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## **MOTHAE RESTART AND NEW MARKETING CHANNEL**

- *Restart plan approved for recommencement of mining operations*
  - *New marketing channel approved by the Government of The Kingdom of Lesotho*
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Lucapa Diamond Company Limited (ASX: **LOM**) (“Lucapa” or “the Company”) and its partner, the Government of the Kingdom of Lesotho (“GoL”), are pleased to announce that a restart plan to recommence diamond mining operations at the Mothae diamond mine (“Mothae”) and a new diamond marketing channel have been approved.

The Mothae mine has remained on care and maintenance since lockdown and isolation measures forced the suspension of operations in late March 2020. The GoL, Lucapa and the Mothae Board of Directors have approved a mine restart plan which will, with the appropriate health and safety protocols implemented, see the mine return to operations in Q4 2020.

In addition, the Honourable Minister of Mines, Minister Qoo, has approved a proposal to implement a new diamond marketing channel that provides Mothae the opportunity to realise more value for its unique high-value production.

Diamond production from the Mothae mine will now be able to be sold at full and transparent rough market value into direct offtake arrangements with diamantaires. This approval will allow Mothae to implement value accretive polishing partnerships with its diamantaire partners where Mothae will see additional benefit accruing in the form of shared polished margins from beyond the mine gate.

This additional marketing optionality, together with an expansion program that could see the Mothae mine production increase by some ~60%, will result in a substantial increase in the mine’s contribution to all its stakeholders.



The Honourable Minister of Mining, Minister Qoo, stated *“We are pleased to have worked closely with Lucapa as our partners in Mothae to see the mine begin its journey back into operation as positive signs begin to emerge for diamonds with the world economies looking to reopen. We also see this new marketing channel as an important additional option to the existing tender solution that will deliver benefit from beyond the mine gate and grow the contribution the natural diamond industry makes to the Basotho nation.”*

Lucapa Managing Director, Stephen Wetherall, commented *“It has been a tough time for the industry over the past few months as a result of the pandemic, but particularly for the many men and women employed or engaged at the Mothae mine. Our valued teams and contractors have been very understanding and supportive during the suspension and we look forward to having them back at the mine, in a safe and healthy manner, as soon as possible.”*

*“Mothae is a unique mine and an important contributor to the Basotho nation. The recommencement of operations and implementation of the new marketing channel will see the full potential of the Mothae kimberlite mine unlocked. This is a similar marketing channel successfully implemented at Lucapa’s Lulo mine in Angola which has already shown its value to the mine.”*

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 15 +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. The mine operations were suspended in late Q1 2020 as a result of COVID-19 lockdown and isolation measures and a recently approved restart plan will see the recommencement of mining operations in Q4 2020.

As a result of the unique high-end nature of the production from Lucapa’s mining operations, the mines utilise strong partnerships with diamantaires to extract polishing margins from beyond the mine gate.

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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