

ASX Announcement

10 January 2014

LONDON INVESTOR ROADSHOW

Lucapa Diamond Company Limited (ASX: LOM) is pleased to release an updated investor presentation highlighting progress at the Lulo Diamond Project in Angola.

The Lucapa presentation will be given to brokers and fund managers in London on 14-16 January 2014 by Managing Director Miles Kennedy.

For further information please contact;

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LUCAPA DIAMOND COMPANY



An Exciting New Diamond Province

London Investor Roadshow – January 2014

Chairman:

Gordon GILCHRIST

- Former MD of Argyle Diamonds and head of Rio Tinto's global diamond operations

Managing Director:

Miles KENNEDY

- Former Chairman of WA diamond miner Kimberley Diamond Co

Exploration Director:

David JONES

- One of Australia's most experienced diamond geologists with 35 years' experience

Shares on Issue:

- 3,852 million (ASX: LOM)

Listed Options:

- 795.4 million @ 1c¹ (ASX: LOMO)

Unlisted Options:

- 150 million @ 1.9c-3c²

Market Cap:

- \$34.7 million @ 0.9c

Website:

- www.lucapa.com.au

¹ Expiring 29 August 2015

² Expiring between September 2014 to December 2014



Company Overview

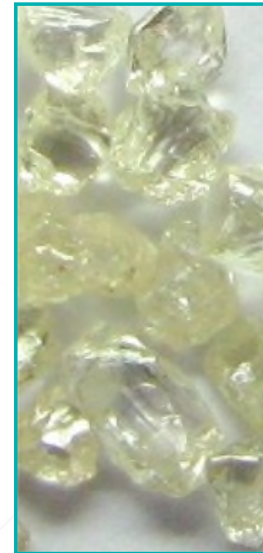


- Lucapa is the operator of the 3,000km² Lulo Diamond Concession in Angola's diamond-rich Lunda Norte region
- Lucapa has spent ~\$40 million to establish Lulo as a new diamond province in one of the world's biggest diamond producing countries
- Lulo hosts a major kimberlite province and extensive diamond-bearing alluvial gravels
- Lucapa is testing > 60 priority kimberlite targets to locate the source of the high-value alluvial diamonds being recovered from Lulo
- Newly commissioned 50tph Dense Media Separation diamond plant will enable Lucapa to significantly scale up its diamond sampling programs
- Lucapa share price has huge leverage to a kimberlite diamond discovery



Lulo – Home to Rare and Valuable Diamonds

- Lucapa has recovered high-value alluvial diamonds of up to 131.4 carats from Lulo
- Many large Lulo diamonds confirmed as Type2A gems, which are among the world's rarest
- First parcel of Lulo diamonds (496.2 carats) sold for \$A3.12 million in July 2013
- Average sale price of \$6,287 per carat underlines the premium value of Lulo gems
- Lucapa is now closing in on the big prize – finding which of the kimberlite pipes at Lulo are shedding these high-value alluvial diamonds



The Latest Large Rare Diamond

- 32.2 carat diamond recovered from the BLK_19 bulk sample in January 2014
- Diamond confirmed as rare Type 2A and D colour (exceptional white)
- Diamond appears to be sheared from a bigger stone



Angola – The Right Country for Diamond Discoveries

- Angola is the world's 4th largest producer of diamonds by value
- New era of stability and opportunity in Angola - huge potential for new discoveries

“We believe that huge geological upside is possible in Angola and that the probability of new findings is high,”

Fyodor Andreev, President of Russian diamond giant ALROSA¹, the world's biggest diamond miner².

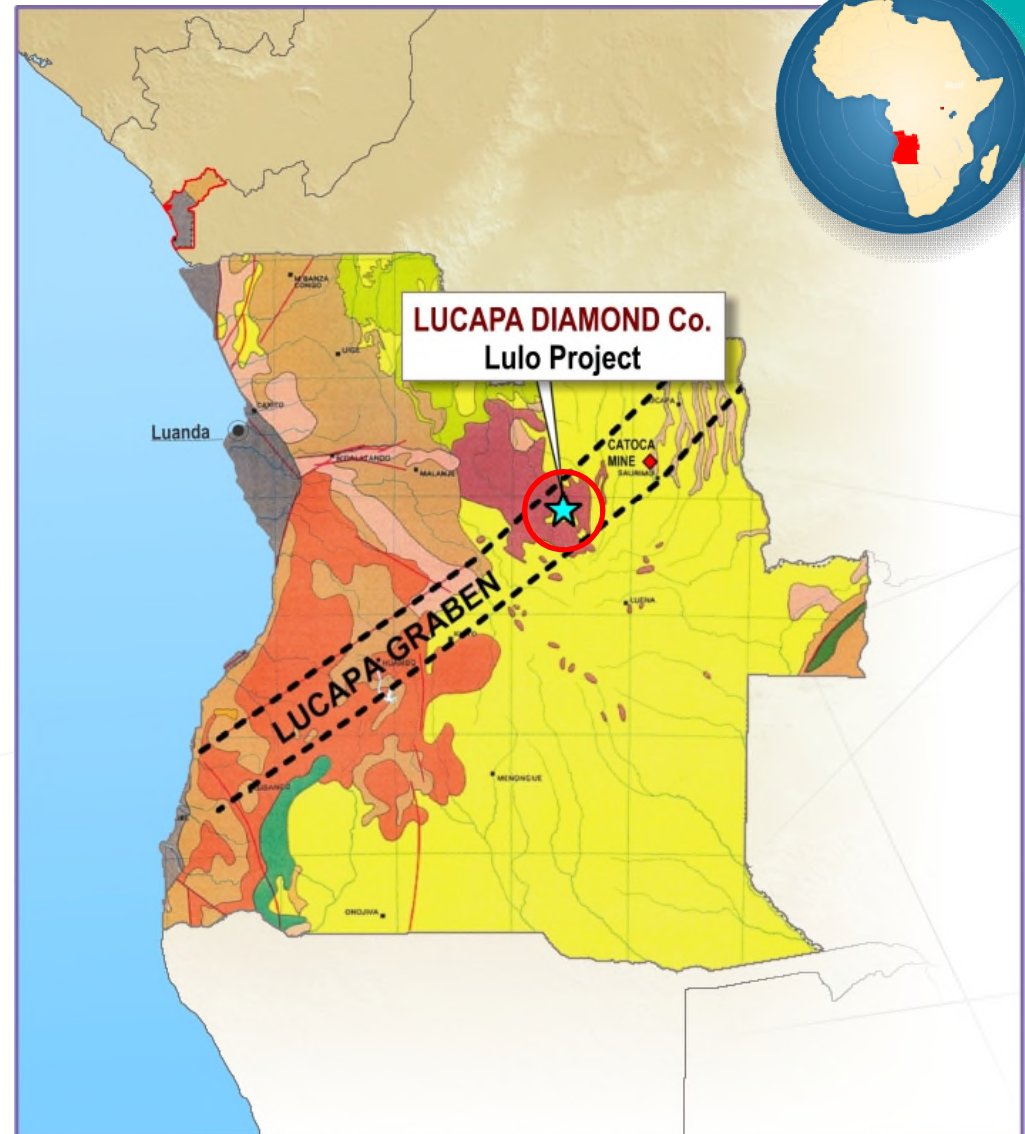
¹ Source: Rapaport, 20 June 2013.

² World's biggest miner by volume



Lunda Norte Province: The Right Address

- Lulo sits within Angola's diamond-rich Lunda Norte province
- Lulo is located within 150km of the giant Catoca diamond mine on the same favourable geological structure (Lucapa Graben)



Catoca: The Right Neighbour

- Catoca accounts for ~68% of Angola's diamond production by value and ~6 per cent of world diamond production¹
- Catoca produced 6.7 million carats in 2012 and generated revenues of \$US579 million
- Catoca is operated by Russian diamond giant ALROSA, which recently raised \$US1.3 billion in an IPO
- ALROSA has flagged its intentions to expand its diamond exploration activities in Lunda Norte and Angola

¹ Source: Rapaport, 18 June 2013.



Valuable Clues to the Kimberlite Sources

- Calonda Formation gravels in the Cacuiilo River valley identified as hosting the alluvial diamonds at Lulo
- Vast areas of shallow-buried Calonda Formation gravels exist at Lulo
- Lucapa's alluvial diamond program has two aims:
 1. *Prove up mineable alluvial diamond resources*
 2. *Locate the kimberlite pipes shedding the alluvial diamonds*
- Diamond recoveries to date strongly support both aims



New Diamond Discovery at E46

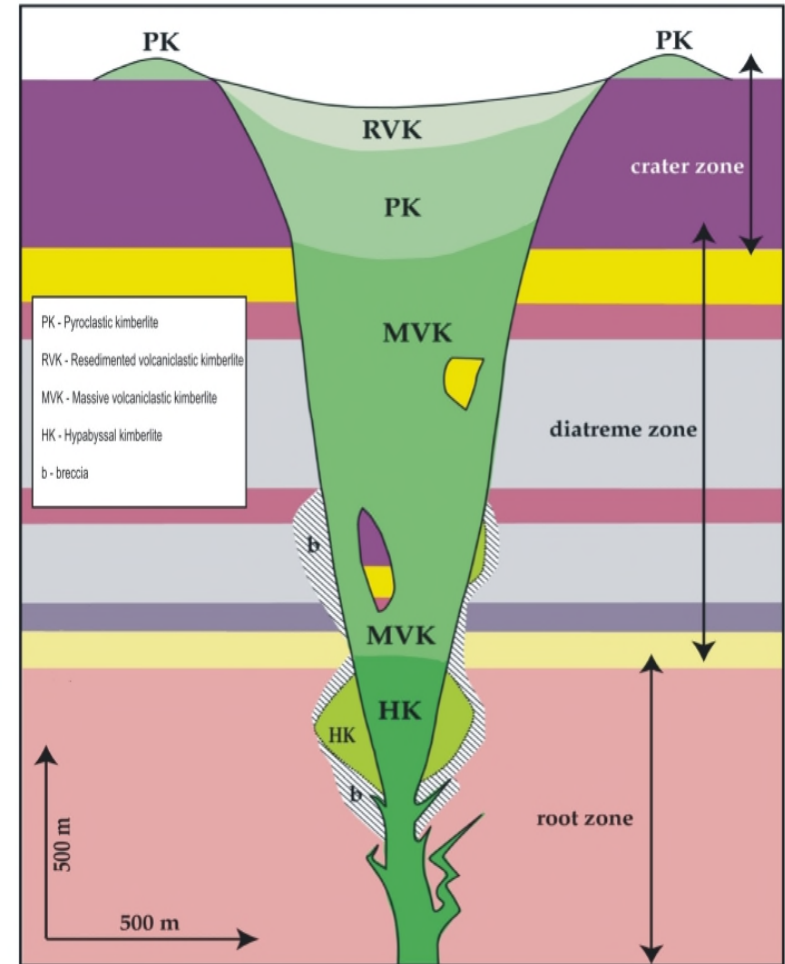
- The recently-discovered E46 alluvial area has produced exceptional diamond grades of up to 27.7 carats per 100m³
- Diamonds recovered from E46 include rare Type 2A gems
- E46 gravels currently identified over ~38 hectares - strong potential for mineable alluvial resource
- Proximal Se046 kimberlite to be tested as the potential source of the E46 alluvial diamonds



Priority Kimberlite Targets : Finding the Next Catoca

- The alluvial diamonds being recovered from Lulo have been washed away from their kimberlite sources over millions of years
- Aeromagnetic surveys flown by Lucapa have identified ~300 kimberlite targets within the Lulo concession
- > 60 kimberlite targets at Lulo have been selected for priority testing
- New cluster of kimberlite targets identified in the north-eastern part of the concession

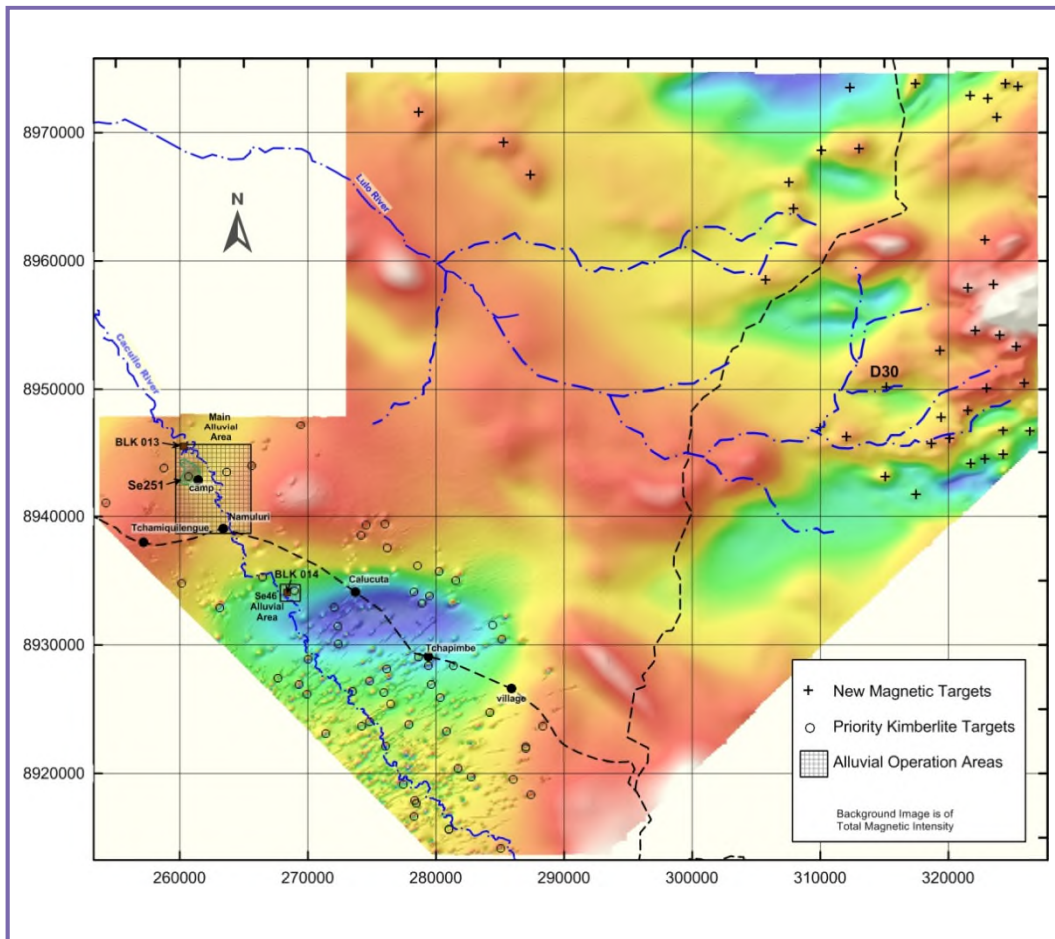
Most kimberlites at Lulo have not been significantly eroded and display features of the “Crater Zone”



Model of a Kimberlite Pipe

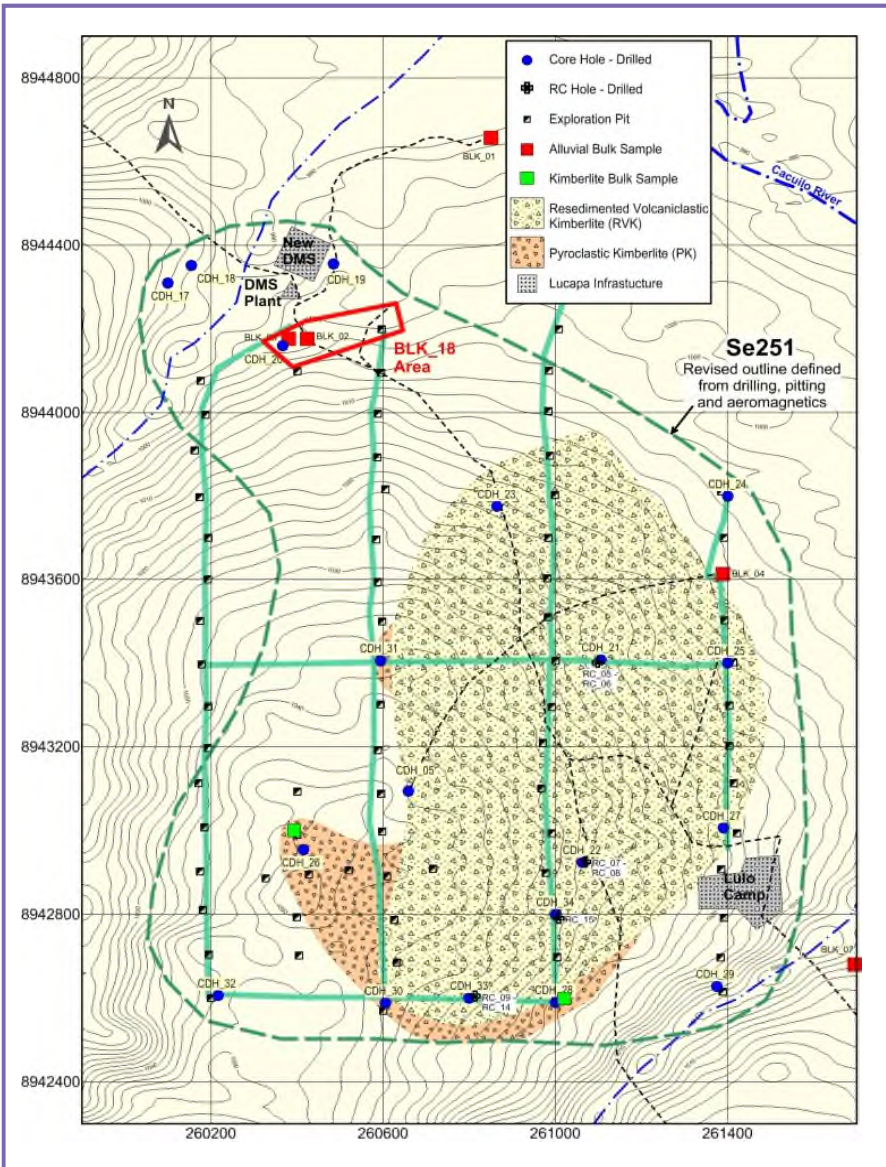
(from Kimberlite Pipe Models: Significance for Exploration. Kjarsgaard, B.A. (2007))

Se251: The Biggest Kimberlite Discovered at Lulo



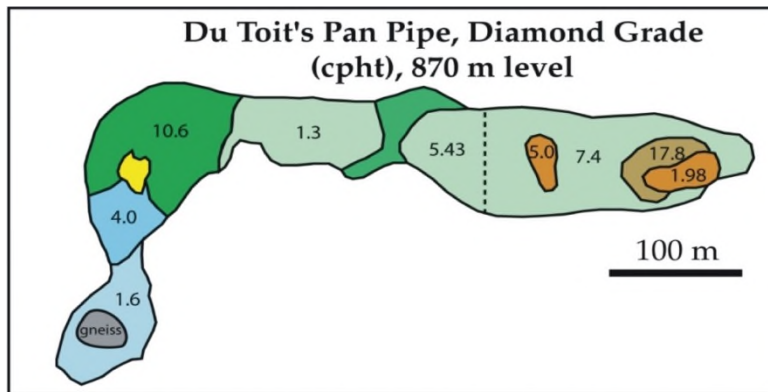
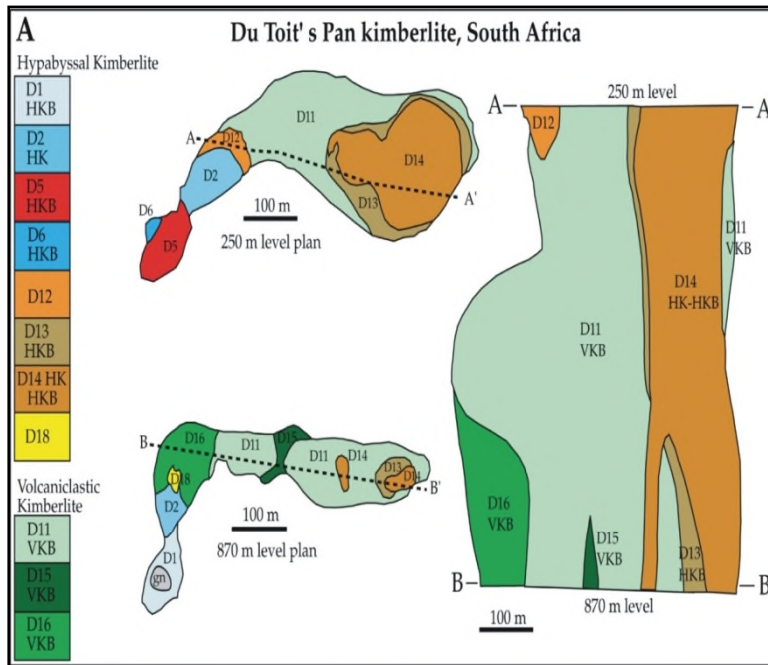
- Se251 is the biggest kimberlite discovered at Lulo to date with a surface area of ~ 220 hectares
- By comparison, the giant Catoca kimberlite pipe is 60ha
- Due to its size and location, Se251 is considered a likely source of alluvial diamonds being recovered at Lulo
- Se251 represents Lucapa's highest-priority kimberlite target

Se251: The Next Catoca?



- Lucapa is undertaking a systematic drilling and exploration program at Se251 to evaluate this priority kimberlite pipe
- Initial aim is to establish the internal structure and geometry of the kimberlite and locate the various eruptive phases
- First 19 core holes drilled at Se251 have all intersected kimberlitic material
- Kimberlite breccias being excavated from Se251 for processing through the new DMS diamond plant

Diamond Grade Variation Model



The Du Toit's Pan Kimberlite Pipe, South Africa.
Diagrams Illustrates Grade Variation in a Multi-phase Kimberlite

(from Kimberlite Pipe Models: Significance for Exploration. Kjarsgaard, B.A.(2007)

- Most kimberlites were emplaced by multiple eruptive events. The geology and diamond distribution within these eruptive events can vary dramatically
- The diagrams show the diamond grade variation in the well-studied Du Toit's Pan pipe
- Lucapa believes the Lulo kimberlites – particularly the larger pipes like Se251 - could show similar grade variation related to multiple eruptive events

Kimberlite Drilling and Sampling

- Bauer's specialist Prakla drilling rig being used to test the priority kimberlite targets at Lulo
- Prakla rig can drill both narrow diameter holes to confirm the presence of kimberlite and wide-diameter holes to extract bulk samples



Kimberlite Drilling and Sampling

- Prakla rig can drill to 250m depth to extract 25t kimberlite samples
- Kimberlite sample returned to surface from drill bit using a mud suspension
- Mud is shaken over screen; +1mm material collected in bulk bags
- Bags trucked to Lucapa's DMS plant for separation and diamond recovery
- Lucapa is also excavating kimberlite sample for DMS processing



New DMS Diamond Plant – A Game Changer

- New DMS plant commissioned at Lulo in November 2013
- DMS plant has operated well above its nameplate 50tph capacity
- New diamond plant is a game changer for Lucapa, enabling the company to significantly scale up its diamond sampling operations



New DMS Diamond Plant – A Game Changer

- Processing of BLK_18 commissioning stockpiles began in Nov 2013
- BLK_18 gravels are from pits overlaying the priority Se251 kimberlite
- Diamonds recovered from first day of processing through DMS plant
- Kimberlite breccias excavated from Se251 kimberlite pipe also to be processed through the new DMS plant



Earthmoving Equipment – All in Place

- Lucapa owns its own fleet of Caterpillar earthmoving equipment being used for the kimberlite and alluvial diamond exploration programs at Lulo



No Near-Term Capex Requirements

- Lucapa has paid for the earthmoving equipment at Lulo, the new DMS diamond plant and the mobilisation of Bauer drilling equipment to site
- No near-term capex requirements
- \$2.4m¹ in cash at 30 September 2013 plus \$1.4m entitlement issue proceeds
- Lucapa will apply to sell its next 500 carat parcel of Lulo diamonds to generate cash flow

¹ See ASX announcement 31 October 2013 for breakdown of cash



Lulo: Alluvial and Kimberlite Diamond Rights

- Lulo is a JV with Endiama, Angola's national diamond company, covering both alluvials and kimberlites
- Lucapa is the manager and operator of the JV
- Lucapa has a 40% interest in alluvial JV and 39% of kimberlites¹
- Lucapa to recoup all exploration and development expenditure in full from diamond sales before revenues are divided amongst JV partners
- Alluvial licence extended for two years to December 2014. Application to extend kimberlite licence for two years until June 2015 being processed
- Potential exists for Lucapa to increase % holding in Lulo



¹Lucapa's interest will reduce to 30% and Rosas & Pétales' interest will increase to 19% after Lucapa recovers its total expenditure

Summary: Why Lucapa is Set to Sparkle



- Lulo is an emerging diamond province in one of the world's biggest diamond producing countries
- Located within 150km of Angola's largest diamond mine and on the same favourable geological structure
- Lucapa has recovered rare and valuable Type 2A diamonds of up to 131.4 carats from Lulo
- \$3.12m sale of first parcel of alluvial diamonds confirms premium value of Lulo gems
- Extensive kimberlite province discovered at Lulo, including > 60 priority targets. Se251 identified as the biggest kimberlite pipe (~220ha)
- Se251 seen as a likely kimberlite source of the premium-value alluvial diamonds being recovered from Lulo. Coarse kimberlite breccias being excavated from Se251 for processing through the new 50tph DMS diamond plant
- New DMS plant is a game changer for Lucapa, enabling the company to significantly scale up its diamond sampling operations
- Exceptional grades at E46 enhance the potential for a mineable diamond resource
- Lucapa share price has huge leverage to a kimberlite diamond discovery

Competent Person's & Forward-Looking Statements

Competent Person's Statement

- Information in this presentation that relates to exploration results, mineral resources or ore reserves is based on information compiled by David Jones BSc (Hons) MSc of Ascidian Prospecting Pty Ltd, who is a Corporate Member of the Australasian Institute of Mining and Metallurgy. Mr Jones is a director of Lucapa Diamond Company. Mr Jones 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 Jones consents to the inclusion in the presentation of the matters based on this information in the form and context in which it appears. Some of the information contained in this presentation that relates to exploration results was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.


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