Lucapa delivers strong Q2 and is now debt free

Q2 Summary

Mining operations

- **Lulo and Mothae deliver strong performances**
- **Combined revenue for Q2 of A$42.8 million (H1 A$69.2 million)**
- **Both mines generated positive EBITDA for Q2 and H1**
- **Full year 2023 operating guidance maintained**

Lulo

- Record volumes mined and treated
- 8,202 carats recovered, including third largest diamond to date – a 180 carat white Type IIa
- Average rough diamond price up 45% qoq to US$2,892
- First female ADT operator employed following inclusive training program

Mothae

- Record volumes mined and treated
- 8,075 carats recovered
- Average rough diamond price up 60% qoq to US$981
- Expunged ZAR100 million Industrial Development Corporation of South Africa debt

Exploration & Development

- Eight samples from six kimberlites processed at Lulo
- A total of 111 carats recovered from kimberlite L164, including 28 carats recovered from overburden and weathered material
- Merlin open pit and vertical pit development feasibility study nearing completion
- Ellendale bulk sample plant acquired and transport to Merlin site commenced

Corporate

- Lucapa now interest-bearing debt free following final payment to Equigold post Q2 end
- US$3.5 million capital loan payment received from SML, as well as US$1.5 million post Q2 end
- Launched share sale facility for unmarketable parcels of shares
- MD & CEO, Stephen Wetherall, resigned post Quarter end with Executive Director Operations, Nick Selby, to be interim CEO

Outgoing MD & CEO, Stephen Wetherall, commented: "After solid delivery and improvements in the first quarter, both mines consolidated those performances and delivered strong operational and financial results for the second Quarter.

The strong average prices our diamonds have attracted this Quarter and year to date have demonstrated the continued solid demand for high-value productions like Mothae and Lulo, against a backdrop where the mainstream commercial goods have experienced a little more than the usual cyclical softening in Q2.

Lucapa goes into the second half of the year with a strong balance sheet, having retired its project debt. Both mines are performing well and EBITDA positive and the Merlin feasibility study is nearing completion."

Lucapa Diamond Company Limited (ASX: LOM) ("Lucapa" or "the Company") is pleased to present its quarterly activities report for the period ended 30 June 2023 (the "Quarter" or "Q2").

TABLE 1: TOTAL 100% PROJECT OPERATIONAL RESULTS

	100% Project[1]					
	Q2 2022	Q2 2023	% Variance	H1 2022	H1 2023	% Variance
Tonnes processed[2]	551,248	**640,255**	16%	1,084,336	**1,231,400**	14%
Carats recovered	17,135	**16,277**	-5%	30,511	**30,927**	1%
+10.8 carat diamonds (Specials) recovered	175	**186**	6%	284	**327**	15%
Grade recovered (cpht)	3.1	**2.5**	-19%	2.8	**2.5**	-11%
Average rough price/ carat (US$)	1,218	**1,883**	55%	1,201	**1,633**	36%
Rough diamond revenues (US$m)	21.8	**28.6**	31%	34.8	**46.8**	35%
Rough diamond revenues (A$m)	30.8	**42.8**	39%	48.8	**69.2**	42%
Rough diamond inventories (carats)	5,805	**7,876**	36%			
Cash and receivables (incl. Lucapa) (A$m)	21.1	**14.8**	-30%			
Development loans owing to Lucapa (A$m)	100.4	**91.6**	-9%			

[1] Combined 100% SML (Lulo) and Mothae mine metrics

[2] Lulo mine volume processed has been converted from bulked m³ to tonnes

Q2 Commentary

(% variances noted below are against the corresponding quarter in 2022)

The mining operations performed extremely well during Q2 with a number of new records delivered by both SML (Lulo) and Mothae.

On a combined basis, a record number of tonnes were delivered to the plants leading to a 16% increase in volumes processed in Q2 (Table 1).

The 5% reduction in carats recovered, mainly as a result of plant modifications at Mothae to improve the revenue/ hour, were offset by higher volumes processed. The number of Specials recovered in the Quarter was up 6% to 186.

Across both mines, despite the anticipated lower grade, a 55% increase in the average rough price/ carat to US$1,883 resulted in revenues increasing 31% to US$28.6 million.

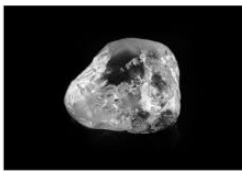
Record volumes processed and a slightly earlier Mothae export in Q2 were the main reasons for rough diamond inventories at Quarter end increasing 36% to 7,876 carats, on a combined basis.

Excluding capitalised lease liabilities, Lucapa is now interest-bearing debt free, after repaying ~A$30 million in principal and interest over an 18 month period. Mothae made a final payment to the Industrial Development Corporation of South Africa ("IDC") for its project development loan and immediately post Quarter-end, Lucapa made its final payment to Equigold.

Lucapa will host an investor webinar to discuss the Q2 results next week. Details will be announced separately to the ASX.

Lulo, Angola





ALLUVIAL MINE

(conducted by Sociedade Mineira Do Lulo, Lda ("SML" or "Lulo") - Lucapa 40%, Endiama 32% and Rosas & Petalas 28%)

Mining operations late in the Quarter moved away from the terraces and into the leziria (floodplain) areas as the wet season subsided.

A new Q2 record of 2.1Mm^3 of gravel & overburden mined was achieved, being 11% higher than the previous corresponding period (Table 2).

The total volume of gravel processed was 163,790m^3, 18% up on the corresponding period in 2022. Gravel processed included screened gravel from the in-field screening plant ("IFSP") and reprocessing of flowsort tailings through the XRT module.

The grade achieved of 5.0 cphm^3 during the Quarter was 11% down on the previous corresponding period, largely because of lower grade mining blocks mined and processed in Q2 2023.

Lulo recovered 8,202 carats during the Quarter, 5% higher than the corresponding period in 2022.

Recoveries included 117 Special sized diamonds, six of which weighed +50 carats, with the largest being a 180 carat Type IIa white. Several fancy pink and yellow diamonds were also recovered during the Quarter (pictured right).

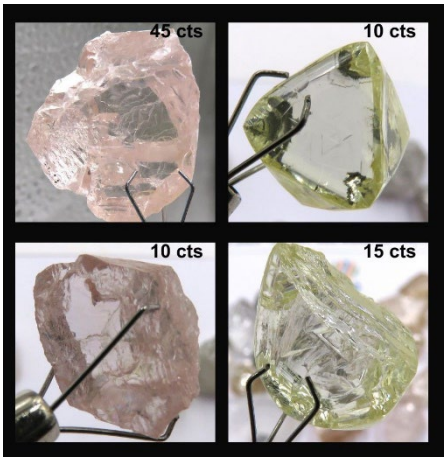


TABLE 2: LULO PRODUCTION RESULTS AND RECOVERIES

	100% Project					
	Q2 2022	**Q2 2023**	**% Variance**	**H1 2022**	**H1 2023**	**% Variance**
Volume mined (bulked Mm^3)	1.9	**2.1**	11%	2.8	**3.6**	30%
Volume processed (bulked m^3)	139,166	**163,790**	18%	264,500	**317,247**	20%
Carats recovered	7,791	**8,202**	5%	13,018	**15,367**	18%
Grade recovered (cphm^3)	5.6	**5.0**	-11%	4.9	**4.8**	-2%
+4.8 carat diamonds	299	**340**	14%	475	**603**	27%
+10.8 carat diamonds (Specials)	113	**117**	4%	163	**206**	26%

For the six months ended 30 June 2023 ("H1 2023"), SML achieved several operational records resulting in most of the production and recovery metrics being materially ahead of those from the corresponding period in 2022 (Table 2).

SML completed three run-of-mine sales and one exceptional stone tender during the Quarter, resulting in 7,175 carats being sold.

These diamonds achieved a 45% increase in price of US$2,892 (A$4,328)/ carat compared to the previous corresponding period.

Sales included four exceptional Lulo diamonds sold on tender achieving a total of US$10.7 million at US$26,936/ carat.

The sales generated gross rough revenues of US$20.7 million (A$31.1 million), some 33% higher than the corresponding period in 2022 (Table 3).

Cutting & polishing partnership profits of US$1.0 million were up 43% and diamond inventories of 5,089 carats ended the Quarter 38% higher than the previous corresponding period.

A 180 carat white Type IIa white diamond recovered from Lulo in the Quarter

TABLE 3: LULO SALES RESULTS AND INVENTORIES

	100% Project					
	Q2 2022	Q2 2023	% Variance	H1 2022	H1 2023	% Variance
Rough carats sold	7,852	**7,175**	-9%	10,449	**14,337**	37%
Rough diamond revenue (A$m)	22.2	**31.1**	40%	32.1	**49.2**	53%
Rough diamond revenue (US$m)	15.6	**20.7**	33%	22.7	**33.3**	47%
Average rough price/ carat (US$)	1,993	**2,892**	45%	2,177	**2,326**	7%
Partnership margins (US$m)	0.7	**1.0**	43%	0.7	**1.0**	43%
Diamond inventories (carats)	3,695	**5,089**	38%			
Cash and receivables (US$m)	10.0	**5.4**	-46%			

For H1 2023, a 37% increase in carats sold, together with a 7% increase in average rough price (Table 3) and a 20% increase in volume processed (Table 2) resulted in SML delivering sales and inventory metrics well ahead of the previous corresponding period.

During H1 2023, SML paid a US$1.4 million (A$2.1 million) dividend to Lucapa as well as settled US$3.5 million (A$5.3 million) in respect of the capital loan owing to Lucapa. An additional US$1.5 million (A$2.2 million) capital loan repayment was paid to Lucapa post Quarter end.

Full Year 2023 Guidance

As at the end of H1 2023, SML is tracking in line with the full year 2023 operational guidance announced on 30 March 2023 (Table 4) and the full year 2023 guidance is maintained.

TABLE 4: LULO PHYSICALS AND PRICE GUIDANCE

	100% Project	
	Guidance	Actual*
	FY 2023	H1 2023
Volume processed (bulked m^3)	590,000	**317,247**
Carats recovered	31,000	**15,367**
Grade recovered (cphm^3)	5.3	**4.8**
Average rough price/ carat (US$)	2,300	**2,326**

**six months ended 30 June 2023*

Alluvial Exploration

SML's concurrent alluvial exploration program in the Cacuilo valley saw 3,454 auger holes drilled and 329 exploration pits completed to define additional resources in five current mining blocks and four resource blocks in the proximity of the IFSP.

New resource areas, including the Lulo River, are planned to be bulk sampled during Q3.

Mothae, Lesotho




KIMBERLITE MINE

(conducted by Mothae Diamonds (Pty) Ltd ("Mothae") - Lucapa 70% and Government of Lesotho ("GoL") 30%)

The Mothae team continued to build on the operational improvements effected in Q1 and mining performance improved significantly during the Quarter.

A new Q2 record of 0.6Mt of ore & waste mined was achieved, 34% higher than the corresponding period in 2022 (Table 5).

Mothae processed a total of 361,812t during the Quarter, up 15% on the previous corresponding period. This was a direct result of the plant modifications made in the first quarter to improve the revenue/ hour as announced on 30 March 2023.

We previously announced, that modifications to the Mothae plant would result in a lower recovered grade and recovered carats, but they would be offset by the increase in contribution from the larger diamond recovery circuits and overall capacity increase. The modifications resulted in the expected overall improvement in the revenue/ hour of the Mothae plant.

Significantly, the recovered grade of 2.2 cpht was much higher than that anticipated from the modelling, with average grade reducing 25% compared to the corresponding period in 2022.

The lower grade was partially offset by the 15% higher tonnes processed and Mothae recovered 8,075 carats during the Quarter.

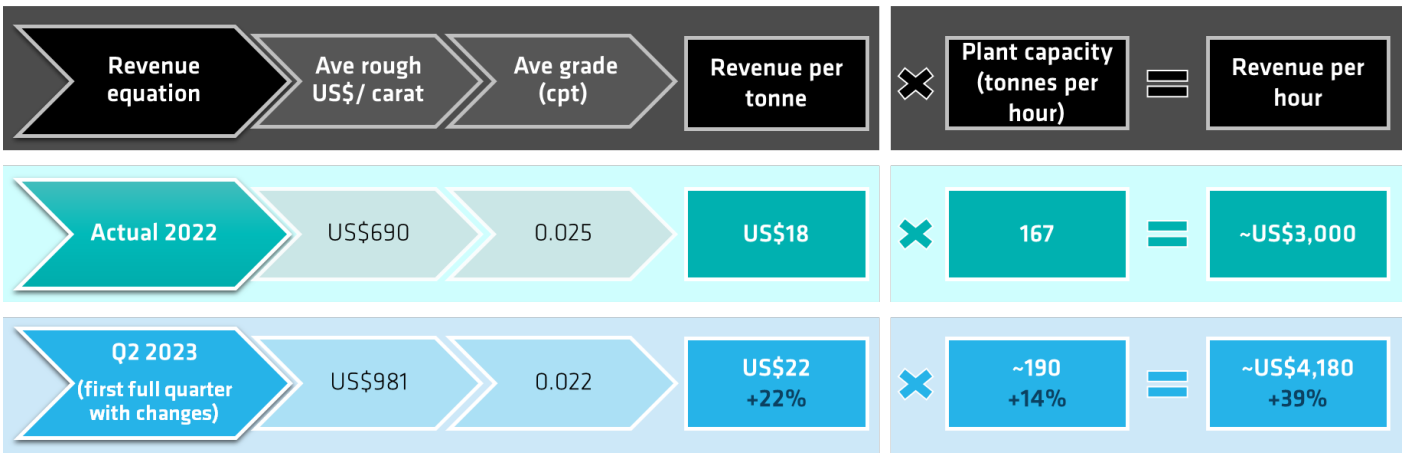
Recoveries included 69 Specials, nine of which weighed +50 carats, with the largest being 114 carats. The largest gem quality diamond weighed 52 carats.

TABLE 5: MOTHAE PRODUCTION RESULTS AND RECOVERIES

	100% Project					
	Q2 2022	**Q2 2023**	**% Variance**	**H1 2022**	**H1 2023**	**% Variance**
Tonnes mined (ore & waste) (Mt)	0.5	**0.6**	34%	0.9	**1.2**	32%
Tonnes processed (t)	314,666	**361,812**	15%	634,686	**692,080**	9%
Carats recovered	9,344	**8,075**	-14%	17,493	**15,560**	-11%
Grade recovered (cpht)	3.0	**2.2**	-25%	2.8	**2.2**	-18%
+4.8 carat diamonds recovered	198	**195**	-2%	389	**395**	2%
+10.8 carat diamonds (Specials)	62	**69**	11%	121	**121**	0%

For the six months ended 30 June 2023, Mothae achieved new mining and tonnes processed records, partially offsetting the expected lower grade. Importantly, and as expected, Mothae continued to deliver similar numbers of +4.8 carat and +10.8 carat stones, proving the grade reduction has been in the smaller lower value stones.

Overall, the improvements made to the Mothae plant improved US$ revenue/ hour from ~US$3,000/ hour achieved in the full year 2022 to ~US$4,180/ hour post the modifications in Q2 2023 (see below). This is a 39% improvement in the revenue generating capability of the Mothae plant, and Mothae is back to being EBITDA positive.



Mothae completed three run-of-mine sales during the Quarter, resulting in 8,030 carats being sold. Despite a 20% reduction in carats sold, total gross rough revenues of US$7.9 million (A$11.7 million) were 28% ahead of the prior corresponding period. This is a new Q2 gross rough revenue record (Table 6).

The lower carats sold were more than offset by the 60% increase in the average diamond price achieved during the Quarter of US$981 (A$1,468)/ carat. This is a new record average diamond price for a quarter.

Cutting & polishing partnership profits of US$0.8 million were 33% up and diamond inventories of 2,787 carats ended the Quarter 32% higher than the corresponding period in 2022.

Mothae Special diamonds sold into the polishing partnership in Q2

TABLE 6: MOTHAE SALES RESULTS AND INVENTORIES

	100% Project					
	Q2 2022	Q2 2023	% Variance	H1 2022	H1 2023	% Variance
Rough carats sold	10,038	**8,030**	-20%	18,523	**14,344**	-23%
Rough diamond revenue (A$m)	8.6	**11.7**	36%	16.7	**19.9**	19%
Rough diamond revenue (US$m)	6.2	**7.9**	28%	12.0	**13.5**	12%
Average rough price/ carat (US$)	613	**981**	60%	650	**940**	45%
Partnership margins (US$m)	0.6	**0.8**	33%	0.6	**0.8**	33%
Diamond inventories (carats)	2,110	**2,787**	32%			
Cash and receivables (US$m)	2.5	**1.3**	-48%			

For H1 2023, despite the plant modifications resulting in an expected reduction in grade, carats recovered and sold, a 45% increase in average diamond price (Table 6) and 9% increase in volumes processed (Table 5) resulted in Mothae comfortably delivering sales and inventory metrics well ahead of the corresponding period in 2022.

During H1 2023, Mothae made the final payment on the IDC's ZAR100 million project development loan to Mothae.

Full Year 2023 Guidance

For H1 2023, Mothae is tracking in line with the full year 2023 guidance announced on 30 March 2023 (Table 7) and the full year 2023 guidance is maintained.

TABLE 7: MOTHAE PHYSICALS AND PRICE GUIDANCE

	100% Project	
	Guidance	Actual*
	FY 2022	H1 2023
Volume processed (Mt)	1.4	**0.7**
Carats recovered	29,500	**15,560**
Grade recovered (cpht)	2.1	**2.2**
Average rough price/ carat (US$)	1,000	**940**

**six months ended 30 June 2023*

Merlin, Australia




KIMBERLITE DIAMOND PROJECT

(conducted by Australian Natural Diamonds Pty Ltd ("AusND") – 100% Lucapa)

The Merlin feasibility study, using an innovative hybrid open-pit and vertical-pit mine development methodology, is almost complete and will be finalised in Q3.

During the Quarter, AusND purchased the Ellendale alluvial diamond sampling plant for $1 from Burgundy Diamonds, following Burgundy's decision to exit the Ellendale Diamond Project. Various plant modules have already arrived at the Merlin site, with the rest being transported in the coming weeks.

The diamond scrubbing and screening plant, which was ordered by the previous Merlin owners, was purchased by Lucapa for US$200k. It is enroute from China to Australia and is expected to be transported to Merlin in Q3.

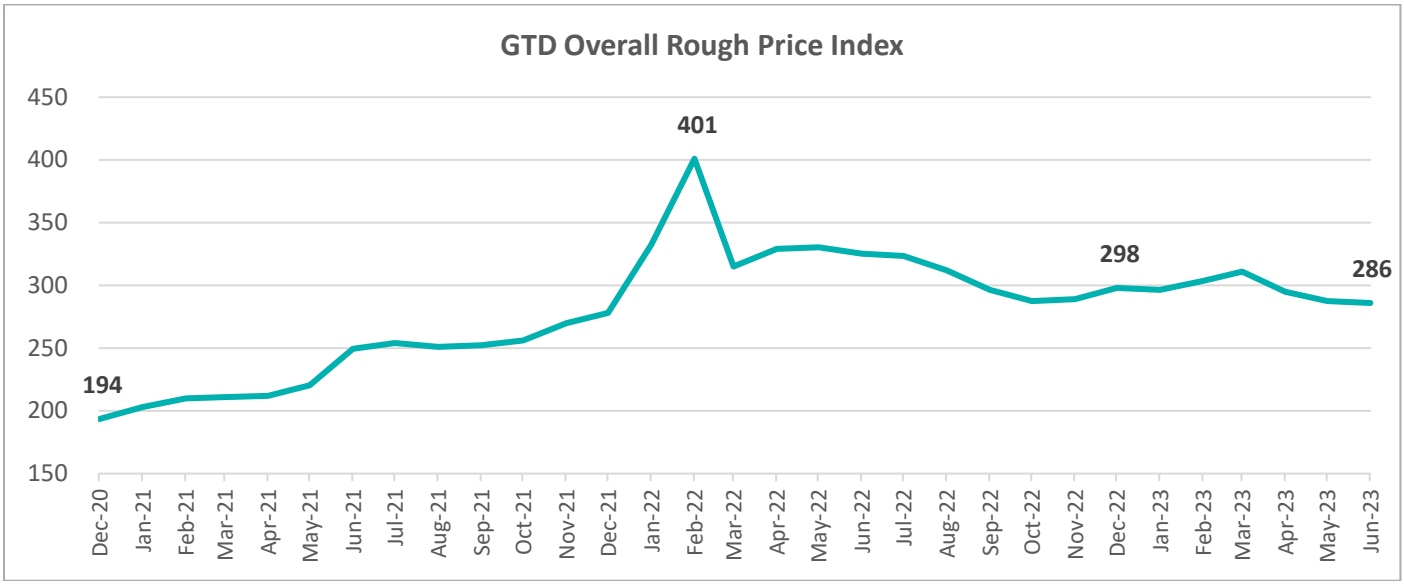
The purchase of the alluvial plant and scrubbing and screening modules provide Lucapa with the option of implementing a low cost pilot program in the future to recover diamonds from each of the key contributing kimberlite pipes.

The alluvial sampling plant at Ellendale (above) and modules arriving at the Merlin site (below)

Rough Diamond Market

Rough natural diamond prices as reflected in the GTD Overall Rough Diamond Price Index ("GTD Index") ended the six months to 30 June 2023, down 4% from the December 2022 level.

High levels of mid-stream inventories have seen overall rough diamond prices retract from their peak in February 2022, however rough diamond prices, as represented in the GTD Index, are still 47% higher than the equivalent levels at end December 2020.



Source: GTD Consulting, Belgium

As demonstrated through the strong prices achieved by Lucapa in the Quarter and for H1 2023, demand for the large and high-value diamonds such as those from the Lulo and Mothae mines has been extremely resilient and prices for these goods remain robust.

Demand in North America is lower because of recessionary fears; however, the strong results being reported by the leading global luxury houses from the East, means demand is starting to return in Asia.

The company believes the outlook for the natural diamond industry is positive as the market is going to continue to experience a constrained rough diamond supply environment in the near term against a rising luxury demand, to be led by the emerging markets of China and India.

PRIMARY SOURCE EXPLORATION

Lulo Kimberlite Exploration, Angola

(conducted by Project Lulo Joint Venture ("Project Lulo JV") – Lucapa 39%, Endiama 51% and Rosas & Petalas 10%)

Exploration activities at Lulo stepped up during the Quarter, with the kimberlite bulk sampling plant now on continuous operations.

Due to the increased productivity, the plant is currently processing approximately 1 sample every 10 days.

Eight samples from six kimberlites were processed during Q2 (Table 8).

TABLE 8: KIMBERLITE SAMPLES PROCESSED

	m^3 processed	Carats	Stones	Grade ($cphm^3$)	Ave Stone Size	Comments
KBS/015/01	1,616	-	-	-	-	
KBS/015/02	1,104	-	-	-	-	
KBS/021/01	2,203	2.60	9	0.12	0.29	
KBS/032/02	1,059	-	-	-	-	
KBS/129/01	774	0.58	1	0.07	0.58	
KBS/129/02	309	0.36	1	0.12	0.36	Treatment in progress
KBS/164/03	1,271	28.29	33	2.23	0.86	Mixed overburden/ residual
KBS/219/01	2,393	-	-	-	-	
Grand Total	**10,729**	**31.83**	**44**	**0.30**	**0.72**	

Overburden and weathered kimberlite material totalling 1,271m^3, that was excavated from the top of kimberlite L164 (to extract the two clean samples), was stockpiled.

This material was processed during the Quarter to test for diamond enrichment or dilution in the near-surface zone. This sample, labelled 164/03, recovered 33 diamonds totalling 28.29 carats, the largest diamonds weighing 4.49 and 4.39 carats.

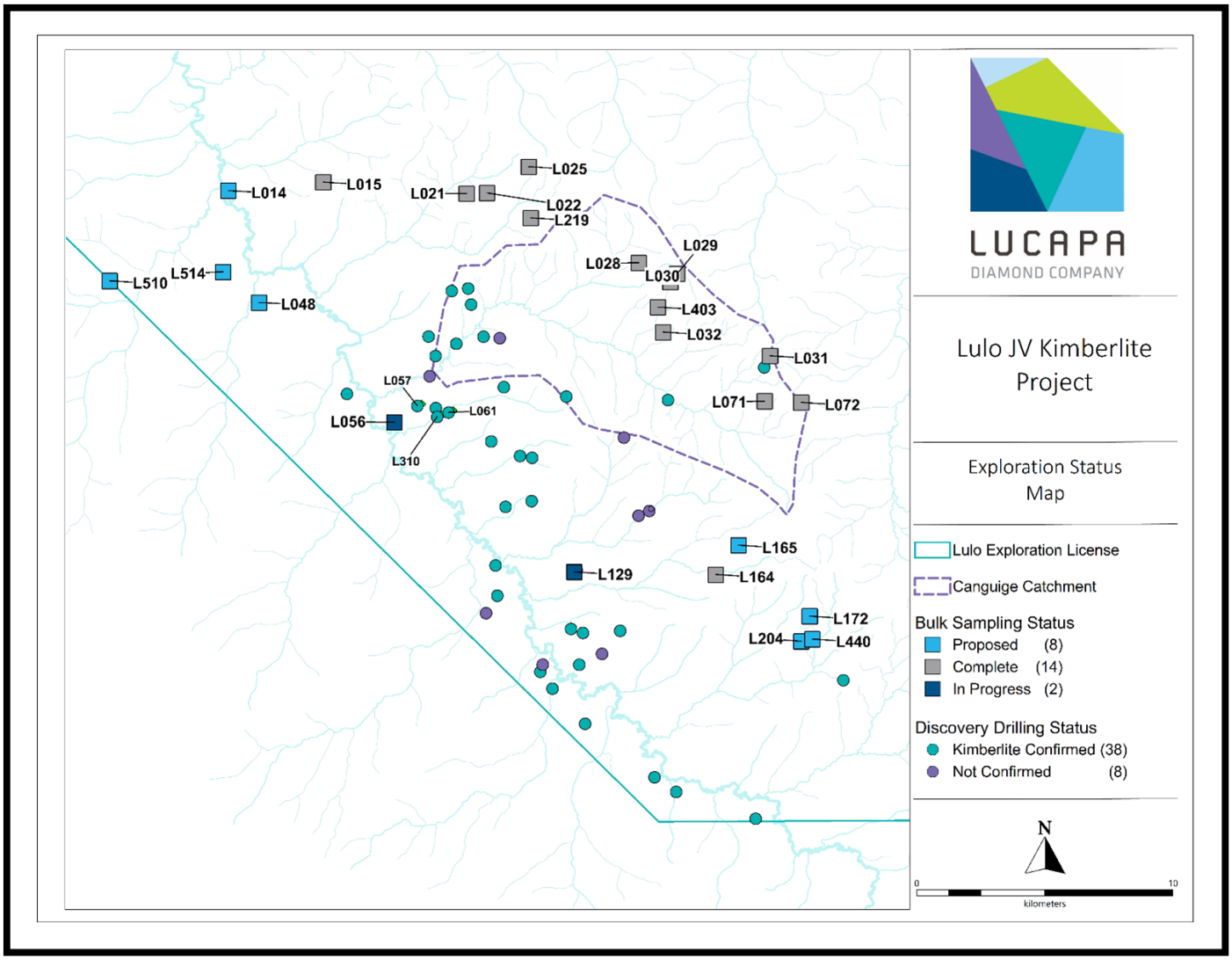
Diamonds recovered from overburden and weathered kimberlite material (sample L164/03)

Due to the nature of the sample containing potentially both overburden dilution and enriched surface lag deposits, it cannot be considered representative of the underlying kimberlite L164. However, although non-representative, the recovery of 33 diamonds at a grade of 2.2 $cphm^3$ is similar to the grade from the underlying kimberlite samples L164/01 & 02 of 2.6 $cphm^3$. A total of 97 diamonds, together weighing 110.66 carats and with an average stone size of 1.14 carats, have now been recovered from kimberlite L164.

Processing of samples from kimberlite L129 is in progress and will be followed by a cluster of kimberlites near L164, namely L165, L204, L172 and L440. In addition, a new kimberlite L048 has been identified as high interest and is being delineated in preparation for sampling.

The results received to date are congruent with our experts' geological model in which it is believed that a few kimberlites hold significant diamond content, while the majority are very low grade to barren. This model would indicate that for the kimberlites to have provided the type and grade of diamonds currently being recovered from the Cacuilo terraces and lezirias, some of them would have the potential to be economically important.

Three new kimberlites named L057, L061 and L310 have been confirmed during the Quarter.



A progress map of the kimberlite bulk sampling program at Lulo

Merlin Kimberlite Exploration, Northern Territory

(conducted by AusND – Lucapa 100%)

No physical exploration activities were performed on site during the Quarter. Further interpretation and target selection and reviewing of historical exploration data is continuing. Management is focused on completing the feasibility study for the proposed mine development. Post Quarter end, the exploration licence was renewed for a further two years to April 2025.

Brooking Lamproite Exploration, Kimberley WA

(conducted by Brooking Pty Ltd – Lucapa 100%; Leopold Diamonds holding 20% interest in the tenements)

No physical exploration activities were performed on site during the Quarter. Approvals for the auger drilling on heavy mineral targets areas overlain with black soil were obtained, and drilling has commenced post Quarter end. This program has been designed to assist in planning core holes on some of the less defined heavy mineral targets. Holes will also be drilled into the known geophysical targets to recover shallow material that can be used to confirm the presence of lamproite. Tenement E04/2502 has been relinquished as no lamproite targets were identified on it.

Orapa Area F, Botswana

(conducted by Lucapa Diamonds (Botswana) Pty Ltd – Lucapa 100%)

No physical exploration activities were performed on site during the Quarter. Renewal of environmental and land-use permits to allow for a drill program over identified targets and a known, but poorly explored kimberlite, are now largely complete. This drill program is planned to be completed during the next quarter.

HEALTH, SAFETY AND COMMUNITY

Safety awareness is a major focus at both sites, with ongoing training of personnel to improve risk assessments to avoid safety incidents. The 12 month rolling LTIFR at Mothae ended the Quarter with a rate of zero, while SML reported safety incidents and ended the Quarter with an LTIFR of 0.32.

No major environmental incidents were recorded at either site.

In CSR activities, Mothae is continuing to support 12 learners at local schools, providing casual labour for poverty relief for local villagers and bought M540,000 (A$44,000) of produce from local farmers during the Quarter.

The Lulo mine celebrated a milestone by employing its first female ADT operator, following the employee training and testing her skills on the ADT. It is believed the employee, is one of the first female dump truck drivers to be employed on a mine site in Angola.

Lulo Alluvial Mine's first female dump truck operator undergoing driver training.

CORPORATE

Post half year end, the MD and CEO, Stephen Wetherall, notified the Board of his intention to resign at the end of July 2023. He will be replaced on an interim basis by Executive Director Operations, Nick Selby, while an executive search for a new MD and CEO is undertaken.

At Quarter end, the group's reported cash balance was A$6.7 million, which excludes SML's cash and diamond receivables balance of A$8.0 million (as SML is an equity accounted associate).

During the Quarter, Mothae paid ZAR7.2 million (A$0.6 million) to the IDC against the original ZAR100 million project loan and the loan has now been fully repaid.

Post the Quarter end, Lucapa expunged the Company's loan owing to Equigold. The final principal and interest instalment of US$1.3 million (A$1.9 million) was made against the original US$15 million loan to develop Mothae.

Excluding capitalised lease liabilities, Lucapa is now interest-bearing debt free, after repaying ~A$30 million in principal and interest over an 18 month period.

At the end of Q2, Lucapa was owed A$91.6 million in loans from the mines for the funding of alluvial exploration and mine development at SML and kimberlite mine development at Mothae ("Loan Assets") (Table 9).

TABLE 9: DEVELOPMENT LOANS OWING TO LUCAPA

		30 June 2023		
		SML	**Mothae**	**Total**
Development loans owing to Lucapa ("Loan Assets")	*A$m*	**11.9**	**79.7**	**91.6**
JV partner share of Loan Asset (SML - 60%, Mothae - 30%)		7.1	23.9	**31.0**
Attributable to Lucapa shareholding (SML - 40%, Mothae - 70%)		4.8	55.8	**60.6**

All resolutions at the Annual General Meeting on 30 May 2023 passed by way of poll, while resolutions 3 and 4 were withdrawn at the request of Mr Wetherall and Mr Selby respectively.

Lucapa launched a sale of unmarketable parcel facility in June 2023 for shareholders who hold less than $500 in value of the Company's fully paid ordinary shares. The Company is offering this facility to assist the more than 2,500 shareholders holding an unmarketable parcel to sell the shares without having to use a broker or pay brokerage. The company will pay all costs of the sale for shareholders who use this facility, prior to the closing date of 4 August 2023, excluding tax consequences from the sale which shall remain the shareholder's responsibility.

For and on behalf of the Lucapa Board.

STEPHEN WETHERALL
MANAGING DIRECTOR

For more information:

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Mob: +61 400 49 22 85 | csgroi@lucapa.com.au

ABOUT LUCAPA

Lucapa is an ASX listed diamond miner and explorer with assets in Africa and Australia. It has interests in two producing diamond mines in Angola (Lulo, in which LOM holds 40%) and Lesotho (Mothae, in which LOM holds 70%). The large, high-value diamonds produced from these two niche African diamond mines attract some of the highest prices/ carat globally.

The Lulo mine has been in commercial production since 2015, while the Mothae mine commenced commercial production in 2019.

In 2021, through its wholly owned subsidiary, Australian Natural Diamonds Pty Ltd, Lucapa completed the strategic and transformative acquisition of the Merlin Diamond Project, an historic Australian mine in the Northern Territory of Australia. A feasibility study using an innovative hybrid open pit and vertical pit mine development is being completed.

Lucapa and its project partners are also exploring for potential primary source kimberlites or lamproites at the prolific Lulo concession in Angola, the Brooking project in Australia and the Orapa Area F project in Botswana.

The Board, management and key stakeholders in Lucapa have deep global diamond industry experience and networks all through the value chain from exploration to retail.

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 this announcement contains references to prior exploration results, a production target and financial information derived from a production target 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 a production target and financial information derived from a production target and 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.

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. This announcement may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply in their own jurisdiction. A failure to do so may result in a violation of securities laws in such jurisdiction.

This document does not constitute investment advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this representation are not intended to represent recommendations of particular investments to particular persons. Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) risks associated with mining, exploration, operations, resource, environment, funding and adverse or unanticipated market, financial, currency or political developments.

No responsibility for any errors or omissions from this document arising out of negligence or otherwise is accepted. This document does include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of the Company. Actual values, results, outcomes or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements. 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.

TABLE 10: SCHEDULE OF TENEMENTS

Project	**Country**	**Type**	**Size (km^2)**	**Period**	**Interest (%)**	**End date**
Brooking	Australia	Exploration Licence	72	5 years	80	Dec-24
	Australia	Exploration Licence	13	5 years	80	Mar-24
	Australia	Exploration Licence	29	5 years	80	Jun-27
Lulo	Angola	Kimberlite (primary source) exploration	3,000	5 years	39	May-24
	Angola	Alluvial (secondary source) mining and exploration	1,500	10 years	40	Jul-25
Merlin	Australia	Mineral lease	24	25 years	100	Dec-47
	Australia	Exploration Licence	210	2 years	100	Apr-25
Mothae	Lesotho	Mining Licence	47*	10 years	70	Jan-27
Orapa	Botswana	Reconnaissance	8	2 years	100	Jun-24

** Area includes the protection and production area*

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.*	• A total of eight bulk samples from kimberlites L015(2), L021, L032, L129(2), L164 and L219 were collected from excavated pits. The surface overburden was removed by excavator and truck before all earthmoving equipment was thoroughly cleaned. • Each pit was then excavated into the clean kimberlite material and directly loaded into trucks for transport to the plant stockpile area The sample material was placed on a sterilised pad of sand before being fed into the plant by front-end loader. • The sample locations were chosen following the drilling of diamond core holes. • The objective of the samples was to demonstrate whether potentially economic diamonds might be present in the kimberlite pipe and was not selected to be representative of the grade of the body as a whole. Two separate pits were excavated at L015 to spread the sample over the surface area of the pipe to improve representivity of the sample. Two of four planned pits were completed at L129. A third sample from L164 was treated that included a combination of weathered kimberlite and overburden. This sample is not representative of the kimberlite body but was treated to check for surface enrichment or dilution.
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.).*	• The drilling consisted of diamond core drilling. The drill core recovered was of HQ diameter. • The original discovery hole at each kimberlite was drilled to approximately 100m. Delineation holes were drilled to approximately 34m deep at each kimberlite to define the bulk sample site. All holes were drilled vertically.

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.*	• Core is recovered from the core barrel and stored in core boxes, before being transported by light vehicle to the core shed. • Core recovery is generally high, though significant core losses are experienced through unconsolidated surface sediments to about 3m depth.
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.*	• All core is visually and semi-quantitatively logged then photographed at the operation's core shed. • The bulk sample pits were visually inspected to ensure no contamination of surface material entered the sample material.
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 sub-sampling was undertaken, though additional sample pits were excavated where required to improve representivity of the sample. • All samples are to be treated in their entirety.
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 samples were treated through the Kimberlite Bulk Sample Plant ("KBSP"). 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.

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 sample positions and size were selected on the basis of giving the best likelihood of recovering diamonds and were not intended to return a grade representative of the pipe as a whole. • However, the distribution of sampling pits over the surface of the body improves representivity particularly on larger bodies.
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 pipe. Orientation of the sample is not considered significant and is not expected to introduce bias.
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.

– JORC Code (2012) requirements –
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. • Under the terms of the two Lulo agreements, separate titles are granted for alluvial (secondary) and kimberlite (primary) exploration and/ or mining. • Following successful alluvial exploration, a 10-year alluvial Mining Investment Contract 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, Endiama 32% and Rosas & Petalas S.A. 28%. This Angolan entity was officially incorporated in May 2016. • Following a renewal application for kimberlite exploration, a 5-year Mineral Investment Contract was signed and gazetted in May 2019, expiring on 2 May 2024. Interests held in this exploration venture are Endiama 51%, Lucapa Diamond Company Ltd 39%* and Rosas & Petalas S.A. 10% (*interest will be reduced to 30% after recoupment of the exploration and mining development investments).
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 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 Permian sediments within the Lucapa Graben. The 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:* ○ *easting and northing of the drill hole collar*	• No drill hole information is presented here as it is not relevant to the sampling process other than to guide location of the sample.

	○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth hole length.* ○ *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.*	
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 to this effect (e.g. 'down hole length, true width not known').*	• The deposits may be regarded as massive deposits so sample orientation is not relevant.
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 are complete for all samples reported.
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,*	• The samples were recovered from L015(2), L021, L032, L129(2), L164 and L219, kimberlite pipes identified during drilling on the licence area between 2018 and 2022.

	groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	
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.*	• Bulk sampling of the remaining high interest kimberlites in the Cacuilo catchment will continue. • Drilling will continue on the priority targets identified to locate material suitable for bulk sampling. • Drilling on additional magnetic targets will continue to identify new kimberlites and assess whether they should be bulk sampled. • Additional Phase 2 sampling will be undertaken on the kimberlites with the highest diamond recoveries.

SECTION 3 (RESOURCES) DOES NOT APPLY TO THIS ANNOUNCEMENT

SECTION 4 (RESERVES) DOES NOT APPLY TO THIS ANNOUNCEMENT

– JORC Code (2012) requirements –

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 these samples.
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.*	• Diamonds were recovered from kimberlite samples at L021 and L129. • A third sample from L164 was treated that included a combination of weathered kimberlite and overburden. This sample is not representative of the kimberlite body but was treated to check for surface enrichment or dilution.
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 2m-8m thick overlaying the kimberlites was removed using a Volvo 480 excavator and ADT trucks. • The sample pits were excavated and material from the pits transported to a prepared sample pad made up laterite close to the KBSP in preparation for processing.
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.*	• The samples were treated through the Kimberlite Bulk Sample Plant (KBSP). The KBSP is comprised of a 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 screened off and collected on an oversize stockpile. Fine material (>1.5mm) is processed through a DMS (dense media

	• *Laboratory used type of process for micro diamonds and accreditation.*	separation) unit, with DMS concentrate processed through a Flowsort X-Ray diamond recovery unit. Final diamond recovery is undertaken by hand sorting of the Flowsort concentrates. All -1.5mm material is pumped to a tailings storage facility. • +18mm material is stockpiled and intermittently fed through crushing circuits, both primary and secondary jaw crushers. The product from the secondary crusher deposits onto a screen. Material remaining as oversize is recirculated through the secondary crusher until it passes the cut-point of 18 mm, after which it passes into the DMS. Due to the small amount of oversize produced by these samples, crushing of the oversize was suspended for these samples. • The plant was thoroughly decontaminated before sample treatment commenced.
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 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).*	• The sample results are summarised in the table below: • The volume processed is based on counted loader buckets fed to the plant, converted to m^3 stockpile volumes using an established bucket factor previously reconciled to surveyed broken material on a stockpile, measured in metres cubed.

KIMBERLITE SAMPLE PROCESSING – Q2 2023

Sample ID	Volume processed (m^3)	Stones Recovered	Recovered (Carats)	Calculated Grade ($cphm^3$)	Average Stone Size (Cts/stn)	Number of stones >1ct	Largest stone pre-acid
KBS/015/01	1,616	0	0.00	0.00			
KBS/015/02	1,104	0	0.00	0.00			
KBS/021/01	2,203	9	2.60	0.12	0.29		0.62
KBS/032/02	1,059	0	0.00	0.00			
KBS/129/01	774	1	0.58	0.07	0.58		0.58
KBS/129/02	309	1	0.36	0.12	0.36		0.36
KBS/164/03*	1,271	33	28.29	2.23	0.86	5	4.46
KBS/219/01	2,393	0	0.00	0.00	0.00		
Total	**10,729**	**44**	**31.83**	**0.30**	**0.72**	**5**	**4.46**

** The third sample from L164/03 included a combination of weathered kimberlite and overburden. This sample is not representative of the kimberlite body, but was treated to check for surface enrichment or dilution.*

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*	• Sample results are reported in the table above. • The sample grade is reported on all diamonds recovered with a nominal bottom cut-off screen size on the plant of 1.5mm.

	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.*	• No modelling or grade adjustments have been made to the grade calculations. • No geostatistical techniques have been applied at this stage of sampling
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.* • *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.*	• No diamond value estimates are reported.

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 during transport and storage. • 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 necessary 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.