



LULO KIMBERLITE EXPLORATION UPDATE

- Bulk sampling of L071 has commenced

Lucapa Diamond Company Limited (ASX: **LOM**) (“Lucapa” or “the Company”) and its *Project Lulo* partners Empresa Nacional de Diamantes E.P. (“Endiama”) and Rosas & Petalas are pleased to provide a further progress update on the search for the hard-rock sources of the high-value alluvial diamonds being mined at the Lulo project in Angola.

As set out in the ASX announcement of 23 March 2020, the Canguige catchment area has become the focus of the Lulo kimberlite exploration program following the recovery of 45 diamonds of up to 3.75 carats from a stream sample taken from the Canguige tributary (Figure 2). As a result, drilling and preparations for kimberlite bulk sampling have been concentrated in the Canguige catchment area, which hosts 5 of the 16 kimberlites “top-rated” during the 2019 kimberlite review (Figure 2).

The L071 kimberlite sample will be the first of the kimberlites in the Canguige catchment area to be bulk sampled (Figure 1). L071 is estimated to be ~30ha in size at surface. Two bulk sample locations have been chosen at L071, where the completed delineation drilling showed the targeted volcanoclastic kimberlite (“VK”) was hosted.

Excavation of the ~2,000 tonne bulk sample has commenced at the first selected site (Figure 1), following which the VK material will be transported to the Lulo processing plant.



Figure 1: Kimberlite bulk sampling excavation activities underway at the first selected L071 sample site (left) and excavated volcanoclastic kimberlite (right)

Globally, only a small percentage of kimberlites are known to be diamondiferous and it is therefore not expected that every kimberlite to be bulk sampled will be diamondiferous. However, as a result of the low grade (low diamond count per tonne/ cubic metre) and high-value diamonds being recovered in the greater Caculo valley, more particularly the Canguige tributary sample and adjacent alluvial Mining Block 46, recovery expectations from any potential source kimberlite should be for similar low grade and high-value diamonds.

A total of 16 priority kimberlites are earmarked for bulk sampling (Figure 2). Delineation drilling, bulk sampling and additional stream or tributary sampling in the catchment areas hosting the 11 other priority targets will be conducted throughout 2020 and into 2021.

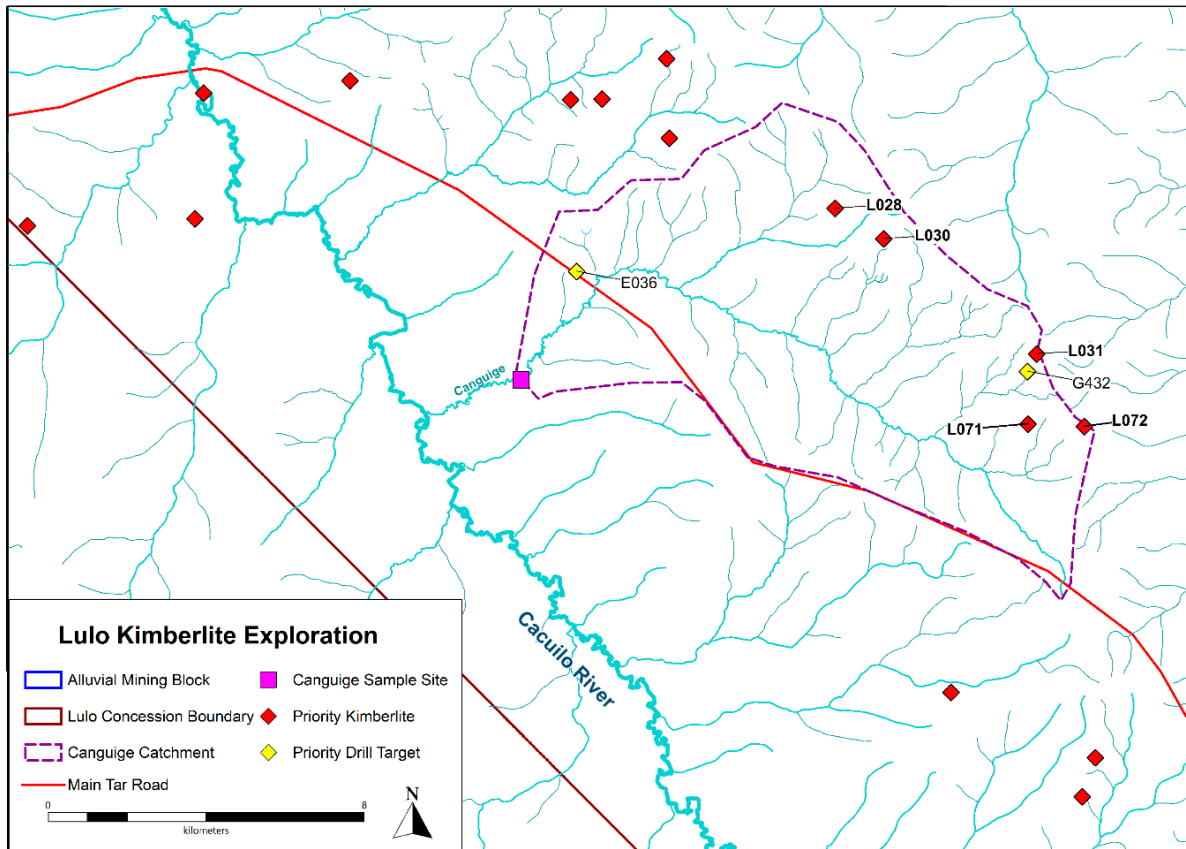


Figure 2: Location of the 16 most prospective kimberlites in the Lulo Project area selected for bulk sampling plus two additional drilling targets (including those in the Canguige catchment area)

The drill rig has already relocated to the nearby L072 kimberlite where delineation drilling has commenced and VK material has been intersected in the first hole drilled (Figure 3).



Figure 3: Fresh volcanoclastic kimberlite material (at 3m depth) in drill core from L072

Lucapa will provide further updates on the search for the Lulo alluvial diamond sources, as the program progresses.

Authorised by the Lucapa Board.

STEPHEN WETHERALL
MANAGING DIRECTOR

ABOUT LUCAPA

Lucapa is a niche diamond producer with high-value mines in Angola (Lulo) and Lesotho (Mothae).

The Lulo alluvial mine and Mothae kimberlite mine both produce large and high-value diamonds, with >75% of revenues generated from the recovery of +4.8 carat stones.

Lulo has produced 15 +100 carat diamonds to date and is one of the highest average US\$ per carat alluvial diamond producers in the world. Lucapa and its *Project Lulo* partners have also received highly encouraging results from their search to discover the primary hard-rock source of the high-value Lulo alluvial diamonds.

The new 1.1 Mtpa Mothae kimberlite mine in diamond-rich Lesotho commenced commercial mining operations in January 2019. It produced > 30,000 carats in its first year of production, including 3 +100 carat diamonds.

Lucapa's Board and management team have decades of 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.

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