LUCAPA
DIAMOND COMPANY

ASX Announcement 19 February 2020

POSITIVE LULO KIMBERLITE EXPLORATION RESULTS

Highlights

- **Positive exploration results received from the search for the hard-rock kimberlite source(s) of the alluvial diamonds within the prolific Lulo diamond field in Angola**
- **45 diamonds of up to 3.75 carats recovered from stream bulk sampling of the Canguige tributary draining into the Cacuilo River valley, which hosts some of the world's most valuable alluvial diamonds**
- **Preliminary analysis (pre-acidising/deep-boiling) on a Yehuda colorimeter has classified several diamonds as top D-colour**
- **Sampling site located ~3km from Mining Block 46, which has produced Type IIa Specials of up to 88 carats, four +50 carat diamonds and fancy pinks and yellows**
- **The Canguige catchment hosts five of 16 Lulo kimberlite pipes rated in a technical review as being most prospective to host diamonds – all upstream of the Canguige tributary sampling site**
- **Drilling of these five prospective pipes – and two other priority targets identified within the Canguige catchment – has commenced**

Lucapa Diamond Company Limited (ASX: **LOM**) ("Lucapa" or "the Company") and its *Project Lulo* partners Empresa Nacional de Diamantes E.P. ("Endiama") and Rosas & Petalas are pleased to provide an update on promising kimberlite exploration results received from the Lulo diamond project in Angola.

The kimberlite exploration program is designed to discover the primary hard-rock sources of the alluvial diamonds being mined along the Cacuilo River valley, which have achieved exceptional average run-of-mine sale prices of ~US$1,900 per carat. Alluvial recoveries to date have included 14 +100 carat diamonds, including Angola's biggest recorded diamond weighing 404 carats.

Background

As set out in the ASX announcement of 6 June 2019, the latest kimberlite exploration phase is based on a detailed technical review of all previous exploration results, including airborne geophysical surveys and an extensive kimberlite drilling and mineral chemistry program, which defined more than 100 kimberlites within the Lulo concession. The review included input from some of the world's leading diamond geologists.

As a result of the significant number of kimberlites and anomalies identified in the Cacuilo River valley, the review determined that stream bulk sampling of major tributaries draining into the Cacuilo River valley should be undertaken to help identify the catchments hosting diamond-bearing kimberlites. It also proposed that 16 kimberlite pipes rated as being the most prospective to host diamonds should be drilled to define the structure and surface area of each pipe (Figure 1).

The 16 kimberlites were prioritised on a range of factors including size, location, facies type, dilution, olivine levels, mineral chemistry analysis and the presence of diamonds in proximal streams, pits or historical exploration and garimpeiro workings.

In addition, a further eight anomalies or kimberlite targets were identified for drilling to confirm their status as kimberlites (Figure 1). The eight targets included anomalies demonstrating reversely polarised magnetic signatures.

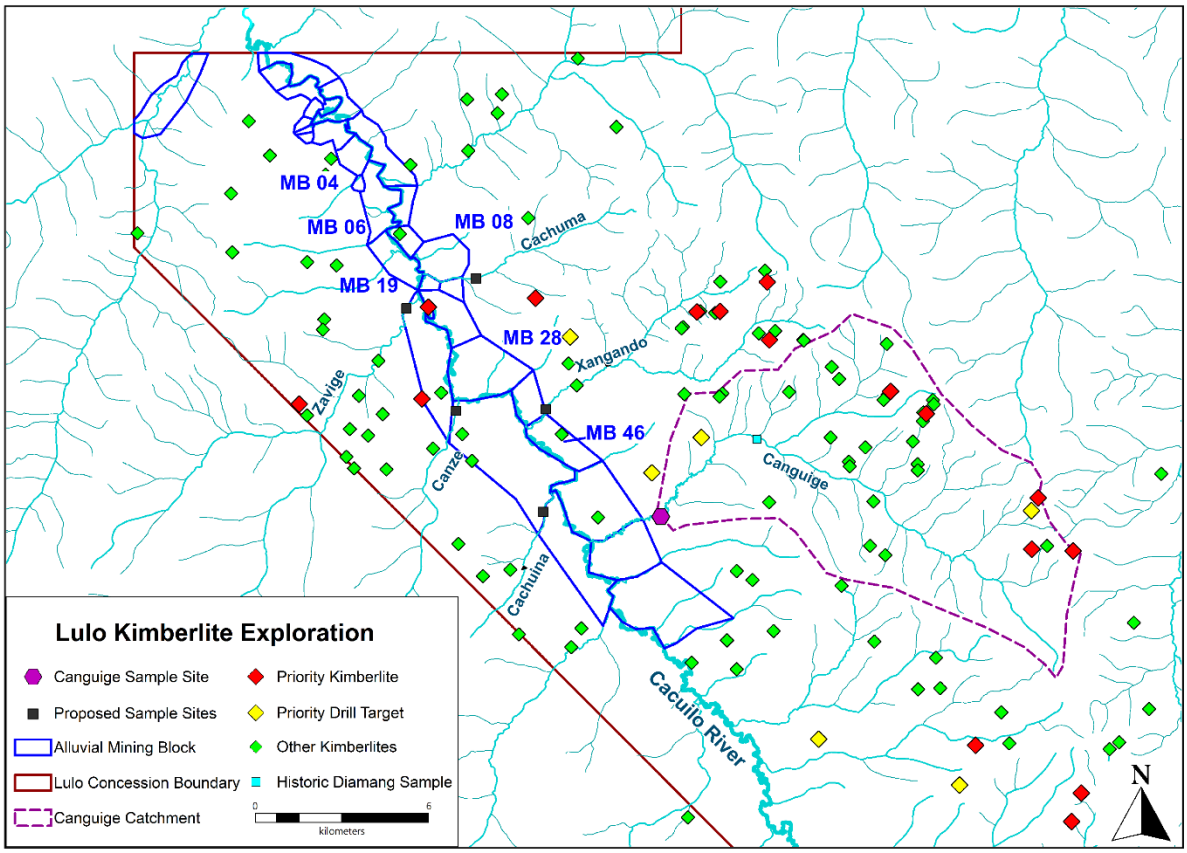

Figure 1: Location of the Canguige tributary sampling site, proximity to Mining Block 46 and kimberlites within the Canguige catchment, including five of the 16 pipes rated most prospective by a technical review to host diamonds and two priority drilling targets

Latest results

Further to the ASX announcement of 30 January 2020, the first stream bulk samples excavated from the Canguige tributary have been transported to the Lulo treatment plant and processed for diamonds.

This sample, totalling 1,865 cubic metres (m^3), produced highly-encouraging results. A total of 45 diamonds weighing 30.3 carats were recovered (Table 1). This included eight diamonds weighing >1 carat and three diamonds >2 carats, the largest being 3.75 carats.

Preliminary assessment of the diamonds on a Yehuda colorimeter has classified seven diamonds as top D-colour gems. Further analysis and type testing will be concluded once the diamonds have been acidised/ deep-boiled.

The bulk sample was considered heavily-diluted due to the quite narrow gravel seams identified and the near-record rainfall hampering excavation, which resulted in a grade of 1.62 carats per 100m^3.

The results confirm the Canguige catchment contains a diamondiferous kimberlite contributing to the high-value alluvial deposits downstream along the Cacuilo River valley.

Significantly, five of the 16 kimberlite pipes rated in the technical review as being the most prospective to host diamonds are located within the Canguige catchment. In addition, two of a further eight kimberlite targets prioritised for drilling are also located within the Canguige catchment. All seven kimberlite pipes and targets are located upstream of the sampling site (Figure 1).

The Canguige tributary drains into the Cacuilo River valley ~3km upstream of alluvial Mining Block 46, which has produced multiple high-value Type IIa diamonds, including Specials weighing 88 carats, 68 carats, 60 carats, 59 carats, 35 carats, 33 carats, 32 carats, 31 carats and two 30 carat diamonds (Refer ASX announcement 26 April 2016). Fancy pink and yellow diamonds have also been recovered from Mining Block 46.

88 carat and 31 carat Type IIa diamonds recovered from Mining Block 46

35 carat Type IIa diamond recovered from Mining Block 46

31 carat Type IIa white diamond and a fancy pink and yellow diamonds recovered from Mining Block 46

Selection of +3 carat to -10.8 carat diamonds recovered from Mining Block 46

Octahedra shaped diamonds recovered from Mining Block 46

Run-of-mine parcel of diamonds recovered from Mining Block 46

The Figure 1 map also shows the location of a sample reported to have been taken from the Canguige tributary catchment by Angolan diamond exploration company DIAMANG during colonial times. Field surveys by the *Project Lulo* team indicate this small historic sample site would only have produced up to 2m^3 of gravel for sampling. The latest results confirm the diamondiferous nature of the tributary with a larger and more representative sample.

Next steps

The Hanjin drilling rig has been mobilised to the Canguige catchment area and has commenced delineation drilling of the five kimberlite pipes highlighted in the technical review.

This drilling aims to better define the structure of the kimberlite pipes and to define near-surface volcaniclastic kimberlite material suitable to test for diamonds. The two other priority targets identified in the review will also be drilled to confirm the presence of kimberlite.

Comment from Lucapa Managing Director Stephen Wetherall

"Across the history of diamond exploration, the recovery of diamonds and kimberlite indicator minerals from streams have been valuable pointers for the search of kimberlite pipes shedding those diamonds."

"We are excited about the diamond recoveries from the Canguige stream bulk sampling and look forward to advancing the next phase of our kimberlite search within the Canguige catchment."

"We remain confident that the primary sources of the alluvial diamonds being recovered at Lulo await discovery and that our exploration efforts will be justified."

Lulo kimberlite exploration licence

The Lulo kimberlite exploration licence is held by the *Project Lulo* joint venture (Lucapa 39% and operator; Endiama 51% and Rosas & Petalas 10%) and covers the entire 3,000km^2 Lulo concession. The licence expires in April 2023.

As set out in the ASX announcement of 28 November 2019, Lucapa is in discussions with the Angolan Ministry of Mineral Resources and Petroleum and Endiama to potentially secure a majority stake in the *Project Lulo* joint venture.

Lucapa believes that securing a majority stake will potentially open up additional funding options to expedite the kimberlite exploration program.

The *Project Lulo* kimberlite exploration joint venture is separate to the Lulo alluvial mining operations, which are conducted through *Sociedade Mineira Do Lulo* (Lucapa 40% and operator, Endiama 32% and Rosas & Petalas 28%).

Canguige Tributary Sample Summary							
Date	**Sample Description**	**Volume Treated (m^3)**	**Carats**	**Stones**	**Grade ($cphm^3$)**	**Ave Stone Size**	**Largest Stone**
February 2020	Canguige S1	484	1.26	6	0.26	0.21	0.68
February 2020	Canguige S1	859	16.29	20	1.90	0.81	3.75
February 2020	Canguige S1	261	5.55	11	2.13	0.50	1.88
February 2020	Canguige S1.1 (Mixed Material)	261	7.19	8	2.75	0.90	2.47
Total		**1,865**	**30.29**	**45**	**1.62**	**0.67**	**3.75**

Table 1: Canguige tributary sample summary

For and on behalf of the Lucapa Board.

STEPHEN WETHERALL
MANAGING DIRECTOR

ABOUT LUCAPA

Lucapa is a growing diamond company with high-value mines in Angola (Lulo) and Lesotho (Mothae).

The Lulo alluvial mine and Mothae kimberlite mine both produce large and high-value diamonds, with >75% of revenues generated from the recovery of +4.8 carat stones.

Lulo has produced 14 +100 carat diamonds to date and is one of the highest average US$ per carat alluvial diamond producers in the world. Lucapa and its Lulo partners continue to advance exploration programs which aim to identify the primary kimberlite sources of these exceptional alluvial gems.

The new 1.1 Mtpa Mothae kimberlite mine in diamond-rich Lesotho commenced commercial mining operations in January 2019. It produced > 30,000 carats in its first year of production, including 10 +50 carat diamonds.

Lucapa's Board and management team have decades of 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.

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.

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Any forward-looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and ASX Listing Rules, the Company does not undertake any obligation to update or revise any information.

Appendix 1

Reporting of kimberlite exploration results for the Lulo Project
– JORC Code (2012) requirements –

Sampling Techniques and Data

Criteria	JORC Code Explanation	Lucapa Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.) These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Overburden of approximately 6m from above the sampled gravel was removed using a Volvo 480 excavator and 2 x ADT trucks. • The sample gravel of between 0.1m and 0.4m thickness was excavated from the pit and transported to an intermediate sample pad, where it was accumulated until sampling had been completed. The sample area covered approximately 2,000m^2. • The sample was then loaded into Volvo A40G trucks and transported to the Lulo Production plant and dumped onto a prepared sample pad, where a layer of red sand had been deposited to prevent contamination between the sample and the pre-existing ROM pad. • Due to the narrow thickness of the gravel intersections, the sample incorporated quantities of overburden, which reduced the grade of the sample. This was expected and incorporated into the plan. Extraction of the sample was always supervised by a geologist.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	• Auger drilling and pitting using an excavator were used ahead of sampling to define the gravel available for the sample and to select the optimal area for sampling. • Auger drilling was undertaken using a 4" auger flight.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Sample was recovered from the auger flights and manually examined for traces of gravel. The depth and thickness of gravel intersections was measured and recorded. • No grade was measured from this drilling.

Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• No additional visual logging was undertaken on the auger holes, other than the measurement of gravel thickness. • The information from the drilling was only used for planning of the sample.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• No subsampling was undertaken.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• The sample was treated through the SML alluvial production plant. The plant was thoroughly decontaminated before sample treatment commenced. • A layer of sand was used on the sample pad, beneath the deposited sample, to prevent sample loss or contamination between the sample and the ROM pad. • Sample mixed with the sand was treated separately from the clean sample. • Once the sample was completed the sample was purged with barren material and cleaned. All diamonds recovered from the mixed sand and the purging processes were included in the sample results.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No verification of samples or twinning has been undertaken, due to the bulk nature of the sample.

Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The sample site was initially located using a hand-held GPS with a nominal accuracy of about 5m. The final location was measured using a Trimble Real-Time differential GPS system with an accuracy of <5cm. • The grid system is WGS84 Zone 34L.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The single sample position and size was selected on the basis of being representative of material in the drainage channel, and reasonably representative of material derived from the entire catchment area of the Canguige drainage. • The sample was not intended to provide accurate grade information. It was intended to recover sufficient diamonds to compare with recoveries in the Alluvial Mining Areas.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The sample is considered a bulk sample within the drainage. Orientation of the sample is not considered significant. • Insufficient data exists to determine whether sample bias is present. but given the nature of the bodies, bias is considered unlikely.
Sample security	• *The measures taken to ensure sample security.*	• Security of the sampling and sample storage areas, processing and diamond recovery was continuously monitored by company and Angolan State Diamond Security personnel.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The sampling techniques are industry standard and no audits or reviews have been undertaken to validate the information presented at this stage.

Reporting of Exploration Results

Criteria	JORC Code Explanation	Lucapa Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The legislation covering the Angolan diamond industry stipulated that only Endiama (Empresa Nacional de Diamantes de Angola, the State Diamond Company) or joint ventures with Endiama (the Angolan State diamond mining company), can hold diamond

		mining rights awarded by the Council of Ministers. • Under the terms of the Lulo Joint Venture Association Agreements, separate titles are granted for alluvial and kimberlite exploration or mining. The exploration for both alluvials and kimberlites on the Lulo Concession is a requirement under the Act. • The Angolan Government Gazette, dated 24 December 2007, authorized the formation of a Joint Venture for the purpose of prospecting, evaluation and mining of secondary (alluvial) diamond deposits. These rights were granted for a period of five years. Should the Joint Venture wish to extend the agreement beyond five years, then 50% of the Concession would need to be relinquished. The equity distribution in that alluvial joint venture was: Endiama 32%, Lucapa Diamond Company Ltd 40%, Rosas & Petalas S.A. 28%. • Following successful alluvial exploration, a 10-year alluvial mining licence was signed in July 2015 creating "Sociedade Mineira Do Lulo, LDA.", an Angolan incorporated company in which Lucapa Diamond Company Ltd has a 40% shareholding. This Angolan entity was officially incorporated in May 2016. • In May 2014, the official authorization in respect of the kimberlite exploration was gazetted and interests held in this are Endiama 51%, Lucapa Diamond Company Ltd 39%*, Rosas e Petalas S.A. 10% (*This interest will be reduced to 30% after recoupment of the exploration and mining development investment). • A new 5-year kimberlite licence was awarded by the Angolan Ministry of Mines on 15th November 2016; a new Mineral Investment Contract was subsequently gazetted and expires 30 April 2023.

Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Limited exploration has been undertaken by state-controlled entities and joint ventures Diamang and Condiama. • Parts of the area have been exploited historically by artisanal miners – no records of this work are available.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Significant diamond bearing alluvial systems, of Mesozoic to Recent ages overlie a major, but relatively poorly explored, kimberlite field. The kimberlite pipes intrude flat-lying Proterozoic sediments within the Lucapa Graben. The proximal kimberlite field is believed to be the source of the alluvial diamonds.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth hole length.* o *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• No drill hole information is presented here as it is not relevant to the sampling process other than to guide location of the sample.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No weighting, averaging, grade truncations or cut-off grades have been used. • No short or long length aggregation applicable. • No metal equivalent values are used.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement*	• The deposits may be regarded as massive deposits so sample orientation is not relevant.

	to this effect (e.g. 'down hole length, true width not known').	
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Appropriate map and plans for the reported mineralisation with scale and north points are included with the text of the report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Results reported are complete.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Drilling and pitting of kimberlite targets has been undertaken in the project area. Data from this work was reviewed in 2019. • Five of the 16 kimberlite pipes rated in the technical review as being the most prospective to host diamonds are located within the Canguige catchment. In addition, two of eight kimberlite targets prioritised for drilling are located within the Canguige catchment. All seven kimberlite pipes and targets are located upstream of the sampling site. • The Canguige tributary drains into the Cacuilo River valley ~3km upstream of alluvial Mining Block 46, which has produced multiple high-value Type IIa diamonds including Specials weighing 88 carats, 68 carats, 60 carats, 59 carats, 35 carats, 33 carats, 32 carats, 31 carats and two 30 carat diamonds. Fancy pink and yellow diamonds have also been recovered from Mining Block 46.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Further analysis of the diamonds recovered will be undertaken once they are cleaned. • Drilling will continue on the priority targets that have been identified by the company. • The Hanjin drilling rig has been mobilised to the Canguige catchment for delineation drilling of the five kimberlite pipes highlighted in the technical review. • This drilling aims to better

		define the structure of the kimberlite pipes and to define surface volcaniclastic kimberlite material suitable to test for diamonds. The two priority targets identified in the review will also be drilled to confirm the presence of kimberlite.

Section 3 (resources) does NOT apply to this announcement

Section 4 (reserves) does NOT apply to this announcement

Estimation and Reporting of Diamonds and Other Gemstones

Criteria	JORC Code Explanation	Lucapa Commentary
Indicator minerals	• *Reports of indicator minerals, such as chemically/physically distinctive garnet, ilmenite, chrome spinel and chrome diopside, should be prepared by a suitably qualified laboratory.*	• No indicator minerals were recovered from this sample.
Source of diamonds	• *Details of the form, shape, size and colour of the diamonds and the nature of the source of diamonds (primary or secondary) including the rock type and geological environment.*	• The diamonds recovered from the sample were recovered from gravels within the Canguige drainage. Alluvial in nature they are believed to have been originally derived from one or more of the kimberlites or kimberlite targets known to be present upstream of the sample.
Sample collection	• *Type of sample, whether outcrop, boulders, drill core, reverse circulation drill cuttings, gravel, stream sediment or soil, and purpose (e.g. large diameter drilling to establish stones per unit of volume or bulk samples to establish stone size distribution).* • *Sample size, distribution and representivity.*	• Overburden of approximately 6m from above the sampled gravel was removed using a Volvo 480 excavator and 2 x ADT trucks. • The sample gravel of between 0.1m and 0.4m thickness was excavated from the pit and transported to an intermediate sample pad, where it was accumulated until sampling had been completed. The sample area covered approximately 2,000m^2. • The sample was then loaded into Volvo A40G trucks and transported to the SML alluvial production plant and dumped onto a prepared sample pad, where a layer of red sand had been deposited to prevent contamination between the sample and the pre-existing ROM pad. • Due to the narrow thickness of the gravel intersections, the sample incorporated quantities of overburden, which reduced

Criteria	JORC Code Explanation	Lucapa Commentary
		the grade of the sample. This was expected and incorporated into the plan. Extraction of the sample was always supervised by a geologist.
Sample treatment	• *Type of facility, treatment rate, and accreditation.* • *Sample size reduction. Bottom screen size, top screen size and re-crush.* • *Processes (dense media separation, grease, X-ray, hand-sorting, etc.).* • *Process efficiency, tailings auditing and granulometry.* • *Laboratory used type of process for micro diamonds and accreditation.*	• The sample was treated through the SML alluvial production plant. The SML plant is comprised of a wet front-end feed arrangement, followed by a scrubber and a double deck screen, which splits the material into coarse and fine streams. Coarse material (+18mm) is sent to a second scrubber and on to a Tomra XRT unit for direct diamond recovery. Fine material (>1.5mm) is processed through a DMS (dense media separation) unit, with DMS concentrate processed through a Flowsort X-Ray diamond recovery unit. Final diamond recovery is undertaken by hand sort of the XRT and Flowsort concentrates. All -1.5mm material is pumped to a tailings storage facility. • The plant was thoroughly decontaminated before sample treatment commenced by processing barren coarse tailings. • A layer of sand was used on the sample pad, beneath the deposited sample, to prevent sample loss or contamination between the sample and the ROM pad. • Sample mixed with the sand was treated separately from the clean sample. • Once the sample was completed the sample was purged with barren coarse tailings and cleaned. All diamonds recovered from the mixed sand and the purging processes were included in the sample results.
Carat	• *One fifth (0.2) of a gram (often defined as a metric carat or MC).*	• Reported as carats.
Sample grade	• *Sample grade in this section of Table 1 is used in the context of carats per units of mass, area or volume.* • *The sample grade above the specified lower cut-off sieve size should be reported as carats*	• The sample grade is quoted in the main body of the report as 1.62 carats per hundred cubic metres for diamonds greater than 1.5mm bottom cut-off.

Criteria	JORC Code Explanation	Lucapa Commentary
	per dry metric tonne and/or carats per 100 dry metric tonnes. For alluvial deposits, sample grades quoted in carats per square metre or carats per cubic metre are acceptable if accompanied by a volume to weight basis for calculation. • *In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive sample grade (carats per tonne).*	
Reporting of Exploration Results	• *Complete set of sieve data using a standard progression of sieve sizes per facies. Bulk sampling results, global sample grade per facies. Spatial structure analysis and grade distribution. Stone size and number distribution. Sample head feed and tailings particle granulometry.* • *Sample density determination.* • *Per cent concentrate and undersize per sample.* • *Sample grade with change in bottom cut-off screen size.* • *Adjustments made to size distribution for sample plant performance and performance on a commercial scale.* • *If appropriate or employed, geostatistical techniques applied to model stone size, distribution or frequency from size distribution of exploration diamond samples.* • *The weight of diamonds may only be omitted from the report when the diamonds are considered too small to be of commercial significance. This lower cut-off size should be stated.*	• Detailed sample results by treatment date are included in the table in the main body of the report. • No sample density determination is used as grades are quoted in carats per hundred cubic metres. • No concentrate or undersize measurements were made due to the nature of the process. • No adjustments for plant process efficiency are made. • No geostatistical methods have been applied to the single sample result.
Grade estimation for reporting Mineral Resources and Ore Reserves	• *Description of the sample type and the spatial arrangement of drilling or sampling designed for grade estimation.* • *The sample crush size and its relationship to that achievable in a commercial treatment plant.* • *Total number of diamonds greater than the specified and reported lower cut-off sieve size.* • *Total weight of diamonds greater than the specified and reported lower cut-off sieve size.* • *The sample grade above the specified lower cut-off sieve size.*	• No diamond resources are reported. • No diamond reserves are reported.
Value estimation	• *Valuations should not be reported for samples of diamonds processed using total liberation method, which is commonly used for processing exploration samples.* • *To the extent that such information is not deemed commercially sensitive, Public Reports should include:* • *diamonds quantities by appropriate screen size per facies or depth.*	• No diamond value estimates are reported

Criteria	JORC Code Explanation	Lucapa Commentary
	• *details of parcel valued.* • *number of stones, carats, lower size cut-off per facies or depth.* • *The average $/carat and $/tonne value at the selected bottom cut-off should be reported in US Dollars. The value per carat is of critical importance in demonstrating project value.* • *The basis for the price (e.g. dealer buying price, dealer selling price, etc.).* • *An assessment of diamond breakage.*	
Security and integrity	• *Accredited process audit.* • *Whether samples were sealed after excavation.* • *Valuer location, escort, delivery, cleaning losses, reconciliation with recorded sample carats and number of stones.* • *Core samples washed prior to treatment for micro diamonds.* • *Audit samples treated at alternative facility.* • *Results of tailings checks.* • *Recovery of tracer monitors used in sampling and treatment.* • *Geophysical (logged) density and particle density.* • *Cross validation of sample weights, wet and dry, with hole volume and density, moisture factor.*	• There has been no accredited process audit. • Samples were continuously monitored by mine security personnel and Angolan State diamond security personnel. • No diamonds have been exported or valued to date. • Microdiamonds were not processed. • No audit samples were collected because of the nature of the samples. • Tailings have not been checked for indicators. • Geophysical densities were not determined. • Cross validation of weights with pit volume and density is not considered appropriate for the stage of exploration.
Classification	• *In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive grade (carats per tonne). The elements of uncertainty in these estimates should be considered, and classification developed accordingly.*	• No resource is classified in this report.