



**LUCAPA**  
DIAMOND COMPANY

**REGISTERED OFFICE**

LUCAPA DIAMOND COMPANY LIMITED  
34 Bagot Road  
SUBIACO WA 6008

**SHARE REGISTRY**

Security Transfer Registrars Pty Ltd  
**All Correspondence to:**  
**PO BOX 535, APPLECROSS WA 6953**  
Tel (08) 9315 2333 Fax (08) 9315 2233  
EMAIL: registrar@securitytransfer.com.au

23 July 2015

Dear Option Holder

**YOUR OPTIONS TO ACQUIRE LUCAPA DIAMOND COMPANY LIMITED SHARES AT \$0.30 PER SHARE  
EXPIRE ON 29 AUGUST 2015**

We are writing to you as a registered holder of 29 AUGUST 2015 options (ASX:LOMO) in LUCAPA DIAMOND COMPANY LIMITED to remind you that these options will expire at **5:00pm (WST) on 29 AUGUST 2015**.

Your option holding may be exercised in whole or in part by payment of \$0.30 for each option by no later than 29 AUGUST 2015. If payment is not received by 5:00pm (WST) on 29 AUGUST 2015 the options will lapse and all rights under the options will cease at that time.

We refer you to the ASX announcement of 22 July 2015 attached to this letter which outlines that the Board has resolved, subject to shareholder approval, to offer new options (New Options) to those option holders who are registered as the holders of the Company's existing listed options (ASX: LOMO) at the time of expiry on 29 AUGUST 2015.

Those option holders will be offered New Options, subject to shareholder approval, at an issue price of \$0.001 each on the basis of one New Option for each two expired LOMO options.

Like the existing LOMO options, the New Options will have an exercise price of \$0.30 and will be listed on the Australian Securities Exchange, subject to ASX approval. The New Options will have an expiry date of 29 April 2016.

Some of the courses of action available to you as a holder of these soon to expire options are:

- a) Exercise the options before they expire on 29 AUGUST 2015. Should you exercise the options you will be issued with fully paid ordinary shares and not be entitled to New Options.
- b) Sell your options. Quotation of the options will cease at the close of trading on 21 AUGUST 2015. Should you sell your options you will not be issued with fully paid ordinary shares and not be entitled to New Options.
- c) Do nothing (i.e., allow your options to expire). If you do not exercise or sell your options they will expire on 29 AUGUST 2015 and your right to subscribe for ordinary shares in LUCAPA DIAMOND COMPANY LIMITED at \$0.30 per share under those options will lapse. Should you do nothing you will not be issued with fully paid ordinary shares and will be entitled, subject to shareholder approval, to New Options.

There is no obligation on option holders to exercise their options. However, under paragraph 6.1 of Appendix 6A of the Australian Securities Exchange Listing Rules, the Company is required to advise option holders of the information contained in this notice.

The market sale price of ordinary shares in LUCAPA DIAMOND COMPANY LIMITED on ASX was 19.5 cents on 22 July 2015, being the last trading day in Perth prior to the date of this notice.

During the three (3) months preceding the date of this notice:

- the highest market sale price of ordinary shares on ASX was 27.5 cents on 29 May 2015; and
- the lowest market sale price of ordinary shares on ASX was 18.5 cents on 6 July 2015.

If you wish to exercise all or part of your options, you must:

**EITHER:**

- (a) complete the accompanying Notice of Exercise of Options Form in accordance with the instructions set out in that form; and
- (b) forward the completed form, together with a cheque or bank draft payable in Australian Dollars for payment of each \$0.30 per option exercised, to reach the Company's Share Registrars no later than 5.00pm WST on 29 AUGUST 2015. Cheques or bank drafts must be made payable to "LUCAPA DIAMOND COMPANY LIMITED" and crossed "Not Negotiable";

**OR, ALTERNATIVELY**

- (c) pay the amount due in respect of each \$0.30 per option exercised, by BPAY® no later than 5.00pm WST on 29 AUGUST 2015, by following the instructions set out in the accompanying Notice of Exercise of Options Form. You must ensure that:
  - i. you use the specific Biller Code and CRN shown on your personalised Notice of Exercise of Options Form; and
  - ii. your acceptance and payment by BPAY® is received no later than 5:00pm (WST) on 29 AUGUST 2015.

**IMPORTANT NOTICE AND INSTRUCTIONS CONCERNING BPAY® PAYMENTS**

Please note that your own financial institution may impose early cut-off times with regards to electronic payments and you should therefore take this into consideration when making payment by BPAY®. It is your responsibility to ensure that the payment is actually received by 5.00pm (WST) on 29 AUGUST 2015 and the Company will not be responsible for any delay in the receipt of the BPAY® payment.

If you wish to exercise your options and paying for it by BPAY®, you do not need to return a completed Notice of Exercise of Options Form but will be taken to have made the declarations contained in the Notice of Exercise of Options Form.

If you have any further questions please do not hesitate to contact our Registry on telephone (08) 9315 2333, facsimile (08) 9315 2233, or e-mail [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au).

Yours faithfully,

**MARK CLEMENTS**  
**COMPANY SECRETARY**

**NOTICE OF EXERCISE OF OPTIONS**

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.

**REGISTERED OFFICE:**

34 BAGOT ROAD  
SUBIACO WA 6008  
AUSTRALIA

**LUCAPA DIAMOND COMPANY LIMITED**

ACN 111 501 663

**SHARE REGISTRY:**

curity 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

«HOLDER\_NAME»  
«ADDRESS\_LINE\_1»  
«ADDRESS\_LINE\_2»  
«ADDRESS\_LINE\_3»  
«ADDRESS\_LINE\_4»  
«ADDRESS\_LINE\_5»

ASX Code:

Holder Number:

Number of Options:

Amount Payable:

**NOTICE OF EXERCISE OF OPTIONS EXPIRING 29 AUGUST 2015 @ \$0.30 EACH**

I/We the above named being the registered holder of Options hereby exercise such Options to subscribe for:

NUMBER OF NEW ORDINARY FULLY PAID SHARES	AMOUNT ENCLOSED @ \$0.30 PER SHARE
<input type="text"/> , <input type="text"/> , <input type="text"/>	\$ <input type="text"/> , <input type="text"/> , <input type="text"/> . <input type="text"/>

I/We hereby authorise you to place my/our name(s) on the register of members in respect of the number of New Shares allotted to me/us, and I/we agree to accept such Shares subject to the Rules of the Constitution of the Company.

My/Our contact details in case of enquiries are:

**NAME**  **TELEPHONE NUMBER** (  )

**EMAIL ADDRESS**

@

PAYMENT INFORMATION	PAYMENT INFORMATION
 <p><b>CHEQUE / MONEY ORDER</b> All cheques (expressed in Australian currency) are to be made payable to <b>LUCAPA DIAMOND COMPANY LIMITED</b> and crossed "Not Negotiable". Do not forward cash as receipts will not be issued. Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured. Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be</p>	 <p>Biller code: 159483 Ref: <b>EFT_REFERENCE_NUMBER</b></p> <p><b>BPAY®</b> this payment via internet or phone banking. Your <b>BPAY®</b> reference number is unique to this offer and is not to be used for any other offer.</p> <p>Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the expiry date. BPAY applications will only be regarded as accepted if payment is received by the registry from your financial institution on or prior to the expiry date. It is the Applicant's responsibility to ensure funds are received by the expiry date.</p>

**\* You do not need to return this form if you have made payment via BPAY.**

Individual or Securityholder 1 <input type="text"/> Sole Director & Company Secretary	Securityholder 2 <input type="text"/> Director/Company Secretary	Securityholder 3 <input type="text"/> Director
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**REGISTRY DATE STAMP**

<SEQUENCE\_NUMBER>  
E & O.E.



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## NEW OPTION ISSUE

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**Lucapa Diamond Company Limited (ASX: LOM)** (“Lucapa” or “the Company”) has resolved to offer new options (New Options) to those option holders who are registered as the holders of the Company’s existing listed options (ASX: LOMO) at the time of expiry on 29 August 2015.

Those option holders will be offered New Options, subject to shareholder approval, at an issue price of \$0.001 each on the basis of one New Option for each two expired LOMO options.

The terms and conditions of the New Options are attached.

The New Options will have an exercise price of \$0.30 and will be listed on the Australian Securities Exchange, subject to ASX approval. The New Options will have an expiry date of 29 April 2016.

Lucapa has 136,053,024 LOMO options on issue. If none of the LOMO options are exercised before their expiry date, the maximum number of New Options to be offered for issue will thus be 68,026,512, which would raise approximately \$68,026 to be applied primarily to the administrative costs associated with the issue. If the New Options are all converted into ordinary Lucapa shares on or before their 29 April 2016 expiry date, it will raise approximately \$20.4 million for the Company which will be used to scale up the alluvial diamond mining operations at the Lulo Diamond Project in Angola and accelerate the kimberlite exploration program.

The 29 April 2016 New Option expiry date will give Lucapa time to advance the Company’s kimberlite bulk sampling program at Lulo, following the arrival on site of a new fleet of Caterpillar earth moving equipment.

The new earthmoving equipment will also allow Lucapa to accelerate operational cash flows by scaling up its alluvial diamond mining operations to 20,000 bulk cubic metres per month, as mining moves to higher-grade diamond areas within the Lulo diamond field.

The meeting of Lucapa shareholders to approve the issue of the New Options to the holders of expired LOMO options is expected to be held in September 2015.

Full terms will be detailed in a notice of meeting expected to be sent to shareholders within two weeks and, if the issue of New Options is approved by shareholders, a prospectus will be issued offering the holders of the expired LOMO options the opportunity to subscribe for New Options.

Lucapa Chairman Miles Kennedy said the Company was entering an exciting new phase at the Lulo Diamond Concession.

“A complete fleet of new Caterpillar earth moving equipment has now arrived on site at Lulo and this will enable the Company to make key advancements with both the alluvial diamond mining and kimberlite bulk sampling programs at Lulo,” said Mr Kennedy.

“With the new equipment on site, we can now refocus our diamond mining operations on the high-grade BLK\_08 area which is where we recovered our biggest diamond to date – a rare 131.4 carat gem – during our preliminary bulk sampling programs.”

“The new earth moving equipment has also enabled us to commence our much anticipated kimberlite bulk sampling program at the high-priority L46 pipe, which our geological team has identified as a potential source of the high-grade diamonds recovered in the E46 area at Lulo.”

For further information, please contact:

**MILES KENNEDY**  
**CHAIRMAN**

Tel +61 8 9489 9200

**STEPHEN WETHERALL**  
**CHIEF EXECUTIVE OFFICER**

Tel +61 8 9489 9200

## **ABOUT LUCAPA DIAMOND COMPANY LIMITED**

Lucapa Diamond Company Limited is a miner of world-class diamonds. Lucapa is the operator of the 3,000km<sup>2</sup> Lulo Diamond Concession in Angola’s Lunda Norte diamond heartland. Lulo is located within 150km of Catoca, the world’s fourth biggest kimberlite diamond mine, and on the same favourable geological trend (Lucapa Graben).

Lucapa has proven up two major kimberlite provinces at Lulo, as well as extensive areas of diamond-rich alluvial gravels along the Cacuilo River.

In November 2014, Lucapa and its partners signed a 35 year mining licence agreement to mine the alluvial diamonds at Lulo. Alluvial diamond mining commenced in January 2015. The Lulo alluvial diamonds sold to date have achieved exceptional average sale prices of more than A\$2,500 per carat.

Lulo hosts 296 kimberlite targets in two separate provinces, of which 96 have been classified as proven and probable kimberlites and four confirmed as diamond-bearing pipes.

Lucapa’s board and management team has extensive diamond mining experience with companies including De Beers, Rio Tinto and Gem Diamonds. Lucapa operates Lulo in partnership with Endiama, the Angolan Government’s diamond concessionary, and private group Rosas & Petalas.

Lucapa is dual listed on the Australian Securities Exchange and the Frankfurt Stock Exchange.

## **ABOUT ANGOLA**

Angola is the world’s fourth biggest producer of diamonds by value with forecast annual production of 10 million carats in 2014.

Angola introduced a new Mining Code in 2012 and is actively seeking foreign investment in its diamond industry.

Angola’s potential for new diamond discoveries has been recognised by the world’s two biggest diamond mining companies, Alrosa and De Beers.

Angola was appointed to chair the Kimberley Process Certification Scheme in 2015.

**FORWARD-LOOKING STATEMENTS**

This announcement has been prepared by Lucapa Diamond Company Limited. This document contains background information about Lucapa Diamond Company Limited and its related entities current at the date of this announcement. This is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this announcement.

This announcement is for information purposes only. Neither this document nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction.

This announcement may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply in their own jurisdiction. A failure to do so may result in a violation of securities laws in such jurisdiction.

This document does not constitute investment advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this representation are not intended to represent recommendations of particular investments to particular persons.

Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments.

No responsibility for any errors or omissions from this document arising out of negligence or otherwise is accepted. This document does include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Lucapa Diamond Company Limited. Actual values, results, outcomes or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements.

Any forward-looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and ASX Listing Rules, Lucapa Diamond Company Limited does not undertake any obligation to update or revise any information or any of the forward-looking statements in this document or any changes in events, conditions or circumstances on which any such forward-looking statement is based.

**TERMS AND CONDITIONS OF PROPOSED NEW \$0.30 LISTED OPTIONS**

The terms and conditions of the proposed new \$0.30 Listed Options are as follows:

- (a) **Definitions.** For the purposes of the terms and conditions of the \$0.30 Listed 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.
  - (v) **Exercise Price** means the exercise price of each \$0.30 Listed Option, being \$0.30.
  - (vi) **Expiry Date** means 5.00pm (WST) on 29 April 2016.
  - (vii) **Exercise Notice** means the form prescribed by the Company from time to time for the purpose of exercising \$0.30 Listed Options.
  - (viii) **Option Holder** means the person or persons registered as the holder of one or more \$0.30 Listed Options from time to time.
  - (ix) **Share** means a fully paid ordinary share in the capital of the Company.
  - (x) **WST** means Australian Western Standard Time.
  - (xi) **\$0.30 Listed 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.
- (b) Each \$0.30 Listed Option carries the right to subscribe for one Share.
- (c) \$0.30 Listed Options will be listed on ASX.
- (d) \$0.30 Listed 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 \$0.30 Listed 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 \$0.30 Listed Options being exercised.
- (f) Following receipt of a properly executed Exercise Notice and Application Monies in respect of the exercise of any \$0.30 Listed 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 \$0.30 Listed Options) listed for quotation by ASX within 7 days of the date of issue.
- (h) Shares issued pursuant to an exercise of \$0.30 Listed Options shall rank, from the date of issue, *pari passu* with existing Shares in all respects.
- (i) \$0.30 Listed Options carry no right to participate in pro rata issues of securities to shareholders unless the \$0.30 Listed 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 \$0.30 Listed Options in sufficient time to receive, before that record date, Shares issued on the exercise of \$0.30 Listed 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 \$0.30 Listed 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 22.4.
- (l) Except as noted in paragraph (k) above, a \$0.30 Listed Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the \$0.30 Listed Option can be exercised.