



**LUCAPA**  
DIAMOND COMPANY

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## **LUCAPA DIAMOND COMPANY LIMITED**

**ACN 111 501 663**

## **NOTICE OF ANNUAL GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 11.00AM (WST)

**DATE:** 30 July 2020

**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 11:00am (WST) on 28 July 2020.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 31 December 2019 together with the declaration of the Directors, the Directors' report, the Remuneration report and the Auditor's report.

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#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration report as contained in the Company's annual financial report for the financial year ended 31 December 2019.”*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

**Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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#### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MILES KENNEDY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of clause 6.3(c) of the Constitution and for all other purposes, Mr Miles Kennedy, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

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#### 4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”*

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## 5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES TO EQUIGOLD PTE LTD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 3,223,350 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Equigold Pte Ltd or an associate of Equigold Pte Ltd. However, this does not apply to a vote cast in favour of a Resolution 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.

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## 6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES UNDER PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 25,899,916 Shares on the terms and conditions set out in the Explanatory Statement.”*

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

- (a) a person as a 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 directions given by the beneficiary to the holder to vote in that way.

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**Dated: 23 June 2020**  
**By order of the Board**

**Mark Clements**  
**Company Secretary**

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## **IMPORTANT INFORMATION**

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### **Attendance and participation**

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

The Company and venue must adhere to all social distancing 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](http://www.lucapa.com.au) prior to the Meeting.

The Company welcomes the participation of Shareholders in the Meeting. Shareholders are invited to lodge questions in advance of the Meeting by sending an email containing their question(s) to [general@lucapa.com.au](mailto:general@lucapa.com.au) by 5pm (WST) on 27 July 2020. As many of the emailed questions as possible will be addressed during the Meeting. Please note that individual responses will not be sent to Shareholders.

### **Voting procedure**

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Voting on all proposed resolutions at the Meeting will be conducted by poll. Under the Company's constitution (**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.

### **Voting in person or by attorney**

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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 proxy**

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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.

***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.***

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## EXPLANATORY STATEMENT

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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.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 31 December 2019 together with the declaration of the Directors, the Directors' report, the Remuneration report and the Auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.lucapa.com.au](http://www.lucapa.com.au).

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### 2. RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out a company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

Shareholders will be given the opportunity to ask questions about or make comments on the Remuneration report.

#### 2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

#### 2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this annual general meeting.

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### **3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR MILES KENNEDY**

#### **3.1 General**

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Miles Kennedy, who has served as a Director since 12 September 2008 and was last re-elected on 24 May 2018, retires by rotation and seeks re-election.

#### **3.2 Qualifications and other material directorships**

Mr Kennedy has held directorships of Australian listed companies for more than 30 years. He was previously Chairman of companies including Sandfire Resources, Kimberley Diamond Company, Blina Diamonds, Macraes Mining Company, MOD Resources and RNI. He has extensive experience in the management of public companies with specific emphasis in the resources industry. He lives in Quedjinup, Western Australia.

#### **3.3 Independence**

The Board considers that whilst Mr Kennedy has served as a Director for a long period, he remains independent from management and substantial Shareholders and is therefore able to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual Shareholder or other party. If re-elected the Board considers Mr Kennedy will be an independent Director.

#### **3.4 Board recommendation**

Following the annual review of the performance of directors conducted by the Board, the Board (excluding Mr Kennedy) supports the re-election of Mr Miles Kennedy and recommends that Shareholders vote in favour of Resolution 2. The Board considers that Mr Kennedy provides an important contribution to the Board, given his professional background, extensive experience in the diamond industry and important relationships established with Government and private partners.

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### **4. RESOLUTION 3 – APPROVAL OF 10% PLACEMENT CAPACITY**

#### **4.1 General**

ASX 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.

In addition, ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by way of special resolution passed at an annual general meeting, to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million.

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities. As at the date of this Notice, the Company currently has two classes of quoted Equity Securities on issue, being the Shares (ASX Code: LOM) and Options (ASX Code: LOMOC).

Resolution 3 seeks Shareholder approval by way of a special resolution for the Company to have the additional 10% Placement Capacity provided for in ASX Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

#### **4.2 Technical information required by ASX Listing Rule 14.1A**

If Resolution 3 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in ASX Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 3 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under ASX Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in ASX Listing Rule 7.1.

#### **4.3 Technical information required by ASX Listing Rule 7.1A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

##### **(a) Minimum price**

Any Equity Securities issued under the 10% Placement Capacity must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 ASX trading days of the date in Section 4.3(a)(i), the date on which the Equity Securities are issued.

##### **(b) Date of issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of the Company's activities) or ASX Listing Rule 11.2 (disposal of the Company's main undertaking).

##### **(c) Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the closing market price of Shares and the number of Equity Securities on issue as at 22 June 2020.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)		Dilution		
		Issue Price (per Share)		
		\$0.022 50% decrease in Issue Price	\$0.044 Issue Price	\$0.066 50% increase in Issue Price
630,615,132 (Current Variable A)	Shares issued - 10% voting dilution	63,061,513 Shares	63,061,513 Shares	63,061,513 Shares
	Funds raised	\$1,387,353	\$2,774,707	\$4,162,060
945,922,698 (50% increase in Variable A)	Shares issued - 10% voting dilution	94,592,270 Shares	94,592,270 Shares	94,592,270 Shares
	Funds raised	\$2,081,030	\$4,162,060	\$6,243,090
1,261,230,264 (100% increase in Variable A)	Shares issued - 10% voting dilution	126,123,026 Shares	126,123,026 Shares	126,123,026 Shares
	Funds raised	\$2,774,707	\$5,549,413	\$8,324,120

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under ASX Listing Rule 7.1.

**The table above uses the following assumptions:**

1. There are 630,615,132 Shares on issue.
2. The issue price set out above is the closing price of the Shares on the ASX on 22 June 2020.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:



- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Use of funds raised under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity as cash consideration in which case the Company intends to use funds raised to further its strategy of growing as a niche producer of high-quality diamonds. Funds raised could be used to expand capacity at the producing mines at Lulo (Angola) and Mothae (Lesotho), to further the kimberlite exploration activities on the Lulo (Angola), to advance the exploration programs at Brooking (Western Australia) and Orapa Area F (Botswana) or for general working capital and corporate administration costs or for the acquisition of new resource assets and investments.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the vendors of the new resources, assets or investments will receive cash consideration raised (in whole or in part) from the issue of Equity Securities to recipients under the 10% Placement Capacity.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 27 May 2019 (**Previous Approval**).

The Company has not issued, or agreed to issue, any Equity Securities pursuant to the Previous Approval.

#### 4.4 Voting exclusion

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under ASX Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in respect of this Resolution 3.

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### 5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES TO EQUIGOLD PTE LTD

#### 5.1 Equigold Loan Facility

As announced on 9 October 2017, the Company secured an initial US\$15 million financing facility with Equigold Pte Ltd (**Equigold**) to develop Phase 1 of the Mothae kimberlite diamond project in Lesotho (**Equigold Loan Facility**).

In accordance with the terms of the Equigold Loan Facility, the Company, at its election, can convert fees and quarterly interest into ordinary shares in the Company at the then market price.

Other material terms of the Equigold Loan Facility are as follows:

- (a) Total current principal loan facility of US\$7.3 million;
- (b) The principal balance is repayable in eight quarterly payments commencing April 2020;
- (c) Market related fees are payable on draw down and with interest payments;
- (d) Equigold, at its election, can convert the last two quarterly payments into ordinary shares in the Company at the then market price;
- (e) Interest is payable at 13%;
- (f) Lucapa, at its election, can convert fees and quarterly interest into ordinary shares in the Company at the then market price; and
- (g) The loan is secured by way of a General Security Deed granted by Lucapa in favour of the lender over collateral consisting of all the Company's investment in and loan to Mothae Diamonds (Pty) Ltd.

#### 5.2 General

Pursuant to the Equigold Loan Facility, the Company issued 3,223,350 Shares at a deemed issue price of \$0.147 on 1 October 2019 in satisfaction of accrued fees and quarterly interest payments to the value of US\$320,753 (**Equigold Shares**).

#### 5.3 ASX Listing Rules 7.1, 7.1A and 7.4

ASX 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.

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX 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 ASX Listing Rule 7.1.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX 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 ASX Listing Rule 7.1A; and
- (b) are counted in variable “E”,

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

The Company's ability to use the additional 10% placement capacity for issues of Equity Securities following this Meeting is subject to the passing of Resolution 3.

As the issue of Equigold Shares, does not fall within any of the specified exceptions to ASX Listing Rule 7.1 and has not yet been approved by Shareholders, it effectively uses up part of the Company's 15% placement capacity under ASX Listing Rule 7.1 and 10% placement capacity under ASX 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 the Equigold Shares.

Under ASX 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 ASX Listing Rule 7.1 (provided that the issue or agreement did not breach ASX Listing Rule 7.1).

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain Shareholder approval for such issues under ASX Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Equigold Shares.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Equigold Shares.

#### **5.4 Technical information required by ASX Listing Rule 14.1A**

If Resolution 4 is not passed, the Equigold Shares will be included in calculating the Company's 15% placement capacity under ASX Listing Rule 7.1 and, if Resolution 3 is passed, its 10% placement capacity under ASX 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 the Equigold Shares.

If Resolution 4 is passed, the base figure (i.e. variable “A”) on which the Company's 15% placement capacity under ASX Listing Rule 7.1 and, if Resolution 3 is passed, its 10% placement capacity under ASX 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.

#### **5.5 Technical information required by ASX Listing Rule 7.5**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 4:

- (a) the Equigold Shares were issued to Equigold, who is not a related party of the Company;
- (b) 3,223,350 Equigold Shares were issued pursuant to ASX Listing Rule 7.1A ;
- (c) the Equigold 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;
- (d) the Equigold Shares were issued on 1 October 2019;

- (e) the Equigold Shares were issued at a deemed issue price equal to the lowest one-day VWAP in the 15 days preceding the conversion request, being \$0.147;
- (f) the purpose of the issue of the Equigold Shares was in lieu of the payment of interest and fees under the Equigold Loan Facility;
- (g) the Equigold Shares were issued under the Equigold Loan Facility. A summary of the material terms of the Equigold Loan Facility is set out in Section 5.1 above; and
- (h) a voting exclusion statement is included in Resolution 4 of this Notice.

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## **6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES UNDER PLACEMENT**

### **6.1 General**

On 4 March 2020, the Company announced that it had received applications to raise approximately \$2.8 million (before costs) via the issue of 25,899,916 Shares to sophisticated and professional investors pursuant to section 708 of the Corporations Act at an issue price of \$0.11 per Share (**Placement**). The Shares under the Placement were issued pursuant to the Company's 15% placement capacity under ASX Listing Rule 7.1.

Funds raised under the Placement will allow for the advancement of the Lulo kimberlite exploration program and for general working capital and corporate purposes. The Placement was lead managed by Far East Capital Limited (ACN 068 838 193; AFSL 253003) (**FEC**).

### **6.2 ASX Listing Rules 7.1, 7.1A and 7.4**

ASX 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.

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX 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 ASX 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.

The Company's ability to use the additional 10% placement capacity for issues of Equity Securities following this Meeting is subject to the passing of Resolution 3.

As the issue of Shares under the Placement, does not fall within any of the specified exceptions to ASX Listing Rule 7.1 and has not yet been approved by Shareholders, it effectively uses up part of the Company's 15% placement capacity under ASX Listing Rule 7.1 and 10% placement capacity under ASX 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 Shares.

Under ASX 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 ASX Listing Rule 7.1 (provided that the issue or agreement did not breach ASX Listing Rule 7.1).

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under ASX Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Shares under the Placement, the subject of Resolution 5.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of Shares under the Placement.

### **6.3 Technical information required by ASX Listing Rule 14.1A**

If Resolution 5 is not passed, the 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 the Shares.

If Resolution 5 is passed, the base figure (i.e. variable "A") in which the Company's 15% placement capacity under ASX Listing Rule 7.1 and, if Resolution 3 is passed, its 10% placement capacity under ASX 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.

### **6.4 Technical information required by ASX Listing Rule 7.5**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 5:

- (a) the Shares were issued to professional, sophisticated and other exempt investors pursuant to section 708 of the Corporations Act. The recipients were identified through a bookbuild process, which involved FEC seeking expressions of interest to participate in the capital raising from non-related parties of the Company. None of the recipients are related parties of the Company;
- (b) 25,899,916 Shares were issued pursuant to ASX Listing Rule 7.1;
- (c) the 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;
- (d) the Shares were issued on 10 March 2020;
- (e) the issue price was \$0.11 per Share;
- (f) the purpose of the issue was to raise approximately \$2.8 million (before costs), which will be applied to the advancement of the Lulo kimberlite exploration program and for general working capital and corporate purposes;
- (g) the Shares were not issued under an agreement; and
- (h) a voting exclusion statement is included in Resolution 5 of this Notice.

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## GLOSSARY

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**\$** means Australian dollars.

**10% Placement Capacity** has the meaning given in Section 4.1.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**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.

**Eligible Entity** means an entity that, at the date of the relevant general meeting:

- (a) is not included in the SGP/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

**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.

**FEC** means Far East Capital Limited (ACN 068 838 193; AFSL 253003).

**Key Management Personnel** or **KMP** 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.

**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.

**Optionholder** means a holder of an Option.

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

**Placement** has the meaning given in Section 6.1.

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

**Remuneration report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 31 December 2019.

**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).

**VWAP** means volume weight average price of all Shares traded on ASX calculated over a specified period determined by dividing the aggregate sale price for all Shares traded in that period by the total number of the Shares traded.

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



**LUCAPA**  
DIAMOND COMPANY

LUCAPA DIAMOND COMPANY LIMITED | ACN 111 501663

# AGM Registration Card

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

## [HolderNumber]

Holder Number:  
[HolderNumber]

## Vote by Proxy: LOM

Your proxy voting instruction must be received by **11.00am (WST) on Tuesday, 28 July 2020**, 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.

#### VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman 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 Chairman of the Meeting will be appointed as your proxy by default.

#### DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman 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

#### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

You must sign this form as follows in the spaces provided

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

**Joint holding:** Where the holding is in more than one name, all of the 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>.

#### ATTENDING THE MEETING






Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

#### POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.





Contact	<b>Return your completed form</b>		<b>All enquiries to Automic</b>		
	 <b>BY MAIL</b> Automic GPO Box 5193 Sydney NSW 2001	 <b>IN PERSON</b> Automic Level 5, 126 Phillip Street Sydney NSW 2000	 <b>BY EMAIL</b> meetings@automicgroup.com.au		 <b>WEBCHAT</b> <a href="https://automic.com.au/">https://automic.com.au/</a>
			 <b>PHONE</b> 1300 288 664 (Within Australia) +61 2 9698 5414 (Overseas)		

STEP 1: Appoint Your Proxy	<b>Complete and return this form as instructed only if you do not vote online</b>
	<p>I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of Lucapa Diamond Company Limited, to be held at <b>11.00am (WST) on Thursday, 30 July 2020 at the Celtic Club, 48 Ord Street, West Perth WA 6005</b> hereby:</p> <p><b>Appoint the Chairman of the Meeting (Chair)</b> OR if you are not appointing the Chairman of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>
	<p><b>The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.</b>                  Unless indicated otherwise by ticking the "for," "against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.</p> <p><b>AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS</b>                  Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.</p>

STEP 2: Your Voting Direction	<b>Resolutions</b>	<b>For</b>	<b>Against</b>	<b>Abstain</b>
	1. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	2. Re-Election of Director – Miles Kennedy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	3. Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	4. Ratification of Prior Issue of Shares to Equigold Pte Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	5. Ratification of Prior Issue of Shares under Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p><i>Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.</i></p>				

STEP 3: Sign Here + Contact Details	<b>SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED</b>		
	Individual or Securityholder 1	Securityholder 2	Securityholder 3
	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>
	Sole Director and Sole Company Secretary	Director	Director / Company Secretary
	Contact Name:		
	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>		
Email Address:			
<div style="border: 1px solid black; height: 20px; width: 100%;"></div>			
Contact Daytime Telephone	Date (DD/MM/YY)		
<div style="border: 1px solid black; height: 20px; width: 100%;"></div>	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>		
By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).			

[HolderNumber] LOM

L [HolderNumber]