



LUCAPA DIAMOND COMPANY LIMITED

ACN 111 501 663

NOTICE OF 2015 EXTRAORDINARY GENERAL MEETING

TIME: 10.00am (WST)

DATE: 17 April 2015

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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CONTENTS PAGE

Business of the Meeting (setting out the proposed resolutions)	3
Explanatory Statement (explaining the proposed resolutions)	4
Glossary	7
Schedule 1 – Terms and Conditions of August 2015 Options	8

IMPORTANT INFORMATION

MEETING DETAILS

Notice is given that the Extraordinary General Meeting of the Shareholders to which this Notice of Meeting relates will be held at The Celtic Club, 48 Ord Street, West Perth on Friday, 17 April 2015 at 10.00 am (WST).

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

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 Wednesday, 15 April 2015.

VOTING AT THE MEETING OR BY PROXY

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;
- 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, providing it is not a public holiday in WA.

You may also lodge your proxy online at www.securitytransfer.com.au and by following the instructions set out on the Proxy Form.

The Proxy Form must be returned to Security Transfer Registrars and be received no later than 10.00am (WST) on Wednesday, 15 April 2015.

VOTING BY PROXY

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.

CORPORATE REPRESENTATIVES

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

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.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 - RATIFICATION OF SHARES 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 7.4 and for all other purposes, the Shareholders hereby approve and ratify the issue of 24,002,500 Shares at an issue price of \$0.20 per Share to those who participated in the Placement as announced to ASX on 11 March 2015 and as more fully described in the Explanatory Statement accompanying this Notice."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by any person who participated in the issue 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).

2. RESOLUTION 2 - APPROVAL FOR THE ISSUE OF 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 24,002,500 August 2015 Options for no cash consideration to those who participated in the Placement as announced to ASX on 11 March 2015 and as more fully described in the Explanatory Statement 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.

DATED: 13 MARCH 2015

BY ORDER OF THE BOARD

**MARK CLEMENTS
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

1. RESOLUTIONS 1 - RATIFICATION OF SHARES PURSUANT TO PLACEMENT

1.1 Background

As detailed in the Company's ASX announcement on 11 March 2015, the Company completed the placement of 24,002,500 Shares at an issue price of \$0.20 each per Share (**Placement**) with an attaching August 2015 Option issued free for every (1) one Share issued to professional and sophisticated investors (**Participants**) to raise approximately \$4.8 million (before associated costs).

1.2 Listing Rule 7.4

The Shares issued under the Placement were issued within the Company's 15% annual limit permitted under Listing Rule 7.1, and 10% annual limit permitted under Listing Rule 7.1A, without the need for Shareholder approval.

Resolution 1 is an ordinary resolution that seeks Shareholder ratification of the Placement of the Shares pursuant to Listing Rule 7.4. The effect of Shareholders passing Resolution 1 will be to restore the Company's ability to issue further capital to the maximum 15% limit during the next 12 months.

1.3 Specific Information Required by Listing Rule 7.5

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) 24,002,500 Shares were issued on 11 March 2015;
- (b) the Shares were issued at \$0.20 each per Share which was equivalent to the market price 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 who were clients of Far East Capital and other brokers and are not related parties or associates of a related party of the Company;
- (e) the net proceeds from the Placement of \$4.8 million will be ultimately determined and approved by the Lulo Project management board. The Company, through its representation on the Lulo Project management board and sole operator will propose expenditure on development capital (treatment plant and recovery plant optimisation improvements of approximately \$1.5 million) and short term working capital and sustaining capital requirements for the alluvial mining operation, continued exploration and evaluation of the Lulo concession (all project costs of approximately \$2.5 million), and for the Company's continuing operations and expenses associated with the Lulo Project (approximately \$0.5 million).
- (f) a voting exclusion statement is included in the Notice.

1.4 Directors' Recommendation

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

2. RESOLUTION 2 – APPROVAL FOR THE ISSUE OF OPTIONS PURSUANT TO PLACEMENT

2.1 Background

As detailed in the Company's ASX announcement on 11 March 2015, the Company has undertaken to seek Shareholder approval to issue up to 24,002,500 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 (1) August 2015 Option free for every one (1) Share issued, with the 24,002,500 August 2015 Options to be issued when that issue of August 2015 Options was approved by Shareholders or when the Company had the available placement capacity under Listing Rule 7.1.

Resolution 2 is an ordinary resolution that seeks Shareholder approval to the issue of the 24,002,500 August 2015 Options to the Participants in the Placement for the purposes of Listing Rule 7.1 and for all other purposes.

2.2 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 securities for no cash consideration and accordingly is not available for the issue of the 24,002,500 August 2015 Options.

The effect of passing Resolution 2 will be to allow the Directors to issue the 24,002,500 August 2015 Options described in Resolution 2 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 2 is not passed, the 24,002,500 August 2015 Options described in Resolution 2 will be issued to Participants in the Placement when the Company has the requisite placement capacity under Listing Rule 7.1.

2.3 Specific Information Required by Listing Rule 7.3

- (a) 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 2:
- (b) the maximum number of August 2015 Options proposed for issue under Resolution 2 is 24,002,500;

- (c) these August 2015 Options are to be issued to Participants in the Placement, being professional and sophisticated investors who were clients of Far East Capital and other brokers and are not related parties or associates of a related party of the Company, for nil consideration on the basis of 1 (one) August 2015 Option for each 1 (one) Share issued under the Placement;
- (d) no funds will be raised from the issue of these August 2015 Options, but the Company will receive \$0.30 for every 1 (one) August 2015 Option exercised by the holders of those August 2015 Options;
- (e) the August 2015 Options will be in the same class as the Listed Options (ASX:LOMO) quoted on the ASX. Shares issued on the exercise of these August 2015 Options will rank pari passu with all existing Shares on issue;
- (f) the terms and conditions of these August 2015 Options are set out in Schedule 1 to this Explanatory Statement;
- (g) 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; and
- (h) a voting exclusion statement is included in the Notice.

2.4 Directors' Recommendation

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

GLOSSARY

\$ 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 Options means an Option entitling the holder to subscribe for a Share at an issue price of \$0.30 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.

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).

Director means a director of the Company.

Explanatory Statement means the explanatory statement attached to the Notice.

Far East Capital means Far East Capital Limited (ABN: 24 068 838 193).

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.

Option means an option to acquire a Share.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution contained in 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 Western Australia.

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

SCHEDULE 1 – TERMS OF AUGUST 2015 OPTIONS

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

- (a) Definitions. For the purposes of the terms and conditions of the 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 2001 (Cth).
 - (v) **Exercise Price** means the exercise price of each Option, being \$0.30.
 - (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) **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) **Option Holder** means the person or persons registered as the holder of one or more 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 Option carries the right to subscribe for one Share.
- (c) Options will be listed on ASX.
- (d) Options may be exercised by the 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 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 Options being exercised.
- (f) Following receipt of a properly executed Exercise Notice and Application Monies in respect of the exercise of any 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 Options) listed for quotation by ASX within 7 days of the date of issue.
- (h) Shares issued pursuant to an exercise of Options shall rank, from the date of issue, pari passu with existing Shares in all respects.
- (i) Options carry no right to participate in pro rata issues of securities to Shareholders unless the Options are exercised before the record date for determining entitlements to the relevant pro rata issue.
- (j) Each 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 Option Holder the opportunity to exercise the Options in sufficient time to receive, before that record date, Shares issued on the exercise of 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 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 7.22.
- (l) Except as noted in paragraph (k) above, an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

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LUCAPA DIAMOND COMPANY LIMITED

REGISTERED OFFICE:
34 BAGOT ROAD
SUBIACO WA 6008

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ACN: 111 501 663

SHARE REGISTRY:
Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535, APPLECROSS WA 6953
AUSTRALIA
770 Canning Highway, APPLECROSS WA 6153
AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code: Holder Number:

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**VOTE
ONLINE**Lodge your proxy vote securely at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

Online Proxy ID:

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

 The meeting chairperson**OR**

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Extraordinary General Meeting of the Company to be held at 10:00am (WST) on 17 April 2015 at The Celtic Club, 48 Ord Street, West Perth WA 6005 and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTIONS

1. Ratification of shares pursuant to placement
2. Approval for the issue of options pursuant to placement

FOR AGAINST ABSTAIN*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Sole Director & Sole Company Secretary

Security Holder 2

Director

Security Holder 3

Director/Company Secretary

Proxies must be received by Security Transfer Registrars Pty Ltd no later than 10:00am (WST) on 15 April 2015

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My/Our contact details in case of enquiries are:

Name:

Number:

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1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- Return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Registrars Pty Ltd

Online www.securitytransfer.com.au

Postal Address PO BOX 535
Applecross WA 6953 AUSTRALIA

Street Address Alexandra House
Suite 1, 770 Canning Highway
Applecross WA 6153 AUSTRALIA

Telephone +61 8 9315 2333

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.