

## **OFFER DOCUMENT**

27 September 2013

PRO RATA NON-RENOUNCEABLE ENTITLEMENT ISSUE OF 1 NEW SHARE AT \$0.004 CENT EACH FOR EVERY 10 SHARES HELD AT THE RECORD DATE, TOGETHER WITH 1 FREE NEW UNLISTED OPTION EXERCISABLE AT \$0.01 ON OR BEFORE 29 AUGUST 2015, TO RAISE UP TO APPROXIMATELY \$1.41 MILLION (BEFORE COSTS)

### THIS DOCUMENT IS NOT A PROSPECTUS

It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to the New Shares offered by this Offer Document.

This Offer Document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its contents or are in doubt as to the course you should follow, you should consult your professional adviser without delay.

Applications for New Shares pursuant to this Offer Document may only be made on the forms accompanying this Offer Document.

**The Closing Date for acceptances and payments is 5.00pm WST on 28 October 2013.**

Subject to ASX Listing Rules and Corporations Act, the Company reserves the right to alter the Closing Date, with or without notice.

**IMPORTANT NOTICE**

## INDICATIVE TIMETABLE PRO-RATA NON-RENOUNCEABLE ENTITLEMENT ISSUE

Event	Date
Section 708AA Notice, Appendix 3B and Offer Document lodged with ASX.	27 September 2013
Notice sent to security holders containing the indicative timetable and the information required by Appendix 3B.	1 October 2013
<b>"EX" DATE.</b> Shares commence trading ex-entitlements	2 October 2013
<b>RECORD DATE</b> to identify security holders entitled to participate in the issue.	9 October 2013
Offer Document and Entitlement and Acceptance forms despatched to Eligible Shareholders.	14 October 2013
<b>CLOSING DATE</b> acceptances close at 5.00pm (Perth time).	28 October 2013
Securities quoted on a deferred settlement basis.	29 October 2013
ASX notified of under subscriptions.	31 October 2013
Issue date. Deferred settlement trading ends.	4 November 2013
Normal trading (T+3 trading) expected to start.	6 November 2013

The Company reserves the right to amend this indicative timetable including, subject to ASX Listing Rules and any applicable laws, the right to extend the Closing Date.

**THIS DOCUMENT IS NOT A PROSPECTUS**

This Offer Document is dated 27 September 2013 and was lodged with ASX on that day. It has not been lodged with ASIC. Neither ASX nor ASIC take any responsibility for the contents of this Offer Document.

This Offer Document has been prepared in accordance with section 708AA of the Corporations Act (as modified by ASIC Class Order 08/35) and does not require disclosure under a disclosure document. The level of disclosure in this Offer Document is significantly less than that required under a prospectus, and it does not contain all of the information which a prospective investor would find in a prospectus or which may be required to make an investment decision regarding, or about the rights attaching to, the New Shares offered by this Offer Document. Eligible Shareholders should rely on their own knowledge of the Company, refer to disclosures made by the Company to ASX and consult their professional advisers before deciding whether to accept the Offer. Announcements made by the Company to ASX are available from the ASX website [www.asx.com.au](http://www.asx.com.au). The information in this Offer Document does not constitute a securities recommendation or financial product advice.

This Offer Document does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. The distribution of this Offer Document in jurisdictions outside Australia may be restricted by law, and any person coming into possession of this Offer Document in a jurisdiction outside Australia should consult their professional advisors and observe those restrictions. No action has been, or will be, taken to register this Offer Document or the New Shares, or to otherwise permit an offering of the New Shares and attaching Options, in any jurisdiction outside of Australia or New Zealand.

The Company reserves the right not to accept an application from any person if it has reason to believe that when the person was given the application, that person was not provided with a complete and unaltered copy of this Offer Document and any relevant supplementary or replacement Offer Document. If you have received an Entitlement and Acceptance Form or Shortfall Application Form for the securities offered by this Offer Document without a complete and unaltered copy of this Offer Document, please contact the Company who will send you a copy of this Offer Document free of charge.

This Offer Document should be read in its entirety before deciding to invest in the securities offered by this Offer Document. The Directors consider an investment in the securities offered by this Offer Document to be speculative and recommend that you consult your financial adviser as to the course you should follow with respect to the Offer.

In particular, potential investors should consider the risk factors that could affect the financial performance of the Company and consider these factors in the light of personal circumstances, including financial and taxation issues (refer to *ADDITIONAL INFORMATION - Risks*).

Neither the Company nor its Directors nor any party named in this Offer Document guarantee any return on capital or the performance of the Company, and no person is authorised to give any information or to make any representation in connection with the Offer. Only information and representations contained in this Offer Document may be relied on as having been authorised by the Company in connection with the Offer.

This Offer Document contains forward looking statements which are not based on historical facts, but are based on the Company's current expectations of future results or events. These forward looking statements are subject to risks, uncertainties and assumptions which could cause actual results or events to differ materially from the expectations described in those forward looking statements, and no assurance is given that those expectations will prove to be correct. Actual results or events may be materially different from those expressed, implied or projected in the forward looking statements. Every forward looking statement contained in this Offer Document is qualified by this caution.

Definitions (often with the first letter capitalised) appear both in the body of this Offer Document (refer to bold italicised type in parenthesis) as well as in the Glossary.

## DETAILS OF THE OFFER

### The Offer

This Offer Document is for the offer (*the Offer*) of new Shares pursuant to a pro rata non-renounceable entitlement issue offered to Eligible Shareholders on the basis of 1 new Share (*New Share*) at an issue price of .4 of a cent (\$0.004) per New Share for every 10 Shares held at 5.00pm (WST) on Thursday, 9 October 2013 (*Record Date*), together with 1 free attaching unlisted new option (*New Option*), each exercisable at 1 cent (\$0.01) at any time before 5.00pm WST on 29 August 2015, for each New Share issued.

In calculating the number of New Shares to which an Eligible Shareholder is entitled (*Entitlement*), fractions of New Shares will be rounded up to the nearest whole number.

Disregarding any Entitlements relating to Shares issued on the exercise of options before the Record Date, approximately 350,236,655 New Shares will be issued pursuant to the Offer, if it is fully subscribed, raising approximately \$1,400,947 before the costs of the Offer.

The Offer is not underwritten and there is no minimum amount that must be subscribed under the Offer.

### Eligibility

The Entitlement of each Eligible Shareholder under the Offer is shown on the form (*Entitlement and Acceptance Form*) accompanying this Offer Document and headed *Entitlement and Acceptance Form*.

As the Offer is non-renounceable, Eligible Shareholders may not sell or transfer any part of their Entitlements.

The Company has determined, in accordance with the Corporations Act and Listing Rule 7.7, that it would be unreasonable to make the Offer to Non-resident Shareholders after taking into account the number of Non-resident Shareholders in each country other than Australia and New Zealand, the number and value of the New Shares that would be offered to them and the cost of complying with the legal requirements in other countries. Non-resident Shareholders should contact the Company Secretary if they have any queries.

### Acting on your Entitlement

If you do not accept your full Entitlement, your percentage shareholding in the Company will be diluted as a result of any New Shares issued under this Offer Document.

As an Eligible Shareholder you may:

- accept your full Entitlement;
- accept part of your Entitlement and allow the balance to lapse; or
- do nothing (in which case you will receive no benefit from your Entitlement).

### Closing Date

**The closing date (*Closing Date*) for acceptances will be 5:00 pm WST on 28 October 2013.** Subject to ASX Listing Rules, the Directors may extend this Closing Date (with or without notice and either before or after that date).

### To accept your Entitlement

If you wish to accept all or part of your Entitlement, you must:

#### EITHER:

- (a) complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out in that form, specifying the number of New Shares applied for by you; and
- (b) forward the completed form, together with a cheque or bank draft payable in Australian Dollars for the amount due in respect of New Shares applied for, calculated at .4 of a cent (\$0.004) per New Share, to reach the Company's Share Registrars no later than the Closing Date. Cheques or bank drafts must be made payable to "Lucapa Diamond Company Limited" and crossed "Not Negotiable";

#### OR, ALTERNATIVELY

- (c) pay the amount due in respect of New Shares applied for, calculated at .4 of a cent (\$0.004) per New Share, by BPAY no later than the Closing Date, by following the instructions set out in the accompanying Entitlement and Acceptance Form.

**Note: Any part of your Entitlement that is not accepted and paid for by the Closing Date will lapse and form part of the Shortfall, and you will receive no benefit from that part.**

### Shortfall

If any shareholders do not accept their whole Entitlement, the number of unaccepted New Shares will form the Shortfall (*Shortfall*).

Pursuant to the exception contained in Exception 3 of ASX Listing Rule 7.2, the Directors, as part of the Offer, reserve the right to issue the Shortfall at their discretion within 3 months after the close of the Offer, at an issue price of not less than .4 of a cent (\$0.004) for each New Share comprised in the Shortfall.

Subject to any restrictions imposed by law, Eligible Shareholders may in addition to their Entitlements, apply to subscribe under the Shortfall Offer for New Shares comprised in the Shortfall at an issue price of .4 of a cent (\$0.004) each (being the same price for New Shares under the Offer) in addition to their Entitlement (**Additional New Shares**) with a free New Option for each Additional New Share issued, by completing the section of the Entitlement and Acceptance Form entitled “*Additional New Shares*” in accordance with the instructions set out in that form and

**EITHER:**

- (a) forwarding the Entitlement and Acceptance Form, together with a cheque or bank draft payable in Australian Dollars for the amount calculated in accordance with the instructions on that form, to reach the Company’s Share Registrars **no later than 5.00pm WST on 28 October 2013**. Cheques or bank drafts must be made payable to “*Lucapa Diamond Company Limited*” and crossed “*Not Negotiable*”; or
- (b) paying the amount calculated in accordance with the instructions on that form, by BPAY no later than the Closing Date, by following the instructions set out in the accompanying Entitlement and Acceptance Form.

The right to apply for Additional New Shares, at .4 cents (\$0.004) each, and free New Options under the Shortfall Offer, in addition to their respective Entitlements, will extend to Directors of the Company who are Eligible Shareholders, but the issue of Additional New Shares and New Options under the Shortfall Offer to Directors or their respective nominees will be limited to an aggregate of 50 million Additional New Shares, at an aggregate issue price of \$200,000, and 50 million New Options, and will be subject to and conditional on Shareholder approval for the purposes of ASX Listing Rule 10.11 and compliance with all applicable laws.

There is no guarantee that an application for Additional New Shares will be successful, and the Directors reserve the right to allocate any New Shares and New Options that may be comprised in the Shortfall at their absolute discretion, and may allot to an applicant a lesser number of Additional New Shares than the number for which the applicant applied, or to reject an application, or to not proceed with placing all or part of Shortfall pursuant to applications for Additional New Shares. If the number of New Shares allotted to an applicant is less than the number applied for, surplus application money will be refunded in full without interest.

**Issue of New Shares and New Options**

The New Shares and New Options will be issued, and holding statements dispatched to Shareholders to whom New Shares have been issued, as soon as practicable after the Closing Date.

**Application Monies**

Application monies will be held in a separate bank account on behalf of applicants until the New Shares and New Options are issued. If any application is rejected in whole or in part, the amount tendered in respect of New Shares that have not been issued will be repaid to the unsuccessful applicant without interest.

**ASX Listing**

Application will be made to the ASX for quotation of the New Shares. The fact that ASX may grant official quotation to these securities is not to be taken in any way as an indication of the merits of the Company, the New Shares or the New Options.

**Brokers’ Commission**

If any Entitlement and Acceptance Form for New Shares or received by the Company’s Share Registrars bears a stamp that purports to be the stamp of the applicant’s broker (**Broker**) who is a licensed securities dealer or Australian financial services licensee, the Company will pay to the Broker concerned a commission (**Brokers’ Commission**) of 5% (inclusive of GST) of the issue price of New Shares issued pursuant to the applicable form purportedly bearing that Broker’s stamp.

## USE OF PROCEEDS

Table 1 below sets out how the Company intends, as at the date of this Offer Document, to apply the funds raised pursuant to this Offer Document if it is fully subscribed.

**Table 1**

Details	\$
Exploration and related expenditure on the kimberlite exploration program at the Lulo Diamond Concession. <sup>1</sup>	500,000
Expenditure related to the maintenance and operation of the Company's office in Johannesburg, South Africa.	340,000
Estimated costs of the Offer. <sup>2</sup>	15,000
Working capital.	545,947
<b>Total</b>	<b>\$1,400,947</b>

<sup>1</sup> The Company intends to continue its kimberlite exploration program at the Lulo Diamond Concession in Angola, making use of the Bauer drilling rig.

<sup>2</sup> This is a provision for the estimated costs of the Offer including ASX fees, legal fees, printing and postage, share registry fees and sundry expenses (inclusive of GST). It does not include Brokers' Commissions that may be payable to any Brokers (refer to *DETAILS OF THE OFFER - Brokers' Commission*), and if any such commissions are payable by the Company, the estimated costs of the Offer will increase by the amount of those commissions, and the funds available for working capital described in Table 1 will correspondingly decrease.

In the opinion of the Directors, the Company will not be materially disadvantaged if the Offer is not fully subscribed. The Company will still be able to pursue its objectives but will do so at a reduced rate than if the Offer had been fully subscribed.

Given the nature of the Company's business, the allocation of funds detailed in the above table may change depending on environmental, regulatory, market conditions and other natural and commercial factors.

## EFFECT ON COMPANY

### Effect on Financial Position

If the Offer is fully subscribed, the Company's cash reserves, contributed equity and net assets will increase by approximately \$1,385,947 which is the amount that would be raised pursuant to the Offer (approximately \$1,400,947), less the estimated costs of the Offer (approximately \$15,000).

## Effect on Capital Structure

The capital structure of the Company following completion of the Offer (assuming that the Offer is fully subscribed and no options are converted after the date of this Offer Document but prior to the Record Date and ignoring any variations that may be attributable to the fact that fractional Entitlements will be rounded up to the next whole number) is summarised in Table 2 below.

**Table 2**

<b>Shares</b>	<b>Number</b>
Shares on issue at the date of this Offer Document	3,502,366,555
New Shares to be issued pursuant to the Offer <sup>1</sup>	350,236,655
Shares on issue on completion of the Offer <sup>1</sup>	3,852,603,210
<b>Options</b>	
Listed options expiring 2 December 2013 exercisable at \$0.02 each (LOMOA)	1,658,701,535
Unlisted options expiring 25 September 2014 exercisable at \$0.019 each	125,000,000
Unlisted options expiring 2 December 2014 exercisable at \$0.03 each	25,000,000
Unlisted options expiring 29 August 2015 exercisable at \$0.01 each	159,000,000
Unlisted options expiring 29 August 2015 exercisable at \$0.01 each <sup>1</sup>	159,000,000
Unlisted broker options expiring 29 August 2015 exercisable at \$0.01 <sup>2</sup> each	127,200,000
Unlisted New Options expiring 29 August 2015 exercisable at \$0.01 each	350,236,655
<b>Options on issue on completion of the Offer<sup>1,2</sup></b>	<b>2,604,138,190</b>
<b>Maximum number of Shares on a fully diluted basis following completion of the Offer<sup>1,2</sup></b>	<b>6,456,741,400</b>

The above table does not take into account the Entitlements that would attach to Shares that would be issued if any of the existing options described in the table were exercised before the Record Date.

If the Offer is not fully subscribed, the number of Shares specified in the above table on completion of the Offer will decrease by the under-subscribed amount.

Note 1. As announced to ASX on 21 August 2013, the Company intends to convene a general meeting of Shareholders for the purpose, inter alia, of considering, and if thought fit, passing, a resolution to approve the issue of 159 million free unlisted options, exercisable at 1 cent (\$0.01) each within the same period as applicable to the New Options, to participants (**Participants**) in the placement made to investors on 29 August 2013 (**Placement**). If this Shareholder approval is not granted, these options will be issued to the Participants when the Company has sufficient placement capacity under ASX Listing Rule 7.1 to issue those options. Until these options are issued, the total number of options on issue and the maximum number of Shares on a fully diluted basis specified in Table 2 will be 159 million less than specified in Table 2.

Note 2. As announced to ASX on 21 August 2013, the Company intends to convene a general meeting of Shareholders for the purpose, inter alia, of considering, and if thought fit, passing, a resolution to approve the issue of 127.2 million options, also exercisable at 1 cent (\$0.01) each within the same period as applicable to the New Options, to brokers CPS Capital Group Pty Ltd (**CPS**) as lead managers to the Placement, at an issue price of .05 of a cent (\$0.0005) each to raise \$63,600 before costs. Until these options are issued, the total number of options on issue and the maximum number of Shares on a fully diluted basis specified in Table 2 will be 127.2 million less than specified in Table 2, and if this Shareholder approval is not granted, these options will not be issued to CPS and the total number of options on issue and the maximum number of Shares on a fully diluted basis specified in Table 2 will decrease accordingly.

## Effect on Control

If all Eligible Shareholders take up their Entitlements in full, the Offer will not diminish the percentage shareholding and voting power of each Eligible Shareholder.

If some Eligible Shareholders do not take up their Entitlements in full, then their percentage shareholding and voting power in the Company will be diluted, and the percentage shareholding and voting power of Non-Resident Shareholders not permitted to participate in the Offer may also be diluted by New Shares and under the Offer and any Shares issued on the exercise of any New Options.

## ADDITIONAL INFORMATION

### Risks

Exploration and mining, by its nature, contains elements of significant risk which may be increased by the fact that the Company carries on exploration operations in the Republic of Angola (**Angola**) and some related activities in the Republic of South Africa (**South Africa**). Ultimate success depends on the discovery and extraction of economically recoverable and marketable mineral resources, obtaining and maintaining the necessary titles and other government regulatory approvals, obtaining and servicing of funding arrangements and otherwise funding the exploration and mining operations.

The value of the Company's securities is likely to fluctuate depending on various factors including the success of its operations and programmes, the general economic and stock market conditions in Angola, South Africa, Australia and worldwide, the price of commodities, exchange rates, unexpected variations in exploration, mining, development and operating costs and political and social changes. Many of these factors are beyond the Company's control. Eligible Shareholders should note that past Share price performance provides no assurance as to future Share price performance.

A non-exhaustive list of some of the more important of these risks is set out below.

- **Economic conditions:** Economic conditions, in Angola, South Africa, Australia and elsewhere, may affect the Company's performance. Adverse changes in such things as global and country-by-country economic growth, the level of economic activity and inflation, interest rates, exchange rates, government policy (including fiscal, monetary and regulatory policies), general consumption and consumer spending, employment rates and industrial disruption, among others, are outside the control of the Company and may result in material adverse impacts on the Company's business and its operating results.
- **General legal and taxation matters:** The potential of the Company and the relative attractiveness of Shares may be affected by changes in law and government policy, in particular, changes to taxation law (including transaction and other duty, capital gains tax, GST and similar taxes) and new or revised taxes.
- **Commodity price fluctuations:** The prices of diamonds and other minerals are influenced by numerous variable factors, including laws and regulations, economic conditions and physical and trading demand and supply. Fluctuations in diamond prices may, positively or negatively, influence the operating and financial performance of projects and businesses in which the Company has, or proposes to have, an interest.
- **Mining related issues:** An investment in a natural resource company involves a significant degree of risk. The degree of risk may increase substantially because the Company's projects are in the exploration stages as opposed to the development stage. Exploration and the transition of resource discoveries to commercial production are endeavours which may be positively or negatively impacted by numerous issues including, but not limited to regulatory legislation, industrial disputes, cost overruns, adverse land and title claims and compensation, and other unforeseen contingencies. Future legislation and regulations could cause additional expense, capital expenditures, restrictions and delays in the development of the Company's projects, the extent of which cannot be predicted.
- **Recovery:** There is the risk that discoveries in which the Company invests may fail to realise their estimated potential recoverable resources or reserves and/or production rates.
- **Contract risks:** The Company is and will be a party to numerous agreements. A number of these agreements relate directly or indirectly to the provision services and products to the Company and include provisions which may impose financial and/or other claims on the Company. A material claim under such provisions could adversely impact on the Company's performance.
- **Competition risks:** The businesses in which the Company is involved are subject to domestic and global competition. The Company will have no influence or control over its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.
- **Environmental risks:** Development of mineral resources has some impact on the environment. It is possible that environmental claims could arise in the future against the Company and the potential for liability is an ever-present risk.
- **Government policy:** Industry profitability can be affected by changes in government within Angola, Australia and elsewhere, which are not within the control of the Company. The Company's activities are subject to extensive laws and regulations controlling not only the activities of the Company, and the possible effects of those activities on the environment and on the interests of local inhabitants, among other things.
- **Licences:** Licences and permits from regulatory authorities are required for many aspects of the Company's activities. The licence required for the Company's kimberlite projects in Angola were due for renewal at the end of June 2013. While the Company has applied for the renewal of this licence, there is no guarantee that this licence will be renewed or that unfavourable conditions will not be imposed.
- **Weather and climatic conditions:** The current and future activities of the Company, including access to its projects and the conduct of its activities may be affected seasonal and unexpected weather patterns, heavy rain, floods and other weather and climatic conditions.
- **Country risks:** In addition to its activities in Australia, the Company carries on exploration in Angola and related activities in South Africa where the economic, legal and political conditions differ from those in Australia. The Company will potentially be subject to economic, social, legal, political and other changes and uncertainties including, but not limited to, government policies, administrative personnel, foreign exchange regulations, laws regulating foreign ownership and operations, tax and royalties, regulation of repatriation of amounts earned or invested, exchange control regulations, ownership and expropriation of rights and other assets, environmental

regulations and control and ownership of mineral properties. Changes may have a positive or negative impact on the Company's projects or businesses in the relevant country but are outside the control of the Company.

- Health risks: Health risks in southern Africa may be greater than those in Australia and the Company may be adversely affected by illness or injury of personnel whose services are relevant to the Company's activities.
- Key personnel risks: Various activities relating to the Company's projects and businesses require personnel with appropriate industry experience and qualifications and in some cases the loss of such key personnel may have an adverse impact on the activities of the Company.
- Foreign currency exchange rate risks: Part of the revenue and expenditure of the Company is in currencies other than Australian dollars and this exposes the Company to foreign exchange movements, which may have a positive or negative influence on the Australian dollar equivalent of that revenue and expenditure.
- Insurance risks: The Company may, where economically practicable and available, endeavour to mitigate some project and business risks by procuring relevant insurance cover. Such insurance cover may not always be available or economically justifiable and the policy provisions and exclusions may render a particular claim by the Company outside the scope of the insurance cover. There is also a risk that an insurer may default in payment of a legitimate claim by the Company under an insurance policy.
- Industrial dispute risks: The Company's projects and businesses may be adversely impacted by industrial disputes by personnel whose services are relevant to the Company's activities and/or third parties. The risk of industrial disputes and the potential negative impact on the Company cannot be fully mitigated.
- Future financing requirements: In the future the Company may require further financing to develop projects or to meet objectives. There is no assurance that the Company will be successful in obtaining the financing required as and when needed, particularly given recent volatility in global financial markets. Volatile markets may make it difficult or impossible for the Company to obtain debt or equity financing on favourable terms or at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone development plans or reduce or terminate some or all of its activities.

The above statements of risk factors are by way of illustration only. There are numerous other risk factors inherent in an investment in the Company's securities, and there can be no assurance whatsoever that a return on investment will be obtained by investing in the Company's securities, or that the investment therein will not be lost. Further, an investment in the Company's securities should be considered in light of recent Australian and world events, which have had a significant impact on the stability of financial markets in Australia and worldwide and the ultimate consequences of which cannot be predicted with any certainty.

### Taxation implications for Shareholders

The Directors do not consider it appropriate to give Shareholders advice regarding the potential taxation consequences of subscribing for New Shares under the Offer and the Company, its officers and advisors do not accept any liability or responsibility in respect of any such taxation consequences to Shareholders.

Furthermore, the taxation implications for each Shareholder will also depend on their particular circumstances, and the Directors accordingly recommend that you seek your own professional tax advice concerning the tax consequences for you which arise from the Offer. You should seek this advice whether or not you wish to accept your Entitlement.

### Rights and Liabilities Attaching to Shares

New Shares issued under this Offer Document will, from the time they are issued, rank *pari passu* in all respects with the Company's existing Shares.

### Terms and Conditions of New Options

The terms and conditions of the New Options will be as follows:

- (a) **Definitions.** For the purposes of the terms and conditions of the New Options:
- (i) **ASX** means ASX Limited (ABN 98 008 624 691)
  - (ii) **ASX Listing Rules** means the official listing rules of ASX.
  - (iii) **Company** means Lucapa Diamond Company Limited (ABN 44 111 501 663).
  - (iv) **Corporations Act** means Corporations Act.
  - (v) **Exercise Price** means the exercise price of each New Option, being \$0.01.
  - (vi) **Expiry Date** means 5.00pm (WST) on 29 August 2015.
  - (vii) **Exercise Notice** means the form prescribed by the Company from time to time for the purpose of exercising New Options.
  - (viii) **New Option** means a New Option to subscribe for a Share at the Exercise Price prior to the Expiry Date in the manner set out in these Terms and Conditions.

- (ix) **New Option Holder** means the person or persons registered as the holder of one or more New Options from time to time.
  - (x) **Share** means a fully paid ordinary share in the capital of the Company.
  - (xi) **WST** means Australian Western Standard Time.
- (b) Each New Option carries the right to subscribe for one Share.
  - (c) New Options will be unlisted on ASX but will be transferable.
  - (d) New Options may be exercised by the New Option Holder by delivering to the Company's registered office or the Company's share registry an Exercise Notice at any time prior to the Expiry Date.
  - (e) Each Exercise Notice must state the number of New Options to be exercised and be accompanied by the relevant holding statement(s), if any, and payment (in Australian currency) to the Company of an amount (**the Application Monies**) being the result of the Exercise Price multiplied by the number of New Options being exercised.
  - (f) Following receipt of a properly executed Exercise Notice and Application Monies in respect of the exercise of any New Options, the Company will issue the resultant Shares and deliver notification of shareholdings.
  - (g) The Company will make application to have the Shares (issued pursuant to an exercise of New Options) listed for quotation by ASX within 7 days of the date of issue.
  - (h) Shares issued pursuant to an exercise of New Options shall rank, from the date of issue, *pari passu* with existing Shares in all respects.
  - (i) New Options carry no right to participate in pro rata issues of securities to shareholders unless the New Options are exercised before the record date for determining entitlements to the relevant pro rata issue.
  - (j) Each New Option Holder will be notified by the Company of any proposed pro rata issue of securities to shareholders a reasonable period prior to the record date set for that pro rata issue to give the New Option Holder the opportunity to exercise the New Options in sufficient time to receive, before that record date, Shares issued on the exercise of New Options entitling participation in the pro rata issue.
  - (k) In the event of a reorganisation (including reconstruction, consolidation, subdivision, reduction, or return) of the capital of the Company, the terms of the New Options will be changed to the extent necessary to comply with the requirements of the Corporations Act and the reorganisation provisions contained in ASX Listing Rules 22.4.
  - (l) Except as noted in paragraph (k) above, a New Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the New Option can be exercised.

### Privacy

The Company, and the Company's Share Registrars on its behalf, hold personal information about the holders of the Company's securities. If you complete an Entitlement and Acceptance Form you will be providing personal information to the Company (directly or to the Company's Share Registrars) which will be collected, held and used to process and administer your application and your investments in the Company. The Company and the Company's Share Registrars may be required to disclose that information to third parties. Applicants can access, correct and update their personal information held by or on behalf of the Company by contacting the Company or the Company's Share Registrars the Company at the respective addresses and contact numbers specified in this Offer Document.

### Glossary

<b>ASIC</b>	Australian Securities & Investments Commission.
<b>ASX</b>	ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange, as required by the context.
<b>ASX Listing Rules</b>	Official listing rules of ASX.
<b>Cents</b>	Australian cents.
<b>Company</b>	Lucapa Diamond Company Limited (ABN 44 111 501 663).
<b>Company's Share Registrars</b>	Security Transfer Registrars Pty Ltd (ACN 008 894 488) of 770 Canning Highway, Applecross WA 6153 and PO Box 535, Applecross WA 6953.
<b>Corporations Act</b>	Corporations Act 2001 (Cth).
<b>Eligible Shareholders</b>	All persons registered as Shareholders as at 5.00pm WST on the Record Date whose registered addresses are in Australia or New Zealand.

<b>Non-Resident Shareholders</b>	Persons registered as Shareholders as at the Record Date whose registered addresses are outside Australia or New Zealand.
<b>Record Date</b>	5.00 pm (WST) on 9 October 2013.
<b>Share</b>	Fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	Holder of a Share.
<b>Shortfall Offer</b>	The offer of New Shares comprised in the Shortfall made to Eligible Shareholders pursuant to the section entitled <i>DETAILS OF THE OFFER -Shortfall</i> .
<b>\$</b>	Australian dollar.
<b>WST</b>	Australian Western Standard Time.

## CONSENTS

Security Transfer Registrars Pty Ltd (the Company's Share Registrars) has been named in this Offer Document for information purposes only and has not consented to being named herein.

### Directors' Consent

This Offer Document has been issued by Lucapa Diamond Company Limited and each director has consented to the lodgement of this Offer Document with ASX.

**MILES KENNEDY**  
**MANAGING DIRECTOR**

27 September 2013