



US\$15 MILLION BRIDGE FINANCING PROPOSAL FOR LULO DIAMOND MINE

Lucapa Diamond Company Limited (ASX: LOM) (“Lucapa” or the “Company”) is pleased to announce the Company has signed a term sheet for a US\$15 million bridge financing facility with a well-established mining investment company for the Lulo Diamond Concession in Angola (“Lulo”).

The term sheet is for a 12-month bridge facility and is in line with Lucapa’s ASX announcement of 18 December 2014, when the Company stated it was evaluating a number of debt financing proposals to fund efficiency and technology improvements for Phase 1 of alluvial diamond mining at Lulo.

The proposed efficiency and technology improvements include modifying the receiving module on Lucapa’s 150 tonne per hour diamond treatment plant into a full wet front end to allow for effective wet gravel reception during the heavy rainfall months and new x-ray transmissive technology to increase capacity and optimise the recovery of low-luminescent Type IIa diamonds, which represent a significant portion of the exceptional diamonds recovered at Lulo during the bulk sampling phase.

Financing has also been sought to provide the necessary working capital to ramp up mining throughput during Phase 1 to a targeted monthly throughput rate of up to 14,000 bulk cubic metres of alluvial gravels by H1 2015.



The US\$15 million bridge facility remains subject to the satisfactory completion of due diligence, investment approvals, security and customary legal documentation. Lucapa and the bridge facility provider have agreed to enter into an exclusivity period of 40 days to complete the due diligence, internal approval processes and customary legal documentation.

Lucapa Chief Executive Officer Stephen Wetherall said Lucapa was extremely pleased to have reached agreement on indicative terms for the provision of a US\$15 million bridge facility.

“We look forward to commencing the due diligence and to securing the funding for the next exciting and important stage of development at Lulo,” said Mr Wetherall.

For further information, please contact:

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ABOUT LUCAPA DIAMOND COMPANY LIMITED

Lucapa Diamond Company Limited (ASX: LOM) is an emerging miner of world-class diamonds. Lucapa is the operator of the 3,000km² Lulo Diamond Concession in Angola's Lunda Norte diamond province. Lulo is located within 150km of Catoca, the world's fourth biggest kimberlite diamond mine, and on the same favourable geological trend (Lucapa Graben).

Lucapa has been undertaking diamond bulk sampling activities continuously at Lulo since 2008, during which time the Company has proven up two major kimberlite provinces and extensive areas of diamond-rich alluvial gravels along the Caculo River.

Lucapa has now signed a 35 year mining licence agreement to mine the alluvial diamonds at Lulo within a 218km² area which includes more than 50km of the Caculo River, its valley and terraces.

Lucapa has also identified approximately 300 kimberlite targets at Lulo and is planning ongoing exploration programs to find the primary source, or sources, of the rare alluvial diamonds being recovered from the concession. Already, four kimberlites at Lulo have been confirmed as diamond bearing pipes.

Lucapa's board and management team has extensive diamond mining experience with companies including De Beers, Rio Tinto, Gem Diamonds and Kimberley Diamond Co.

Lucapa operates Lulo in partnership with Endiama, the Angolan Government's diamond concessionary, and private group Rosas & Petalas.

ABOUT ANGOLA

Angola is the world's fourth biggest producer of diamonds by value and is actively seeking foreign investment in its diamond industry. Angola is forecasting annual diamond production of 10 million carats in 2014.

Angola's potential for new diamond discoveries has been recognised by the world's two biggest diamond mining companies, Alrosa and De Beers. Alrosa operates the giant Catoca mine (annual production ~6.5 million carats), which is the world's fourth biggest kimberlite mine. De Beers has recently stated it is at an "advanced stage of negotiations for new licences" in Angola.

Angola will chair the Kimberley Process Certification Scheme from 2015.