



## **LULO REPATRIATION UPDATE**

*- Repatriation of A\$3.2 million from Lulo diamond mine in Angola boosts Lucapa's cash reserves, with further A\$2.1 million being processed*

Lucapa Diamond Company Limited (ASX: **LOM**) ("Lucapa" or "the Company") is pleased to provide an update on the repatriation of funds from the Lulo diamond project in Angola.

As announced to the ASX on 8 March 2017, the strong cash flows generated from the Lulo alluvial diamond mining operations enabled US\$8 million to be paid to the Lulo partners – Lucapa, Nacional de Diamantes E.P. ("Endiama") and Rosas & Petalas. This comprised a US\$4 million (A\$5.3 million) capital loan repayment to Lucapa and a US\$4 million pro-rata distribution to the Lulo partners.

Lucapa's gross entitlement totalled US\$5.6 million (A\$7.3 million) – comprising the US\$4 million (A\$5.3 million) capital loan repayment and a US\$1.6 million (A\$2.1 million) pro-rata (40%) share of the US\$4 million distribution.

As previously advised, Lucapa applied to repatriate the US\$4 million capital loan repayment, while utilising the Company's US\$1.6 million share of the distribution to remain in Angola and fund the ongoing Lulo kimberlite exploration program.

Lucapa is pleased to advise that it has received the first A\$3.2 million of the capital loan repayment in its Australian bank account, with the balance of A\$2.1 million currently being processed.



227 carat Type IIa D-colour Lulo diamond

Lulo generates strong cash flows from the production and sale of large and high-value diamonds – a sector of the global market where pricing remains robust. In 2016, Lulo achieved the highest average price per carat production in the world of US\$2,983.

As previously advised, Lulo's strong cash generation enhances the prospect of further capital loan repayments to Lucapa.

Lucapa is entitled to an effective share of 70% of future Lulo cash declared (in capital loan repayments and distributions) until such time as the funds Lucapa has advanced over the past eight years to explore and develop the Lulo alluvial mining operations are repaid.

The amount due to Lucapa on the alluvial loan after the latest US\$4 million payment stands at gross US\$35.6 million (A\$47.5 million).

Lucapa and its partners continue to recover large diamonds from the Lulo alluvial mining operations in its mining blocks. Mining operations are shortly set to return to the high-value Mining Block 8, which has been a prolific source of large and premium-value diamonds including the 404 carat 4<sup>th</sup> February Stone – Angola's biggest recorded diamond – recovered and sold in 2016 for US\$16 million (A\$22.5 million).

The kimberlite drilling program at Lulo is moving ahead vigorously following the end of the wet season and Lucapa will provide an update soon.

For and on behalf of the Lucapa Board.

**STEPHEN WETHERALL**  
**MANAGING DIRECTOR**

### **About Lucapa**

Lucapa Diamond Company Limited is a growing ASX listed diamond company with a portfolio of high-quality producing, development and exploration assets in Angola, Lesotho, Botswana and Australia. The Company's near-term focus on high-value diamond production is designed to protect cash flows as pricing in this sector of the diamond market remains robust.

Lucapa's flagship asset is the Lulo Diamond Project in Angola, which produced the highest \$ per carat price of any run of mine diamond production in the world in 2016 and continues to produce some of the largest diamonds on record from that region. Lucapa and its Lulo partners are also well-advanced in their search for the primary source of these large and premium-value alluvial diamonds, with three rigs now available to drill priority kimberlite targets.

In keeping with the Company's growth strategy, Lucapa secured a 70% ownership in the advanced, high-quality Mothae kimberlite project in Lesotho, which is located in the heart of the world's highest-price cluster of kimberlite mines.

Lucapa is also progressing two earlier-stage diamond projects – Orapa Area F in Botswana's Orapa diamond field and Brooking in the West Kimberley lamproite province in Western Australia - where it has established a number of targets which will be drilled this year.

Lucapa's Board and management team have extensive diamond industry experience with companies including De Beers, Rio Tinto and Gem Diamonds. The Company was included in the ASX All Ordinaries Index in March 2017.

**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.

**No New Information**

To the extent that announcement contains references to prior exploration results 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 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. 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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