



LULO KIMBERLITE EXPLORATION UPDATE

KEY POINTS

- **New Hanjin D&B drilling rig fully commissioned and now operational**
- **Rosanstroi drilling crew recommenced kimberlite drilling following scheduled break**
- **Three rigs will now be drilling kimberlite throughout the June 2017 Quarter as the Angolan wet season finishes**
- **Helicopter-borne Time Domain Electromagnetic (“TDEM”) survey 80% complete aiming to identify other non-magnetic targets and improve definition of known kimberlite targets**
- **First coarse kimberlite drill core samples to be sent for laboratory analysis**

Lucapa Diamond Company Limited (ASX: **LOM**) (“Lucapa” or “the Company”) and its partners Empresa Nacional de Diamantes E.P. (“Endiama”) and Rosas & Petalas are pleased to provide an update on the kimberlite exploration program at the Lulo Diamond Project in Angola.

The new high-capability Hanjin D&B drilling rig has been fully commissioned at Lulo and will now commence drilling priority targets as part of the kimberlite exploration program.



New Hanjin D&B drilling rig in operation at Lulo

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The kimberlite exploration program aims to identify the kimberlite source or sources of the exceptional high-value alluvial diamonds being recovered through mining at Lulo, which achieved the highest average per carat price of any run of mine diamond production in the world in 2016. The Lulo diamonds include Type IIa D-colour gems weighing up to 404 carats.

Drilling is focused on the priority targets in the vicinity of the alluvial mining blocks that have produced consistent large alluvial diamonds and where there is other strong supporting geological evidence.

In addition to the new track-mounted Hanjin D&B drilling rig, the contracted Rosanstroi drill crew have recommenced drilling accessible priority kimberlite targets at Lulo after a scheduled break, during which a contract extension was finalised.

The Sedidrill rig is the third rig being utilised in the Lulo kimberlite drilling program. This rig is also being assigned to the alluvial mining and resource program.



The helicopter-borne TDEM survey over the Caculo River valley block at Lulo is about 80% complete

Kimberlite drilling during the June 2017 Quarter will also be guided by the helicopter-borne TDEM survey, which has also been flown as weather conditions permit during the Angolan wet season.

This TDEM survey is now ~80% complete. Once completed, the analysis and interpretation of the data from the TDEM survey is expected a few weeks thereafter. This data will identify any other non-magnetic anomalies or targets and improve the definition of known priority kimberlite targets in the Caculo River valley block.

The TDEM survey data will also help Lucapa and its partners map the alluvial deposits along the Caculo River for the Lulo alluvial mining and exploration program.

As previously advised, kimberlite drilling during the Angolan wet season has been impacted by rain and lightning and limited to areas where access has been available and ground conditions permit.

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The Angolan wet season usually finishes in the month of April, whereafter Lulo and its partners will be able to fully deploy the three drill rigs to step up the program.

The first batch of coarse kimberlite drill core samples will soon be dispatched for laboratory analysis in Cape Town, South Africa. Further core samples will be dispatched throughout the June 2017 Quarter as drilling is stepped up.

Another Large Premium-Value Diamond Recovered From New Mining Block 28

Lucapa and its partners are also pleased to announce the recovery of another premium-value 92 carat diamond from new Mining Block 28 at Lulo.

The 92 carat diamond follows the recent recovery of a 227 carat gem – sold last month - from the same mining block (See ASX announcement 13 February 2017), which is proving to be another new exciting resource area.

The 92 carat diamond has been recorded as a D-colour Type I diamond on the Yehuda colorimeter.



Premium-value 92 carat diamond from new Mining Block 28

The recovery of the 92 carat stone marked another production milestone for Lucapa and its partners, with the total weight of all Special diamonds (individual stones weighing more than 10.8 carats) recovered from mining operations at Lulo now exceeding 10,000 carats.

For and on behalf of the Lucapa Board.

STEPHEN WETHERALL
MANAGING DIRECTOR

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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 consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

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