



MORE LARGE DIAMONDS AT LULO

- **Latest large diamond recoveries at Lulo include 83 carat and 68 carat Type IIa gems**
- **Five other +50 carat diamonds also recovered from the prolific Mining Block 8, which produced Angola's biggest recorded diamond**
- **These seven large Special diamonds will be included in the next Lulo sale, scheduled for September 2017**
- **Repatriation of US\$4m loan funds from Angola continuing - US\$3.8m now received by Lucapa**



83 carat Type IIa diamond (post acid)



68 carat Type IIa diamond (post acid)

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 the recovery of more large diamonds from the Lulo Diamond Project in Angola.

The latest recoveries of large Specials (>10.8 carats) include Type IIa diamonds weighing 83 carats and 68 carats. In addition, recent recoveries include five other +50 carat diamonds.

The latest large diamond recoveries follow the return of alluvial mining activities to Mining Block 8 at Lulo, which has been a prolific producer of large and premium-value diamonds including Angola's biggest recorded diamond - the 404 carat 4th *February Stone*, which sold for US\$16 million (See ASX announcement 29 February 2016).

These seven +50 carat stones will be included in the next parcel of Lulo diamonds to be sold by Lulo mining company Sociedade Mineira Do Lulo (“SML”) (Lucapa 40% owner and operator). That sale is scheduled for September 2017.

As previously advised, the strong cash flows generated from the sale of Lulo diamonds have enabled SML to repay loan funding advanced by Lucapa to develop the alluvial exploration and mining operations, as well as pro-rata distributions to the Lulo partners.



Five of the recent +50 carat Lulo diamond recoveries and a 3.1 carat pink

Lucapa has now received US\$3.8 million of the US\$4 million loan repayment approved by SML (See ASX announcement 8 March 2017), with the remaining amount in the process of being repatriated.

As previously advised, Lucapa has left its US\$1.6 million share of the pro-rata SML distribution in Angola to fund the Lulo kimberlite exploration program, which aims to identify the primary hard-rock sources of the exceptional Lulo alluvial diamonds being recovered, which achieved the highest per carat sale prices in the world in 2016.

This aggressive exploration program involves three rigs drilling kimberlite targets which were upgraded and re-classified from the results of an extensive Time Domain Electromagnetic (“TDEM”) survey flown over the Cacuilo Valley area, where the Lulo alluvial mining operations are focused.

For and on behalf of the Lucapa Board.

STEPHEN WETHERALL
MANAGING DIRECTOR

ABOUT LUCAPA

Lucapa Diamond Company Limited is a growing diamond company with a portfolio of high-quality production, development and exploration assets in Angola, Lesotho, Botswana and Australia. The Company's focus on high-value production is designed to protect cash flows as pricing in this sector of the diamond market remains robust.

Lucapa's flagship asset is the Lulo Diamond Project in Angola, which produced the highest \$ per carat price of any run of mine diamond production in the world in 2016 and continues to produce some of the largest diamonds on record from that region. Lucapa and its Lulo partners are also well-advanced in their search for the primary source of these large and premium-value alluvial diamonds, with three rigs now available to drill priority kimberlite targets.

In keeping with the Company's growth strategy, Lucapa has secured a 70% interest in the advanced, high-quality Mothae kimberlite project in Lesotho, which is located in the heart of the world's highest-value cluster of kimberlite mines. Lucapa plans to commence production at Mothae in 2018.

Lucapa has also defined drilling targets at two earlier-stage diamond projects – Orapa Area F in Botswana's Orapa diamond field and Brooking in the West Kimberley lamproite province in Western Australia.

Lucapa's Board and management team have extensive diamond industry experience with companies including De Beers, Rio Tinto and Gem Diamonds. The Company was included in the ASX All Ordinaries Index in March 2017.

Lucapa is also considering a dual listing on London's AIM market.

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 and 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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