



SUCCESSFUL PLACEMENT RAISES \$10 MILLION

- **Oversubscribed placement of new shares to raise \$10 million cornerstoned by strategic investors**
- **Proceeds primarily for expansion in the processing capacity of the Mothae kimberlite mine from 1.1Mtpa to 1.6Mtpa (+45%)**

Lucapa Diamond Company Limited (ASX: **LOM**) (“Lucapa” or “the Company”) is pleased to announce the Company has received firm commitments from professional and sophisticated investors to subscribe for 181,818,182 fully paid new ordinary shares in the Company at an issue price of \$0.055 per share to raise \$10 million before costs (“the Placement”). The Placement involved the issue of 54,824,075 free attaching unlisted \$0.08 options, expiring 2 years from the date of issue (“Options”).

The oversubscribed capital raising, was cornerstoned by Ilwella Pty Ltd, a diversified investment vehicle of the Flannery family office and by Safdico International, a leading multinational diamond company and subsidiary of Graff International. The Company also welcomed new institutional investors to the register.

The issue price represents a discount of approximately 10% to the volume weighted average price (“VWAP”) of Lucapa shares during the previous 5-day trading period.

The Company intends to issue 92,904,127 new fully paid ordinary shares under the Company's existing ASX Listing Rule 7.1 capacity and 64,104,642 new fully paid ordinary shares under the Company's 7.1A capacity (comprising tranche 1 of the Placement), with 24,809,413 new fully paid ordinary shares and 54,824,075 Options being issued following shareholder approval at a general meeting to be convened in December 2020 (comprising tranche 2 of the Placement).

The 24,809,413 new fully paid ordinary shares, to be issued subject to shareholder approval at the general meeting to be convened as above, are intended to be issued to Safdico International.

Far East Capital Limited and Prenzler Group Pty Ltd acted as co-lead managers to the Placement. For their part in cornerstoning the Placement, Ilwella Pty Ltd will receive 2,712,727 new fully paid ordinary shares and 10,754,545 Options.

Lucapa intends to use the funds from the Placement to commission an expansion in the processing capacity of the Mothae kimberlite mine from 1.1Mtpa to 1.6Mtpa (+45%). This should materially increase production, revenues and due to economies of scale, improve unit operating costs and deliver improvements to earnings. The investment in Mothae is expected to cost \$8.5 million, with the balance of the funds raised, net of costs, to be utilised for general working capital purposes.

An overview of the expansion plans was released to ASX and can be viewed at <https://www.lucapa.com.au/announcements>.

Managing director Stephen Wetherall commented, “*We are extremely pleased with the strong support shown by strategic and institutional investors in the value accretive expansion plan formulated by Lucapa and the Government of the Kingdom of Lesotho, our Mothae partner*”.

“The Mothae expansion should see a material increase in the benefits derived by the Basotho nation and to our shareholders”.

Authorised by the Lucapa Board.

STEPHEN WETHERALL
MANAGING DIRECTOR

ABOUT LUCAPA

Lucapa is a niche diamond producer with high-value mines in Angola (Lulo) and Lesotho (Mothae).

The Lulo alluvial mine and Mothae kimberlite mine both produce large and high-value diamonds, with >75% of revenues generated from the recovery of +4.8 carat stones.

Lulo has produced 15 +100 carat diamonds to date and is one of the highest average US\$ per carat alluvial diamond producers in the world. Lucapa and its *Project Lulo* partners have also received highly encouraging results from their search to discover the primary hard-rock source of the high-value Lulo alluvial diamonds.

The 1.1Mtpa Mothae kimberlite mine in diamond-rich Lesotho commenced commercial mining and processing operations in January 2019. It produced > 30,000 carats in its first year of production, including 3 +100 carat diamonds. Lucapa intends to commission an expansion in the processing capacity of the Mothae kimberlite mine from 1.1Mtpa to 1.6Mtpa scheduled for completion in Q1 2021.

Lucapa's Board and management team have decades of diamond industry experience across the globe with companies including De Beers and Gem Diamonds.

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 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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