



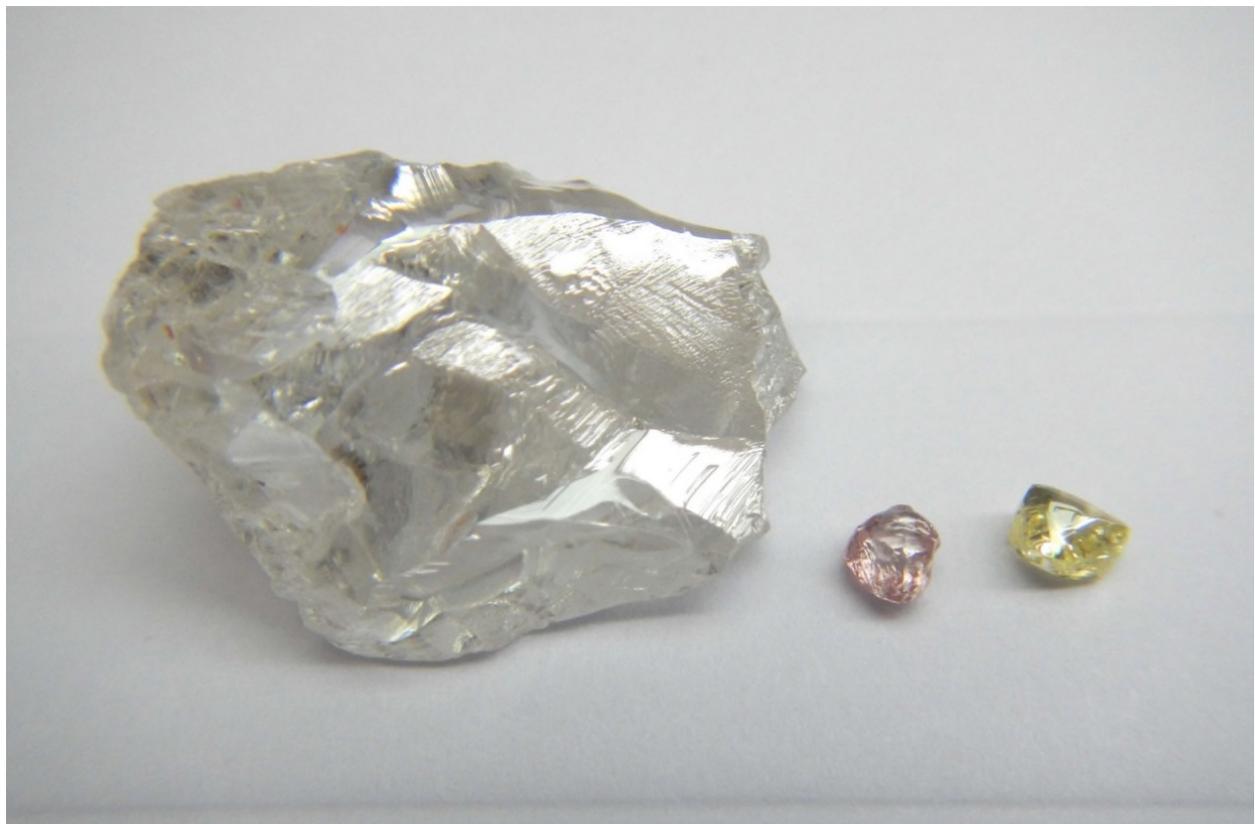
LULO DIAMOND MINING COMPANY INCORPORATED

- *Key approvals also secured for three-year kimberlite licence application and kimberlite drilling program*

Lucapa Diamond Company Limited (ASX: **LOM**) (“Lucapa” or “the Company”), Endiama E.P (“Endiama”), Angola’s national diamond company and private partner Rosas & Petalas (“Rosas”) are pleased to announce the execution of documents to incorporate Sociedade Mineira do Lulo, Limitada (“SML”), the new alluvial mining company for the Lulo Diamond Project in Angola.

Lucapa is a 40% shareholder in SML and operator of the Lulo alluvial diamond mining operations. Endiama holds a 32% interest and Rosas 28%. SML will now hold the Lulo alluvial diamond mining licence, which was gazetted in July 2015.

Following the formal execution of the SML incorporation documents, Lucapa has immediately committed to a US\$7 million capital development and upgrade program at Lulo, which includes new Caterpillar earth moving equipment, vehicles for both the alluvial diamond mining and kimberlite exploration programs and camp upgrades.



Recent diamond recoveries from Lulo: 31 carat Type IIa D-colour and fancy pink and yellow diamond

For personal use only

Kimberlite Drilling Update

Lucapa is also pleased to announce the application for expatriate work permits for several senior operational roles at Lulo, including specialist drillers for the upcoming kimberlite drilling program, has received preliminary approval.

As a result, Lucapa expects the kimberlite drilling program to commence at Lulo on the high-priority L259 kimberlite target later in the June 2016 Quarter.

While Lucapa had hoped to be in a position to commence this drilling program in April 2016 following the arrival on site of a Landcruiser-mounted drill rig, the Company is pleased that the work permits for the specialist drilling crew have now enabled planning to be advanced.

Kimberlite Exploration Licence

Lucapa and its partners have, at the last Lulo board meeting, formally signed-off on a new three-year kimberlite exploration program at Lulo, which will now be submitted this week to the Angolan Ministry of Geology and Mines.

Lucapa and its partners will continue to advance the Lulo kimberlite exploration program during the application period, as allowed, and will advise shareholders as soon as this process is completed.

For and on behalf of the Lucapa Board.

**STEPHEN WETHERALL
CHIEF EXECUTIVE OFFICER**

For personal use only

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) the risk of adverse or unanticipated market, financial 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 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.