



31 October 2013

Dear Option Holder

**YOUR OPTIONS TO ACQUIRE LUCAPA DIAMOND COMPANY LIMITED SHARES AT \$0.02 PER SHARE
EXPIRE ON 2 DECEMBER 2013**

We are writing to you as a registered holder of 2 December 2013 options in Lucapa Diamond Company Limited to remind you that the options will expire at **5:00pm (WST) on 2 December 2013**.

Your option holding may be exercised in whole or in part by payment of \$0.02 for each option by no later than 5:00pm (WST) on 2 December 2013. If payment is not received by 5:00pm (WST) on 2 December 2013 the options will lapse and all rights under the options will cease at that time.

Some of the courses of action available to you as a holder of these soon to expire options are:

- a) Exercise the options on or before 5:00pm (WST) on 2 December 2013.
- b) Do nothing (ie, allow your options to expire). If you do not exercise your options they will expire on 5:00pm (WST) on 2 December 2013 and your right to subscribe for ordinary shares in Lucapa Diamond Company Limited at \$0.02 per share will lapse.

There is no obligation on option holders to exercise their options. However, under paragraph 6.1 of Appendix 6A of the Australian Securities Exchange (**ASX**) Listing Rules, the Company is required to advise option holders of the information contained in this notice.

The last date of quotation of these Options on the ASX will be 25 November 2013.

The market sale price of ordinary shares in Lucapa Diamond Company Limited on ASX was \$0.006 on 30 October 2013, being the last trading day in Perth prior to the date of this notice.

During the three (3) months preceding the date of this notice:

- the highest market sale price of ordinary shares on ASX was \$0.012 on 1 November 2012; and
- the lowest market sale price of ordinary shares on ASX was \$0.004 on 26 July 2013.

If you wish to exercise your options then you must complete your Notice of Exercise of Options form attached to this notice and forward it together with payment of \$0.02 per option exercised to be received no later than **5:00pm (WST) on 2 December 2013** to the Company's share registry, being:

Security Transfer Registrars Pty Ltd
PO Box 535
APPLECROSS WA 6953

OR

770 Canning Highway
APPLECROSS WA 6153

OR **registrar@securitytransfer.com.au**

Payment can be made via;

- BPAY by following the instructions set out in the accompanying Notice of Exercise of Options form, or
- Cheque which should be made payable to "Lucapa Diamond Company Limited" in Australian dollars only and should be crossed "Not negotiable".

If you have any further questions please do not hesitate to contact our registry on telephone (08) 9315 2333, facsimile (08) 9315 2233, or email registrar@securitytransfer.com.au.

Yours faithfully

MARK CLEMENTS
COMPANY SECRETARY

LUCAPA DIAMOND COMPANY LIMITED (LOMOA)
ACN 111 501 663
TERMS AND CONDITIONS OF OPTIONS
EXPIRING 2 DECEMBER 2013 EXERCISABLE AT \$0.02 EACH

- (a) Definitions. For the purposes of the terms and conditions of the Options:
- ASX** means ASX Limited (ABN 98 008 624 691)
 - ASX Listing Rules** means the official listing rules of ASX.
 - Company** means Lucapa Diamond Company Limited (ABN 44 111 501 663).
 - Corporations Act** means Corporations Act.
 - Exercise Price** means the exercise price of each Option, being \$0.02.
 - Exercise Notice** means the form prescribed by the Company from time to time for the purpose of exercising Options.
 - Expiry Date** means 5.00pm (WST) on 2 December 2013.
 - Option** means an option to subscribe for a Share at the Exercise Price prior to the Expiry Date in the manner set out in these Terms and Conditions.
 - Option Holder** means the person or persons registered as the holder of one or more Options from time to time.
 - Share** means a fully paid ordinary share in the capital of the Company.
 - WST** means Australian Western Standard Time.
- (b) Each Option carries the right to subscribe for one Share.
- (c) Options will be listed on ASX and transferable.
- (d) Options may be exercised by the Option Holder by delivering to the Company's registered office or the Company's share registry an Exercise Notice at any time prior to the Expiry Date.
- (e) Each Exercise Notice must state the number of Options to be exercised and be accompanied by the relevant holding statement(s), if any, and payment (in Australian currency) to the Company of an amount (the Application Monies) being the result of the Exercise Price multiplied by the number of Options being exercised.
- (f) Following receipt of a properly executed Exercise Notice and Application Monies in respect of the exercise of any Options, the Company will issue the resultant Shares and deliver notification of shareholdings.
- (g) The Company will make application to have the Shares (issued pursuant to an exercise of Options) listed for quotation by ASX within 7 days of the date of issue.
- (h) Shares issued pursuant to an exercise of Options shall rank, from the date of issue, *pari passu* with existing Shares in all respects.
- (i) Options carry no right to participate in pro rata issues of securities to shareholders unless the Options are exercised before the record date for determining entitlements to the relevant pro rata issue.
- (j) Each Option Holder will be notified by the Company of any proposed pro rata issue of securities to shareholders a reasonable period prior to the record date set for that pro rata issue to give the Option Holder the opportunity to exercise the Options in sufficient time to receive, before that record date, Shares issued on the exercise of Options entitling participation in the pro rata issue.
- (k) In the event of a reorganisation (including reconstruction, consolidation, subdivision, reduction, or return) of the capital of the Company, the terms of the Options will be changed to the extent necessary to comply with the requirements of the Corporations Act and the reorganisation provisions contained in ASX Listing Rules 22.4.
- (l) Except as noted in paragraph (k) above, an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

