



Lucapa Diamonds announces production and sales results for the quarter ending 31 March 2024

Q1 Summary

Diamond production and sales highlights (all figures quoted are 100% unless otherwise stated)

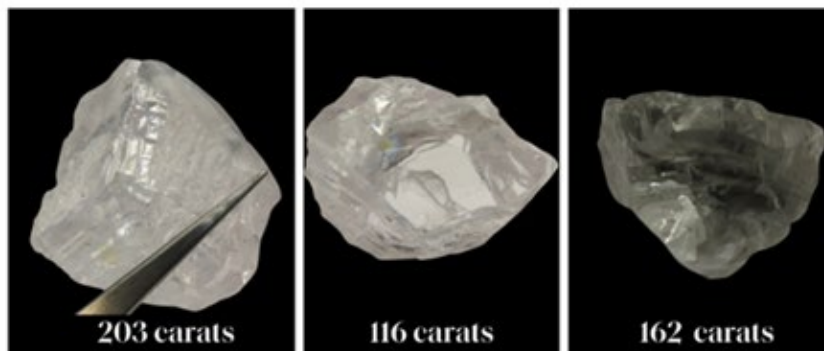
- ❖ Total 14,162 carats recovered from Lulo and Mothae
- ❖ 16,408 rough carats sold from Lulo and Mothae
- ❖ Three Type IIa +100 carat diamonds recovered from Lulo
- ❖ Total tonnes treated up 14% on Q1/23 to 673,053t
- ❖ Lulo high value diamond sale realised US\$10.5M post quarter end

Lucapa Diamond Company Limited (ASX: LOM) (“Lucapa” or “the Company”) is pleased to present its production and sales report for the period ended 31 March 2024 (the “Quarter” or “Q1”).

The Lulo mine in Angola sold 8,746 carats through two run of mine sales for the period for revenue of US\$9.4 million. There were no exceptional diamond tenders during the Quarter, therefore the revenue from the exceptional stones recovered during Q1 will be realised in Q2/24. The diamond tender that took place post quarter end attracted US\$10.5 million for three high-quality Lulo diamonds. The cutting and polishing partnership produced US\$0.2 million in additional margins for Lulo Mine in Q1.

The Mothae mine in Lesotho generated US\$3.7 million in rough diamond revenue for Q1 after selling 7,662 carats and an additional US\$0.2 million from polished diamond margins.

Managing Director Nick Selby commented, *“We head into the second quarter with a refreshed board and welcome the new perspectives and diverse experience this brings to our strategy and the portfolio of assets. The separation of high value stones for a tender meant revenue was down for the first Quarter. However the tender, which took place in early Q2 and achieved US\$10.5 million for the three Lulo diamonds, has boosted the balance sheet. The diamond market is steadily recovering and diamonds larger than two carats are in high demand. Although Lulo was forced to mine in lower-grade areas due to flooding this wet season, the amount of material we put through the plants was not affected due to the availability of stockpiled material. Mothae also performed well against physical targets, but the lack of high quality stones recovered has negatively impacted their revenue line.”*



Lulo recovered three +100 carat Type IIa diamonds during Q1



Q1 2024 PRODUCTION AND SALES FIGURES

	2023	2024	Var
PRODUCTION:			
<i>Total tonnes processed¹</i>	591,146	673,053	14%
<i>Total carats recovered</i>	14,651	14,162	-3%
SALES & OTHER:			
<i>Rough carats sold</i>	13,477	16,408	22%
<i>Rough diamond revenues (US\$m)</i>	18.2	13.1	-28%
<i>Rough price/ carat (US\$)</i>	1,350	798	-41%

¹Lulo volume processed converted from bulked m³ to tonnes

Lulo, Angola



ALLUVIAL MINE

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

Mining was focused on the lower-grade terrace areas due to extremely heavy rainfall and subsequent flooding of the lizeria (floodplain) areas during the wet season. Approximately 171,000 cubic metres of material was processed through the alluvial plant, up 11% on Q1/23, however the grade was 28% lower than the previous corresponding period, at 3.3 cphm³.

The Project Lulo JV continued to conduct exploration during the Quarter to locate the source of the high value diamonds that are recovered from the Cacuiilo River valley by the SML mining operation. (refer ASX Announcement 2 April 2024).



Severe flooding at Lulo; photo taken in mid-April 2024

LULO Q1 PRODUCTION AND SALES RESULTS

	Q1/2023	Q1/2024	Var
PRODUCTION:			
<i>Volume mined (bulked Mm³)</i>	1.51	1.63	8%
<i>Volume processed (bulked m³)</i>	153,457	170,923	11%
<i>Carats recovered</i>	7,165	5,707	-20%
<i>Grade recovered (cphm³)</i>	4.7	3.3	-28%
<i>+10.8 carat diamonds (Specials)</i>	89	51	-43%



SALES & OTHER:				
	<i>Rough carats sold</i>	7,162	8,746	22%
	<i>Rough diamond revenue (US\$m)</i>	12.6	9.4	-26%
	<i>Rough price/ carat (US\$)</i>	1,759	1,073	-39%
	<i>Partnership margins (US\$m)</i>	0.0	0.2	0%

Mothae, Lesotho



KIMBERLITE MINE

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

Mothae performed well with a 16% improvement on tonnes treated and a 13% improvement on carats recovered compared to Q1 2023. The challenge at Mothae remains the value of the diamonds recovered; the lower frequency of high value exceptional diamonds has impacted the value per carat received. We have reviewed all our processes and will continue to monitor Mothae very closely. The grade for Q1 was 2.2cpht, in line with the same period in 2023.

Post quarter end a 65 carat Type IIa gemstone was recovered at Mothae.

The largest gem quality stone recovered from Mothae during Q1 was a 35 carat yellow coloured diamond (pictured right).



MOTHAE Q1 PRODUCTION AND SALES RESULTS

	Q1/2023	Q1/2024	Var
PRODUCTION:			
<i>Tonnes mined (ore & waste) (Mt)</i>	0.59	0.44	-26%
<i>Tonnes processed (t)</i>	330,268	382,484	16%
<i>Carats recovered</i>	7,485	8,454	13%
<i>Grade recovered (cpht)</i>	2.3	2.2	-2%
<i>+10.8 carat diamonds (Specials)</i>	52	44	-15%



SALES & OTHER:			
<i>Rough carats sold</i>	6,315	7,662	21%
<i>Rough diamond revenue (US\$m)</i>	5.6	3.7	-34%
<i>Rough price/ carat (US\$)</i>	887	484	-45%
<i>Partnership margins (US\$m)</i>	0.0	0.2	0%

Rough Diamond Market

The steady improvement in the rough diamond market seen at the end of 2023 has continued in the first quarter of 2024. We saw good demand and stronger prices for diamonds larger than two carats in our sales during the Quarter.

The industry is responding well to the challenges it faced in 2023 and we expect the market to improve steadily over the course of 2024.

Corporate

At 31 March 2024, the Group corporate and financial summary on a 100% basis is as follows:

	Q1/2023	Q1/2024	Var
<i>Diamond inventories (carats)</i>	6,876	5,577	-19%
<i>Cash and receivables (incl. Lucapa) (US\$m)</i>	11.6	3.4	-71%
<i>Development loans owing to Lucapa (US\$m)</i>	63.6	62.2	-2%

In February 2024, a general meeting of shareholders approved a 1 for 5 share consolidation which was completed in March 2024. Lucapa now has 289,141,849 issued shares post-consolidation, with the fully diluted post-consolidated issued capital at 301,300,036.

Post-quarter end, Lucapa appointed two new Independent non-executive Directors to the Board following the resignation of non-executive director Ross Stanley. Mr Stuart Brown, an ex-head of diamond giant De Beers was appointed Chairman and Mr Ronnie Beevor, an ex-Investment banker and experienced mining director was appointed as non-executive director. Former Chairman Miles Kennedy remains on the Board as a non-executive director.

For and on behalf of the Lucapa Board.

Nick Selby
Managing Director

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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.

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.

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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.

<i>Project</i>	Country	Type	Size (km²)	Period	Interest (%)	End date
<i>Brooking</i>	Australia	Exploration Licence	72	5 years	80	Dec-24
	Australia	Exploration Licence	13	5 years	80	Mar-24 ²
	Australia	Exploration Licence	29	5 years	80	Jun-27
<i>Lulo</i>	Angola	Kimberlite (primary source) exploration	3,000	5 years	39	May-24 ²
	Angola	Alluvial (secondary source) mining and exploration	1,500	10 years	40	Jul-25
<i>Merlin</i>	Australia	Mineral lease	24	25 years	100	Dec-47
	Australia	Exploration Licence	210	5 years	100	Apr-25
<i>Mothae</i>	Lesotho	Mining Licence	47 ¹	10 years	70	Jan-27
<i>Orapa</i>	Botswana	Reconnaissance	8	2 years	100	Jun-24

¹ Area includes the protection and production area

² Extension applied for