



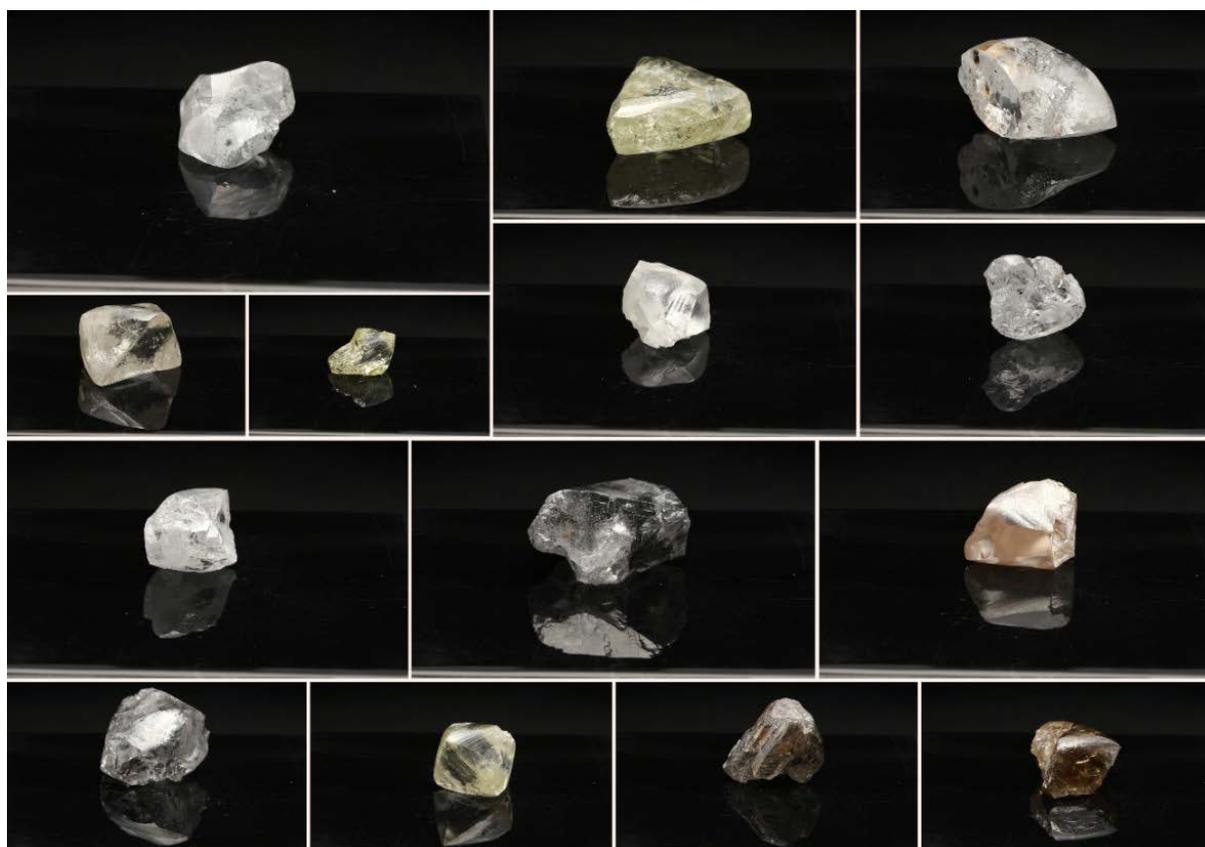
MOTHAE DIAMONDS SELL FOR A\$5 MILLION

- *A further sale being considered for Q2 2019 following continued strong recoveries at Mothae, including a gem-quality 126 carat diamond*
 - *Mining to transition to the higher-margin diamond zones at Mothae in H2 2019 once the main southern pit is dewatered*
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Lucapa Diamond Company Limited (ASX: **LOM**) (“Lucapa” or “the Company”) and the Government of the Kingdom of Lesotho (“GoL”) are pleased to announce the results from the second tender in 2019 of diamonds from the new Mothae kimberlite mine in Lesotho (Lucapa 70%; GoL 30%).

The parcel of 7,008 carats of rough diamonds sold at tender in Antwerp for a total of US\$3.5 million (A\$5 million). The tender included prices of up to US\$26,000 per carat paid for individual Mothae gems.

The latest result brings to US\$7.3 million (A\$10.5 million) the total sale proceeds generated from the two tenders of Mothae diamonds completed this year. This represents an average overall price of US\$588 per carat for the run of mine production and US\$729 per carat for diamonds in the +11 sieve size fraction¹.



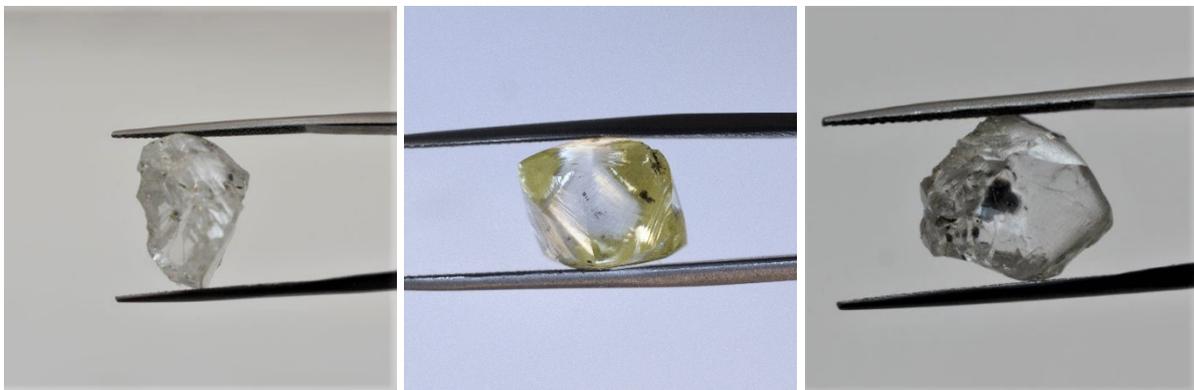
Selection of run of mine production from the second commercial tender of Mothae diamonds

¹As detailed in the ASX announcement of 27 February 2019, the efficiency of the new Mothae plant in treating the near surface weathered material has resulted in the liberation of additional diamonds, primarily small stones below the plant’s 3mm bottom cut-off screen size. These additional diamonds are in the -11 and below sieve size fractions. While these diamonds generate additional value, they also reduce the overall average US\$ per carat price.

Lucapa is considering a third tender in H1 2019 following the continued strong recoveries from the new 1.1 Mtpa kimberlite plant, including the 126 carat gem-quality diamond recovered earlier this month and other Type IIa Specials (Refer ASX announcement 23 May 2019).



Gem-quality 126 carat diamond recovered from Mothae (pre boiling) held in inventory



Other Mothae Specials held in inventory for the next tender weighing (l-r) 15 carats, 13 carats and 12 carats

As set out in the ASX announcement of 27 May 2019, mining has been restricted predominantly to the lower-margin diamond zones since commercial production commenced at Mothae in January 2019. This due to the decision to delay the scheduled dewatering of the main southern pit (Figure 1) to preserve water required to enable the plant to operate at higher throughput rates in H2 2019.

The water in the southern pit will be transferred to the main 500,000m³ water dam in H2 2019 when the dam wall is completed. This will in turn enable Mothae to access the higher-margin diamond zones in the southern pit.



Figure 1: Mothae will access the higher-margin diamond zones in H2 2019 when the water in the southern pit (foreground above) is transferred to the main 500,000m³ water dam

Lucapa Managing Director Stephen Wetherall said the latest tender results continued to underline Mothae's status as one of a select few global mines capable of producing high-value diamonds on a consistent basis.

"We continue to be encouraged by the regular recovery of Specials and sales results achieved from the supposed lower-margin areas of the Mothae kimberlite pipe," said Mr Wetherall.

"These results add to the excitement as our mining campaign prepares to transition to the higher-margin diamond zones in the main southern pit in H2 once the water is transferred to our main dam to ensure we have appropriate water supplies for our planned increased treatment rates during the dry months."

For and on behalf of the Lucapa Board.

STEPHEN WETHERALL
MANAGING DIRECTOR

ABOUT LUCAPA

Lucapa is a growing diamond company with high-value mines in Angola and Lesotho. Lucapa's vision is to become a leading global producer of large and premium-quality diamonds from alluvial and kimberlite sources.

The Company's focus on high-value diamond production is designed to protect cash flows in a sector of the diamond market where demand and prices remain robust.

Lucapa's flagship asset is the Lulo project in Angola, which is a prolific producer of large and premium-value alluvial diamonds. Lulo has produced 13 +100 carat diamonds to date and is the highest average 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 through a systematic exploration program.

Lucapa's second high-value mine, the 1.1 Mtpa Mothae kimberlite mine in diamond-rich Lesotho, commenced commercial diamond mining operations in January 2019 and has already recovered six +50 carat diamonds under Lucapa's ownership, including a gem-quality 126 carat stone.

Lucapa also has early stage exploration projects at Brooking in Western Australia and Orapa Area F in Botswana, which have been placed on hold to focus on the Lulo and Mothae operations.

Lucapa's Board and management team have decades of diamond industry experience across the globe with companies including De Beers and Gem Diamonds.

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

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