



PROPOSED LESOTHO VALUE ADDED TAX AMENDMENT BILL

- **Proposed Value Added Tax (“VAT”) Amendment Bill under consideration**
- **If enacted, the VAT Amendment Bill will impact the ability for the diamond mining and exploration companies in Lesotho to be refunded the Input VAT paid on the goods, services and capital items**
- **Industry representative body, the Chamber of Mines, its members and other key stakeholders have made presentations on the VAT Amendment Bill’s impact on the diamond industry and held constructive discussions with relevant authorities**
- **The Chamber of Mines has been advised by the Ministry of Mining that the VAT Amendment Bill process has been paused pending further review and interaction with key stakeholders**
- **Lucapa will update on the outcome in due course**

Lucapa Diamond Company Limited (ASX: **LOM**) (“Lucapa” or “the Company”) wishes to advise of a proposed VAT Amendment Bill under consideration in the Kingdom of Lesotho, that if enacted, will impact the diamond mining industry in Lesotho including Lucapa’s investment in the Mothae Diamond Mine which contributed ~21% to Lucapa’s attributable mining EBITDA in FY2021.

The VAT Amendment Bill, should it be enacted in its current form, will result in the diamond industry in Lesotho no longer being able to claim back and be refunded their Input VAT currently paid on the goods, services and capital items procured for day-to-day operations.

Lucapa, together with fellow miners and members of the Chamber of Mines and other key stakeholders, have made presentations to and constructively engaged with the relevant authorities on the impact the passing of the VAT Amendment Bill could have on the Lesotho diamond industry.

The Chamber of Mines has been advised by the Ministry of Mining that the VAT Amendment Bill process has been paused pending further review and interaction with key stakeholders.

The Company will update on the outcome in due course.

Authorised by the Lucapa Board.

STEPHEN WETHERALL
MANAGING DIRECTOR

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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 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.

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 containing a 4.4 million carat JORC (2012) compliant Mineral Resource with significant exploration potential. The Company published an Updated Scoping Study re-enforcing the significant economic potential for a long-life mine at Merlin with a production target of 2.1 million carats. A feasibility study is expected to be completed by Q3 2022.

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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