



68.1 CARAT GEM QUALITY DIAMOND RECOVERED FROM TRIAL MINING IN NEW AREA AT LULO

- *Latest large special diamond recoveries at E46 are ~10km from the mining area which produced gems of up to 404 carats, providing further evidence that Lulo is in the heart of a large diamond province*

Key Points

- **68.1 carat Type IIA D-colour gem among eight special diamonds recovered from recent trial mining of E46 alluvial terraces at Lulo**
- **Lucapa and its partners have now identified four areas spanning ~20km known to produce large valuable alluvial diamonds – Mining Blocks 6, 8 and 31 and E46 alluvial terraces**
- **E46 is ~10km upstream from alluvial Mining Blocks 8 and 6, which have produced special diamonds regularly including the biggest diamond ever recorded in Angola (404 carats)**
- **The latest E46 special recoveries in the middle of the Lulo mining licence increase management's confidence that the large valuable diamonds should continue to be recovered along the 51km stretch of the Caculo River**



68.1 carat Type IIA D-colour gem recovered from the E46 alluvial terraces at Lulo

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Lucapa Diamond Company Limited (ASX: **LOM**) (“Lucapa” or “the Company”) and its partners are pleased to announce the recovery of eight special diamonds (individual diamonds weighing more than 10.8 carats) from trial mining of gravels from the E46 alluvial terraces at the Lulo Diamond Project in Angola (Figure 1).

The diamonds recovered from E46 include a 68.1 carat Type IIA D-colour gem. Other large stones recovered from E46 include a mixture of gem and boart diamonds weighing 30.5 carats, 25.3 carats, 14.8 carats, 13.8 carats, 12.9 carats, 12.3 carats and 11.5 carats.

The recovery of these large special diamonds from the E46 alluvial terraces is significant considering the largest individual diamond recovered from the initial exploration bulk sampling phase conducted in this area in 2013 weighed just 6.9 carats (See ASX announcement 31 October 2013).

E46 is located ~10km upstream of alluvial Mining Blocks 6 and 8, which have been the source of frequent special diamond recoveries of up to 404 carats (Figure 1).

E46 is now the fourth area along a ~20km stretch of the Caculo River terraces to have produced special, gem-quality diamonds, providing further evidence that Lulo is in the heart of a large diamond province (Figure 1).

The Lulo mining licence covers ~51km of the Caculo River and Lucapa and its partners have not yet conducted any alluvial exploration or mining activities upstream (south) of E46.

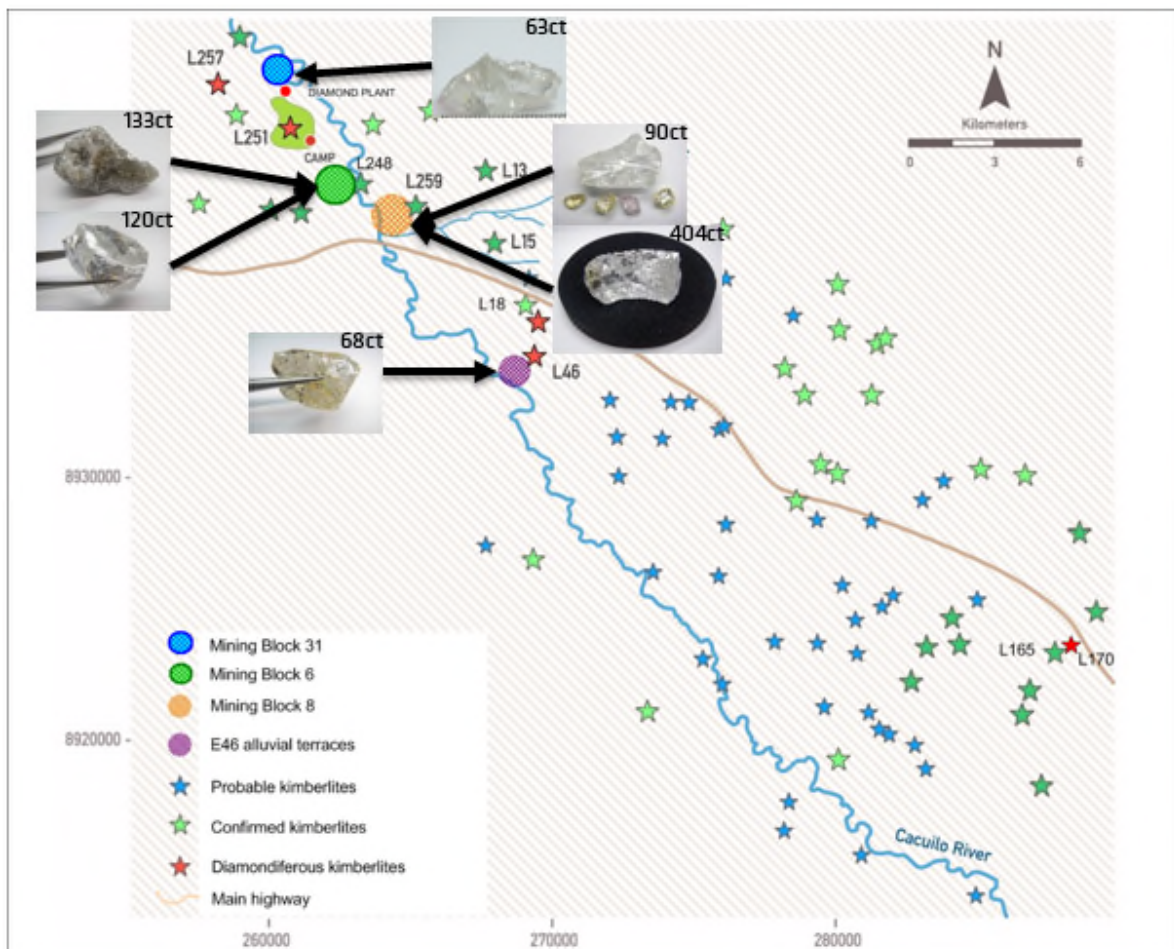


Figure 1: Location of E46 area showing the known ~20km extent of large special alluvial diamond recoveries between Mining Block 31 and E46 alluvial terraces

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E46 is also adjacent to the known diamond-bearing kimberlites L46 and L19 (Figure 1). Lucapa recovered two Type I kimberlite diamonds weighing 1.24 carats in 2015 from preliminary bulk sampling of L46 (See ASX announcement 16 October 2015) (Figure 2).



Figure 2: 0.78 carat kimberlite diamond (left) and 0.46 carat kimberlite diamond (right) from L46

The E46 area has been a recent focus of Lucapa's alluvial mining activities while access to Mining Blocks 8 and 6 have been restricted due to heavy rains during the Angolan wet season. As referred to in the ASX announcement of 3 March 2016, the wet season generally finishes in April, after which diamond production from Mining Blocks 8 and 6 is scheduled to be scaled back up to the rate of 20,000 bulk cubic metres per month as ground conditions permit.



Loading of alluvial gravels from E46 stock-pile area

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Lucapa Chief Executive Stephen Wetherall said the Company was encouraged that E46 had been proven to be yet another source of large special diamonds at Lulo.

“The potential of the E46 alluvial terraces was highlighted in the initial bulk sampling and maiden JORC diamond resource published in December 2015. These recent larger special recoveries from trial mining and resource extension work further support that potential,” said Mr Wetherall.

“Our immediate kimberlite focus is to commence drilling at the high priority targets defined by our systematic geophysical programs over the L259 target and surrounding areas to locate the primary source, or sources, of the exceptional alluvial diamonds being recovered from Mining Blocks 8 and 6.”

“We look forward to the commencement of this exciting kimberlite drilling program in April and to our ongoing alluvial diamond operations in Mining Blocks 8 and 6 throughout 2016.”

Additional information related to trial mining at E46 will be released when the current campaign is concluded.

For and on behalf of the Lucapa Board.

STEPHEN WETHERALL
CHIEF EXECUTIVE OFFICER

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Competent Person's Statement

The overall exploration information reported is based on and fairly represents information and supporting documentation prepared and compiled by Albert Thamm M.Sc. F.Aus.IMM (CP Management), who is a Corporate Member of the Australasian Institute of Mining and Metallurgy. Mr. Thamm is a Director and shareholder 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.

No New Information

To the extent that this announcement contains references to prior exploration results and Mineral Resource estimates, which have been previous market announcements made by the Company, unless explicitly stated, no new information is contained. Other than the gravity and EM results, no other new information is stated. The Company confirms that it is not aware of any new information or data that materially affects the information included in the prior relevant market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

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