



LUCAPA SECURES LONG-TERM INVESTOR SUPPORT

HIGHLIGHTS

- **Lucapa secures long-term funding support for up to \$12 million from high-net-worth investors**
- **Investors to subscribe to a \$3.5 million equity placement at a premium and have first right of refusal to provide up to \$8.5 million in future funding**
- **Funding will enable Lucapa to scale up its alluvial diamond mining and kimberlite exploration programs at Lulo**
- **Agreement represents an important step towards Lucapa's goal of building a stable long-term share register**

Lucapa Diamond Company Limited (**ASX: LOM**) ("Lucapa" or "the Company") is pleased to announce it has secured the support of long-term investors to advance the Company's diamond mining operations and kimberlite exploration programs at the Lulo Diamond Project in Angola.

Lucapa has signed an agreement which will see a group of high-net-worth investors provide financial support for up to \$12 million. This comprises a \$3.5 million equity placement in Lucapa and the first right of refusal to provide the Company with up to \$8.5 million in any additional future funding which may be required.



Alluvial diamond mining operations at Lulo

The \$3.5 million placement will involve the issue of 19.4 million fully-paid Lucapa shares at an issue price of \$0.18 per share to the investors, representing a premium to the 15-day VWAP. The shares will be issued with an attaching one-for-one option, exercisable at \$0.20 within two years of issue.

The placement remains subject to Lucapa refreshing its available Listing Rule 7.1 placement capacity following shareholder approval of the relevant resolutions at the extraordinary general meeting to be held on 30 September 2015.

Lucapa will use the placement proceeds to source additional earth moving equipment to scale up its alluvial diamond mining operations beyond 20,000 bulk cubic metres (bcm) per month, and for working capital. This additional fleet will also allow Lucapa to feed the 150 tonne per hour diamond processing plant from two separate alluvial mining areas to optimise volume delivery.

Lucapa is currently mining diamonds at Mining Block 8 at Lulo. The new fleet will enable the Company to mine concurrently at Mining Block 31, near the diamond plant.

Lucapa and its partners have already recovered 25 special stones (diamonds weighing > 10.8 carats) from previous mining operations at Mining Block 31, including an exceptional 63.05 carat Type IIa D-colour gem.



The 63.05 carat Type IIa D-colour gem recovered from Mining Block 31

Significantly, this new equipment will also enable Lucapa to continue advancing its kimberlite exploration program around Mining Block 8, including the priority E259 kimberlite target.

In a show of long-term support for Lucapa, the investors will also have the first right of refusal to provide Lucapa with up to \$8.5 million in any future funding required to continue scaling up the alluvial and kimberlite operations at Lulo.

Lucapa Chief Executive Stephen Wetherall said he was delighted to have secured the long term support of the investors as Lucapa moved into one of the most exciting phases in the Company's history.

“This agreement not only provides the funding for Lucapa to continue scaling up our alluvial and kimberlite programs, but also enables us to mine diamonds from two separate sources at Lulo for the first time”, said Mr Wetherall.

“It also helps achieve our objective of building a stable register of long-term shareholders who are here to support Lucapa in unlocking the true value of what we believe is one of the best diamond projects in the world.”

For further information, please contact:

MILES KENNEDY
CHAIRMAN

Tel +61 8 9381 5995

STEPHEN WETHERALL
CHIEF EXECUTIVE OFFICER

Tel +61 8 9381 5995

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 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 A\$1,668 per carat.

Lulo also hosts 296 kimberlite targets in two separate provinces, of which 96 have already 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 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

This announcement has been prepared by Lucapa Diamond Company Limited. This document contains background information about Lucapa Diamond Company Limited and its related entities current at the date of this announcement. This is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this announcement. This announcement is for information purposes only. Neither this document nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction.

This announcement may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply in their own jurisdiction. A failure to do so may result in a violation of securities laws in such jurisdiction. This document does not constitute investment advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this representation are not intended to represent recommendations of particular investments to particular persons. Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments.

No responsibility for any errors or omissions from this document arising out of negligence or otherwise is accepted. This document does include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Lucapa Diamond Company Limited. Actual values, results, outcomes or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements.

Any forward-looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and ASX Listing Rules, Lucapa Diamond Company Limited does not undertake any obligation to update or revise any information or any of the forward-looking statements in this document or any changes in events, conditions or circumstances on which any such forward-looking statement is based.