



Quarterly Activities Report for period ended 30 September 2023

Q3 Summary

**Diamond Production**

- ❖ Full year guidance maintained for both operations
- ❖ Fewer scheduled sales in Q3 sees revenue of US\$14.6 million (A\$22.1 million)
- ❖ Post Quarter end, a tender of 7 Lulo diamonds attracted US\$15.7 million (A\$24.5 million)
- ❖ Mothae recovered 9,010 carats, Special size (+10.8 carat) recoveries up 77% yoy
- ❖ Lulo recovered 7,578 carats, including a 96-carat white and 66-carat pink
- ❖ Lulo recovered a 123-carat diamond post Quarter end
- ❖ 8,932 carats of unsold diamond inventories at end Q3 from Mothae and Lulo up 45%

**Exploration & Mine Development**

- ❖ Positive results in Lulo Kimberlite Bulk Sample L440, 8 diamonds yielding 4.16 carats
- ❖ 8 samples processed from 4 kimberlite targets in Q3
- ❖ Various studies advanced for low-cost development options for Merlin

**Corporate**

- ❖ Nick Selby appointed CEO and MD following the resignation of Stephen Wetherall
- ❖ Lucapa is now debt free after expunging remaining interest-bearing loans in early Q3

Lucapa Diamond Company (ASX: LOM) (“Lucapa” or “the Company”) is pleased to present its quarterly activities report for the period ended 30 September 2023 (the “Quarter” or “Q3”).

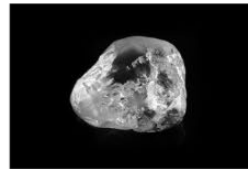
Managing Director, Nick Selby, commented: “Mothae continues to perform strongly and had a very positive Quarter. At Lulo, carat recovery and revenue were down for Q3 mainly due to lower grades being mined and high value stones being held over for the Q4 tender which has resulted in a timing issue for the flow of funds. However, as the recent tender results confirmed, large, high-quality diamonds such as those produced at Lulo and Mothae are still attracting strong prices and are in high demand compared to the smaller goods used by mainstream jewellers.”

**TABLE 1: TOTAL 100% PROJECT OPERATIONAL RESULTS FOR Q3 AND YTD**

	100 % PROJECT					
	Q3			Q3 YTD		
	2022	2023	Var	2022	2023	Var
<b>PRODUCTION:</b>						
Tonnes processed <sup>1</sup>	531,873	618,705	16%	1,616,209	1,850,105	14%
Carats recovered	20,618	16,588	-20%	51,122	47,515	-7%
<b>SALES &amp; OTHER:</b>						
Rough carats sold	20,273	15,493	-24%	49,246	44,174	-10%
Rough price/ carat (US\$)	1,258	944	-25%	1,224	1,391	14%
Rough diamond revenues (US\$m)	25.5	14.6	-43%	60.3	61.4	2%
Rough diamond inventories (carats)	6,163	8,932	45%	<sup>1</sup> Lulo mine volume processed has been converted from bulked m <sup>3</sup> to tonnes		
Cash and receivables (incl. Lucapa) (US\$m)	3.3	3.4	3%			
Development loans owing to Lucapa (US\$m)	66.1	61.0	-8%	<sup>2</sup> Relates to capitalised leases on Mothae mining equipment		
Interest-bearing debt (US\$m)	8.7	0.4 <sup>2</sup>	-95%			



## Lulo, Angola



### ALLUVIAL MINE

(conducted by Sociedade Mineira Do Lulo, Lda ("SML" or "Lulo") - Lucapa 40%, Endiama 32%, Rosas & Petalas 28%)

The dry season in Angola saw mining operations focused on the lizeria areas. The volume of material processed ended the Quarter up 6 percent on the previous corresponding period at 141,969m<sup>3</sup>, but due to mining of lower grade areas versus the corresponding period in 2022, carats recovered was lower at 7,578.

Some of the notable recoveries during Q3 were a 66-carat pink diamond and a 96-carat white. A 123-carat diamond was also recovered post-Quarter end, on 1 October 2023.

Production was interrupted for approximately two weeks during Q3, due to an illegal work stoppage, which was successfully resolved with the signing of a new agreement with a worker's union valid until 2026. This event does not affect the full year guidance which continues to be on-track.

**TABLE 2: LULO PROJECT OPERATIONAL RESULTS FOR Q3 AND YTD**

	100% Project					
	Q3			Q3YTD		
	2022	2023	Var	2022	2023	Var
<b>PRODUCTION:</b>						
Volume mined (bulked Mm <sup>3</sup> )	2.35	<b>2.52</b>	7%	5.13	<b>6.12</b>	19%
Volume processed (bulked m <sup>3</sup> )	133,401	<b>141,969</b>	6%	397,901	<b>459,216</b>	15%
Carats recovered	13,022	<b>7,578</b>	-42%	26,040	<b>22,945</b>	-12%
Grade recovered (cphm <sup>3</sup> )	9.8	<b>5.3</b>	-45%	6.5	<b>5.0</b>	-24%
+4.8 carat diamonds	483	<b>214</b>	-56%	958	<b>817</b>	-15%
+10.8 carat diamonds (Specials)	156	<b>62</b>	-60%	319	<b>268</b>	-16%
<b>SALES &amp; OTHER:</b>						
Rough carats sold	13,747	<b>8,657</b>	-37%	24,196	<b>22,994</b>	-5%
Rough diamond revenue (US\$m)	20.6	<b>9.1</b>	-56%	43.4	<b>42.5</b>	-2%
Rough price/carats (US\$)	1,499	<b>1,052</b>	-30%	1,792	<b>1,847</b>	3%
Partnership margins (US\$m)	0.0	<b>0.5</b>	0%	0.7	<b>1.4</b>	100%
Diamond inventories (carats)	3,050	<b>4,036</b>	32%			
Cash and receivables (US\$m)	2.4	<b>1.0</b>	-58%			
Development loan owing to Lucapa (US\$m)	20.2	<b>6.0</b>	-70%			



There were two run-of-mine sales during the period which sold a total of 8,657 carats with a third sale of approximately 2,300 carats being postponed to Q4. Revenue across the two sales totalled US\$9.1 million (A\$13.6 million) at an average rough price of US\$1,052/carats (A\$1,573/carats). Revenue was down on the previous corresponding period due to seven of the high value stones being held over for the tender, which took place post-quarter end. This resulted in a 56% rough diamond revenue deficit being realised when compared to the Q3 22 which is entirely due to timing, as the revenue from the sales held over will be recorded in Q4. This timing of the sales was the main driver behind the negative variances recorded in Tables 1 and 2 above.

The October tender featured seven exceptional diamonds totalling 535 carats and averaged US\$29,401 per carat for a total of US\$15.7 million (A\$24.5million).



### Lulo 2023 Guidance

As at the end of Q3 2023, SML is still tracking in line with operational guidance as per Table 3. Therefore, the full year guidance is maintained.

**TABLE 3: LULO FULL YEAR GUIDANCE VERSUS Q3 YTD**

	100% Project	
	Guidance	Actual
	<b>FY 2023</b>	<b>Q3 YTD</b>
Volume processed (bulk m <sup>3</sup> )	590,000	459,216
Carats recovered	31,000	22,945
Grade recovered (cphm <sup>3</sup> )	5.3	5.0
Rough price/ carat (US\$)	2,300	1,847



## Alluvial Exploration

SML's concurrent alluvial exploration programme saw 2,802 auger holes drilled and 71 exploration pits completed to define additional resources in 13 current mining resource blocks. Much of the drilling was in the lizeria areas where the holes are much deeper than when drilling in the terrace areas.

A road is currently being developed to the Lulo River to allow commencement of exploration work in that area. Machinery and equipment to carry out the exploration programme has been procured with the final pieces of mining equipment expected to arrive during Q4.

## Mothae, Lesotho



### **KIMBERLITE MINE**

*(conducted by Mothae Diamonds (Pty) Ltd ("Mothae") - Lucapa 70%, Government of Lesotho ("GoL") 30%)*

Mothae continued to perform well in Q3, with tonnes processed up 14% yoy. The operation delivered 39% more +4.8 carat diamonds and 77% more +10.8 carat diamonds than the previous corresponding period, resulting in an improved price per carat and total revenue.

Mothae deployed a mobile crusher during the Quarter to reduce the amount of oversize material on the stockpiles. This has been operating efficiently and has had a positive impact on the plant throughput and reduced the need for in-pit ore rehandling.



*Picture: Mothae's mobile crusher had a positive impact on plant throughput in Q3*

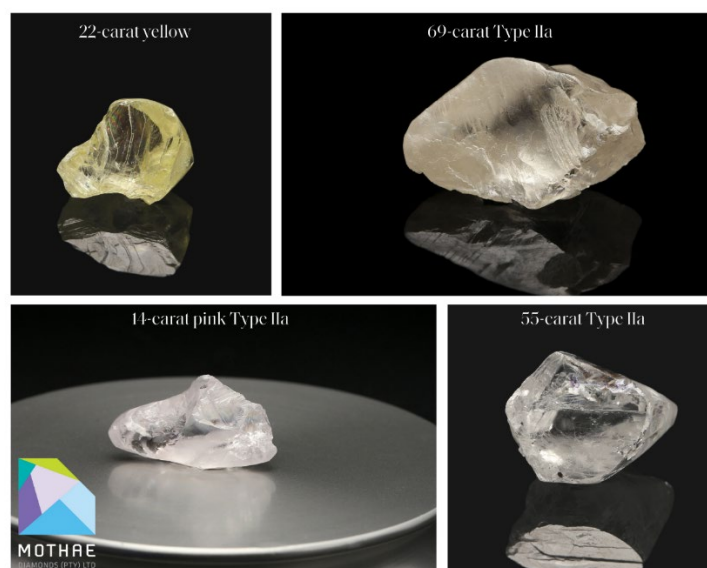




**TABLE 4: MOTHAE OPERATIONAL RESULTS FOR Q3 AND YTD**

	100% Project					
	Q3			Q3 YTD		
	2022	2023	Var	2022	2023	Var
<b>PRODUCTION:</b>						
<i>Tonnes mined (ore &amp; waste) (Mt)</i>	0.48	<b>0.53</b>	10%	1.42	<b>1.76</b>	24%
<i>Tonnes processed (t)</i>	305,091	<b>377,358</b>	24%	939,777	<b>1,069,438</b>	14%
<i>Carats recovered</i>	7,596	<b>9,010</b>	19%	25,082	<b>24,570</b>	-2%
<i>Grade recovered (cpht)</i>	2.5	<b>2.4</b>	-4%	2.7	<b>2.3</b>	-14%
<i>+4.8 carat diamonds recovered</i>	135	<b>188</b>	39%	524	<b>583</b>	11%
<i>+10.8 carat diamonds (Specials)</i>	31	<b>55</b>	77%	152	<b>176</b>	16%
<b>SALES &amp; OTHER:</b>						
<i>Rough carats sold</i>	6,527	<b>6,836</b>	5%	25,050	<b>21,181</b>	-15%
<i>Rough diamond revenue (US\$m)</i>	4.9	<b>5.5</b>	12%	16.9	<b>19.0</b>	12%
<i>Rough price/carat (US\$)</i>	751	<b>806</b>	7%	676	<b>896</b>	33%
<i>Partnership margins (US\$m)</i>	0.2	<b>0</b>	-100%	0.8	<b>0.8</b>	0%
<i>Diamond inventories (carats)</i>	3,113	<b>4,896</b>	57%			
<i>Cash and receivables (US\$m)</i>	0.9	<b>1.4</b>	56%			
<i>Development loan owing to Lucapa (US\$m)</i>	45.9	<b>54.8</b>	19%			

Only two sales took place during Q3 as no sales are conducted in August. Total revenue for Mothae was up 12% on Q3/22 at US\$5.5 million (A\$8.4 million). The 6,836 carats sold to the partnership with Safdico attracted US\$806/carat (A\$1,236).



Picture: Some of the diamonds recovered and exported from Mothae during Q3



## Mothae 2023 Guidance

As at the end of Q3, Mothae continues to track in line with the full year guidance announced on the 30 March 2023 (Table 5) and therefore the full year guidance is maintained.

**TABLE 5: MOTHAE FULL YEAR GUIDANCE VERSUS Q3 YTD**

	100% Project	
	Guidance	Actual
	FY 2023	Q3 YTD
Volume processed (bulked m <sup>3</sup> )	1,380,000	1,069,438
Carats recovered	29,500	24,570
Grade recovered (cphm <sup>3</sup> )	2.1	2.3
Rough price/ carat (US\$)	1,000	896

## Merlin, Australia



### KIMBERLITE DEVELOPMENT PROJECT

(conducted by Australian Natural Diamonds (Pty) Ltd (“AusND”) - Lucapa 100% )

During Q3 the sacred site clearance survey was conducted by a team including an anthropologist, archaeologist, and traditional owners. We are awaiting the final report.

Work continued on the Merlin Feasibility Study during the Quarter. Completion of the Study has been delayed while the team investigates lower capital and lower plant throughput options considering the current capital market conditions.

## Rough Diamond Market

Some sectors of the rough natural diamond market, especially smaller goods which are sold into mainstream jewellery are feeling price pressure, while large, high-quality and exceptional diamonds less so. According to diamond industry analyst Paul Zimnisky\*, the diamond market has switched from being undersupplied post-COVID pandemic to oversupply now. Many of the larger natural diamond suppliers are offering more flexible terms to buyers to curtail supply in Q3 to allow for balance to return to the supply side and demand from customers. He stated that the expected pent-up demand from the Chinese consumers has not materialised and global economic conditions rather than competition from lab-grown diamonds is to blame for a softening in prices. Of note, in Q4, WD Lab Grown Diamonds, the second largest producer of man-made diamonds in the US filed for bankruptcy as prices for the synthetic diamonds plummet.

\*Zimnisky, Paul, “State of the Diamond Market” October, 2023



## Primary Source Exploration

### Lulo Kimberlite Exploration, Angola

*(conducted by Project Lulo Joint Venture ("Project Lulo JV") – Lucapa 39%, Endiama 51%, Rosas & Petalas 10%)*

Lucapa's in country legal team continued to progress the final documentation required for the new Mineral Investment Contract with Endiama on Lucapa's proposed increased stake in the Lulo JV which will be formalised by all parties once the documentation is complete.

The fourteenth diamondiferous kimberlite was discovered during Q3 primary source exploration activities. Eight samples were taken from four kimberlite targets during Q3. The best result was from KBS L440/01 which yielded 8 diamonds totalling 4.16 carats, the largest diamond being 2.04 carats.



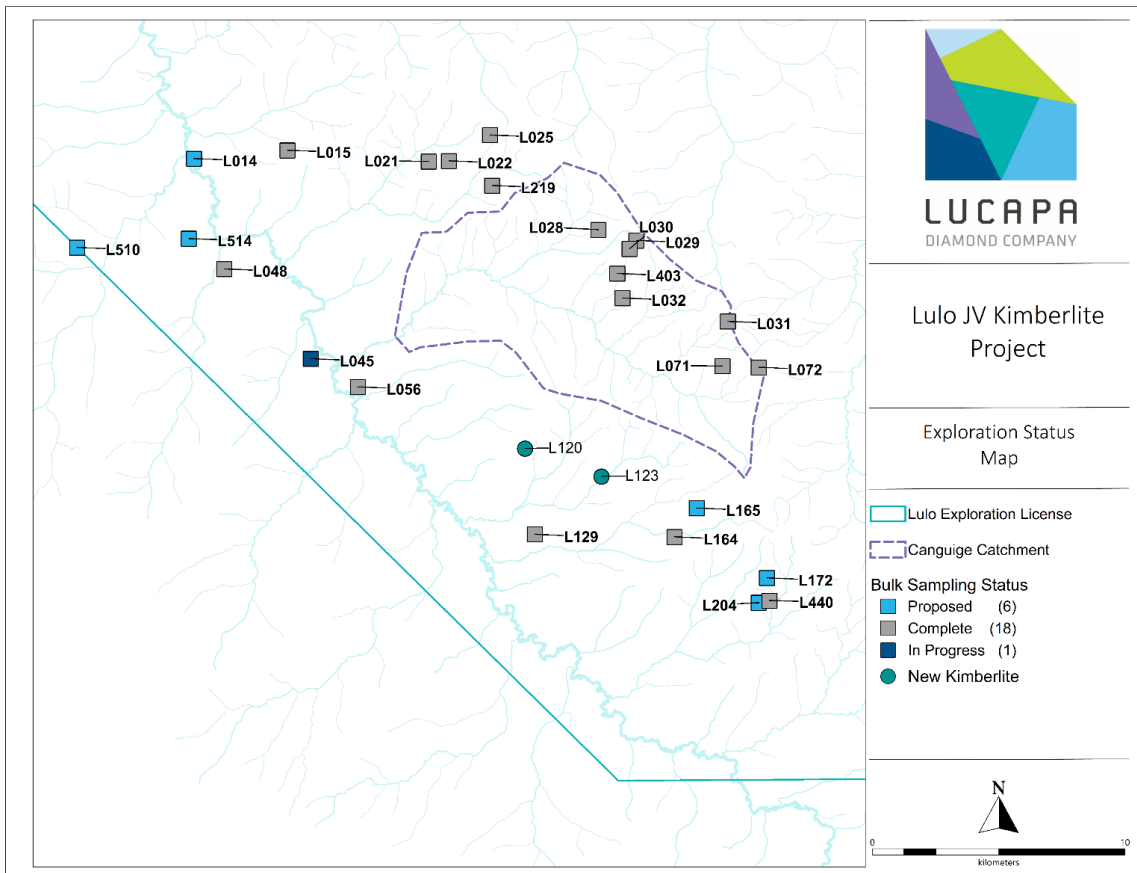
*Picture: The 2.04 carat diamond recovered from KBS L440 and other diamonds from the same sample*

Bulk sampling moved to a second site on L056, to take a third sample which did not yield any diamonds. Although L056 is low on carats from the kimberlite sampling, more work is being done on the evaluation of the data to ascertain if further samples would be beneficial to the overall result.



Picture: Excavating a bulk sample at Lulo (left) and core from L123, one of the new kimberlites

Excavation at L045 commenced at the end of Q3, while two more geophysical targets were confirmed as kimberlites (L120 and L123 on the map below) and added to the priority sample list.



Map: Updated Lulo kimberlite exploration status at end of Q3





## Brooking Lamproite Exploration, Western Australia

*(conducted by Brooking Pty Ltd – Lucapa 80%; Leopold Diamonds holding 20% interest in the tenements)*

During the Quarter, drilling at Brooking over geophysical and heavy mineral targets took place. A total of 246 auger drill holes measuring 639 metres were drilled. Geochemical and heavy mineral samples from the drilling have been sent for analysis. Those results are awaited.

## Orapa Area F, Botswana

*(conducted by Lucapa Diamonds (Botswana) Pty Ltd – Lucapa 100%)*

The land-use permit was received late in Q3. This permit will allow exploration drilling to commence to confirm if there is a presence of kimberlite.

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## Health, Safety and Community

The 12-month rolling LTIFR at Mothae ended the Quarter with a rate of zero, while SML reported one injury incident during the Quarter to end with an LTIFR of 0.41. No major environmental incidents were recorded at either site.

In CSR activities, Mothae continued to support 12 learners at local schools. It also provided casual labour at site for poverty relief for local villagers.

The school built by SML in the local village of Xamiqelengue has been completed and will be officially opened in Q4. The school is designed to be self-contained with solar power and bore water. The seven classrooms and sporting fields have been fitted out, awaiting the first students.



*Pictures: Exterior of the school, a classroom and the tennis/basketball courts*



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## Corporate

The unmarketable parcel of shares sale concluded in early August. A total of 1,931 shareholders who held 10,216,253 shares participated in the sale. Lucapa non-executive director Ross Stanley acquired 6,216,253 of the fully paid ordinary shares for A\$0.04 each.

At the end of Q3, Lucapa was owed US\$61 million in loans from the mines for the funding of alluvial exploration and mine development at SML and kimberlite mine development at Mothae (Table 1). Lucapa received US\$1.5 million during the Quarter against the SML loan.

Lucapa made its final principal payment of US\$1.2 million to Equigold early in Q3, expunging all of the outstanding interest-bearing debt other than capitalised lease obligations.

Post the quarter end, Nick Selby was appointed CEO and Managing Director of Lucapa following the resignation of Stephen Wetherall.

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## ABOUT LUCAPA

Lucapa is an ASX listed diamond miner and explorer with assets in Africa and Australia. It has interests in two producing diamond mines in Angola (Lulo, in which LOM holds 40%) and Lesotho (Mothae, in which LOM holds 70%). The large, high-value diamonds produced from these two niche African diamond mines attract some of the highest prices/ carat globally.

The Lulo mine has been in commercial production since 2015, while the Mothae mine commenced commercial production in 2019.

In 2021, through its wholly owned subsidiary, Australian Natural Diamonds Pty Ltd, Lucapa completed the strategic and transformative acquisition of the Merlin Diamond Project, an historic Australian mine in the Northern Territory of Australia. A feasibility study is expected to be completed in 2023.

Lucapa and its project partners are also exploring for potential primary source kimberlites or lamproites at the prolific Lulo concession in Angola, the Brooking project in Australia and the Orapa Area F project in Botswana.

The Board, management and key stakeholders in Lucapa have deep global diamond industry experience and networks all through the value chain from exploration to retail.

### 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 Richard Price MAusIMM who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Price is an employee of Lucapa Diamond Company Limited. Mr Price 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 Price 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 this announcement contains references to prior exploration results, a production target and financial information derived from a production target 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 a production target and financial information derived from a production target and 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.

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<i>Project</i>	<i>Country</i>	<i>Type</i>	<i>Size (km<sup>2</sup>)</i>	<i>Period</i>	<i>Interest (%)</i>	<i>End date</i>
<i>Brooking</i>	Australia	Exploration Licence	72	5 years	80	Dec-24
	Australia	Exploration Licence	13	5 years	80	Mar-24
	Australia	Exploration Licence	29	5 years	80	Jun-27
<i>Lulo</i>	Angola	Kimberlite (primary source) exploration	3,000	5 years	39	May-24
	Angola	Alluvial (secondary source) mining and exploration	1,500	10 years	40	Jul-25
<i>Merlin</i>	Australia	Mineral lease	24	25 years	100	Dec-47
	Australia	Exploration Licence	210	5 years	100	Apr-25
<i>Mothae</i>	Lesotho	Mining Licence	47*	10 years	70	Jan-27
<i>Orapa</i>	Botswana	Reconnaissance	8	2 years	100	Jun-24

\* Area includes the protection and production area



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
Sampling techniques	<ul style="list-style-type: none"> <li>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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>One bulk sample from kimberlite L056 was collected from an excavated pit. The surface overburden was removed by excavator and truck before all earthmoving equipment was thoroughly cleaned.</li> <li>Each pit was then excavated into the clean kimberlite material and directly loaded into trucks for transport to the plant stockpile area. The sample material was placed on a sterilised pad of sand before being fed into the plant by front-end loader.</li> <li>The sample locations were chosen following the drilling of diamond core holes.</li> <li>The objective of the sample was to demonstrate whether potentially economic diamonds might be present in the kimberlite pipe and was not selected to be representative of the grade of the body as a whole. The sample was taken from an area separate to the previous samples taken at L056 which had been difficult to access and which was taken to improve representivity of the sampling program.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>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.).</li> </ul>	<ul style="list-style-type: none"> <li>The drilling consisted of diamond core drilling. The drill core recovered was of HQ diameter.</li> <li>The original discovery hole was drilled 76m. Delineation holes were drilled to approximately 30m deep to define the bulk sample site. All holes were drilled vertically.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples. 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.</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.</li> <li>Core recovery is generally high, though significant core losses are experienced through unconsolidated surface sediments to about 3m depth.</li> </ul>





<p>Logging</p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</li> <li>• The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>• All core is visually and semi-quantitatively logged then photographed at the operation’s core shed.</li> <li>• The bulk sample pits were visually inspected to ensure no contamination of surface material entered the sample material.</li> </ul>
<p>Sub-sampling techniques and sample preparation</p>	<ul style="list-style-type: none"> <li>• If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>• If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</li> <li>• For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>• 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.</li> <li>• Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>• No sub-sampling was undertaken, though additional sample pits were excavated where required to improve representivity of the sample.</li> <li>• All samples are treated in their entirety.</li> </ul>
<p>Quality of assay data and laboratory tests</p>	<ul style="list-style-type: none"> <li>• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>• 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.</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• The samples were treated through the Kimberlite Bulk Sample Plant (“KBSP”). The plant was thoroughly decontaminated before sample treatment commenced.</li> <li>• A layer of sand was used on the sample pad, beneath the deposited sample, to prevent sample loss or contamination between the sample and the ROM pad.</li> </ul>
<p>Verification of sampling and assaying</p>	<ul style="list-style-type: none"> <li>• The verification of significant intersections by either independent or alternative company personnel.</li> <li>• The use of twinned holes.</li> <li>• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>• Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>• No verification of samples or twinning has been undertaken, due to the bulk nature of the sample.</li> </ul>



Location of data points	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Specification of the grid system used.</li> <li>• Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>• The sample site was 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 with an accuracy of &lt;5cm.</li> <li>• The grid system is WGS84 Zone 34L.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>• Data spacing for reporting of Exploration Results.</li> <li>• 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.</li> <li>• Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>• The sample positions and size were selected on the basis of giving the best likelihood of recovering diamonds and were not intended to return a grade representative of the pipe as a whole.</li> <li>• However, the distribution of sampling pits over the surface of the body improves representivity particularly on larger bodies.</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• The sample is considered a bulk sample within the pipe. Orientation of the sample is not considered significant and is not expected to introduce bias.</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>• The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>• Security of the sampling and sample storage areas, processing and diamond recovery was continuously monitored by company and Angolan State Diamond Security personnel.</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>• The results of any audits or reviews of sampling techniques and data.</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> </ul>



– JORC Code (2012) requirements –  
**Reporting of Exploration Results**

Criteria	JORC Code Explanation	Lucapa Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>The legislation covering the Angolan diamond industry stipulated that only Endiama (Empresa Nacional de Diamantes de Angola, the State Diamond Company) or joint ventures with Endiama (the Angolan State diamond mining company), can hold diamond mining rights.</li> <li>Under the terms of the two Lulo agreements, separate titles are granted for alluvial (secondary) and kimberlite (primary) exploration and/ or mining.</li> <li>Following successful alluvial exploration, a 10-year alluvial Mining Investment Contract was signed in July 2015 creating “Sociedade Mineira Do Lulo, LDA.”, an Angolan incorporated company in which Lucapa Diamond Company Ltd has a 40% shareholding, Endiama 32% and Rosas &amp; Petalas S.A. 28%. This Angolan entity was officially incorporated in May 2016.</li> <li>Following a renewal application for kimberlite exploration, a 5-year Mineral Investment Contract was signed and gazetted in May 2019, expiring on 2 May 2024. Interests held in this exploration venture are Endiama 51%, Lucapa Diamond Company Ltd 39%* and Rosas &amp; Petalas S.A. 10% (*interest will be reduced to 30% after recoupment of the exploration and mining development investments).</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</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>
Geology	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</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 Permian sediments within the Lucapa Graben. The kimberlite field is believed to be the source of the alluvial diamonds.</li> </ul>
Drill hole Information	<ul style="list-style-type: none"> <li>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:</li> </ul>	<ul style="list-style-type: none"> <li>No drill hole information is presented here as it is not relevant to the sampling process other than to guide location of the sample.</li> </ul>



	<ul style="list-style-type: none"> <li>○ easting and northing of the drill hole collar</li> <li>○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>○ dip and azimuth of the hole</li> <li>○ down hole length and interception depth hole length.</li> <li>○ If the exclusion of this information is justified on the basis that the 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.</li> </ul>	
Data aggregation methods	<ul style="list-style-type: none"> <li>● 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.</li> <li>● 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.</li> <li>● The assumptions used for any reporting of metal equivalent values should be clearly stated.</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>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>● These relationships are particularly important in the reporting of Exploration Results.</li> <li>● If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>● 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').</li> </ul>	<ul style="list-style-type: none"> <li>● The deposits may be regarded as massive deposits so sample orientation is not relevant.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>● 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.</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>
Balanced reporting	<ul style="list-style-type: none"> <li>● 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.</li> </ul>	<ul style="list-style-type: none"> <li>● Results are complete for all samples reported.</li> </ul>
Other substantive	<ul style="list-style-type: none"> <li>● Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical</li> </ul>	<ul style="list-style-type: none"> <li>● The samples were recovered from L056 kimberlite pipe identified during drilling on the licence area in 2021.</li> </ul>





<p>exploration data</p>	<p><i>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></p>	
<p>Further work</p>	<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>• Bulk sampling of the remaining high interest kimberlites in the Caculo catchment will continue.</li> <li>• Drilling will continue on the priority targets identified to locate material suitable for bulk sampling.</li> <li>• Drilling on additional magnetic targets will continue to identify new kimberlites and assess whether they should be bulk sampled.</li> <li>• Additional Phase 2 sampling will be undertaken on the kimberlites with the highest diamond recoveries.</li> </ul>

**SECTION 3 (RESOURCES) DOES NOT APPLY TO THIS ANNOUNCEMENT**

**SECTION 4 (RESERVES) DOES NOT APPLY TO THIS ANNOUNCEMENT**



– JORC Code (2012) requirements –  
**Estimation and Reporting of Diamonds and Other Gemstones**

Criteria	JORC Code Explanation	Lucapa Commentary
Indicator minerals	<ul style="list-style-type: none"> <li>• Reports of indicator minerals, such as chemically/physically distinctive garnet, ilmenite, chrome spinel and chrome diopside, should be prepared by a suitably qualified laboratory.</li> </ul>	<ul style="list-style-type: none"> <li>• No indicator minerals were recovered from these samples.</li> </ul>
Source of diamonds	<ul style="list-style-type: none"> <li>• Details of the form, shape, size and colour of the diamonds and the nature of the source of diamonds (primary or secondary) including the rock type and geological environment.</li> </ul>	<ul style="list-style-type: none"> <li>• Diamonds have been recovered from kimberlite samples at L056, but not in the sample being reported here.</li> </ul>
Sample collection	<ul style="list-style-type: none"> <li>• Type of sample, whether outcrop, boulders, drill core, reverse circulation drill cuttings, gravel, stream sediment or soil, and purpose (e.g. large diameter drilling to establish stones per unit of volume or bulk samples to establish stone size distribution).</li> <li>• Sample size, distribution and representivity.</li> </ul>	<ul style="list-style-type: none"> <li>• Overburden of approximately 2m-8m thick overlaying the kimberlites was removed using a Volvo 480 excavator and Tatra trucks.</li> <li>• The sample pits were excavated and material from the pits transported to a prepared sample pad made up laterite close to the KBSP in preparation for processing.</li> </ul>
Sample treatment	<ul style="list-style-type: none"> <li>• Type of facility, treatment rate, and accreditation.</li> <li>• Sample size reduction. Bottom screen size, top screen size and re-crush.</li> <li>• Processes (dense media separation, grease, X-ray, hand-sorting, etc.).</li> <li>• Process efficiency, tailings auditing and granulometry.</li> <li>• Laboratory used type of process for micro diamonds and accreditation.</li> </ul>	<ul style="list-style-type: none"> <li>• The samples were treated through the Kimberlite Bulk Sample Plant (KBSP). The KBSP is comprised of a front-end feed arrangement, followed by a scrubber and a double deck screen, which splits the material into coarse and fine streams. Coarse material (+18mm) is screened off and collected on an oversize stockpile. Fine material (&gt;1.5mm) is processed through a DMS (dense media separation) unit, with DMS concentrate processed through a Flowsort X-Ray diamond recovery unit. Final diamond recovery is undertaken by hand sorting of the Flowsort concentrates. All -1.5mm material is pumped to a tailings storage facility.</li> <li>• +18mm material is stockpiled and intermittently fed through crushing circuits, both primary and secondary jaw crushers. The product from the secondary crusher deposits onto a screen. Material remaining as oversize is recirculated through the secondary crusher until it passes the cut-point of 18 mm, after which it passes into the DMS. Due to the small amount of oversize produced by these samples, crushing of the oversize was suspended for these samples.</li> <li>• The plant was thoroughly decontaminated before sample treatment commenced.</li> </ul>



Carat

- One fifth (0.2) of a gram (often defined as a metric carat or MC).
- Reported as carats.

Sample grade

- Sample grade in this section of Table 1 is used in the context of carats per units of mass, area or volume.
- The sample grade above the specified lower cut-off sieve size should be reported as carats per dry metric tonne and/or carats per 100 dry metric tonnes. For alluvial deposits, sample grades quoted in carats per square metre or carats per cubic metre are acceptable if accompanied by a volume to weight basis for calculation.
- In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive sample grade (carats per tonne).
- The sample results are summarised in the table below.
- The volume processed is based on counted loader buckets fed to the plant, converted to m<sup>3</sup> stockpile volumes using an established bucket factor previously reconciled to surveyed broken material on a stockpile, measured in metres cubed.

**HIGH PRIORITY KIMBERLITE SAMPLES PROCESSED**

Sample ID	Volume processed (m <sup>3</sup> )	Stones Recovered	Recovered (Carats)	Calculated Grade (cphm <sup>3</sup> )	Average Stone Size (Cts/stn)	Number of stones >1ct	Largest stone pre-acid
KBS/056/03	1,643	0	0.00	0.00			0.00

Reporting of Exploration Results

- Complete set of sieve data using a standard progression of sieve sizes per facies. Bulk sampling results, global sample grade per facies. Spatial structure analysis and grade distribution. Stone size and number distribution. Sample head feed and tailings particle granulometry.
- Sample density determination.
- Per cent concentrate and undersize per sample.
- Sample grade with change in bottom cut-off screen size.
- Adjustments made to size distribution for sample plant performance and performance on a commercial scale.
- If appropriate or employed, geostatistical techniques applied to model stone size, distribution or frequency from size distribution of exploration diamond samples.
- The weight of diamonds may only be omitted from the report when the diamonds are considered too small to be of commercial significance. This lower cut-off size should be stated.
- Sample results are reported in the table above.
- The sample grade is reported on all diamonds recovered with a nominal bottom cut-off screen size on the plant of 1.5mm.
- No modelling or grade adjustments have been made to the grade calculations.
- No geostatistical techniques have been applied at this stage of sampling.



Grade estimation for reporting Mineral Resources and Ore Reserves

- Description of the sample type and the spatial arrangement of drilling or sampling designed for grade estimation.
- The sample crush size and its relationship to that achievable in a commercial treatment plant.
- Total number of diamonds greater than the specified and reported lower cut-off sieve size.
- Total weight of diamonds greater than the specified and reported lower cut-off sieve size.
- The sample grade above the specified lower cut-off sieve size.

- No diamond resources are reported.
- No diamond reserves are reported.

Value estimation

- Valuations should not be reported for samples of diamonds processed using total liberation method, which is commonly used for processing exploration samples.
- To the extent that such information is not deemed commercially sensitive, Public Reports should include:
  - diamonds quantities by appropriate screen size per facies or depth.
  - details of parcel valued.
  - number of stones, carats, lower size cut-off per facies or depth.
  - The average \$/carat and \$/tonne value at the selected bottom cut-off should be reported in US Dollars. The value per carat is of critical importance in demonstrating project value.
  - The basis for the price (e.g. dealer buying price, dealer selling price, etc.).
  - An assessment of diamond breakage.

- No diamond value estimates are reported.

Security and integrity

- Accredited process audit.
- Whether samples were sealed after excavation.
- Valuer location, escort, delivery, cleaning losses, reconciliation with recorded sample carats and number of stones.
- Core samples washed prior to treatment for micro diamonds.
- Audit samples treated at alternative facility.
- Results of tailings checks.
- Recovery of tracer monitors used in sampling and treatment.
- Geophysical (logged) density and particle density.
- Cross validation of sample weights, wet and dry, with hole volume and density, moisture factor.

- There has been no accredited process audit.
- Samples were continuously monitored by mine security personnel and Angolan State diamond security personnel during transport and storage.
- Microdiamonds were not processed.
- No audit samples were collected because of the nature of the samples.
- Tailings have not been checked for indicators.
- Geophysical densities were not determined.
- Cross validation of weights with pit volume and density is not considered necessary for the stage of exploration.





Classification

<ul style="list-style-type: none"><li><i>In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive grade (carats per tonne). The elements of uncertainty in these estimates should be considered, and classification developed accordingly.</i></li></ul>	<ul style="list-style-type: none"><li>No resource is classified in this report.</li></ul>
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