

DIAMOND COMPANY

ASX Announcement 12 October 2016

RECORD QUARTERLY DIAMOND PRODUCTION AT LULO

Lucapa Diamond Company Limited (ASX: **LOM**) ("Lucapa" or "the Company") and its Lulo partners Empresa Nacional de Diamantes E.P. ("Endiama") and Rosas & Petalas are pleased to report record diamond production in the September 2016 Quarter from the Lulo Diamond Project in Angola.

Sociedade Mineira Do Lulo ("SML") produced a record 8,853 carats from its alluvial diamond mining operations in the September Quarter, a 154% increase on the corresponding quarter in 2015 (Table 1).

The September Quarter production included a record 137 specials (individual diamonds weighing more than 10.8 carats) weighing a total of 3,210 carats, underlining Lulo's unique ability to regularly produce large premium-value diamonds. These specials included Type IIa white D-colour gems weighing 173 carats and 104 carats and a 39 carat pink diamond.

The exceptional average size of the diamonds produced in the September Quarter of 1.9 carats was also a quarterly record, as was the average diamond grade of 13.7 carats per 100 cubic metres (Table 1).

A more detailed report of mining and exploration activities at SML and Lulo will be included in Lucapa's September Quarterly Activities Report.



173 carat Type IIa D-colour white gem and 4 carat pink diamond from September Quarter production

RECORD QUARTERLY DIAMOND PRODUCTION AT LULO

	Q3 15	YTD Q3 15	Q3 16	YTD Q3 16	Var Q3 16 to Q3 15	Var YTD 16 to YTD 15
Actual Treated m³ (bulked)	44,009	74,185	64,779	139,017	47%	187%
Actual Carats Recovered	3,479	6,243	8,853	14,521	154%	233%
Actual Grade Recovered (cphm³)	7.9	8.42	13.7	10.4	<i>7</i> 3%	124%
Actual No of Stones Recovered	2,896	6,031	4,561	8,871	<i>57</i> %	147%
Actual Avg Stone Size Recovered	1.2	1.0	1.9	1.6	62%	158%
Number of Specials Recovered	43	58	137	190	219%	328%
Specials Carat Weight	1,030	1,320	3,210	5,178	212%	392%

Table 1: SML alluvial diamond production for the September Quarter and year to date

For and on behalf of the Lucapa Board.

STEPHEN WETHERALL CHIEF EXECUTIVE OFFICER