



ANOTHER A\$9.6 MILLION FROM LULO DIAMOND SALES

- *Gross diamond revenues of A\$32.5 million in the March 2016 Quarter demonstrate the ability for Lulo's alluvial diamond mining operations to generate strong cash flows*



A selection of large Lulo special diamonds from the latest sales including the record 404 carat diamond

Lucapa Diamond Company Limited (ASX: **LOM**) ("Lucapa"), Endiama E.P ("Endiama"), Angola's national diamond mining company and private local partner Rosas & Petalas are pleased to announce the sale of another 1,349 carats of diamonds from the Lulo Diamond project in Angola for gross proceeds of A\$9.6 million (US\$6.8 million).

The 1,349 carat sale brings to A\$32.5 million the gross revenues generated from the sale of 1,931 carats of Lulo diamonds in the March 2016 Quarter (See ASX announcements 25 January 2016 and 29 February 2016). This includes the record 404 carat Lulo gem which sold for gross proceeds of A\$22.5 million (US\$16 million).



A selection of large Lulo special diamonds from the latest diamond sales including the record 404 carat Lulo gem

The latest 1,349 carat sale achieved an exceptional average selling price of A\$7,126 (US\$5,075) per carat, providing further evidence of the strong market demand for large high-quality diamonds like those being recovered from alluvial Mining Blocks 8 and 6 at Lulo.

In total, the Lulo partners have now sold 12,125 carats of Lulo alluvial diamonds - recovered from both the exploration and mining phases - for total gross proceeds of A\$51.3 million (US\$38.2 million in US\$ invoiced sales).

This represents an overall average selling price of A\$4,233 per carat (US\$3,147 in US\$ invoiced sales) for all Lulo diamonds sold to date.

Lucapa Chief Executive Stephen Wetherall said the March Quarter diamond sales demonstrated the ability of the Lulo alluvial mining operations to generate strong cash flows as the Lulo partners continued to advance their search for the primary kimberlite source, or sources, of the exceptional alluvial diamonds.

"The sale prices achieved in the March Quarter continue to highlight the diamonds we are mining at Lulo are, on average, among the best quality gems in the world," said Mr Wetherall.



A selection of large Lulo special diamonds from the latest diamond sales including the record 404 carat Lulo gem

Alluvial Mining Update

The Lulo diamonds sold in the March 2016 Quarter were all recovered from alluvial mining operations during the Angolan wet season. While diamond mining operations continue at Lulo, access to alluvial gravels from Mining Blocks 8 and 6 has been restricted by recent heavy rains.

However, the Lulo partners note that the Angolan wet season generally finishes in April, after which diamond production from Mining Blocks 8 and 6 is expected to be scaled up to the rate of 20,000 bulk cubic metres per month as underfoot conditions permit.

Kimberlite Exploration Update

In line with previous guidance, the ground-based electromagnetic (EM) survey conducted at the high-priority L259 kimberlite at Lulo has been completed. Lucapa expects to have the final results, interpretation and interim modelling of this EM survey within days and will update the market as soon as the Company is able to do so.

The EM survey was undertaken to assist Lucapa's geological team in understanding the subsurface geology of the 110 hectare kimberlitic signature defined at L259 by the recently-completed gravity survey.

As noted in the ASX announcement of 1 February 2016, the large, well-defined kimberlitic signature at L259 identified by the gravity survey is directly beneath Mining Block 8 at Lulo, which has already produced more than 60 large special diamonds since mining commenced in this area in August 2015.

For and on behalf of the Lucapa Board.

STEPHEN WETHERALL
CHIEF EXECUTIVE OFFICER

Competent Person's Statement

The information reported is based on and fairly represents information and supporting documentation prepared and compiled by Albert Thamm MSc F.Aus.IMM (CP), who is a Corporate Member of the Australasian Institute of Mining and Metallurgy. Mr. Thamm is a Director of Lucapa Diamond Company Limited. Mr. Thamm has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr. Thamm 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 and Mineral Resource estimates, which have been included in 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 prior relevant market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Forward-Looking Statements

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