

A Clear Focus on Alluvial & Kimberlite Diamonds



LUCAPA DIAMOND COMPANY

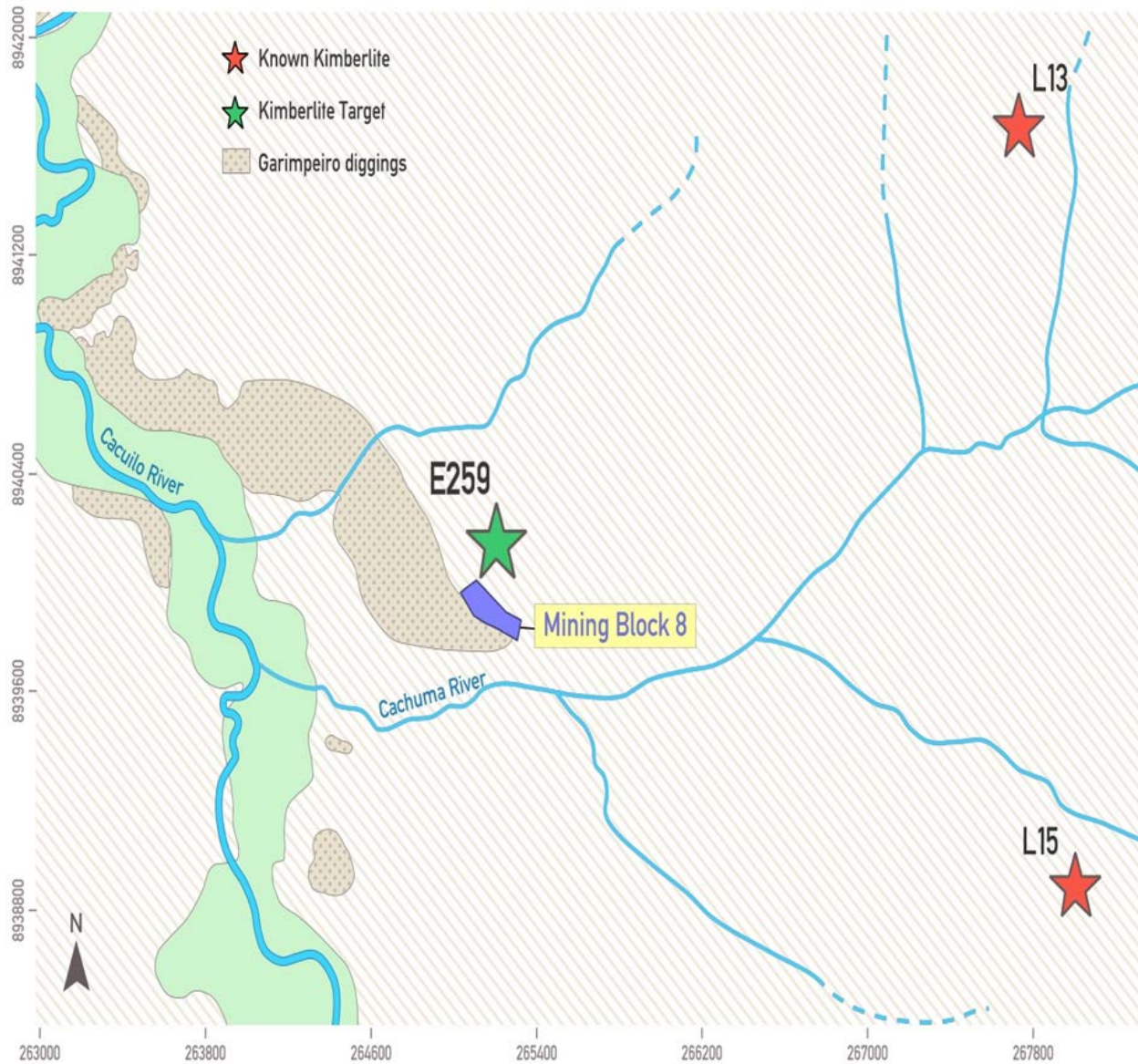
(ASX: LOM)



Extraordinary General Meeting – September 2015

www.lucapa.com.au

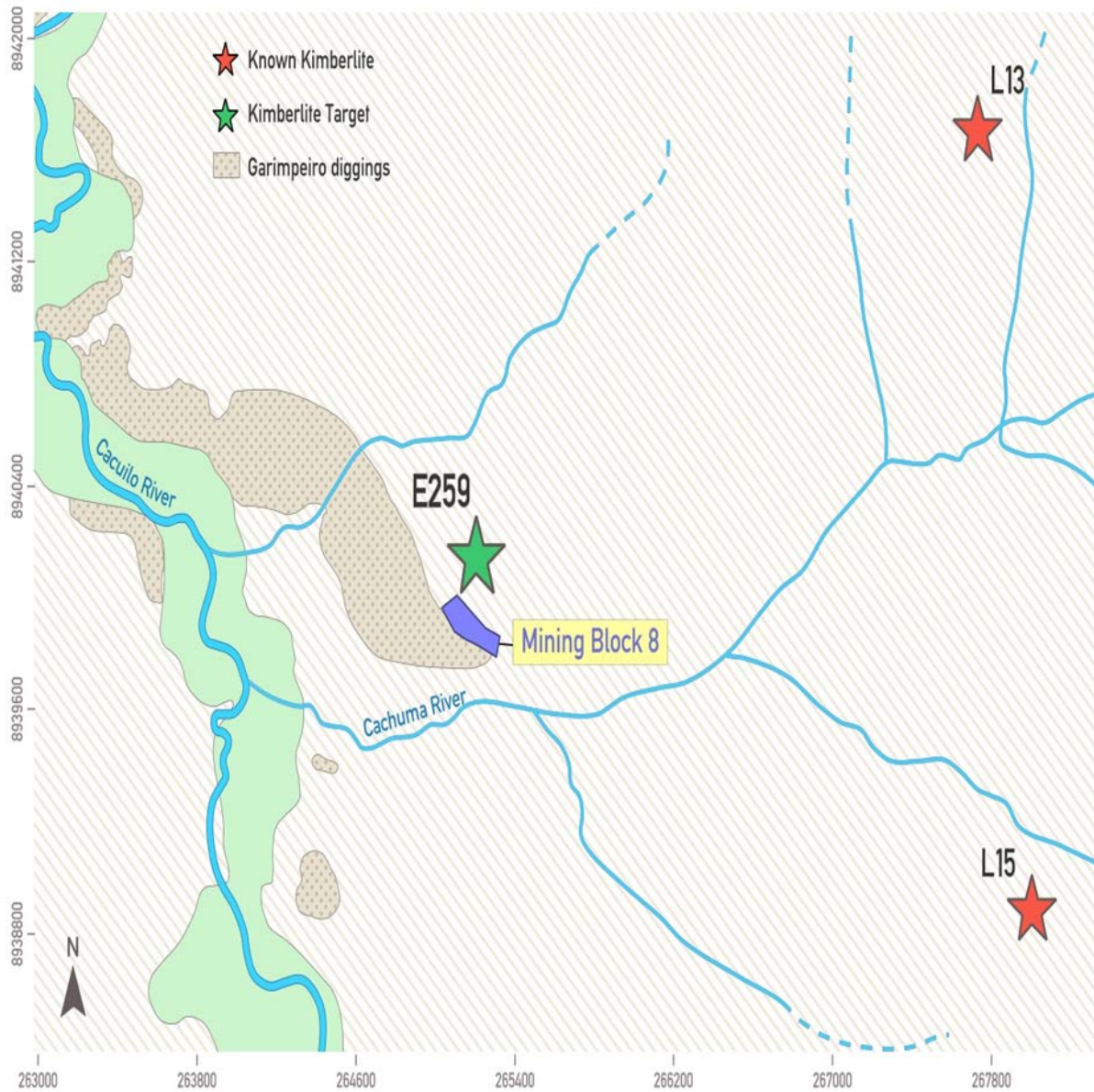
- EGM – Resolution 1 to 4 Results



Preliminary Bulk Sampling Results

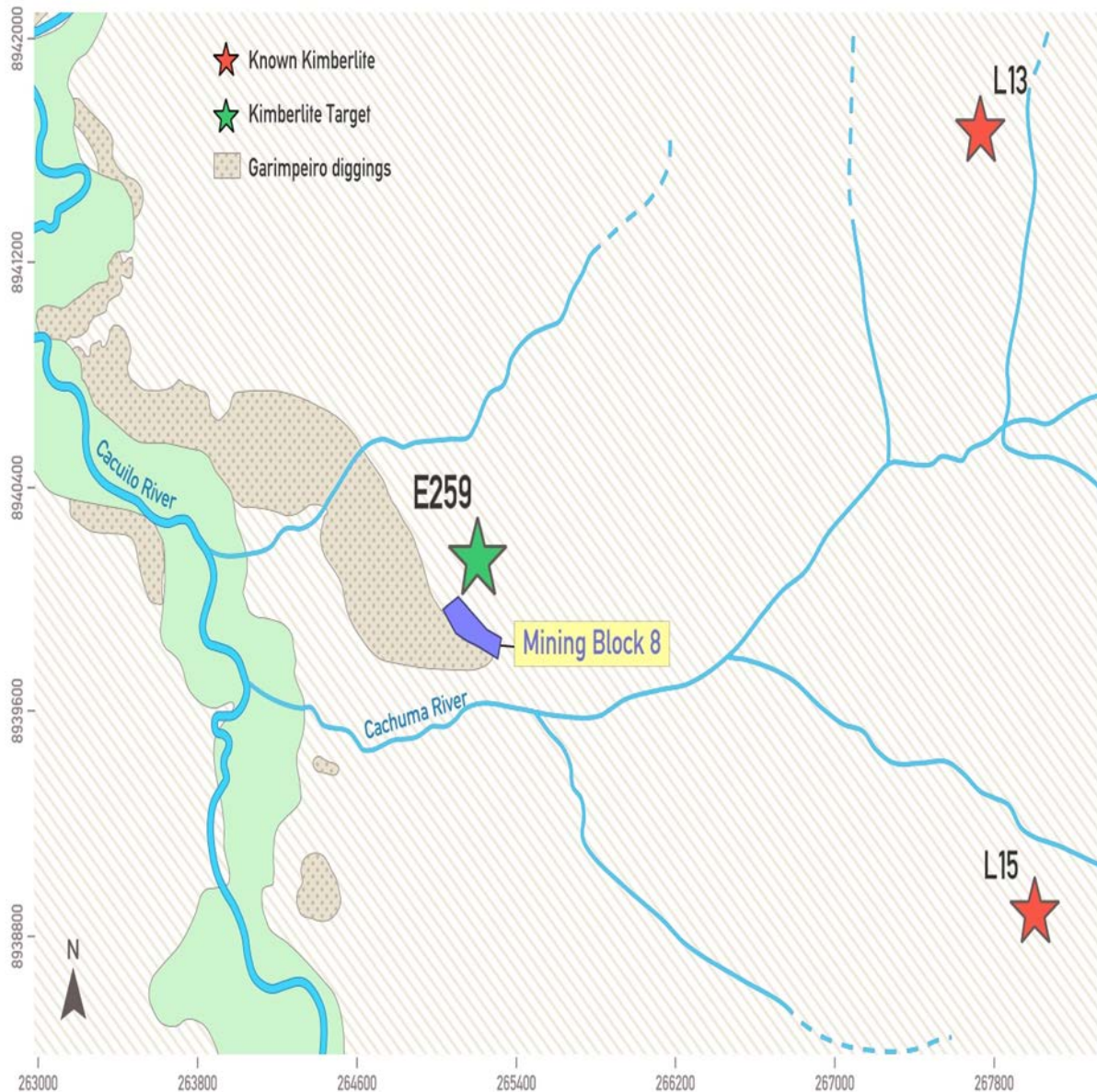
2 diamonds > 10.8cts
Highest sampling grades
Highest average stone size





Mining Recoveries Select diamonds > 10.8cts





Mining Recoveries

All diamonds > 10.8 cts since 10 August 2015

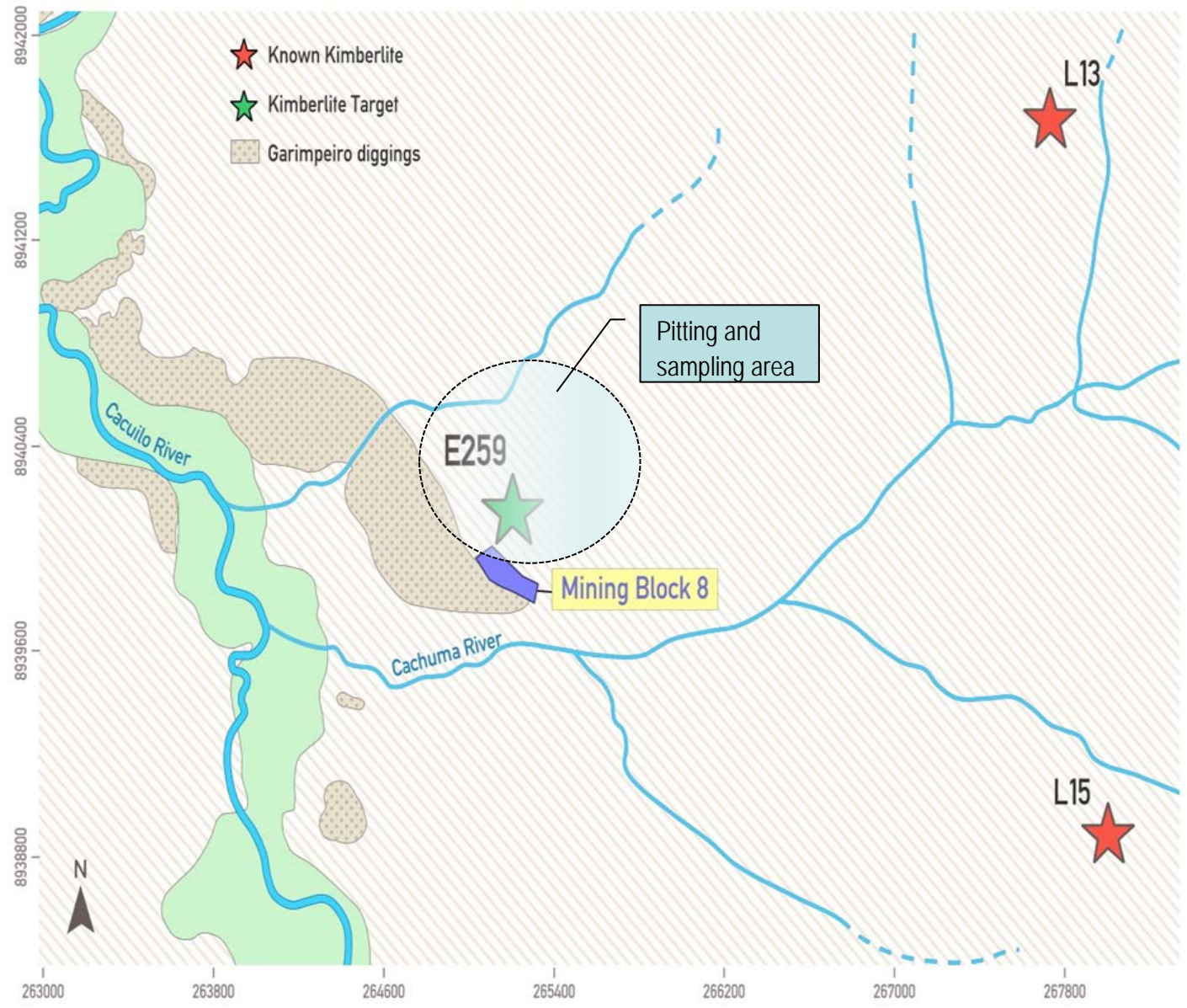
90.32	29.94	17.16	11.17
57.76	28.13	17.06	11.11
56.52	23.32	15.00	11.00
53.52	21.65	14.69	10.80
50.08	21.20	14.16	131.40*
40.59	21.16	13.83	38.10*
37.26	18.83	12.99	Totals
36.61	18.71	11.92	827.12 cts (31+)
31.40	17.95	11.30	996.52 cts* (33+)

26 diamonds > 10.8 carats to be included in next sale

* Preliminary bulk sampling diamonds sold under exploration phase

+ Number of diamonds

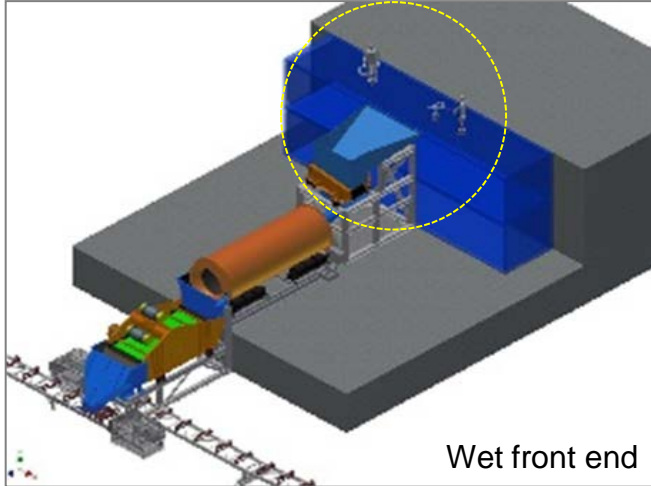
Mining Block 8 – Grade control pitting and kimberlite sampling area



Mining Investment – Significant Scale and Progress



Mining Optimisation Investment – In Progress and Funded



RESOURCE SPECULATOR

ISSUE 09 VOLUME 11

SEPTEMBER 2015

Introducing your September *Resource Speculator* stock pick

This month's *Resource Speculator* stock pick is **Lucapa Diamond Company [ASX:LOM]**. Lucapa trades on the ASX for 18 cents per share and has a market capitalisation of \$40 million.

I've patiently held Lucapa on my watch list for eight months. And now it's time to share it with you.

Lucapa is an exciting and emerging business, with an exceptionally strong management team. It's important to have the right management team looking after your investment interests. The background of talent spans from De Beers to Gem Diamonds. In fact, they've hit every mining target stated this year – you can't get much better than this!

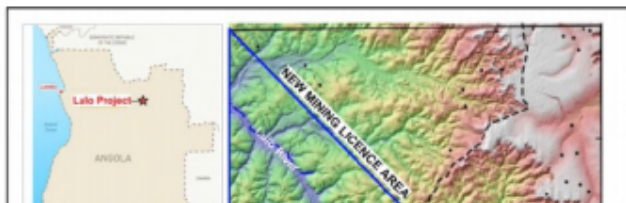
Nevertheless, having raised AU\$7.5 million this year (excluding the millions more for capital equipment financing), management have disappointed some shareholders – especially, those that got into the story

have been no major kimberlite discoveries since 2004. Rather than exploring, most of the major companies are using new technology to mine old kimberlite sources.

If Lucapa finds the diamond treasure chest, the company could be a 10-bagger. That's an old investor term meaning your investment could multiply by 10 times! Now let's have a closer look at their projects.

Alluvial mining: simple business, big rewards

Lucapa owns a 40% interest in the Lulo Diamond Project, located in Angola. Lulo spans over 1,500 square kilometres, containing the Caculo River (currently being mined by alluvial operations) and the Lulo River. You can see these river systems on the map below:



Diamond: Producer & Explorer



LUCAPA DIAMOND COMPANY LTD

Significant diamondiferous kimberlite potential

Lucapa Diamond Company is an Angolan-focused alluvial diamond miner and diamond-bearing kimberlite explorer. The Company holds a diamond concession (Lulo) in joint venture (JV) with Angolan government's Endiama and local partner Rosas and Petalas in the Lunda Norte province.

We continue to be impressed by the quality of the diamonds recovered from the alluvial operation, which reports higher than average per carat prices, testament to the regular recovery of "special diamonds", which are large in size, and exceptional in colour and clarity. The alluvial operation is expected to generate free cash which can be reinvested into the search for the ultimate prize, diamond-bearing kimberlites. The exceptional quality of alluvial diamonds and coarse kimberlite indicator minerals now being reported from mining block 8. In particular, has our attention, potentially indicating a proximal primary source with the E259 kimberlite target, ~500m north now being tested (trenching underway with drilling planned).

We initiate coverage with a Speculative Buy recommendation. Our preliminary price target of 49cps is derived from a highly speculative discounted cashflow analysis of the current alluvial operation and perception of exploration value in the search of primary diamond sources (which we regard as high). With no reported resources/reserves and limited production history there are some large assumptions and risks to our estimates.

Alluvial mining ramping up towards targeted production rates

In late 2014, Lucapa and its JV partners signed a 35 year mining licence agreement to mine the alluvial diamonds at Lulo which includes the main Caculo, and Lulo Rivers, associated tributaries, and terraces.

The Company commenced alluvial mining in January 2015, and continues to scale up towards the initial target of 20,000bcm of gravels per month, which could deliver in the order of 2,000 carats (ct) of diamond per month. The Company has a funding deal with a heavy-equipment Caterpillar dealer to increase the earth-moving fleet to further increase the mining rate to up to 40,000bcm per month, which on the currently anticipated grade could double diamond production. No JORC-compliant resources are currently reported, but we envisage an exploration target in the immediate mining areas of a few years, which will increase considerably as additional gravel terraces are uncovered and introduced into the mine plan.

The alluvial operation has rather consistent grade and regular recovery of special diamonds, which provides good average per carat prices. The alluvial operation to date has generated over A\$10m in gross revenues. We estimate once producing at and above the 20,000bcm of gravels per month, free cash flows should be generated. We forecast a small EBITDA loss for CY15.

Opportunities to increase stake in both alluvials and kimberlites
The southern African nation of Angola has a stable government and is promising, having established a new mining code in 2012 to increase and attract foreign investment. Under the current JV framework, Lucapa is the operator with a 40% interest in the alluvials and holds a 39% interest in kimberlites. Lucapa's interest in both alluvials and kimberlites has the potential to be increased through pre-emptive rights with the local partner and through recently announced government initiatives. Any increase(s) in ownership is seen as value-add opportunities, appealing to a wider investor base.

LOM.asx Speculative Buy

20 Sep 2015
Share Price (asx): \$0.400
Price Target: \$0.49

Brief Business Description

Diamond producer and explorer

Hartleys Brief Investment Conclusion

Alluvial diamond mining in Angola, continue to recover exceptional value stones. Significant diamond-bearing kimberlite potential. Highly experienced management, with a strong diamond skillset.

Issued Capital	247.8m
- July diluted	296.7m
- 1M diluted	296.7m
Market Cap	\$99.1m
- July diluted	\$115.7m
- 1M diluted	\$115.7m
Cash +e4	\$3.5m
Debt -e4	\$0.0m
EV	\$95.6m
- July diluted	\$115.2m

Projects

Lulo, Angola	Diamonds
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Board & Management

Mike Milligan (Non-Exec Chairman)
Stephen Waterfall (CFO/MD)
Gordon Galbraith (Non-Exec Director)
Albert Thomson (Non-Exec Director)
Nick Selby (COO)

Top Shareholders

Board and Management	0.5%
Company Address	
34 Beagot Road	
Subiaco WA 6008	



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- EGM Results Announcement – 30 September 2015
- Pitting and Sampling Programs in progress – as and when program results known, vetted and finalised
- Operational and Sales Trading Update – October 2015
- Quarterly Activities Report and Cash Flow – October 2015

Thank you

Forward-Looking Statements

This Presentation has been prepared by Lucapa Diamond Company Limited. This document contains background information about Lucapa Diamond Company Limited current at the date of this Presentation. The Presentation 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 Presentation. This Presentation is for information purposes only. Neither this Presentation 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 Presentation 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 Presentation 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 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.

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Competent Person's Statement

Information in this Presentation that relates to exploration targets, exploration results, mineral resources or ore reserves is based on and fairly represents information and supporting documentation prepared and compiled by Mr Albert Thamm who is a Corporate Member of the Australasian Institute of Mining and Metallurgy. Mr Thamm is a Director of Lucapa Diamond Company Limited. Mr Thamm has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is 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 this Presentation of the matters based on this information in the form and context in which it appears. The geophysical information included in this Presentation relates to previously released exploration data disclosed under the JORC Code 2004 (refer ASX announcements dated 1 May 2013 and 22 May 2013). It has not been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported and is based on and fairly represents information and supporting documentation prepared and compiled by Mr Thamm.