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## **LUCAPA LOYALTY OPTIONS - UPDATE**

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**Lucapa Diamond Company Limited (ASX: LOM)** wishes to provide an update on the pro-rata non-renounceable entitlements issue (Rights Issue) of listed options (Loyalty Options) to shareholders registered on 18 July 2014 (Record Date) and who have registered addresses in Australia, New Zealand, Singapore, United Kingdom and Hong Kong (Eligible Shareholders).

Under the terms of the Rights Issue of Loyalty Options, Eligible Shareholders will be entitled to subscribe for one Loyalty Option, at an issue price of \$0.005 per Loyalty Option<sup>1</sup>, for every two fully-paid ordinary shares held on the Record Date.

As foreshadowed in Lucapa's Notice of Annual General Meeting released to the ASX on 17 April 2014, the Loyalty Options will be in the same class, and subject to the same terms and conditions, as the Company's existing listed options (ASX:LOMO) and will entitle the holders to subscribe for fully paid ordinary shares in Lucapa at an exercise price of \$0.30 per share at any time before 5.00pm (WST) on 29 August 2015.

Existing listed option holders intending to exercise their options to become Eligible Shareholders in the upcoming Rights Issue of Loyalty Options must do so **no later than 5.00pm (WST) on Monday, 14 July 2014** as per the instructions in the attached Notice of Exercise of Options Form, to allow sufficient time for those shares to be issued and recorded in the Company's share register by the Record Date of 18 July 2014. Listed option holders can obtain a BPAY reference from the Company's share registry, Security Transfer Registrars Pty Ltd, to enable payment via internet or phone banking. Unlisted option holders may only make payment via cheque or money order.

The issue price of \$0.005 payable for each Loyalty Option under the Rights Issue represents a discount of approximately 97% to the closing price of the Company's existing listed options (LOMO) on 4 July 2014.

Based on the number of shares currently on issue, the Rights Issue of Loyalty Options will raise a maximum of approximately \$401,000 before costs. The primary purpose of the Rights Issue is not to raise funds for the Company, but to reward Eligible Shareholders for their loyalty to the Company in retaining their shares during and after the share consolidation that was completed on 29 May 2014.

All Directors of the Company intend to take up their full entitlements under the Rights Issue.

The Rights Issue will be fully underwritten by Canaccord Genuity (Australia) Limited for a fee equivalent to 5% of gross proceeds from the Right Issue.

The indicative timetable for the Rights Issue is set out in Appendix A.

For further information, please contact;

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MANAGING DIRECTOR  
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<sup>1</sup>Note: The issue price per Loyalty Option foreshadowed in the Notice of Annual General Meeting was subsequently increased from \$0.001 to \$0.005 to meet ASX regulatory requirements.

**APPENDIX A: Indicative Timetable for the Rights Issue**

<b>Event</b>	<b>Date</b>
Appendix 3B lodged with ASX and Rights Issue prospectus lodged with ASIC and ASX	8 July 2014
Notice sent to security holders containing the indicative timetable and the information required by Appendix 3B	11 July 2014
Last day to exercise options to be entitled to participate in the issue	14 July 2014
<b>"EX" DATE.</b> Shares commence trading ex-entitlements	16 July 2014
<b>RECORD DATE</b> to identify security holders entitled to participate in the issue	18 July 2014
Rights Issue prospectus and Entitlement and Acceptance Forms despatched to Eligible Shareholders	23 July 2014
Last day to extend the offer Closing Date	5 August 2014
<b>CLOSING DATE</b> acceptances close at 5.00pm (Perth time)	8 August 2014
Securities quoted on a deferred settlement basis	11 August 2014
ASX notified of under subscriptions	12 August 2014
Issue Date. Deferred settlement trading ends	15 August 2014
Normal trading (T+3 trading) expected to start	18 August 2014

Please note that all dates and times are indicative only and that the Company reserves the right to vary these dates including, subject to ASX Listing Rules and any applicable laws, the right to extend the Closing Date.

