



LUCAPA UPDATE

Lucapa Diamond Company Limited (**ASX: LOM**) (“Lucapa” or “the Company”) wishes to reiterate comments made by Chairman Miles Kennedy during a presentation at the Resources Rising Stars conference on the Gold Coast yesterday.

Mr Kennedy was quoted highlighting the potential of the Lulo Diamond Project to be one of the world’s richest diamond mines if Lucapa and its partners were successful in their efforts to discover the primary kimberlite source of the exceptional alluvial diamonds being mined at Lulo. This theme has been highlighted consistently by Lucapa and was also highlighted in the September edition of Port Phillip Publishing’s *Resource Speculator* independent research report released late on Wednesday, which recommended Lucapa as a buy to a wide investor/subscriber base.

The *Resource Speculator* stated: “*Lucapa is honing in on what could be the first major kimberlite discovery since 2004. If this happens, expect the share price to skyrocket...*”

In reference to the Vancouver-listed diamond company Lucara Diamonds (which has a market capitalisation of A\$358 million), *Resource Speculator* stated: “*In my view, if it can discover the kimberlite motherlode, Lucapa could easily attract a valuation in excess of Lucara’s.*”

In the Company’s most recent ASX announcement this week (22 September 2015), Lucapa revealed it was recovering large special diamonds (diamonds weighing more than 10.8 carats) at the exceptional rate of one every 1.2 production days from the prolific Mining Block 8 alluvial mine at Lulo. The alluvial diamonds Lucapa is recovering from Lulo are world-class, as evidenced by the fact that Lulo diamonds have sold for average sales prices of A\$1,668 per carat compared to a global average of approximately US\$120 per carat.

The diamonds recovered from Mining Block 8 include large specials weighing 131.4 carats, 57.8 carats, 53.5 carats and 50.1 carats. Lucapa continues to recover more special diamonds from Mining Block 8.

As Lucapa has consistently stated, the major objective at Lulo is to discover the kimberlite pipe or pipes which are the primary sources of these exceptional alluvial diamonds.

As announced to the ASX this week (22 September 2015), Lucapa has been conducting a systematic sampling program at the E259 kimberlite target at Lulo, which is the closest kimberlite target to where the large special diamonds are being recovered at Mining Block 8. In the first instance, this sampling program aims to confirm the presence of kimberlite material and thus upgrade the E259 target to a confirmed kimberlite. In the same ASX announcement, Lucapa also confirmed that the significant coarse kimberlite indicator minerals being recovered with the diamonds from Mining Block 8 continued to point to a close kimberlite source. This is a view which is shared by one of the world’s leading diamond geologists, Dr John Ward (See ASX announcement 31 August 2015).

Lucapa expects the initial results from this sampling program at E259 in the near-term and will report those results to the ASX accordingly.

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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 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

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