LUCAPA
DIAMOND COMPANY

ASX Announcement 21 December 2015

LAB RESULTS CONFIRM KIMBERLITE TARGET AREAS

Key Points

- **Mineral chemistry analysis of previous Lulo kimberlite samples reveals purple G10D garnets from kimberlites L165 and L18**
- **Kimberlite drilling program planned for early 2016 at the high-priority L259, L13 and L15 kimberlites to be extended to include the kimberlite clusters around L165 and L18, where follow-up sampling work has been recommended**
- **Kimberlite L165 is close to the diamond-bearing L170 kimberlite, where both a G10D garnet and a micro diamond were previously recovered**
- **Kimberlite L18 is located adjacent to the L19 kimberlite and close to L46, which have both been found to be diamond-bearing pipes**
- **Drilling of the high priority kimberlites L259, L13 and L15 near alluvial Mining Block 8 will follow the electromagnetic and gravity surveys currently being conducted**

Lucapa Diamond Company Limited (**ASX: LOM**) ("Lucapa" or "the Company") is pleased to announce that mineral chemistry analysis of earlier kimberlite samples has identified additional target areas to be included in the kimberlite drilling program to commence in early 2016 at the Lulo Diamond Project in Angola (Figure 1).

As announced to the ASX on 27 July 2015, Lucapa dispatched core from a previous kimberlite drilling program and other surface kimberlite sample material to consultants, Mineral Services in South Africa, for micro-probing analysis of kimberlite indicator minerals.

The material sent for analysis comprised drill core from kimberlites L251, L222, L220, L83/84, L19, L18 and L12 and samples from kimberlites L171, L169, L167 and L165 (Figure 2).

As detailed in the ASX announcement of 23 November 2015, these kimberlite samples were sent to South Africa before Lucapa elevated the L259, L13 and L15 kimberlites next to Mining Block 8 to its highest priority kimberlite targets. Similarly, the material sent to South Africa did not include samples from the L46 kimberlite, which was confirmed as a diamond-bearing pipe post the samples being picked (See ASX announcement 16 October 2015).

Lucapa Chief Executive Officer Stephen Wetherall said the recovery of more G10D garnets from the laboratory analysis and recommended follow up sampling was extremely encouraging.

"Our priority focus right now is the L259 and proximal L13 and L15 kimberlites which we believe are potential sources of the exceptional special and fancy coloured diamonds we are recovering from the Mining Block 8 alluvial diamond field. This will be the first area we will target with our new multi-purpose drill rig in 2016 once the ground-based electromagnetic and gravity surveys are concluded."

"We then plan to drill test the diamond-bearing L46, L18, L19 and other kimberlites on the tributaries close to the E46 alluvial diamond terraces. Given the recovery of the G10D garnets from the laboratory analysis by Mineral Services, the L165-L170 cluster also warrants further testing and drilling."

L165 is proximal to the diamond-bearing L170 kimberlite (Figure 1) where a G10D garnet was also recovered from previous mineral chemistry analysis. In addition, L18 is close to the diamond-bearing L46 and L19 kimberlites (Figure 1).

Mineral Services has recommended follow up work to assess the potential for earlier and potentially more diamondiferous kimberlite bodies that could be masked by the signature from the predominantly lower-interest kimberlites occurring in this region.

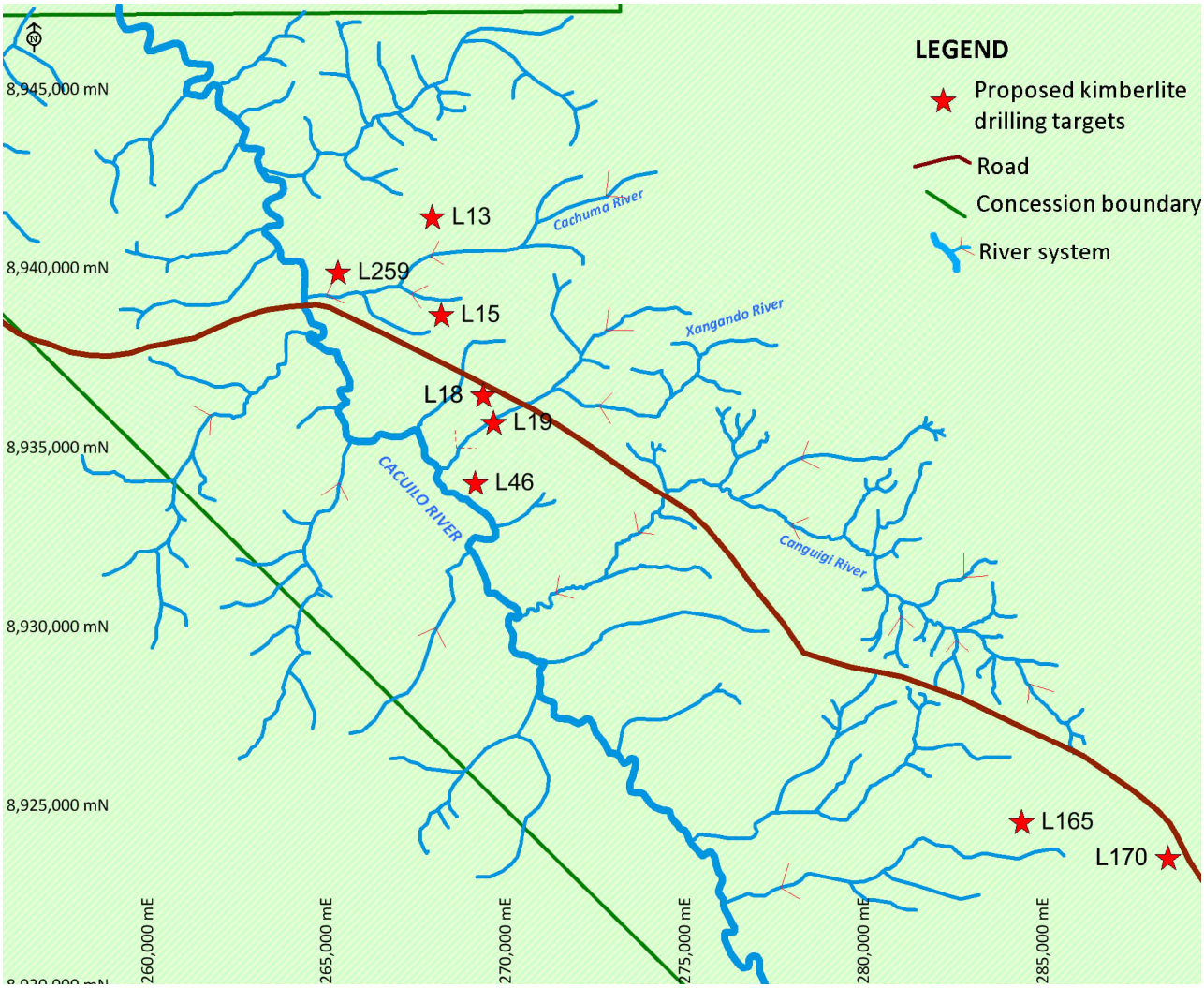

Figure 1: High priority L259, L13 and L15 kimberlites and the other kimberlites which Lucapa plans to drill

BACKGROUND

Between 2012 and early 2014, Lucapa undertook a drilling program to confirm airborne geophysical kimberlite targets generated from 2008 onwards. A total of 10 core samples and four excavated surface samples (Appendix 1) had been selected by consultants Mineral Services, of Cape Town, South Africa. Mineral Services liberated indicator minerals and selected grains for micro-probing at the University of Stellenbosch, South Africa. Each sample had been composited from existing drill core and or sample to provide an approximate 15kg sample.

Indicators liberated were garnet, ilmenite, cr-diopside and chromite. A total of 3,624 mineral grains were picked of which 2,732 were analysed and a further 310 mineral grains inserted into the analytical stream for QA/QC purposes. The kimberlite mineralogy tested using existing core were from L12, L18, L19, L83/84, L220, L222 and L251 (10 samples) and from targets L165, L167, L169 and L171 (four samples).

The previous core drilling had also sought to determine the relative levels of erosion (or otherwise) and at the outset, given the different levels of erosion, it was evident that several periods of kimberlite emplacements occurred, with some kimberlites having crater and re-sedimented facies eroded away and others being more completely preserved, all under variable thicknesses of later Calonda Formation sediments or recent Kalahari sand.

The majority of peridotitic garnets were G9 (lherzolite) with one G10 (hartzburgite) and four G10D garnets recovered from the L18 and L165 kimberlite samples.

Overall indicator abundances are highly variable with results varying between 11,686 and 2 grains/kg. This implies sampling of mantle material by kimberlite magmas during ascent that have then been variably diluted during emplacement and the subsequent development of crater fill material.

Three samples contained harzburgitic garnets (G10) of which two contained high-interest diamond-associated G10D garnets. Other mineral chemistry either indicated origin in shallower mantle outside the diamond stability field or unrelated. No low chrome garnets with diamond association (G3D or G4D) were recovered from the samples.

All samples contain zero to very low abundances of chromite. Ilmenite is common in all samples but is present in highest abundance in sample L165. Most of the kimberlitic or para kimberlitic ilmenites have MgO contents above 8% indicating reducing conditions which are conducive to diamond preservation.

The mineral abundance data indicates that, while there are certain mineralogical features that characterise each of the kimberlite units, the amount of mantle material incorporated is variable, both between and within specific kimberlites.

The majority of low Cr Garnets (n=544) are eclogitic garnets (G3 and G4) that are interpreted to have been derived from shallow eclogite that does not have an association with diamond.

The majority of the probe-confirmed Cr-diopside grains (n = 198) returned compositions consistent with derivation from garnet lherzolite. Results of PT calculations for these grains suggest representation of dominant sampling along a thermally perturbed or kinked geotherm where the lower portion is heated and not in thermal equilibrium and the upper portion is relatively unaffected by the heating and still sitting on the original cratonic conductive geotherm. In this regard, where sampled, the cool portion of the geotherm only just enters into the diamond stability field and therefore provides limited potential for sampling of the diamond-bearing mantle.

The modelled geotherm shows similar trends to that reported at the Catoca cluster of kimberlites as does the mineral chemistry (see References).

The samples processed recovered high-interest peridotite garnets that indicate limited sampling of mantle material from within the diamond stability field. The sampling produced four G10D purple garnets from kimberlites L165 and L18. These garnets have been assessed as likely being derived from the diamond stability field and are commonly associated with diamonds. The G10D garnets occur in very low concentration and the overall mineral chemistry signature from the 14 samples taken is interpreted by Mineral Services to reflect very limited diamond potential. However, the presence of diamonds and such grains in the Lulo area allows for the possibility that other kimberlite bodies, most likely ones that were emplaced early on in the period of kimberlite

volcanism in the area, have the potential to have sampled more substantial amounts of diamoniferous mantle and hence may contain greater quantities of diamond.

It has therefore been recommended by Mineral Services that, for grains/and samples for which mineral chemistry data are available, a spatial and compositional analysis be undertaken of grains recovered from anomaly soil samples taken to date to determine if a subset of better grains can be broken out both compositionally and spatially. It is further suggested that a discrete sample of kimberlite autoliths be collected from core samples to compare with the mineral chemistry of the parent body.

Lucapa notes that the L165, L166, L167, L170 and L171 cluster of kimberlites in the south western part of the concession are part of a topgraphic divide between the lower south-west flowing tributaries of the Cacuilo River and the north west flowing Canguigi tributary, which had been captured and diverted into the Cacuilo, south or upstream of the E46 resource/mining area.

For and behalf of the Board.

STEPHEN WETHERALL
CHIEF EXECUTIVE OFFICER

ABOUT LUCAPA

Lucapa Diamond Company Limited operates the Lulo Diamond Project in Angola's Lunda Norte diamond heartland. The 3,000km^2 Lulo Diamond Concession is located within 150km of Catoca, the world's fourth biggest kimberlite diamond mine, and on the same favourable geological trend (Lucapa Graben).

Lucapa and its partners commenced alluvial diamond mining operations at Lulo in January 2015 and have successfully scaled up mining and processing operations to 20,000 bulk cubic metres per month.

The >10,000 carats of Lulo alluvial diamonds sold to date have achieved exceptional average selling prices of A$1,846 per carat.

Lulo also hosts 296 kimberlite targets in two separate provinces, of which 97 have already been classified as proven and probable kimberlites and five confirmed as diamond-bearing pipes.

Lucapa's board and management team has extensive diamond mining experience with companies including De Beers, Rio Tinto and Gem Diamonds. Lucapa operates Lulo in partnership with Endiama, the Angolan Government's diamond concessionary, and private group Rosas & Petalas.

Lucapa is dual listed on the Australian Securities Exchange and the Frankfurt Stock Exchange.

ABOUT ANGOLA

Angola is the world's fourth biggest producer of diamonds by value with forecast annual production of 10 million carats in 2014.

Angola introduced a new Mining Code in 2012 and is actively seeking foreign investment in its diamond industry.

Angola's potential for new diamond discoveries has been recognised by the world's two biggest diamond mining companies, Alrosa and De Beers.

Angola was appointed to chair the Kimberley Process Certification Scheme in 2015.

Competent Person's Statement

Information included in this announcement that relates to previously released exploration data disclosed under JORC Code 2012. The information has not materially changed since it was last reported and is based on and fairly represents information and supporting documentation prepared and compiled by Albert Thamm MSc FAusIMM (CP), who is a Corporate Member of the Australasian Institute of Mining and Metallurgy. Mr Thamm is a Director of Lucapa Diamond Company Limited. Mr Thamm 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 Thamm and consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

Forward-Looking Statements

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

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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, Lucapa Diamond Company Limited does not undertake any obligation to update or revise any information or any of the forward-looking statements in this document or any changes in events, conditions or circumstances on which any such forward-looking statement is based.

Appendix 1

Drillhole Locations

Hole_Id	Sample_Id	Type	Indicator sample	Kimberlite	Dip (°)	X (m)	Y (m)	RL (m)	Max Depth (m)
CDH_11	MM05	Core	YES	E19	-90	269,471	8,935,925	990	63
CDH_12		Core	NO	E46	-90	268,947	8,934,220	997	33
CDH_13	MM06	Core	YES	E83/84	-90	278,655	8,928,960	1066	63
CDH_14		Core	NO	E83/84	-90	278,660	8,929,059	1075	54
CDH_15		Core	NO	E83/84	-90	278,684	8,928,824	1067	23
CDH_16		Core	NO	E83/84	-90	278,613	8,928,968	1073	21
CDH_17		Core	NO	E251	-90	260,099	8,944,310	996	51
CDH_18		Core	NO	E251	-90	260,154	8,944,352	1011	45
CDH_19		Core	NO	E251	-90	260,485	8,944,356	1003	57
CDH_20		Core	NO	E251	-90	260,366	8,944,160	1007	57
CDH_21	MM07	Core	YES	E251	-90	261,106	8,943,408	1035	110
CDH_22		Core	NO	E251	-90	261,062	8,942,924	1043	117
CDH_23		Core	NO	E251	-90	260,864	8,943,776	1036	51
CDH_26		Core	NO	E251	-90	260,415	8,942,954	1048	63
CDH_28		Core	NO	E251	-90	261,000	8,942,590	1028	65
CDH_30		Core	NO	E251	-90	260,605	8,942,588	1044	75
CDH_33		Core	NO	E251	-90	260,800	8,942,600	1037	75
CDH_34	MM08	Core	YES	E251	-90	261,000	8,942,800	1035	159
CDH_36		Core	NO	E2	-90	257,526	8,940,442	1101	99
CDH_37	MM09	Core	YES	220	-90	258,760	8,943,760	1036	135
CDH_01	MM01/02	Core	YES	E12	-90	265,644	8,943,956	995	100
CDH_02		Core	NO	E222	-90	263,688	8,942,845	995	75
CDH_03	MM10	Core	YES	E222	-90	263,355	8,943,129	994	50.3
CDH_04		Core	NO	E222	-90	263,399	8,943,063	992	51
CDH_05		Core	NO	E251	-90	260,659	8,943,094	1055	53
CDH_06		Core	NO	E2	-90	257,526	8,940,449	1092	51
CDH_07		Core	NO	E220	-90	258,796	8,943,754	1022	57
CDH_08	MM03/04	Core	YES	E18	-90	269,168	8,936,638	1052	63.2
CDH_09	MM05	Core	YES	E19	-90	269,446	8,936,016	1010	45
CDH_10	MM05	Core	YES	E19	-90	269,465	8,936,058	1018	57

Sample Pit Locations

Anomaly_Name	Sample_Id	Type	X (m)	Y (m)
e165	e165	Surface pit	284,216	8,924,745
e167	e167	Surface pit	288,782	8,927,854
e169	e169	Surface pit	289,327	8,924,887
e171	e171	Surface pit	287,967	8,923,502

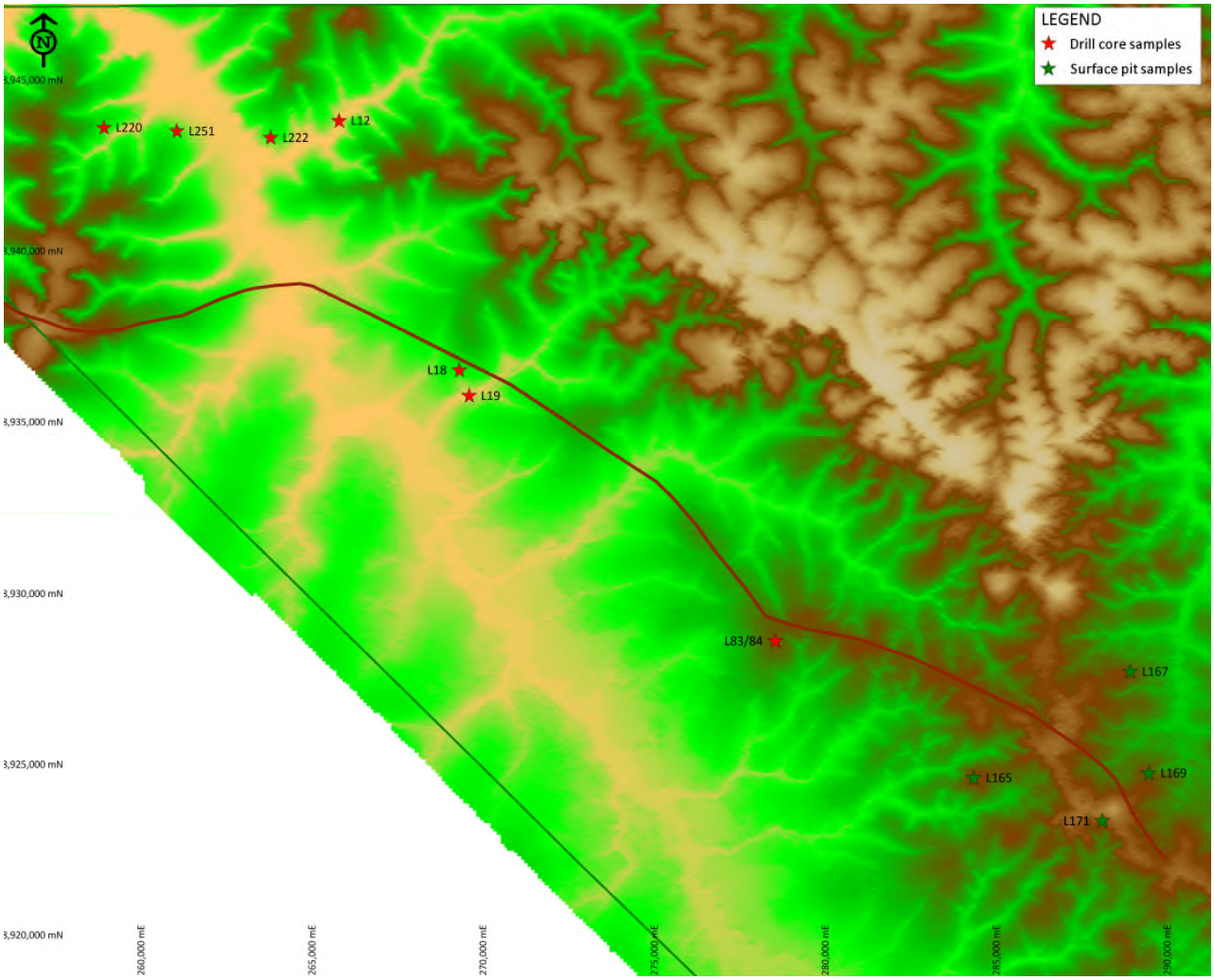


Figure 2: Locations of core from previous drilling program and surface samples sent for mineral chemistry analysis

Appendix 2

Reporting of diamond exploration results and resources 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.*	• Results from indicator mineral chemistry are reported. Of these hartzburgitic garnets (G10D) and ecolgitic garnets (G3D) or ecolgitic websteritic or pyroxenitic garnet (G4D) have association with diamond source regions. • Ilmentite, chromite and cr-diopside chemistry can further inform diamond association, if present. All these results are largely qualitative. • In summary, the composition of certain minerals, i.e. chromite, ilmenite, garnet and clinopyroxe can be used by proxy to determine whether kimberlites originated or passed through diamond bearing and stable source regions. • Diamonds occur in very low concentrations in most lithologies. They also occur as discrete crystal particles and these must be physically separated and recovered to determine grade. Individual diamonds are unique and their value depends on factors including size, shape, colour and clarity. Large samples (tens to hundreds of tonnes) are required to identify the presence of commercial diamonds. Samples in the order of tens of or hundreds of thousands of tonnes are required to establish reliable grade and value for diamond deposits. Samples in the 1-100kg range are used for indicator work. • Ten samples from ten different drill core and four samples from four separate test pits above four kimberlites where sampled. • The kimberlite mineralogy tested from core were from kimberlites E12, E18, E19, E83/4, E220, E222, E251 (ten samples) • The kimberlite mineralogy tested from pits were E165, E167, E169, E171 (four samples) • Samples where processed by Mineral Services, Cape Town for heavy mineral (indicator) recovery, Samples were crushed to recover minerals in the 0.3-2.36mm size fraction, then wet screened for +0.3mm and passed through tetrabromoethane at SG of 2.85g/cm^3 SG. • Resulting concentrate was then screened sized and riffle split and kimberlite indicator minerals stripped and picked out.
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.).*	• No new drilling is reported in this document. • Thirty seven drill cores (core, PQ/NQ) had been previously drilled to identify kimberlites, kimberlite facies and erosion levels. Of these 16 had core preserved. Core data is as per Appendix 1.

Criteria	JORC Code Explanation	Lucapa Commentary
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.*	• No new drilling is reported in this document • Whole core was used to generate samples in the 10-15kg weight range. • Indicator sampling does not directly relate to grade, but can assist in determining diamond potential. • The samples are representative of certain kimberlite facies as drilled.
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 logged. • Drill core of this type is not suitable for direct mineral resource estimation. • Logging is quantitative in nature. Of the drilling 259m was selected for analysis and four additional pit samples selected.
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.*	• After crushing, screening and picking of kimberlite indictors, representative sets of each mineral species (2,732 grains) were mounted onto epoxy disks for quantitative major element analysis by SEM-EDS (scanning electron microscope, energy dispersive). • For non-core, all samples were selected. • The indicator selection technique is industry standard. • All kimberlite indictors are picked by professional mineral pickers. • All in situ material, as selected, was processed. • Sample sizes are appropriate for the grain size of the indicators selected.
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.*	• This method of mineral analysis, while propriety to Mineral Services, Cape Town (Mantle Mapper™) is similar to methods used elsewhere (see References below). • A Zeiss EVO®MA15 Scanning electron microscope at the University of Stellenbosch, South Africa was used. Polished samples were coated with 15 micro metres of carbon, prior to analysis. Mineral compositions were quantified by EDS using an Oxford Instruments ® X-max 20mm2 detector and Oxford INCA software. The beams were 20KV with a working distance of 8.5mm and current of -20nA. Counting time was 10 seconds, live. • A total of 310 QA/QC grains were inserted into the mineral sequences for quality control purposes. • Na and Mn concentrations in garnet were measured by WDS (wavelength dispersive spectrometry) using an Oxford Instruments ® WDS and Oxford INCA software.

Criteria	JORC Code Explanation	Lucapa Commentary
		• Mineral standards were provided by Mineral Services, acquired originally from the Smithsonian Institution, USA. Counting time for Na was 60 seconds on peak and 30 seconds on background. Counting time for MN was 20 seconds on peal and 10 seconds on back ground.
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.*	• Significant intersections were selected by the independent consultants. • No twinned holes where used. • Primary data and data entry is stored on site by JV personnel. • Individual analyses (18 in total) with low element totals likely reflect the presence of ferric iron or elements not analysed for. These analyses were not used.
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.*	• Drill sites were located using a hand held GPS with a nominal accuracy of about 5m. • The grid system used is WGS84 Zone 34L • Topographic control uses Digital Terrain Models collected during aeromagnetic surveys. In pit measurements are recorded with tape measures.
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.*	• Sample compositing has been applied. • The data generated is not used for Mineral Resource Estimation. • The drill core samples are composited. • Ten samples (MM01 to MM10) were collected from drill core as composites of a large number of smaller aliquots distributed evenly down hole to fully represent the intercept of the rock type being sampled. • Intercepts of specific rock types were selected to provide the best possible spatial coverage of the rock type targeted. Evenly spaced aliquots of consistent size were collected from the targeted intervals to generate representative final sample masses of approximately 15 kg. All samples were collected to be entirely representative of the lithologies (including country rock dilution) being sampled. • Four samples (e165, e167, e169 and e171) were collected from surface pits. A similar compositing approach was adopted for collection of these samples which were collected as composites of a large number of smaller aliquots distributed spatially to fully represent each of the pit sample locations and to obtain final masses of approximately 15 kg per sample.
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*	• The samples are considered spot samples within a kimberlitic body. • Insufficient data exists to determine whether sample bias is present but given the nature of the body, bias is considered unlikely.

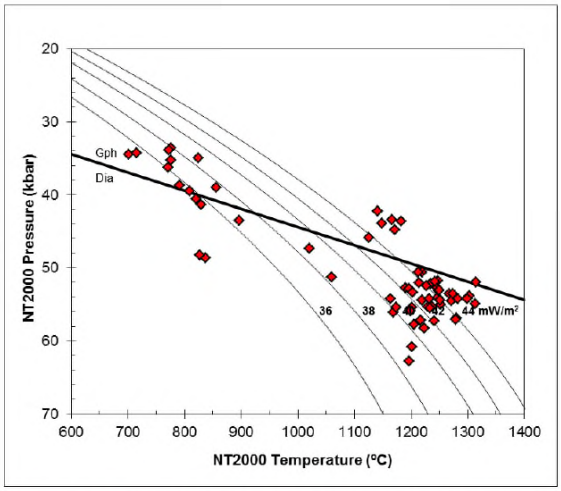
Criteria	JORC Code Explanation	Lucapa Commentary
	mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	
Sample security	• *The measures taken to ensure sample security.*	• Security of processing and diamond recovery is monitored by JV 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. • The CP has audited the QA/QC analysis.

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 1994 legislation covering the Angolan diamond industry stipulates that only ENDIAMA (Empresa Nacional de Diamantes de Angola, the State Diamond Company) or joint ventures with ENDIAMA, can hold diamond mining rights awarded by the State Council of Ministers. • Under the terms of the Lulo Joint Venture Association Agreements, separate titles are granted for alluvial and kimberlite 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 exercise of prospecting, evaluation and mining of secondary (alluvial) diamond deposits. These rights were granted for a maximum period of five years. Should the Joint Venture wish to extend the agreement beyond five years, then 50% of the Concession would be relinquished. The equity distribution is: ENDIAMA 32%, Lucapa Diamond Company Ltd 40%, Rosas e Petalas S.A. 28%. • In May 2014, the authorization for the kimberlite exploration and mining was gazetted. The equity distribution is: ENDIAMA 51%, Lucapa Diamond Company Ltd 39%*, Rosas e Petalas S.A. 19% (*This interest will be reduced to 30% after recoupment of the investment.). • The Joint Ventures Alluvial Exploration Licence was extended for two years to 25 May 2016. The application to extend the Kimberlite Licence for two years until 25 May 2016 was also granted to the concession by the Angolan Ministry of Mines. • A new Alluvial Mining Licence was signed on July 2015 creating "Sociedade Mineira Do Lulo, LDA.", an Angolan incorporated company with which Lucapa Diamond Company Ltd has a 40% beneficial interest.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Nare Diamonds completed helicopter borne magnetic surveys at 100m line spacing and 20m terrain clearance • Lonrho Mining Limited conducted fixed wing magnetic horizontal and radiometric surveys at initial 150m line spacing and 60m terrain clearance with infill at 100m line spacing. • In 2013 Fugro Airborne Surveys merged all data • MSA Group South Africa conducted 5 initial mineralogy reports on 158 anomaly samples. One diamond and one G10 garnet were reported from these, as well as G3 and G4 garnet sub-types, now re-classified.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Karoo-age (at a minimum) graben structures are filled with thick, mostly fine-grained siltstones and shales with several interbedded conglomerate (rounded quartz clasts) units in a terrestrial fluvial system. Triassic graben – horsts were later re-activated / exploited in

Criteria	JORC Code Explanation	Lucapa Commentary
		the Early Cretaceous during the main period of kimberlite emplacement. Different levels of erosion indicate at least two main and separate periods of kimberlite emplacement and different ages of emplacement are supported by earlier kimberlite autoliths seen in core in VK and RVK facies.
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 new drilling is reported in this document • A total of 2,352m of core drilling and 1,372m of RC drilling had been previously undertaken to confirm geophysical anomalies and determine levels of erosion and kimberlite facies present. • Collars are re-stated above.
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.*	• 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

Criteria	JORC Code Explanation	Lucapa Commentary
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
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').*	• Not applicable assay length concepts. • Drillholes are drilled vertically.
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 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 as 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.*	• Limited geothermal modelling shows possible similar trends to the nearby Catoca Kimberlite (See References).

Criteria	JORC Code Explanation	Lucapa Commentary
		 · Pressure-temperature values calculated for Cr-diopside grains based on clinopyroxene thermobaron (Nimis and Taylor, 2000). Only results that satisfy the required compositional filtering criteria are shown (n = Model conductive geotherms derived for surface heat flow values ranging from 36 to 44 mW/m^2 (Pollack Chapman, 1977) are shown for reference.
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 exploration work from the L13, L15, L259 and L46 kimberlites is ongoing and results will be reported on completion.

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Grutter, H S, Gurney, J G, Menzies A H, Winter, F (2004). An updated classification scheme for mantle derived garnet, for use by diamond explorers. Lithos 77, p.841-857.

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