



GEOTECHNICAL DRILLING COMMENCES AT MERLIN DIAMOND PROJECT

Lucapa Diamond Company Limited (ASX: **LOM**) is pleased to announce its wholly owned subsidiary, Australian Natural Diamonds Pty Ltd ("AusND"), has commenced the geotechnical drilling program at the Merlin Diamond Project ("Merlin") in the Northern Territory of Australia.

This follows approval by the Northern Territory Government ("NTG") to appoint AusND as the operator of the site, which therefore allows AusND to commence specific approved site works prior to the completion of the Merlin acquisition.

A Mining Management Plan has been submitted to and approved by the NTG, which includes the program for the current geotechnical drilling activities at Merlin. This program is part of the Feasibility Study process and involves approximately 5,800m of diamond core drilling at the site.

A Scoping Study, based on the existing 4.4 million carat JORC compliant mineral resource estimate and using open pit and vertical pit mining methods, is well advanced and is planned to be released during Q4 2021.



Geotechnical drilling by contractor DDH1 commences at the Merlin Diamond Project, Northern Territory, Australia

In order to facilitate the drilling program, the existing camp was recommissioned and services such as access roads, power, water and communications have all been re-established.

AusND has assumed the environmental security bond for Merlin (as part of the acquisition consideration) and has paid the required A\$1.1 million bond to the NTG. The remaining A\$7.4 million acquisition consideration payment is payable on completion of all the conditions precedent to the Merlin Asset Sale agreement.

Authorised by the Lucapa Board.

STEPHEN WETHERALL
MANAGING DIRECTOR

Investor and Media enquiries:

Candice Sgroi
Head of Investor Relations & Corporate Communications
Mobile: +61 400 492 285 | Email: csgroi@lucapa.com.au

ABOUT LUCAPA

Lucapa Diamond Company Limited 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 diamond mines attract some of the highest prices per carat for rough diamonds in the world.

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

Lucapa has signed a binding agreement to acquire the Merlin Diamond Project in the Northern Territory of Australia. It consists of a 24km² tenement with a mining lease and a 283km² exploration tenement encompassing the mining lease. The mining lease contains 11 previously discovered kimberlite pipes in three kimberlite clusters with an existing 4.4 million carat JORC 2012 compliant resource.

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.

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) risks associated with mining, exploration, operations, resource, environment, funding and adverse or unanticipated market, financial, currency 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.