



DIAMOND MINING RESULTS AT LULO

Lucapa Diamond Company Limited (ASX: LOM) (“Lucapa” or the “Company”) and its partners are pleased to announce the Company has successfully commenced alluvial diamond mining at the Lulo Diamond Concession in Angola.

Lucapa has completed the preliminary processing of mining at the block 29 area (Figure 1), which produced a highly-encouraging diamond in-situ grade of 17.33 carats per 100 cubic metres (See Table 1).

A total of 286 diamonds weighing 266.70 carats were recovered from block 29 over the first eight days of alluvial diamond mining for an average stone size of 0.93 carats. A selection of the exceptional diamonds recovered from mining block 29 is shown below and on pages 3 and 4.



Lulo diamonds from mining block 29



Diamond mining activity at mining block 29

Lucapa moved its mining operations from block 29 after eight days of mining due to very wet ground conditions, but expects to return to this area at a later stage.

Mining block 29 is the first alluvial diamond area to be mined at Lulo since Lucapa and its partners were granted a 35-year alluvial mining licence in November 2014. The daily mining and throughput rates are in line with the Company’s preliminary internal targets set for the month of January in its mining ramp up schedule.

Cubic metres	Carats	In-situ grade (per hundred cubic metres)	Stones No.	Average size (Cts/stn)
1,721	266.70	17.33	286	0.93

Table 1: Diamond recoveries from mining block 29

Lucapa Chief Executive Stephen Wetherall commented “We and our partners are pleased that mining has commenced at Lulo at mining and processing rates in line with our expectations, which will see planned rates increasing to targeted levels post the wet season and plant efficiency upgrades”.

Lucapa announced on 18 December 2014 the Company was evaluating debt financing options to fund efficiency and operational improvements to the Company’s 150 tonne per hour diamond treatment plant to help reach its monthly processing target of 14,000 bulk cubic metres (bcm) by H1 2015.

On 21 January 2015, Lucapa announced it had signed a term sheet with a well-established mining investment company for a US\$15 million bridge financing facility to fund those efficiency and operational improvements and to ramp up throughput to the 14,000 bcm per month target.

The funding facility remains subject to an exclusive 40-day due diligence period, legal documentation and various other approvals, as set out in the Company’s ASX announcement of 21 January 2015.

Lucapa will continue processing gravels from both alluvial mining and exploration bulk sampling. In line with other listed diamond mining companies, Lucapa plans to update the market at least quarterly on its diamond mining production.



Lulo diamonds from mining block 29



Lulo diamonds from mining block 29

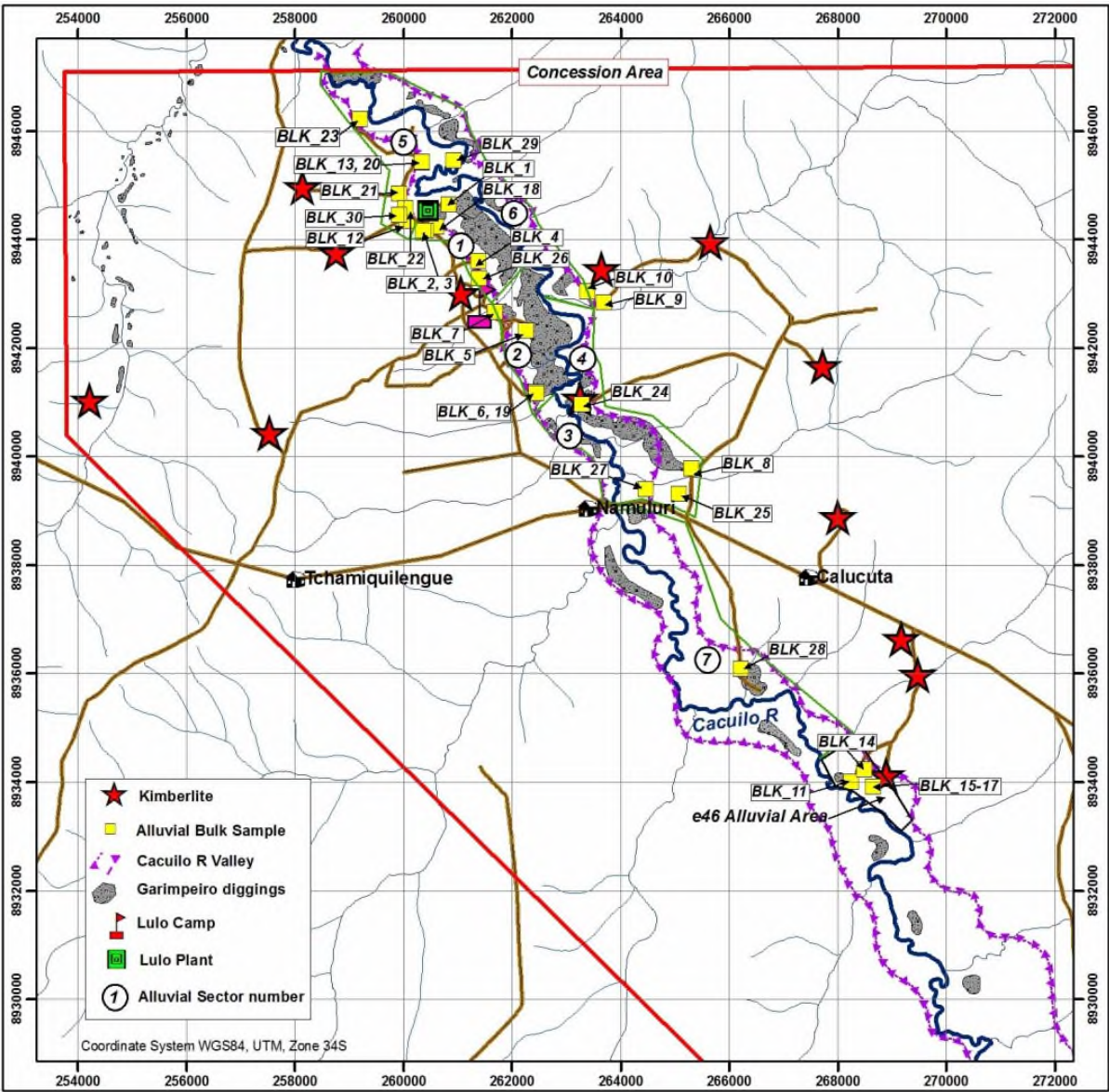


Figure 1: Location of mining block 29

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ABOUT LUCAPA DIAMOND COMPANY LIMITED

Lucapa Diamond Company Limited (ASX: LOM) is 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.

In November 2014, Lucapa and its partners 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. Alluvial diamond mining commenced in January 2015.

Lucapa has also identified approximately 300 kimberlite targets at Lulo and is planning new 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.

Competent Person's Statement

Information included in this announcement that relates to previously released exploration data disclosed under the JORC Code 2004 has not been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported and is based on and fairly represents information and supporting documentation prepared and compiled by Albert Thamm MSc F.Aus.IMM (CP), who is a Corporate Member of the Australasian Institute of Mining and Metallurgy. Mr Thamm is a Director of Lucapa Diamond Company Limited. Mr Thamm 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 Thamm consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

Forward-Looking Statements

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