LUCAPA
DIAMOND COMPANY

ASX Announcement 28 July 2022

QUARTERLY ACTIVITIES REPORT
FOR THE PERIOD ENDED 30 JUNE 2022

HIGHLIGHTS

Post Quarter-end

- Historic 170 carat pink coloured diamond recovered at Lulo – believed to be the largest pink coloured diamond recovered in the last 300 years

Operations

- Solid operational performances at both African mines
  - Lulo volume processed and carats recovered up compared to Q2 2021
    - Newly commissioned In-Field Screening Plant delivering 21% increase in volume processed
    - Recoveries included a 115 carat brown diamond and a 14 carat fancy pink diamond
  - Mothae tonnes processed and carats recovered in line with Q2 2021
    - Recoveries include a 204 carat white diamond
  - Mothae mine operations impacted by inflationary environment and supply constraints – review of mining methodology and potential for vertical pit mining underway
- Total diamond revenues for the Quarter of US$21.8 million (A$30.8 million) on 100% Project basis

Exploration & Development

- Additional kimberlites added to the Lulo priority bulk sampling program following picking of deep purple garnets and chrome diopsides from drill core samples
- Merlin hyperspectral data interpretation identified seven new targets for potential additional primary kimberlite sources in the Northern Territory
- Merlin open pit and vertical pit development feasibility study progressing
- Orapa Area F in Botswana exploration licence renewal received

Corporate

- Lulo alluvial development/ investment loan repayment process is well progressed by Angolan Reserve Bank and Investment Authority – expect approval and loan repayment to follow shortly
- Debt repayments made of US$0.7 million
- Lesotho Government has paused the VAT Amendment Bill pending further consultations

Lucapa Diamond Company Limited (ASX: **LOM**) ("**Lucapa**" or "**the Company**") is pleased to present its quarterly activities report for the quarter ended 30 June 2022 (the "**Quarter**" or "**Q2**").

TABLE 1: TOTAL 100% PROJECT AND ATTRIBUTABLE[1] OPERATIONAL RESULTS

	100% Project			Attributable		
	Q2 2021	**Q2 2022**	**% Var**	**Q2 2021**	**Q2 2022**	**% Var**
Tonnes processed[2]	432,573	**551,248**	27%	300,503	**314,899**	5%
Carats recovered	16,154	**17,132**	6%	9,343	**9,655**	3%
Rough price/ carat (US$)	2,097	**1,218**	-42%	1,605	**1,039**	-35%
Rough diamond revenues (US$m)	34.2	**21.8**	-36%	15.2	**10.6**	-30%
Rough diamond revenues (A$m)	44.8	**30.8**	-31%	19.8	**14.9**	-25%
Cash and receivables (incl. Lucapa) (A$m)	29.3	**21.1**	-28%	20.7	**11.3**	-45%
Development loans owing to Lucapa (A$m)	88.7	**100.4**	13%	50.5	**59.6**	18%
External debt (A$m)	30.3	**14.3**	-53%	26.9	**12.5**	-54%

[1] Attributable ownership in the projects based on Lucapa's holding. This is a non-AIFRS measure. For statutory reporting purposes, SML is equity accounted given Lucapa holds a 40% interest and Mothae is consolidated given Lucapa holds a 70% interest

[2] Lulo mine volume processed has been converted from bulked m³ to tonnes

Managing Director, Stephen Wetherall, commented *"Mining operations performed steadily during the Quarter, however the inflationary and constrained supply environment impacted on Mothae in the first half. The second half of the year has started more strongly, and we continue to focus on optimising plant throughputs and reducing costs in the current operating environment.*

The frequent recovery of large, high-value diamonds at Lulo, continues to highlight the significance of a primary source discovery in Angola.

The soon to be commissioned kimberlite treatment plant and ability to crush and process kimberlite bulk samples far more frequently and efficiently, will surely bring Lucapa and its partners much closer to achieving our goal of discovering a potentially unique source."

LULO, ANGOLA

ALLUVIAL MINE

(conducted by Sociedade Mineira Do Lulo, Lda ("SML" or "Lulo") - Lucapa 40%, Endiama 32% and Rosas & Petalas 28%)

As the wet season eased towards the middle of the Quarter and access improved, mining operations focused on the leziria blocks. Mining in these lezirias or river floodplains has generally resulted in improved grades as compared to the terraces. The grades achieved during the Quarter were in line with the corresponding period in 2021 (Table 2).

The new In-Field Screening Plant ("IFSP") that was commissioned early in the Quarter has been operating well, with the dense media separation ("DMS") section on track to be delivered and installed in the September quarter. Primarily as a result of the newly installed IFSP, volumes processed were up 21% on the corresponding period in 2021.

The IFSP at Lulo – wet front end and screens (left) and direct truck loading (right)

TABLE 2: LULO PRODUCTION RESULTS AND RECOVERIES							
	100% Project						40% Attributable
	Q2			Q2 YTD			
	2021	2022	% Var	2021	2022	% Var	2022
Volume processed (m^3 bulked)	114,915	**139,166**	21%	246,142	**264,501**	7%	**105,800**
Carats recovered	6,551	**7,791**	19%	11,206	**13,018**	16%	**5,207**
Grade recovered (cphm^3)	5.7	**5.6**	-2%	4.6	**4.9**	8%	**4.9**
+4.8 carat diamonds	204	**299**	47%	340	**475**	40%	**190**
+10.8 carat diamonds (Specials)	79	**113**	43%	144	**163**	13%	**65**

During the Quarter, Lulo recovered 7,791 carats, including 113 Specials, the largest being a 115 carat brown diamond, as well as a number of fancy pink and yellow coloured diamonds. As a result of the increased processing capacity with the IFSP, carats recovered were 19% higher than the corresponding prior year period.

Post the Quarter end, SML recovered a significant 170 carat pink coloured diamond at Lulo (refer ASX announcement on 27 July 2022). This 170 carat stone is an historic recovery as it is believed to be the largest pink coloured diamond recovered in the last three hundred years. The diamond has been named "The Lulo Rose".

The Lulo concession already boasts the two largest recorded diamonds ever recovered in Angola, the largest being a 404 carat Type IIa D-colour stone (refer ASX announcement 15 February 2016). The 170 carat diamond is the 5th largest diamond and is the 27th +100 carat recovered to date on the Lulo concession.

170 carat pink coloured diamond recovered from Lulo, Angola (80 carat white diamond also pictured)

TABLE 3: LULO SALES RESULTS AND INVENTORIES							
	100% Project						40% Attributable
	Q2			Q2 YTD			
	2021	2022	% Var	2021	2022	% Var	2022
Rough carats sold	6,543	**7,852**	20%	11,856	**10,449**	-12%	**4,180**
Rough diamond revenue (A$m)	38.3	**22.2**	-42%	50.6	**32.1**	-37%	**12.8**
Rough diamond revenue (US$m)	29.3	**15.6**	-47%	38.8	**22.7**	-41%	**9.1**
Rough price/ carat (US$)	4,476	**1,993**	-55%	3,275	**2,172**	-34%	**2,172**
Partnership margins (US$m)	1.8	**0.7**	-61%	1.8	**0.7**	-61%	**0.3**
Diamond inventories (carats)	3,660	**3,695**	1%				**1,478**
Cash and cash equivalents (US$m)	**9.7**	**10.0**	4%				**4.0**

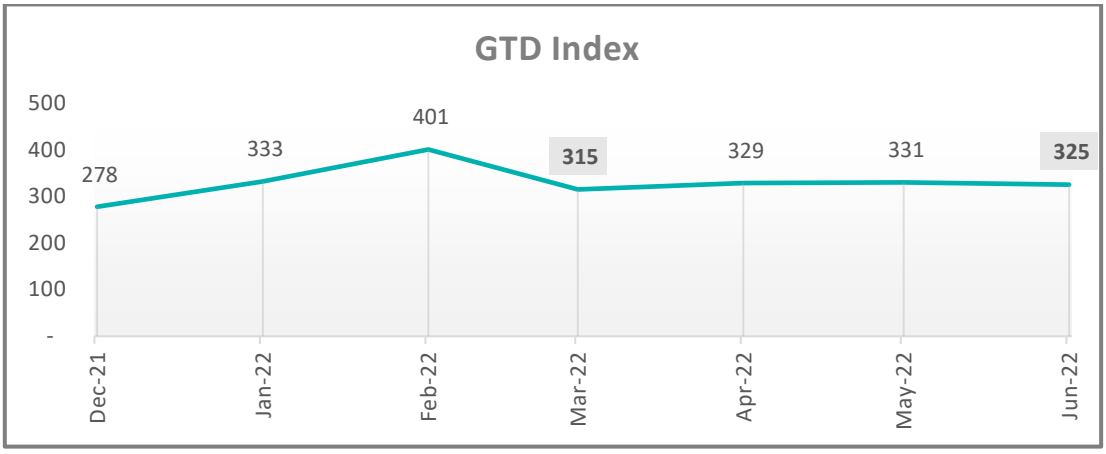
SML completed three run-of-mine sales of Lulo diamonds during the Quarter totalling 7,852 carats for gross revenues of US$15.6 million (A$22.2 million) achieving an average price of US$1,993 (A$2,825)/ carat (Table 3).

As per ASX announcement on 25 June 2021, the sales in the corresponding prior year quarter included a separate Specials tender containing 7 large and valuable recoveries that sold for US$21.4 million (A$28.3 million). This record sale for SML favourably impacted the average price for that comparative prior year quarter.

During the Quarter, SML accrued cutting & polishing margins of US$0.7 million, representing its share of the polished margins on the rough diamonds that were sold into the cutting & polishing partnership. As per ASX announcement on 19 April 2021, the Company advised that as a result of the pandemic closure of diamond manufacturing centres globally during 2020, a large proportion of the cutting & polishing partnership returns originally planned to be received in 2020 would only be received in 2021, resulting in 2021 being an abnormally high year.

1 carat fancy intense purplish pink oval diamond polished from Lulo rough diamond

As is cyclically expected in the second quarter and notwithstanding Russia's invasion of Ukraine in late February 2022, overall diamond price levels remained relatively stable according to the GTD Consulting Rough Diamond Price Index ("GTD Index"). The GTD Index ended June 2022 three percent up on March 2022 (refer graph below).



GTD Consulting Rough Diamond Price Index

The Company expects the current uncertainty and volatility caused by high inflation and ongoing pandemic closures in China to be countered in the second half of the year by the usual cyclical post northern hemisphere summer holiday and festive season demand. As the natural rough diamond industry is likely to continue seeing a reduced natural rough supply environment going forward, Lucapa expects this to favourably impact natural rough diamond prices in the medium to long-term.

ALLUVIAL MINERAL RESOURCE

SML's concurrent alluvial exploration program saw 2,373 auger holes drilled and 538 exploration pits completed to define additional resources in two current mining blocks and four resource blocks in the proximity of the IFSP. New resource areas are planned to be bulk sampled during the September quarter.

MOTHAE, LESOTHO

KIMBERLITE MINE

(conducted by Mothae Diamonds (Pty) Ltd ("Mothae") - Lucapa 70% and Government of Lesotho ("GoL") 30%)

Mining operations focussed predominantly on the southern lobe and Mothae processed 314,666 tonnes and recovered 9,341 carats during the Quarter, much in line with the corresponding period in the prior year (Table 4).

TABLE 4: MOTHAE PRODUCTION RESULTS AND RECOVERIES

	100% Project						70% Attributable
	Q2			Q2 YTD			
	2021	2022	% Var	2021	2022	% Var	2022
Tonnes processed	317,658	**314,666**	-1%	503,155	**636,686**	27%	**445,680**
Carats recovered	9,603	**9,341**	-3%	14,868	**17,486**	18%	**12,240**
Grade recovered (cpht)	3.0	**3.0**	-2%	3.0	**2.7**	-7%	**2.7**
+4.8 carat diamonds	163	**198**	21%	259	**389**	50%	**272**
+10.8 carat diamonds (Specials)	49	**62**	27%	68	**121**	78%	**85**

Mothae recovered 62 Special diamonds during the Quarter, including a 204 carat Type I gem quality diamond. Mothae also recovered a +100 carat diamond weighing 129 carats, however, it was of low quality.

Mothae completed three run-of-mine sales during the Quarter totalling 10,036 carats for gross revenues of US$6.2 million (A$8.6 million), achieving an average price of US$613 (A$858)/ carat (Table 5).

During the Quarter, Mothae accrued cutting & polishing margins of U$0.6 million, representing its share of the further polished margins on the rough diamonds that were sold into the cutting & polishing partnership.

TABLE 5: MOTHAE SALES RESULTS AND INVENTORIES

	100% Project						70% Attributable
	Q2			Q2 YTD			
	2021	2022	Var	2021	2022	Var	2022
Rough carats sold	9,765	**10,036**	3%	20,054	**18,519**	-8%	**12,963**
Rough diamond revenue (A$m)	6.4	**8.6**	34%	21.2	**16.7**	-21%	**11.2**
Rough diamond revenue (US$m)	4.9	**6.2**	27%	16.4	**12.0**	-27%	**8.4**
Rough price/ carat (US$)	504	**613**	22%	819	**649**	-21%	**649**
Partnership margins (US$m)	0.3	**0.6**	100%	0.3	**0.6**	100%	**0.4**
Diamond inventories (carats)	1,997	**2,110**	6%				**1,477**
Cash and receivables (US$m)	2.4	**2.5**	4%				**1.7**

As part of the ongoing workstream to address the plant mass balance and capacity constraints, management focused attention on the mine's blasting techniques and practices. Immediate implementation of recommendations has seen an improvement in the fragmentation of the ore which should in turn have a positive impact on throughput rates. Further improvements will be applied during the upcoming quarter.

The global inflationary environment and supply chain constraints are impacting the Mothae operations with a material escalation in the prices of diesel and explosives. This is being further compounded by lower availability of critical equipment and spares. Lucapa and mine management continue to explore alternatives to return cash operating margins, including considering the use of vertical pit mining, as is being proposed for Merlin. Lucapa will provide updates on these optimisation workstreams in due course.

As per ASX announcement on 9 June 2022, the GoL considered and voted on a Value Added Tax Amendment Bill ("Bill") which, if subsequently enacted would disallow diamond mining companies to claim the 15 percent Value Added Tax refunds on goods, services and capital items. In its current form, the Bill would unfavourably impact the cash operating margins of the Mothae mine, which in 2021 contributed 21% to Lucapa's attributable mining EBITDA.

The passing of the Bill into law was paused by the GoL to allow the diamond industry, through the Chamber of Mines, and other stakeholders to engage on the impact to the Lesotho diamond mining industry. As a result of the upcoming Lesotho elections, the Parliament of the Kingdom of Lesotho is required to adjourn *sine die* (until further notice), and as a result the Bill has not been assented to. The Lesotho elections are taking place during October 2022.

MERLIN, AUSTRALIA

KIMBERLITE MINE DEVELOPMENT

(conducted by Australian Natural Diamonds Pty Ltd ("AusND") – 100% Lucapa)

The feasibility study was progressed during the Quarter in anticipation of the results being published around the end of the September quarter. An animation illustrating the open pit and vertical pit mining methods planned for Merlin can be viewed here - https://youtu.be/_5jyBlxcwWA.

A meeting with Traditional Owners, along with representatives from the Northern Land Council ("NLC") took place in Borroloola in the Northern Territory during the Quarter. The deed of assumption for the Native Title Agreement is expected to be finalised shortly.

PRIMARY SOURCE EXPLORATION

LULO KIMBERLITE EXPLORATION. ANGOLA

(conducted by the Project Lulo Joint Venture ("Project Lulo JV") – Lucapa 39%, Endiama 51% and Rosas & Petalas 10%)

During the Quarter, positive progress was made towards finding the primary kimberlite source(s) of the large and exceptional alluvial diamonds being recovered during mining operations at Lulo. The latest phase of kimberlite discovery drilling has identified 24 new kimberlites, of which eight were confirmed during the Quarter, bringing the total discovered under the program to 134.

The construction of the Kimberlite Bulk Sampling Plant ("KBSP") has progressed well during the Quarter, despite logistical and customs clearance challenges, and is moving towards being commissioned shortly. Kimberlite samples continue to be accumulated at the KBSP stockpile for processing. On average, the KBSP will process approximately two bulk samples every six weeks once fully operational.

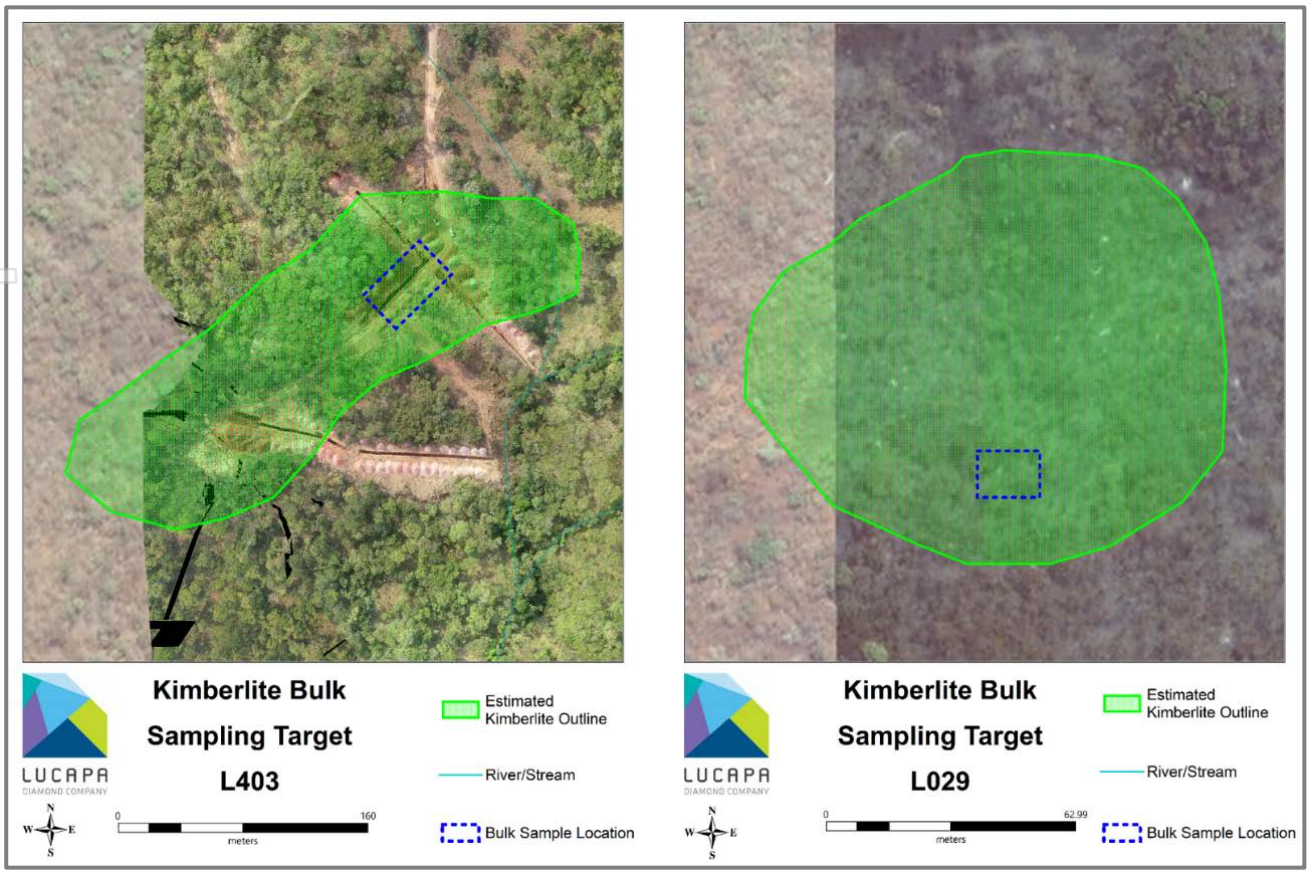
Two additional kimberlite targets, L056 and L403, were added to the Project Lulo priority kimberlite bulk sampling program, boosting the total priority kimberlites to be bulk sampled to 20.

The results from several samples sent to Canada for mineral chemistry analysis, which included high-interest deep purple garnets and chrome diopsides often associated with diamondiferous kimberlites, are expected to be received during the September quarter.

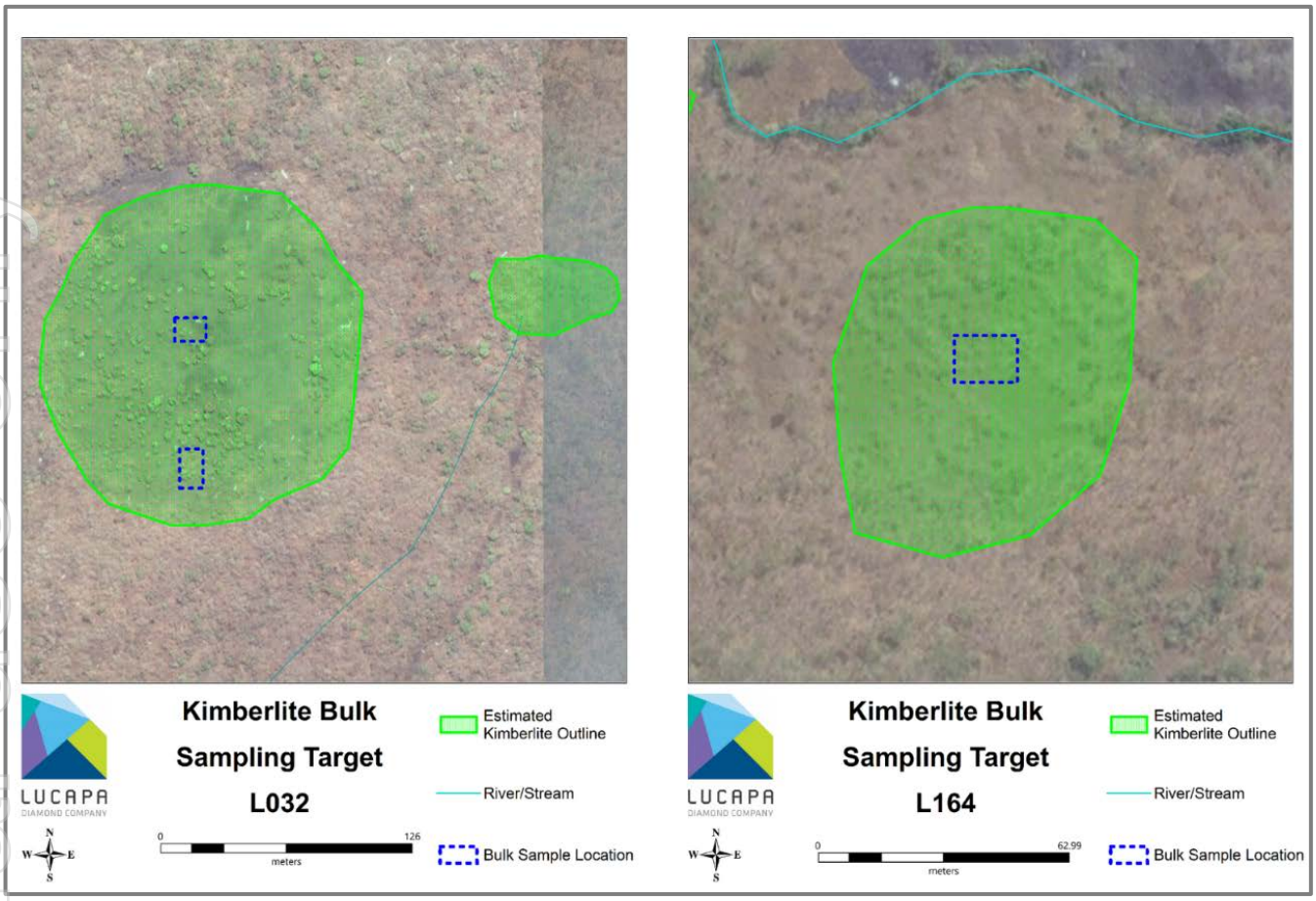
Two kimberlite bulk samples were processed during the Quarter. A 2,424 m^3 bulk sample from kimberlite L030 was processed, with no diamonds recovered. No further work will be done on this kimberlite. Further, a 2,505 m^3 bulk sample from L403 was excavated during the Quarter and processed, with the recovery of one 0.08 carat stone. No further work is planned on this kimberlite.

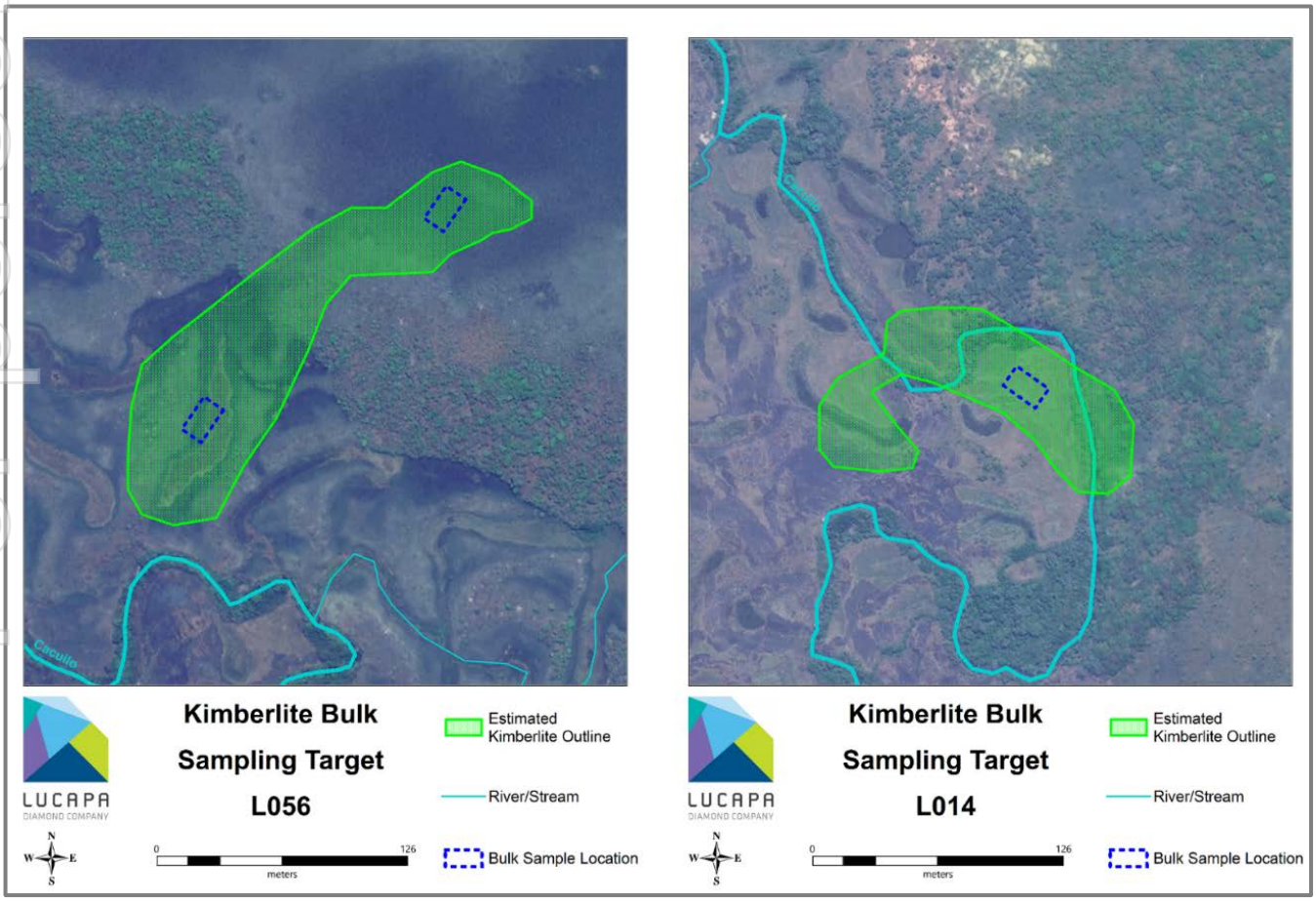
The next five kimberlite bulk samples to be processed are:

- **L029**: Within the Canguige Catchment area. Excavation and transport of this sample has been completed;
- **L032**: Within the Canguige Catchment area. One of the largest bodies proximal to the site of the alluvial sample taken in the Canguige River. Excavation and transport of this sample is underway;
- **L164**: South (upstream) of the Canguige Catchment area. Chosen due to its high indicator mineral counts, including G4D garnets and other high interest mineral populations;
- **L056**: Confluence of Cacuilo River and Canguige River. Located upstream of Mining Block 46, where a significant number of high-value diamonds have been recovered during mining activities, including numerous +100 carat and fancy coloured gemstones. Chosen due to its deep purple garnet and chrome diopside content which are key indicator minerals of diamondiferous kimberlite; and
- **L014**: Underlies the Cacuilo River, upstream of Mining Block 8. Chosen due to its high-interest G4D garnets and proximity. Mining Block 8 has been one of the most prolific high-value mining blocks, where the record 404 carat diamond and a number of other +100 carat diamonds were recovered during mining activities.



Lulo kimberlites L403 and L029 noting bulk sampling locations





Lulo kimberlites L032, L164, L056 and L014 noting bulk sampling locations

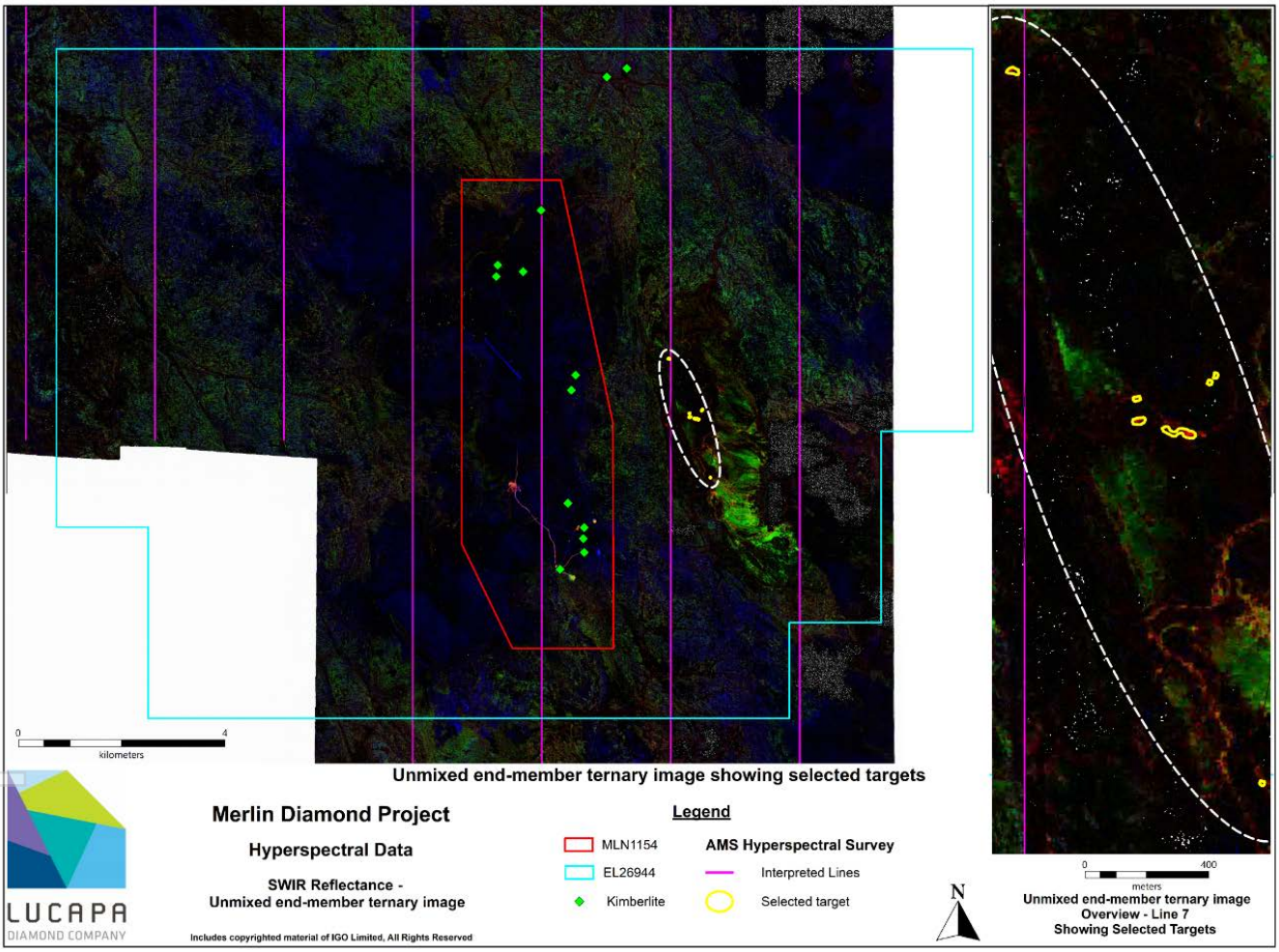
MERLIN KIMBERLITE EXPLORATION, NORTHERN TERRITORY

(conducted by AusND – Lucapa 100%)

Following recent interpretation of hyperspectral data carried out by De Beers in 1997, seven new kimberlite targets have been identified at Merlin (refer Map 1 and ASX announcement 20 July 2022).

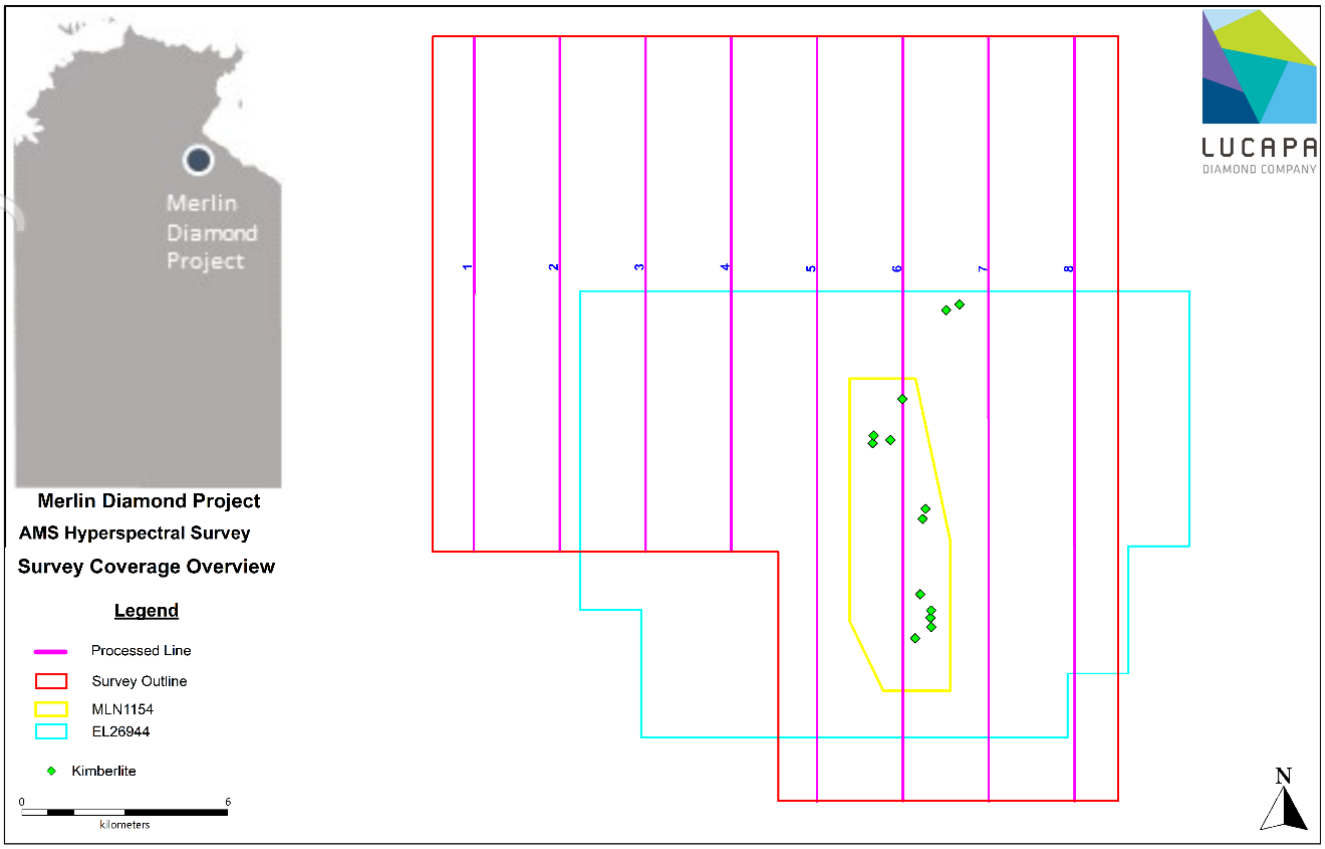
Prior to mining commencing at Merlin by Ashton and Rio Tinto in 1999, De Beers used its proprietary Airborne Multispectral Scanner technology to fly over an area in the Northern Territory, including Merlin (refer Map 2). Lucapa acquired the hyperspectral data from IGO Ltd and it is understood that to date it has not been available to or interpreted by previous operators at Merlin.

The signatures of the identified targets display elevated magnesium rich clay readings, which are commonly associated with kimberlites. The seven selected kimberlite targets lie ~3km to the east of the known Merlin kimberlites.



Map 1: The Visible-Near-Infra-Red ("VNIR") reflectance matched filter ternary image highlighting the seven magnesium clay rich signatures and possible kimberlites identified at Merlin

The hyperspectral data covering an area of ~371 km^2 was interpreted by Western Geospectral in Perth. Lucapa is planning follow up exploration programs.



Map 2: Map illustrating the survey area and eight lines flown by De Beers over the Merlin tenements in 1997

BROOKING LAMPROITE EXPLORATION, WESTERN AUSTRALIA

(conducted by Brooking Pty Ltd – Lucapa 100%; Leopold Diamonds holding 20% interest in the tenements)

The drone magnetic survey of six target areas at Brooking was conducted during the Quarter, with interpretation of the data ongoing. A heritage survey is expected to be completed to allow drilling before the on-set of the wet season.

ORAPA AREA F KIMBERLITE EXPLORATION, BOTSWANA

(conducted by Lucapa Diamonds (Botswana) Pty Ltd – Lucapa 100%)

The exploration licence renewal for the 100% owned Orapa Area F Project in Botswana was received during the Quarter. It has been renewed for two years, expiring on 30 June 2024.

Drilling is currently being planned for the second half of 2022 on the geophysical targets identified by Lucapa at Orapa Area F, to confirm if they are kimberlites.

HEALTH, SAFETY AND COMMUNITY

COVID-19 hygiene protocols remain in place for all employees and contractors. There were no reportable Health, Safety or Environmental incidents at Lulo during the Quarter. The 12-month rolling Lost Time Injury Frequency Rate ("LTIFR") for the period ending 30 June 2022 at Lulo is 0.29. Mothae recorded no Lost Time Injuries during the Quarter and its 12-month rolling LTIFR for the period ending 30 June 2022 is 0.57.

Mothae continued to support education initiatives during the Quarter. It donated prizes for academic awards for high school students and continued supporting 11 students from grades 8 to 11 through the "Take a Child to School" initiative. Mothae has also committed to providing various donations for the construction of a local primary school.

Waste Management infrastructure and systems at Mothae are being upgraded, including the installation of an on-site sewage treatment plant, which is close to completion and commissioning. This waste management plant is a sustainable and cost-effective replacement for the current sewage disposal method, which involves trucking waste several times a day to an off-site disposal plant some 100 kilometres away.

The plant will also treat the mine's grey and black water, producing safe and disposable effluent and waste product.

New waste management system being constructed at Mothae

During the Quarter, the SML clinic at the Lulo Mine was refurbished. The clinic is available for employees, their families and contractors. The clinic is staffed by qualified doctors and other medically trained staff.

Lulo's refurbished on-site health clinic

Work on the new SML funded Xamiquelengue village school adjacent to Lulo Mine continued, with the foundations being laid for the school classroom buildings. SML is also supporting provincial educational initiatives at two other local schools.

Foundations being laid for the new school funded by SML in the Xamiquelengue village near the Lulo project

CORPORATE

At Quarter end, the group's reported cash and diamond receivables balance was A$6.6 million, which excludes:

- the remaining US$9.2 million loan repayment due from SML to Lucapa that is expected following the Angolan Reserve Bank and Investment Authority approval; and
- SML's cash balance (as SML is an equity accounted associate).

Lucapa's attributable cash and receivables balance was A$11.3 million (Table 1).

Mothae paid an instalment of A$1.0 million (ZAR11.1 million) during the Quarter to the Industrial Development Corporation of Southern Africa Limited ("IDC"), reducing the IDC debt to A$4.9 million.

The outstanding group debt on a consolidated basis (including AIFRS lease liabilities and embedded derivatives) as at 30 June 2022 was A$14.3 million (Table 1).

Of a total of A$100.4 million in loans owing to Lucapa by SML and Mothae for exploration and mine development ("Loan Assets"), A$40.8 million relates to the mine's joint venture partners shareholding (Table 8).

TABLE 8: DEVELOPMENT LOANS OWING TO LUCAPA

		As at 30 June 2022		
		SML	**Mothae**	**Total**
Development loans owing to Lucapa ("Loan Assets")	*A$m*	**35.7**	**64.8**	**100.4**
JV partner share of Loan Asset (SML - 60%, Mothae - 30%)		21.4	19.5	**40.8**
Attributable to Lucapa shareholding (SML - 40%, Mothae - 70%)		14.3	45.3	**59.6**

A total of 50,769 new securities were quoted following the exercise of $0.10 listed options ("LOMOC") by option holders in May 2022. The remaining 113,909,876 LOMOC options expired without exercise.

Authorised by the Lucapa Board.

STEPHEN WETHERALL
MANAGING DIRECTOR

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ABOUT LUCAPA

Lucapa is an ASX listed diamond miner and explorer with assets in Africa and Australia. It has interests in two producing diamond mines in Angola (Lulo) and Lesotho (Mothae). The large, high-value diamonds produced from these two niche African diamond mines attract some of the highest prices per carat for rough diamonds globally.

The Lulo mine has been in commercial production since 2015, while the Mothae mine commenced commercial production in 2019.

Lucapa has recently acquired the Merlin Diamond Project in the Northern Territory of Australia. It consists of a 24km^2 mining lease and a 283km^2 exploration lease encompassing the mining lease. The mining lease contains 11 previously discovered kimberlite pipes in three kimberlite clusters with a 4.4 million carat JORC 2012 compliant resource. There are two known diamondiferous kimberlites on the exploration lease.

Lucapa and its project partners are also exploring for potential primary source kimberlites or lamproites at the prolific Lulo concession in Angola, the Brooking project in Australia and the Orapa Area F project in Botswana.

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, 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 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 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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TABLE 9: SCHEDULE OF TENEMENTS AS AT 30 JUNE 2022

Project	Country	Type	Size (km^2)	Period	Interest (%)	End date
Brooking	Australia	Exploration Licence	72	5 years	80	Dec-22
	Australia	Exploration Licence	13	5 years	80	Mar-24
	Australia	Exploration Licence	29	5 years	80	Jun-22^
	Australia	Exploration Licence	3	5 years	80	Jun-23
Lulo	Angola	Kimberlite (primary source) exploration	3,000	5 years	39	May-24
	Angola	Alluvial (secondary source) mining and exploration	1,500	10 years	40	Jul-25
Merlin	Australia	Mineral lease	24	25 years	100	Dec-22^
	Australia	Exploration Licence	283	5 years	100	Apr-23
Mothae	Lesotho	Mining Licence	47*	10 years	70	Jan-27
Orapa	Botswana	Reconnaissance	8	2 years	100	Jun-24

* Area includes the protection and production area
^Application for licence extension in progress

Appendix 1

Reporting of kimberlite exploration results for the Lulo Project – JORC Code (2012) requirements –

Sampling Techniques and Data

Criteria	JORC Code Explanation	Lucapa Commentary
Sampling techniques	• *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.*	• The bulk sample from L030 and L403 was collected from an excavated pit. The surface overburden was removed by excavator and truck before all earthmoving equipment was thoroughly cleaned. • A pit was then excavated into the clean kimberlite material and directly loaded into trucks for transport to the plant stockpile area The sample material was placed on a sterilised pad of sand before being fed into the plant by front-end loader. • The sample location was chosen following the drilling of core holes and the excavation of three trenches on L403. • The objective of the sample was to demonstrate whether potentially economic diamonds might be present in the kimberlite pipe and was not selected to be representative of the grade of the body as a whole.
Drilling techniques	• *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.).*	• The drilling to date has consisted of diamond core drilling. The drill core recovered was of HQ diameter. The delineation holes at L030 were drilled to approximately 33m deep. A single core hole was drilled at L403 to 102m.
Drill sample recovery	• *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.*	• Core is recovered from the core barrel and stored in core boxes, before being transported by light vehicle to the core shed. • Core recovery is generally high, though significant core losses are experienced through unconsolidated surface sediments to about 3m depth.
Logging	• *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.*	• All core is visually and semi-quantitatively logged then photographed at the operation's core shed. • The bulk sample pits were visually inspected to ensure no contamination of surface material entered the sample material.

Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• No sub-sampling was undertaken.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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.* • *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.*	• The sample was treated through the Lulo alluvial treatment plant. The plant was thoroughly decontaminated before sample treatment commenced. • A layer of sand was used on the sample pad, beneath the deposited sample, to prevent sample loss or contamination between the sample and the ROM pad. • Once the sample was completed the sample was purged with barren material and cleaned. Any diamonds recovered from the purging processes are included in the sample results.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No verification of samples or twinning has been undertaken, due to the bulk nature of the sample.
Location of data points	• *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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The sample site was initially located using a hand-held GPS with a nominal accuracy of about 5m. The final location was measured using a Trimble Real-Time differential GPS system with an accuracy of <5cm. • The grid system is WGS84 Zone 34L.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• The sample position and size were selected on the basis of giving the best likelihood of recovering diamonds and were not intended to return a grade representative of the pipe as a whole.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• The sample is considered a bulk sample within the pipe. Orientation of the sample is not considered significant and is not expected to introduce bias.

	• *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.*	
Sample security	• *The measures taken to ensure sample security.*	• Security of the sampling and sample storage areas, processing and diamond recovery was continuously monitored by company and Angolan State Diamond Security personnel.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The sampling techniques are industry standard and no audits or reviews have been undertaken to validate the information presented at this stage.

Reporting of Exploration Results

Criteria	JORC Code Explanation	Lucapa Commentary
Mineral tenement and land tenure status	• *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.* • *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.*	• The legislation covering the Angolan diamond industry stipulated that only Endiama (Empresa Nacional de Diamantes de Angola, the State Diamond Company) or joint ventures with Endiama (the Angolan State diamond mining company), can hold diamond mining rights awarded by the Council of Ministers. • Under the terms of the Lulo Joint Venture agreements, separate titles are granted for alluvial and kimberlite exploration or mining. The exploration for both alluvials and kimberlites on the Lulo Concession is a requirement under the Act. • The Angolan Government Gazette, dated 24 December 2007, authorized the formation of a Joint Venture for the purpose of prospecting, evaluation and mining of secondary (alluvial) diamond deposits. These rights were granted for an initial period of five years. If the Joint Venture wished to extend the agreement beyond five years, then 50% of the Concession needed to be relinquished. The equity distribution in the alluvial joint venture was: Endiama 32%, Lucapa Diamond Company Ltd 40%, Rosas & Petalas S.A. 28%. • Following successful alluvial exploration, a 10-year alluvial mining licence was signed in July 2015 creating "Sociedade Mineira Do Lulo, LDA.", an Angolan incorporated company in which Lucapa Diamond Company Ltd has a 40% shareholding. This Angolan entity was officially incorporated in May 2016. • In May 2014, the official authorization in respect of the kimberlite exploration was gazetted and interests held in this are Endiama 51%, Lucapa Diamond Company Ltd 39%*, Rosas & Petalas S.A. 10% (*This interest will be reduced to 30% after recoupment of the exploration and mining development investment). • A new 5-year kimberlite licence was awarded by the Angolan Ministry of Mines; a new

Criteria	JORC Code Explanation	Lucapa Commentary
		Mineral Investment Contract was subsequently gazetted and expires on 2 May 2024.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Limited exploration has been undertaken by state-controlled entities and joint ventures Diamang and Condiama. • Parts of the area have been exploited by artisanal miners – no records of this work are available.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Significant diamond bearing alluvial systems, of Mesozoic to Recent ages overlie a major, but relatively poorly explored, kimberlite field. The kimberlite pipes intrude flat-lying Proterozoic sediments within the Lucapa Graben. The kimberlite field is believed to be the source of the alluvial diamonds.
Drill hole Information	• *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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth hole length.* o *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.*	• No drill hole information is presented here as it is not relevant to the sampling process other than to guide location of the sample.
Data aggregation methods	• *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.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No weighting, averaging, grade truncations or cut-off grades have been used. • No short or long length aggregation applicable. • No metal equivalent values are used.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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').*	• The deposits may be regarded as massive deposits so sample orientation is not relevant.

Criteria	JORC Code Explanation	Lucapa Commentary
Diagrams	• *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.*	• Appropriate map and plans for the reported mineralisation with scale and north points are included with the text of the report.
Balanced reporting	• *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.*	• Results reported are complete.
Other substantive exploration data	• *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.*	• The sample was recovered from L403, which is a kimberlite pipe that was positively identified during drilling on the licence area in 2020. • The pipe was extensively trenched to define the most prospective material for sampling. • The L030 is a kimberlite pipe that was positively identified during drilling on the licence area in 2018. Six core holes were drilled to delineate the body in 2020. • L030 and L403 are the fourth and fifth of multiple priority kimberlite pipes planned to be sampled within the Canguige catchment and rated in a technical review as being the most prospective to host diamonds. • A bulk sample of gravel from the Canguige drainage returned 45 stones and 30.3 carats in January 2020. • The Canguige tributary drains into the Cacuilo River ~3km upstream of alluvial Mining Block 46, which has produced multiple high-value Type IIa diamonds including Specials weighing 88 carats, 68 carats, 33 carats, 32 carats and 31 carats. Fancy pink and yellow diamonds have also been recovered from Mining Block 46.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Bulk sampling of the remaining high interest kimberlites in the Canguige catchment and surrounding areas will continue. • Drilling will continue on the priority targets identified to locate material suitable for bulk sampling. • Drilling on additional magnetic targets will continue to identify new kimberlites and assess whether they should be bulk sampled.

Section 3 (resources) does NOT apply to this announcement

Section 4 (reserves) does NOT apply to this announcement

Estimation and Reporting of Diamonds and Other Gemstones

Criteria	JORC Code Explanation	Lucapa Commentary
Indicator minerals	• *Reports of indicator minerals, such as chemically/physically distinctive garnet, ilmenite, chrome spinel and chrome diopside,*	• No indicator minerals were recovered from this sample.

<table>
<tr><th>Criteria</th><th>JORC Code Explanation</th><th>Lucapa Commentary</th></tr>
<tr><td></td><td>should be prepared by a suitably qualified laboratory.</td><td></td></tr>
<tr><td>Source of diamonds</td><td>• Details of the form, shape, size and colour of the diamonds and the nature of the source of diamonds (primary or secondary) including the rock type and geological environment.</td><td>• The sample from L030 recovered no diamonds.
• One diamond weighing 0.08 carats was recovered from the kimberlite sample at L403.</td></tr>
<tr><td>Sample collection</td><td>• Type of sample, whether outcrop, boulders, drill core, reverse circulation drill cuttings, gravel, stream sediment or soil, and purpose (e.g. large diameter drilling to establish stones per unit of volume or bulk samples to establish stone size distribution).
• Sample size, distribution and representivity.</td><td>• Overburden of approximately 6m from above the sampled kimberlite was removed using a Volvo 480 excavator and 3 x ADT trucks.
• The sample pit was excavated and material from the pit transported to a prepared sample pad made up of a layer of red sand which had been deposited to prevent contamination between the sample and the pre-existing ROM pad.</td></tr>
<tr><td>Sample treatment</td><td>• Type of facility, treatment rate, and accreditation.
• Sample size reduction. Bottom screen size, top screen size and re-crush.
• Processes (dense media separation, grease, X-ray, hand-sorting, etc.).
• Process efficiency, tailings auditing and granulometry.
• Laboratory used type of process for micro diamonds and accreditation.</td><td>• The sample was treated through the Lulo alluvial treatment plant. The Lulo plant is comprised of a wet front-end feed arrangement, followed by a scrubber and a double deck screen, which splits the material into coarse and fine streams. Coarse material (+18mm) is screened off and collected in an oversize stockpile. Fine material (>1.5mm) is processed through a DMS (dense media separation) unit, with DMS concentrate processed through a Flowsort X-Ray diamond recovery unit. Final diamond recovery is undertaken by hand sort of the Flowsort concentrates. All -1.5mm material is pumped to a tailings storage facility.
• The plant was thoroughly decontaminated before sample treatment commenced.
• A layer of sand was used on the sample pad, beneath the deposited sample, to prevent sample loss or contamination between the sample and the ROM pad.</td></tr>
<tr><td>Carat</td><td>• One fifth (0.2) of a gram (often defined as a metric carat or MC).</td><td>• Reported as carats.</td></tr>
<tr><td>Sample grade</td><td>• Sample grade in this section of Table 1 is used in the context of carats per units of mass, area or volume.
• The sample grade above the specified lower cut-off sieve size should be reported as carats per dry metric tonne and/or carats per 100 dry metric tonnes. For alluvial deposits, sample grades quoted in carats per square metre or carats per cubic metre are acceptable if accompanied by a volume to weight basis for calculation.
• In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive sample grade (carats per tonne).</td><td>• The sample result is summarised in the table below:
<table>
<tr><th>Sample ID</th><th>Volume Processed m³</th><th>Stones recovered</th><th>Carats recovered (cts)</th><th>Calculated Grade (cpht)</th></tr>
<tr><td>L403/BS01</td><td>2,505</td><td>1</td><td>0.08</td><td>0.003</td></tr>
<tr><td>L030/BS01</td><td>2,424</td><td>0</td><td>0.00</td><td>0.000</td></tr>
</table>
• The volume processed is based on counted loader buckets fed to the plant, converted to m³ stockpile volumes using an established bucket factor previously reconciled to surveyed broken material on a stockpile, measured in metres cubed. Oversize material generated by the sample treatment has been retained and will be crushed through the kimberlite bulk sample crushing plant.</td></tr>
</table>

Criteria	JORC Code Explanation	Lucapa Commentary
Reporting of Exploration Results	• *Complete set of sieve data using a standard progression of sieve sizes per facies. Bulk sampling results, global sample grade per facies. Spatial structure analysis and grade distribution. Stone size and number distribution. Sample head feed and tailings particle granulometry.* • *Sample density determination.* • *Per cent concentrate and undersize per sample.* • *Sample grade with change in bottom cut-off screen size.* • *Adjustments made to size distribution for sample plant performance and performance on a commercial scale.* • *If appropriate or employed, geostatistical techniques applied to model stone size, distribution or frequency from size distribution of exploration diamond samples.* • *The weight of diamonds may only be omitted from the report when the diamonds are considered too small to be of commercial significance. This lower cut-off size should be stated.*	• No diamonds were recovered from L030/BS01. • 1 diamond was recovered weighing a total of 0.08 carats from L403/BS01.
Grade estimation for reporting Mineral Resources and Ore Reserves	• *Description of the sample type and the spatial arrangement of drilling or sampling designed for grade estimation.* • *The sample crush size and its relationship to that achievable in a commercial treatment plant.* • *Total number of diamonds greater than the specified and reported lower cut-off sieve size.* • *Total weight of diamonds greater than the specified and reported lower cut-off sieve size.* • *The sample grade above the specified lower cut-off sieve size.*	• No diamond resources are reported. • No diamond reserves are reported.
Value estimation	• *Valuations should not be reported for samples of diamonds processed using total liberation method, which is commonly used for processing exploration samples.* • *To the extent that such information is not deemed commercially sensitive, Public Reports should include:* • *diamonds quantities by appropriate screen size per facies or depth.* • *details of parcel valued.* • *number of stones, carats, lower size cut-off per facies or depth.* • *The average $/carat and $/tonne value at the selected bottom cut-off should be reported in US Dollars. The value per carat is of critical importance in demonstrating project value.* • *The basis for the price (e.g. dealer buying price, dealer selling price, etc.).* • *An assessment of diamond breakage.*	• No diamond value estimates are reported.

Criteria	JORC Code Explanation	Lucapa Commentary
Security and integrity	• *Accredited process audit.* • *Whether samples were sealed after excavation.* • *Valuer location, escort, delivery, cleaning losses, reconciliation with recorded sample carats and number of stones.* • *Core samples washed prior to treatment for micro diamonds.* • *Audit samples treated at alternative facility.* • *Results of tailings checks.* • *Recovery of tracer monitors used in sampling and treatment.* • *Geophysical (logged) density and particle density.* • *Cross validation of sample weights, wet and dry, with hole volume and density, moisture factor.*	• There has been no accredited process audit. • Samples were continuously monitored by mine security personnel and Angolan State diamond security personnel during transport and storage. • Microdiamonds were not processed. • No audit samples were collected because of the nature of the samples. • Tailings have not been checked for indicators. • Geophysical densities were not determined. • Cross validation of weights with pit volume and density is not considered appropriate for the stage of exploration.
Classification	• *In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive grade (carats per tonne). The elements of uncertainty in these estimates should be considered, and classification developed accordingly.*	• No resource is classified in this report.