



LUCAPA DOUBLES DIAMOND MINING RATES AT LULO

Highlights

- **Lucapa has doubled alluvial diamond mining and throughput at Lulo to treat 20,000 bulk cubic metres (bcm) per month**
- **New equipment purchased and currently being delivered to maintain diamond mining and processing rates during the Angolan wet season**
- **Diamond recoveries up 143% in the September 2015 Quarter – exceptional sale prices being achieved for that production**

Lucapa Diamond Company Limited (**ASX: LOM**) (“Lucapa” or “the Company”) is pleased to announce the Company has successfully scaled up its alluvial diamond mining operations at the Lulo Diamond Project in Angola to its targeted processing rate of 20,000 bulk cubic metres per month, ahead of plan.

This represents a doubling of processing rates from 10,000 bcm per month since June 2015 (See ASX announcement 6 July 2015) following the delivery of additional earth moving equipment to Lulo in July 2015.



Figure 1: Alluvial diamond mining operations at Lulo

Lucapa and its partners have moved to ensure alluvial diamond mining operations can be maintained at the expanded rate of 20,000 bcm per month rate during the upcoming Angolan wet season by sourcing additional earth moving equipment, developing the support infrastructure and road network and making optimisation modifications to the 150 tonne per hour (tph) diamond processing and recovery plants.

The new earthmoving and mining equipment will also enable Lucapa to operate its alluvial diamond mining operations in parallel with its kimberlite exploration program at the high priority L259, which is immediately adjacent to the prolific Mining Block 8 alluvial diamond field (See ASX announcement 6 October 2015).

A new Caterpillar 374LR excavator has arrived on site at Lulo and a new Caterpillar 745C 45-tonne truck is en route, along with new lighting towers and water pumps.

Improvements to the recovery plant include the installation and commissioning of two double-pass Flowsort x-ray machines to improve the capacity and efficiency of diamond recoveries. In addition, the design and process guarantee for the new wet-front end for the 150tph diamond plant are complete, with delivery scheduled for mid-December 2015.



Figure 2: New double pass Flowsort x-ray machines installed at the 150 tph Lulo diamond plant to improve capacity and efficiency of diamond recoveries

As foreshadowed in the ASX announcement of 14 September 2015, the investment in additional equipment will, for the first time, enable Lucapa to feed the diamond plant from two separate alluvial mining areas – Mining Block 8 and Mining Block 31 - to optimise volume delivery during the wet season.

In the September 2015 Quarter, Lucapa and its partners increased processing rates by 155% to 44,009 bcm as mining and processing operations were progressively scaled up to the target rate of 20,000 bcm per month by the end of September 2015.

This resulted in a 143% increase in diamond recoveries to 3,479 carats for the Quarter. The move in August 2015 to Mining Block 8 - which continues to produce regular large specials (diamonds >10.8 carats) - resulted in a 50% improvement in the average stone size to 1.2 carats per stone from 0.8 carats in the previous quarter.



Figure 3: 90.32 carat D colour Type IIa diamond and fancy pink and yellows recovered from Mining Block 8 during the September 2015 Quarter

As announced to the ASX on 13 October 2015, the combined sampling and mined diamonds recovered from Mining Block 8 have achieved an exceptional overall average selling price of A\$4,500 per carat.

The impact of some dilution associated with mining in the Mining Block 8 area contributed to a 5% reduction in the overall grade achieved in the Quarter to 7.90 carats per 100 cubic metres. However, this was more than offset by an improvement in the average stone size, the regular recovery of special diamonds and the better quality of diamond recovered which has increased the US\$ value per bcm planned from Mining Block 8 area.

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

For further information, 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\$1,966 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.

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