



LUCAPA DIAMOND COMPANY LIMITED

ACN 111 501 663

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11.00AM (WST)

DATE: 28 April 2022

PLACE: Celtic Club, 48 Ord Street, West Perth, WA 6005

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5:00pm (WST) on 26 April 2022.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF MARCH PLACEMENT SHARES

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 153,333,335 Shares on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement: The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of a person who participated in the issue the subject of this Resolution 1 or an associate of that person (or those persons). However, this does not apply to a vote cast in favour of Resolution 1 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with the directions given by the beneficiary to the holder to vote that way.

2. RESOLUTION 2 – ISSUE OF SHARES TO TAZGA TWO PTY LTD

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to grant 13,333,333 Shares to Tazga Two Pty Ltd (**Tazga Two**) (being a company associated with Mr Ross Stanley, a Director) or its nominee(s), on the terms and conditions set out in the Explanatory Memorandum."*

Voting exclusion statement: The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of Tazga Two (or its nominee(s)), Mr Ross Stanley and any other person who will obtain a material benefit as a result of the issue of the securities the subject of this Resolution 2 (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, this does not apply to a vote cast in favour of Resolution 2 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with the directions given by the beneficiary to the holder to vote that way.

Dated: 24 March 2022

By order of the Board

Mark Clements
Company Secretary

IMPORTANT INFORMATION

Attendance and participation

Due to the uncertainty and potential health risks posed by the COVID-19 pandemic, the Company encourages Shareholders, to the extent practicable, not to attend the meeting in person and participate in the Meeting via proxy voting and through the ability to submit questions in advance of the Meeting.

The Company and venue must adhere to all social distancing and other COVID-19 related measures at the Meeting prescribed by government authorities. Further details on any possible attendance at the Meeting will be monitored, announced to the ASX and made available on the Company's website www.lucapa.com.au prior to the Meeting.

The Company welcomes the participation of Shareholders in the Meeting and Shareholders are invited to lodge questions in advance of the Meeting by sending an email containing their question(s) to general@lucapa.com.au by 5.00pm (WST) on 22 April 2022.

The Chair will endeavour to respond to as many emailed questions from a range of Shareholders during the Meeting - however, regrettably, not all questions may be answered in the time provided.

Please note that individual responses will not be sent to Shareholders.

Voting procedure

Voting on all proposed resolutions at the Meeting will be conducted by poll. Under the Constitution, any poll will be conducted as directed by the Chair.

Shareholders can vote in one of two ways:

- by attending the Meeting and voting; or
- by appointing a proxy or attorney to attend and vote on their behalf.

The Chair intends to vote undirected proxies in favour of all Resolutions.

Voting in person or by attorney

As previously stated, Shareholders, or their attorneys, are discouraged from attending in person but those who do choose to do so are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that the Company may check their Shareholding against the Company's share register and note attendances.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Voting Form and return by the time and in accordance with the instructions set out on the Proxy Voting Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

To be effective, Proxy Voting Forms must be received by **11.00am (WST) on 26 April 2022**, being 48 hours prior to the Meeting. Proxies received after this time will be invalid.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9381 5995.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

Resolution 1 – Ratification of prior issue of Equity Securities

Background

As announced on 14 March 2022, the Company issued 153,333,335 Shares at an issue price of \$0.075 per Share to professional and sophisticated clients of Ashanti Capital Pty Ltd and Foster Stockbroking Pty Ltd (**Placement Shares**) in connection with a placement to raise \$12,500,000 (before costs) (refer to the Company's announcement dated 8 March 2022) (**March Placement**).

Resolution 1 relates to the ratification of the prior issue of the Placement Shares.

Subject to the passing of Resolution 2, in connection with the March Placement the Company is also proposing to issue 13,333,333 Shares at an issue price of \$0.075 per Share to Tazga Two (a company associated with Ross Stanley, who is a Director) or its nominee(s) (**Stanley Shares**).

Listing Rules 7.1, 7.1A and 7.4

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue, without approval of its shareholders, more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted Equity Securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in Listing Rule 7.1.

Where an eligible entity obtains shareholder approval to increase its placement capacity under Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (a) will not be counted in variable "A" in the formula in Listing Rule 7.1A; and
- (b) are counted in variable "E",

until their issue has been ratified under Listing Rule 7.4 (and provided that the previous issue did not breach Listing Rule 7.1A) or 12 months has passed since their issue.

As the issue of the Placement Shares does not fall within any of the specified exceptions to Listing Rule 7.1 and have not yet been approved by Shareholders, it effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1 and 10% placement capacity under Listing Rule 7.1A (as applicable), reducing the Company's capacity to issue further Equity Securities without Shareholder approval over the 12 month period following the date of issue of those securities.

Under Listing Rule 7.4, if a company's shareholders approve an issue of Equity Securities after it has been made or agreed to be made, that issue or agreement to issue Equity Securities is treated as having been made with Shareholder approval for the purposes of Listing Rule 7.1 (provided that the issue or agreement did not breach Listing Rule 7.1).

By ratifying these previous issues, the Company will retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 and its 10% placement capacity under Listing Rule 7.1A (as applicable), without the requirement to obtain prior Shareholder approval.

Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares the subject of Resolution 1.

Technical information required by Listing Rule 14.1A

If Resolution 1 is not passed, the Placement Shares will be included in calculating the Company's 15% placement capacity under Listing Rule 7.1 and its 10% placement capacity under Listing Rule 7.1A, effectively decreasing the number of Equity Securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of those securities.

If Resolution 1 is passed, the base figure (Variable "A") in which the Company's 15% placement capacity under Listing Rule 7.1 and its 10% placement capacity under Listing Rule 7.1A is calculated will be a higher number which in turn will allow a proportionately higher number of Equity Securities to be issued by the Company without prior Shareholder approval.

Resolution 1 – Technical information required by Listing Rule 7.4 – Placement Shares

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 1:

- (a) the Placement Shares were issued to professional and sophisticated investors that were identified through a bookbuild process, which involved Ashanti Capital Pty Ltd and Foster Stockbroking Pty Ltd seeking expressions of interest to participate in the capital raising;
- (b) 153,333,335 Shares were issued pursuant to Listing Rule 7.1;
- (c) other than Regal Funds Management Pty Ltd (which is a substantial holder in the Company), no Material Investors were issued any Placement Shares;
- (d) the Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Placement Shares were issued on 14 March 2022;
- (f) the issue price was \$0.075 per Placement Share;
- (g) the purpose of the issue of the Placement Shares, in connection with the issue of the Stanley Shares (refer to Resolution 2) is to raise \$12,500,000 (before costs) which are intended to be used by the Company:
 - (i) to advance the kimberlite exploration program at the Lulo Joint Venture in Angola;
 - (ii) to advance the feasibility study at the Merlin Diamond Project in the Northern Territory; and
 - (iii) to advance drilling activities at the Brooking Project in Western Australia; and
 - (iv) for general working capital and to pay costs of the Placement;
- (h) the Placement Shares were not issued under an agreement; and
- (i) a voting exclusion statement is included in Resolution 1 of this Notice.

Resolution 2 – Approval to issue Shares to Tazga Two Pty Ltd

Background

As set out in the background to Resolution 1 in this Explanatory Statement, the Company is proposing to issue 13,333,333 Shares to Tazga Two (or its nominee(s)) in connection with the March Placement. Tazga

Two is a related party of the Company by virtue of Listing Rule 10.1.4 as it is a company associated with Mr Ross Stanley, who is a Director.

Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Stanley Shares to Tazga Two constitutes giving a financial benefit and Tazga Two is a related party of the Company by virtue of Listing Rule 10.1.4 given it is a company associated with Mr Ross Stanley, who is a Director.

Given it is proposed that the Stanley Shares are being issued to Tazga Two in connection with the March Placement and Tazga Two is participating in the March Placement on the same terms as the other investors in the March Placement, the Directors have formed the view that Shareholder approval is not required for the purposes of Chapter 2E of the Corporations Act given the issue of the Stanley Shares is on arm's length terms (as contemplated by section 210 of the Corporations Act).

In any event, approval of the Company's Shareholders is still required for the issue of the Stanley Shares under Listing Rule 10.11.

Listing Rule 10.11

Listing Rule 10.11 provides that, unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1, 10.11.2 or 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1, 10.11.2, 10.11.3 or 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the prior approval of its shareholders.

As the issue of the Stanley Shares falls within Listing Rule 10.11.4 and does not fall within any of the exceptions in Listing Rule 10.12, Shareholder approval pursuant to Listing Rule 10.11 is required.

Resolution 2 seeks the required Shareholder approval for the grant of the Stanley Shares under and for the purposes of Listing Rule 10.11.

Technical information required by Listing Rule 14.1A

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Stanley Shares to Tazga Two (or its nominee(s)) within 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules).

As approval pursuant to Listing Rule 7.1 is not required for the issue of the Stanley Shares (because approval is being obtained under Listing Rule 10.11), the grant of the Stanley Shares will not use up any of the Company's placement capacity.

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of the Stanley Shares to Tazga Two (or its nominee(s)).

Resolution 2 - Technical information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 2:

- (a) the Stanley Shares are proposed to be issued to Tazga Two or its nominee(s);
- (b) Tazga Two falls within the category set out in Listing Rule 10.1.4 by virtue of being a company that is associated with Mr Ross Stanley, who is a Director;
- (c) 13,333,333 Shares are proposed to be issued to Tazga Two or its nominee(s);
- (d) the Stanley Shares will be issued within 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (e) the issue price of the Stanley Shares is \$0.075 per Related Party Share, being \$999,999.98 in aggregate;
- (f) the purpose of the issue of the Stanley Shares, in connection with the issue of the Placement Shares (refer to Resolution 1) is to raise \$12,500,000 (before costs) which are intended to be used by the Company:
 - (i) to advance the kimberlite exploration program at the Lulo Joint Venture in Angola;
 - (ii) to advance the feasibility study at the Merlin Diamond Project in the Northern Territory; and
 - (iii) to advance drilling activities at the Brooking Project in Western Australia; and
 - (iv) for general working capital and to pay costs of the Placement;
- (g) the purpose of the issue of the Stanley Shares is not to remunerate or incentivise Mr Ross Stanley;
- (h) the Stanley Shares are not being issued under an agreement;
- (i) a voting exclusion statement is included in Resolution 2 of this Notice.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

Associated Body Corporate means

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of Directors.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Lucapa Diamond Company Limited (ACN 111 501 663).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Material Investor means, in relation to the Company:

- (a) a related party;
- (b) a member of the Key Management Personnel;
- (c) a substantial Shareholder;
- (d) an advisor; or
- (e) an associate of a person referred to in (a)-(d),

who received or will receive Shares in the Company that would constitute more than 1% of the Company's current issued capital as at the date of this Notice.

Meeting means the meeting convened by the Notice.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Voting Form.

Option means an option to subscribe for or acquire a Share.

Proxy Voting Form means the proxy voting form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A.2.

WST means Western Standard Time as observed in Perth, Western Australia.

Proxy Voting Form

If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **11.00am (WST) on Tuesday, 26 April 2022**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

