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## LUCAPA TRADING UPDATE

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**Lucapa Diamond Company Limited (ASX: LOM)** (“Lucapa” or “the Company”) is pleased to announce the Lulo Diamond Project achieved its monthly processing target of 10,000 bulk cubic metres (bcm) for the month of June 2015.

Lucapa’s strategy to double mining operations to 20,000 bcm per month by end of the September 2015 quarter and accelerate the generation of operational cash flows also remains on track following the arrival of a new fleet of Caterpillar earth moving equipment (See ASX announcement 30 June 2015). This new fleet has started to arrive at Lulo and is all expected to be on site within the week.

Due to soft ground conditions and fleet availability, Lucapa processed gravels primarily from areas near the 150 tonne per hour diamond treatment plant during the June 2015 Quarter in order to achieve its monthly target of 10,000 bcm. The gravels were sourced predominantly from mining blocks 31 and 22.

A total of 1,818 diamonds were recovered during the June 2015 Quarter weighing 1,430 carats for an average stone size of 0.8 carats. Lucapa is planning for the next diamond sale to take place in July 2015.

The diamond grades of 8.3 carats per 100 cubic metres (cphm<sup>3</sup>) achieved in the June Quarter (H1 2015: 9.2 cphm<sup>3</sup>) were in line with the grades achieved during preliminary bulk sampling of the areas mined, but lower than planned due to a change in mining area.



A 5.15 carat fancy vivid yellow diamond recovered from Lulo in the June 2015 Quarter

The grade for the June 2015 Quarter was lower than Lucapa’s originally targeted grade of 10-15cphm<sup>3</sup>. This was due to the Company having scheduled to treat more gravels from the higher-grade BLK\_08 area during the Quarter. However, only limited gravels were mined from this area due to continuing soft ground conditions and resultant increased dilution being experienced. It was decided to allow the ground to dry and target the area for mining in the September 2015 quarter.

With the new Caterpillar fleet arriving on site, Lucapa and its partners now look forward to expanding mining operations further afield, which includes BLK\_08. Resource delineation of the E46 terraces will be carried out, as well as advancing the Company’s kimberlite exploration program by sampling the priority L46 kimberlite.



Diamond mining activities at Lulo

Lucapa will provide further details of its diamond mining activities at Lulo in the Company's June 2015 quarterly activities report.

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**ABOUT LUCAPA DIAMOND COMPANY LIMITED**

Lucapa Diamond Company Limited is a miner of world-class diamonds. Lucapa is the operator of the 3,000km<sup>2</sup> 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 proven up two major kimberlite provinces at Lulo, as well as extensive areas of diamond-rich alluvial gravels along the Cacuilo River.

In November 2014, Lucapa and its partners signed a 35 year mining licence agreement to mine the alluvial diamonds at Lulo. Alluvial diamond mining commenced in January 2015. The Lulo alluvial diamonds sold to date have achieved exceptional average sale prices of more than A\$2,500 per carat.

Lulo hosts 296 kimberlite targets in two separate provinces, of which 96 have been classified as proven and probable kimberlites and four 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.

Lucapa is dual listed on the Australian Securities Exchange and the Frankfurt Stock Exchange.

**ABOUT ANGOLA**

Angola is the world's fourth biggest producer of diamonds by value with forecast annual production of 10 million carats in 2014.

Angola introduced a new Mining Code in 2012 and is actively seeking foreign investment in its diamond industry.

Angola's potential for new diamond discoveries has been recognised by the world's two biggest diamond mining companies, Alrosa and De Beers.

Angola was appointed to chair the Kimberley Process Certification Scheme in 2015.

**FORWARD-LOOKING STATEMENTS**

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