



FOURTH PARCEL OF LULO DIAMONDS SELLS FOR A\$2.9 MILLION

- **Average sale price of A\$1,870/carat further demonstrates the exceptional quality and premium value of Lulo diamonds**
- **Sale also underlines Lucapa's ability to generate strong and regular cash flows from its alluvial diamond mining operations**
- **Latest sale brings to A\$9.7M the gross proceeds from the sale of Lulo diamonds, at an overall average price of more than A\$2,500/carat**
- **Next sale of Lulo diamonds scheduled for June 2015 to continue cash flow generation**
- **The latest diamond sale coincides with the recent start of mining at the higher grade BLK_08 area at Lulo**

Lucapa Diamond Company Limited (ASX: LOM) ("Lucapa" or "the Company") is pleased to announce the sale of a fourth parcel of diamonds from the Lulo Diamond Concession in Angola for gross proceeds of A\$2.9 million as alluvial mining operations at the project continue to ramp up.

The sale represented an exceptional average price of A\$1,870/carat (US\$1,500) for the 1,539 carat parcel. This is more than 12 times the average global diamond sale price of US\$120/carat, further demonstrating the exceptional quality and premium value of the alluvial diamonds Lucapa and its partners are mining at Lulo.

The latest sale brings to ~A\$9.7 million the gross proceeds generated to date from the sale of four parcels of Lulo diamonds totalling 3,856 carats. This represents an average overall sale price of more than A\$2,500/carat.

The fourth sale parcel included the 63.05 carat Type IIa D-colour diamond recovered in April 2015 from mining area 31 (see ASX Announcement – 16 April 2015) at Lulo and several other special (>10.8 carat) stones.



The 63.05 carat Type IIa D-colour Lulo diamond recovered in April 2015

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As at the end of April 2015, Lucapa and its partners had recovered 30 special diamonds during exploration bulk sampling and mining at Lulo with an average stone size of 27.8 carats.

Apart from these large special diamonds, the Lulo diamond field is also unique in that it has produced fancy coloured diamonds (pinks and yellows) and a significant proportion of Type IIa stones, the world's rarest category of diamonds.

Significantly, the sale of the fourth parcel of Lulo diamonds coincides with the commencement of alluvial mining at the high-grade BLK_08 area at Lulo. This area produced the largest and most valuable diamond recovered during the exploration bulk sampling phase at Lulo – a 131.4 carat Type IIa gem.



The 131.4 carat Type IIa diamond recovered from bulk sampling at BLK_08, where alluvial diamond mining has now commenced

Lucapa Chief Executive Officer Stephen Wetherall said the fourth sale of Lulo diamonds provided further evidence of the strong and regular cash flows being generated from alluvial mining at Lulo, which commenced in January 2015.

“The sale prices we are achieving highlight the financial significance of recovering large special diamonds on a regular basis – as we are doing at Lulo – and gives us further confidence that we are on track to achieve our previously stated objective of becoming cash flow positive by the end of this Quarter.”

“With the Angolan wet season behind us, we also are now very excited to be moving our alluvial mining operations to high-grade diamond zones such as BLK_08 and BLK_06 & 19 – where we have previously recovered several large special stones during our bulk sampling programs.”

“We hope to be in a position to offer our next parcel of Lulo diamonds for sale in June 2015, in line with our strategy of generating sustainable long-term cash flows from regular diamond sales.”

“The exceptional average sale prices we continue to achieve for Lulo diamonds also enhances the potential upside of our kimberlite exploration program, which aims to find the primary hard-rock sources of these rare and valuable alluvial diamonds.”

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As with previous sales, the fourth parcel of Lulo diamonds was conducted by the Angolan Government diamond marketing arm SODIAM in the Angolan capital of Luanda.

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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 heartland. 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 and its partners have also identified 296 kimberlite targets at Lulo, which include 96 proven and probable kimberlites. The Company is stepping up its efforts to locate the kimberlite sources of the exceptional alluvial diamonds at Lulo. 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 and Gem Diamonds.

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 introduced a new Mining Code in 2012.

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, while De Beers has announced plans to secure exploration concessions in Angola.

Angola will chair the Kimberley Process Certification Scheme for 2015.