



Lucapa initiates exploration campaign to unlock full value of Merlin Diamond Project in NT

- ❖ **Lucapa has commenced the first advanced electromagnetic survey over Merlin in 25 years**
- ❖ **Further exploration at Merlin is aimed at creating value for shareholders through an increase in kimberlite resources and the potential to identify other minerals**
- ❖ **The new generation geophysics survey will be completed this week; this will be the first time Merlin has been exposed to modern Time-Domain airborne survey technology**
- ❖ **Lucapa believes the exploration program is a cost-effective and low-risk approach to create value for shareholders; it also has strong potential to position Merlin to capitalise on an upturn in the diamond market**

Lucapa Diamond Company Limited (ASX: LOM) (“Lucapa” or the “Company”) is pleased to advise it has commenced the first extensive airborne survey program undertaken for 25 years at its 100% owned Merlin Diamond Project in the Northern Territory (“Merlin”).

The Company believes there is strong potential to create significant shareholder value by unlocking the substantial exploration upside at Merlin. The program is aimed at growing the Merlin resources through the discovery of more diamondiferous kimberlites and potentially other minerals across the tenements.

Lucapa Managing Director Alex Kidman said *“We believe our large landholding is highly prospective for more premium quality diamond deposits and may also host other minerals including base metals given its proximity to Glencore’s McArthur River zinc and lead mine and the same associated geological structures. This modern, more sensitive Xcite™ survey will enable us to identify potential targets on our tenements that previous surveys would have missed and we look forward to announcing the results of this survey in Q1 2025.”*



Photos: Xcite™ HTDEM surveying at Merlin (credit: Alan York, NRG)

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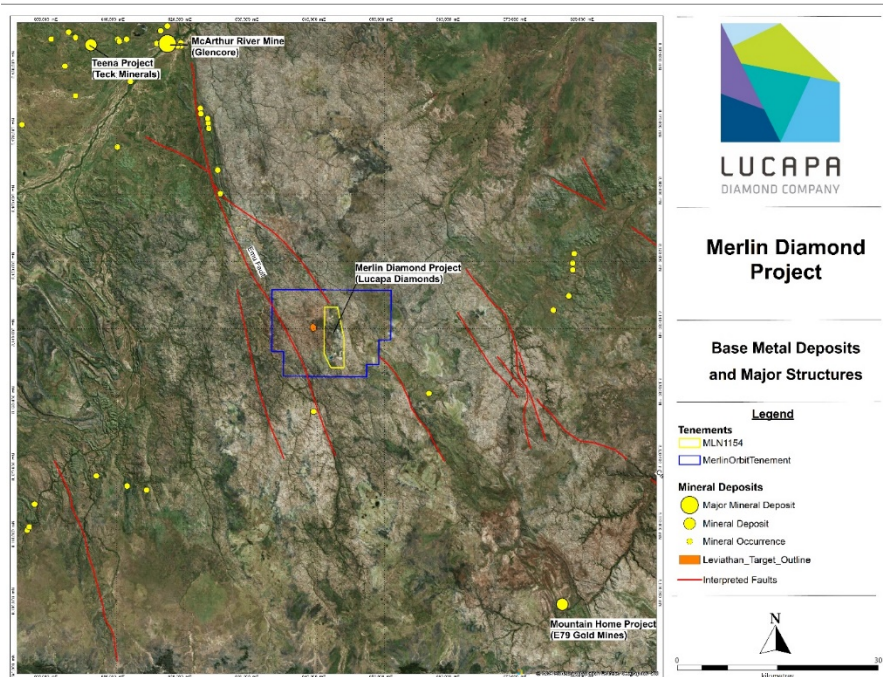
A new generation helicopter-borne time-domain electromagnetic (HTDEM) survey is being flown over the 234 km² area, covering both the Merlin Mineral Lease (MLN1154) and the surrounding Exploration Licence (EL26944). Results of the survey are expected in Q1 2025. Lucapa believes that the use of the latest exploration technology at Merlin, would redefine existing kimberlite targets and identify new ones, particularly because most of the tenement area has not been explored using modern methods.

The airborne EM system which is being used is Xcite™, developed and operated by New Resolution Geophysics. It is considerably more advanced than the previous airborne system applied at Merlin which was limited to a maximum investigation depth of approximately 100 metres. The Company expects that it will be able to locate targets missed by previous operators within the Exploration License and Mineral Lease, as the Xcite's TDEM allows for near continuous depth investigations from near surface to 500 metres below surface, with the highest resolution in the industry, as along line sampling is carried out every 50cm.

Merlin's large JORC compliant diamond resource¹ is open at depth with the majority of the pipes not drilled beyond 220 metres. The high population of diamondiferous kimberlites that have a history of producing high-quality diamonds, including Australia's largest diamond at 104 carats, indicate that there is potential for more discoveries, and these will potentially add to the resource and therefore could add more economic value when the mine is restarted.

Glencore's McArthur River base metal mine, which is one of the world's largest deposits of zinc and lead, has been operating for 30 years just 50 kilometres from Merlin and along structures that extend through the Merlin Exploration License area. The mine generates over 250k tonnes of zinc, 1.2 million ounces of silver and 50k tonnes of lead per annum. The geology of the Merlin area is considered prospective for similar types of deposits and is highly suitable for electromagnetic (EM) surveys due to limited conductive cover in most areas of the tenements. The survey will also cover the large Leviathan magnetic target which has previously been investigated but not resolved.

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Map: Highlighting the regional structures, mines and deposits surrounding the Merlin tenements

¹ Updated Merlin Scoping Study Merlin Classified Mineral Resource JORC Table (P 10) published on ASX 03/03/2022



The Company is very excited to embark on this plan of action and believes it is the most efficient use of its cash resources in the short term. Lucapa will keep the market updated following the completion of the airborne survey work.

For and on behalf of the Lucapa Board

Alex Kidman
Managing Director and CEO

For more information:

Candice Sgroi
Head of Investor Relations and Corporate Communications
Mob: +61 400 49 22 85 | csgroi@lucapa.com.au

Media:
Paul Armstrong
Read Corporate
(08) 9388 1474

ABOUT LUCAPA

Lucapa is an ASX listed diamond miner and explorer with assets in Angola and Australia. It has an interest in the Lulo Alluvial Diamond Mine in Angola which has been in commercial production since 2015, (conducted by Sociedade Mineira Do Lulo, Lda (“SML”) Lucapa 40%, Endiama 32%, Rosas & Petalas 28%).

The large, high-value diamonds produced from Lulo attracts the highest prices per carat for alluvial diamonds globally.

Lucapa also has a 39% interest in the Lulo Kimberlite Exploration Joint-Venture (Endiama 51%, Rosas & Petalas 10%), which is exploring for the potential primary source kimberlites at the prolific Lulo concession in Angola.

In 2021, through its wholly owned subsidiary, Australian Natural Diamonds Pty Ltd, Lucapa completed the strategic and transformative acquisition of the Merlin Diamond Project, an historic Australian mine in the Northern Territory of Australia.

The Board, management and key stakeholders in Lucapa have deep global diamond industry experience and networks all through the value chain from exploration to retail.

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,

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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 this announcement contains references to prior exploration results, a production target and financial information derived from a production target 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 a production target and financial information derived from a production target and 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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