



25 CARAT YELLOW DIAMOND RECOVERED AT MOTHAE

- *Gem-quality 25 carat yellow Special among diamond recoveries from first two days of trial processing following bulk sampling plant modifications*
 - *Recovered from the Neck Zone, which is not part of the current +1 million carat JORC resource*
-

Lucapa Diamond Company Limited (ASX: **LOM**) (“Lucapa” or “the Company”) and the Government of the Kingdom of Lesotho (“GoL”) are pleased to report the recent recovery of a 25 carat yellow gem diamond from the Mothae kimberlite mine in Lesotho (“Mothae”) (Lucapa 70%; GoL 30%).



Figure 1: 25 carat yellow gem recovered from the Neck Zone at Mothae, along with 6 carat diamond

Significantly, the gem-quality Special (Figure 1) was recovered from the Neck Zone of the Mothae kimberlite, which is not part of the current +1 million carat JORC resource (Refer ASX announcement 24 March 2017).

The diamond was recovered within the first two days of trial processing through the bulk sampling plant after recent efficiency and security modifications. Following sign off of the modifications, Mothae will commence processing three 50,000 tonne bulk samples of kimberlite material from the Neck, North and South East Zones, with the aim of adding to the JORC resource and the mine life.

Other +5 carat diamond recoveries from the first two days of trial processing of material from the Neck Zone include a 6 carat diamond.

Meanwhile, construction of the new 150 tonne per hour treatment plant with XRT large diamond recovery technology continues on schedule for commercial production in H2 2018.

For and on behalf of the Lucapa Board.

STEPHEN WETHERALL
MANAGING DIRECTOR

ABOUT LUCAPA

Lucapa is a growing diamond company with a portfolio of high-quality production, development and exploration assets in Angola, Lesotho, Australia and Botswana. The Company's focus on high-value diamond production is designed to protect cash flows in a sector of the diamond market where demand remains robust.

Lucapa's flagship asset is the Lulo Diamond Project in Angola, which is a prolific producer of large and premium-value alluvial diamonds. Lulo has produced 10 +100ct diamonds to date and is the highest US\$ per carat alluvial diamond production in the world. Lucapa and its Lulo partners continue to advance their search for the primary kimberlite sources of these exceptional alluvial gems, with three drill rigs available in the ongoing kimberlite exploration program.

In keeping with the Company's growth strategy, Lucapa has acquired a 70% interest in the advanced Mothae kimberlite project in diamond-rich Lesotho. The Mothae kimberlite pipe is a high-quality diamond resource located within 5km of Letšeng, the highest US\$ per carat kimberlite diamond mine in the world. Lucapa is constructing a 150 tonne per hour (90,000 tonnes per month) diamond treatment plant, complete with XRT recovery technology, under its Phase 1 development program and is scheduled to commence high-value production at Mothae in H2 2018. A bulk sampling plant has been refurbished and the Company will soon commence testing the Neck Zone of the kimberlite pipe not included in the JORC resource due to no historic bulk sampling and other areas that are included in the JORC resource but could be upgraded by additional sampling.

Lucapa is also furthering two earlier stage exploration assets - commencing with an extensive follow up program at Brooking in the West Kimberley lamproite province in Western Australia, where the Company has recently discovered lamproite with high concentrations of micro and macro diamonds. The Company is also scheduled to drill its targets at the Orapa Area F project in Botswana's Orapa diamond field in 2018.

Lucapa's Board and management team have extensive diamond industry experience across the globe with companies including De Beers, Rio Tinto and Gem Diamonds.

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.