



SECTION 708AA NOTICE

Lucapa Diamond Company Limited (**ASX: LOM**) (“Lucapa” or “the Company”) today announced its intention to undertake a capital raising to raise approximately \$6.7 million (**Capital Raising**) by way of:

- (a) a placement of up to 25,899,916 fully paid ordinary shares (**Shares**) at an issue price of \$0.11 to raise \$2.8 million (before costs) (**Placement**); and
- (b) a pro rata non-renounceable rights issue to eligible shareholders of the Company on the basis of 1 Share (**New Share**) for every 14 Shares held, at an issue price of \$0.11 per New Share to raise up to approximately \$3.9 million (before costs and rounding and assuming no other Shares are issued) (**Offer**).

Eligible shareholders are those shareholders who are, as at 5.00pm (WST) time on 9 March 2020 (**Record Date**), registered with a registered address situated in Australia, New Zealand, United Kingdom, Singapore, Hong Kong or Germany. The current intention is that the Placement will complete after the Record Date, so participants in the Placement will not be eligible to participate in the Offer.

Based on the current capital structure (and assuming that no options are exercised or performance rights are converted prior to the Record Date) up to approximately 35,651,602 New Shares will be issued pursuant to the Offer. Further details of the Offer were announced earlier today.

The Company will offer the New Shares for issue without disclosure to investors under section 708AA(2)(f) *Corporations Act 2001* (Cth) (**Act**) as notionally modified by ASIC Corporations (Non-Traditional Entitlements offers) Instrument 2016/84 (**Instrument 2016/84**).

In accordance with section 708AA(2)(f) of the Act, the Company gives notice that:

- (a) the New Shares under the Offer will be offered for issue without disclosure to investors under Part 6D.2 of the Act as notionally modified by Instrument 2016/84;
- (b) this notice is given by the Company under section 708AA(2)(f) of the Act as notionally modified by Instrument 2016/84;
- (c) as at the date of this notice, the Company has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to the Company; and
 - (ii) section 674 of the Act as it applies to the Company;
- (d) as at the date of this notice, there is no information:
 - (i) that has been excluded from a continuous disclosure notice in accordance with the Listing Rules of ASX; and
 - (ii) that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
 - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and

- (B) the rights and liabilities attaching to the New Shares; and
- (e) the potential effect of the issue of New Shares under the Offer on control of the Company and the consequences of that effect will depend on a number of factors, including investor demand. The potential effect of the Offer on the control of the Company is as follows:
- (i) If all eligible shareholders take up their entitlements under the Offer, then the Offer will have no significant effect on the control of the Company.
 - (ii) If some eligible shareholders do not take up all of their entitlements under the Offer, then the interests of those eligible shareholders will be diluted.
 - (iii) The proportional interests of ineligible foreign shareholders will be diluted because those ineligible foreign shareholders are not entitled to participate in the Offer.
 - (iv) The substantial shareholders of the Company may, as a result of the Offer, increase their respective relevant interests in the Company depending on the take up of entitlements. The following table sets out the substantial holders' current holdings and the potential impacts to their voting power in various scenarios:

	Substantial shareholders			
	Tazga Two Pty Ltd <Tazga Two Trust> ¹		Equigold Pte Ltd	
	Shares	Voting Power ²	Shares	Voting Power ²
Current	42,092,999	8.43%	41,460,928	8.31%
Completion of Offer				
• Fully subscribed	45,099,642	8.04%	44,422,423	7.92%
• 75% subscribed	45,099,642	8.17%	44,422,423	8.05%
• 50% subscribed	45,099,642	8.31%	44,422,423	8.18%
• 25% subscribed	45,099,642	8.45%	44,422,423	8.32%

Notes:

1. Ross Stanley, a Director of the Company, is a director of Tazga Two Pty Ltd and a beneficiary of the Tazga Two Trust.
2. The above table shows the potential impacts to the voting power of the substantial shareholders on completion of the Capital Raising should they accept their full entitlement under the Offer. As at the date of this announcement, Tazga Two Pty Ltd <Tazga Two Trust> has confirmed that it intends to accept its full entitlement under the Offer. Neither of the substantial holders have participated in the Placement.

Having regard to the composition of the Company's share register and the terms of the Offer, the Company does not expect that issue of New Shares under the Offer to have a material effect on the control of the Company.

An Appendix 3B reflecting the revised capital structure following the intended Capital Raising has been released with this announcement.

Authorised by the Lucapa Board.

MARK CLEMENTS
COMPANY SECRETARY