



MOTHAE VALUE ACCRETIVE EXPANSION

Highlights

- **Processing plant and mine capacity expansion to 1.6Mtpa**
- **45% increase in annual tonnes, carats recovered and revenue**
- **Earnings enhanced through economies of scale reducing unit operating costs**
- **A\$10m funding to deliver expansion successfully raised**

Lucapa Diamond Company Limited (ASX: **LOM**) (“Lucapa” or “the Company”) is pleased to provide an update on the expansion plan and financing of the 70% owned Mothae kimberlite diamond project in Lesotho, southern Africa (“Mothae”). Lucapa’s partner in the Mothae mine is the Government of the Kingdom of Lesotho (“GoL”).

Background

Mothae became Lucapa’s second producing mine following the commissioning of the mine and its 1.1Mtpa processing plant in January 2019.

The Mothae kimberlite resource contains large and high-quality diamonds, the occurrence of which, make it the 2nd highest average US\$ per carat kimberlite mine in the world at between US\$500 and US\$750 per carat on average. More than 75% of the revenue is derived from +4.8 carat diamonds. Mothae recovered 3 +100 carat diamonds in 2019.

The Mothae JORC Classified Resource was recently updated and contains an Indicated and Inferred JORC Resource of 48.5Mt and ~1.2 million carats. The update resulted in a ~280% increase in the Indicated Resource.

After 16 months of actual operating results to inform future planning, Lucapa and its partners were investigating the potential to expand the throughput and capacity of the Mothae kimberlite mine (refer 2019 Annual Report released to the ASX on 25 March 2019). The investigations have been completed and the funding to implement the lower cost expansion plan proposed successfully secured.

The expansion by ~45% to 1.6Mtpa in 2020/21 with plant modifications and infrastructure upgrades should materially increase production, revenues and due to economies of scale, improve unit operating costs and deliver improvements to earnings.

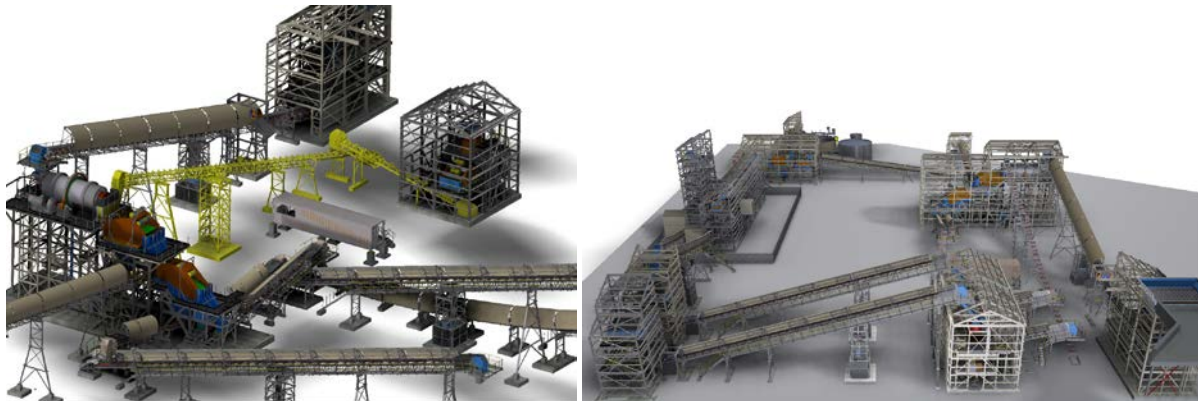
The GoL have signed a Heads of Agreement with Lucapa and Mothae for the implementation of a new marketing channel in addition to the tender and/ or auction channel, which will pave the way for accessing value-adding cutting & polishing margins.

Lucapa Managing Director Stephen Wetherall said “*with the completion of this Mothae expansion, Lucapa will have successfully delivered on its group production growth target of 200%. Lucapa looks forward to the returns expected to be generated from both expanded mining operations and growing shareholder value through cash flow generation and the kimberlite exploration program.*”

Processing plant and mine capacity expansion to 1.6Mtpa

The expansion plan is an update to the development plan as previously announced to the ASX on 23 October 2017. The investigations have shown that for a much reduced capital requirement of US\$6 million, the capacity of the Mothae processing plant can be increased by ~45% to 1.6Mtpa (215tph). With the addition of another parallel secondary crusher in due course, the capacity of the processing plant can be further increased to 1.8Mtpa (250tph). The previous plan included an expansion to 300tph, which is currently not being considered.

The plant design and capital costings have been provided by Consulmet (Pty) Ltd in South Africa, who also designed and built the existing 1.1Mtpa Mothae plant. 3D designs of the planned plant modifications are shown in the images below.



Left – bypass conveyor modification (yellow) to plant to reach 1.6Mtpa processing capacity (primary crusher replacement in background). Right – additional secondary crusher (foreground) to reach 1.8Mtpa processing capacity

Mineral Resources updated

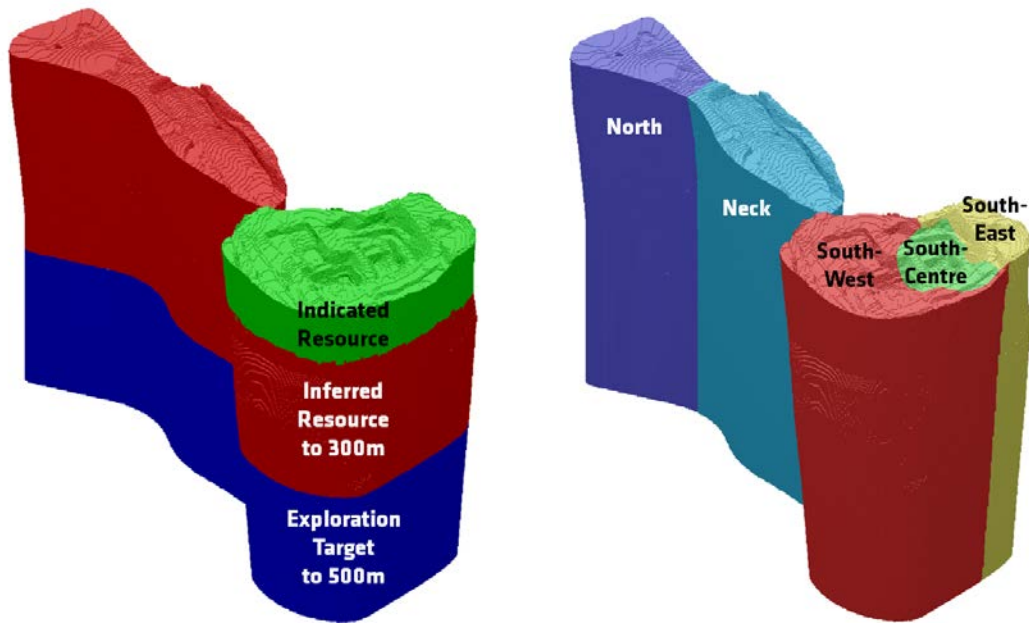
As per ASX announcement 15 October 2020, the JORC Classified Resource was updated using additional information from mining and processing of material from the South, North and Neck lobes between November 2018 and March 2020 and takes into account ~1.5Mt of depletion.

The estimated mineral resources underpinning the production target and forecast financial information have been prepared by Competent Persons in accordance with the requirements of the JORC 2012 code.

The final resource statement figures are shown in Table 1 below.

Mothae - September 2020 JORC Classified Resource Statement							
Classification Category	Resource Domain	Volume (Mm ³)	Density (g/cm ³)	Dry Tonnes (Mt)	Carats (Mcts)	Dry Grade (cpht)	Modelled Value (US\$ per carat)
Indicated Resource	South West	2.30	2.52	5.80	0.15	2.60	748
	South Centre	0.64	2.50	1.61	0.06	3.90	649
	South East	0.71	2.46	1.74	0.07	4.00	377
	Total	3.65	2.51	9.16	0.28	3.10	635
Inferred Resource	South West	5.62	2.63	14.81	0.39	2.60	748
	South Centre	1.08	2.54	2.74	0.11	3.90	649
	South East	1.92	2.48	4.75	0.19	4.00	377
		4.25	2.50	10.62	0.14	1.30	584
	North	2.62	2.45	6.42	0.14	2.20	485
	Total	15.49	2.54	39.35	0.96	2.44	601
Total Mineral Resource		19.14	2.53	48.51	1.24	2.57	609

Table 1: Mothae JORC Classified Resource as at 30 September 2020



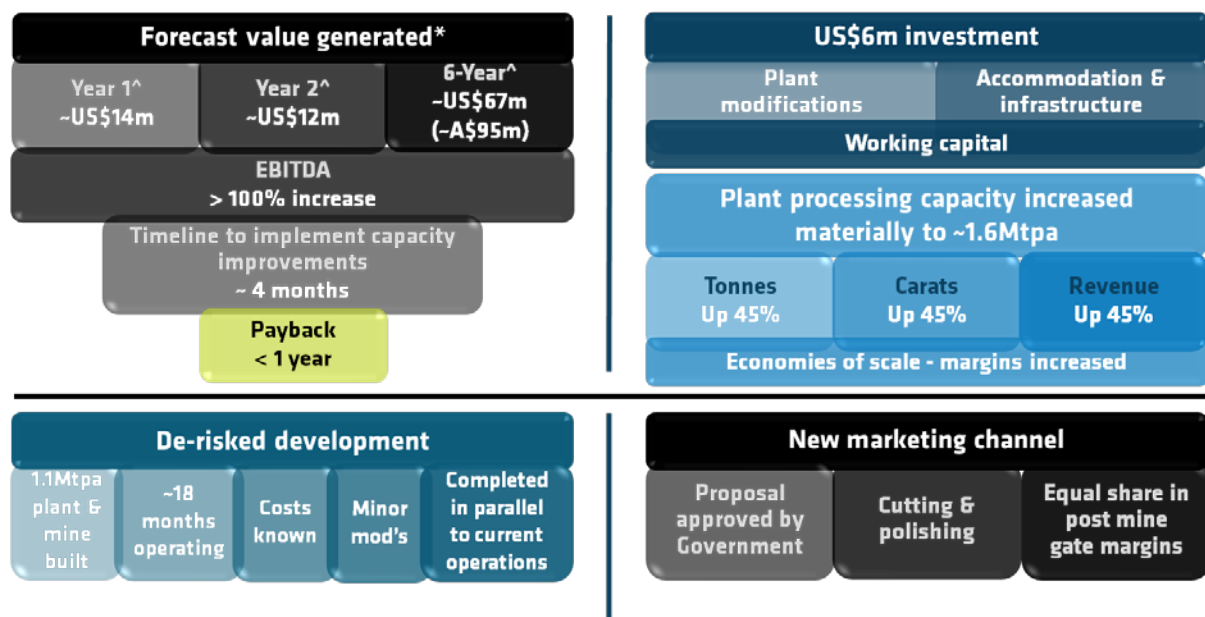
Mothae JORC Classified Resource by classification (left) and geological domain (right)

An updated mine plan for the 1.6Mtpa processing capacity, using the recently announced updated JORC Classified Resource, results in a 45% increase in annual tonnes, carats recovered and revenue, when compared to the planned production target and forecast financial information at the original 1.1Mtpa plan. The updated mine plan allows for the mining of 18.9Mt of kimberlite from the pit with a life of mine waste stripping ratio of 1 to 1.

The production target and forecast financial information included in the presentation released with this announcement is solely based on the mining of 9.4Mt of Indicated Resource to be mined from the South lobe over the first 6 years following the expansion.

The resultant economies of scale achieved by moving to 1.6Mtpa reduce the unit operating costs and increase net operating margins, which should lead to increased annual earnings.

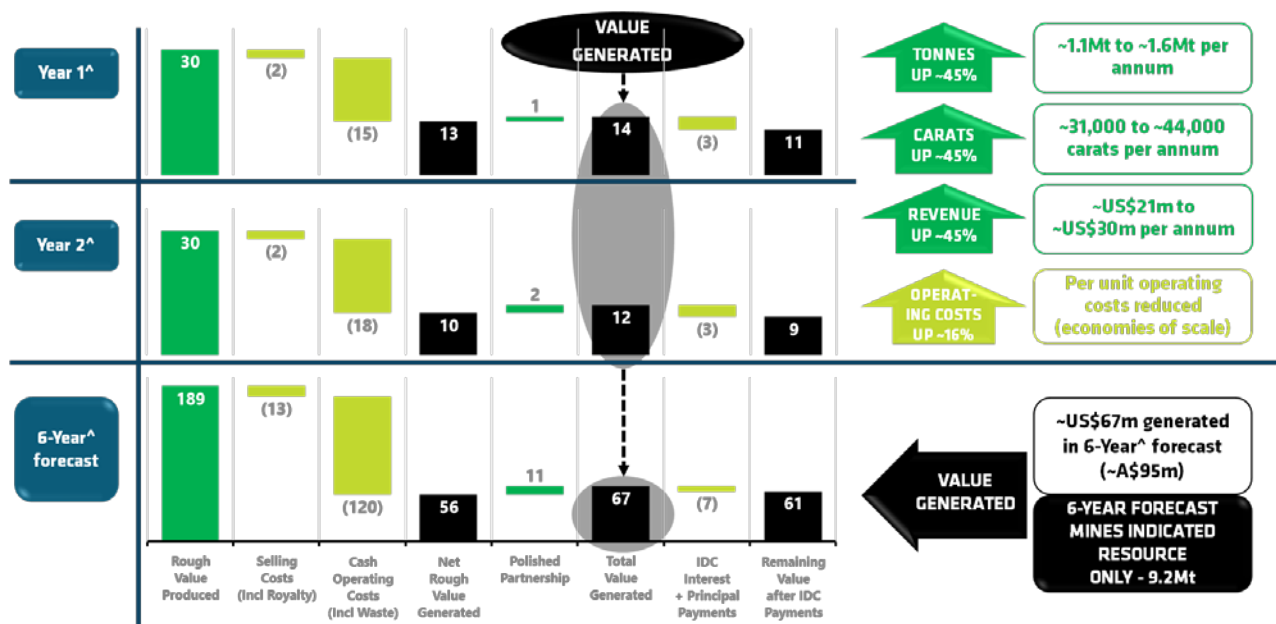
A summary of the expansion plan, the investment required, increase in plant capacity and new marketing channel is shown below:



Note:

* Non-AIFRS measure - forecast value generated being total US\$ value of rough carats produced plus Mothae's share of polished margins less total cash costs (operating, royalty, selling and waste mining).

A summary of the forecast financial information in Year 1, Year 2 and the 6-Year Plan is depicted below:



Note:

[^] Year 1, Year 2 and 6-Year forecast representing first 12 month period, second 12 month period and 72 month period respectively following completion of expansion.

Material assumptions used in the production target and forecast financial information are listed below:

Capital		US\$6m applied to plant modifications, infrastructure & accommodation upgrades and working capital Sustaining capital provided @ 2% of total operating costs
Mining	Method	Conventional open-pit. Weathered kimberlite - by free dig load and haul Unweathered kimberlite and waste - by drill, blast, load and haul
	Ore cost per tonne (mined)	US\$2.06
	Waste cost per tonne (mined)	US\$1.98
	Depth cost escalator	5.5% pa applied from 2022
Treatment	Rate per hour/annum	~215-220tph/ ~1.6mtpa
	Method	Ore preparation and concentration by two stage crushing, scrubbing, screening and DMS (dense medium separation)
	Bottom cut off screen size	3.0mm
	Cost per tonne (treated)	US\$4.42
Recovery	Method	Diamond recovery and sorting by XRT (x-ray transmission) and XRL (x-ray luminescence)
	Factor	100% (as based on actual production grades per zone)
Site and off mine services	Cost per tonne (treated)	US\$2.73

Royalty	As a % of net revenue	5%
Marketing	As a % of gross revenue	1.5%
	Rough sales value	Rough market value through offtake, tender and/ or auction
	Cutting & polishing margin	Estimated based on experience in cutting & polishing activities
Exchange rate	Maloti (parity to ZAR)	M16.50:US\$1.00 (current exchange rate M16.26:US\$1)
Diamond prices	Basis	Diamond prices based on September 2020 JORC Classified Indicated and Inferred Resource update using achieved and reconciled prices per pit zone
	South west price	US\$748 per carat
	South centre price	US\$649 per carat
	South east price	US\$377 per carat
	Overall price (escalated)	US\$701 per carat (6-Year South lobe forecast)
	Cash flow receipt timing	Under an offtake partnership and/ or tender/ auction arrangement, rough revenue is modelled to be received 10 times a year to allow for the reporting, exporting, cleaning, valuation, sale and receipt of rough proceeds
	Real price escalation	2021: 0%, 2022: 5%, 2023: 4%, 2024: 3%, 2025: 2% & 2026: 1%

A\$10m funding to deliver expansion successfully raised

As per the ASX announcement on 6 November 2020, Lucapa has successfully raised A\$10m from an oversubscribed placement.

The capital raising, was cornerstoned by Ilwella Pty Ltd, a diversified investment vehicle of the Flannery family office and by Safdico International, a leading multinational diamond company and subsidiary of Graff International. The Company also welcomed new institutional investors to the register.

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 1.1Mtpa Mothae kimberlite mine in diamond-rich Lesotho commenced commercial mining and processing operations in January 2019. It produced > 30,000 carats in its first year of production, including 3 +100 carat diamonds. Lucapa intends to commission an expansion in the processing capacity of the Mothae kimberlite mine from 1.1Mtpa to 1.6Mtpa scheduled for completion in Q1 2021.

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

Competent Person's Statement

Information included in this announcement that relates to exploration results and resource estimates is based on and fairly represents information and supporting documentation prepared and compiled by Richard Price MAusIMM who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Price is an employee of Lucapa Diamond Company Limited. Mr Price has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr Price consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

No New Information

To the extent that 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.

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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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LUCAPA
DIAMOND COMPANY

**Delivering Growth
as a
High-Quality
Producer & Explorer**





Cautionary statements

Forward-Looking Statements

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Competent Person’s Statements

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LUCAPA
DIAMOND COMPANY

**...A LEADING PRODUCER OF
LARGE & HIGH-QUALITY DIAMONDS...**



Value Accretive Expansion



Mothae Diamond Mine

Lucapa's second producing mine...

- ❖ Kimberlite diamond mine
 - ❖ Lucapa holds 70% & Government of Lesotho 30%
 - ❖ 2nd highest average US\$ per carat kimberlite mine in the world
- ❖ Producer of high-quality diamonds
 - ❖ ~US\$500 – US\$750 per carat on average
 - ❖ +4.8 carat diamonds comprise >75% of revenue
 - ❖ 3 +100ct diamonds recovered in 2019
- ❖ Indicated and Inferred JORC Resource – 1.2 million carats
 - ❖ September 2020 update ~280% increase in Indicated Resource
- ❖ Processing plant (incl XRT technology)
 - ❖ Phase 1 – built 1.1Mtpa capacity - commissioned in January 2019
- ❖ Re-started mining operations following COVID suspension
- ❖ Phase 2 expansion – increase plant capacity by ~45% to ~1.6Mtpa in 2020/21 with plant modifications
- ❖ Government approved new marketing channel – paving the way for value-adding cutting & polishing





A Leading Producer...Large & High-Quality

Mothae...2nd highest \$ per carat kimberlite resource in the world...

Value accretive expansion...

Forecast value generated*

Year 1[^]
~US\$14m

Year 2[^]
~US\$12m

6-Year[^]
~US\$67m
(~A\$95m)

EBITDA
> 100% increase

Timeline to implement capacity
improvements
~ 4 months

**Payback
< 1 year**

US\$6m investment

Plant
modifications

Accommodation &
infrastructure

Working capital

Plant processing capacity increased
materially to ~1.6Mtpa

Tonnes
Up 45%

Carats
Up 45%

Revenue
Up 45%

Economies of scale - margins increased

De-risked development

1.1Mtpa
plant &
mine
built

~18
months
operating

Costs
known

Minor
mod's

Completed
in parallel
to current
operations

New marketing channel

Proposal
approved by
Government

Cutting &
polishing

Equal share in
post mine
gate margins

* Non-AIFRS measure – forecast value generated being total US\$ value of rough carats produced plus Mothae's share of polished margin less total cash costs (operating, royalty, selling and waste mining)
^ Year 1, Year 2 and 6-Year forecast representing first 12 month period, second 12 month period and 72 month period respectively following completion of expansion



Mothae Diamond Mine

Phase 2 development...



- ❖ Plant modifications would increase throughput:
 1. *Replace primary crusher &*
 2. *Add bypass conveyor*
- ❖ Accommodation (incl COVID required)
- ❖ Infrastructure
- ❖ Working capital
- ❖ ~4 months to implement – completion Q1 2021

~US\$6m

45% increase in processing
capacity to ~1.6Mtpa

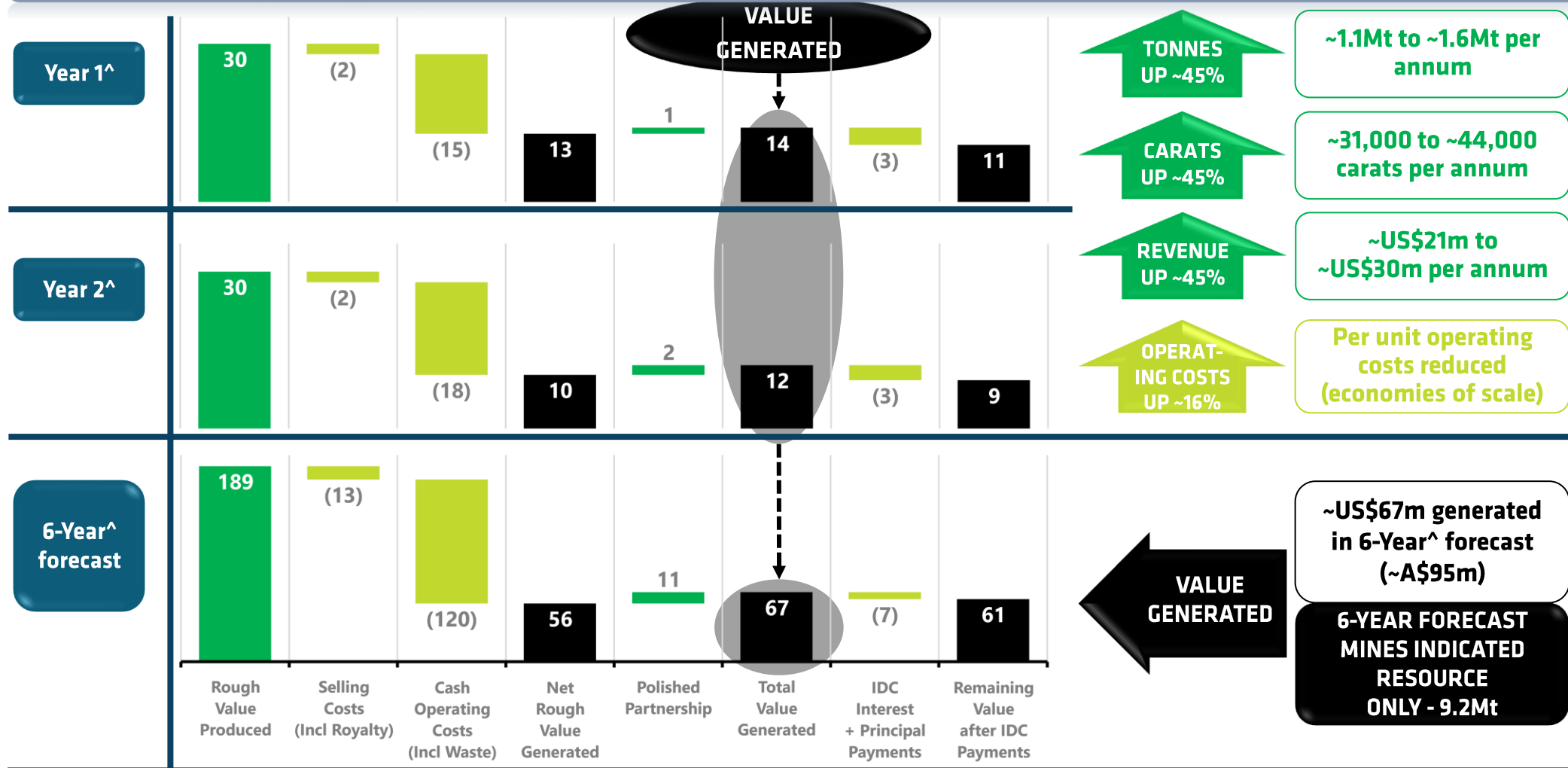
Future value catalyst

3. *Additional secondary crusher - would increase capacity to 1.8Mtpa*



Mothae Diamond Mine

Phase 2 forecast US\$m value generated*



* Non-AIFRS measure – forecast value generated being total US\$ value of rough carats produced plus Mothae’s share of polished margin less total cash costs (operating, royalty, selling and waste mining)

[^] Year 1, Year 2 and 6-Year forecast representing first 12 month period, second 12 month period and 72 month period respectively following completion of expansion

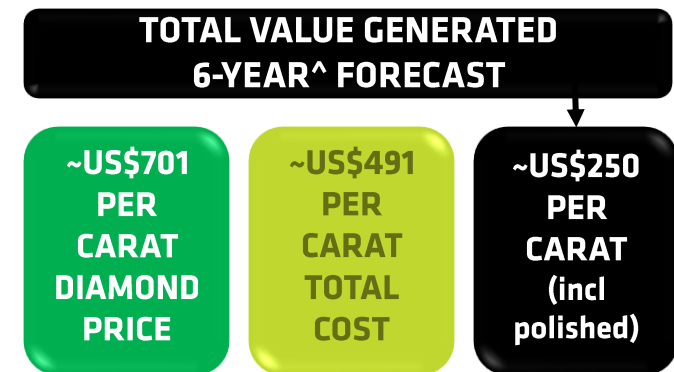


Mothae Diamond Mine

Phase 2 forecast US\$ value generated* per carat...



- ❖ Rough Value Produced = updated resource diamond price used 2019/20 selling prices. No price escalation in Year 1[^]
- ❖ Selling Costs = 5% royalty, 1.5% selling
- ❖ Cash Operating Costs = 1.6Mtpa budget (incl waste mining costs) based on actual costs to operate in 2019/2020
- ❖ Polished Partnership = Year 1[^] first year of partnership – Year 2[^] has 12-month benefit
- ❖ IDC payments = as per IDC agreement

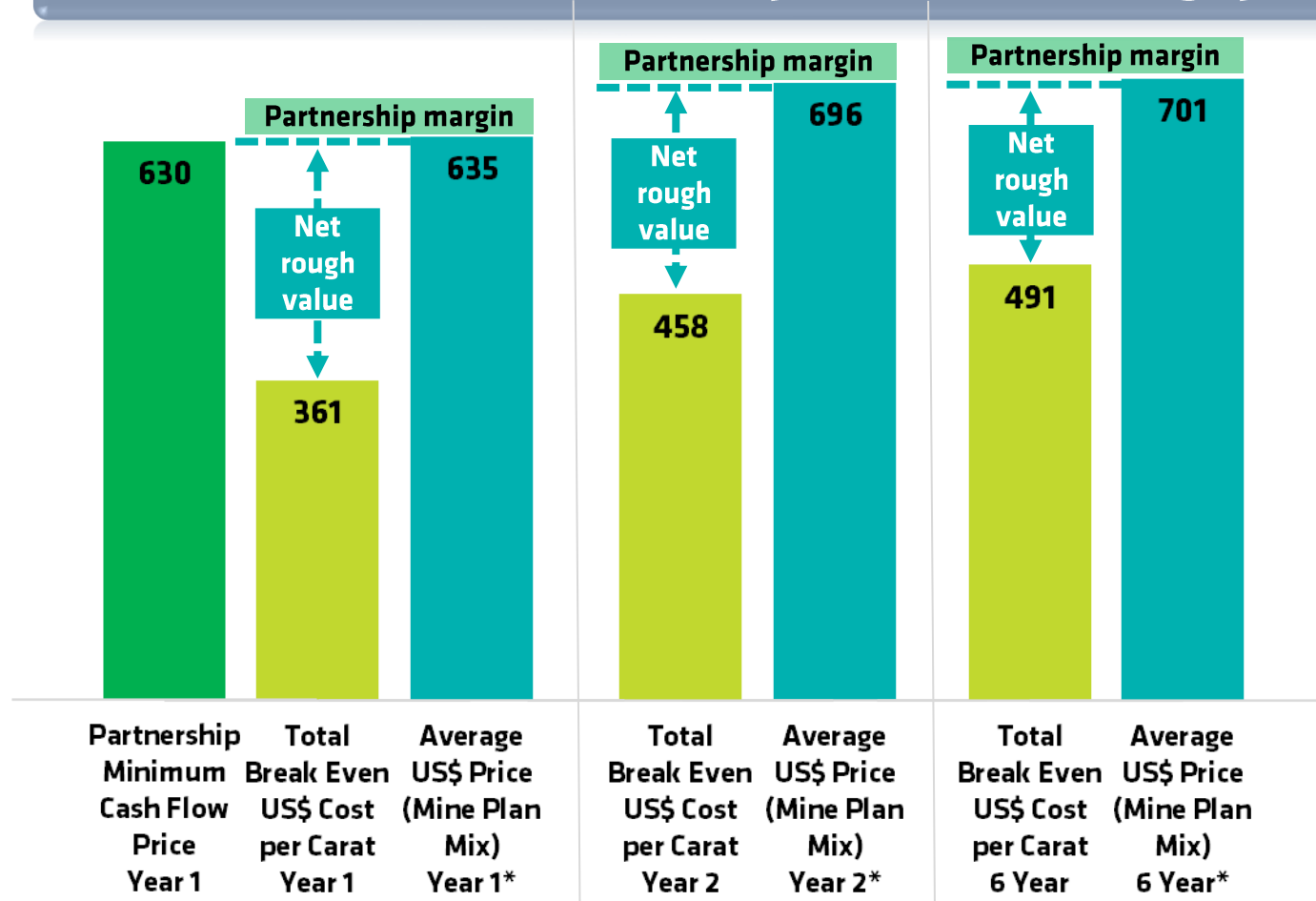


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Mothae Diamond Mine

Break even US\$ cost per carat and average price per carat forecast...



New marketing channel...

Partnership proposal approved by Minister of Mines¹

MOTHAE TO PARTNER WITH SELECT DIAMANTAIRE

2 YEAR TERM

MINIMUM CASH FLOW PRICE IN FIRST YEAR²

PARTNERSHIP - EQUAL SHARING OF POST MINE GATE MARGIN

NEW MARKETING CHANNEL UNDERPINS MINE RETURNS

* Average US\$ diamond price per carat for Year 1, 2 and Year 1 to 6 according to the South Lobe mine plan mix using the September 2020 Indicated Resource diamond values

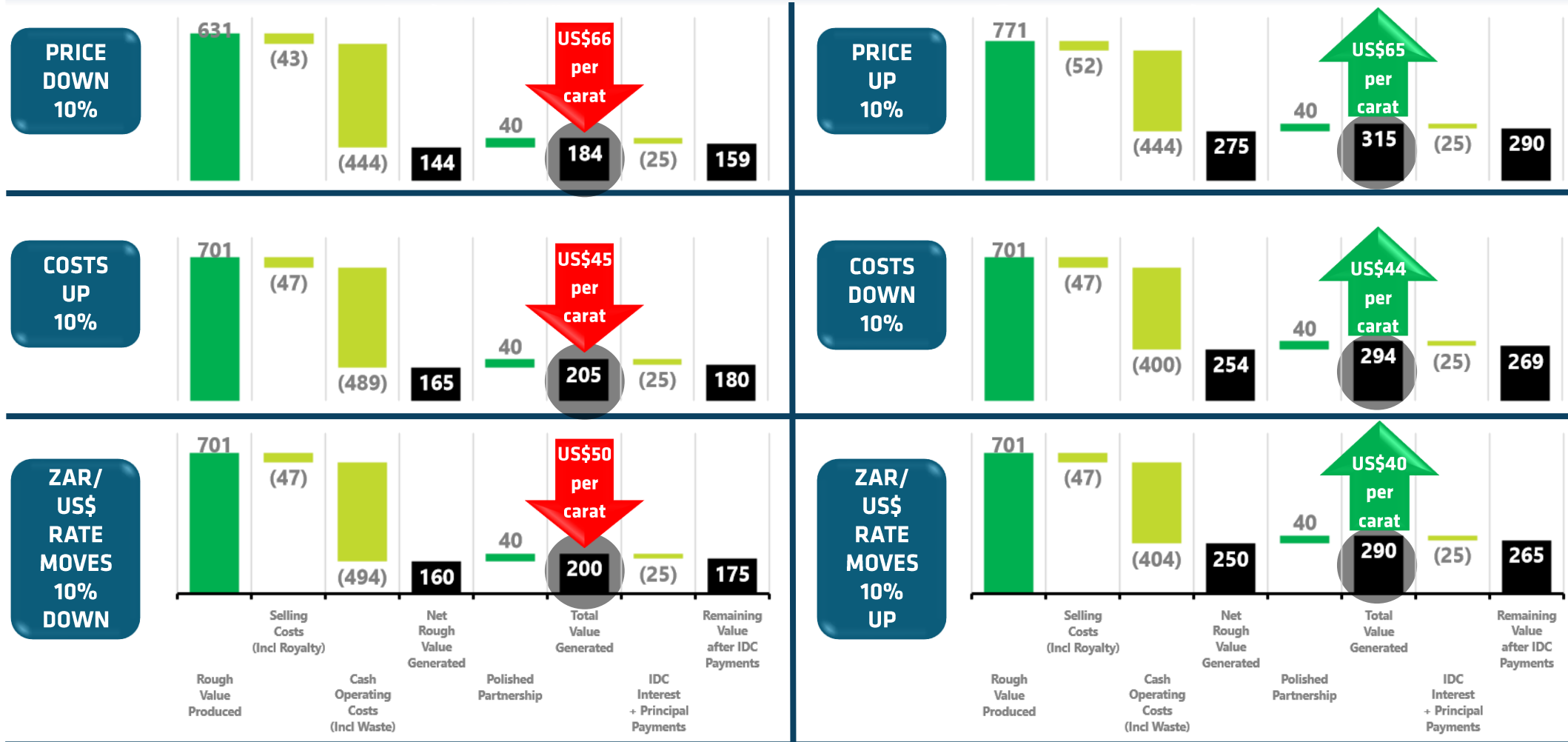
¹ New marketing channel approved (refer ASX announcement 9 September 2020). Diamond Sale and Purchase agreement negotiated with proposed partner and draft has been submitted to the Minister of Mines in Lesotho for formal approval

² Partnership minimum cash flow price to be payable for 12 months from commencement of term. Trued up after 12 months



Mothae Diamond Mine

Sensitivity...phase 2 6-Year forecast US\$ value generated* per carat...



* Non-AIFRS measure – forecast value generated being total US\$ value of rough carats produced plus Mothae’s share of polished margin less total cash costs (operating, royalty, selling and waste mining)
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Mothae Diamond Mine

Sensitivity...phase 2 6-Year^ forecast value generated*...

Cumulative mixed sensitivity...

PRICE
DOWN 5%

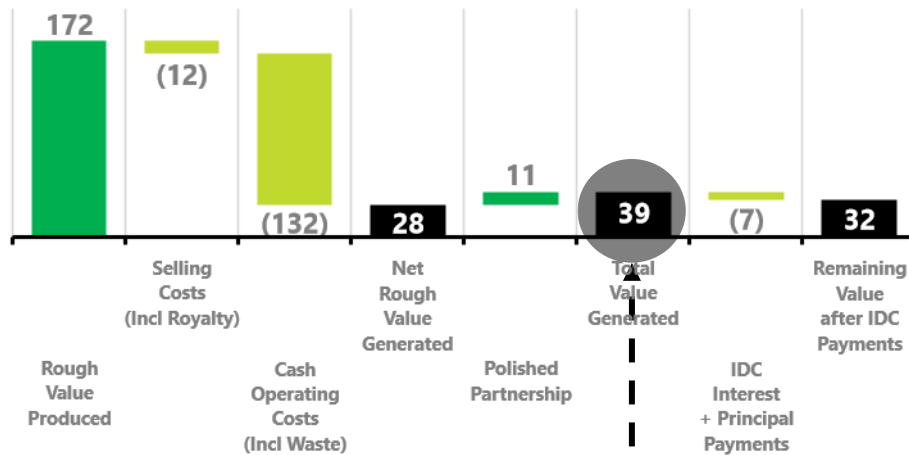


PRICE ESC
DOWN 50%

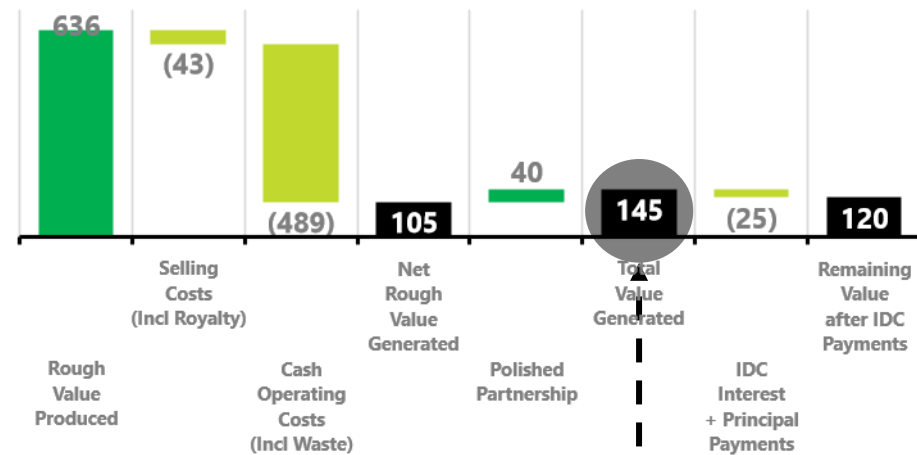


COSTS
UP 10%

US\$m...



US\$ per carat...



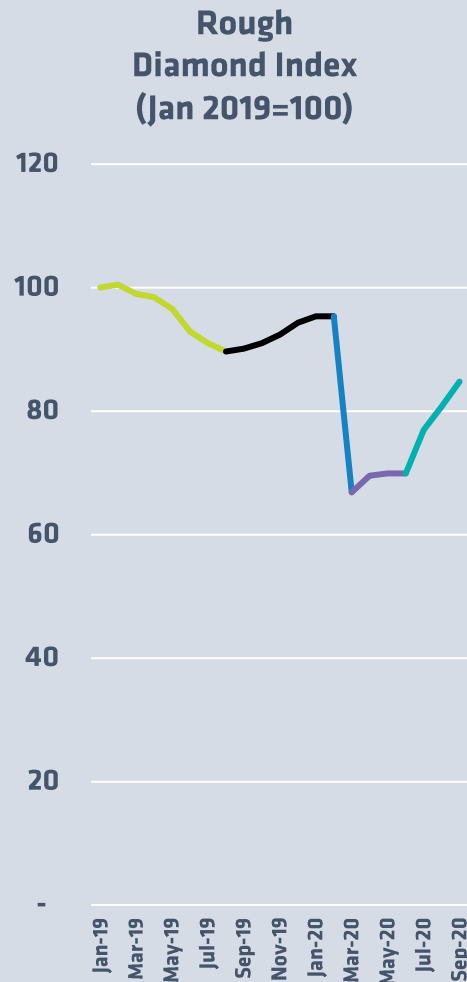
FORECAST VALUE GENERATED

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Diamond Market

Diamond market recovering...



Source: GTD Consulting

- **Early to mid 2019 diamond market softened**
 - ❖ Commercial rough oversupply, low midstream liquidity & high polished inventory levels
- **Mid 2019 to February 2020 rough and polished sectors recovering**
 - ❖ Majors reduced commercial supply materially in mid to late 2019 & manufacturing margins returned to the midstream
- **March 2020 rough and polished diamond sectors immediately impacted by pandemic**
 - ❖ Border closures, trading and consumer market shutdowns
 - ❖ Manufacturing sector closed
- **April to July 2020 very low level of trading in diamond sector**
 - ❖ Manufacturing sector closed
 - ❖ Low levels of polished trading on e-commerce platforms and improving polished demand as China re-opened
 - ❖ Supported polished sector prices and
 - ❖ High polished inventory levels reduced
- **August to October 2020 market improved strongly**
 - ❖ Lockdown measures eased
 - ❖ Manufacturing sector awakening and drove demand due to depleted polished inventories requiring rough
 - ❖ Rough demand and prices rising to pre-pandemic levels
- **Argyle stopping November 2020 will reduce global supply by ~13%**



RAPAPORT... Gem Diamonds' sales rose sharply in the third quarter as rough prices from its lucrative Letšeng mine in Lesotho topped pre-coronavirus levels amid a recovery in the large-stone market.



RAPAPORT... Alrosa gave a positive assessment of the diamond market ahead of the holidays after rough and polished trading picked up in the third quarter.



US Retail Sales on Recovery Path

US retail sales rose in September, marking the fourth straight month of year-on-year gains, and nearly doubling August's increase, government data showed...

New Production Targets and Financial Forecasts



Material assumptions...

Capital		US\$6m applied to plant modifications, infrastructure & accommodation upgrades and working capital Sustaining capital provided @ 2% of total operating costs
Mining	Method	Conventional open-pit. Weathered kimberlite - by free dig load and haul Unweathered kimberlite and waste - by drill, blast, load and haul
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Site and off mine services	Cost per tonne (treated)	US\$2.73

New Production Targets and Financial Forecasts



Material assumptions...

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Marketing	As a % of gross revenue	1.5%
	Rough sales value	Rough market value through offtake, tender and/ or auction
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	Real price escalation	2021: 0%, 2022: 5%, 2023: 4%, 2024: 3%, 2025: 2% & 2026: 1%

New Production Targets and Financial Forecasts



Material assumptions...

Power

Power has been modelled on diesel generated power with a diesel price of M9.00 per litre. No grid power connection has been assumed.

Project financing

The Mothae plant capacity expansion, infrastructure and accommodation upgrades and working capital will be provided by Lucapa. Lucapa is undertaking an equity issue to raise the funds required and will provide the funding to Mothae via its shareholder loan.

Government and legal

A detailed Share Purchase and Sale Agreement and Mining Agreement were concluded with the Government of the Kingdom of Lesotho ("GoL") in 2017 which specifies financial, commercial, legal, social, environmental and human resources aspects of the project. A 10-year mining licence was granted to Mothae Diamonds Pty Ltd in 2017, which is renewable for further periods of 10 years. Environmental approval for the project development was given by the Lesotho Government in 2011. A Construction EMP for Phase 1 was completed and approved in 2017. All the required amended approvals for the increased production rate are in the process of being obtained and there are reasonable grounds to expect that all other necessary approvals will be received from Government.

Following the approval by the GoL of the marketing proposal to implement a new diamond marketing channel that provides Mothae the opportunity to realise more value for its unique high-value production (refer ASX announcement 9 September 2020), a Diamond Sales and Purchase agreement ("Marketing Agreement") has been negotiated and agreed with the proposed partner. This Marketing Agreement has already been submitted to the Minister of Mines in Lesotho for formal approval.

Planned timing of project

The upgrade of ~150tph commercial treatment plant to ~215/220tph, infrastructure and accommodation upgrades is planned to commence in Q4 2020 and to be commissioned in Q1 2021.

New Production Targets and Financial Forecasts



Notes to material assumptions...

Mineral Resources

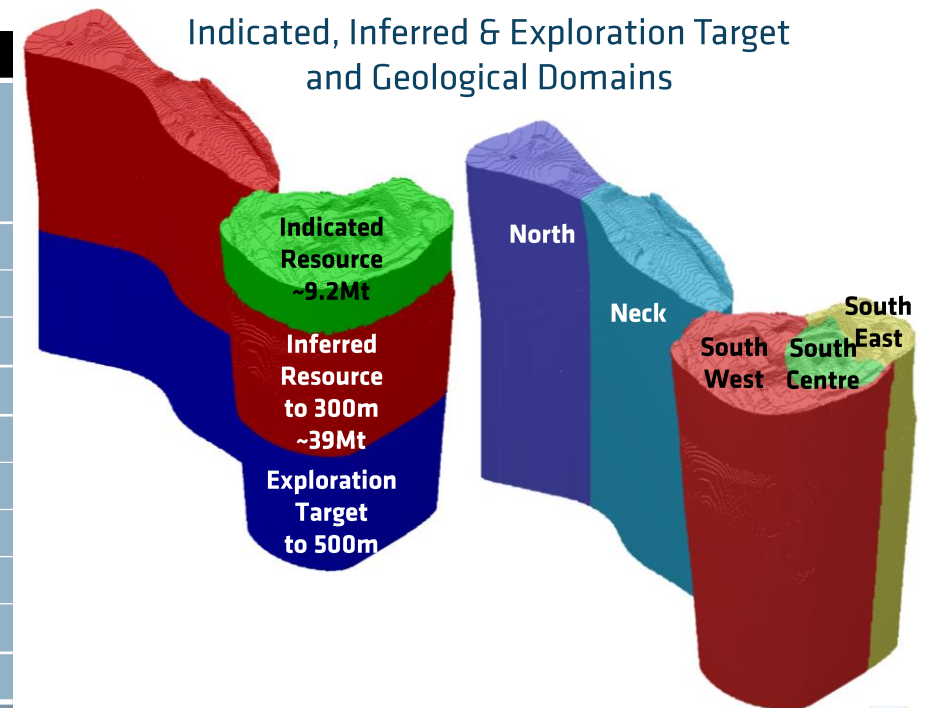
The estimated mineral resources underpinning the production target and financial forecast have been prepared by Competent Persons in accordance with the requirements of the JORC code.

100% of the 9.5 million tonnes of the mineral resources to be mined and 9.4 million tonnes treated over the 6-Year forecast period post expansion to which the production target pertains is classified as Indicated Resource. A total of 16.9 million tonnes of waste is forecast to be stripped in the 6-Year forecast period.

A reduction of 9.0% and 6.8% has been applied to the dry grades for the weathered and unweathered ore respectively to account for moisture content.

Mothae - September 2020 JORC Classified Resource Statement

Classification Category	Resource Domain	Volume (Mm ³)	Density (g/cm ³)	Dry Tonnes (Mt)	Carats (Mcts)	Dry Grade (cpht)	Modelled Value (US\$ per carat)
Indicated Resource	South West	2.30	2.52	5.80	0.15	2.60	748
	South Centre	0.64	2.50	1.61	0.06	3.90	649
	South East	0.71	2.46	1.74	0.07	4.00	377
	Total	3.65	2.51	9.16	0.28	3.10	635
Inferred Resource	South West	5.62	2.63	14.81	0.39	2.60	748
	South Centre	1.08	2.54	2.74	0.11	3.90	649
	South East	1.92	2.48	4.75	0.19	4.00	377
		4.25	2.50	10.62	0.14	1.30	584
	North	2.62	2.45	6.42	0.14	2.20	485
	Total	15.49	2.54	39.35	0.96	2.44	601
Total Mineral Resource		19.14	2.53	48.51	1.24	2.57	609



New Production Targets and Financial Forecasts



Notes to material assumptions...

Year	Work performed to date
2008 - 2012	Drilling campaign
	Bulk sampling campaign
2013	NI43-101 Technical Report and Resource estimate completed by MSA (Pty) Ltd
	Preliminary Economic Assessment was completed by ADP Projects (Pty) Ltd
2016 - 2017	Mine planning, including pit optimisation, pit design and mining scheduling, by Foundation Resources (Pty) Ltd in 2016 and MSA (Pty) Ltd in 2017
	Plant optimisation & fixed sum turnkey and EPCM quotations obtained for Phase 1 processing plant received from experienced engineering contractors and Company
	JORC Technical Report and Resource estimate completed by MSA (Pty) Ltd
	Operational, capital budget preparation and optimisation by Company and Foundation Resources (Pty) Ltd
	Environmental audit completed by Sustainability (Pty) Ltd
	Life of mine financial modelling by Company and Foundation Resources (Pty) Ltd
	Diamond price modelling by Foundation Resources (Pty) Ltd
	Construction and commissioning of the Phase 1 plant and associated infrastructure
2017 - 2018	
2018	Bulk sampling with samples treated through the pre-existing bulk sampling plant
2019 - 2020	Commercial mining of discrete zones through the Phase 1 commercial treatment plant
2020	Resource model tonnes, weathered ore grades and value per carat updated by Z Star Resource Consultants (Pty) Ltd.
	September 2020 final resource estimate compilation and classification by Company competent person



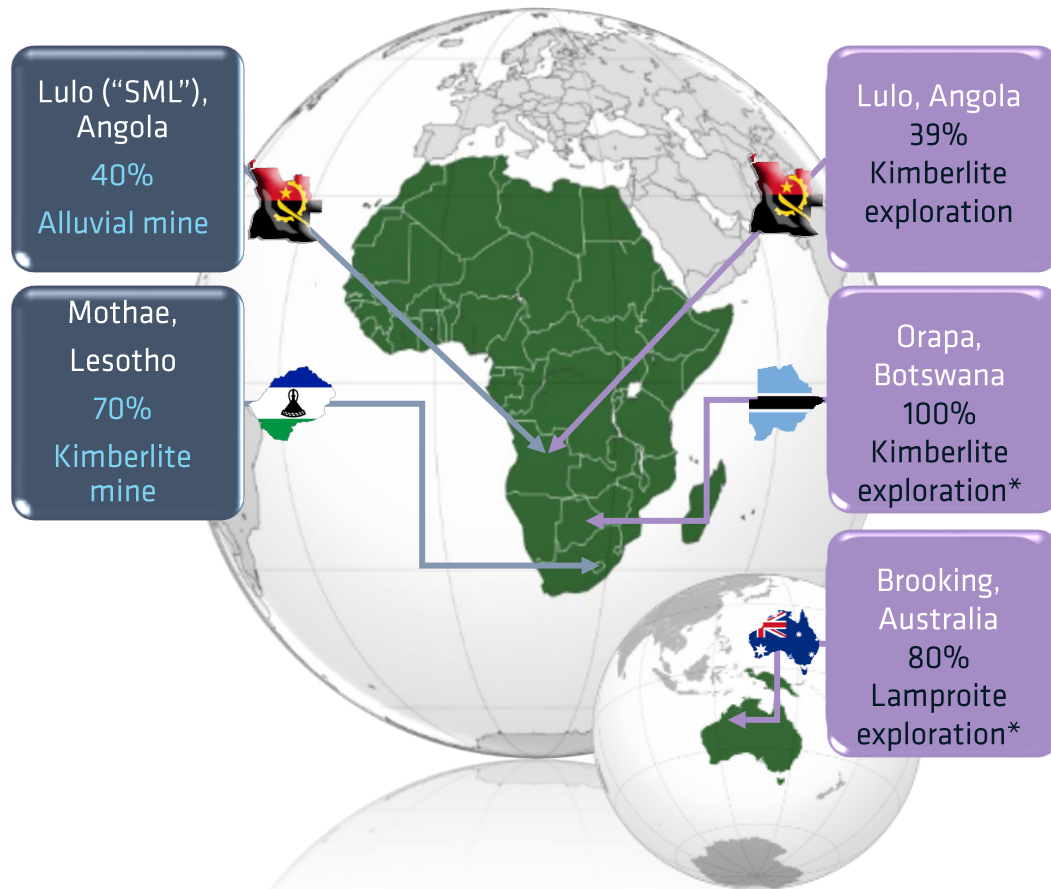
LUCAPA
DIAMOND COMPANY
ASX: LOM

Group Snapshot

Group Operations & Growth Snapshot

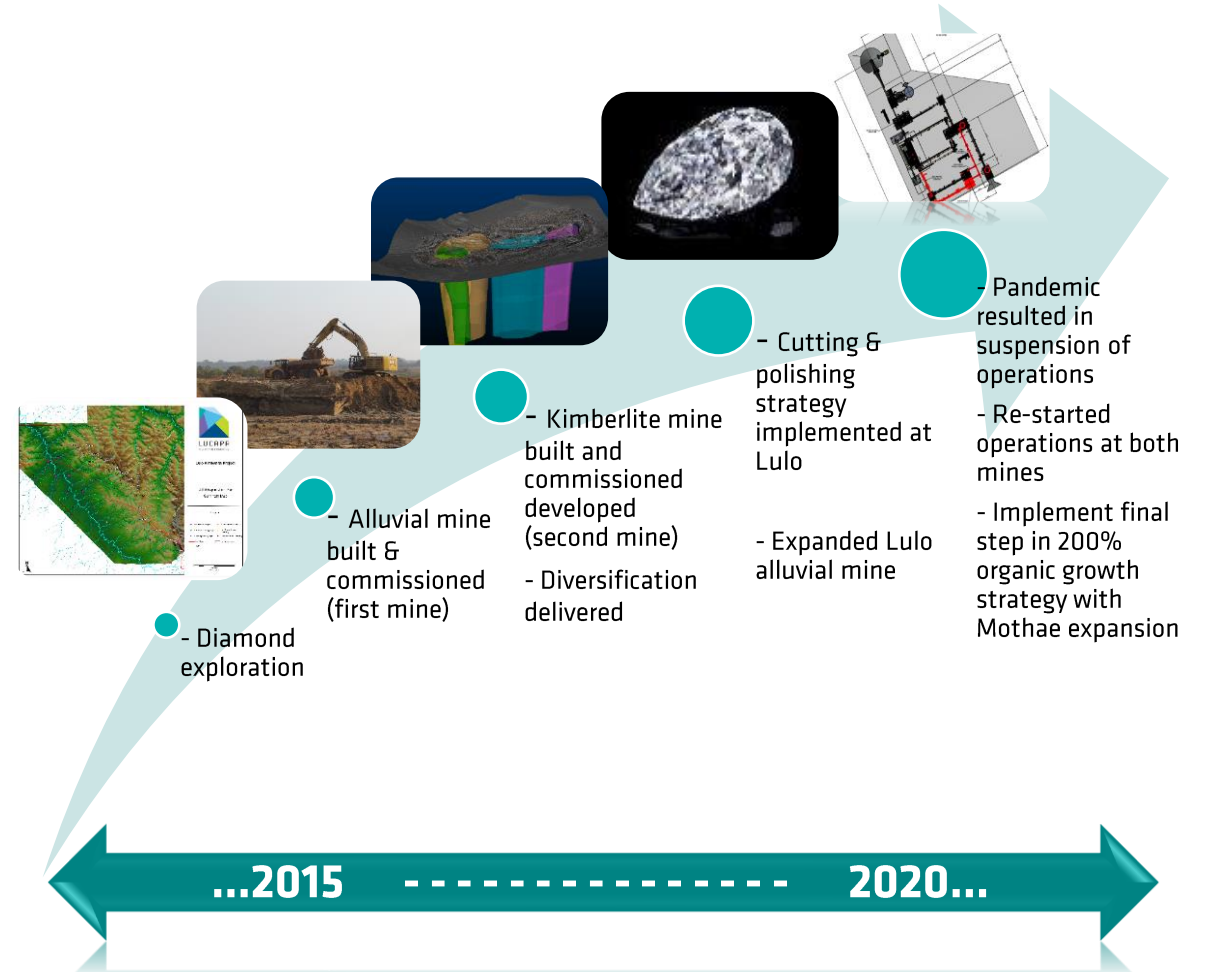
Diamond Production...

Diamond Exploration...



* Exploration paused

Growth path...



Production Snapshot

Successfully developed two of the world's highest-value per carat diamond mines...

Mothae



- ❖ **Kimberlite** diamond mine
 - ❖ 2nd highest average US\$ per carat kimberlite mine in the world
- ❖ Indicated and Inferred JORC Resource – 1.2 million carats
 - ❖ September update ~280% increase in Indicated Resource
- ❖ Producer of high-quality diamonds
 - ❖ ~US\$500 – US\$750 per carat on average (pre pandemic)
 - ❖ +4.8 carat diamonds comprise >75% of revenue
 - ❖ 3 +100ct diamonds recovered in 2019
- ❖ Processing capacity (incl XRT technology)
 - ❖ Phase 1 – built 1.1Mtpa plant - commissioned in January 2019
 - ❖ Phase 2 expansion – increase plant capacity by ~45% to ~1.6Mtpa in 2020/1 with minor plant modifications and infrastructure upgrades
- ❖ Government approved new marketing plan – paving the way for implementation of value-adding cutting & polishing opportunity
- ❖ Covid-19 impact:
 - ❖ Suspended operations March 2020 and recommenced in October 2020



SML (Lulo)



- ❖ **Alluvial** diamond mine
 - ❖ Highest average US\$ per carat alluvial mine in the world
- ❖ Inferred JORC Resource – 100,000 carats @ US\$1,620 per carat
 - ❖ Significant deposits not yet included in resource
- ❖ Producer of high-quality diamonds
 - ❖ ~US\$1,250 – US\$1,750 per carat on average (pre pandemic)
 - ❖ +4.8 carat diamonds comprise >90% of revenue
 - ❖ 15 +100 carat diamonds produced to date
- ❖ Processing plant (incl XRT technology)
 - ❖ 0.5Mbcm pa plant - in 6th year of commercial operation
 - ❖ US\$12m mining capability expansion completed in early 2020 - ~50% increase in mining capacity
- ❖ Government approved new marketing regulations – paved the way for implementation of value-adding cutting & polishing partnership
- ❖ Covid-19 impact:
 - ❖ Suspended operations April 2020 and recommenced in May 2020



Exploration Snapshot

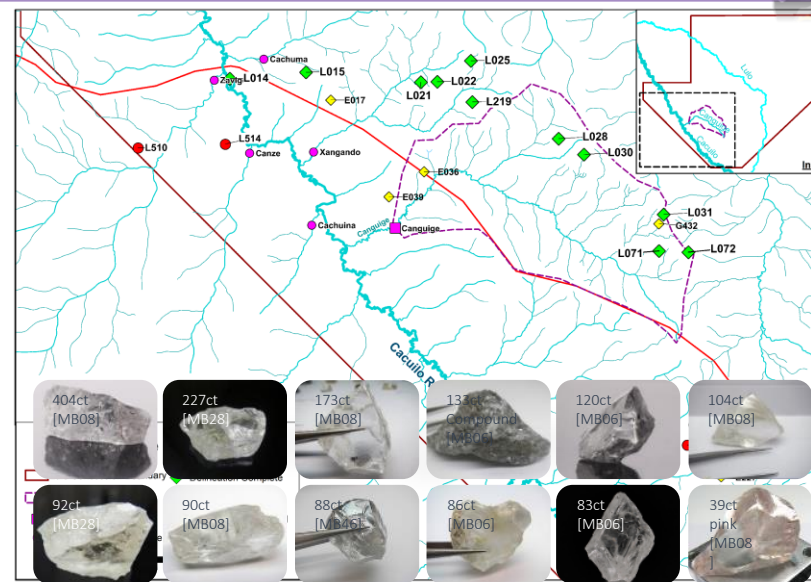
Locating the source of the Lulo high-value diamonds would be a significant game changer...

Lulo (Exploration JV)

- ❖ **Kimberlite** exploration on 3,000 km² licence area
- ❖ Extensive kimberlite province (+500 anomalies)
- ❖ Recovered > 1,000 diamonds weighting greater than 10.8 carat (“Specials”) on the licence, including 15 +100 carat diamonds

- ❖ Highest average value per carat alluvial production in the world
- ❖ Proven 7 diamondiferous kimberlites – proves concession is on top of a diamondiferous kimberlite field
- ❖ Recovered 45 diamonds in tributary sample in Canguige tributary indicating a source in the

- ### Canguige catchment area
- ❖ Diamonds recovered from kimberlite L071
 - ❖ Continuing with kimberlite delineation and bulk sampling campaign
 - ❖ Pushing in access roads to high priority kimberlites
 - ❖ Predominantly self funded program from alluvial mining operation returns



Brooking



- ❖ **Lamproite** exploration in Kimberley region of WA
- ❖ Within 50km of renowned Ellendale mine (fancy yellow diamond producer)
- ❖ Discovered lamproite & recovered high microdiamond counts in drill core
- ❖ Program suspended in 2019 to focus on cash generation & prevailing market conditions

Orapa Area F



- ❖ **Kimberlite** exploration in Orapa area in Botswana
- ❖ Botswana is the largest diamond producer by value
- ❖ 40 km from Orapa mine (tier one mine owned by Debswana)
- ❖ Geophysics concluded and drilling locations identified
- ❖ Program suspended in 2019 to focus on cash generation & prevailing market conditions

Vision Snapshot

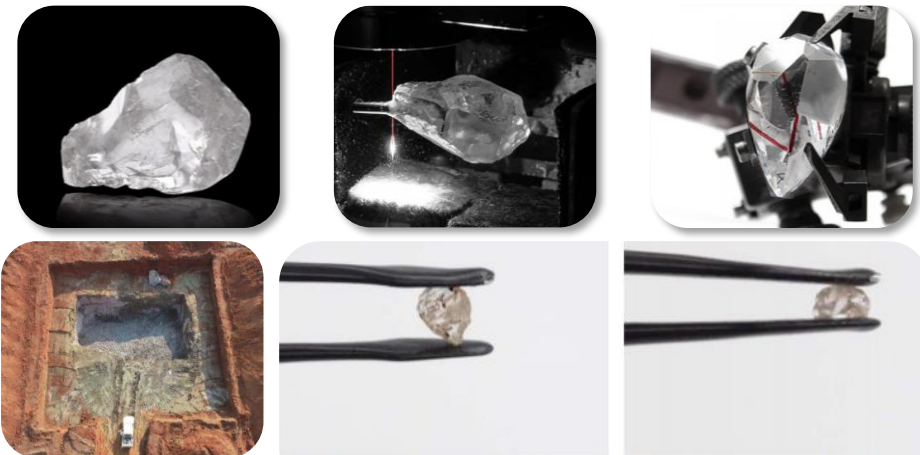
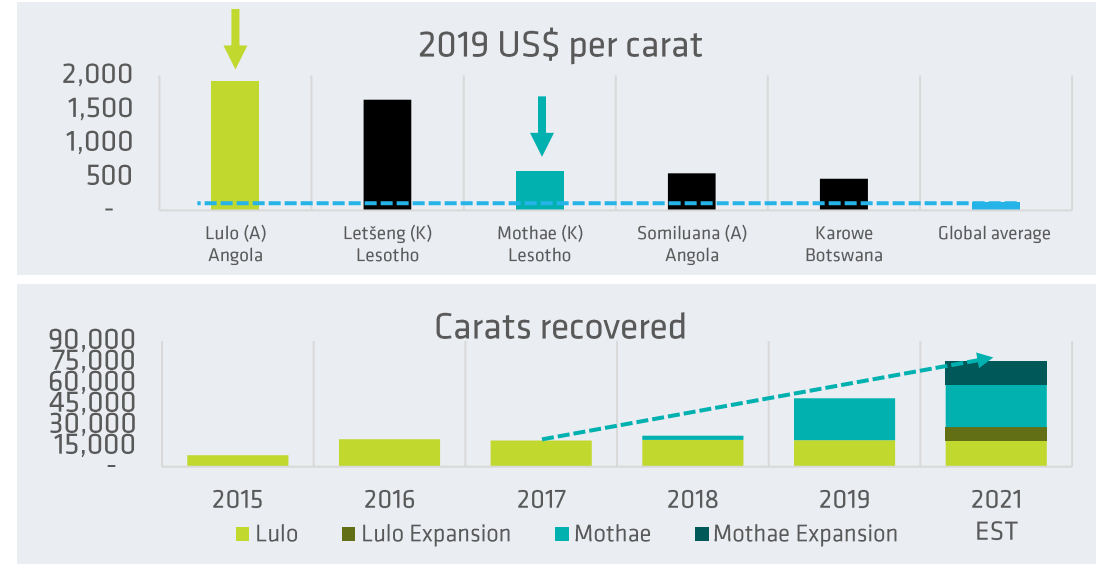
...to become a leading global producer of large and high-quality diamonds...

Clear focus

- ❖ **Niche large and high-quality diamond resources**
 - ✓ Two of the highest US\$ per carat diamond resources in the world – *SML (Lulo) & Mothae*

Strategic plan - growth

- ❖ **Production**
 - ✓ Establish diamond mining operations in Angola - *SML*
 - ✓ Source advanced or near production diamond projects to grow asset base - *Mothae*
 - ✓ Grow the niche high-quality production - *SML and Mothae*
- ❖ **Marketing**
 - ✓ Implement value accretive channels to mitigate rough price fluctuation - implemented cutting & polishing strategy – *SML and Mothae*
- ❖ **Exploration**
 - ❖ Locate the source of the high-quality Lulo alluvial diamonds – *Project Lulo exploration program ongoing and largely self funded*
 - ❖ Add and progress prospective exploration projects – *Brooking and Orapa*



The 1.08 ct diamond and 0.25ct Type Ila diamond recovered from L071

Strong Company Pillars

...a leading global producer of large and high-quality diamonds...



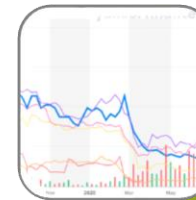
Production Base

- ✓ Niche large & **high-value** production
 - **Two** of the industry's top three highest-value/ carat diamond mines
 - **Diversified** resource & jurisdiction
- ✓ Significant production **expansion**
- ✓ Value accretive **polished partnering** marketing strategy
- ✓ **Experienced** board and management **team**



Strong Growth Assets

- ✓ **Primary source/** exploration projects
 - Three countries
 - **Advanced** programs
 - Prolific **high-value diamond environments**
 - Economic kimberlite discovery would be a **game-changer**
- ✓ **Organic** production expansion



Opportunity

- ❖ Continued **delivery of growth vision**
 - production expansion
 - cutting & polishing expansion
 - furthering source discovery programs
- ❖ Diamond **equities at near all-time lows**
 - Significantly **undervalues companies/** projects in diamond space
- ❖ Diamond **market recovery**



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