



133.4 CARAT DIAMOND RECOVERED AT LULO

- 133.4 carat diamond recovered from initial processing of new gravels from Mining Block 6 – the largest diamond recovered to date at Lulo
- Two D-colour gems weighing 29.2 carats and 11.1 carats among other large special diamonds recovered from Mining Block 6
- Previous exploration bulk sampling in the Mining Block 6 area produced large special diamonds weighing 95.5 carats, 53.2 carats, 32.2 carats, 24.5 carats, 13.7 carats and 10.9 carats
- Mining and processing of gravels from Mining Block 6 is planned to continue throughout the Angolan wet season and beyond
- Mining Block 6 is just 4km from the diamond plant and ~2km downstream of Mining Block 8, where Lucapa has been recovering large valuable diamonds
- Size and compound nature of the 133.4 carat diamond points to a close primary source, reinforcing Lucapa's focus on its high priority kimberlite targets



133.4 carat diamond recovered from Mining Block 6 at Lulo along with specials weighing 29.2 carats and 11.1 carats

133.4 CARAT DIAMOND RECOVERED AT LULO

Lucapa Diamond Company Limited (ASX: **LOM**) (“Lucapa” or “the Company”) is pleased to announce the recovery of more special diamonds (weighing more than 10.8 carats) from the Lulo Diamond Project in Angola, including a 133.4 carat stone.

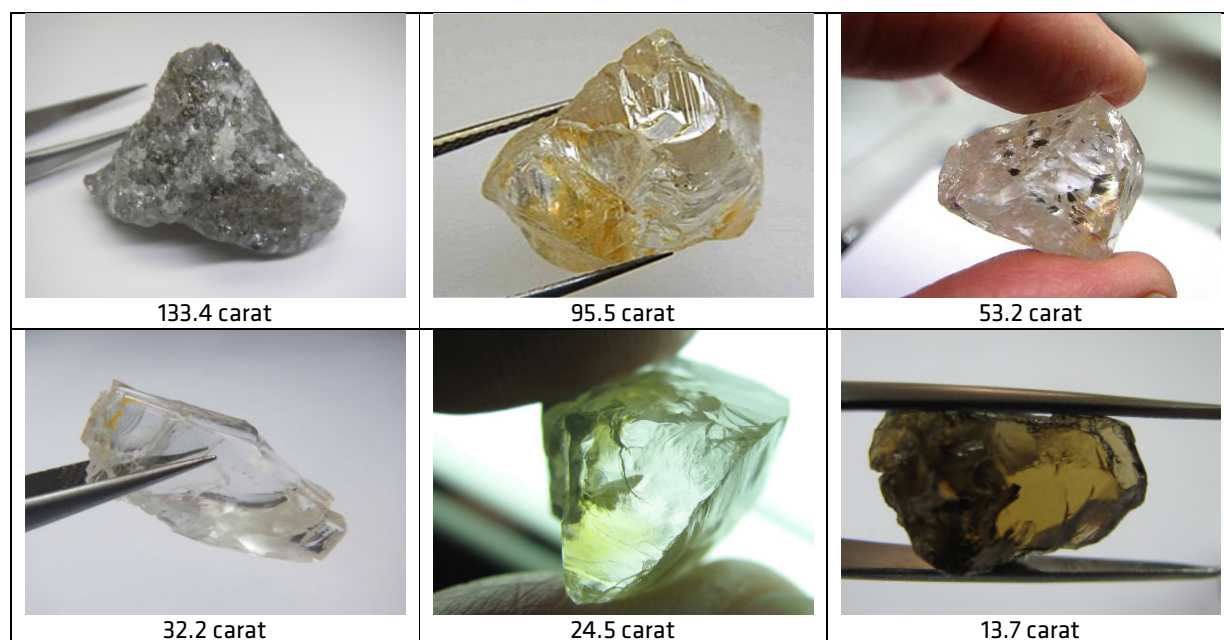
As detailed in the ASX announcement of 18 January 2016, as a result of the heavy rains restricting continued access to the planned mining areas during the December 2015 Quarter, Lucapa assigned earth moving equipment to higher lying areas of interest to trial new mining blocks. One of these new areas was Mining Block 6, located ~4km south of the 150 tonne per hour (tph) diamond plant and ~2km downstream of Mining Block 8 (Figure 1).

Lucapa and its Lulo partners excavated and stockpiled ~15,000 bulk cubic metres of alluvial gravels from Mining Blocks 6 and 8 while the processing plant was experiencing downtime. Recoveries in just the first few days of processing the Mining Block 6 gravels have included four special diamonds weighing 133.4 carats, 29.2 carats, 12.37 carats and 11.1 carats.

The 133.4 carat diamond is the largest diamond recovered to date at Lulo, eclipsing the 131.4 carat D-colour Type IIa diamond recovered from bulk sampling in 2012.

The 29.2 carat and 11.1 carat stones recovered from Mining Block 6 are both D colour gem-quality diamonds according to the Yehuda diamond colorimeter.

While the compound 133.4 carat diamond is not of high quality, the recovery of this large stone and three other specials from mining - together with the previous recovery of six specials weighing 95.5 carats, 53.2 carats, 32.2 carats, 24.5 carats, 13.7 carats and 10.9 carats from the nearby lower lying BLK_6 and BLK_19 alluvial exploration bulk samples - underlines the potential for Mining Block 6 to be another significant source of large alluvial diamonds.



Selection of special diamonds recovered from Mining Block 6 and the previous BLK_6 and BLK_19 bulk samples

Significantly, Mining Block 6 has to date been accessible during the heavy rains being experienced at Lulo, thus enabling mining and processing of gravels from this new diamond area to continue during the Angolan wet season.

Lucapa Chief Executive Stephen Wetherall said he was delighted with the immediate result and recovery of large diamonds from trial mining at the new higher lying area. Mining Block 6 is also not contained in the recently released JORC resource.

"We are certainly excited by what we are seeing at Mining Block 6 where our management exploration target is to prove up sufficient gravels to incrementally add up to 12 months of alluvial diamond production," said Mr Wetherall.

"The fact the 133.4 carat stone is a compound diamond which is unlikely to have travelled very far from its primary source – and its relative downstream proximity to Mining Block 8 and our high priority kimberlite targets – we believe is very significant."

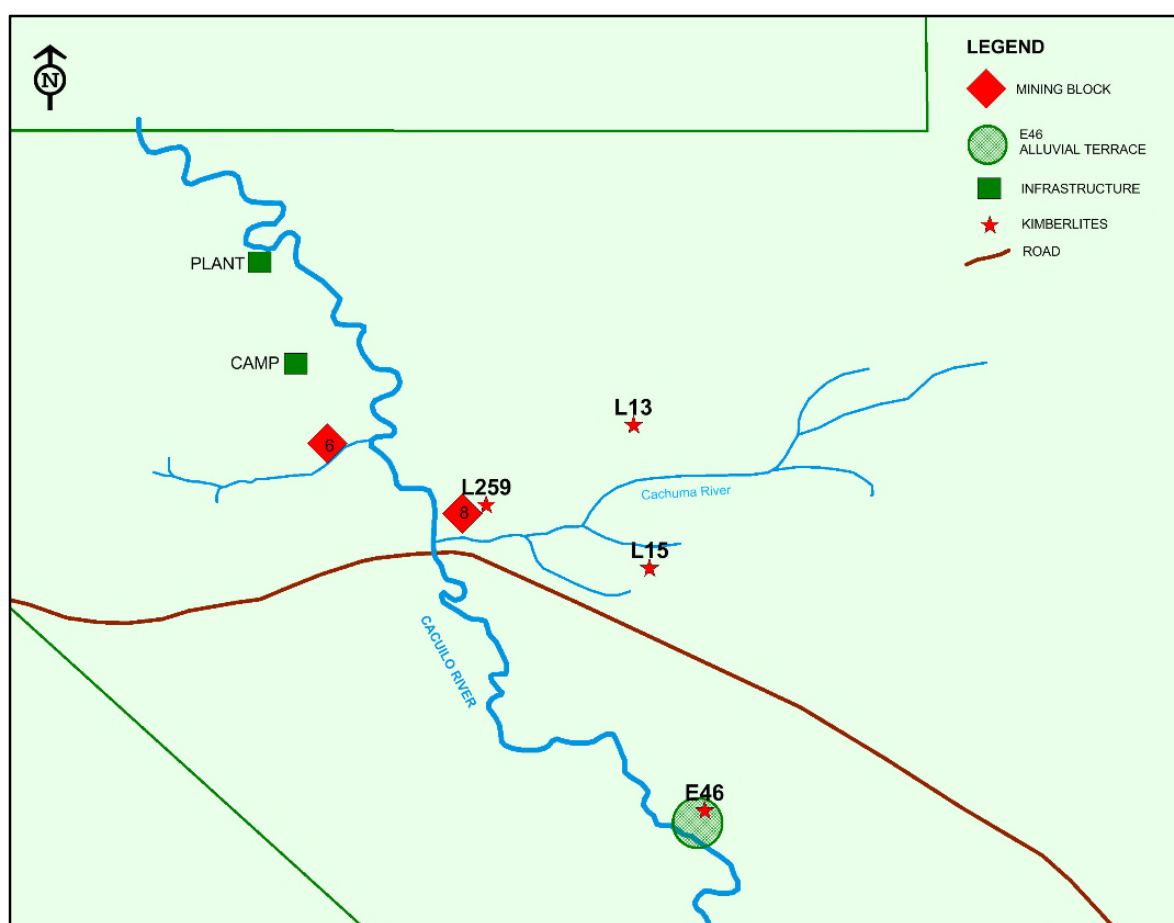


Figure 1: Location of Mining Blocks 6, 8 and the high priority kimberlite targets

For and behalf of the Board.

STEPHEN WETHERALL
CHIEF EXECUTIVE OFFICER

ABOUT LUCAPA

Lucapa Diamond Company Limited operates the Lulo Diamond Project in Angola's Lunda Norte diamond heartland. The 3,000km² Lulo Diamond Concession 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. To date, the >10,000 carats of Lulo alluvial diamonds sold have achieved exceptional average selling prices of A\$1,846 per carat.

Lulo also hosts 296 kimberlite targets in two separate provinces, of which 97 have already been classified as proven and probable kimberlites and five 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.

Competent Person's Statement

Information included in this announcement that relates to previously released exploration data disclosed under JORC Code 2012. 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 FAusIMM (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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