



LUCAPA
DIAMOND COMPANY

INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2015

ASX Code: LOM

INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2015

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Competent Person's Statement

Information in this report that relates to exploration results, mineral resources or ore reserves is based on and fairly represents information and supporting documentation prepared and compiled by Albert Thamm, Director Lucapa Diamond Company Limited, who is a Corporate Member of the Australasian Institute of Mining and Metallurgy. Mr Thamm has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are 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 report of the matters based on this information in the form and context in which it appears.

Forward-Looking Statements

This report 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 report. 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 report. This report 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.

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No responsibility for any errors or omissions from this document arising out of negligence or otherwise is accepted. This document does not 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 report speak only at the date of issue of this report. 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.

INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2015 DIRECTORS' REPORT

The directors present their report together with the financial report of Lucapa Diamond Company Limited ("**Lucapa**" or "**the Company**") for the six months ended 30 June 2015 and the auditor's review report thereon.

1. Directors

The directors of the Company at any time during or since the end of the interim period are as follows.

Name	Period of directorship
Miles A Kennedy, Non-Executive Chairman	Appointed 12 September 2008
Stephen Wetherall, Chief Executive Officer/ Managing Director	Appointed 13 October 2014
Gordon Gilchrist, Non-Executive Director	Appointed 27 March 2012
Albert Thamm, Non-Executive Director	Appointed 9 May 2014

2. Review of operations

OVERVIEW

Lucapa Diamond Company Limited is a miner of world-class diamonds. Lucapa is the operator of the 3,000km² 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 and its partners – Endiama and Rosas & Petalas - commenced alluvial diamond mining operations at Lulo in January 2015. The Lulo alluvial diamonds recovered from sampling and production sold to date have achieved exceptional average sale prices of more than A\$2,500 per carat.

In August 2015, the area covered by the alluvial mining licence area at Lulo was expanded significantly to 1,500km².



Some of the Lulo alluvial diamonds mined during the six months to 30 June 2015

INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2015 DIRECTORS' REPORT

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

Lucapa's board and management team have 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.

OPERATIONAL HIGHLIGHTS

Lucapa and its partners made significant progress and achieved several significant milestones at the Lulo Diamond Concession during the six months to 30 June 2015.

These highlights and milestones included:

- The commencement of alluvial diamond mining operations at Lulo
- The successful scaling up of mining operations to 10,000 bulk cubic metres ("bcm") per month to generate larger operating cash flows
- The recovery of an exceptional 63.05 carat Type IIa D-colour diamond



Exceptional 63.05 carat Type IIa D-colour diamond Lulo diamond

- The sale of two parcels of Lulo diamonds for gross revenues of A\$3.7 million in the period for an exceptional overall achieved average sale price of A\$2,500 per carat from all diamond sales
- The procurement of a new fleet of Caterpillar earth moving equipment under a favourable A\$4.5 million financing deal to enable mining operations to be scaled up to 20,000bcm/month by end September 2015

Lucapa also sought a listing on Frankfurt Stock Exchange to assist in its strategy of broadening its market and international investor base.

DIAMOND SALES

During the June half, Lulo Project sold two parcels of diamonds totalling 2,989 carats for total gross proceeds of approximately A\$3.7 million. The diamonds were sold in April and May in sales conducted by the Angolan Government diamond marketing arm, SODIAM.

The sale parcels included eight specials (diamonds weighing 10.8 carats or more) in the April sale and 14 specials in the May sale. The largest diamond included in the two sale parcels was the 63.05 carat Type Ila white D-colour gem recovered in April from mining area 31 at Lulo.

The sales took the gross proceeds from the sale of all four parcels of Lulo diamonds to approximately A\$9.7 million for an average sale price of more than A\$2,500 per carat, illustrating the exceptional quality and premium value of Lulo diamonds.

ALLUVIAL DIAMOND MINING

Lucapa and its partners commenced alluvial diamond mining at Lulo in January 2015, processing alluvial gravels through the 150 tonne per hour ("tph") diamond plant. Mining and processing operations were progressively scaled up to the target rate of 10,000bcm/month by June 2015.



Alluvial diamond mining operations at Lulo during the June half

As outlined in Table 1, a total of 30,176bcm of alluvial gravels were treated through the diamond plant in the June half. The June quarter total of 17,264bcm was 33% up on the March quarter total of 12,912bcm as operations were scaled up.

The June quarter totals were impacted by reduced fleet availability in the months of April and May 2015, when some of the earth moving fleet was out of commission for repairs. The Lulo partners have since increased their inventory of spare parts for the Caterpillar fleet.



Fancy vivid yellow Lulo diamond recovered in the June half

During the June quarter, Lucapa commenced mining at the BLK_08 area, which produced high-grade and quality diamonds during the original bulk sampling phase. However, soft ground conditions resulted in increased dilution, which prompted the decision in late May to return to mining area 31 and a lower-grade mining area 22 closer to the diamond processing plant in order to achieve the 10,000bcm/month. Mining has since resumed at BLK_08 post the June half following an improvement in ground conditions and the arrival on site of a new fleet of Caterpillar earth moving equipment.

The change in the mining plan resulted in a reduction in the average overall diamond grade to 9.2cphm³ for the June half (Table 1). The grades achieved during mining were in line with those achieved during the preliminary bulk sampling in the same areas.

A total of 3,135 diamonds were recovered in the June half weighing 2,765 carats for an average stone size of 0.9 carats (Table 1).

	Q1 2015	Q2 2015	H1 2015
Stripping Ratio	8.1	4.3	5.8
Actual Treated m ³	12,912	17,264	30,176
Actual Carats	1,335	1,430	2,765
Actual Grade (cphm ³)	10.3	8.3	9.2
Actual No of Stones	1,317	1,818	3,135
Actual Avg Stone size	1.0	0.8	0.9

Table 1: Mining and production for the March and June Quarters

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NEW CATERPILLAR EQUIPMENT FLEET

During the June half, Lucapa finalised a A\$4.5 million 12-month financing deal with Caterpillar dealer Barloworld Equipment to secure a fleet of new earth moving equipment for Lulo, including three 740B trucks, a 374F LR excavator, a 140M grader and a D8R bulldozer.

Significantly, this equipment was available ex-stock from the Angolan capital of Luanda.

The first of the new earth moving equipment was delivered to site at Lulo from Luanda in late June 2015 and the remainder of the Caterpillar fleet has now all been delivered and is operational.



CAT 740B dump truck - part of the new Caterpillar fleet which has all been delivered to Lulo

Securing the new fleet will enable Lucapa and its partners to double alluvial diamond production to 20,000bcm/month at Lulo, thereby accelerating the generation of operational cash flows earlier than originally planned. Lucapa expects Lulo to be operating at the new 20,000bcm/month target rate by the end of the September 2015 quarter.

The financing deal with Barloworld also provides scope for Lucapa and its partners to source the additional earth moving fleet required to ultimately scale up diamond mining operations to 40,000bcm/month at the end of the current 12-month arrangement.

KIMBERLITE EXPLORATION

In March 2015, Lucapa announced preparations for the next phase of the kimberlite exploration program, with the aim of finding the primary source or sources of the exceptional alluvial diamonds being mined at Lulo.

The comprehensive new 24-month program was designed to build on the positive kimberlite results achieved to date by further evaluating known diamond-bearing pipes and testing new priority targets.

INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2015

DIRECTORS' REPORT

The program includes testing of kimberlites in both the main western kimberlite province around the Lulo alluvial diamond field, as well as the first systematic testing of the eastern kimberlite province at Lulo, where 38 targets were identified from an aeromagnetic survey flown in 2013.

Lucapa's confidence in finding the primary kimberlite sources of the exceptional alluvial diamonds at Lulo is supported by several key factors including:

- Lulo lies within the ideal tectonic and stratigraphic setting where the Lucapa Graben crosses Angola's most diamond rich Cuango basin. The Lucapa Graben is the same geological belt hosting most of Angola's producing kimberlite mines, including neighbouring Catoca, the world's fourth largest diamond mine
- The existence of two large kimberlite provinces at Lulo with 296 targets already identified
- The widespread discovery of alluvial diamonds within the concession
- Diamonds recovered include large high-quality gems occurring with smaller stones of lower quality, indicating proximity to the source of the larger diamonds and possible multiple sources
- The Lulo diamonds (specifically the larger diamonds) are irregular shaped and have jagged edges, indicating they have not travelled far from the source
- Surface texture studies of all Lulo diamonds show very little sign of abrasion, which also points to a proximal source
- Certain size frequency distribution curve graphs of alluvial diamonds recovered are more akin to kimberlite curves i.e. flatter and poorly sorted
- Lulo kimberlite targets have positive mineral chemistry; including recovery of G3D, G4D and G10D garnets amongst other indicator minerals

The reduced fleet availability noted above caused delays in certain elements of the Lulo kimberlite exploration program during the June half, with the operational earth moving equipment being required to meet the alluvial diamond mining and cash flow targets.

Site works commenced for bulk sampling of the L46 kimberlite pipe, which is considered a potential source of the high-grade diamonds recovered in previous bulk sampling work carried out in the E46 alluvial area.

Lucapa and its partners had originally envisaged processing bulk samples from the kimberlite exploration program through the original 10tph pilot plant at Lulo. However, the scale of the bulk sampling proposed has prompted a decision to process this material through the main 150tph diamond plant used for alluvial processing.

Consultant geologists also selected existing drill core and soil/ kimberlite samples on site for laboratory and micro probing analysis during the June half. Drill core from E251, 222, 220, 83/84 19, 18 and 12 as well as samples from E171, 169, 167 and 165 were dispatched to Cape Town, South Africa, for this purpose. The results from this analysis are expected towards the end of September/ early October 2015.

FRANKFURT LISTING

In May 2015, Lucapa completed a secondary listing of the Company's shares on the Frankfurt Stock Exchange, under the symbol NHY, in conjunction with a marketing roadshow. The Frankfurt listing is in line with Lucapa's plan to broaden the Company's international market and investor base, particularly in the UK and Europe.

3. Financial position

For the six months ended 30 June 2015, the Company recorded a loss of \$2,266,831 and had a working capital deficit of \$5,236,939. The Company had cash assets of \$479,365. The cash assets represent funds on hand in the corporate office as at 30 June 2015. In addition, the cash balance on hand in the Lulo JV available for exploration and evaluation was \$1,133,860.

The Company is focused on its Angolan diamond mining evaluation and exploration interests in the Lulo Project. This project requires ongoing evaluation and exploration work and funding until such time as mining operations produce sufficient cash flows to sustain operations. Based on the potential of the diamond concession, alluvial sampling and production recoveries to date, projected cash flow forecasts for a scaled up mining operation and strategic development initiatives/or plans, the directors are satisfied that the going concern basis of preparation is appropriate.

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DIRECTORS' REPORT

4. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 8 and forms part of the directors' report for the six months ended 30 June 2015.

This report is made with a resolution of the directors:



MILES KENNEDY
NON-EXECUTIVE CHAIRMAN

Dated this 7th day of September 2015.

Auditor's Independence Declaration

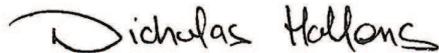
To those charged with the governance of Lucapa Diamond Company Limited

As auditor for the review of Lucapa Diamond Company Limited for the half-year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the review; and
- ii) no contraventions of any applicable code of professional conduct in relation to the review.



Somes Cooke



Nicholas Hollens
Partner

Perth

7 September 2015

**INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

	30 Jun 2015 (6 months)	30 Jun 2014 (6 months)
	\$	\$
Finance income	1,019	867
Consulting expenses	(35,175)	(168,575)
Depreciation expense	(1,724)	(1,181)
Employee benefits expense	(829,449)	(422,326)
Director and employee options	(719,319)	-
Other expenses	(682,183)	(433,487)
Loss before income tax	(2,266,831)	(1,024,702)
Income tax expense	-	-
Loss after income tax for the period	(2,266,831)	(1,024,702)
Other comprehensive income	-	-
Total loss and other comprehensive income for the period attributable to members of the Company	(2,266,831)	(1,024,702)
Earnings (loss) per share		
Basic earnings (loss) per share (cents)	(1.42)	(1.47)
Diluted earnings (loss) per share (cents)	(1.42)	(1.47)

The interim statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	30 Jun 2015 \$	31 Dec 2014 \$
Assets			
Cash and cash equivalents		479,365	1,498,693
Trade and other receivables		202	34,601
Other assets		60,000	60,000
Total current assets		539,567	1,593,294
Deferred exploration costs	5	40,640,618	36,802,511
Property, plant and equipment	8	4,424,700	14,491
Total non-current assets		45,065,318	36,817,002
Total assets		45,604,885	38,410,296
Liabilities			
Trade and other payables	6	533,950	753,201
Provisions	7	798,904	706,120
Loans and borrowings	8	4,443,652	-
Total current liabilities		5,776,506	1,459,321
Total liabilities		5,776,506	1,459,321
Net assets		39,828,379	36,950,975
Equity			
Share capital	10	80,664,423	76,239,506
Reserves		1,266,206	546,888
Accumulated losses		(42,102,250)	(39,835,419)
Total Equity		39,828,379	36,950,975

The interim statement of financial position is to be read in conjunction with the accompanying notes.

**INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

	Issued capital \$	Options reserve \$	Accumulated losses \$	Total \$
For the six months ended 30 June 2014				
Opening balance at 1 January 2014	64,130,565	1,896,623	(38,750,544)	27,276,644
Total profit and loss and other comprehensive income of the period				
Loss for the period	-	-	(1,024,702)	(1,024,702)
Other comprehensive income	-	-	-	-
Total profit and loss and other comprehensive income for the period	-	-	(1,024,702)	(1,024,702)
Transactions with owners in their capacity as owners				
Issue of share capital	5,614,340	-	-	5,614,340
Share issue expenses	(368,002)	-	-	(368,002)
Total transactions with owners	5,246,338	-	-	5,246,338
Balance as at 30 June 2014	69,376,903	1,896,623	(39,775,246)	31,498,280
For the six months ended 30 June 2015				
Opening balance at 1 January 2015	76,239,506	546,888	(39,835,419)	36,950,975
Total profit and loss and other comprehensive income of the period				
Loss for the period	-	-	(2,266,831)	(2,266,831)
Other comprehensive income	-	-	-	-
Total profit and loss and other comprehensive income for the period	-	-	(2,266,831)	(2,266,831)
Transactions with owners in their capacity as owners				
Issue of share capital	4,802,983	-	-	4,802,983
Share issue expenses	(378,066)	-	-	(378,066)
Issue of options	-	719,318	-	719,318
Total transactions with owners	4,424,917	719,318	-	5,144,235
Balance as at 30 June 2015	80,664,423	1,266,206	(42,102,250)	39,828,379

The interim statement of changes in equity is to be read in conjunction with the accompanying notes.

INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2015

	30 June 2015 (6 months) \$	30 June 2014 (6 months) \$
Cash flows from operating activities		
Cash paid to suppliers and employees	(1,378,862)	(849,128)
Interest received	1,019	867
Net cash outflow from operating activities	(1,377,843)	(848,261)
Cash flows from investing activities		
Payments for exploration costs	(4,066,403)	(3,318,920)
Payments for property, plant and equipment	-	(1,491)
Net cash outflow from investing activities	(4,066,403)	(3,320,411)
Cash flows from financing activities		
Proceeds from issue of share capital	4,802,984	5,614,340
Share issue costs	(378,066)	(368,001)
Net cash inflow from financing activities	4,424,918	5,246,339
Net (decrease) / increase in cash and cash equivalents	(1,019,328)	1,077,667
Cash and cash equivalents at the beginning of the period	1,498,693	305,960
Cash and cash equivalents at the end of the period	479,365	1,383,627

The interim statement of cash flows is to be read in conjunction with the accompanying notes.

CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

1. Reporting entity

Lucapa Diamond Company Limited ("Lucapa" or "the Company") is a company domiciled and incorporated in Australia. The address of the Company's registered office is 34 Bagot Road, Subiaco WA 6008. The Company is primarily involved in the exploration, development and commercialisation of diamond projects in Africa, specifically Angola.

2. Statement of compliance

The interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the annual financial report of the Company as at and for the year ended 31 December 2014.

This interim financial report was approved by the Board of Directors on 7th September 2015.

3. Significant accounting policies

The Company adopted all or new revised accounting standards that became effective for reporting periods commencing on 1 January 2015. Adoption of these standards has not resulted in any material changes to the Company's accounting policies.

Other standards that have been issued but are not yet effective are considered to have no significant effect on the financial statements.

4. Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. Whilst the Company has achieved exploration success at the Lulo Project, the directors recognise that the Company may need to seek additional funding in order to continue to exploit and develop the Lulo Project.

The Company recorded a loss of \$2,266,831 for the half-year ended 30 June 2015 and had net assets of \$39,828,379 as at 30 June 2015.

During the most recent quarter, alluvial diamond mining generated positive cashflows for the Lulo Project. This gives the directors confidence that the Project may become self-sustaining in the near future and need reduced funding for operations from the Company. In addition, the Company raised \$4m from issue of shares in July 2015, further bolstering the Company's position to invest in the Project as needed.

The ability of the Company to continue to pay its debts as and when they fall due for a twelve month period from the date the financial report is signed is dependent upon:

- continued cash management according to exploration success; and
- the placement of securities under the ASX Listing Rule 7.1, or otherwise

The Directors believe that the above funding strategies can be achieved and the going concern basis is appropriate for the following reasons:

- The Company operates on a program of income and expenditure designed to ensure that there are at all times sufficient funds in hand to continue operations for the foreseeable future, whilst at the same time continuing the exploration at Lulo in an effective manner; and
- The historical ability of the Company to raise capital via equity placements and capital raisings given the prospectivity of the Lulo Project.

However, should the Company be unable to obtain sufficient funding as outlined above, there would be a material uncertainty which may cast doubt as to whether or not the Company will be able to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

**CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

5. Deferred exploration costs

	30 June 2015	31 December 2014
	\$	\$
Deferred exploration costs	40,640,618	36,802,511

Deferred exploration costs represent the cumulative amount of costs incurred by the Company in relation to the Lulo Project. All of the funds advanced to the Lulo Project have been spent on diamond exploration and evaluation, alluvial mining and the purchase of plant and equipment required for these activities. The recoupment of funds advanced to the Lulo Project carried forward is dependent upon the successful development and commercialisation of the areas being explored and evaluated. In the event of a commercial diamond mining operation being established on the Lulo Project in the future, the Angolan government and partners have agreed that all alluvial and kimberlite exploration and development funds that the Company has transferred to the Lulo Project will be reimbursed to the Company from each of the mining operations.

6. Trade and other payables

	30 June 2015	31 December 2014
	\$	\$
Trade payables	107,889	53,459
Accruals and other payables	426,061	699,742
	533,950	753,201

7. Provisions

	30 June 2015	31 December 2014
	\$	\$
Provision for environmental rehabilitation ⁽ⁱ⁾	798,904	706,120
	798,904	706,120

Note

- (i) The provision relates to the Lulo Projects, of which the Company is the operator. This would be offset by an equal and opposite asset to be reimbursed from free cash flows of any established mining operations. The provision is measured at the present value of management's best estimate of the costs required to settle the obligation at the end of the reporting period. Actual costs incurred in future periods to settle the obligations could differ materially from these estimates.

8. Loans and borrowings

	30 June 2015	31 December 2014
	\$	\$
Finance lease - current ⁽ⁱ⁾	4,443,652	-
	4,443,652	-

Note

- (i) The above amount is reflected in property, plant and equipment and is for the 12 month finance term and lease secured by Lucapa for the new Caterpillar earthmoving fleet as announced to the ASX on 28 May 2015.

CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2015

9. Segment reporting

The Company determines and presents operating segments based on the information that internally is provided to the CEO, who is the Company's chief operating decision maker.

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are regularly reviewed by the Company's CEO and executive to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Company engages in business activities within one segment, being the exploration, development and commercialisation of diamond projects in Angola. The Company maintains an administrative office in Western Australia to support and promote the exploration activities in Africa, which is presented by the position and results of the Company within the financial statements.

10. Issued capital and reserves

Movement in ordinary shares

	Ordinary shares		Value (\$)	
	6 months to 30 June 2015	6 months to 30 June 2014	6 months to 30 June 2015	6 months to 30 June 2014
On issue at beginning of period	181,872,742	3,852,603,212	76,239,506	64,130,565
Issue of shares for cash	24,002,500	925,000,000	4,800,500	5,550,000
Share Consolidation ⁽ⁱ⁾	-	(4,618,348,305)	-	-
Consolidation 1:30	-	159,254,907	-	-
Exercise of options	3,861	214,467	1,158	64,340
Transaction costs	-	-	(378,066)	(368,002)
Other	-	-	1,325	-
On issue at end of period	205,879,103	159,469,374	80,664,423	69,376,903

Note

- (i) On 29 May 2014, the Company completed a consolidation of the Company's issued capital on a basis that every 30 shares were consolidated into 1 share, as approved at the Annual General Meeting of shareholders held on 21 May 2014.

Movement in options

During the period to 30 June 2015, 24,002,500 listed, free attaching options were issued, accompanying the shares issued for the capital raising undertaken, for a total of 205,879,103 shares on issue. The Company also issued 7,000,000 options to Directors and Employees in accordance with the Company's Employee Share Option Plan.

11. Events subsequent to reporting date

On 22 July 2015 the Company announced it would offer 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. The options will be offered, subject to shareholder approval at a meeting to be held on 30 September 2015, at an issue price of \$0.001 each on the basis of one new option for each two expired 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.

On 27 July 2015, the Company announced it had raised \$4 million from a placement of shares as part of a strategy to grow cash flows at the Lulo Diamond Project in Angola. The placement involved the issue of 22.2 million ordinary fully-paid shares at an issue price of \$0.18 per share with an attached one-for-one unlisted option exercisable at \$0.20 on or before 30 September 2017. Lucapa will use the proceeds to fund modifications to the Company's 150 tonne per hour diamond processing plant and additional equipment for increased wet season mining preparations which will allow mining and processing operations to operate at the increased rate of 20,000bcm/month through the Angolan wet season, boosting operational cash flows.

CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

On 6 August 2015, the Company announced that along with its partners, it had been advised by the Angolan Minister of Geology and Mines that their new company being formed to mine alluvial diamonds at the Lulo Diamond Project in Angola, Sociedade Mineira do Lulo Lda, had been granted a significantly expanded Alluvial Mining Licence Title. The expanded mining licence covers an area of 1,500km², or 50% of the entire Lulo Concession. This compares to the original mining licence area of 218km². The expanded mining licence is for a minimum period of 10 years, and has been awarded at no additional cost.

On 18 August 2015, the Company announced the recovery of five large special diamonds from just the first four days of mining at the BLK_08 area at the Lulo Diamond Concession in Angola. The five specials (diamonds weighing 10.8 carats and above) recovered so far from BLK_08 include individual stones weighing 53.2 carats, 21.7 carats, 21.1 carats, 12.0 carats and 10.8 carats.

On 31 August 2015, the Company announced the recovery of a further four special diamonds from its ongoing mining operations at Mining Area 8, including stones weighing 37.28 carats, 17.15 carats, 14.69 carats, and 11 carats and a light pink diamond.

On 31 August 2015, the Company announced that 135,972,239 listed \$0.30 options, exercisable on or before 29 August 2015 (ASX: LOMO), have expired without exercise. The Company has resolved, subject to shareholder approval, to offer new options (New Options) to those option holders who were registered as the holders of LOMO at the time of expiry on 29 August 2015. Subject to that shareholder approval, those option holders will be offered New Options at an issue price of \$0.001 each on the basis of one New Option for each two expired 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.

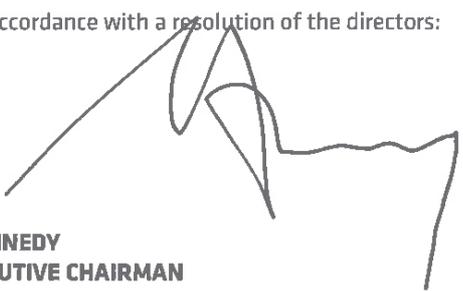
Other than the above, there has not arisen in the interval between the end of the period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

**DIRECTORS' DECLARATION
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

In the opinion of the directors of Lucapa Diamond Company Limited ("the Company"):

1. the financial statements and notes as set out on pages 9 to 16, are in accordance with the Corporations Act 2001, including:
 - (a) giving a true and fair view of the Company's financial position as at 30 June 2015 and of its performance, for the interim period ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



**MILES KENNEDY
NON-EXECUTIVE CHAIRMAN**

Dated this 7th day of September 2015.

Independent Auditor's Review Report

To the members of Lucapa Diamond Company Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Lucapa Diamond Company Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of Lucapa Diamond Company Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Lucapa Diamond Company Limited's financial position as at 30 June 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*. As the auditor of Lucapa Diamond Company Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Lucapa Diamond Company Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of Lucapa Diamond Company Limited's financial position as at 30 June 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

Emphasis of matter - Inherent uncertainty regarding continuation as a going concern

Without modifying our conclusion, we draw attention to Note 4, which outlines that the going concern basis is dependent upon successful completion of funding strategies to raise sufficient funds to pay Lucapa Diamond Company Limited's debts as and when they fall due.

As a result there is material uncertainty related to events or conditions that may cast significant doubt on Lucapa Diamond Company Limited's ability to continue as a going concern, and therefore whether it will realise its asset and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.



Somes Cooke



Nicholas Hollens

7 September 2015

Perth
Western Australia