



## Quarterly Activities Report for period ended 30 June 2024

### Q2 Summary

All figures 100% unless stated

- ❖ Lulo Diamond Mine generated US\$17.8M in sales revenue in Q2; post quarter end, a further US\$12.4m was generated from a Special Stone Tender
- ❖ 195 carat Type IIa diamond recovered from Lulo in May
- ❖ Mining of high value terrace gravels resulted in average rough price of US\$3,551/ct
- ❖ US\$0.7m received in dividends from SML
- ❖ Sale and Purchase agreement executed for Mothae Diamond Mine in Lesotho

Lucapa Diamond Company Limited (ASX: LOM) (“Lucapa” or “the Company”) announces its Quarterly Activities Report for the period ended 30 June 2024 (the “Quarter” or “Q2”).

The Lulo mine in Angola sold 5,016 carats through two run of mine (“ROM”) sales and one exceptional diamond tender in Q2 for revenue of US\$17.8 million. One of the ROM sales was sold to the cutting and polishing partner which will, in future periods, yield extra revenue for SML.

The Lulo diamond tender held in April realised US\$10.5 million for three high quality Type IIa diamonds.

The tender of special stones held post-Quarter end in July attracted US\$12.4m for 6 diamonds, five of which were recovered in Q2. See ASX announcement 25 July 2024 (“Six Lulo diamonds sell for US\$12.4m at tender”).

The Mothae Mine in Lesotho, which is in the process of being divested, held three run of mine sales and sold 7,950 carats for US\$4.7 million in Q2.

**Managing Director, Nick Selby, commented:** “The extended wet season in Angola made production in Q2 challenging, as the higher grade mining blocks were inaccessible for most of the period; however, we are now returning to mine in the floodplain areas at Lulo. The severe wet season impacted the mined volume and recoveries during the Quarter. Revenue remains on track as the shortfall in carats produced was offset by the high value of the diamonds recovered.”

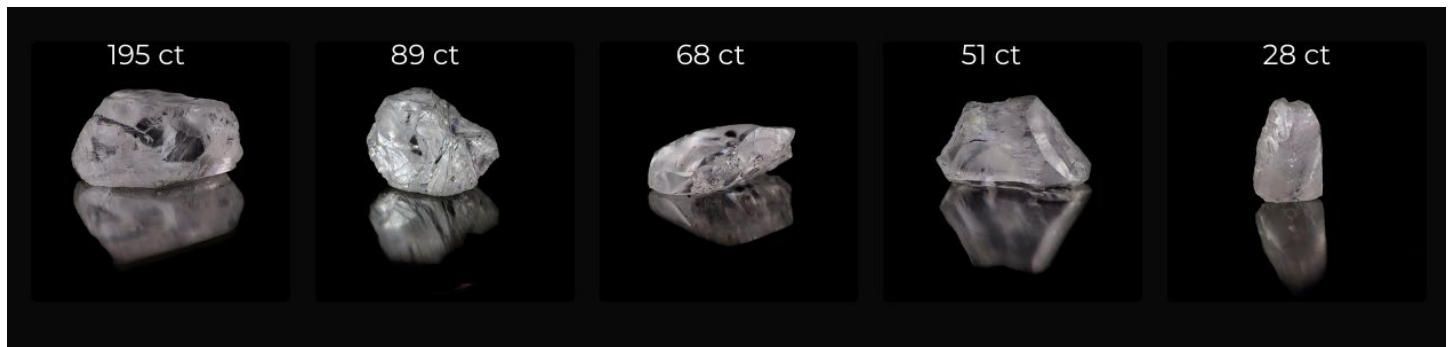


Photo: Five of the high-value diamonds recovered from Lulo during Q2 and sold in Q3



**TABLE 1: Q2 CONSOLIDATED 2024 PRODUCTION AND SALES FIGURES**

	100% Project					
	Q2			H1		
	2023	2024	Var	2023	2024	Var
<b>PRODUCTION:</b>						
<i>Tonnes processed<sup>1</sup></i>	640,255	<b>580,337</b>	-9%	1,231,400	<b>1,253,390</b>	2%
<i>Carats recovered</i>	16,277	<b>13,200</b>	-19%	30,927	<b>27,362</b>	-12%
<b>SALES &amp; OTHER:</b>						
<i>Rough carats sold</i>	15,204	<b>12,966</b>	-15%	28,681	<b>29,374</b>	2%
<i>Rough diamond revenues (US\$m)</i>	28.6	<b>22.5</b>	-21%	46.8	<b>35.6</b>	-24%
<i>Rough price/ carat (US\$)</i>	1,883	<b>1,738</b>	-8%	1,633	<b>1,213</b>	-26%

<sup>1</sup>Lulo volume processed converted from bulked m<sup>3</sup> to tonnes

### LULO ALLUVIAL MINE - ANGOLA

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

Late wet season flooding of the mining blocks in the floodplains necessitated a change to the mine plan. This meant that mining switched to the lower grade, but higher value, terrace gravels instead of the higher grade floodplain gravels that was part of the original mine plan for the second Quarter of the year. This resulted in a lower number of carats being recovered when compared to Q2/23.

Now that the floodplains have started drying out, mining will move back into the floodplain gravels areas during Q3 and carat recoveries are expected to increase over the remainder of 2024.

**TABLE 2: LULO Q2 PRODUCTION AND SALES RESULTS**

	100% Project					
	Q2			H1		
	2023	2024	Var	2023	2024	Var
<b>PRODUCTION:</b>						
<i>Volume mined (bulked Mm<sup>3</sup>)</i>	2.09	<b>1.69</b>	-19%	3.60	<b>3.32</b>	-8%
<i>Volume processed (bulked m<sup>3</sup>)</i>	163,790	<b>133,540</b>	-18%	317,247	<b>304,463</b>	-4%
<i>Carats recovered</i>	8,202	<b>4,562</b>	-44%	15,367	<b>10,270</b>	-33%
<i>Grade recovered (cphm<sup>3</sup>)</i>	5.0	<b>3.4</b>	-32%	4.8	<b>3.4</b>	-30%
<i>+10.8 carat diamonds (Specials)</i>	117	<b>46</b>	-61%	206	<b>97</b>	-53%
<b>SALES &amp; OTHER:</b>						
<i>Rough carats sold</i>	7,175	<b>5,016</b>	-30%	14,337	<b>13,761</b>	-4%
<i>Rough diamond revenue (US\$m)</i>	20.7	<b>17.8</b>	-14%	33.3	<b>27.2</b>	-18%
<i>Rough price/ carat (US\$)</i>	2,892	<b>3,551</b>	23%	2,326	<b>1,976</b>	-15%



**LULO KIMBERLITE EXPLORATION – ANGOLA**

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

The Project Lulo JV exploration program continued in Q2, with activity moving close to the Cacuilu River following the floodwaters subsiding. Progress was announced to the ASX on 15 July 2024 (“Lulo Kimberlite Exploration Update”).

**MOTHAE KIMBERLITE MINE - LESOTHO**

(conducted by Mothae Diamonds (Pty) Ltd (“Mothae”) - Lucapa 70%, Government of Lesotho (“GoL”) 30%)

Mothae recovered 8,638 carats at an average grade of 2.4cpht, this was an improvement on the same period last year. However, the tonnes mined were down 45% compared with Q2/23 as the operation temporarily ceased waste stripping to limit expenditure. Most of the recoveries during Q2 at Mothae were lower value diamonds, which resulted in the average price per carat achieved in Q2 of US\$595, compared with US\$981 per carat in Q2/23.

During Q2, it was announced that Lucapa would divest the Mothae Diamond Mine. This followed an announcement on 25 June 2024 (“Mothae Mine conditional sale and purchase agreement executed”). The process is expected to conclude shortly, and the market will be updated in due course.

Mothae’s results will be treated as a discontinued operation in future financial reports.

**TABLE 3: MOTHAE PRODUCTION RESULTS AND RECOVERIES**

	100% Project					
	Q2			H1		
	2023	2024	Var	2023	2024	Var
<b>PRODUCTION:</b>						
<i>Tonnes mined (ore &amp; waste) (Mt)</i>	0.64	0.35	-45%	1.23	0.79	-36%
<i>Tonnes processed (t)</i>	361,812	353,319	-2%	692,080	735,803	6%
<i>Carats recovered</i>	8,075	8,638	7%	15,560	17,092	10%
<i>Grade recovered (cpht)</i>	2.2	2.4	10%	2.2	2.3	3%
<i>+10.8 carat diamonds (Specials)</i>	69	59	-14%	121	103	-15%
<b>SALES &amp; OTHER:</b>						
<i>Rough carats sold</i>	8,030	7,950	-1%	14,344	15,612	9%
<i>Rough diamond revenue (US\$m)</i>	7.9	4.7	-40%	13.5	8.4	-37%
<i>Rough price/ carat (US\$)</i>	981	595	-39%	940	540	-42%

**Rough Diamond Market**

The second Quarter of the year experienced softer diamond market conditions, especially in the sub-two carat rough diamond category. We saw strong demand for our production, in particular Type IIa diamonds above 10 carats.

There is currently an oversupply in the polished inventory globally and it is reported that some of the bigger producers are considering production cuts to allow a rebalance of the market. High inflation and low demand from Chinese consumers are also hindering the recovery of the diamond market. The market is expected to improve towards the



end of the year in line with the festive season purchases. These trends have so far had a minimal effect on Lucapa due to the large stone population that is prevalent in our production, and we have not seen the downward pressure on prices to the same extent as other producers.

## Corporate

At 30 June 2024, the Group corporate and financial summary on a 100% basis is as follows:

	100% Project		
	Q2		
	2023	2024	Var
<i>Diamond inventories (carats)</i>	7,876	5,770	-27%
<i>Cash and receivables (US\$m)</i>	9.8	1.9	-81%

Lucapa received approximately US\$0.7 million in dividends from SML during Q2 and an additional US\$0.3 million development loan repayment post quarter end. SML's cash out flows in Q2 include payment of US\$ 1.7 million of income tax in respect of 2023, the dividend of US\$0.7 million to Lucapa and normal ongoing capital and operating costs. The closing cash balance was impacted by timing of the special tender sale, which was delayed to July. The closing inventory includes the special stones held back for tender.

During the Quarter, Lucapa appointed two new Independent non-executive directors to the Board following the resignation of non-executive director Ross Stanley. Mr Stuart Brown, an ex-head of diamond giant De Beers, was appointed Chairman and Mr Ronnie Beevor, an ex-Investment banker and experienced mining director, was appointed as non-executive director. Former Chairman Miles Kennedy remains on the Board as a non-executive director.

In addition, Mr Daniel Coletta was appointed as Company Secretary following the resignation of Mr Mark Clements.

For and on behalf of the board

**Nick Selby**  
**Managing Director and CEO**

### For more information:

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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, conducted by Sociedade Mineira Do Lulo, Lda ("SML") Lucapa 40%, Endiama 32%, Rosas & Petalas 28%) and Lesotho (Mothae, Lucapa 70%, Government of Lesotho 30%). The large, high-value diamonds produced from these two niche African diamond mines attract some of the highest prices/ carat globally.

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

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.

Lucapa and its project partners are also exploring for potential primary source kimberlites or lamproites at the prolific Lulo concession in Angola, and the Brooking project in 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, 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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<i>Project</i>	<i>Country</i>	<i>Type</i>	<i>Size (km<sup>2</sup>)</i>	<i>Period</i>	<i>Interest (%)</i>	<i>End date</i>
<i>Brooking</i>	Australia	Exploration Licence	72	5 years	80	Dec-24
	Australia	Exploration Licence	13	5 years	80	Mar-24 <sup>^</sup>
	Australia	Exploration Licence	29	5 years	80	Jun-27
<i>Lulo</i>	Angola	Kimberlite (primary source) exploration	3,000	5 years	39	May-24 <sup>^</sup>
	Angola	Alluvial (secondary source) mining and exploration	1,500	10 years	40	Jul-25
<i>Merlin</i>	Australia	Mineral lease	24	25 years	100	Dec-47
	Australia	Exploration Licence	210	5 years	100	Apr-25
<i>Mothae</i>	Lesotho	Mining Licence	47*	10 years	70	Jan-27
<i>Orapa</i>	Botswana	Reconnaissance	8	2 years	100	Jun-24 <sup>#</sup>

\* Area includes the protection and production area

<sup>^</sup> Application for licence extensions in progress

<sup>#</sup> Lapsed