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## **MORE LARGE DIAMONDS POINT TO CLOSE KIMBERLITE SOURCE AT LULO**

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### **HIGHLIGHTS**

- **Lucapa continues to recover large diamonds from Mining Area 8 at Lulo, with a total of 9 specials (>10.8 carats) produced in the first two weeks**
- **Lucapa has identified the E259 kimberlite target as a potential source of these large alluvial diamonds. E259 is located approximately 300 metres from Mining Area 8**
- **The recovery of abundant coarse kimberlite indicator minerals (garnets and ilmenites) and the kimberlitic nature of the diamonds from Mining Area 8 all point to a close kimberlite source**
- **This view is supported by one of the world's most experienced diamond geologists, Dr John Ward, who believes it is highly likely the primary source of the kimberlite indicator minerals recovered from Mining Area 8 is within 1.5km**
- **In light of this, Lucapa has mobilised earth moving equipment to E259 to commence a systematic testing program. Two other kimberlites within a 3km radius of Mining Area 8 will also be tested**



Figure 1: Coarse garnets (kimberlite indicator minerals) recovered from Mining Area 8 at Lulo, within ~300 metres of the E259 kimberlite target

## MORE LARGE DIAMONDS POINT TO CLOSE KIMBERLITE SOURCE AT LULO

Lucapa Diamond Company (**ASX: LOM**) (“Lucapa” or “the Company”) is pleased to announce the recovery of more large special diamonds from Mining Area 8 at the Lulo Diamond Project in Angola.

As announced to the ASX on 18 August 2015, Lucapa recovered five large special diamonds (>10.8 carats) of up to 53.2 carats each from the first four days of diamond mining at Mining Area 8.

Lucapa has since recovered a further four special diamonds from its ongoing mining operations at Mining Area 8, including stones weighing 37.28 carats, 17.15 carats, 14.69 carats, and 11 carats and a light pink diamond (Figure 2).



Figure 2: Diamonds from Mining Area 8 at Lulo

This brings to 11 the total number of large specials recovered from this area, which also yielded an exceptional 131.4 carat gem and a 38.4 carat stone during preliminary testing of bulk sample BLK\_08 (Figure 5).

The consistent recovery of large special diamonds from this area adds to the weight of evidence pointing to the surrounding kimberlite targets, including E259, as potential primary sources of these exceptional diamonds.

E259 is located within approximately 300 metres of Mining Area 8, while two other kimberlites – L13 and L15 – are also located within a 3km radius (Figure 3).



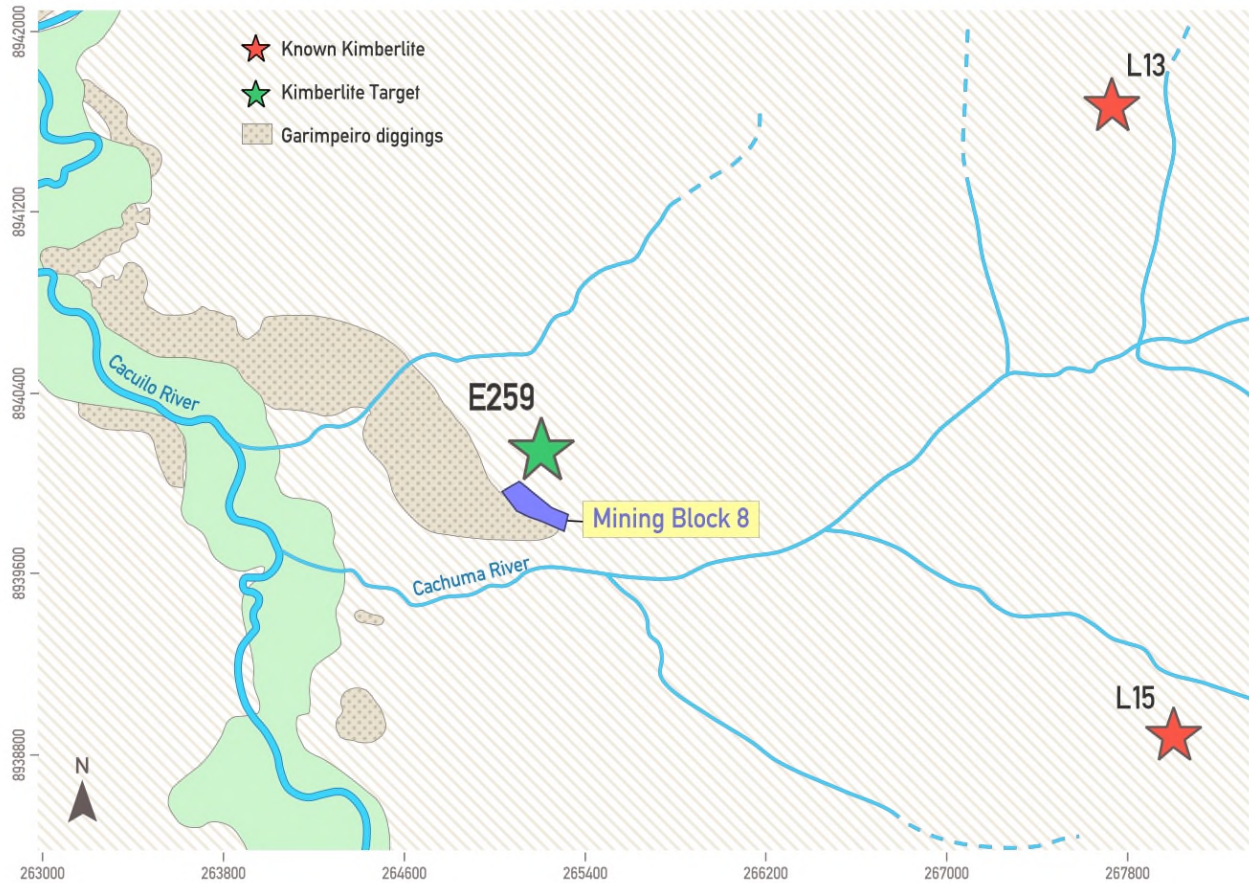


Figure 3: Location of E259 in relation to Mining Area 8 and two other kimberlites – L13 and L15

This weight of evidence includes:

- The E259 kimberlite target is located within approximately 300 metres of Mining Area 8, where Lucapa has already recovered 11 large special diamonds of up to 131.4 carats and fancy coloured diamonds
- E259 and the two other proximal kimberlites (L13 and L15) all sit on, or close to, natural river drainages feeding past Mining Area 8
- The large alluvial diamonds being recovered from Mining Area 8 are irregular shaped and have sharp jagged edges, indicating they have not travelled far from their primary kimberlite source
- Lucapa has also recovered abundant kimberlite indicator minerals from Mining Area 8, including garnets and ilmenites. Like the diamonds, these indicator minerals are also coarse, indicating they have not travelled far (Figures 1 and 4)

Significantly, this view is also supported by one of the world’s most experienced diamond geologists, Dr John Ward, whom Lucapa has engaged to assist the site geological team at Lulo with the kimberlite exploration program.

Dr Ward stated:

***“From the photos of the garnets, kimberlite clasts in the gravel (in particular as these are fragile) and ilmenite layers, it is highly likely that the excavation locality is less than 1.5km from the primary source (probably closer to 0.5km).”***



Figure 4: Abundant coarse garnets and ilmenite present in Mining Area 8 gravels

In light of this evidence, Lucapa and its partners have mobilised earth moving equipment to E259 to systematically test and evaluate the kimberlite target.

Once this initial work program is complete, a bulk sample of E259 will be excavated and treated through the 150 tonne per hour (tph) diamond treatment plant at Lulo to test for diamonds.

Alluvial diamond mining operations at Mining Area 8 will continue in tandem with this neighbouring kimberlite exploration activity. As per the ASX announcement of 18 August 2015, Lucapa expects to continue diamond mining at Mining Area 8 for the rest of the September Quarter and beyond.

This equipment has been moved from the L46 kimberlite, where Lucapa had recently commenced a preliminary evaluation program. Lucapa plans to resume work at L46 at a later date to better define the kimberlite to assist in identifying areas for future testing of what remains a priority kimberlite target and potential source of the high-grade diamonds recovered from the E46 alluvial area at Lulo.





Figure 5: The 131.4 carat Type IIa gem (centre) previously recovered from bulk sample BLK\_08 at Mining Area 8

Lucapa Chief Executive Stephen Wetherall said decision to target E259 and the other kimberlites surrounding Mining Area 8 was clearly warranted in light of the growing weight of evidence emerging from diamond mining operations in this area.

*“Mining Area 8 is consistently producing road signs which all point to a proximal kimberlite source producing these exceptional diamonds,” said Mr Wetherall.*

*“This makes the low magnetic E259 and the other kimberlites we have discovered in this immediate area compelling targets.”*

*“The exceptional size and quality of the diamonds we are recovering from Lulo highlights the potential of the kimberlite prize we are searching for and its chances of being economic.”*

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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.

Lucapa and its partners commenced alluvial diamond mining operations at Lulo in January 2015. The Lulo alluvial diamonds sold to date have achieved exceptional average sale prices of more than A\$2,500 per carat. In August 2015, the area covered by the alluvial mining licence area at Lulo was expanded significantly to 1,500km<sup>2</sup>.

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.

### **Competent Person's Statement**

Information in this announcement that relates to exploration results is based on and fairly represents information and supporting documentation prepared and compiled by Albert Thamm, who is a Director of Lucapa Diamond Company Limited and a Corporate Member of the Australasian Institute of Mining and Metallurgy. 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.

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