

LUCAPA DIAMOND COMPANY



Exceptional Diamonds. Exceptional Potential

New York Presentations - June 2014

Company Overview



Chairman:

Gordon GILCHRIST

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

Managing Director:

Miles KENNEDY

- Former Chairman of WA diamond miner Kimberley Diamond Co

Exploration Director:

Albert THAMM

- 28 years global industry experience. Former Chief Geologist at the Ellendale diamond mine

Shares on Issue:

- 159.2 million (ASX: LOM)

Listed Options:

- 44.4 million @ 30c¹ (ASX:LOMO)

Unlisted Options:

- 5 million @ A57c – A90c²

Market Cap:

- \$A38.2m (\$US35.8m) @ A24c

Website:

- www.lucapa.com.au

¹ Expiring 29 August 2015.

² Expiring between September 2014 to December 2014



LUCAPA
DIAMOND COMPANY



Company Overview



- **An Exciting New Diamond Province:** ASX-listed Lucapa operates the 3,000km² Lulo Diamond Concession in Angola's diamond-rich Lunda Norte region
- **Both Alluvials & Kimberlite Pipes:** Lucapa has discovered two major kimberlite provinces at Lulo and extensive diamond-rich alluvial gravels. The largest kimberlite discovered at Lulo, Se251, confirmed in June 2014 as a diamond-bearing pipe
- **Rare Diamonds - Premium Prices:** Lulo has produced rare Type 2A diamonds of up to 131.4 carats. Lucapa has sold 867.5 carats of alluvial diamonds recovered from the exploration phase at Lulo for more than \$A6m (\$US5.6m) - an exceptional average sale price of \$A6,960 (\$US6,526) per carat
- **Near-Term Production Plan:** Lucapa is seeking a licence to mine an alluvial area at Lulo containing an estimated 500,000 carats of diamonds
- **Well Funded:** \$A5.5m (\$US5.15m) capital raising completed in April 2014 plus \$A2.5m (\$US2.3m) from diamond sales in May 2014



Lulo Diamonds: Big is Beautiful



95.45 carats



32.2 carats



53.3 carats



131.4 carats



Lulo Diamonds: Exceptional Gems



- Many large Lulo diamonds have been confirmed as Type 2A gems, which are among the rarest category in the world
- Lulo diamonds also include D colour exceptional whites



Lulo Diamonds: Premium Prices



- Two parcels of Lulo alluvial diamonds weighing 867.5 carats were sold in 2013 and 2014
- These diamonds sold for more than \$A6m (\$US5.6m). This represents an exceptional average price of \$A6,960 (\$US6,526) per carat



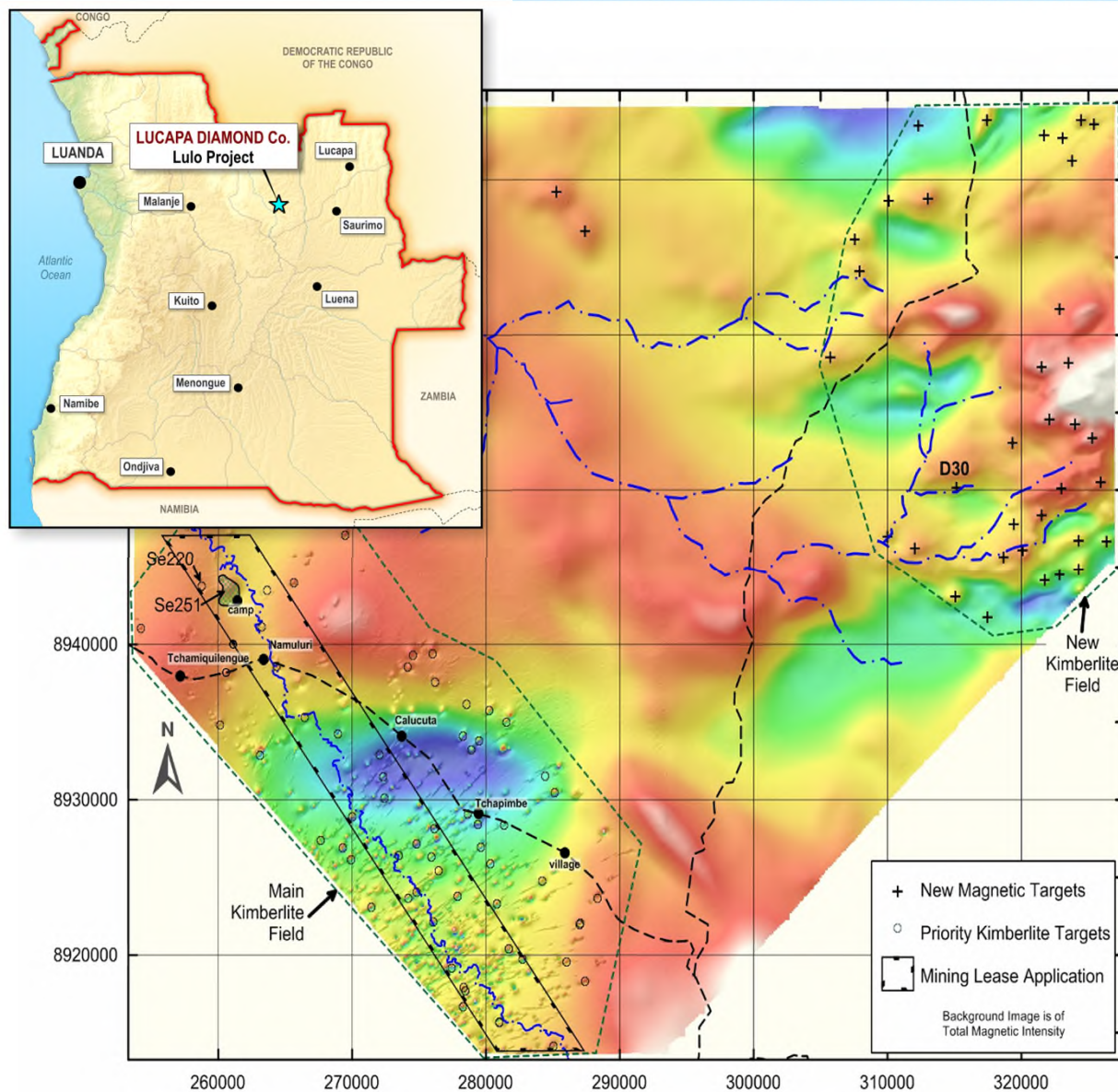
Angola – The Right Country for Diamond Discoveries



- Angola is the world's 4th largest producer of diamonds by value
- New era of stability and post-civil war opportunity - huge potential for new discoveries
- This has been recognised by the world's two biggest diamond miners, De Beers and Alrosa, which are both seeking to increase their exposure to Angola
- Lucapa has now operated continuously in Angola for six years



The Lulo Diamond Concession



- The Lulo concession covers 3,000km² in Angola's diamond-rich Lunda Norte province
- Located ~700km from the Angolan capital Luanda with good access via sealed roads
- Workforce sourced from local townships
- Lulo hosts two kimberlite fields and extensive alluvial diamond deposits

Lulo: Both Alluvial & Kimberlite Diamond Rights



- Lucapa is the manager and operator of the Lulo JV with Endiama, Angola's national diamond mining enterprise
- Lulo JV includes alluvial and kimberlite exploration rights
- Lucapa has a 40% interest in alluvials and 39% of kimberlites¹
- Kimberlite and alluvial exploration licences extended until May 2016
- Mining licence being sought to mine alluvial area containing an estimated 500,000 carats
- Once mining commences, Lucapa can recoup 100% of all exploration and development expenditure before revenues are divided between JV partners



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

Lunda Norte Province: The Right Geological Address



- Lucapa's 3,000km² Lulo diamond concession is located within 150km of the giant Catoca diamond mine
- Lulo also sits on the same favourable geological structure (Lucapa Graben) as Catoca



Catoca: The Right Neighbour

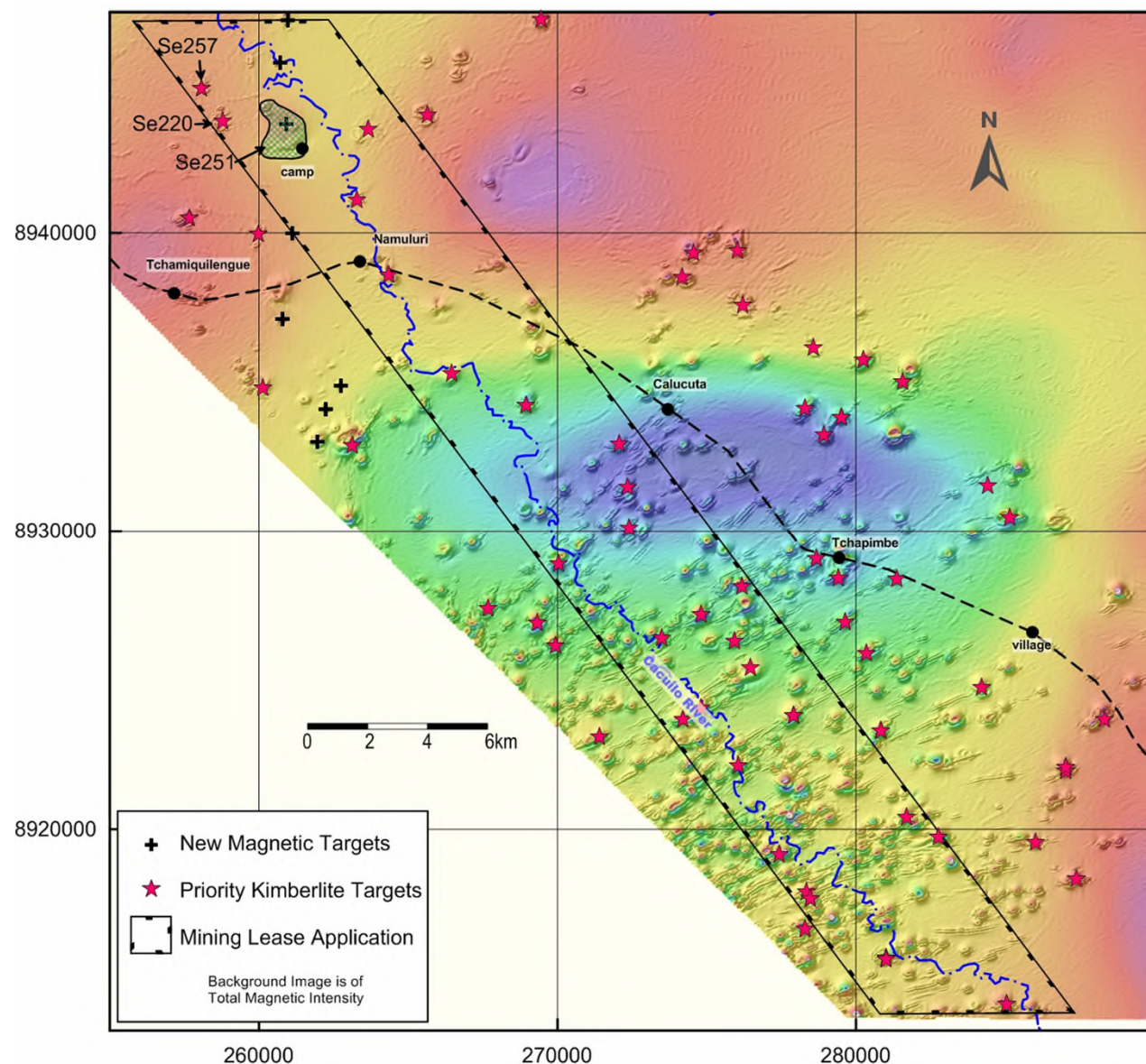


- Catoca is the fourth biggest kimberlite mine in the world and accounts for 80% of Angola's rough diamond sales
- Catoca produces approximately 6.8 million carats per annum
- Open pit mining operations are scheduled to continue until 2034
- Operated by the world's biggest diamond miner, Alrosa, which is expanding its activities in Angola



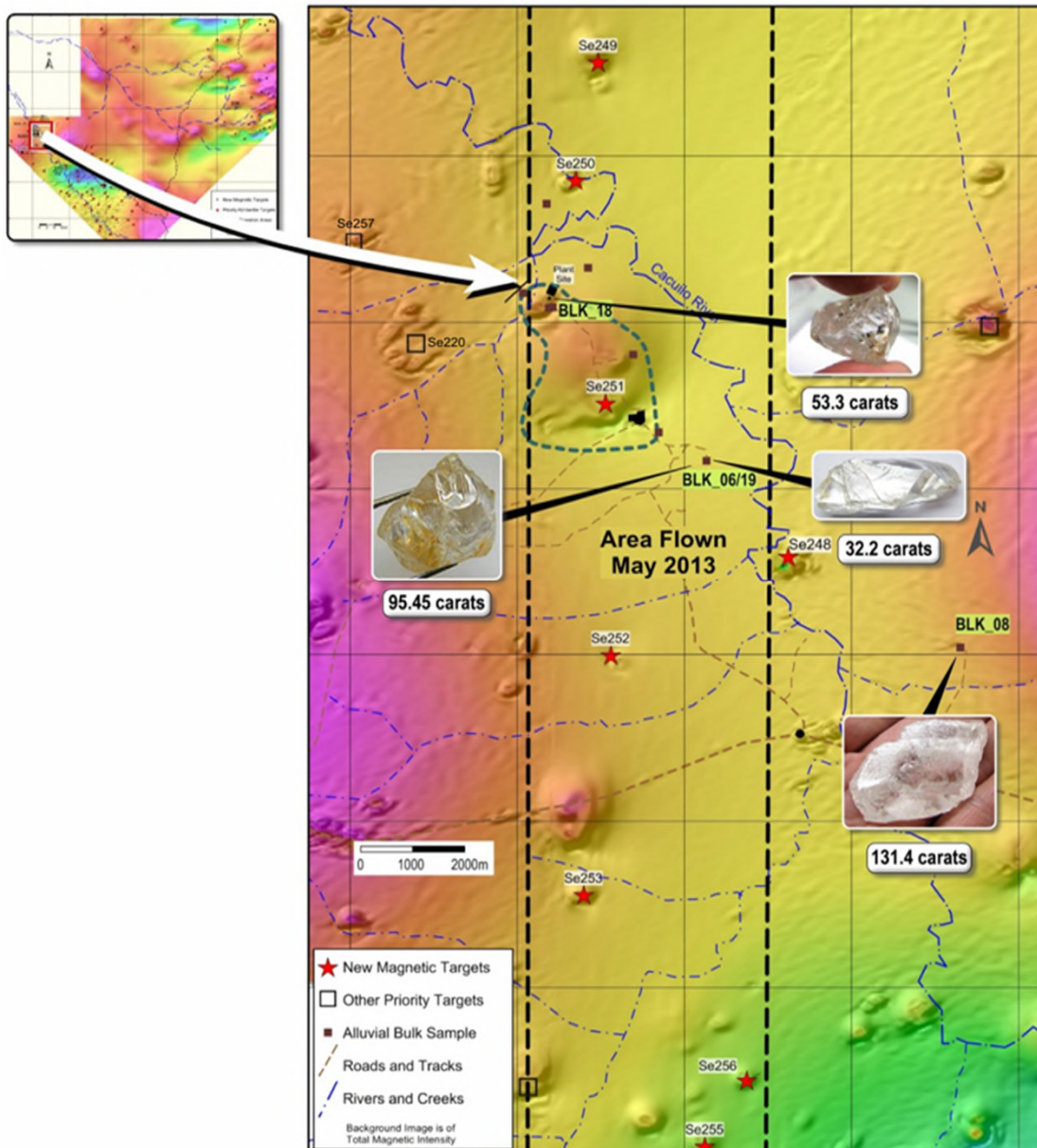
Source: Alrosa website

Priority Kimberlite Targets : Finding the Next Catoca



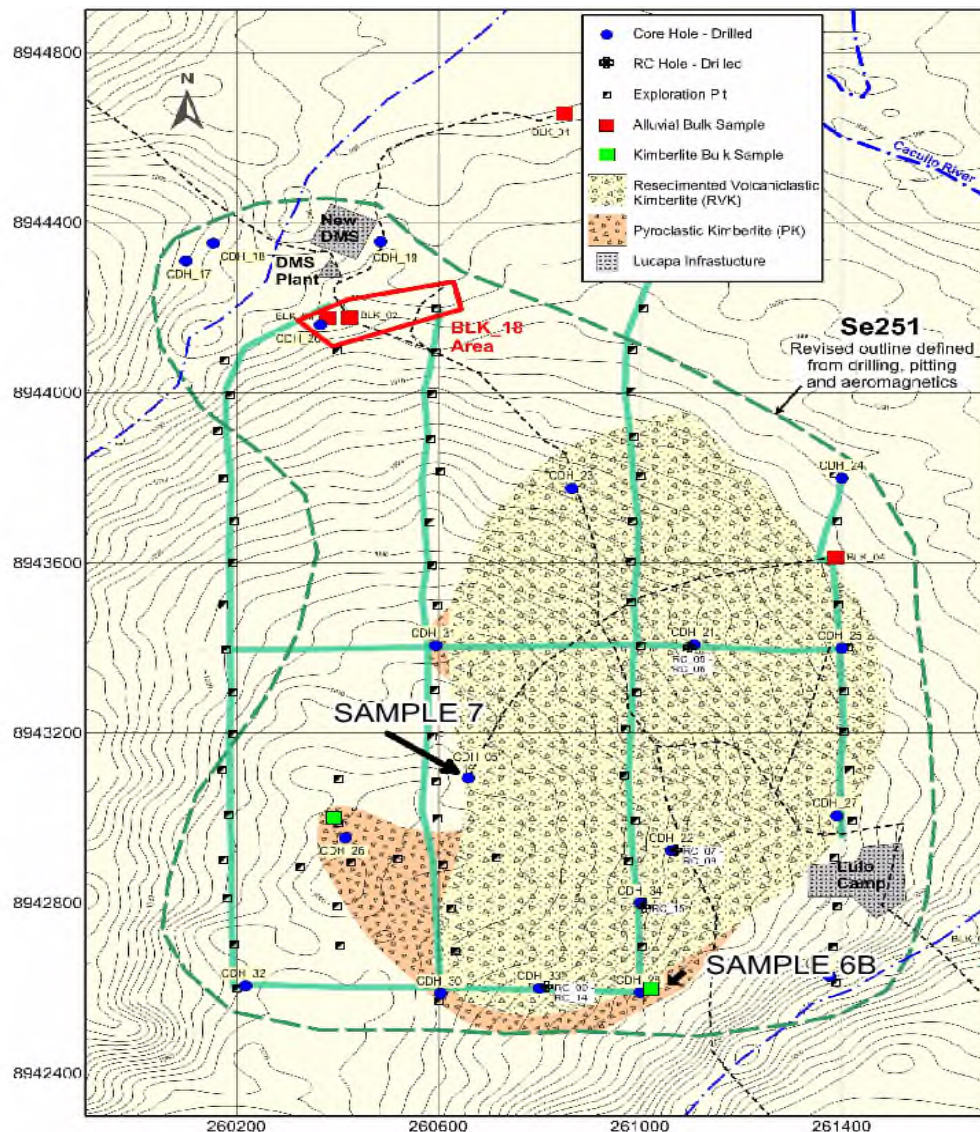
- Two aeromagnetic surveys flown by Lucapa have identified more than 250 kimberlite targets at Lulo
- More than 60 kimberlite targets selected for priority testing, based on size and limited or no sand cover
- Bulk sampling of material excavated from priority kimberlites commenced in June 2014

Priority Kimberlite Targets: Finding the Next Catoca



- The 2013 aeromagnetic survey included a 70km² strip which could not be flown in 2008 due to Garimpeiro activity
- The survey revealed eight new kimberlite targets in this strip, including the huge Se251 pipe
- These pipes are in the same area where Lucapa is recovering alluvial diamonds of up to 131.4 carats

Se251: A Huge 220ha Kimberlite Pipe



- At 220 hectares, the Se251 pipe is the biggest kimberlite discovered at Lulo
- All 19 core holes drilled at Se251 intersected kimberlitic material
- Se251 is considered a likely source of the large alluvial diamonds found above and around this pipe
- Kimberlite excavated from 7 and 6B sample pits at Se251 was processed through Lucapa's DMS diamond plant in June 2014

Se251: A Diamond-Bearing Kimberlite Pipe

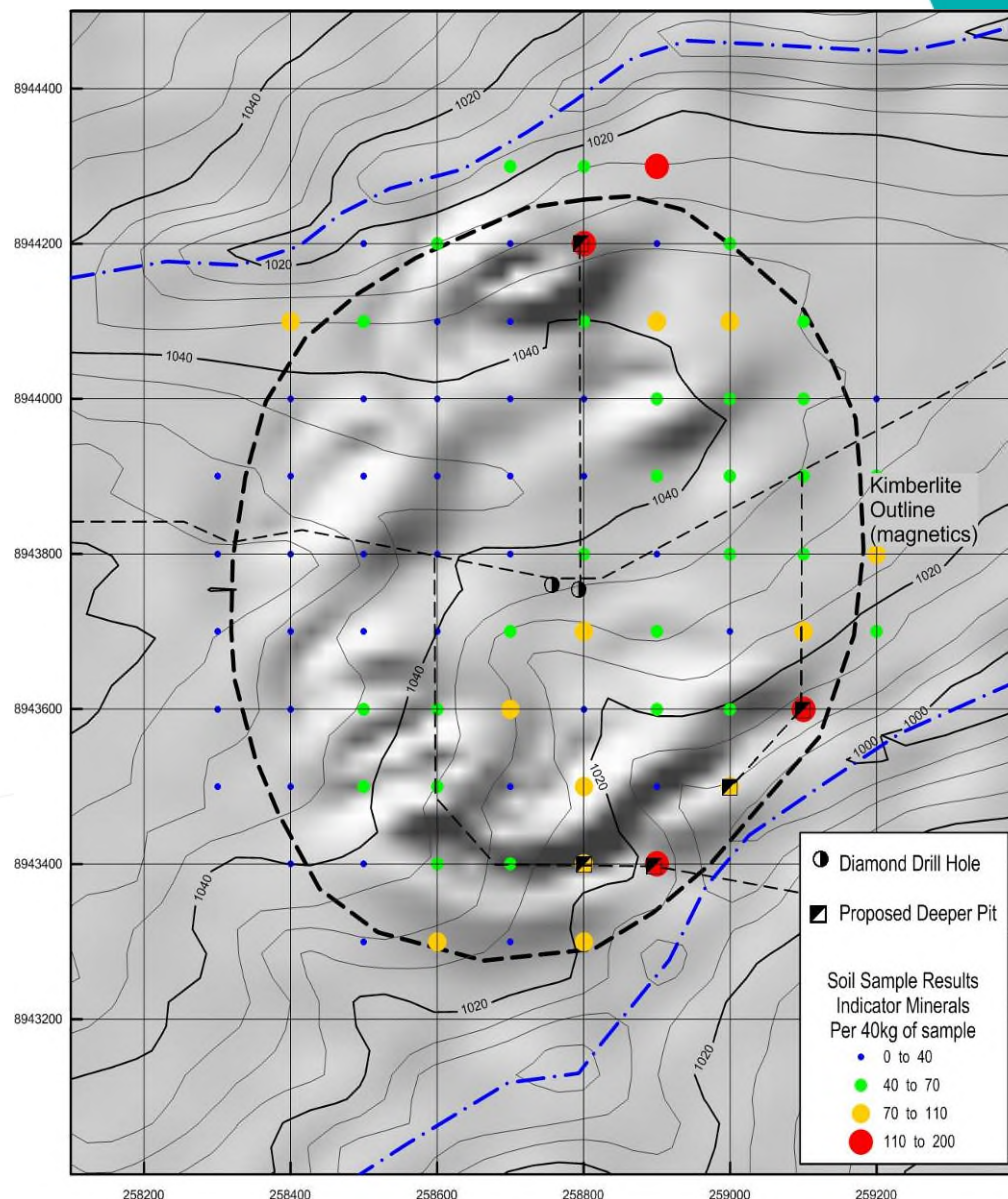


- Se251 confirmed as the first diamondiferous kimberlite pipe at Lulo in June 2014
- Four diamonds weighing 1.85 carats recovered from the 7 and 6B sample pits at the Se251 kimberlite pipe
- Kimberlite diamonds are of good shape and colour
- Se251 pipe thought to contain many different eruptive phases

Se220 – Another Priority Kimberlite Target



- Se220 is a ~50ha kimberlite located 1.5km west of Se251
- Lucapa geologists believe the large diamonds recovered from alluvial samples could be derived from a tributary that once drained Se220
- The highest indicator mineral counts over the kimberlite generally correspond with areas of higher magnetic gradient. These areas are believed to reflect coarse kimberlite lithologies more likely to host diamonds
- Lucapa will bulk sample any coarse kimberlite lithologies identified from surface pitting at Se220



Kimberlite Drilling and Sampling



- Priority kimberlite targets have initially been tested using a specialist Prakla rig
- Excavators now being used to extract bulk samples from priority kimberlites, including the Se251, Se220, Se257 and Se248 pipes



Alluvials: Valuable Diamonds & Clues to the Source



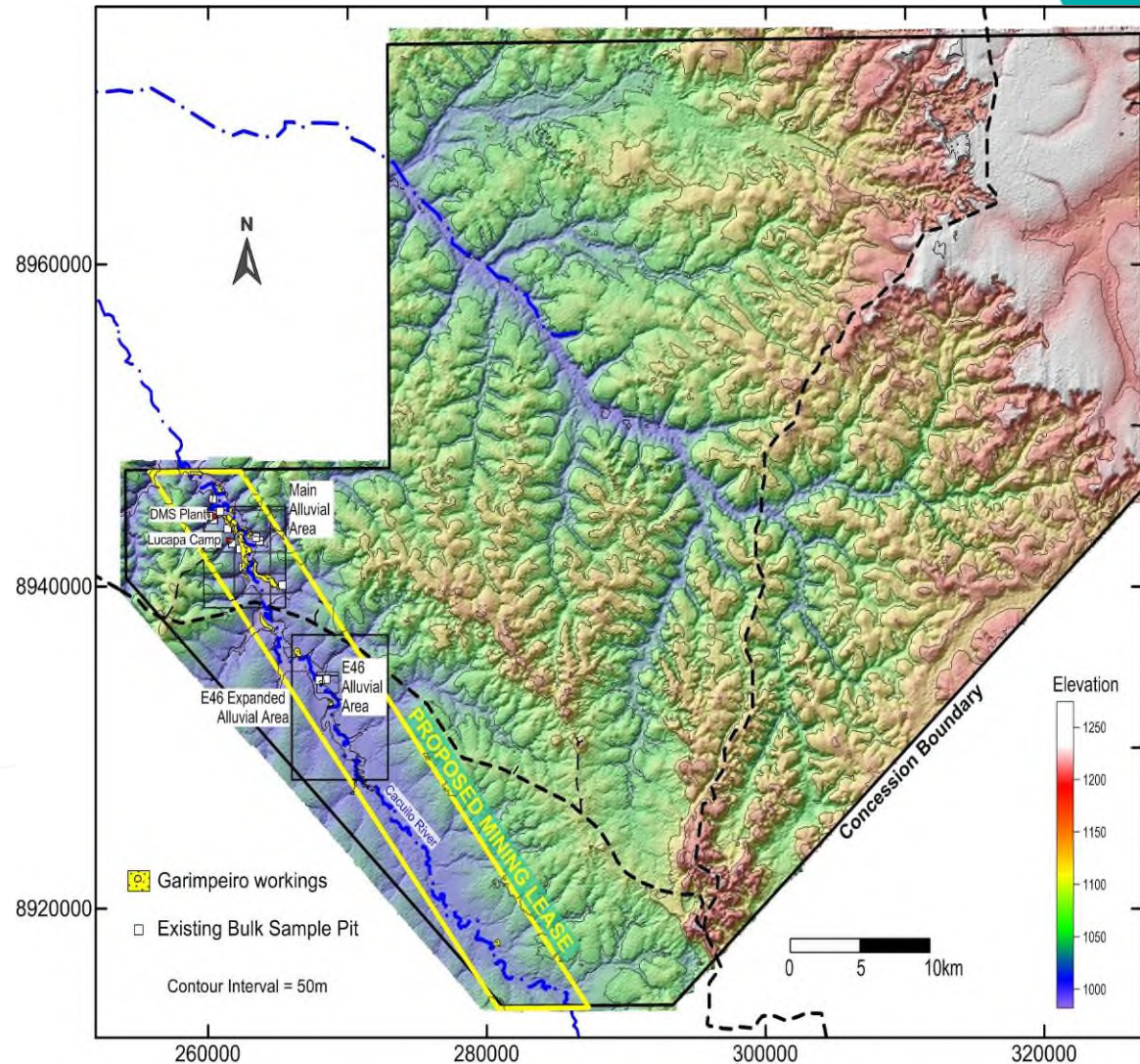
- Lucapa has discovered vast areas of Calonda Formation gravels at Lulo hosting alluvial diamonds of exceptional grade and size
- The alluvial diamonds recovered from these Calonda Formation gravels have also helped Lucapa identify the source kimberlite pipes within the Lulo concession



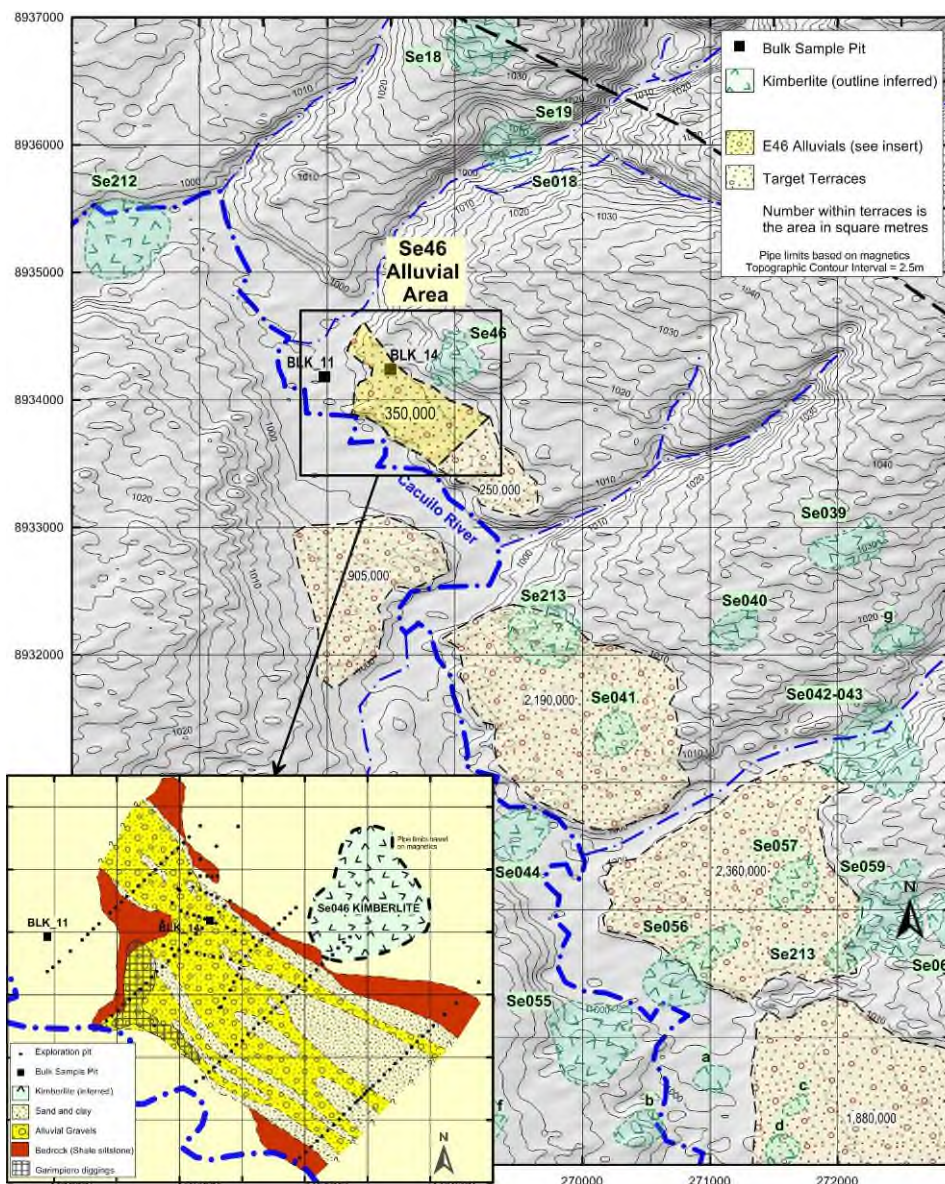
The Near-Term Pathway to Diamond Production



- Mining licence application covers a 218km² area where Lucapa has been recovering large Type 2A alluvial diamonds
- This area is estimated to contain at least 500,000 carats
- Economic viability and environmental reports completed
- Lucapa's goal is to finalise terms of mining licence in second half of 2014



Exploration Identifies New Alluvial Diamond Potential



- Lucapa has identified richly diamondiferous gravels at E46 - an elevated terrace adjacent to the Caculo River
- Exploration has demonstrated that elevated terraces occur at similar elevations along much of the Caculo River within the 218km² mining licence application area
- The E46 area also contains a cluster of kimberlites which could be primary diamond sources

New DMS Diamond Plant – Scaling Up



- New Dense Media Separation diamond plant commissioned at Lulo in November 2013
- New plant has operated well above its nameplate 50tph capacity
- This has enabled Lucapa to scale up its diamond operations



Earthmoving Equipment – All in Place

- Lucapa also owns its own on-site fleet of Caterpillar earthmoving equipment



Lucapa – Summary of Recent Achievements



- The largest kimberlite discovered at Lulo, Se251, confirmed as a diamondiferous pipe as sampling of other priority kimberlite targets continues
- New 50tph DMS diamond plant successfully commissioned at Lulo
- Kimberlite and alluvial exploration licences at Lulo renewed until May 2016, guaranteeing security of tenure
- Sale of second parcel of Lulo diamonds delivers exceptional average sale price of \$A6,960 (\$US6,526) per carat
- Tight capital structure following 30:1 reconstruction of shares and options
- Solid balance sheet following \$A5.5 million (\$US5.15m) capital raising and \$A2.5 million (\$US2.3m) diamond sale proceeds – no debt
- Mining licence application lodged with all supporting reports completed



Lucapa – Near-Term Goals and News Flow



- Lucapa is rapidly closing in on its ultimate goal of identifying the primary kimberlite sources of the exceptional alluvial diamonds being recovered from Lulo. Se251 is the first kimberlite confirmed as a diamondiferous pipe and thus a likely primary diamond source
- Ongoing processing of diamond-bearing alluvial gravels at Lulo will continue to build Lucapa's diamond inventory
- Finalisation of terms of alluvial mining licence will enable Lucapa to start mining high-value alluvial diamonds at Lulo



Competent Person's & Forward-Looking Statements



Competent Person's Statement

- Information in this presentation that relates to exploration results and resources is based on and fairly represents information and supporting documentation prepared and compiled by Albert Thamm BSc (Hons) MSc, who is a Corporate Member of the Australasian Institute of Mining and Metallurgy. Mr Thamm is a Director of Lucapa Diamond Company. Mr Thamm 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 Thamm consents to the inclusion in the presentation of the matters based on this information in the form and context in which it appears.
- The information in this presentation that relates to previously released exploration data may have been disclosed under JORC Code 2004. This information has not been updated on the basis that no material change has occurred to that information.

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