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## **LUCAPA COVID-19 UPDATE**

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Lucapa Diamond Company Limited (ASX: **LOM**) (“Lucapa” or “the Company”) provides the following update on the Company’s operations as well as cost cutting initiatives.

Following a challenging 2019, the 2020 year started on a very positive note with much improved sentiment in the global rough diamond market seeing a pick-up in mid-stream demand and rough prices. However, the COVID-19 pandemic has created widespread uncertainty and disruption across the world, affecting all sectors of the global economy, the diamond industry included. Self-isolation measures and/or lockdowns, implemented by countries or in markets that are important to the diamond industry, have resulted in many diamond operations across the globe being suspended or curtailed. This included the Company’s Mothae and Lulo mines late in March 2020.

The Company remains focussed on the health and wellbeing of staff, contractors and stakeholders through the implementation of suitable protocols to minimise the potential transmission of COVID-19 and strict adherence to Government directives in Australia, Lesotho and Angola.

The Company’s strategic path to building a unique diamond group with multiple high-quality producing mines and significant exploration assets is well advanced. To safeguard the Company’s assets during these uncertain times, various initiatives have been implemented. These include:

### **Lulo**

The kimberlite (primary source) exploration program at Lulo is at a very important and exciting stage following the recovery of 45 diamonds in the Canguige tributary sample, including D-colour and Type Ila gems. The kimberlite exploration effort continues at Lulo and we look forward to the upcoming dry season where activities can be scaled and concluding the discussions with the Government of Angola in respect of a majority interest for Lucapa.

Lucapa, its partners and Lulo management are working with the authorities to re-commence normal mining activities. In addition, Endiama, the state diamond mining company, are exploring viable diamond funding solutions to create liquidity for producers in Angola.

### **Mothae**

Further to the ASX announcement of 25 March 2020, a care & maintenance and security program is being implemented at Mothae in Lesotho to ensure the asset is preserved and well positioned to recommence mining operations when the global markets recover.

### **Corporate**

At the Perth corporate office, significant overhead reductions have been implemented effective 1 April 2020, including staff and contractors taking a voluntary 60% cut to emoluments or fees, together with utilisation of accrued leave where possible.

The non-executive directors, Mr Kennedy and Mr Stanley, have agreed to waive their non-executive director’s fees until further notice.

The Company continues to review various funding scenarios together with finance restructuring possibilities.

The Company will provide further updates accordingly.

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**

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