



LULO DIAMOND SALE & DISTRIBUTION UPDATE

Lucapa Diamond Company Limited (ASX: **LOM**) (“Lucapa” or “the Company”) and its partners, Empresa Nacional de Diamantes E.P. (“Endiama”) and Rosas & Petalas, provide the following update on the next sale of alluvial diamonds from the Lulo Diamond Project in Angola.

Further to the ASX announcement of 20 November 2017, the Lulo partners have decided to schedule the next diamond sale for early 2018. The timing of this sale is designed to maximise sale proceeds by selling into a usually stronger demand period at the beginning of the year.

The next sale parcel will include 2,160 carats of Lulo production sent to Luanda last week (Figures 1 and 2). This includes the exceptional 129 carat and 78 carat Type IIa D-colour Lulo diamonds recovered from Mining Block 6 in November 2017 (See ASX announcement 13 November 2017).



Figure 1: Exceptional 78 and 129 carat D-colour Type IIa Lulo diamonds to be included in the next sale in early 2018

Lucapa and its Lulo partners will also consider the next loan repayment to Lucapa and cash distribution to the partners following the finalisation of the 2017 annual accounts for the Lulo alluvial mining company, Sociedade Mineira Do Lulo, and the conclusion of the above diamond sale in 2018.



Figure 2: Lulo diamond production to be included in the next sale in early 2018 including the 129 and 78 carat D-colour Type IIa diamonds

Company Research and Presentations

Lucapa also advises that in addition to the recent Mothae presentation highlighting the New Mine Development Plan, the latest analyst research on the Company can be found under the Investor menu on the Lucapa website at www.lucapa.com.au.

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 H2 2018.

Lucapa is also advancing exploration programs at two earlier-stage diamond projects – Brooking in the West Kimberley lamproite province in Western Australia and Orapa Area F in Botswana's Orapa diamond field.

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.

Forward-Looking Statements

This announcement has been prepared by the Company. This document contains background information about the Company and its related entities current at the date of this announcement. This is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this announcement. This announcement is for information purposes only. Neither this document nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction.

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