



MOTHAE DIAMONDS SOLD INTO CUTTING & POLISHING PARTNERSHIP

- *Run-of-mine diamonds sold into cutting & polishing partnership with high-end diamantaire*
 - *Mothae to share equally in partnership polished margins*
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Lucapa Diamond Company Limited (ASX: **LOM**) (“Lucapa” or “the Company”) and the Government of the Kingdom of Lesotho (“GoL”) are pleased to announce the sale of diamonds from the Mothae kimberlite mine in Lesotho (“Mothae”) into a cutting & polishing partnership with a high-end diamantaire.

Due to lockdowns and various restrictions being imposed by countries across the globe in order to prevent the spread of COVID-19, Mothae was unable to market its diamonds through its regular tender channel in Belgium.

Pleasingly and as a result of demand still existing for Mothae’s quality of product, the 3,963 carats have been sold into a cutting & polishing partnership with a high-end diamantaire for US\$2.0m (A\$3.2m) or US\$505 (A\$809) per carat. Under the agreement, Mothae will receive the rough price upfront and following accounting for the procurement and diamond manufacturing costs, additional margins generated from the later sale of the diamonds beyond the mine gate will be shared equally between Mothae and the partner.



A 64 carat top-colour diamond included in the parcel sold into the cutting & polishing partnership

Lucapa Managing Director Stephen Wetherall said, *“that despite the current macroeconomic uncertainty brought about by COVID-19 hindering the marketing of diamonds and prices generally, it was pleasing to still see some demand for the higher-quality Mothae-type production.”*

“The sale of diamonds into the cutting & polishing partnership in this environment provides Mothae with a level of price protection in that Mothae should receive additional margins from the onward sale of these diamonds,” said Mr Wetherall.

Authorised by the Lucapa Board.

STEPHEN WETHERALL
MANAGING DIRECTOR

ABOUT LUCAPA

Lucapa is a niche diamond producer 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 3 +100 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.

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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