

Significantly, the 45 diamonds included a good population of white diamonds - including rare Type Ila gems and top D-colours - and a light fancy yellow (Figure 2). These diamond recoveries confirmed the Canguige catchment area contains at least one diamond-bearing kimberlite pipe contributing to the alluvial diamonds eroded downstream into the Caculo River valley.



Figure 2: Selection of diamonds recovered from the Canguige tributary, including the largest 3.75 carat diamond (inset)

Exploration Update

The *Project Lulo* partners have finished drilling the first of the five high-priority kimberlite pipes in the Canguige catchment area (L028) (Figures 3 and 4) and are close to completing drilling of the second pipe (L030) (Figure 1). As noted, this drilling will determine where best to source the kimberlite material selected for primary source bulk sampling.

The drilling is being conducted using the mobile Hanjin rig (Figure 1), which is track-mounted to enable drilling during the Angolan wet season.



Figure 3: Core from drilling of first of the top-rated pipes in the Canguige catchment (L028) showing shallow intersection of kimberlite material

Planned Exploration Timetable

March-April 2020:

- Complete drilling of remaining top-rated kimberlite pipes in the Canguige catchment, weather-permitting. Angled holes will be drilled into each kimberlite to define the size and structure of each pipe and to define near-surface volcanoclastic kimberlite material suitable for bulk sampling¹
- Complete drilling of the two additional priority anomalies in the Canguige catchment highlighted in the technical review to confirm whether they are kimberlite pipes¹

May-June 2020:

- Commence excavating ~2,500m³ bulk samples of volcanoclastic kimberlite material from each of the five top-rated kimberlites in the Canguige catchment
- Truck these bulk samples to the Lulo treatment plant for individual processing to test for diamonds
- Conduct more extensive bulk sampling of any kimberlite pipe proven to be diamondiferous to better ascertain diamond grade and quality
- Commence stream bulk sampling of other tributaries flowing into the Caculo River valley in catchments hosting top-rated kimberlites

¹The kimberlites being drilled have already undergone mineral chemistry analysis. If drilling of the new anomalies confirms the targets are kimberlites, they may be sent for mineral chemistry analysis

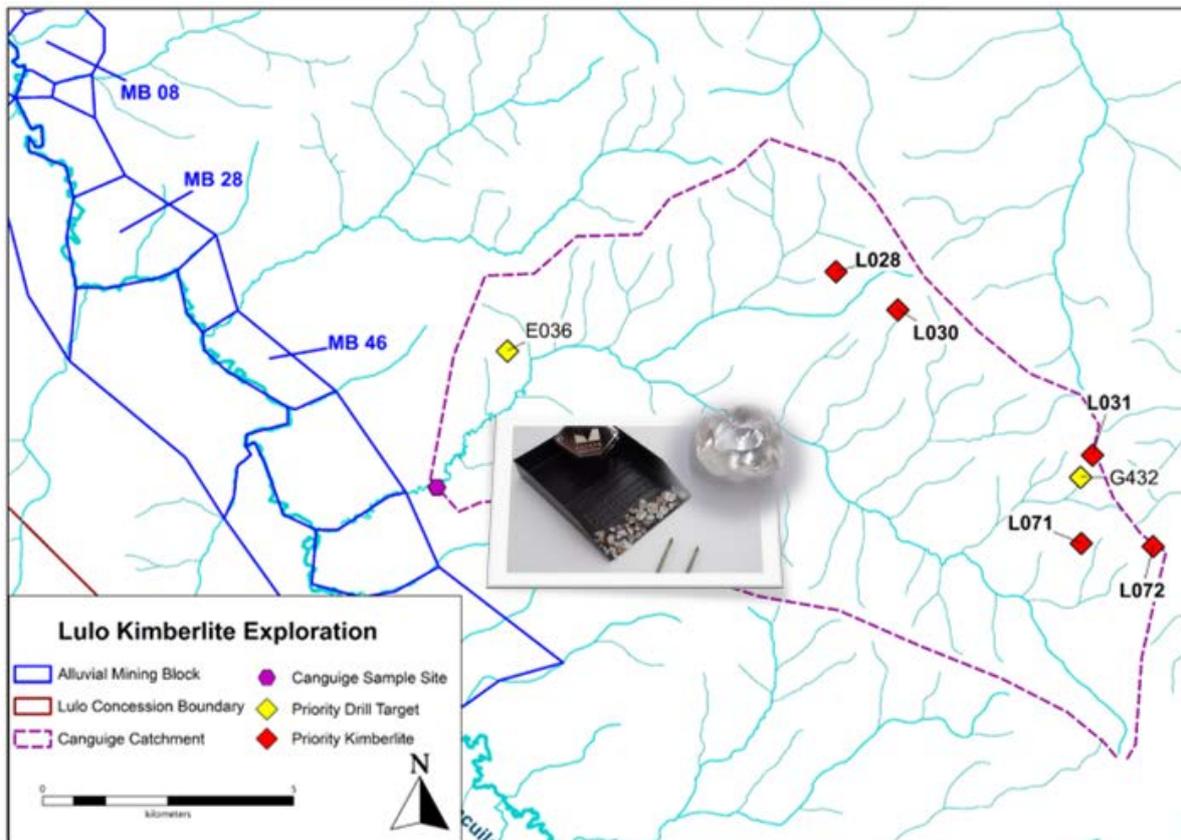


Figure 4: Location of the Canguige tributary sampling site, proximity to Mining Block 46 and kimberlites within the Canguige catchment, including five of the 16 pipes rated most prospective by a technical review to host diamonds and two priority drilling targets

For and on behalf of the Lucapa Board.

STEPHEN WETHERALL
MANAGING DIRECTOR

ABOUT LUCAPA

Lucapa is a growing diamond company with high-value mines in Angola (Lulo) and Lesotho (Mothae).

The Lulo alluvial mine and Mothae kimberlite mine both produce large and high-value diamonds, with >75% of revenues generated from the recovery of +4.8 carat stones.

Lulo has produced 14 +100 carat diamonds to date and is one of the highest average US\$ per carat alluvial diamond producers in the world. Lucapa and its *Project Lulo* partners have also received highly-encouraging results from their search to discover the primary hard-rock source of the high-value Lulo alluvial diamonds.

The new 1.1 Mtpa Mothae kimberlite mine in diamond-rich Lesotho commenced commercial mining operations in January 2019. It produced > 30,000 carats in its first year of production, including 10 +50 carat diamonds.

Lucapa's Board and management team have decades of 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.

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. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this announcement.

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