

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

LUCAPA DIAMOND COMPANY LIMITED

ABN

44 111 501 663

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Listed Options (ASX:LOMO) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 80,246,637 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Listed Options (ASX:LOMO)
Exercisable at \$0.30 expiring
29 August 2015 |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes, the Listed Options (ASX:LOMO) will rank equally with all other issued Listed Options (ASX:LOMO)</p>
<p>5 Issue price or consideration</p>	<p>\$0.005 per Listed Option</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>To be issued pursuant to the pro-rata non-renounceable entitlement issue prospectus dated 8 July 2014</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>21 May 2014</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>Nil</p>

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of securities issued under an exception in rule 7.2	80,246,637 Listed \$0.30 options, expiring 29 August 2015 (ASX:LOMO) to be issued pursuant to the pro-rata non-renounceable entitlement issue prospectus dated 8 July 2014
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Refer Annexure 1
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	15 August 2014

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the securities in section 2 if applicable)	Number	⁺ Class
		160,493,275 123,440,019 (includes 80,246,637 Listed \$0.30 options, expiring 29 August 2015 (ASX:LOMO) to be issued pursuant to the pro-rata non-renounceable entitlement issue prospectus dated 8 July 2014)	Ordinary Options exercisable at \$0.30 expiring 29 August 2015
9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in section 2 if applicable)	Number	⁺ Class
		833,334 4,166,668	Unlisted options expiring 2 December 2014 exercisable at \$0.90 each Unlisted options expiring 25 September 2014 exercisable at \$0.57 each
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The Company does not have a dividend policy.	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the ⁺ securities will be offered	One (1) Listed Options (ASX:LOMO) for every Two (2) shares held at the record date

⁺ See chapter 19 for defined terms.

14	+Class of +securities to which the offer relates	Listed Options (ASX:LOMO)
15	+Record date to determine entitlements	18 July 2014
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Rounded up to the nearest whole number
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	The offer will not be made to shareholders whose registered address is outside of Australia, New Zealand, Singapore, Hong Kong and the United Kingdom
19	Closing date for receipt of acceptances or renunciations	8 August 2014
20	Names of any underwriters	Canaccord Genuity (Australia) Limited
21	Amount of any underwriting fee or commission	The Company has agreed to pay the underwriter an underwriting fee of 5% of the maximum amount that could be raised under the Offer. (being a fee of approximately \$26,086 plus GST)
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	No

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	23 July 2014
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	11 July 2014

+ See chapter 19 for defined terms.

28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Despatch date	15 August 2014

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
 (tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
- 1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of securities for which +quotation is sought

N/A

- 39 Class of +securities for which quotation is sought

N/A

- 40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?
- If the additional securities do not rank equally, please state:
- the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
- | |
|-----|
| N/A |
|-----|

+ See chapter 19 for defined terms.

41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)	N/A
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42	Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the securities in clause 38)	Number	⁺ Class
		N/A	

Quotation agreement

- 1 ⁺Quotation of our additional ⁺securities is in ASX's absolute discretion. ASX may quote the ⁺securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the ⁺securities to be quoted complies with the law and is not for an illegal purpose.

 - There is no reason why those ⁺securities should not be granted ⁺quotation.

 - An offer of the ⁺securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any ⁺securities to be quoted and that no-one has any right to return any ⁺securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the ⁺securities be quoted.

 - If we are a trust, we warrant that no person has the right to return the ⁺securities to be quoted under section 1019B of the Corporations Act at the time that we request that the ⁺securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Mark Clements
Company Secretary
8 July 2014

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	3,184,366,555
Add the following:	
<ul style="list-style-type: none"> Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 	
1 November 2013 Shares issued pursuant to Entitlement Issue (pre-consolidation)	216,112,236
14 November 2013 Shares issued pursuant to Entitlement Issue (pre-consolidation)	134,124,421
24 June 2014 and 27 June 2014 Shares issued pursuant to exercise of options, pursuant to Entitlement Issue (post-consolidation)	131,133
27 June 2014 Shares issued pursuant to exercise of options(post-consolidation)	83,334
3 July 2014 Shares issued pursuant to exercise of options, pursuant to Entitlement Issue (post-consolidation)	87,608
3 July 2014 Shares issued pursuant to exercise of options(post-consolidation)	616,212
4 July 2014 Shares issued pursuant to exercise of options, pursuant to Entitlement Issue (post-consolidation)	219,289
7 July 2014 Shares issued pursuant to exercise of options, pursuant to Entitlement Issue (post-consolidation)	64,558
8 July 2014 Shares issued pursuant to exercise of options, pursuant to Entitlement Issue (post-consolidation)	35,834
<ul style="list-style-type: none"> Number of fully paid ordinary securities issued in that 12 month period with shareholder approval; 	
29 August 2013 Placement (pre-consolidation)	318,000,000
11 April 2014 Placement (pre-consolidation)	925,000,000
<ul style="list-style-type: none"> Number of partly paid ordinary securities that 	

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>became fully paid in that 12 month period</p> <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	Nil
“A”	<p>4,777,603,212</p> <p>(pre-consolidation)</p> <p>160,493,275</p> <p>(post-consolidation)</p>

Step 2: Calculate 15% of “A”	
“B”	<p>0.15</p> <p><i>[Note: this value cannot be changed]</i></p>
Multiply “A” by 0.15	<p>24,073,991</p> <p>(post-consolidation)</p>
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“C”	Nil
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining	

+ See chapter 19 for defined terms.

placement capacity under rule 7.1	
"A" x 0.15 <i>Note: number must be same as shown in Step 2</i>	24,073,991 (post-consolidation)
Subtract "C" <i>Note: number must be same as shown in Step 3</i>	Nil
Total ["A" x 0.15] – "C"	24,073,991 (post-consolidation) <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
"A" <i>Note: number must be same as shown in Step 1 of Part 1</i>	160,493,275 (post-consolidation)
Step 2: Calculate 10% of "A"	
"D"	0.10 <i>Note: this value cannot be changed</i>
Multiply "A" by 0.10	16,049,327 (post-consolidation)
Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security 	

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<i>holder approval has been obtained</i> <ul style="list-style-type: none"> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“E”	Nil
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	16,049,327 (post-consolidation)
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	16,049,327 (post-consolidation) Note: this is the remaining placement capacity under rule 7.1A

+ See chapter 19 for defined terms.