



KIMBERLITE DRILLING TARGETS DEFINED AT ORAPA AND BROOKING

HIGHLIGHTS

- **Lucapa has successfully defined a series of priority lamproite and kimberlite drilling targets at the Brooking Diamond Project in Western Australia and the Orapa Area F Diamond Project in Botswana**
- **At Brooking, EM surveys have identified lamproite drilling targets in areas where diamonds and lamproite indicator minerals were recovered in sampling programs**
- **At Orapa Area F, a coincident magnetic/EM/gravity target has been defined within one of the world's most prolific diamond fields**
- **Drilling programs to commence in 2017 at both the Brooking and Orapa Area F targets as kimberlite drilling is also stepped up at the flagship Lulo Diamond Project in Angola**

Lucapa Diamond Company Limited (ASX: **LOM**) ("Lucapa" or "the Company") is pleased to provide an update on its lamproite and kimberlite exploration programs at the Brooking Diamond Project in Western Australia and the Orapa Area F Diamond Project in Botswana.

The work being carried out at Orapa Area F and Brooking is in line with Lucapa's strategy of advancing low-cost exploration programs in known diamond provinces which have the potential to position the Company for continued growth as a diamond producer.

Brooking is located within 40km of the Ellendale diamond field in Western Australia's Kimberley region, which was formerly the world's leading producer of rare, fancy yellow diamonds.

Orapa Area F is located ~40km east of the prolific Orapa diamond mine in Botswana and within 4km of the BK02 kimberlite being bulked sampled by TSX-listed Lucara Diamond Corp.

Lucapa and its partners will provide a separate update on exploration at the flagship Lulo Diamond Project in Angola (Lucapa 40% owner and operator).

Brooking Diamond Project, Western Australia (Lucapa 80%)

Further to the ASX announcement of 23 November 2016, Lucapa has completed detailed ground electromagnetic ("EM") surveys over key target areas defined by the Company's preliminary exploration work at Brooking, which validated positive historic results including the recovery of macro and micro diamonds and lamproite indicator minerals (Appendix 2).

KIMBERLITE DRILLING TARGETS DEFINED AT ORAPA AND BROOKING

The EM surveys successfully identified four well-defined conductors potentially associated with lamproite, a host rock for diamonds. The EM conductors were defined at the North East Creek (two), Little Spring Creek and Homestead Creek targets (Figure 1). The conductors are in drainage basins where diamonds and indicator minerals were recovered from earlier field sampling programs.

In addition, two of the conductors – Little Spring Creek and one of the two at North East Creek – are also coincident with positive results from Mobile Metal Ion (“MMI”) geochemical analysis for nickel and other rare earth elements, which are also associated with lamproite bodies (See ASX announcement 23 November 2016).

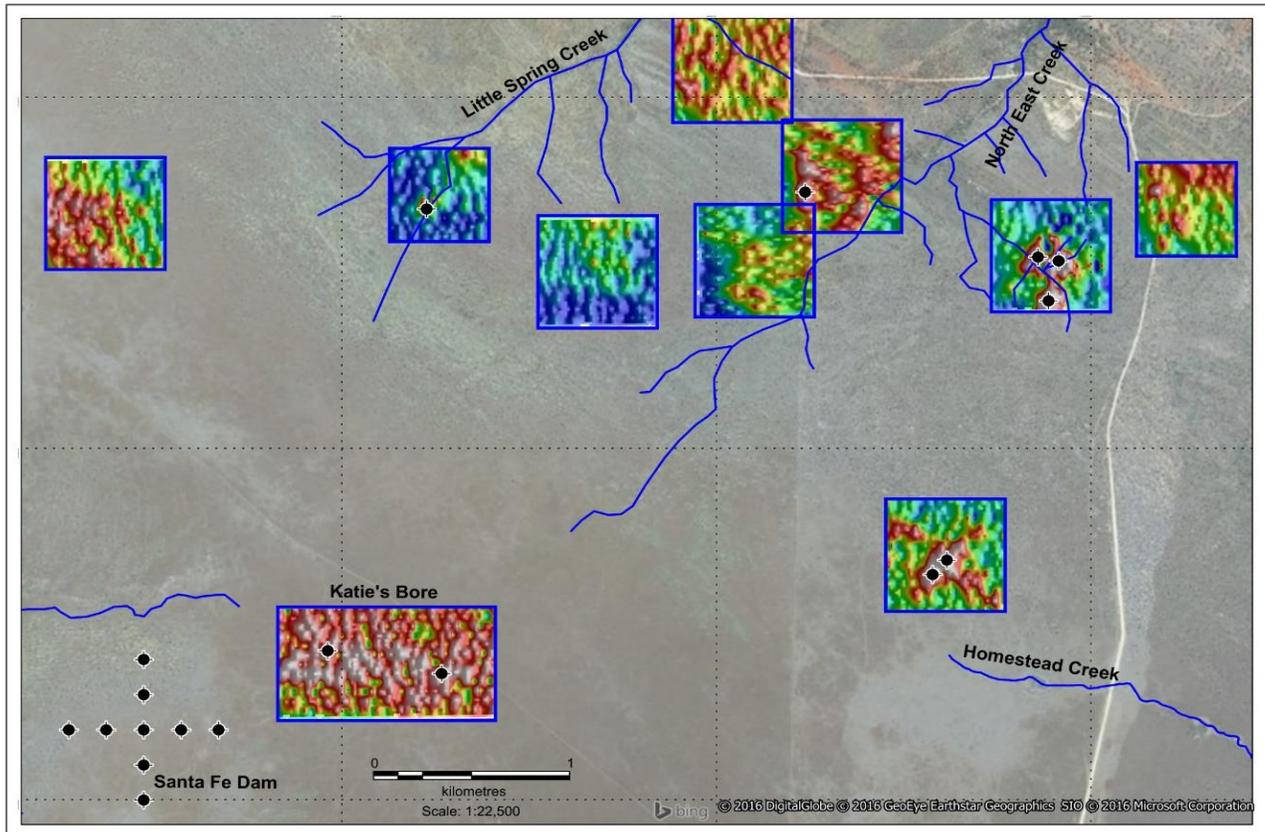


Figure 1: EM results and planned drilling targets at the Brooking Diamond Project, Western Australia

Lucapa considers the results to be highly encouraging. The Company is planning to drill test all four conductors, as well as the previously-identified Katie's Bore and Santa Fe Dam targets (Figure 1).

This reverse circulation (RC)/ core drilling program will be subject to heritage clearances. The timing will depend on suitable weather and ground conditions, which means drilling is unlikely to commence during the March 2017 Quarter.

Orapa Area F Diamond Project, Botswana

The Orapa Area F project contains two known kimberlites (BK14 and BK38) and a larger magnetic anomaly (ANO1).

Further to the ASX announcement of 28 October 2016, Lucapa has also completed a preliminary exploration program at Orapa Area F which involved ground magnetic, EM and gravity surveys, along with EM soundings and MMI soil geochemical analysis (Appendix 1).

KIMBERLITE DRILLING TARGETS DEFINED AT ORAPA AND BROOKING

This work was successful in defining a doubled-lobed coincident gravity/magnetic feature at AN01.

This well-defined magnetic anomaly measures approximately 350 metres x 150 metres (Figure 2) and represents a priority drilling target within the prolific Orapa diamond field.

While validating the techniques used to define AN01, modelling of the work undertaken at the two known kimberlites at Orapa Area F suggests BK14 is a conventional pipe with no previously-unexplored kimberlite offshoots and that BK38 is a likely narrow dyke. As such, AN01 will be the priority focus of the next drilling stage.

As with Brooking, the RC drilling program at AN01 is subject to suitable weather and ground conditions and as such, is unlikely to commence until after the March 2017 Quarter.

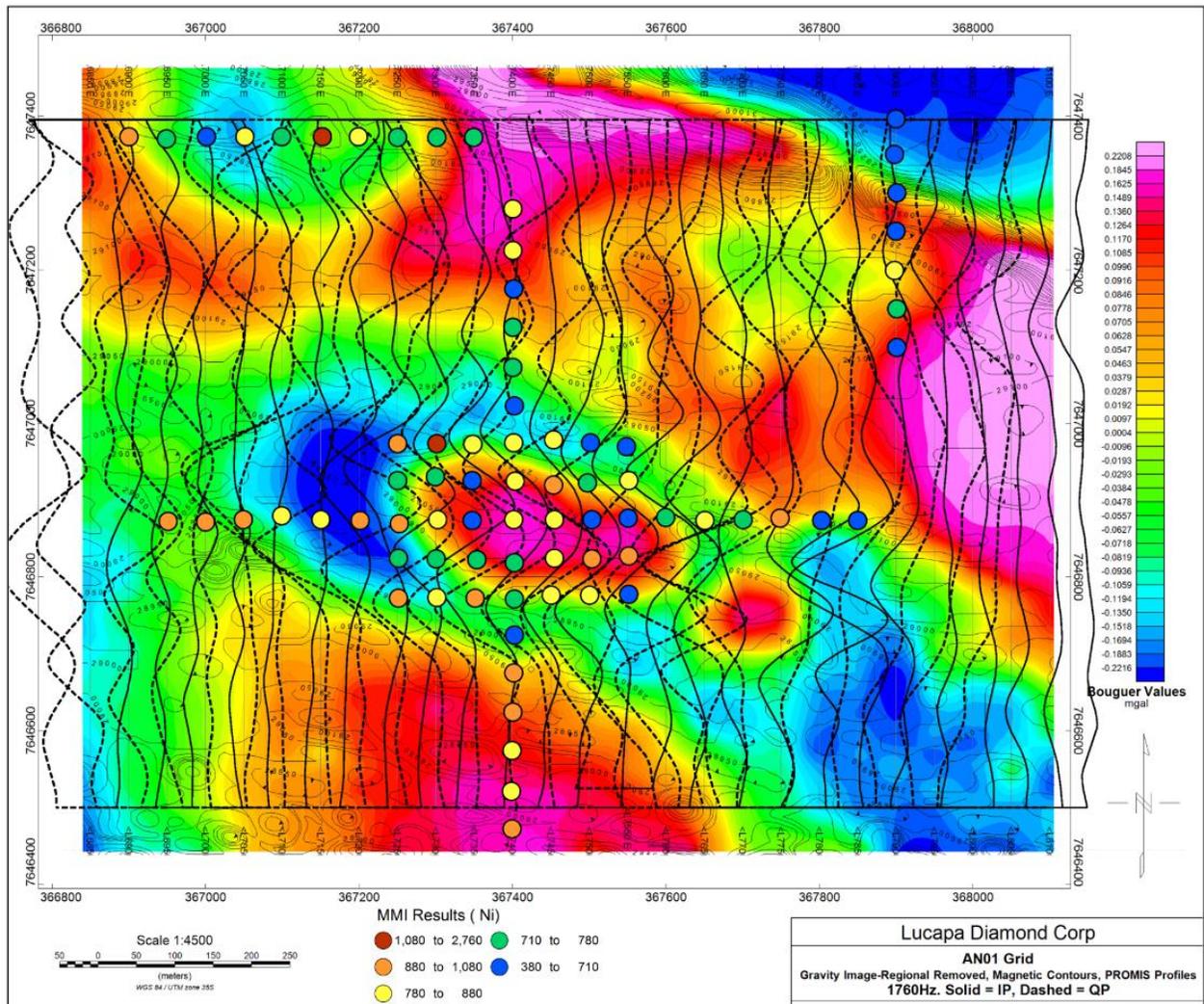


Figure 2: Gravity, magnetic and EM results and MMI data from AN01 at Orapa Area F, Botswana

For and on behalf of the Lucapa Board.

STEPHEN WETHERALL
CHIEF EXECUTIVE OFFICER

Competent Person's Statement

Information included in this announcement that relates to previously released exploration data was disclosed under JORC Code 2012. That information has not materially changed since it was last reported and is based on and fairly represents information and supporting documentation prepared and compiled by Albert Thamm MSc FAusIMM (CP), who is a Corporate Member of the Australasian Institute of Mining and Metallurgy. Mr Thamm is a Director of Lucapa Diamond Company Limited. Mr Thamm has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr Thamm and consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

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.

This announcement may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply in their own jurisdiction. A failure to do so may result in a violation of securities laws in such jurisdiction.

This document does not constitute investment advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this representation are not intended to represent recommendations of particular investments to particular persons. Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments.

No responsibility for any errors or omissions from this document arising out of negligence or otherwise is accepted. This document does include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of the Company. Actual values, results, outcomes or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements.

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 diamond exploration results and resources for the Lulo Project
- JORC Code (2012) requirements -
Orapa Area F Diamond Exploration Sampling Techniques and Data**

Criteria	JORC Code Explanation	Lucapa Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> • 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. 	<p>MMI® (Mobile Metal Ion)</p> <p>Sample sites over selected geophysical features. Approximately 5cm of surface soil was removed, and approximately 400g of soil was extracted to a maximum depth of 10cm, and placed in a labelled plastic bag.</p> <p>The samples were located mostly along perpendicular lines, centred on a target and extending well away from the target area. Orientation of the lines was based on an interpretation of the geophysical feature being targeted.</p>
<i>Drilling techniques</i>	<ul style="list-style-type: none"> • 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.). 	No new drilling is reported in this document.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> • 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. 	No new drilling is reported in this document
<i>Logging</i>	<ul style="list-style-type: none"> • 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. 	No logging of core or chips was undertaken.

KIMBERLITE DRILLING TARGETS DEFINED AT ORAPA AND BROOKING

<p><i>Sub-sampling techniques and sample preparation</i></p>	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>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.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<p>Not core. No sub-samples are taken.</p>
<p><i>Quality of assay data and laboratory tests</i></p>	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>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.</i> • <i>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.</i> 	<p><u>Geophysics</u></p> <p>The ground magnetic surveys were conducted using a GEM GSM-19W walking Overhauser magnetometer with a GPS attachment. The line spacing used is 50m on areas BK14 and AN01 and 25m on BK38.</p> <p>A horizontal loop electromagnetic survey was conducted across each target area using a PROMIS 10 3-component digital HLEM system. This system can measure up to 10 frequencies from 110Hz (deepest seeking) to 56kHz (shallowest measurements) and can use cable lengths of 20m to 400m. For this exploration campaign it has been planned to use a 200m cable length at 50m station intervals allowing for a 100m investigation depth. Where results indicate that further detailed evaluation may be required, this will be done to across the selected areas. Station spacing and cable length have been reduced for the survey on BK38 due to its smaller size. A ground gravity survey was completed on each target using a Scintrex CG-5 gravimeter with station locations and heights above sea level being measured using a Leica 1200 DGPS to sub-decimetre accuracy. Line and station spacing of 50m and 25m have been implemented for the BK14 kimberlite and AN01 target; whilst kimberlite BK38 is being covered by 25m line and 10m station spacings. The gravimeter records between 50 and 80 stations per day on a continuous grid. Daily repeat stations are recorded to confirm data quality and accuracy in addition to recording the morning and evening base station readings to account for any daily drift that may occur.</p>

KIMBERLITE DRILLING TARGETS DEFINED AT ORAPA AND BROOKING

		<p>Acceptable levels of accuracy and precision have been established for geophysical data.</p> <p>A test survey of TDEM soundings was undertaken over BK14 to map the 3D profiles of the body.</p> <p>The survey parameters chosen and used to record data at 50m station intervals were as follows:</p> <p><u>Line 7646000N, E-W line:</u> TEM47 – 50m x 50m loop, frequencies of 62.5Hz, 25Hz and 6.25Hz TEM47 – 100m x 100m loop, frequencies of 25Hz and 6.25Hz TEM57 – 100m x 100m loop, frequencies of 25Hz and 6.25Hz</p> <p><u>Line 370450E, N-S line:</u> TEM47 – 100m x 100m loop, frequencies of 25Hz and 6.25Hz</p> <p>The larger 100m x 100m transmitter loop and the TEM47 transmitter became the preferred survey configuration to use as the results were obtained and reviewed.</p> <p>The data was processed using EMAX software, with profiles of apparent resistivities generated for each survey line and frequency.</p> <p>MMI® (Mobile Metal Ion) The MMI® samples were analysed by SGS Perth using a proprietary analysis process.</p>
<p><i>Verification of sampling and assaying</i></p>	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<p>No drilling is reported in this document.</p> <p>No duplicates were taken for the MMI® samples as the interpretation undertaken is qualitative.</p>
<p><i>Location of data points</i></p>	<ul style="list-style-type: none"> • <i>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.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<p>Geophysics</p> <p>The survey was conducted on three grids over each of the targets to collect magnetic, electromagnetic and gravity geophysical results with lines spaced 50m to 100m apart. A Leica 1200 Differential Global Positioning System (DGPS) was used to locate the specified corners of each grid, the ends of each of the proposed survey lines and the midpoint or other line of sight stations along a given survey line.</p> <p>All other positions were located using a handheld GPS.</p>
<p><i>Data spacing and distribution</i></p>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral</i> 	<p>The MMI® sample spacing was dependent on the size of the target to allow approximately half the samples to be located on the target area and half away from the target to determine background</p>

KIMBERLITE DRILLING TARGETS DEFINED AT ORAPA AND BROOKING

	<p><i>Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p> <ul style="list-style-type: none"> • <i>Whether sample compositing has been applied.</i> 	<p>levels. No sample compositing has been applied.</p>
<p><i>Orientation of data in relation to geological structure</i></p>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>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.</i> 	<p>The orientation of sampling and geophysical survey lines has been based on the known orientation of these targets.</p>
<p><i>Sample security</i></p>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<p>MMI samples were packed and sealed for delivery to the laboratory by the field work contractor.</p>
<p><i>Audits or reviews</i></p>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	

Reporting of Exploration Results

Criteria	JORC Code Explanation	Lucapa Commentary																		
<p><i>Mineral tenement and land tenure status</i></p>	<ul style="list-style-type: none"> • <i>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.</i> • <i>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.</i> 	<p>LOM is the 75% owner of Prospecting License No. PL 265/2015. LOM is in the process of registering a Botswanan company, Lefika Diamonds (Botswana) Proprietary Limited (Lefika Diamonds), to which the license will be transferred once registration has been successful.</p> <p>LOM has been awarded Prospecting License No. PL 265/2015 by the Ministry of Minerals, Energy and Water Resources. Application was made under a tender process for available tenements in the area, which was awarded on 22 September 2015. It is valid for a period of three years commencing on 1 October 2015 and ending on 30 September 2018.</p> <p>Geographic co-ordinates of the 16km² lease are:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>LATITUDE (S)</th> <th>LONGITUDE (E)</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>21°15'46.94"</td> <td>25°42'54.65"</td> </tr> <tr> <td>B</td> <td>21°15'46.80"</td> <td>25°45'14.47"</td> </tr> <tr> <td>C</td> <td>21°15'47.23"</td> <td>25°46'25.72"</td> </tr> <tr> <td>D</td> <td>21°17'13.31"</td> <td>25°46'25.03"</td> </tr> <tr> <td>E</td> <td>21°17'13.63"</td> <td>25°42'54.79"</td> </tr> </tbody> </table>		LATITUDE (S)	LONGITUDE (E)	A	21°15'46.94"	25°42'54.65"	B	21°15'46.80"	25°45'14.47"	C	21°15'47.23"	25°46'25.72"	D	21°17'13.31"	25°46'25.03"	E	21°17'13.63"	25°42'54.79"
	LATITUDE (S)	LONGITUDE (E)																		
A	21°15'46.94"	25°42'54.65"																		
B	21°15'46.80"	25°45'14.47"																		
C	21°15'47.23"	25°46'25.72"																		
D	21°17'13.31"	25°46'25.03"																		
E	21°17'13.63"	25°42'54.79"																		
<p><i>Exploration done by other parties</i></p>	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<p>Following the discovery of the Orapa Kimberlite Field in the early-1970s by De Beers Consolidated Mines Limited (De Beers) and the opening of the Orapa Diamond Mine in 1971, intense exploration was undertaken across the greater region. The majority of this initial exploration was completed by De Beers in partnership with the State through variously formed entities, including Debswana Diamond</p>																		

KIMBERLITE DRILLING TARGETS DEFINED AT ORAPA AND BROOKING

		<p>Company (Pty) Ltd (Debswana) and De Beers Prospecting Botswana (Pty) Ltd. This led to the discovery of 83 known kimberlites today, including the two kimberlites occurring within the Orapa Area F Kimberlite Project.</p> <p>No historical mining has been undertaken on the property.</p> <p>Heavy mineral exploration surveys were completed in c.2004 across the whole of PL2/97 which was covered by a reconnaissance sampling grid of 1,000m then a closer grid at 200m spacing</p> <ul style="list-style-type: none">• 1,000m grid: - a total of 81 samples were collected and 5,153 grains were recovered. The majority of the grains were ilmenite (77%) and garnet (22%). No distinct anomalies were noted;• A 200m grid: - completed across approximately 90% of PL2/97. A total of 1,739 samples were collected and 41,225 grains were recovered. The majority were ilmenite (79%) and garnet (20%). The grains recovered in the north were relatively higher in ilmenite than in the south, however there were no well-defined heavy mineral anomalies over these kimberlites. This southern area was characterised by higher counts of indicator minerals with a distinct anomaly visible at BK14 which matched with a distinct magnetic target. <p>Electron-microprobe analyses of selected indicator-mineral grains were carried out at the De Beers Group Mining and Exploration Analytical Services Unit in Johannesburg, South Africa. A total of 261 garnets, 18 spinel analyses and 2,554 ilmenite were available for analysis from PL2/97 with only one clinopyroxene grain analysed.</p> <p>Airborne magnetic survey:- high resolution airborne magnetics was conducted by geophysical airborne contractor, Excalibur using a Crop Duster aircraft. Flight line spacing was 100m for the high resolution and 50m for the ultra-high resolution surveys. Ground clearance was 20m, tie line spacing at 250m and sample spacing at 6m. Data collected was Total Field Magnetics and horizontal</p>
--	--	---

KIMBERLITE DRILLING TARGETS DEFINED AT ORAPA AND BROOKING

		<p>gradient with two wing-tip mounted caesium vapour sensors and elevation data with real-time differential GPS and laser altimeter. The entire PL2/97 was covered.</p> <p>Ground gravity survey:- was conducted primarily around known kimberlite clusters, some outside of PL2/97. The megablock surveys were conducted using Scintrix CG3 and CG5 gravimeters, typically at 100m line spacing and 50m station spacing. For the delineation surveys the resolution was increased to 50m line spacing and 25m station spacing. A Leica SR500 series Differential GPS was used to record station and elevation data.</p> <p>De Beers Prospecting Botswana (Debot) drilled a total of 6 geological definition percussion holes into BK14 over two phases. In addition, 4 LDD holes were drilled recovering approximately 103 tons of sample with no diamonds recovered.</p>
<p><i>Geology</i></p>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<p>The geology of the Area F Project is dominated by Karoo basalts with the suggestion of some Karoo sandstones occurring to the north of the Project. A large dolerite dyke was identified from aeromagnetic data and trends west-northwest to east-southeast through the northern parts of the Area F Project. The relatively simple stratigraphy is complicated by numerous large faults, which cut through the region. These faults act as conduits for water flow as well as resulting in horst and graben features which can provide for shallower intersections of the sandstone formations, and create hydraulically isolated or partly isolated compartments. This complex pattern of block faulting has ensured that in places the basalts lie adjacent to the older sedimentary rocks.</p> <p>The Orapa Kimberlite Field includes at least 83 known kimberlite bodies, each varying in size from insignificant dykes to the 110ha diamondiferous AK1 kimberlite, today exploited by the Orapa Mine. All kimberlites are of post-Karoo age. Of the 83 known kimberlite intrusions, five have been, or are currently being mined, with a further four recognized as potentially economic deposits. In addition, numerous are the subject of current investigation, including the two known kimberlites within the Area F Project.</p>

KIMBERLITE DRILLING TARGETS DEFINED AT ORAPA AND BROOKING

		The Area F Project contains three primary targets, two known kimberlites, namely BK38 and BK14, as well as a further anomaly, AN01, each of which warrant further investigation.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • <i>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:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth hole length.</i> ○ <i>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.</i> 	No new drilling is reported in this document.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> • <i>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.</i> • <i>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.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	No data aggregation has been made to the data.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>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’).</i> 	No drilling intercepts are reported.
<i>Diagrams</i>	<ul style="list-style-type: none"> • <i>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.</i> 	Diagrams are included in the main text.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • <i>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.</i> 	Results reported are complete as of the date of this report.

KIMBERLITE DRILLING TARGETS DEFINED AT ORAPA AND BROOKING

<p><i>Other substantive exploration data</i></p>	<ul style="list-style-type: none"> <i>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.</i> 	<p>The BK14 kimberlite was discovered by Debswana during the 1990s through an extensive exploration field campaign across the greater area. The pipe is approximately 4.3ha in surface area which has been described as a blue/green tuffisitic kimberlite breccia. BK14 was delineated by Debswana through an initial limited LDD campaign in April 2005 consisting of four LDD drillholes and three delineation percussion drillholes. These LDD drillholes were drilled to obtain bulk samples for macro diamond sampling after a grade of 10ct/100m³ had been postulated by Debswana in 1999. No diamonds were recovered during this bulk sampling campaign.</p> <p>BK38 is a known kimberlite which was discovered by Debswana during a later phase of exploration in the Orapa area. Upon original target delineation, two inclined drillholes were drilled which intersected the pipe. The results indicated it to potentially be <0.5ha in areal extent which likely represents a blow of a dyke. No significant heavy mineral anomalies can be observed in the soil sampling data over the BK38 locality with only a weak linear magnetic signature present.</p> <p>AN01 is a magnetic anomaly which has been identified from the 1st vertical derivative (1VD) processed detailed aeromagnetic data flown by De Beers in the late 1990s. It is less clear in the total field data as it has been partially masked by a strongly magnetic dolerite dyke to the north, and hence may have been originally overlooked and not selected as a target by Debswana. No significant heavy mineral anomalies have been identified near to AN01.</p>
<p><i>Further work</i></p>	<ul style="list-style-type: none"> <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> <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> 	<p>Drilling is required to determine the cause of the coincident magnetic, EM and gravity anomaly.</p> <p>Further drill holes are being considered to better define the outlines of both BK14 and BK38.</p>

**Appendix 2
Reporting of diamond exploration results and resources for the Lulo Project
- JORC Code (2012) requirements -
Brooking Diamond Exploration Sampling Techniques and Data**

Criteria	JORC Code Explanation	Lucapa Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> • <i>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.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>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.</i> 	<p>EM Core Geophysics (CORE) was commissioned to conduct a CMD-DUO2 frequency domain electromagnetic (FDEM) survey within the Brooking Diamond Project.</p> <p>The survey was carried out from 25 November to 8 December 2016 and comprised a total of 3,911 stations for a total of 76.54 line kilometres of FDEM data from 11 survey blocks. The surveys were designed to detect conductors potentially associated with lamproite; a host rock for diamonds.</p> <p>The survey equipment included a GF Instruments CMD-DUO conductivity meter which consists of two separate coils - a transmitter coil and a receiver coil - separated by a reference cable 20m in length. Apparent conductivity measurements were recorded at each station to the handheld control unit via Bluetooth connectivity to the receiver coil. A measurement time of 5 seconds was set to increase accuracy and stability of readings at each station. The control unit was also linked to a handheld GPS receiver via a short data cable to record positional information.</p> <p>The CMD-DUO conductivity meter was operated in the Hi mode with the transmitter and receiver coils lying flat on the ground in a horizontal position and the receiver coil always leading the transmitter coil in the survey line direction.</p>
<i>Drilling techniques</i>	<ul style="list-style-type: none"> • <i>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.).</i> 	No drilling is reported in this document.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>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.</i> 	No drilling is reported in this document

KIMBERLITE DRILLING TARGETS DEFINED AT ORAPA AND BROOKING

<p><i>Logging</i></p>	<ul style="list-style-type: none"> • <i>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.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<p>No core or chip samples were logged.</p>
<p><i>Sub-sampling techniques and sample preparation</i></p>	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>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.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<p>No sampling is reported in this document.</p>
<p><i>Quality of assay data and laboratory tests</i></p>	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>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.</i> • <i>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.</i> 	<p>The data collected from the CMD-DUO conductivity meter were downloaded at the end of each day. It was then QC'd, initial edits made and plotting point adjustments (to account for the inter-coil spacing) completed. The data were then imported into viewing software to further QC the data and verify the coordinates.</p> <p>The data were found to be of good quality and preliminary imagery and line locations were provided on a regular basis</p>
<p><i>Verification of sampling and assaying</i></p>	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<p>No drilling or sampling is reported in this document.</p>
<p><i>Location of data points</i></p>	<ul style="list-style-type: none"> • <i>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.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<p>The control unit was also linked to a handheld GPS receiver via a short data cable to record positional information. All data were collected in the WGS84 datum and UTM Zone 51 South projection.</p>

KIMBERLITE DRILLING TARGETS DEFINED AT ORAPA AND BROOKING

<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>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.</i> • <i>Whether sample compositing has been applied.</i> 	The survey block comprised 116 east-west and north-south oriented 50m spaced lines across 10 survey blocks. Apparent conductivity data were collected along all lines at 20m station spacing and an inter-coil spacing of 20m
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>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.</i> 	The survey method is not sensitive to the orientation of the survey.
<i>Sample security</i>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	No sampling is reported in this document.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	No audits or reviews have been undertaken.

Reporting of Exploration Results

Criteria	JORC Code Explanation	Lucapa Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • <i>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.</i> • <i>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.</i> 	<p>The Brooking Diamond Project comprises Exploration Licences E04/1936 and E04/2317.</p> <p>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 are 100% owned and operated by Leopold Diamond Company Pty Ltd.</p> <p>On 13 October 2016, LOM announced that it had agreed to acquire 80% of the project.</p>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	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

KIMBERLITE DRILLING TARGETS DEFINED AT ORAPA AND BROOKING

		<p>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.</p> <p>These positive results provided the stimulus for persistent but unsuccessful 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.</p>
<p><i>Geology</i></p>	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<p>The targets for this exploration program are diamondiferous lamproites similar to the nearby Big Springs pipes or the Ellendale bodies to the WNW.</p> <p>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.</p> <p>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.</p>

KIMBERLITE DRILLING TARGETS DEFINED AT ORAPA AND BROOKING

		<p>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.</p> <p>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).</p> <p>The subcrop geology of the area consists of Devonian limestones and related rocks.</p>
<p><i>Drill hole Information</i></p>	<ul style="list-style-type: none"> • <i>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:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth hole length.</i> ○ <i>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.</i> 	<p>No drilling is reported in this document.</p>
<p><i>Data aggregation methods</i></p>	<ul style="list-style-type: none"> • <i>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.</i> • <i>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.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<p>No data aggregation has been used.</p>

KIMBERLITE DRILLING TARGETS DEFINED AT ORAPA AND BROOKING

<p><i>Relationship between mineralisation widths and intercept lengths</i></p>	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>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').</i> 	<p>No mineralised widths are reported.</p>
<p><i>Diagrams</i></p>	<ul style="list-style-type: none"> • <i>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.</i> 	<p>Diagrams are included in the main text and below.</p>
<p><i>Balanced reporting</i></p>	<ul style="list-style-type: none"> • <i>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.</i> 	<p>Results reported are complete.</p>
<p><i>Other substantive exploration data</i></p>	<ul style="list-style-type: none"> • <i>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.</i> 	<p>No other work was undertaken.</p>
<p><i>Further work</i></p>	<ul style="list-style-type: none"> • <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> • <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> 	<p>Drilling is planned on selected EM targets.</p>