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## **LULO KIMBERLITE DRILLING UPDATE**

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### **Main Points**

- **Mineral chemistry results from initial seven Lulo kimberlites provide support for further work only at the L14 kimberlite pipe upstream of Mining Block 8**
- **Ongoing Lulo drilling program identifies 5<sup>th</sup> new kimberlite in the river tributaries feeding into the Mining Block 8 area, which remains the focus of ongoing drilling**
- **Consultants currently on site at Lulo selecting the next batch of kimberlite core samples for dispatch to Cape Town for mineral chemistry 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 ongoing kimberlite drilling program at the Lulo Diamond Project in Angola.

The Lulo partners are conducting a systematic drilling program, utilising up to three rigs, to drill kimberlite targets identified near the high-value Lulo alluvial diamond mining operations, where significant quantities of large diamonds have been recovered, and further south (upstream) along the Caculo River (Figure 1). This builds on earlier exploration and bulk sampling work at Lulo in which five kimberlites were confirmed as diamondiferous pipes.

As previously advised, the kimberlite core from this systematic drilling program is being progressively batched for export to Cape Town, South Africa, for mineral chemistry analysis.

These laboratory results will in turn be used to prioritise a much reduced number of likely diamondiferous kimberlites for follow-up test work, including further drilling and bulk sampling to assess diamond content.

### **Initial Mineral Chemistry Results Received**

Further to the ASX announcement of 30 October 2017, the Lulo partners have received the mineral chemistry results from consultants Remote Exploration Services (“RES”) in respect of the first batch of kimberlite samples sent to the laboratory in Cape Town.

These core samples were from seven Lulo kimberlites - L13, L14, L15, L18, L171, L242 and L252. The location of these seven kimberlites is shown in yellow on Figure 1.

In summary, whilst the mineral chemistry results from the initial seven kimberlites suggest derivation of the indicator minerals from the upper mantle, they are largely from shallow depths and high temperatures believed to be from outside the diamond stability field.

Of interest was the recovery of a G4D garnet from the core of kimberlite L14, which was highlighted from the Time Domain Electromagnetic (“TDEM”) survey flown over the Caculo River valley area at Lulo (See ASX announcement 30 May 2017). G4D garnets are associated with eclogitic/websteritic material from within the diamond stability field.

The apparent multi-lobed L14 kimberlite is largely covered by the Caculo River and is located approximately 2km upstream of Mining Block 8, from where the Lulo partners have recovered and sold diamonds worth more than US\$61 million and continue to recover large and premium-value gems (Figure 1).

Lucapa and its partners are planning to do follow-up testing of L14 kimberlite and will incorporate this into the current kimberlite exploration program.

No follow-up work is planned at the other six kimberlites which underwent mineral chemistry analysis.

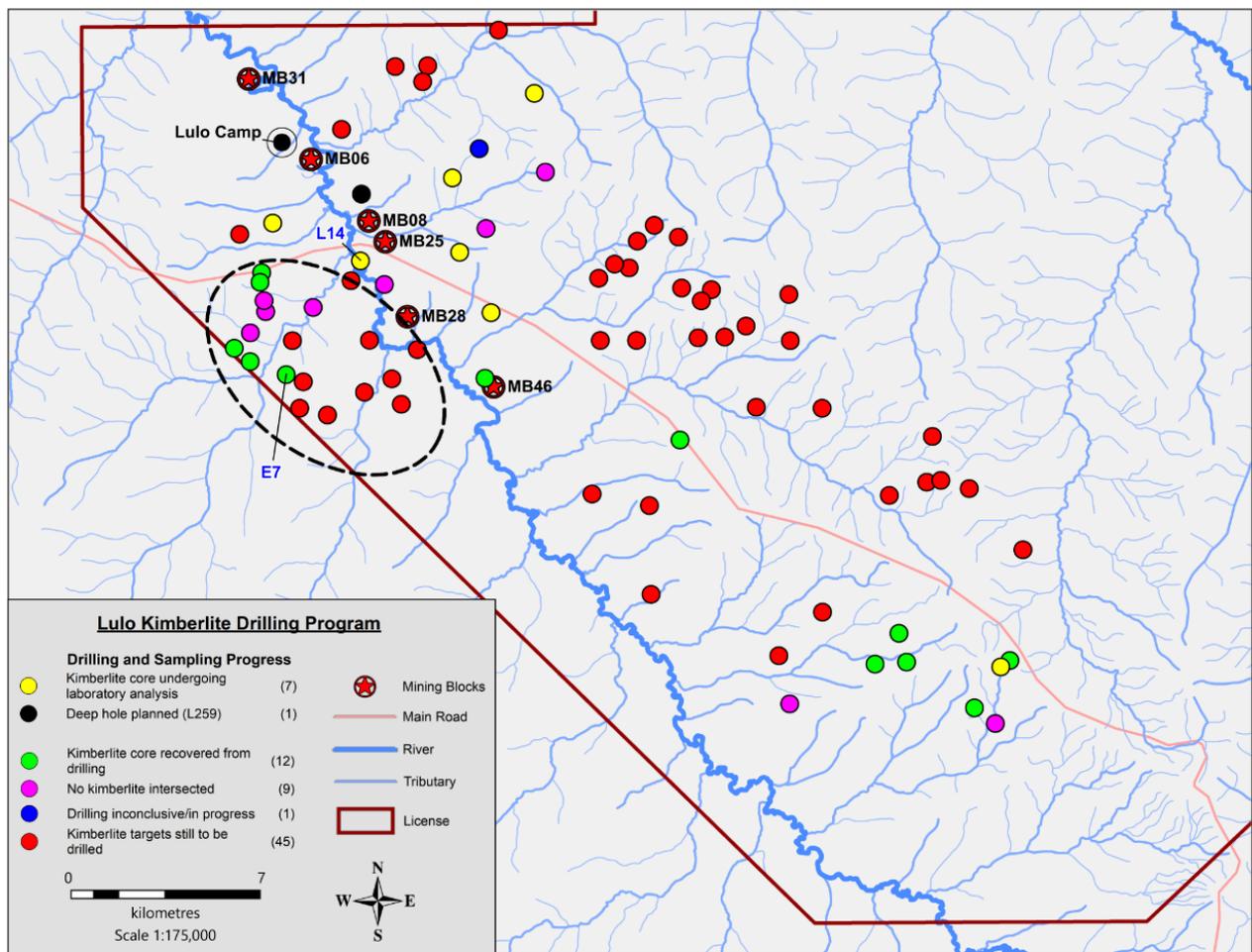


Figure 1: Progress of Lulo kimberlite drilling program, including the five kimberlites identified in the river tributaries feeding into the Mining Block 8 alluvial area and kimberlite L14, from which a G4D garnet was recovered from the mineral chemistry analysis

**Kimberlite Drilling Update**

As set out in the ASX announcement of 30 October 2017, kimberlite core has been extracted from 11 of 21 targets drilled since the first batch of kimberlite core referred to above was sent to Cape Town for mineral chemistry analysis.

These 11 kimberlites included four (E3, E4, E6, and G510) discovered along the tributaries draining from the south-west into, and around, the Mining Block 8 area (Figure 1).

Further to that 30 October 2017 update, ongoing drilling has intersected a fifth kimberlite in this priority area at target E7 (Figure 1). Drilling of the remaining kimberlite targets in this area – highlighted within the dotted oval in Figure 1 – is continuing.



Core from the L14 kimberlite, from which a G4D garnet was recovered from mineral chemistry analysis

### **Next Batch of Core Samples Currently Being Selected**

RES are currently on site at Lulo selecting the next batch of kimberlite core samples for dispatch to the Cape Town laboratory. This core will be selected from the 12 kimberlites drilled since the initial batch of core was sent for laboratory analysis, including the five kimberlites mentioned above in the river tributaries feeding into Mining Block 8.

As previously advised, the Lulo partners are working to reduce the laboratory turnaround times and assessing additional techniques to speed up the kimberlite testing program.

Lucapa presents the following Frequently Asked Questions table below to assist investor understanding of the Lulo kimberlite exploration program and its objectives.

For and on behalf of the Lucapa Board.

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

## Lulo Kimberlite Exploration Program - Frequently Asked Questions

**How many kimberlite targets are being drilled in the current program?** Approximately 70. These are shown on the Figure 1 map.

**How were these drilling targets selected?** From a combination of (i) proximity to the alluvial diamond areas containing large diamonds (ii) previous airborne magnetic surveys and (iii) the results of the Time Domain Electromagnetic survey flown over the Caculo River valley area (Refer ASX announcement 24 July 2017).

**How many drill rigs are involved in the drilling program?** 3, two dedicated coring rigs and a multipurpose coring/auger rig which is also being used in mapping the gravel bearing seams for the Lulo alluvial exploration and mining programs.

**How many of the ~70 targets have been drilled to date?** 29

**How many have intersected kimberlite?** 19

**Will drilling continue throughout the Angolan wet season?** Yes, in areas where access is available or can be developed.

**Where is the kimberlite core sent to for picking and mineral chemistry analysis?** RES laboratories and microprobing at the University of Stellenbosch in Cape Town, South Africa.

**What does the mineral chemistry analysis process involve?** The crushing and screening of drill core samples to extract kimberlitic indicator minerals (garnet, ilmenite, chrome spinel, chrome diopside, zircon etc), which are then prepared for analysis with an electron microprobe. Refer JORC Appendix 1 for more detail.

**What do the mineral chemistry results mean?** Major and trace element mineral chemistry of kimberlitic indicator minerals (in particular, pyrope and eclogitic garnets, ilmenite, chrome spinel and chrome diopside) provide indirect evidence for the potential occurrence of diamonds, and is useful in (early stage) diamond exploration for ranking exploration targets in terms of their diamond-bearing potential.

This process is one of the techniques used to determine which of the kimberlites are most likely to be diamond bearing (diamondiferous) and thus a potential source of the exceptional Lulo alluvial diamonds.

**What happens after that?** The Lulo kimberlite pipes considered most likely to be diamondiferous will undergo further geological testing including delineation drilling, micro diamond analysis and/or bulk sampling.

**How many of the ~70 Lulo kimberlite targets being drilled would Lucapa expect to be prioritised for further geological testing after mineral chemistry?** Less than 10%

**How is Lucapa funding the kimberlite exploration program?** Primarily from its share of distributions from the Lulo alluvial mining company "Sociedade Mineira Do Lulo".

**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 H2 2018.

Lucapa has also defined drilling targets at two earlier-stage diamond projects – Brooking in the West Kimberley lamproite province in Western Australia and Orapa Area F in Botswana's Orapa diamond field.

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 exploration results and resource estimates 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.

**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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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.

## Appendix 1

**Reporting of kimberlite exploration results for the Lulo Project  
- JORC Code (2012) requirements -  
Sampling Techniques and Data**

Criteria	JORC Code Explanation	Lucapa Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>• <i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.) These examples should not be taken as limiting the broad meaning of sampling.</i></li> <li>• <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> <li>• <i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Drilling was undertaken using a combination of a Sedidril conventional core drill rig owned by the company and a contract wireline rig provided by Rosanstroj and a Hanjin wireline coring rig owned and operated by the company.</li> <li>• The Sedidril, drills a 76mm diameter hole recovering 61.7mm core.</li> <li>• The Rosanstroj rig has drilled both PQ and 112mm hole/96mm core diameters.</li> <li>• The Hanjin rig drills HQ diameter core.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>• <i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i></li> </ul>	<ul style="list-style-type: none"> <li>• The drilling to date has consisted of diamond core drilling.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li>• <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li>• <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Core is recovered from the core barrel and stored in core boxes, before being transported by light vehicle to the core shed, where it is visually logged.</li> <li>• Core recovery is generally high.</li> </ul>

Criteria	JORC Code Explanation	Lucapa Commentary
<b>Logging</b>	<ul style="list-style-type: none"> <li>• <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></li> <li>• <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i></li> <li>• <i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	<ul style="list-style-type: none"> <li>• All core is visually, semi-quantitatively logged and photographed at the operations core shed.</li> </ul>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i></li> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li>• <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Sections of core were selected for petrographic analysis and indicator mineral recovery to represent the major lithologies present at each body.</li> <li>• Each petrography sample was marked up and submitted to the laboratory for thin section and polished slab production.</li> <li>• Each mineral chemistry sample was a composite of small sections down a hole to fully represent the intercept of the rock being sampled.</li> <li>• The mineral chemistry samples were crushed and screened to -2.36mm - +0.3mm fractions. The material was passed through tetrabromoethane (TBE) to separate heavy mineral concentrates.</li> <li>• The concentrates were split into ~10g splits which were visually picked for kimberlitic indicator minerals (KIM's) to provide unbiased populations of grains for compositional analysis.</li> <li>• Representative sets of each KIM species were selected and mounted into epoxy disks for compositional analysis using a Zeiss EVO® MA15 Scanning Electron Microscope.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li>• <i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></li> <li>• <i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The laboratory procedures are standard for kimberlite exploration purposes.</li> <li>• Mineral standards provided by Mineral Services Laboratories, acquired from The Smithsonian Institution, were used for standardization and verification of the analyses</li> <li>• Apart from Na<sub>2</sub>O concentration in garnet, the mineral compositions were quantified by energy dispersive spectrometry using an Oxford Instruments® X-Max 20mm<sup>2</sup> detector and Oxford INCA software.</li> </ul>

		<p>Beam conditions during the quantitative analyses were 20 KV, with a working distance of 8.5 mm and an approximate beam current of -20 nA. The counting time was 10 seconds live-time. Pure Co was used periodically to correct for detector drift on the ED detector.</p> <ul style="list-style-type: none"> <li>• Na<sub>2</sub>O and MnO concentrations in garnet were measured by wavelength dispersive spectrometry using an Oxford Instruments® Wave Dispersive X-ray Spectrometer.</li> </ul>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No verification of samples or twinning has been undertaken, however QA/QC grains were inserted into the mineral sequences for quality control purposes.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>• <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></li> <li>• <i>Specification of the grid system used.</i></li> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Sample sites were initially located using a hand-held GPS with a nominal accuracy of about 5m. The final location was measured using a Trimble Real-Time differential GPS system.</li> <li>• The grid system is WGS84 Zone 34L.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Drill spacing is variable and dependent on the size of the target being investigated.</li> <li>• Sample compositing of mineral chemistry samples is applied to improve representivity.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The samples are considered spot samples within a kimberlitic body.</li> <li>• Insufficient data exists to determine whether sample bias is present but given the nature of the bodies, bias is considered unlikely.</li> </ul>

<b>Criteria</b>	<b>JORC Code Explanation</b>	<b>Lucapa Commentary</b>
<b>Sample security</b>	<ul style="list-style-type: none"> <li><i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>Security of the drilling and core storage area, processing and diamond recovery is monitored by company and Angolan State Diamond Security personnel.</li> <li>All samples were securely sealed before departure from site, and unsealed on arrival at the laboratory. No evidence of tampering was observed.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li><i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>The sampling techniques are industry standard and no audits or reviews have been undertaken to validate the information presented at this stage.</li> <li>Samples were selected by an independent consultant specialising in kimberlite sampling.</li> </ul>

**Reporting of Exploration Results**

<b>Criteria</b>	<b>JORC Code Explanation</b>	<b>Lucapa Commentary</b>
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li><i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></li> <li><i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></li> </ul>	<ul style="list-style-type: none"> <li>The 1994 legislation covering the Angolan diamond industry stipulates that only Endiama (Empresa Nacional de Diamantes de Angola, the State Diamond Company) or joint ventures with Endiama, can hold diamond mining rights awarded by the Council of Ministers.</li> <li>Under the terms of the Lulo Joint Venture Association Agreements, separate titles are granted for alluvial and kimberlite mining. The exploration for both alluvials and kimberlites on the Lulo Concession is a requirement under the Act.</li> <li>The Angolan Government Gazette, dated 24 December 2007, authorized the formation of a Joint Venture for the purpose of prospecting, evaluation and mining of secondary (alluvial) diamond deposits. These rights were granted for a maximum period of five years. Should the Joint Venture wish to extend the agreement beyond five years, then 50% of the Concession would be relinquished. The equity distribution is: Endiama 32%, Lucapa Diamond Company Ltd 40%, Rosas e Petalas S.A. 28%.</li> <li>In May 2014, the authorization for</li> </ul>

		<p>the kimberlite exploration and mining was gazetted and equity distribution in this is Endiama 51%, Lucapa Diamond Company Ltd 39%*, Rosas e Petalas S.A. 19% (*This interest will be reduced to 30% after recoupment of the investment).</p> <ul style="list-style-type: none"> <li>• A new kimberlite licence was awarded by the Angolan Ministry of Mines on 15<sup>th</sup> November 2016; subject to negotiation of a mining investment contract.</li> <li>• The 10-year alluvial mining licence was signed end July 2015 creating “Sociedade Mineira Do Lulo, LDA.”, an Angolan incorporated company with which Lucapa Diamond Company Ltd has a 40% beneficial interest. This entity was incorporated in Angola in May, 2016.</li> </ul>
<p><b>Exploration done by other parties</b></p>	<ul style="list-style-type: none"> <li>• <i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Limited exploration has been undertaken by state controlled entities and joint ventures Diamang and Condiama.</li> <li>• Parts of the area have been exploited by artisanal miners – no records of this work are available.</li> </ul>
<p><b>Geology</b></p>	<ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Significant diamond bearing alluvial systems, of Mesozoic to Recent ages overlie a major, but relatively poorly explored, kimberlite field. The kimberlite pipes intrude flat-lying Proterozoic sediments within the Lucapa Graben. The kimberlite field is believed to be the source of the alluvial diamonds.</li> </ul>
<p><b>Drill hole Information</b></p>	<ul style="list-style-type: none"> <li>• <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <li>○ <i>easting and northing of the drill hole collar</i></li> <li>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>○ <i>dip and azimuth of the hole</i></li> <li>○ <i>down hole length and interception depth hole length.</i></li> <li>○ <i>If the exclusion of this information is justified on the basis that the</i></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Drill hole collar information of the new drill hole reported is tabulated as Table 2.</li> <li>• Intercept information is not presented here.</li> </ul>

	<p><i>information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></p>	
<p><b>Data aggregation methods</b></p>	<ul style="list-style-type: none"> <li><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> <li><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></li> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<ul style="list-style-type: none"> <li>No weighting, averaging, grade truncations or cut-off grades have been used.</li> <li>No short or long length aggregation applicable.</li> <li>No metal equivalent values are used.</li> </ul>
<p><b>Relationship between mineralisation widths and intercept lengths</b></p>	<ul style="list-style-type: none"> <li><i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i></li> </ul>	<ul style="list-style-type: none"> <li>The deposits may be regarded as massive deposits so drill hole orientation is not relevant.</li> </ul>
<p><b>Diagrams</b></p>	<ul style="list-style-type: none"> <li><i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></li> </ul>	<ul style="list-style-type: none"> <li>Appropriate map and plans for the reported mineralisation with scale and north points are included with the text of the report.</li> </ul>
<p><b>Balanced reporting</b></p>	<ul style="list-style-type: none"> <li><i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></li> </ul>	<ul style="list-style-type: none"> <li>Results reported are complete.</li> </ul>
<p><b>Other substantive exploration data</b></p>	<ul style="list-style-type: none"> <li><i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></li> </ul>	<ul style="list-style-type: none"> <li>The drilling at L259 has been planned based on the ground geophysics work undertaken in Dec 2015 and Jan 2016.</li> <li>All other targets have been drilled based on the aeromagnetic surveys conducted in 2008 and 2013, as well as a TDEM survey carried out in 2017.</li> </ul>

Criteria	JORC Code Explanation	Lucapa Commentary
<b>Further work</b>	<ul style="list-style-type: none"> <li>• <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Drilling will continue on the priority targets that have been identified by the company.</li> <li>• Core from the ongoing drilling program will be selected for laboratory testing in South Africa for petrographic and heavy mineral analysis, as well as dating, spectrographic analysis and possibly micro diamond analysis.</li> </ul>

**Table 2: Kimberlite Drilling Project - Drill Collar Details**

HOLE-ID	Drilling Type	Easting	Northing	Elevation	Azi	Dip	Total Depth
J/007/01	Core	261,612	8,934,353	1,011	254.5	-60	138