



LULO PRODUCTION UPDATE

- *Record monthly treatment rate of 29,657 bcm for October 2017 leaves Lulo on target to exceed the record 2017 annual production target of 240,000 bcm*
- *49 large Special diamonds produced at Lulo in October, the second highest monthly total on record*

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 diamond mining operations at the Lulo Diamond Project in Angola.

Lulo, through alluvial mining company Sociedade Mineira Do Lulo (Lucapa 40% and operator) achieved a monthly treatment record of 29,657 bulk cubic metres (“bcm”) of alluvial gravels in October 2017. The year to date total (10 months to end of October) of 217,999 bcm already exceeds the 2016 calendar year total of 189,333 bcm (Figures 1-2), leaving the Lulo partners well on track to exceed the record targeted treatment rate of 240,000 bcm for the 2017 calendar year.

Lulo’s ability to regularly produce large diamonds was again underlined in October, with a total of 49 Specials (diamonds weighing more than 10.8 carats) recovered from Mining Blocks 8 and 6. This represents the second highest number of Specials ever produced in a month at Lulo.



Selection of Lulo Specials from October 2017 including pink and yellow stones

These specials contributed to a 22.3 per cent increase in diamond production for the month of October to 2,905 carats.

Special diamond recoveries have continued into November, including the exceptional 129.5 carat and 78.6 carat Type Ila D-colour gems announced to the ASX on 13 November 2017.

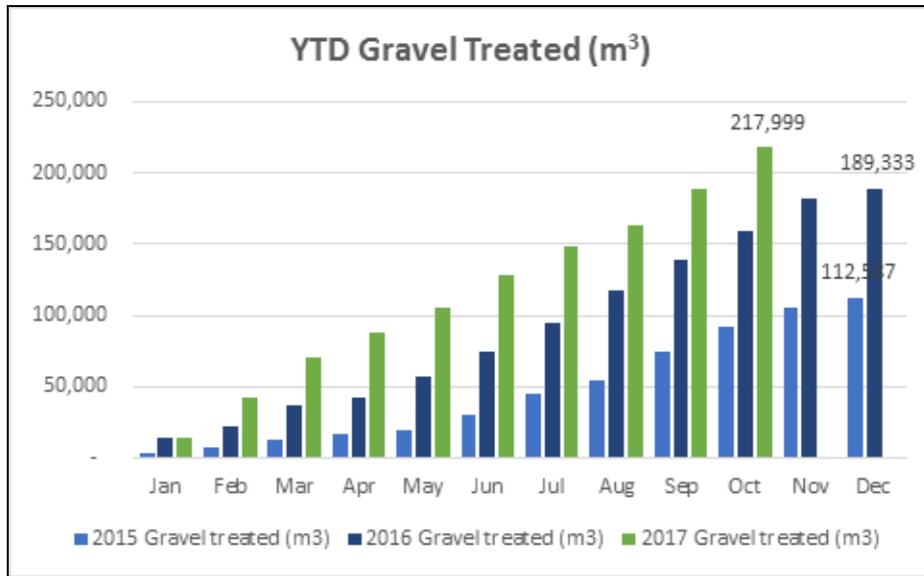


Figure 1: Treatment totals for the year to date (10 months to October 2017) and comparisons with calendar years 2015 and 2016

	FY 2015	FY 2016	Month Oct 17	YTD 2017 (to Oct 17)
Treated m³ (bulked)	112,587	189,333	29,657	217,999
Carats Recovered	8,394	19,833	2,905	16,484
Grade Recovered (cphm³)	7.5	10.5	9.8	7.6
No of Stones Recovered	7,625	11,709	1,728	11,795
Number of Specials Recovered	86	269	49	212

Figure 2: October 2017 processing and production details and year to date comparisons with calendar 2015 and 2016 totals

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 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.

Forward-Looking Statements

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