



## **EXCEPTIONAL LULO DIAMONDS SELL FOR A\$5.1 MILLION**

- *The prolific Mining Block 8 at Lulo is producing diamonds with an overall average selling price of A\$4,500 per carat*

### **Highlights**

- **Sixth parcel of Lulo diamonds weighing 1,621 carats sold for ~A\$5.1 million**
- **The exceptional average selling price of A\$3,132 per carat provides further evidence of the world-class nature of the Lulo diamonds**
- **Latest sale underlines the potential of the prolific Mining Block 8, which is producing diamonds with an overall average selling price of approximately A\$4,500/carat**
- **Sale also underlines Lucapa's ability to generate strong operational cash flows from alluvial diamond mining operations at Lulo**



Figure 1: Parcel of 1,621 carats of Lulo diamonds sold for A\$5.1 million, sourced predominantly from the prolific Mining Block 8 alluvial diamond field

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## EXCEPTIONAL LULO DIAMONDS SELL FOR A\$5.1 MILLION

Lucapa Diamond Company Limited (**ASX: LOM**) (“Lucapa” or “the Company”) is pleased to announce the sale of a sixth parcel of alluvial diamonds from the Lulo Diamond Project in Angola.

The parcel of 1,621 carats of Lulo diamonds generated gross revenues of approximately A\$5.1 million, representing an exceptional average sale price of A\$3,132 per carat. This was achieved against a backdrop of soft conditions in the international diamond market.

The sale brings to A\$15.8 million (US\$12.9 million in invoiced US\$ sales) the total sales proceeds generated to date from the sale of six parcels of Lulo diamonds weighing 8,037 carats for an overall average selling price of A\$1,966/carats (US\$1,600/carats in invoiced US\$ sales).

The diamonds in the latest sale parcel were predominantly recovered from mining operations up to 26 September 2015 at the prolific Mining Block 8 alluvial diamond field, where Lucapa and its Lulo partners continue to recover large special diamonds (weighing more than 10.8 carats) on a regular basis.

The Mining Block 8 diamonds – including all diamonds recovered from recent mining and preliminary alluvial bulk sampling – have achieved average selling prices of approximately A\$4,500/carats (US\$3,300/carats).



Figure 2: Special Type Ila diamonds (incl. the 90.32ct) (left) and fancy yellow and pink stones (right) from the latest diamond sale

These prices compare with a global sales average of approximately US\$120/carats.

As announced to the ASX on 6 October 2015, ongoing pitting programs have been successful in significantly expanding the Mining Block 8 alluvial diamond field, which will remain the focus of future diamond production operations.

Significantly, the expanded boundaries of Mining Block 8 are immediately adjacent to the L259 kimberlite, where exploration work is being accelerated with the aim of locating the source(s) of these exceptional alluvial diamonds.

Lucapa Chief Executive Stephen Wetherall said the latest diamond sale reinforced the unique nature of the Lulo diamonds and specifically the potential of the extended Mining Block 8 alluvial field and adjacent kimberlite program.

*“The premium average prices we are achieving for our diamonds significantly enhances the value and planned returns of every cubic metre of alluvial gravel we mine at Lulo,” said Mr Wetherall.*

*“We are continuing to recover large special diamonds from Mining Block 8 and expect to conclude one or possibly two more diamond sales in 2015.”*

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As with previous diamond sales, the Lulo partners will use the latest sale proceeds to fund ongoing operations at Lulo.

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### **ABOUT LUCAPA DIAMOND COMPANY LIMITED**

Lucapa Diamond Company Limited is a miner of world-class diamonds. Lucapa is the operator of the 3,000km<sup>2</sup> Lulo Diamond Concession in Angola's Lunda Norte diamond heartland. Lulo is located within 150km of Catoca, the world's fourth biggest kimberlite diamond mine, and on the same favourable geological trend (Lucapa Graben).

Lucapa and its partners commenced alluvial diamond mining operations at Lulo in January 2015. The Lulo alluvial diamonds sold to date have achieved exceptional average sale prices of A\$1,966 per carat.

Lulo also hosts 296 kimberlite targets in two separate provinces, of which 96 have already been classified as proven and probable kimberlites and four confirmed as diamond-bearing pipes.

Lucapa's board and management team has extensive diamond mining experience with companies including De Beers, Rio Tinto and Gem Diamonds. Lucapa operates Lulo in partnership with Endiama, the Angolan Government's diamond concessionary, and private group Rosas & Petalas.

Lucapa is dual listed on the Australian Securities Exchange and the Frankfurt Stock Exchange.

### **ABOUT ANGOLA**

Angola is the world's fourth biggest producer of diamonds by value with forecast annual production of 10 million carats in 2014.

Angola introduced a new Mining Code in 2012 and is actively seeking foreign investment in its diamond industry.

Angola's potential for new diamond discoveries has been recognised by the world's two biggest diamond mining companies, Alrosa and De Beers.

Angola was appointed to chair the Kimberley Process Certification Scheme in 2015.

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**Competent Person's Statement**

Information included in this announcement that relates to previously released exploration data disclosed under the JORC Code 2004 has not been updated to comply with the JORC Code 2012 on the basis that the 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 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 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**

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