



LUCAPA EXCEEDS DIAMOND MINING AND PROCESSING TARGETS

- *Positive first quarter results keep Lucapa on track to become operating cash flow positive by the end of the June 2015 quarter*
- *Diamonds weighing 1,335 carats recovered from first three months of mining at Lulo with an average stone size of greater than one carat*

Lucapa Diamond Company Limited (ASX: LOM) (“Lucapa” or the “Company”) is pleased to announce that commercial alluvial mining operations at the Lulo Diamond Project in Angola are on track to become cash flow positive by the end of the current June 2015 quarter after the Company exceeded its first quarter mining and processing targets.

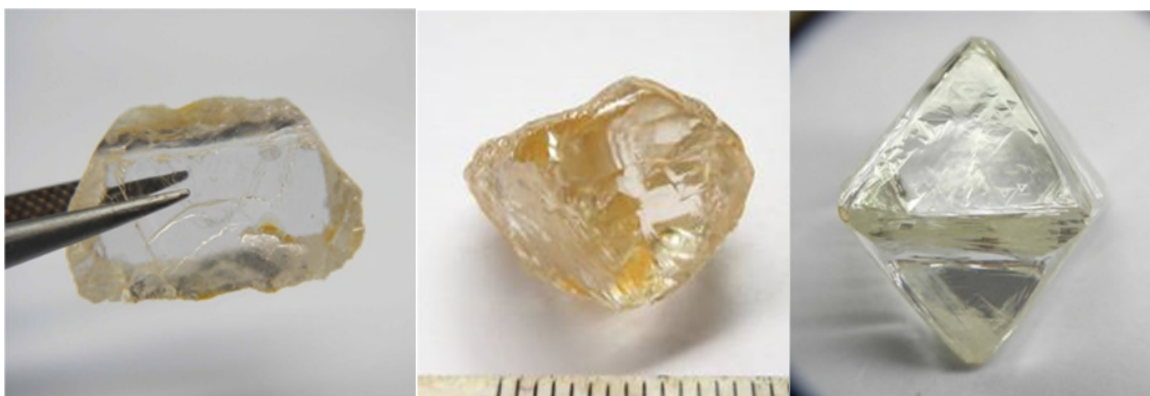
Lucapa and its partners commenced alluvial diamond mining operations at Lulo in January 2015 after securing a 35 year mining licence in November 2014.

In the three months to the end of March 2015, the mining team exceeded its overburden stripping targets to expose 12,912 bulk cubic metres (bcm) of diamond bearing gravels which was transported and processed through the 150 tonne per hour diamond treatment plant. This exceeded the March 2015 quarter processing target of 12,000 bcm, despite mining operations being restricted to river terraces and other areas close to the diamond treatment plant due to the Angolan wet season.

This produced a total of 1,317 diamonds weighing 1,335 carats for an average stone size of 1.01 carats per stone. A selection of the exceptional Lulo alluvial diamonds recovered during the March 2015 quarter is shown below and on pages 4 and 5.

Consistent with previous bulk sampling recoveries, the diamonds recovered during the quarter included large specials (>10.8 carat) including individual stones weighing 26.7 carats, 23.45 carats, 20.35 carats, 19.85 carats, 15.1 carats, 12.7 carats, 11.95 carats and 11.55 carats. As with previous recoveries, several of these special stones were confirmed as rare Type IIa gems.

The recovered diamond grade of 10.34 carats per 100 cubic metres (cphm³) achieved during the March 2015 quarter is consistent with the average bulk sampling results from the areas mined.



Lulo diamonds weighing 26.7 carats, 20.35 carats and 11.55 carats

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As previously advised, mining during the current June 2015 quarter will now also include gravels from the high grade BLK_08 and BLK_06 & 19 areas, where the largest and most valuable diamonds were recovered during the alluvial bulk sampling phase. The diamonds recovered previously from these areas included individual stones weighing 131.4 carats, 95.4 carats, 53.2 carats, 38.4 carats, 32.2 carats and 24.4 carats.

Factoring in the mining of these high grade areas, Lucapa and its partners are targeting an overall average grade of 15 cphm³ for the Phase 1 alluvial diamond mining plan (January 2015 to March 2016).

In line with the guidance provided in the ASX announcement on 10 March 2015, Lucapa remains on track to achieve its Phase 1 mining throughput target of 10,000 to 14,000 bcm/month by June 2015.

The Phase 1 plan involves the progressive scaling up of monthly throughput of alluvial gravels from 3,500 bcm/month in January 2015 to 10,000 bcm/month in June 2015 – at which stage and based on current assumptions, alluvial diamond mining operations are scheduled to generate positive operating cash flows.



Alluvial diamond mining operations at Lulo

As previously advised, the step-up to 14,000 bcm/month will be achieved via the sourcing of additional earthmoving equipment, which Lucapa is currently looking to secure (via purchase or lease).

The Phase 2 mining plan targets throughput of 40,000 bcm/month at a targeted average diamond grade of 10 cphm³. This step-up in scale will be achieved via additional earthmoving fleet and the in-field screening plants to wash and screen alluvial gravels at source to create a concentrated feed for trucking to the diamond treatment plant.

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Lucapa Chief Executive Officer Stephen Wetherall commented: *“We are extremely pleased to have exceeded our throughput targets for the first three months of diamond mining at Lulo during the challenging conditions of the Angolan wet season. It is also encouraging that even without a JORC resource estimate, the average diamond grades we have achieved in the first three months of mining mirror the grades we estimated following the bulk sampling test work in the mining area.”*

“This gives us great confidence going into the June 2015 quarter as the focus of our mining operations will also now include the high grade areas where we recovered our largest and most valuable diamonds during bulk sampling.”

“Achieving our throughput targets for the current quarter will also enable Lucapa to achieve another significant milestone, which is for our alluvial diamond mining operations to start generating positive operating cash flows by the end of the June 2015 quarter.”

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ABOUT LUCAPA DIAMOND COMPANY LIMITED

Lucapa Diamond Company Limited (ASX: LOM) is miner of world-class diamonds. Lucapa is the operator of the 3,000km² 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 has been undertaking diamond bulk sampling activities continuously at Lulo since 2008, during which time the Company has proven up two major kimberlite provinces and extensive areas of diamond-rich alluvial gravels along the Caculo River.

In November 2014, Lucapa and its partners signed a 35 year mining licence agreement to mine the alluvial diamonds at Lulo within a 218km² area which includes more than 50km of the Caculo River, its valley and terraces. Alluvial diamond mining commenced in January 2015.

Lucapa and its partners have also identified 296 kimberlite targets at Lulo, which include 96 proven and probable kimberlites. The Company is stepping up its efforts to locate the kimberlite sources of the exceptional alluvial diamonds at Lulo. Already, four kimberlites at Lulo have been 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.

ABOUT ANGOLA

Angola is the world's fourth biggest producer of diamonds by value and is actively seeking foreign investment in its diamond industry. Angola is forecasting annual diamond production of 10 million carats in 2014.

Angola introduced a new Mining Code in 2012.

Angola's potential for new diamond discoveries has been recognised by the world's two biggest diamond mining companies, Alrosa and De Beers. Alrosa operates the giant Catoca mine (annual production ~6.5 million carats), which is the world's fourth biggest kimberlite mine, while De Beers has announced plans to secure exploration concessions in Angola.

Angola will chair the Kimberley Process Certification Scheme for 2015.

Competent Person's Statement

Information included in this announcement that relates to previously released exploration data disclosed under the JORC Code 2004 has been updated to comply with the JORC Code 2012. 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 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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