



US\$15M DEBT FINANCING FOR DEVELOPMENT OF MOTHAE

Highlights

- **US\$15m debt financing secured to bring Mothae kimberlite diamond project into production in 2018**
- **Mothae development optimised to increase diamond production and accelerate cash flows**

Lucapa Diamond Company Limited (ASX: **LOM**) (“Lucapa” or “the Company”) is pleased to announce the Company has secured a US\$15 million (A\$19 million) financing facility to develop Phase 1 of the high-value Mothae kimberlite diamond project in Lesotho, southern Africa (“Mothae”).

The secured US\$15 million three-year debt facility has been arranged with private Singaporean company Equigold Pte Ltd (“Equigold”). It is repayable in eight quarterly payments commencing December 2018, by when Lucapa expects Mothae to be in steady state production under its Phase 1 development plan. The Equigold facility carries an annual interest rate of 13% and other fees customary to a facility of this nature.

The facility includes a provision for Equigold, at their election, to convert the last two scheduled quarterly payments (totalling US\$3.75 million) into ordinary shares in Lucapa at the lowest one-day VWAP in the 15 days preceding the conversion request.

Lucapa Managing Director Stephen Wetherall said *“the US\$15 million financing facility enables Lucapa to meet one of its key strategic objectives of growing diamond production in the large and premium-value sector – a segment of the global market where sales and pricing has remained robust.”*

“This facility is a significant result for Lucapa and its shareholders. It ensures that the Company, together with the Government of Lesotho, will bring Mothae on stream in 2018, adding a second cash producing asset and high-value producing mine to the group that will complement the top-quality diamond production from Lulo.”



As announced to the ASX on 31 January 2017, Lucapa secured its 70% stake in the advanced Mothae kimberlite project in an international tender run by the Government of the Kingdom of Lesotho (“GoL”). The GoL remains a 30% partner. Mothae is located within 5km of the Letšeng mine, which produces the highest average \$ per carat kimberlite diamond production in the world.

The advanced nature of the Mothae kimberlite project - which has historical expenditure of US\$36 million and recovered more than 23,000 carats of diamonds during an extensive trial mining phase - has enabled Lucapa to fast-track its development under a staged, low-risk plan.

Lucapa’s recent work streams at Mothae included optimising Phase 1 to further enhance the economics of the project by increasing diamond production and bringing forward cash flows in what was an already robust project. The optimisation results are expected to be announced to the ASX soon.

For and on behalf of the Lucapa Board.

STEPHEN WETHERALL
MANAGING DIRECTOR

ABOUT LUCAPA

Lucapa Diamond Company Limited is a growing diamond company with a portfolio of high-quality production, development and exploration assets in Angola, Lesotho, Botswana and Australia. The Company’s focus on high-value 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 has secured a 70% interest in the advanced, high-quality Mothae kimberlite project in Lesotho, which is located in the heart of the world’s highest-value cluster of kimberlite mines. Lucapa plans to commence production at Mothae in 2018.

Lucapa has also defined drilling targets at 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.

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.

Forward-Looking Statements

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