LUCAPA
DIAMOND COMPANY

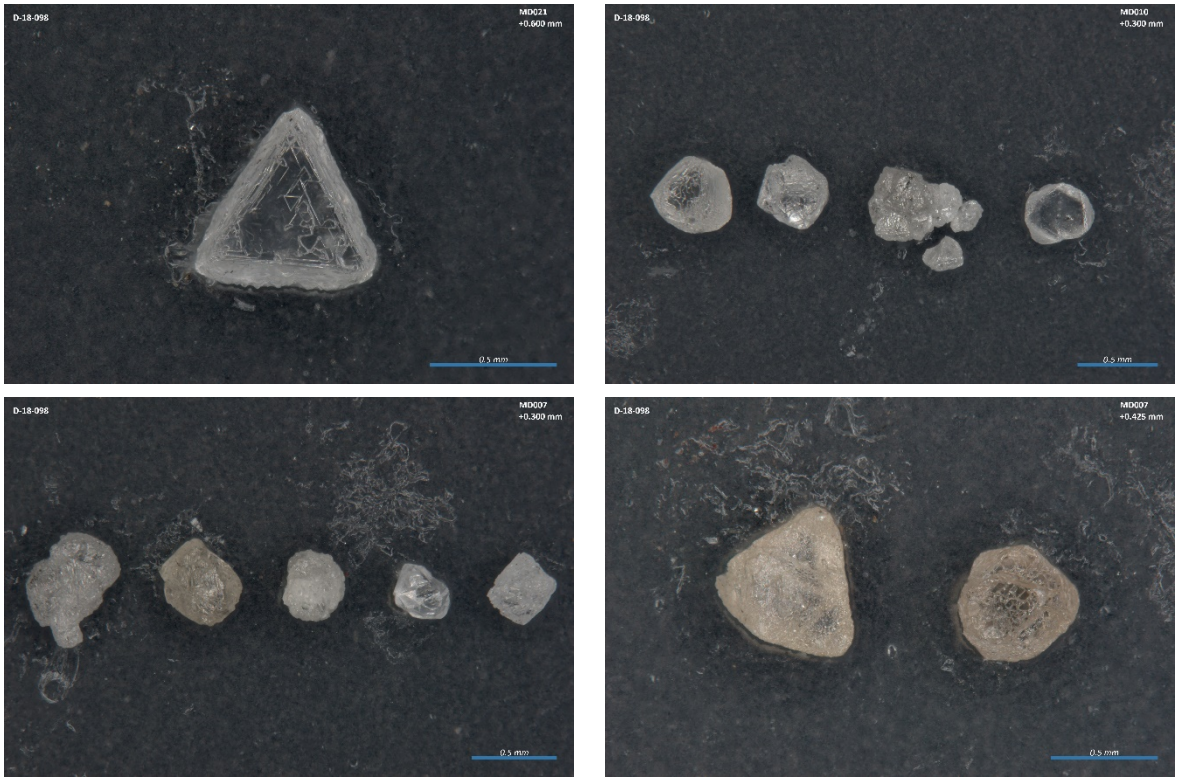
ASX Announcement 28 August 2018

EXCEPTIONAL RECOVERY OF 1,100 DIAMONDS FROM DRILLING AT BROOKING

- *Exceptional results from Little Spring Creek discovery with 1,100 diamonds, including 18 macro-diamonds and 1,082 micro-diamonds, recovered from drill hole LSC/DH002*

- *11 new lamproite targets also identified at Brooking following interpretation of helicopter-borne TDEM survey data*

- *New lamproite targets include a ~7 hectare anomaly identified near Katie's Bore, where 20 micro-diamonds and high concentrations of lamproite indicator minerals were previously recovered*



Photos of micro- and macro-diamonds recovered from LSC/DH002

Lucapa Managing Director Stephen Wetherall commented: *"The latest micro-diamond results from Little Spring Creek are some of the best I have seen in the diamond space. To recover 1,100 micro- and macro-diamonds from a 178kg sample from a single drill hole is remarkable."*

"What's more, we have also identified another 11 lamproite targets to explore at Brooking which were interpreted from the TDEM survey."

"These exceptional results at Brooking underscore the prospectivity for diamond deposits in the Kimberley region of WA, which hosts the world renowned deposits of Argyle and previously Ellendale. We look forward to the next phase of exploration at Brooking with great excitement."

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Lucapa Diamond Company Limited (ASX: **LOM**) ("Lucapa" or "the Company") and its partner, Leopold Diamond Company Pty Ltd, are pleased to provide an update on exploration at the Brooking diamond project in Western Australia's West Kimberley lamproite province (Lucapa 80%; Leopold 20%).

Brooking is located within 50km of the Ellendale mine which, until its recent closure, produced more than 50% of the world's fancy yellow diamonds.

The latest exploration program at Brooking involved drilling, micro-diamond analysis and an airborne geophysical survey. The program was designed to follow up on the Little Spring Creek ("LSC") lamproite discovery hole LSC/DH001 from which 119 micro- and macro-diamonds were recovered from an 87kg sample of drill core (Refer ASX announcement 11 January 2018).

Spectacular micro-diamond results from Little Spring Creek discovery

The follow-up drilling program commenced at Little Spring Creek in June 2018. On 9 July 2018, Lucapa announced that core samples from the first PQ (85mm) hole drilled at Little Spring Creek in the follow-up program (LSC/DH002) had been air-freighted to the Saskatchewan Research Council Geoanalytical Laboratories ("SRC") in Canada for micro-diamond analysis.

The SRC is accredited to the ISO/IEC 17025 standard by the Standards Council of Canada as a testing laboratory for diamond analysis using caustic fusion.

LSC/DH002 was drilled approximately 30 metres north of the LSC/DH001 discovery hole within the lamproite target boundaries as defined by a follow-up ground based geophysical survey.

As set out in the ASX announcement of 9 July 2018, LSC/DH002 intersected the targeted lamproite body from near surface to a vertical depth of approximately 70m. Thereafter, it intersected possible limestone/ lamproite breccia to a vertical depth of approximately 102m, when drilling was stopped due to difficult drilling conditions.

A total sample of 178kg of core from the LSC/DH002 drill hole - taken from surface to ~70m depth - was analysed by SRC for micro-diamond content.

The results received by Lucapa are considered exceptional. A total of 1,100 diamonds were recovered from the 178kg sample of core, including 18 macro-diamonds (classified as individual stones >0.5mm in at least one dimension) and 1,082 micro-diamonds[1] (Table 3).

On a diamonds (macro and micro) per kg of sample basis, the micro-diamond count from LSC/DH002 is approximately three times that of the LSC/DH001 discovery hole, when adjusted for the lower micron cut-off used by SRC (106 microns for LSC/DH001 v 75 microns for LSC/DH002).

Lucapa has completed the logging of the remaining seven holes drilled at Little Spring Creek in the follow-up program. All holes intersected lamproitic material in the targeted body consistent with the dimensions of the ground penetrating radar survey completed in May 2018 (Figure 1, Table 2 and 4) (Refer ASX announcement 23 May 2018).

An additional hole (LSC/DH009) drilled to test a zone of elevated geophysical conductivity approximately 350m north-east of Little Spring Creek did not intersect visible lamproite (Figure 1, Table 2).

[1] *Measured to 75 micron cut-off*

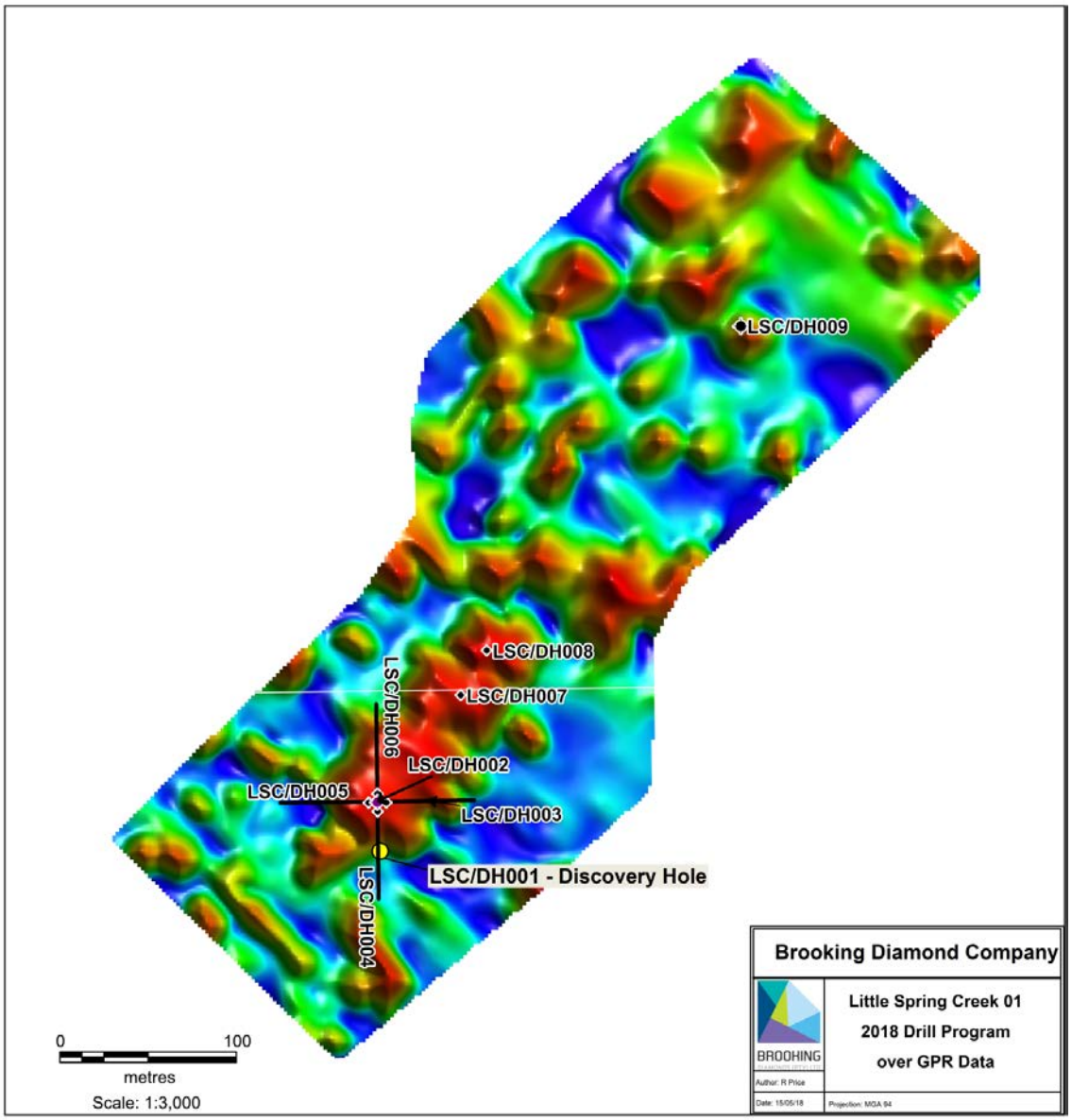

Figure 1: Location of the holes drilled at Little Spring Creek, including LSC/DH002

11 new lamproite targets identified at Brooking

As set out in the ASX announcement of 9 July 2018, Lucapa also engaged New Resolution Geophysics to fly a helicopter-borne Time Domain Electromagnetic ("TDEM") survey over the entire 118km^2 Brooking project area.

This survey was designed to identify additional drilling targets within the Brooking tenement, particularly in areas where diamonds and high levels of lamproite indicator minerals were recovered from previous surface sampling programs.

Modelling and interpretation of the TDEM survey data has been completed, with a total of 11 new targets identified.

These targets include a ~7 hectare anomaly identified at Katie's Bore, where 20 diamonds and high levels of lamproite indicator minerals were also recovered from previous stream sampling[2] (Figure 2).

Other geophysical targets were also identified from the TDEM survey within the North East Creek and Homestead Creek prospects, where diamonds and indicator minerals were previously recovered from stream sampling.

[2] *Brooking Diamond project (Leopold Diamond Company Pty Ltd) Annual Report, December 2015, Departments of Mines and Petroleum WA*

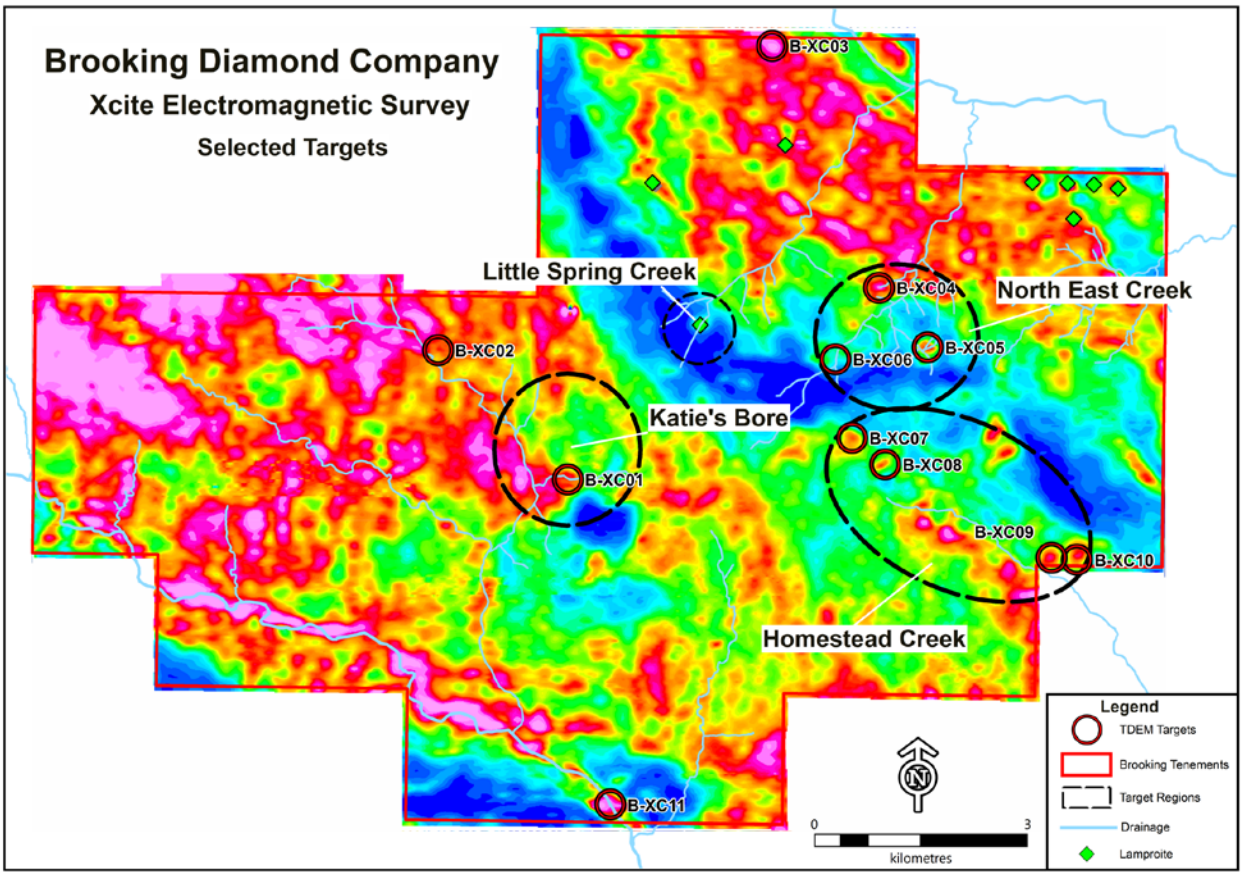

Figure 2: Map showing the 11 new geophysical targets identified at Brooking by the TDEM survey, including those within the Katie's Bore, Homestead Creek and North East Creek areas

Next steps

Lucapa is considering the options available to the Company in respect of trenching and bulk sampling the Little Spring Creek target to follow up on the spectacular micro-diamond results from LSC/DH002 and LSC/DH001.

In addition, Lucapa's geological team is preparing Programs of Work and Heritage clearances for a new drilling program to test the 11 new lamproite targets identified from the TDEM survey.

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 11 +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 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 1.1 million tonne per annum 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 also been refurbished and Lucapa has commenced testing areas of the kimberlite pipe either not included in the JORC resource or where additional sampling is required. Large Special diamonds including two yellow diamonds weighing 89 carats and 25 carats have already been recovered from these areas in the bulk sampling program.

MOTHAE CLASSIFIED DIAMOND RESOURCE – 21 MARCH 2017					
To 300m Below Surface; 2mm Bottom Screen					
Resource Classification	**Tonnes (Mt)**	**Grade (cpht)**	**Average Revenue Modelled (US$/ carat)**	**Average Value Per Tonne (US$/ tonne)**	**Total Resource (Million carats)**
Indicated (to 50m)	2.39	3.0	1,196	34	0.07
Inferred (50m-300m)	36.57	2.7	1,053	28	0.97
TOTAL	**38.96**	**2.7**	**1,063**	**28**	**1.04**
Notes:					
(i) Table contains rounded figures					
(ii) Grade figures are based on recovery factors derived from total content curves for each geological domain, and actual plant recoveries achieved					
(iii) The Diamond Resource estimate was originally reported in accordance with Canadian NI43-101 standard in February 2013 and has been re-stated in accordance with JORC 2012 guidelines					
(iv) The estimate is global in nature					
(v) Unclassified kimberlite exists from 300m to 500m below surface and in the neck zone					
(vi) Results of ongoing bulk sampling program ("BSP") at Mothae, which includes areas of the Mothae resource which have undergone limited previous testing, will be announced when the BSP is completed					

Inferred and Indicated Mothae kimberlite resource as at 21 March 2017 – LOM 70% attributable
(as referred to in the ASX announcement dated 7 August 2018)

Lucapa is also furthering two exploration projects in known diamond provinces. This includes an extensive exploration program at Brooking in the West Kimberley lamproite province in Western Australia to follow up on the discovery of lamproite with very high concentrations of micro- and macro-diamonds. Lucapa is also scheduled to drill its kimberlite targets at the Orapa Area F project in Botswana's Orapa diamond field in H2 2018.

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

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 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

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.

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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.

Appendix 1

Reporting of lamproite exploration results for the Brooking Project
– JORC Code (2012) requirements –

Sampling Techniques and Data

Criteria	JORC Code Explanation	Lucapa Commentary
Sampling techniques	• *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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *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.*	• Drilling was undertaken using a Sandvik DT712 drill rig, drilling PQ or NQ3 diameter core. • Core was preliminary logged at the base camp, before sections of representative whole core were selected at intervals throughout the lamproite intersection. • Selected core samples were submitted to the Saskatchewan Research Council Geoanalytical Laboratories ("SRC") accredited to the ISO/IEC 17025 standard by the Standards Council of Canada as a testing laboratory for diamond analysis using caustic fusion • The TDEM (Time Domain Electro-Magnetic) survey was conducted by New Resolution Geophysics Australia, using a helicopter-borne Xcite system. • The survey was conducted at a flight line spacing of 100m with highest interest areas infilled at 50m line spacing. • All flight lines were surveyed N-S. • The nominal survey height for the EM system was 30-40m EM coil height above ground surface.
Drilling techniques	• *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.).*	• The drilling to date has consisted of PQ and NQ3 sized diamond core drilling.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *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.*	• Core is recovered from the core barrel and stored in core boxes at the drill site, before being transported by light vehicle to the base camp, where it is visually logged. • Core recovery is generally high. • Given the generally massive nature of diamond deposits, no sample bias is expected in the core samples.

Criteria	JORC Code Explanation	Lucapa Commentary
Logging	• *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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length and percentage of the relevant intersections logged.*	• The core is visually logged • No quantitative analysis of the core is reported.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Selected sections of whole core were submitted for micro-diamond analysis. • The samples were selected at regular intervals down throughout the lamproite intersection. • All sample residues have been retained for further examination if required. • No duplicates have been submitted. The remaining core is available for resampling if required.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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.* • *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.*	• The process undertaken is a common process for samples at this stage of exploration. • SRC is accredited to the ISO/IEC 17025 standard by the Standards Council of Canada as a testing laboratory for diamond analysis using caustic fusion. • QC measures including resorting of selected concentrates and spiking with synthetic diamond tracers were applied. 98% of the tracers were recovered. • The XciteTM EM system comprises a 18m diameter transmitter coil, operating at 20Hz, to an NRG RDAS II data acquisition system. Data acquired included dB/dT and integrated B Field parameters. • A Single Sensor Scintrex CS3 magnetometer acquired magnetic data.

Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No verification of samples has been undertaken.
Location of data points	• *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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Sample sites were located using a hand held GPS with a nominal accuracy of about 5m. No elevation data was captured. • The grid system is WGS84 Zone 34L. • A Novatel DL-V3L1L2 GPS was used for positioning during the EM survey.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• The objective of the sample was to confirm the presence of micro-diamonds throughout the intersection of lamproite. This has been confirmed. • The sample was collected as 25 sub samples, with the results composited over the entire length for interpretation purposes. • The remaining holes were used to define the internal geology and external contacts of the deposit and 90 degree azimuth intervals which is appropriate for this size of deposit and stage of evaluation. • The TDEM survey was conducted at a flight line spacing of 100m with highest interest areas infilled at 50m line spacing. • All flight lines were surveyed N-S. • The nominal survey height for the EM system was 30-40m EM coil height above ground surface.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *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.*	• The sampled drill hole was a vertical hole in what is believed to be a vertical deposit. The remaining holes in the main Little Spring body were dipping at ~60° to intersect the sub vertical deposit margins at an appropriate depth. • The selection of sub samples through the entire intersection ensures reasonable representivity of the sample.
Sample security	• *The measures taken to ensure sample security.*	• Security of the drilling and core storage area, processing and diamond recovery is monitored by on site staff, • Core was stored and transported in a locked container. • Samples were sealed on site.

Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The sampling techniques are industry standard and no audits or reviews have been undertaken to validate the information presented at this stage.

Reporting of Exploration Results

Criteria	JORC Code Explanation	Lucapa Commentary
Mineral tenement and land tenure status	• *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.* • *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.*	• The Brooking Diamond Project comprises Exploration Licences E04/1936, E04/2317, E04/2471 and E04/2502. • The Project area is located approximately 55km NNW of Fitzroy Crossing in the West Kimberley region of Western Australia on the Lennard River 1:250,000 (SE51-08) and Leopold Downs 1:100,000 (3692) map-sheets. The Project area straddles the boundary between the Brooking Springs and Leopold Downs pastoral leases. The Exploration Licences E04/1936 and E04/2317 were originally 100% owned and operated by Leopold Diamond Company Pty Ltd. • On 13 October 2016, Lucapa (ASX: LOM) announced that it had agreed to acquire 80% of the project. • On 6 June 2017 Brooking Diamond Company was granted exploration licence E04/2471 for a period of 5 years. • On 11 June 2018 Brooking Diamonds Pty Ltd was awarded exploration licence E04/2502
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The project area has been continuously explored for diamonds since 1976; following the discovery by the Ashton Joint Venture, of the Big Spring Cluster of sub-economic, variably diamondiferous, dykes, pipes and sills of Miocene-aged olivine lamproite and leucite-lamproite at Big Spring, 5 km NNE of the Brooking Project area. The Ashton Joint Venture also recovered diamonds and fresh to fresh-worn kimberlitic indicator minerals suggestive of derivation from at least one local provenance; from stream-sediment and soil samples collected from the tributaries of the Brooking, Homestead and Cajuput Creeks which drain the black-soil covered Devonian limestone reef complexes forming the Oscar Plateau. • These positive results provided the stimulus for persistent exploration between 1976 and 2002 by Stockdale Prospecting, Metana Minerals NL, Mr Manning, Moonstone Diamond Corporation, Diamond Rose NL,

		Thundelarra Exploration Ltd/ Resource Exploration and Diamond Exploration Consultants/ Alcaston Mining. Historic exploration programmes have involved the acquisition of aerial photography and Landsat/ Spot imagery, airborne magnetic, resistivity and radiometric surveys, ground magnetic traverses, regional stream-sediment, soil and loam sampling and associated geochemistry, kimberlitic indicator mineral observation and associated mineral geochemistry and shallow percussion drilling. In 2002, following a regional HEM survey, Rio Tinto Exploration Pty Ltd discovered Leopold 1; a Miocene-aged poly-phase dyke of olivine-phlogopite lamproite and olivine-leucite lamproite, approximately 1.5km east of the eastern boundary of the Brooking Project Area. This discovery, although barren of diamonds, provided impetus for continuing exploration for similar lamproites concealed under the transported Quaternary black-soils developed over the Devonian limestone karst topography forming the Oscar Plateau.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The targets for this exploration program are diamondiferous lamproites similar to the nearby Big Springs pipes or the Ellendale bodies to the WNW. • Like kimberlite, lamproite magma originates at upper mantle depths of 150 – 200km and may entrain diamonds and other minerals from the upper mantle during its rapid ascent to the earth's surface. • The interaction of the hot magma with groundwater results in a highly explosive eruption that, in the case of the Ellendale Lamproite Field, has generally resulted in large flared champagne glass shaped pipes near surface with a narrow pipe stem extending to depth. • Minerals commonly present within lamproites include olivine, clinopyroxene, phlogopite, leucite and amphibole. Xenoliths and xenocrysts, including pyrope garnets and rare diamonds (of upper mantle origin) may also be present. The presence of these xenocrysts is dictated by the mantle lithologies sampled by the lamproite magma on its ascent to surface. • Lamproites can only be diamondiferous if the lamproite magma intersects and samples diamondiferous mantle lithologies during its ascent, and if the

		conditions within the lamproite magma are such that the entrained diamonds are preserved once emplaced near or on the earth's surface (by rapid cooling of the lamproite to limit diamond resorption). • The subcrop geology of the area consists of Devonian limestones and related rocks.
Drill hole Information	• *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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth hole length.* o *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.*	• Drill hole collar information and lamproite intersections are tabulated in Tables 2 and 4.
Data aggregation methods	• *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.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No weighting, averaging, grade truncations or cut-off grades have been used. • No short or long length aggregation applicable. • No metal equivalent values are used.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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').*	• The deposits may be regarded as massive deposits so drill hole orientation is not relevant.
Diagrams	• *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*	• Appropriate map and plans for the reported mineralisation with scale and north points are included with the text of the report.

	collar locations and appropriate sectional views.	
Balanced reporting	• *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.*	• Results reported are complete.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical 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.*	• Stream and loam sampling have been undertaken in some of the areas surrounding the drill sites. • Diamonds and chrome spinels have been recovered from these samples and are reported in an announcement on 23rd November 2016. • A ground electromagnetic survey was conducted over the Little Spring Creek target.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Trenching and bulk sampling of Little Spring Creek to recover macro-diamonds. • Field checking of the identified geophysical targets. • Planning and approvals for a drill program over the identified geophysical targets.

Estimation and Reporting of Diamonds and Other Gemstones

Criteria	JORC Code Explanation	Lucapa Commentary
Indicator minerals	• *Reports of indicator minerals, such as chemically/physically distinctive garnet, ilmenite, chrome spinel and chrome diopside, should be prepared by a suitably qualified laboratory.*	• No indicators have been recovered from the drill hole samples.
Source of diamonds	• *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.*	• The micro-diamonds reported have a variety of sizes, shapes and colours. The morphology and colours of micro-diamonds have been demonstrated to have a poor correlation to those in commercial categories and are not included in the report.
Sample collection	• *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).* • *Sample size, distribution and representivity.*	• Samples reported are from drilled core samples. • A total of 177.5kg of core was processed from spaced sections of core throughout the lamproite intersection.

Criteria	JORC Code Explanation	Lucapa Commentary
Sample treatment	• *Type of facility, treatment rate, and accreditation.* • *Sample size reduction. Bottom screen size, top screen size and re-crush.* • *Processes (dense media separation, grease, X-ray, hand-sorting, etc.).* • *Process efficiency, tailings auditing and granulometry.* • *Laboratory used type of process for micro-diamonds and accreditation.*	• Selected core samples were submitted to SRC who is accredited to the ISO/IEC 17025 standard by the Standards Council of Canada as a testing laboratory for diamond analysis using caustic fusion. • The samples were treated to a bottom cut-off size of 0.075mm.
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).*	• No sample grade has been calculated for these samples.
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.*	• No sample grade has been calculated for these samples. • Samples were treated to a bottom cut-off size of 0.075mm. • No sample density has been calculated.

Criteria	JORC Code Explanation	Lucapa Commentary
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 or 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 is estimated from micro-diamonds.
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.	• The laboratory process has been accredited to the ISO/IEC 17025 standard by the Standards Council of Canada. • No commercial sized diamonds were recovered. • Samples were scrubbed before submission for micro-diamond analysis. • Synthetic diamond tracers were used to monitor the process, with a >98% recovery.

Criteria	JORC Code Explanation	Lucapa Commentary
Classification	• 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.	• No diamond grade or resource is estimated from these samples so no classification is appropriate.

HOLE-ID	Drilling type	Easting	Northing	Elevation	Azi	Dip	Total Depth
LSC/DH002	Core	749,682.00	8,033,730.00	PQ	0	0	102.6
LSC/DH003	Core	749,687.00	8,033,730.00	NQ	59.4	75.6	114.5
LSC/DH004	Core	749,682.00	8,033,725.00	NQ	58.8	75.3	102.1
LSC/DH005	Core	749,677.00	8,033,730.00	NQ	58.8	73.3	49.7
LSC/DH006	Core	749,682.00	8,033,735.00	NQ	58.7	180.6	76.8
LSC/DH007	Core	749,730.00	8,033,790.00	NQ	60.2	270.5	80
LSC/DH008	Core	749,745.00	8,033,815.00	NQ	60.8	0.6	75
LSC/DH009	Core	749,745.00	8,033,996.07	NQ	0	0	50

Table 2: Brooking Drilling Project - Drill Collar Details

Numbers of Diamonds According to Sieve Size Fraction (mm)		
From	**To**	**No of Stones**
-1.18	0.85	0
-0.85	0.6	1
-0.6	0.425	4
-0.425	0.3	26
-0.3	0.212	97
-0.212	0.15	198
-0.15	0.106	347
-0.106	0.075	427
Total # of Stones		**1,100**
Total Sample Weight (kg)		**177.55**
Total # of Carats		0.0597770
Total Diamond Per Kg		6.2
Total Carats Per Kg		0.0003367

Table 3: LSC/DH002 Micro-diamond Recoveries

Hole Id	From	To	Rock Code	Description
LSC/DH002	0	1.8	BS	Black soil
LSC/DH002	1.8	27.2	ULT	Lamproite tuff
LSC/DH002	27.2	50.2	LST/ULT Breccia	Limestone with lamproite breccia
LSC/DH002	50.2	68.5	ULT	Lamproite tuff
LSC/DH002	68.5	78	LST/ULT Breccia	Limestone with lamproite breccia
LSC/DH002	78	102.6	LST	Limestone
LSC/DH003	0	2.2	BS	Black soil
LSC/DH003	2.2	18.5	ULT	Lamproite tuff
LSC/DH003	18.5	42.5	LST	Limestone
LSC/DH003	42.5	104.5	ULTS	Sandy lamproite tuff
LSC/DH003	104.5	114.5	MST	Mudstone
LSC/DH004	0	2.1	BS	Black soil
LSC/DH004	2.1	23.5	ULTS	Sandy lamproite tuff
LSC/DH004	23.5	33.5	LST	Limestone
LSC/DH004	33.5	80	ULT	Lamproite tuff
LSC/DH004	80	102.1	LST	Limestone
LSC/DH005	0	2.1	BS	Black soil
LSC/DH005	2.1	25.8	ULTS	Sandy lamproite tuff
LSC/DH005	25.8	40.7	LST/ULT Breccia	Limestone with lamproite breccia
LSC/DH005	40.7	49.7	LST	Limestone
LSC/DH006	0	2.4	BS	Black soil
LSC/DH006	2.4	24.2	ULTS	Sandy lamproite tuff
LSC/DH006	24.2	40	LST/ULT Breccia	Limestone with lamproite breccia
LSC/DH006	40	76.8	LST	Limestone
LSC/DH007	0	1.4	BS	Blacks soil
LSC/DH007	1.4	36.6	LST	Limestone
LSC/DH007	36.6	43.3	ULTS	Sandy lamproite tuff
LSC/DH007	43.3	67.6	LST/ULT Breccia	Limestone with lamproite breccia
LSC/DH007	67.6	80	LST	Limestone
LSC/DH008	0	1.7	BS	Black soil
LSC/DH008	1.7	32	LST	Limestone
LSC/DH008	32	54.2	ULT	Lamproite tuff
LSC/DH008	54.2	75	LST	Limestone
LSC/DH009	0	50	LST	Limestone

Table 4: Brooking Drilling Project - Drill Intersections