



ASX WAIVER OF LR10.1

Lucapa Diamond Company Ltd (ASX: **LOM**) (“Lucapa” or “the Company”) advises that further to the ASX announcement of 14 August 2020 in relation to the facility refinancing discussions and agreed terms with New Azilian (“NAZ”), a company associated with prominent Perth-based resources investor, major Lucapa shareholder and Non-executive director, Mr Ross Stanley, the ASX has granted a waiver under ASX Listing Rule 10.1 (“ASX waiver”) relating to the Company’s ~A\$10.6 million loan agreement with NAZ (“Loan Facility”).

As previously announced, the Company and NAZ have agreed revised terms to extend the repayment date of the Loan Facility to 28 February 2022 along with a reduction in the finance charge from 10% to 9.8%. The Loan Facility continues to be secured over Company assets (other than Equigold Pte Ltd’s security over the Company’s shares in, and loan to, Mothae Diamonds (Pty) Ltd). The Company decided to seek a waiver of ASX LR10.1 in order for the Company to vary the terms of the Loan Facility.

The ASX waiver was granted on the following terms:

1. *“Based solely on the information provided, ASX Limited (‘ASX’) grant Lucapa Diamond Company Limited (the ‘Company’) a waiver from listing rule 10.1 to the extent necessary to permit the Company to grant security over its assets in favour of New Azilian Pty Ltd (‘Lender’) (‘Security’) to secure the Company’s obligations under a loan facility of up to \$10,556,686 (‘Loan Facility’) without obtaining security holder approval, on the following conditions.*
 - 1.1 *The material terms of the transaction and of the waiver are announced to the market.*
 - 1.2 *The security documents expressly provide that:*
 - 1.2.1 *the security is limited to the funds due under the Loan Facility;*
 - 1.2.2 *the security will be discharged when the funds due under the Loan Facility have been repaid in full;*
 - 1.2.3 *in the event the security is enforced, the assets can only be disposed of to the Lender or an associate of the Lender if the disposal is first approved by the entity’s security holders under Listing Rule 10.1; and*
 - 1.2.4 *otherwise, if the holder of the security exercises, or appoints a receiver, receiver and manager or analogous person to exercise any power of sale under the security, the assets must be sold to an unrelated third party on arm’s length commercial terms and the net proceeds of sale distributed to the Lender in accordance with their legal entitlements;*
 - 1.3 *Any variation to the terms of the Loan Facility or the security which:*
 - 1.3.1 *advantages the Lender in a material respect;*
 - 1.3.2 *disadvantages the Company in a material respect; or*
 - 1.3.3 *is inconsistent with the terms of the waiver,**must be subject to security holder approval under Listing Rule 10.1; and*

- 1.4 *For each year while they remain on foot, a summary of the material terms of the Loan Facility and the security is included in the related party disclosures in the Company's audited annual accounts.*
2. *ASX has considered Listing Rule 10.1 only and makes no statement as to the Company's compliance with other listing rules."*

The Company also advises that it has entered into an Amendment Deed with Equigold, a company associated with prominent Singaporean-based resources investor and major Lucapa shareholder, Mr Simon Lee AO, to formalise the amended terms of their facilities agreement as announced in the ASX release dated 14 August 2020.

Authorised by the Lucapa Board.

STEPHEN WETHERALL
MANAGING DIRECTOR

ABOUT LUCAPA

Lucapa is a niche diamond producer with high-value mines in Angola (Lulo) and Lesotho (Mothae).

The Lulo alluvial mine and Mothae kimberlite mine both produce large and high-value diamonds, with >75% of revenues generated from the recovery of +4.8 carat stones.

Lulo has produced 15 +100 carat diamonds to date and is one of the highest average US\$ per carat alluvial diamond producers in the world. Lucapa and its *Project Lulo* partners have also received highly encouraging results from their search to discover the primary hard-rock source of the high-value Lulo alluvial diamonds.

The new 1.1 mtpa Mothae kimberlite mine in diamond-rich Lesotho commenced commercial mining operations in January 2019. It produced > 30,000 carats in its first year of production, including 3 +100 carat diamonds. The mine operations were suspended in late Q1 2020 because of the COVID-19 lockdown and isolation measures however the recently approved restart plan and new marketing channel will see the recommencement of mining operations in Q4 2020.

The niche high-end production from Lucapa's mining operations allows the mines to access polishing margins from beyond the mine gate through unique partnerships.

Lucapa's Board and management team have decades of diamond industry experience across the globe with companies including De Beers and Gem Diamonds.

No New Information

To the extent that announcement contains references to prior exploration results and Mineral Resource estimates, which have been cross referenced to previous market announcements made by the Company, unless explicitly stated, no new information is contained. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Forward Looking Statements

This announcement has been prepared by the Company. This document contains background information about the Company and its related entities current at the date of this announcement. This is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this announcement.

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