



LUCAPA - HALF YEARLY HIGHLIGHTS

Lucapa Diamond Company Limited (ASX: **LOM**) (“Lucapa” or “the Company”) is pleased to release the Company’s interim financial report for the six months ended 30 June 2017.

As set out in the interim report, the highlights for this period included:

Lulo - Alluvial Diamond Mining

- Recovered Angola’s 2nd largest recorded diamond – 227 carat, Type IIa, D-colour gem
- 73% increase in alluvial gravels processed to 128,250 bulk cubic metres
- 46% increase in diamond recoveries to 8,301 carats
- 79% increase in Special diamonds recovered to 95
- Two new alluvial mining areas identified hosting large and premium-value diamonds
- Strong cash generation enabling combined US\$8m capital loan repayment and declaration to Lulo partners
- SML cash balance US\$8.5m (post US\$8m payment to Lulo partners) and 1,716 carat diamond inventory



Lulo - Alluvial Exploration

- Updated JORC resource maintains inferred +4 year mine life after US\$55m in diamond sales since maiden resource, with a 54% increase in average modelled diamond value to US\$1,246 per carat
- Further exploration south of Mining Block 8 identifies diamondiferous gravel horizons which have been converted to mining areas
- First exploration along Lulo River to define new diamond resources successfully identifies alluvial gravels

Lulo - Kimberlite Exploration

- Extensive 8,566 line km Time Domain Electro Magnetic (“TDEM”) survey flown over the Caculo Valley area to upgrade kimberlite exploration targets and assist drilling program
- Kimberlite drilling program accelerated with arrival on site from Korea of third high-capability Hanjin rig
- First batch of kimberlite drill core from current drilling campaign dispatched to Cape Town for mineral chemistry analysis

Mothae Kimberlite Project

- 70% interest acquired in the advanced high-value Mothae kimberlite project in Lesotho
- New 10-year mining licence issued
- Independent JORC diamond resource estimated of +1m carats at modelled diamond value of US\$1,063 per carat
- Development and optimisation studies advanced for Phase 1 development

Lucapa – Corporate

- First repayment of US\$2.5m received from SML against the funding advanced over last eight years
- Lucapa 30 June cash balance US\$7.8m
- Funding package of up to US\$14.5m for Mothae acquisition and to advance Phase 1 development
- US\$3.9m profit recorded for the half year from 40% shareholding in SML (Overall group loss US\$1.1m following non-cash fair value adjustments and corporate expenses)

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 sources 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. Lucapa is also considering a dual listing on London's AIM market.

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 and consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.