



DIAMOND MINING LICENCE EXPANDED AT LULO

- Alluvial diamond mining licence area at Lulo expanded to 1,500km² to include the highly-prospective Lulo River and its tributaries

The Directors of **Lucapa Diamond Company Limited (ASX: LOM)** (“Lucapa” or “the Company”) are pleased to announce that the Company, and its partners, have been advised by the Angolan Minister of Geology and Mines that their new company being formed to mine alluvial diamonds at the Lulo Diamond Project in Angola, Sociedade Mineira do Lulo Lda, has been granted a significantly expanded Alluvial Mining Licence Title.

The expanded mining licence covers an area of 1,500km², or 50% of the entire Lulo Concession. This compares to the original mining licence area of 218km² (Figure 1) (See ASX announcement 26 November 2014).

Significantly, the expanded mining licence area granted by the Minister extends well beyond the Caculo River to include the Lulo River and its numerous, large southern tributaries which drain the main Lulo kimberlite field in the south and the kimberlite province in the north, which Lucapa discovered in 2013.

Artisanal mining activity has highlighted this area as a source of highly prospective alluvial diamonds. The area is accessible by a main road running along the south-east border.

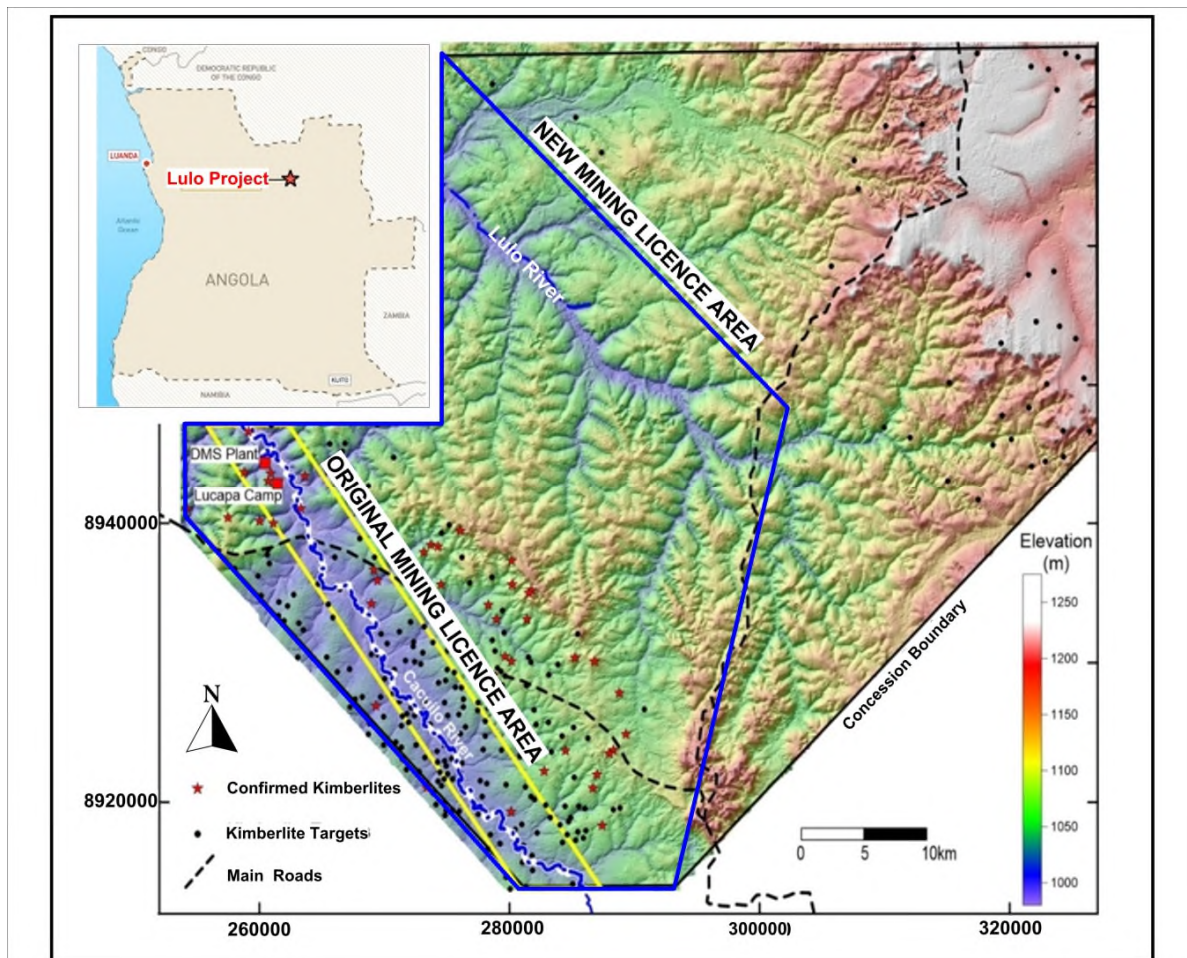


Figure 1: Alluvial diamond mining licence area and priority kimberlite targets

Lucapa has not carried out any sampling in the Lulo river system area which could add to the potential life of mine of the mining company following its ongoing mining campaign along the Caculo river. However, given the drainage off the existing proven diamond field towards the Lulo River, the Company believes it is likely this area will also host large valuable Type IIa diamonds as do many of the bordering concessions.

The expanded mining licence is for a minimum period of 10 years, and has been awarded to Lucapa and its partners at no additional cost. Additional clarification on the award is being sought by the Company and its partners, but we believe this to be a positive outcome for the Company.

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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 3,000km² 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 proven up two major kimberlite provinces at Lulo, as well as 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. 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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