



**LUCAPA**  
DIAMOND COMPANY

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## **LUCAPA DIAMOND COMPANY LIMITED**

**ACN 111 501 663**

## **NOTICE OF GENERAL MEETING**

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**TIME:** 11.00am (WST)

**DATE:** 20 December 2013

**PLACE:** The Celtic Club  
48 Ord Street  
West Perth, WA, 6005

***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.***

***If you wish to discuss the matters in this Notice of Meeting please contact the Company Secretary on (+61 8) 9489 9200.***

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**IMPORTANT INFORMATION**

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**MEETING DETAILS**

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Notice is given that the General Meeting of the Shareholders to which this Notice of Meeting relates will be held at The Celtic Club, 48 Ord Street, West Perth, WA on 20 December 2013 at 11.00 am (WST).

**YOUR VOTE IS IMPORTANT**

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The business of the Meeting affects your shareholding and your vote is important.

**VOTING ELIGIBILITY**

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All Shareholders may attend the Meeting. The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that for the purposes of voting at the Meeting, Shareholders will be taken as those who are registered on the Company's register of members as at 5.00pm (WST) on 18 December 2013.

**VOTING AT THE MEETING OR BY PROXY**

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You may vote on the items of business to be considered at the Meeting, either in person at the Meeting or by completing, signing and returning the Proxy Form enclosed with this Notice. You can return your Proxy Form to the Company's share registry, Security Transfer Registrars:

- by email to [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au);
- by posting it to PO Box 535, Applecross, Western Australia 6953;
- by facsimile to +61 (0) 8 9315 2233;
- by hand to 770 Canning Highway, Applecross, Western Australia, Australia 6153 between 8.00am and 5.00pm Monday to Friday.

You may also lodge your proxy online at [www.securitytransfer.com.au](http://www.securitytransfer.com.au) and by following the instructions set out on the Proxy Form.

The Proxy Form must be returned to the Security Transfer Registrars and be received no later than 11.00am (WST) on Wednesday, 18 December 2013.

**VOTING BY PROXY**

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In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy may, but 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. Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the Shareholder's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes.

The Proxy Form must be signed by the Shareholder or his/her attorney duly authorised in writing or, if the Shareholder is a corporation, in a manner permitted by the Corporations Act.

If the case of Shares jointly held by two or more persons, all joint holders must sign the Proxy Form.

### **Chair voting undirected proxies**

The Chair will vote undirected proxies on, and in favour of, all of the proposed Resolutions, except that in respect of Resolution 5, the Chair will only do so where expressly authorised by the Shareholder having marked the appropriate box on the Proxy Form.

### **CORPORATE REPRESENTATIVES**

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A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The representative must bring to the Meeting evidence of his or her appointment unless it has been previously given to the Company's share registry, Security Transfer Registrars.

### **POWERS OF ATTORNEY**

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A person appearing as an Attorney for a Shareholder should produce a properly executed original (or certified copy) of an appropriate Power of Attorney for admission to the Meeting.

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## BUSINESS OF THE MEETING

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### NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of Lucapa Diamond Company Limited (**Company**) will be held at The Celtic Club, 48 Ord St, West Perth, Western Australia on 20 December 2013 at 11.00am (WST) (**Meeting**).

The Explanatory Memorandum (**Explanatory Memorandum**) accompanying this Notice of General Meeting provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and Proxy Form are part of this Notice of General Meeting.

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 as Shareholders of the Company on 18 December 2013 at 5.00pm (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in the Glossary.

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#### 1. RESOLUTION 1 – RATIFICATION OF SHARES PURSUANT TO A PLACEMENT

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, the Shareholders hereby approve and ratify the issue of 318,000,000 ordinary fully-paid Shares to those who participated in the Placement as announced to ASX on 21 August 2013 and as more fully described in the Explanatory Memorandum accompanying this Notice."*

##### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by any person who participated in the issue and a person who might obtain a benefit, except a benefit solely in their capacity as a security holder, and any of their associates, unless:

- (a) it is cast by the person as proxy for a person who is entitled to vote (in accordance with directions on the Proxy Form); or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote (in accordance with a direction on the Proxy Form to vote as the proxy decides).

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#### 2. RESOLUTION 2 – RATIFICATION OF AUGUST 2015 OPTIONS PURSUANT TO A PLACEMENT

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, the Shareholders hereby approve and ratify the issue of 159,000,000 August 2015 Options to those who participated in the Placement as announced to ASX on 21 August 2013 and as more fully described in the Explanatory Memorandum accompanying this Notice."*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by any person who participated in the issue and a person who might obtain a benefit, except a benefit solely in their capacity as a security holder, and any of their associates, unless:

- (a) it is cast by the person as proxy for a person who is entitled to vote (in accordance with directions on the Proxy Form); or
- (b) the person chairing the Meeting as proxy for a person who is entitled to vote (in accordance with a direction on the Proxy Form to vote as the proxy decides).

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### **3. RESOLUTION 3 - APPROVAL FOR THE ISSUE OF AUGUST 2015 OPTIONS PURSUANT TO PLACEMENT**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 7.1 and for all other purposes, the Shareholders hereby approve and authorise the issue of a further 159,000,000 free August 2015 Options to those who participated in the Placement as announced to ASX on 21 August 2013 and as more fully described in the Explanatory Memorandum accompanying this Notice."*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of securities referred to in this Resolution and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any votes cast by an associate of such person.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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### **4. RESOLUTION 4 - APPROVAL FOR THE ISSUE OF AUGUST 2015 OPTIONS TO BROKER PURSUANT TO PLACEMENT**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 7.1 and for all other purposes, the Shareholders hereby approve and authorise the issue of 127,200,000 August 2015 Options at an issue price of \$0.0005 each as part of the consideration due to CPS Capital Group Pty Ltd under its agreement to act as lead manager to the Placement as announced to ASX on 21 August 2013 and as more fully described in the Explanatory Memorandum accompanying this Notice."*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by CPS Capital Group Pty Ltd and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any votes cast by an associate of such person.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## **5. RESOLUTION 5 - APPROVAL FOR THE LISTING OF AUGUST 2015 OPTIONS**

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 6.23.4 and for all other purposes, the Shareholders hereby approve the variation to the terms and conditions of all the August 2015 Options to permit all of the August 2015 Options currently on issue, all August 2015 Options to be issued subject to the approval of Resolutions 3 and 4 of this Notice and all August 2015 Options issued in the future, to be quoted on the official list of ASX as a class of quoted options of the Company and authorise the Company to make application to ASX for quotation of the August 2015 Options and do all things necessary to procure the grant of that application."*

### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by any person who has participated in the issue of August 2015 Options and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any votes cast by an associate of such person.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**DATED: 18 NOVEMBER 2013**

**BY ORDER OF THE BOARD**

**MARK CLEMENTS**  
**COMPANY SECRETARY**

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## **EXPLANATORY MEMORANDUM**

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### **1. INTRODUCTION**

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held at The Celtic Club, 48 Ord Street, West Perth, WA on 20 December 2013 at 11.00am (WST).

This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

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### **2. ACTION TO BE TAKEN BY SHAREHOLDERS**

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

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### **3. RESOLUTIONS 1 AND 2 - RATIFICATION OF SHARES AND AUGUST 2015 OPTIONS PURSUANT TO PLACEMENT**

#### **3.1 Background**

As detailed in the Company's ASX announcement on 21 August 2013, the Company completed the placement of 318 million Shares at an issue price of \$0.004 each per Share (**Placement**) with an attaching \$0.01 August 2015 Option issued free for every 2 Shares issued, with fractional entitlements to August 2015 Options being rounded down to the next whole number, to professional and sophisticated investors (**Participants**) to raise \$1,272,000 (before associated costs).

#### **3.2 Listing Rule 7.4**

The Shares and August 2015 Options issued under the Placement were issued within the Company's 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval.

Resolution 1 seeks Shareholder ratification of the Placement of the Shares pursuant to Listing Rule 7.4 and Resolution 2 seeks Shareholder ratification of the Placement of the August 2015 Options pursuant to Listing Rule 7.4.

The effect of Shareholders passing Resolutions 1 and 2 will be to restore the Company's ability to issue further capital to the maximum 15% limit during the next 12 months.

Resolutions 1 and 2 are ordinary resolutions.

### **3.3 Specific Information Required by Listing Rule 7.5**

#### **Resolution 1:**

For the purposes of Shareholder approval of the Placement of the Shares and the requirements of Listing Rule 7.5, information is provided as follows:

- (a) 318 million Shares were issued on 29 August 2013;
- (b) the Shares were issued at \$0.004 each per Share which represented a discount of \$0.001 to the market price of \$0.005 at close of trading on the date of issue;
- (c) the Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Shares were issued to the Participants who were professional and sophisticated investors and clients of CPS Capital Group Pty Ltd and who were not related parties or associates of a related party of the Company;
- (e) the gross proceeds from the Placement, \$1,272,000 were used to meet the working capital requirements of the Company to advance the Lulo concession and to provide general working capital and were applied towards exploration and evaluation of existing tenements, development, wages and associated costs and administration costs (including approximately \$481,000 for Bauer drilling costs, \$128,000 for salaries, \$160,000 for general expenses) with the balance being available for the Company's continuing operations and expenses associated with the Lulo concession. Of these funds, approximately \$503,000 remains in the Company's bank account as at the date of this Notice.
- (f) a voting exclusion statement is included in the Notice.

#### **Resolution 2:**

For the purposes of Shareholder approval of the Placement of the August 2015 Options and the requirements of Listing Rule 7.5, information is provided as follows:

- (a) 159 million August 2015 Options were issued on 29 August 2013;
- (b) the August 2015 Options were issued for no cash consideration on the basis of 1 free August 2015 Option for each 2 Shares issued under the Placement, with fractional entitlements to the August 2015 Options being rounded down to the next whole number;
- (c) the August 2015 Options are in a new class of security issued by the Company. Shares issued on the exercise of these August 2015 Options will rank equally in all respects with the Company's existing Shares on issue;
- (d) the terms and conditions of these August 2015 Options are set out in Schedule 1 to this Explanatory Memorandum;
- (e) the August 2015 Options were issued pro rata to the to the Participants who are professional and sophisticated investors and who are not related parties or associates of a related party of the Company;
- (f) no amount was received by the Company from the issue of the August 2015 Options;

(g) a voting exclusion statement is included in the Notice.

### **3.4 Directors' Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 1 and 2. The Chair intends to vote undirected proxies in favour of Resolutions 1 and 2.

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## **4. RESOLUTION 3 - ISSUE OF AUGUST 2015 OPTIONS PURSUANT TO PLACEMENT**

### **4.1 Background**

As detailed in the Company's ASX announcement on 21 August 2013, the Company has undertaken to seek shareholder approval to issue up to 159 million August 2015 Options to the Participants who subscribed for Placement Shares.

Under the terms of the Placement, it was agreed that Participants in the Placement would be entitled to receive, for no additional consideration, one \$0.01 August 2015 Option free for each Share issued, but as the Company did not, at that stage, have the available placement capacity to issue all those August 2015 Options, the Participants received only half of their entitlement at the time of the Placement, with the remaining half to be issued to them when that issue was approved by Shareholders or when the Company had the available placement capacity under Listing Rule 7.1.

Resolution 3 is an ordinary resolution that seeks Shareholder approval to the issue of these August 2015 Options to the Participants in the Placement for the purposes of Listing Rule 7.1 and for all other purposes.

### **4.2 Listing Rule 7.1**

Listing Rule 7.1 provides in summary, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the Company's securities then on issue.

While the Shareholders passed a special resolution at the Company's last annual general meeting approving, in accordance with Listing Rule 7.1A, the issue by the Company of a further 10% of their share capital in addition to the standard 15% annual placement capacity permitted under Listing Rule 7.1, that additional placement capacity cannot be used for the issue of unquoted securities and accordingly is not available for the issue of August 2015 Options.

The effect of passing Resolution 3 will be to allow the Directors to issue the 159 million August 2015 Options described in Resolution 3 during the three month period after the Meeting (or a longer period, if allowed by ASX), without using up the Company's 15% placement capacity under Listing rule 7.1.

If Resolution 3 is not passed, the August 2015 Options described in Resolution 3 will be issued to Participants in the Placement when the Company has the requisite placement capacity under Listing Rule 7.1.

### **4.3 Specific Information Required by Listing Rule 7.3**

In compliance with the information requirements of Listing Rule 7.3 Shareholders are advised of the following particulars in relation to the issue of the August 2015 Options under Resolution 3:

- (i) the maximum number of August 2015 Options proposed for issue under Resolution 3 is 159,000,000;
- (ii) these August 2015 Options are to be issued to Participants in the Placement for nil consideration on the basis of 1 free August 2015 Option for each 2 Shares issued under the Placement, with fractional entitlements to the August 2015 Options being rounded down to the next whole number;
- (iii) no funds will be raised from the issue of these August 2015 Options, the Company will receive \$0.01 for every August 2015 Option exercised by the holders of those August 2015 Options;
- (iv) the August 2015 Options will be in the same class as the August 2015 Options described in Resolution 2. Shares issued on the exercise of these August 2015 Options will rank pari passu with all existing Shares on issue;
- (v) the terms and conditions of these August 2015 Options are set out in Schedule 1 to this Explanatory Memorandum;
- (vi) the issue of these August 2015 Options will all be made on the same date, being no later than three months from the date of receiving Shareholder approval.
- (vii) a voting exclusion statement is included in the Notice.

#### **4.4 Directors' Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 3. The Chair intends to vote undirected proxies in favour of Resolution 3.

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## **5. RESOLUTION 4 - ISSUE OF AUGUST 2015 OPTIONS TO BROKER PURSUANT TO PLACEMENT**

### **5.1 Background**

As detailed in the Company's ASX announcement on 21 August 2013, the Company completed the Placement on terms which included the issue of 127,200,000 August 2015 Options (**Broker Options**), subject to shareholder approval, at an issue price of \$0.0005 per Broker Option as part of the consideration due to CPS Capital Group Pty Ltd under its agreement to act as lead manager to the Placement.

Resolution 4 is an ordinary resolution that seeks Shareholder approval to the issue of these Broker Options to CPS Capital Group Pty Ltd, or its nominee(s) for the purposes of Listing Rule 7.1 and for all other purposes.

### **5.2 Listing Rule 7.1**

Listing Rule 7.1 provides in summary, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company, where the securities proposed to be issued represent more than 15% of the Company's securities then on issue.

While the Shareholders passed a special resolution at the Company's last annual general meeting approving, in accordance with Listing Rule 7.1A, the issue by the Company of a further 10% of their share capital in addition to the standard 15% annual placement capacity permitted under Listing Rule 7.1, that additional placement capacity cannot be used for the

issue of unquoted securities and accordingly is not available for the issue of the Broker Options.

The effect of passing Resolution 4 will be to allow the Directors to issue the 127,200,000 Broker Options described in Resolution 4 during the three month period after the Meeting (or a longer period, if allowed by ASX), without using up the Company's 15% placement capacity under Listing rule 7.1.

If Resolution 4 is not passed, the Options described in Resolution 4 will not be issued to CPS.

### **5.3 Specific Information Required by Listing Rule 7.3**

In compliance with the information requirements of Listing Rule 7.3 Shareholders are advised of the following particulars in relation to the issue of the Options under Resolution 3:

- (i) the maximum number of Broker Options proposed for issue is 127,200,000;
- (ii) these Broker Options are to be issued to CPS, or its nominees(s) for \$0.0005 each;
- (iii) \$63,600 will be raised from the issue of these Broker Options and, if these options are exercised, the Company will receive \$0.01 for every Broker Option exercised by the holders of those Broker Options;
- (iv) the Broker Options will be in the same class as the August 2015 Options described in Resolutions 2 and 3. Shares issued on the exercise of these Broker Options will rank pari passu with all existing Shares on issue;
- (v) the terms and conditions of these Broker Options are set out in Schedule 1 to this Explanatory Memorandum;
- (vi) the issue of these Broker Options will all be made on the same date, being no later than three months from the date of receiving Shareholder approval;
- (vii) a voting exclusion statement is included in the Notice.

### **5.4 Directors' Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4. The Chair intends to vote undirected proxies in favour of Resolution 4.

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## **6. RESOLUTION 5 - LISTING OF AUGUST 2015 OPTIONS**

### **6.1 Background**

Given the number of August 2015 Options that are and will be on issue and the number of holders of those August 2015 Options, the Directors consider it would be appropriate for the August 2015 Options to be listed on ASX.

To satisfy the requirements of Condition 6 to Listing Rule 2.5 there must be at least 100,000 August 2015 Options held by at least 50 August 2015 Option holders, each with a marketable parcel, for the August 2015 Options to be quoted on the official list of ASX and all of these requirements are met in the case of the August 2015 Options.

However, under their existing terms and conditions, the August 2015 Options are transferable but unlisted on ASX and those terms and conditions would need to be changed to permit the listing of the August 2015 Options.

Listing Rule 6.23.4 permits a change that affects the August 2015 Options if that change does not have the effect of reducing the exercise price, increasing the period for exercise or increasing the number of Shares received on the exercise of the August 2015 Options and accordingly a change in the existing terms and conditions to enable the August 2015 Options to be granted official quotation on ASX is permissible under Listing Rule if approved by the holders of ordinary Shares.

In the circumstances the Directors propose that the terms and conditions of the August 2015 Options be varied to permit these options to be admitted to the official list of ASX and that application then be made for these options to be granted official quotation on ASX.

As required by Listing Rule 6.22.4, a voting exclusion statement is included in the Notice.

## **6.2 Directors' Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5. The Chair intends to vote undirected proxies in favour of Resolution 5 only where expressly authorised by the Shareholders having marked the appropriate box on the Proxy Form.

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## GLOSSARY

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**\$** means Australian Dollars.

**ASX** means ASX Limited (ACN 108 019 263) and, where the context permits, the Australian Securities Exchange operated by ASX.

**August 2015 Option** means an option entitling the holder to subscribe for a Share at an issue price of \$0.01, exercisable at any time before 5.00pm (WST) on 29 August 2015 and being subject to the terms and conditions set out in Schedule 1.

**Board** means the board of Directors.

**Business Day** means:

- (a) for determining when a notice, consent or other communication is given, a day that is not a Saturday, Sunday or public holiday in the place to which the notice, consent or other communication is sent; and
- (b) for any other purpose, a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth.

**Chair** means the person appointed to chair the Meeting convened by this Notice.

**Company** means Lucapa Diamond Company Limited (ACN 111 501 663).

**Corporations Act** means the *Corporations Act 2001* (Cth).

**CPS Capital Group Pty Ltd** means CPS Capital Group Pty Ltd (ACN 088 055 636).

**Director** means a director of the Company.

**Explanatory Memorandum** means the explanatory Memorandum attached to the Notice.

**Listing Rules** means the listing rules of ASX.

**Meeting** has the meaning in the introductory paragraph of the Notice.

**Notice** means this notice of meeting.

**Proxy Form** means the proxy form attached to the Notice.

**Resolution** means a resolution contained in the Notice.

**Schedule** means a schedule to the Notice.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a shareholder of the Company.

**WST** means Western Standard Time, being the time in WA.

In this Notice and the Explanatory Memorandum words importing the singular include the plural and vice versa.

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## SCHEDULE 1 – TERMS OF AUGUST 2015 OPTIONS

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The terms and conditions of the August 2015 Options are as follows:

- (a) **Definitions.** For the purposes of the terms and conditions of the August 2015 Options:
- (i) **ASX** means ASX Limited (ABN 98 008 624 691)
  - (ii) **ASX Listing Rules** means the official listing rules of ASX.
  - (iii) **Company** means Lucapa Diamond Company Limited (ABN 44 111 501 663).
  - (iv) **Corporations Act** means Corporations Act.
  - (v) **Exercise Price** means the exercise price of each August 2015 Option, being \$0.01.
  - (vi) **Expiry Date** means 5.00pm (WST) on 29 August 2015.
  - (vii) **Exercise Notice** means the form prescribed by the Company from time to time for the purpose of exercising August 2015 Options.
  - (viii) **August 2015 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.
  - (ix) **August 2015 Option Holder** means the person or persons registered as the holder of one or more August 2015 Options from time to time.
  - (x) **Share** means a fully paid ordinary share in the capital of the Company.
  - (xi) **WST** means Australian Western Standard Time.
- (b) Each August 2015 Option carries the right to subscribe for one Share.
- (c) August 2015 Options will be unlisted on ASX but will be transferable.
- (d) August 2015 Options may be exercised by the August 2015 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 August 2015 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 August 2015 Options being exercised.
- (f) Following receipt of a properly executed Exercise Notice and Application Monies in respect of the exercise of any August 2015 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 August 2015 Options) listed for quotation by ASX within 7 days of the date of issue.
- (h) Shares issued pursuant to an exercise of August 2015 Options shall rank, from the date of issue, *pari passu* with existing Shares in all respects.
- (i) August 2015 Options carry no right to participate in pro rata issues of securities to shareholders unless the August 2015 Options are exercised before the record date for determining entitlements to the relevant pro rata issue.
- (j) Each August 2015 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 August 2015 Option Holder the opportunity to exercise the August 2015 Options in sufficient time to receive, before that record date, Shares issued on the exercise of August 2015 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 August 2015 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 August 2015 Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the August 2015 Option can be exercised.

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