

DIAMOND COMPANY

ASX Announcement 15 September 2016

DIAMOND PRODUCTION CONTINUES AHEAD OF PLAN AT LULO

- Record monthly processing volumes for August yield another 39 large
Special diamonds of up to 80.5 carats

Lucapa Diamond Company Limited (ASX: **LOM**) ("Lucapa" or "the Company") and its partners, Empresa Nacional de Diamantes E.P. ("Endiama") and Rosas & Petalas, are pleased to announce that alluvial mining operations continued ahead of plan in August 2016 at the Lulo Diamond Project in Angola.



Fancy coloured Special diamonds from Lulo – 15.7 carat yellow and 38.6 carat pink

The recent investment in earth moving fleet and equipment saw Lulo achieve record monthly processing volumes of 22,870 bulk cubic metres (bcm) in August, surpassing the 21,114 bcm achieved in the previous month.

Diamond production for August at Lulo totalled 2,882 carats, the second best month on record. The August production included 39 Special diamonds (individual stones weighing > 10.8 carats) of up to 80.5 carats.

This takes to 98 the number of Specials recovered from Lulo in the first two months of the September 2016 Ouarter as the Lulo partners continue to mine high-value areas such as Mining Block 8.

The August production also included more fancy coloured diamonds, including pink and yellow gems.

The average monthly diamond grade for August was 12.6 carats per 100 cubic metres, while the average size of the diamonds recovered in August was 1.7 carats.

ENDIAMA chairman Eng. Antonio Carlos Sumbula, who was in Perth last week for the Africa Down Under conference where he made a presentation, said the results from Lulo were extremely encouraging.

"Lulo continues to produce diamonds of the highest quality and the investment in new fleet and equipment is delivering more positive results."

Lucapa will provide further details on mining and exploration at Lulo in the Company's September 2016 quarterly report.

For and on behalf of the Lucapa Board.

STEPHEN WETHERALL CHIEF EXECUTIVE OFFICER

Forward-Looking Statements

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