



SPECIAL DIAMOND RECOVERIES FROM MOTHAE

- *Latest recovery of a 12 carat diamond from the North zone*
- *Proves all three zones in the current Mothae bulk sampling program contain Special sized diamonds*
- *Specials weighing 89 carats, 25 carats and 12 carats recovered from this bulk sampling provide further evidence that Mothae is another source of large diamonds and complementary to Lulo*

Lucapa Diamond Company Limited (ASX: **LOM**) (“Lucapa” or “the Company”) and the Government of the Kingdom of Lesotho (“GoL”) are pleased to report the recovery of another Special (individual diamonds > 10.8 carats) from the ongoing bulk sampling program at the Mothae diamond mine in Lesotho (Lucapa 70%; GoL 30%).

The 11.88 carat diamond (Figure 1) was recently recovered from the North zone and is the first Special recovered from that section of the Mothae kimberlite pipe from current bulk sampling.

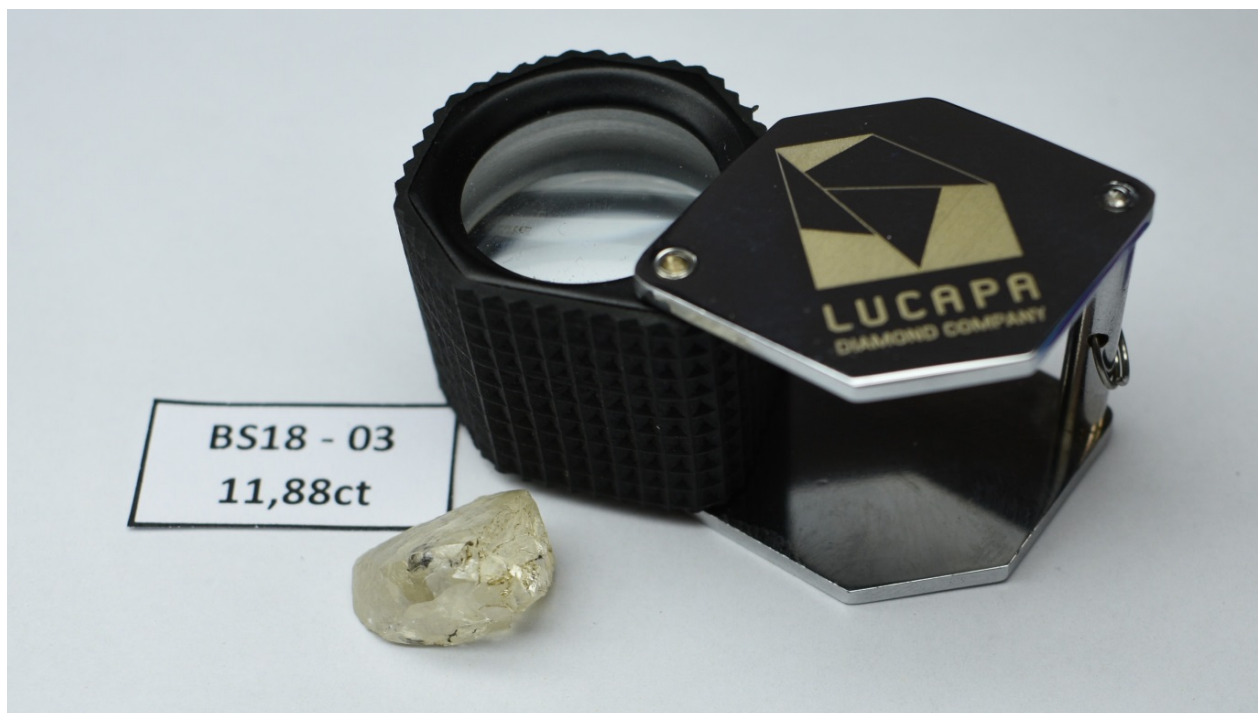


Figure 1: 12 carat diamond recovered from the North zone at Mothae

Significantly, the latest recovery at Mothae means all three zones sampled have produced Specials - an 89 carat was the largest special recovered from the South-East zone and a 25 carat was also recovered from the Neck zone (refer ASX announcements 22 May 2018 and 29 June 2018) (Figures 2-5).



Figure 2: 89 carat yellow diamond recovered from the South-East zone at Mothae



Figure 3: 25 carat yellow diamond and white diamonds recovered from the previously untested Neck zone at Mothae

The Mothae kimberlite pipe is a high-quality diamond resource located within 5km of Letšeng, the highest US\$ per carat kimberlite diamond mine in the world.

Lucapa Managing Director Stephen Wetherall said the Special diamond recoveries were extremely encouraging and validated Lucapa's decision to commit to a concurrent bulk sampling program to improve the resource as the new 150 tonne per hour ("tph") Mothae commercial diamond plant was being built (Figure 6).

"The concurrent Mothae bulk sampling program was planned to provide additional data over and above the information used to compile the original JORC resource. Certain areas of the kimberlite pipe which hadn't historically been sampled (Neck zone), or where there had been very limited historical testing (South-East and North zones), were thought to be underestimated as a result. At the time of acquisition, we believed there was much upside here and this program is designed to deliver that upside," said Mr Wetherall.

"To have already recovered Special sized diamonds from early sampling tonnages in all three of these areas gives us great confidence we can achieve this goal. It also adds to our excitement as we advance construction of our new 150 tph plant, which remains on track for commercial diamond production later this year to complement the high-value production from our Lulo mine in Angola."



Figure 4: Refurbished bulk sampling plant which is processing kimberlite material from the Neck, South-East and North zones of the Mothae kimberlite pipe

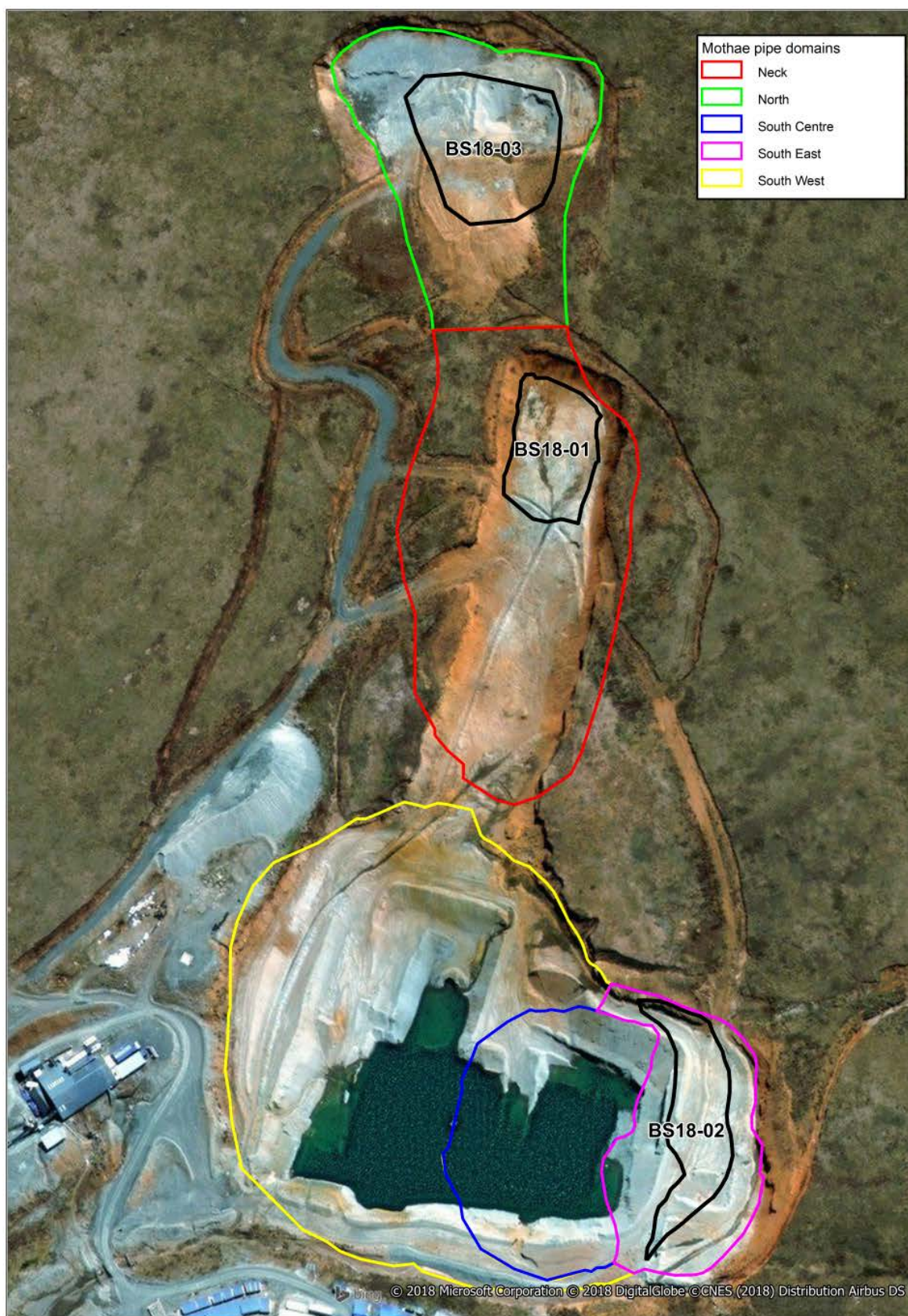


Figure 5: Mothae kimberlite pipe with the areas being bulk sampled in the South-East, Neck and North zones (marked in black), where there has been little or no historical sampling



Figure 6: New 150 tph diamond plant, including an XRT large-diamond recovery circuit, under construction at Mothae for H2 2018 commissioning

As advised in the ASX announcement of 25 July 2018, the Mothae bulk sampling program is ongoing and expected to be completed late in the September quarter, following which results will be used to update the JORC resource and published.

For and on behalf of the Lucapa Board.

STEPHEN WETHERALL
MANAGING DIRECTOR

ABOUT LUCAPA

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

Lucapa's flagship asset is the Lulo Diamond Project in Angola, which is a prolific producer of large and premium-value alluvial diamonds. Lulo has produced 11 +100ct diamonds to date and is the highest US\$ per carat alluvial diamond production in the world. Lucapa and its Lulo partners continue to advance their search for the primary kimberlite sources of these exceptional alluvial gems, with three drill rigs available in the ongoing kimberlite exploration program.

In keeping with the Company's growth strategy, Lucapa has acquired a 70% interest in the advanced Mothae kimberlite project in diamond-rich Lesotho. The Mothae kimberlite pipe is a high-quality diamond resource located within 5km of Letšeng, the highest US\$ per carat kimberlite diamond mine in the world. Lucapa is constructing a 150 tonne per hour (90,000 tonnes per month) diamond treatment plant, complete with XRT recovery technology, under its Phase 1 development program and is scheduled to commence high-value production at Mothae in H2 2018. A bulk sampling plant has also been refurbished and Lucapa has commenced testing areas of the kimberlite pipe either not included in the JORC resource or where additional sampling is required. Large diamonds including two yellows weighing 89 carats and 25 carats have already been recovered from these areas in the bulk sampling program.

Lucapa is also furthering two exploration projects in known diamond provinces. This includes an extensive exploration program launched at Brooking in the West Kimberley lamproite province in Western Australia to follow up on the discovery of lamproite with high concentrations of micro and macro diamonds. Lucapa is also scheduled to drill its kimberlite targets at the Orapa Area F project in Botswana's Orapa diamond field in H2 2018.

Lucapa's Board and management team have extensive diamond industry experience across the globe with companies including De Beers and Gem Diamonds.

Competent Person's Statement

Information included in this announcement that relates to exploration results and resource estimates is based on and fairly represents information and supporting documentation prepared and compiled by Richard Price MAusIMM who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Price is an employee of Lucapa Diamond Company Limited. Mr Price 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 Price consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

No New Information

To the extent that announcement contains references to prior exploration results and Mineral Resource estimates, which have been cross referenced to previous market announcements made by the Company, unless explicitly stated, no new information is contained. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

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