



L U C A P A
DIAMOND COMPANY
(ASX: LOM)

Fast Growing Diamond Miner & Explorer Closing in on the Kimberlite Source

London Investor Presentation – June 2016

Lucapa Diamond Company

A unique diamond story...

- ✓ Exposure to potential major kimberlite discovery through advanced exploration in one of the world's highest-value diamond fields
- ✓ Advancing kimberlite exploration programs on highly prospective targets
- ✓ Currently generating strong cash flows from alluvial diamond production of large premium-quality gems
- ✓ Growing through scaling up alluvial mining operations and advancing kimberlite opportunities in Angola and Botswana - Africa's two best diamond addresses
- ✓ Multiple near-term catalysts for re-rating to build and enhance value for Lucapa shareholders



Corporate Snapshot

Global Exchanges

Australia (ASX: LOM)

Germany (FSE: NHY)

Board and Management

Miles Kennedy (NE Chairman)

Gordon Gilchrist (NE)

Stephen Wetherall (CEO)

Albert Thamm (NE)

Nick Selby (COO)

Johan van Wyk (FM)

Projects

Lulo – Angola (kimberlite and alluvial)

Orapa Area F – Botswana (kimberlite)

2016 Select Lulo Diamond Recoveries

133 carat – Jan

404 carat – Feb

60 carat – May

120 carat – Jan

68 carat – March

35 carat – May

86 carat – Jan

59 carat – April

21 carat – May

82 carat – Feb

88 carat – April

14 carat – May (yellow)



Share Information

Current price (cents)

33

52 week price range (cents)

15 – 61

Shares in issue (million)¹

323

Market capitalisation (A\$ million)

107

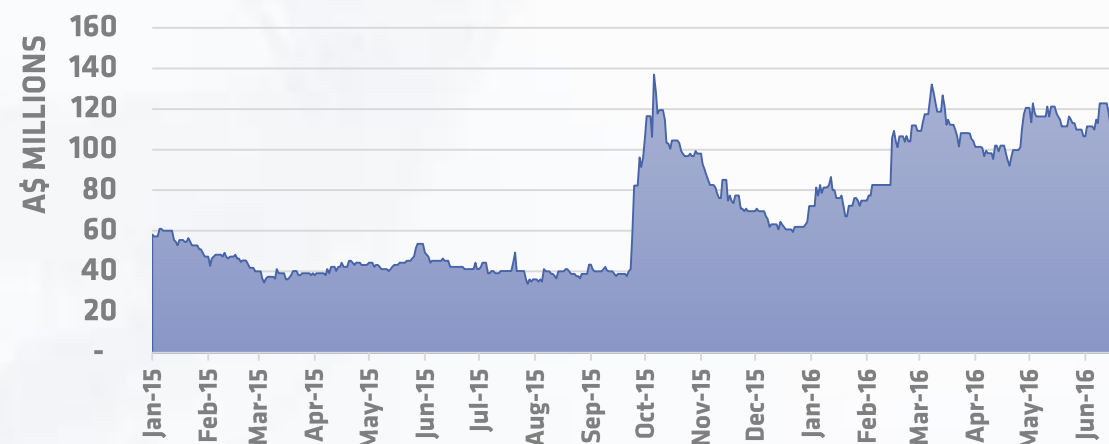
Cash balance (A\$ million)²

>20m

¹ Also 46.4m listed 20c options in issue (ASX: LOMOA)

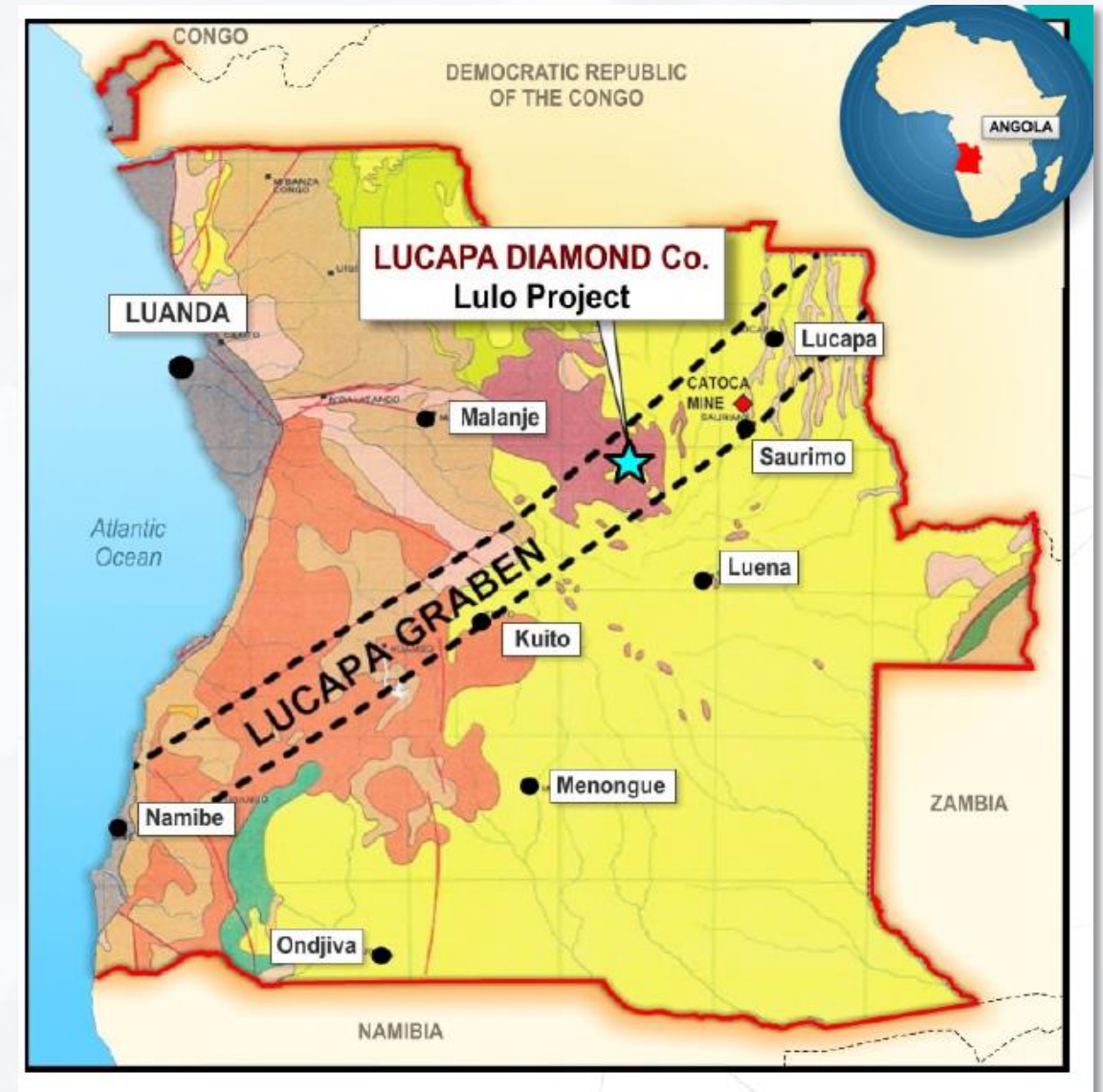
² As announced on 4 May 2016 post exercising of LOMOB options and A\$8.3 million received from the special distribution

Market Capitalisation



Angola – Where the Diamonds Are

- ✓ The world's fifth largest producer by value
- ✓ Africa's most underexplored address
- ✓ Potential for major new kimberlite discoveries recognised by the world's biggest diamond miners – Alrosa and De Beers
- ✓ Stable Government promoting international investment under new Mining Code
- ✓ Chair of the Kimberley Process Certification Scheme in 2015
- ✓ 3,000km² Lulo concession located within 150km of Catoca – the world's fourth largest diamond mine
- ✓ Home of Angola's largest recorded diamond – 404 carats (US\$16m)
- ✓ Lucapa has been operating in Angola continuously for eight years at Lulo



Lulo – Highly Prospective Ground

The Right Geography

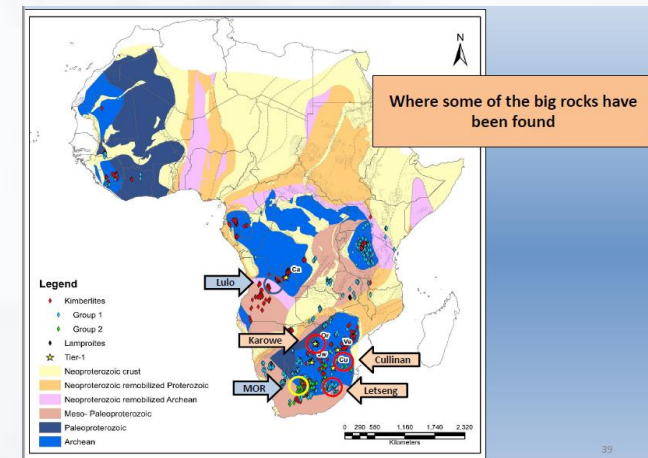
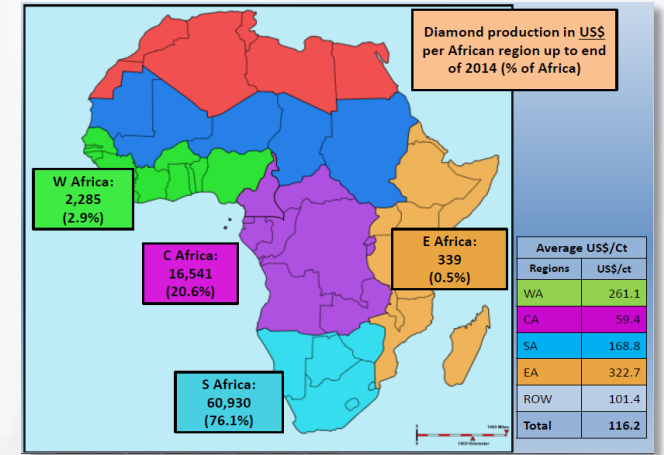
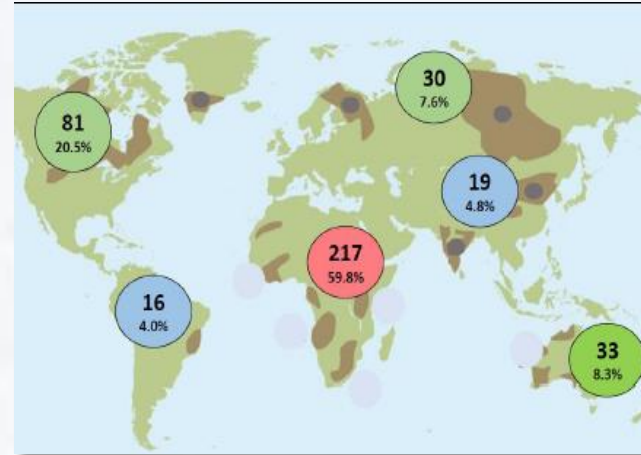
- Africa – largest diamond producer
- Angola – a global top 5 diamond producer
- Significant kimberlite provinces
- Large alluvial resources/ producers – sources remain to be found

The Right Indicators

- Diamonds of significance
- High concentrations of kimberlite indicator minerals
- Little to no signs of transport
- Bimodal populations (possible multiple contributors)

The Right Diamonds

- Large diamond population
- Type IIa & irregular shaped, jagged edged
- High average \$ per carat

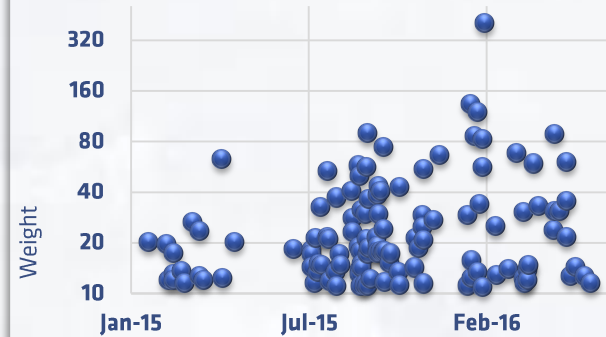


“If you look at the science of it, there’s still many more kimberlites to be found, and the geology says they will be big.” Charles Skinner – Head of Exploration, De Beers

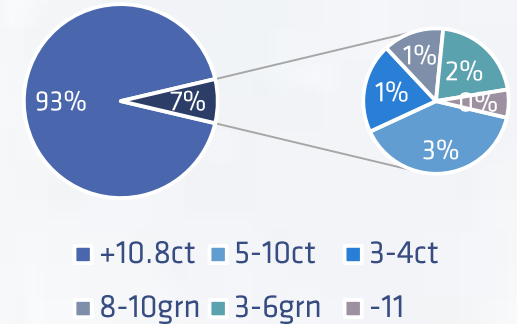
Lulo – A Rare Diamond Resource

- ✓ Exceptional average \$ per carat – **US\$2,783**
- ✓ Significant “Special” (>10.8 carats) diamond population – 28% weight = more than 90% revenue
- ✓ Large Type IIa diamonds
- ✓ Gem-quality white and fancy coloured diamonds
- ✓ Large average stone size >1 carat (using 1.5mm bottom cut-off screen)
- ✓ Continued strong global market demand for high end and investment quality diamonds

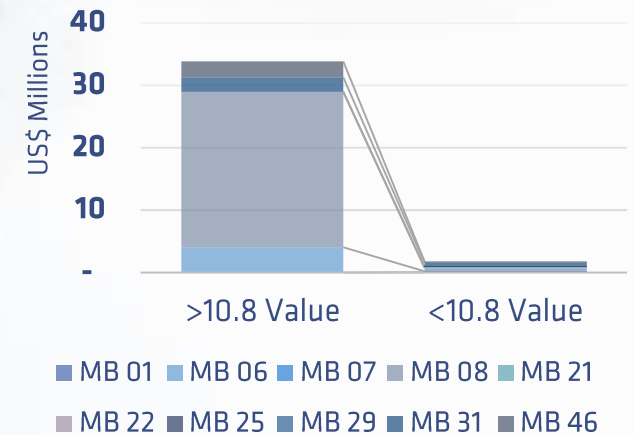
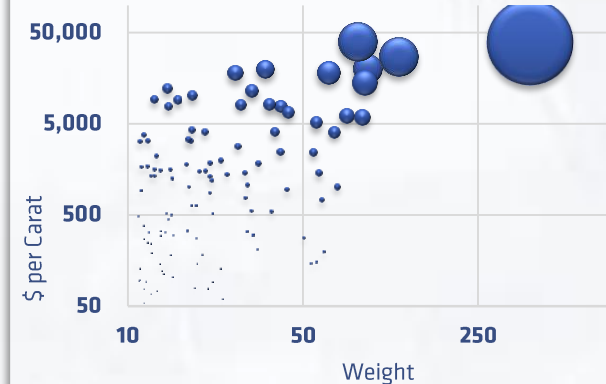
Special Recoveries



Revenue Distribution

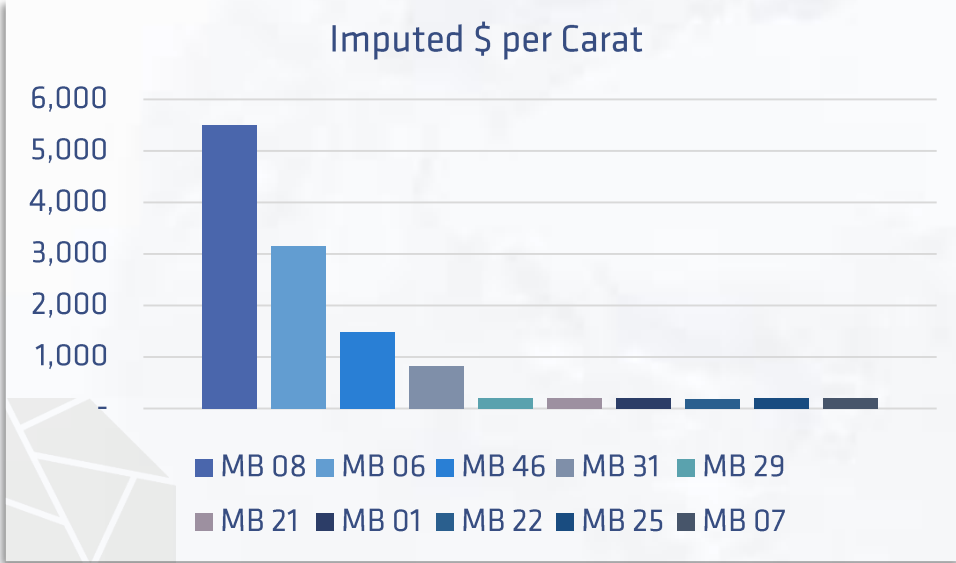
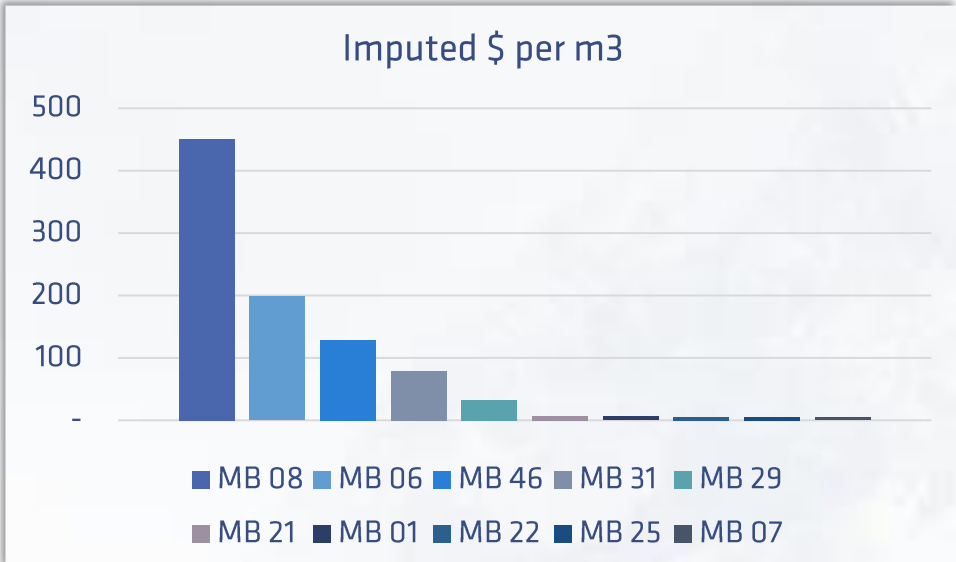


Specials Price per Carat



The source of these diamonds would be an exceptional mine

Lulo Jewellery Box Revenues



133ct



120ct



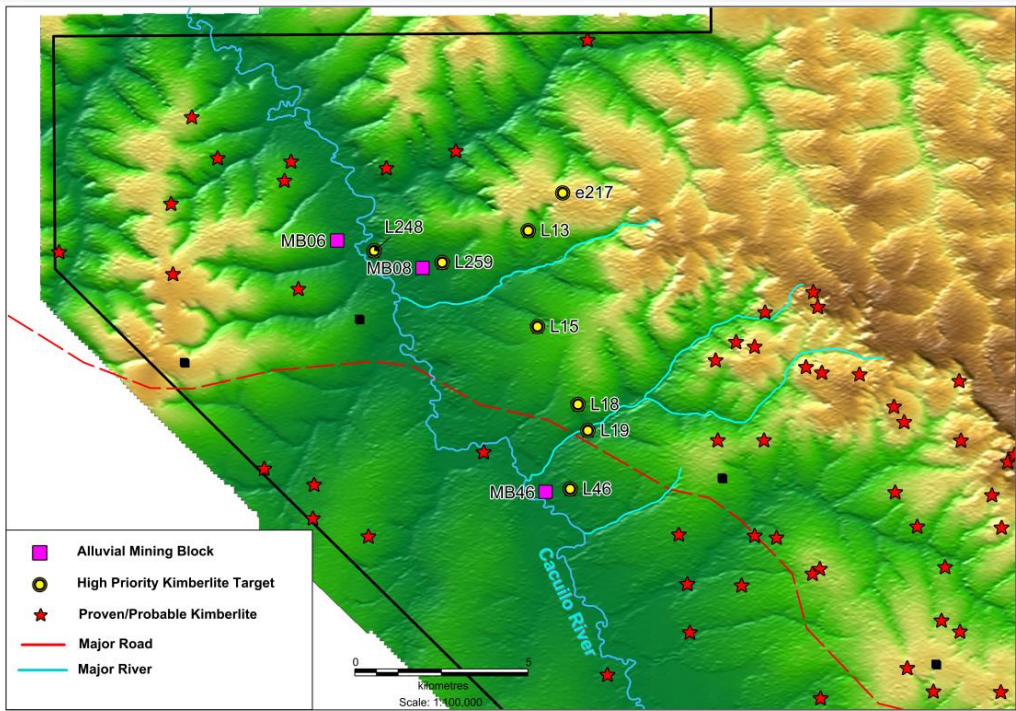
86ct



29ct



16ct



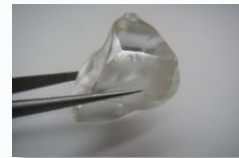
404ct



131ct



90ct



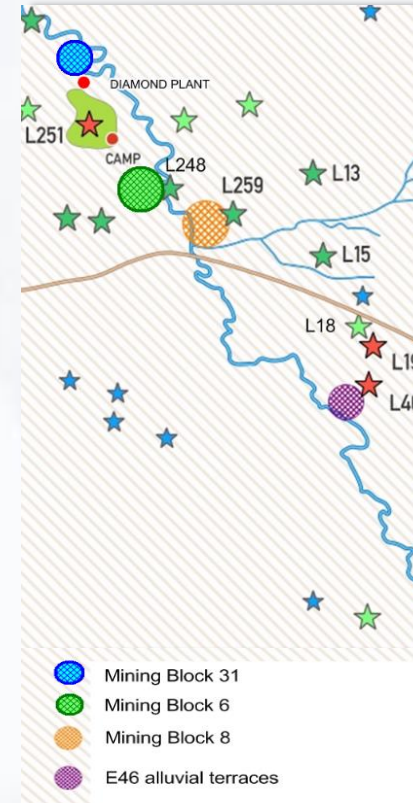
82ct



75ct

E46 – Another Source of Large Specials

- ✓ E46 is a material part of the future life-of-mine located 18km south of the diamond plant
- ✓ Trial alluvial mining confirmed E46 is another source of large high-value diamonds
- ✓ Results included:
 - Large white and fancy pink and yellow diamonds
 - >20 Specials of up to 88 carats, incl four +50 carat diamonds
 - Large average stone sizes
 - Specials – 30.5 carats per stone
 - Overall – 1.4 carats per stone
- ✓ Results have informed expansion strategy – hauling fleet v second plant
- ✓ Proximal diamond-bearing L46 and L19 kimberlites elevated as priority targets



2016 Alluvial Development Plan

✓ Treatment plant and camp

- Reduce plant bottlenecks – WFE
- Invest in improved technology – XRT
- Improve diamond values – deep boiling
- Improve site amenities

✓ Mining

- Invest in new earthmoving fleet – increase volumes
- Build stockpiles in dry season and prepare for 2016/17 wet season
- Invest in critical spares

✓ Grow cash flows

- Focused mining from high value Blocks 8 and 6
- Expand inferred JORC resource to extend life of mine
- Decision on doubling production (40,000bcm/month)

✓ Continue to inform kimberlite exploration



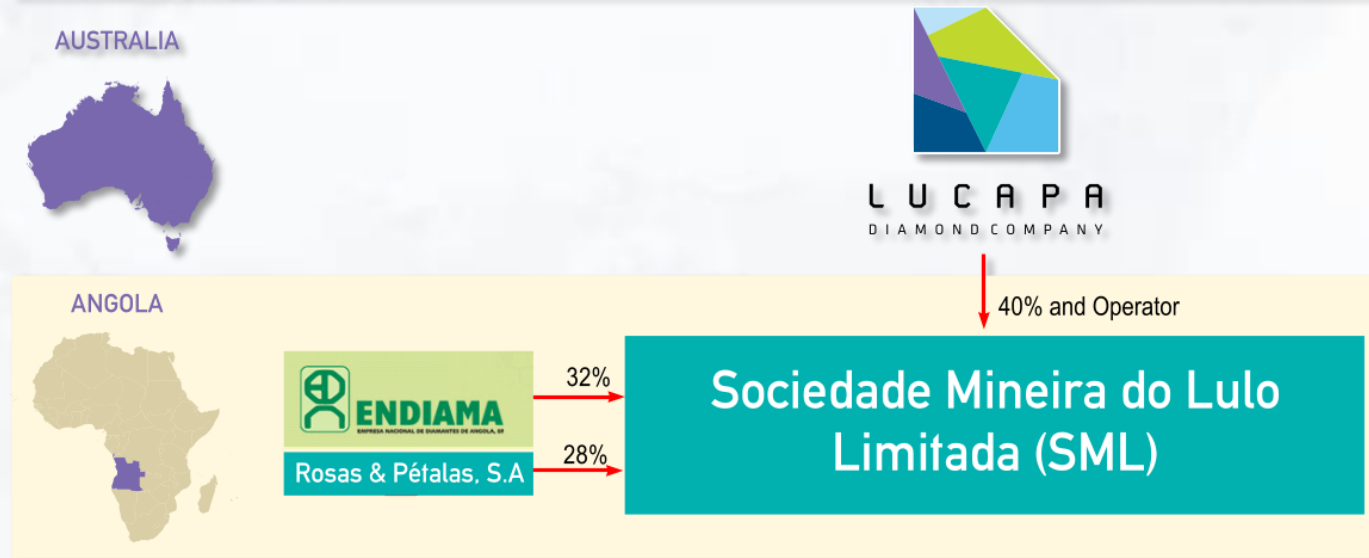
Capability and Efficiency Improvements

- ✓ Wet-Front-End being installed for efficient wet material screening
- ✓ State-of-the-art XRT recovery technology module
 - handling of coarse alluvial gravels and
 - Increase recovery of Type IIa diamonds
 - Technology used by TSX-listed Lucara and LSE-listed Gem Diamonds
 - XRT scheduled to be installed in Q3 16
 - Oversize material stockpiled since recovery of the 404 carat diamond for re-processing through XRT
- ✓ Deep diamond boiling facility being fabricated – also due for installation in Q3 16



Alluvial Returns to Shareholders

- ✓ Sociedade Mineira do Lulo (“SML”) incorporated - a stand alone alluvial mining entity
- ✓ Lucapa is a 40% shareholder and operator
- ✓ Lucapa exploring opportunities to increase stake
- ✓ Free cash from alluvial revenues to be distributed by SML as follows:
 - 50% to repay Lucapa US\$ investment in alluvial exploration and development
 - 50% to SML shareholders as a dividend
- ✓ Kimberlite exploration joint venture entities continues until mining license applied for



Closing in on the Kimberlite Source(s)

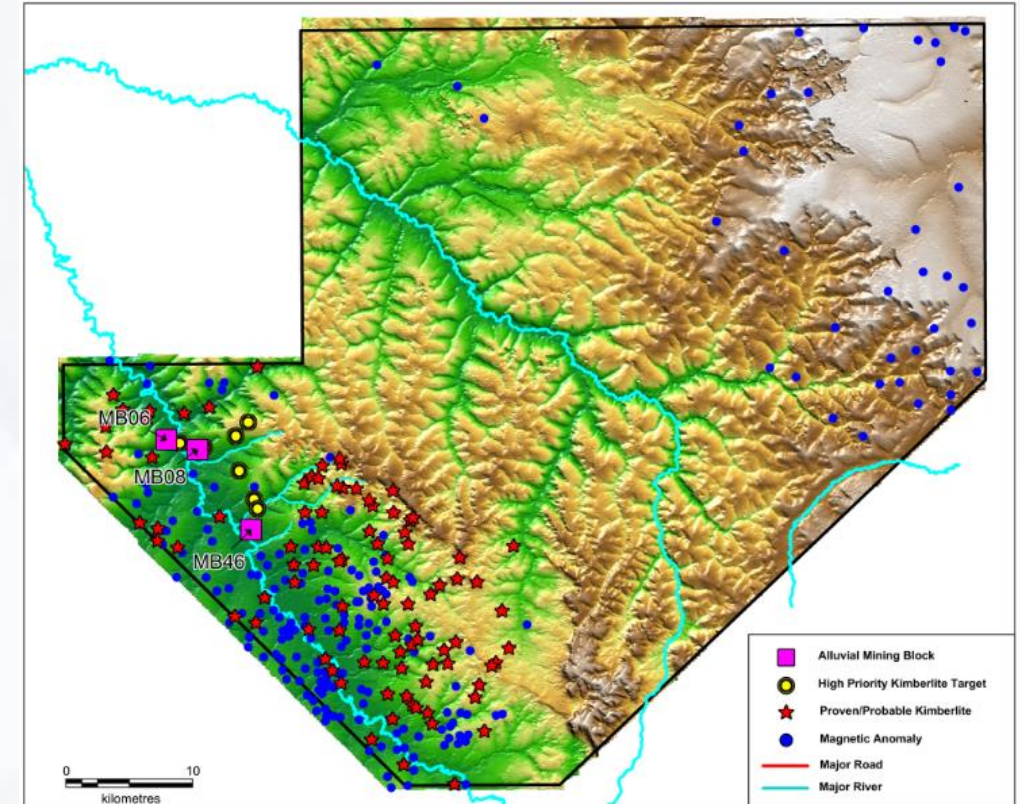
✓ Two kimberlite provinces identified at Lulo from extensive exploration programs:

- Aeromagnetic surveys
- Ground-based gravity and EM surveys
- Kimberlite pitting and drilling programs
- Laboratory analysis of indicator minerals

✓ These two provinces contain:

- ~300 kimberlite targets
- ~100 proven/probable kimberlites
- 5 known diamond-bearing kimberlites
- 2 high-priority kimberlite target zones identified near richest alluvial diamond areas (Mining Blocks 8/6 and E46)

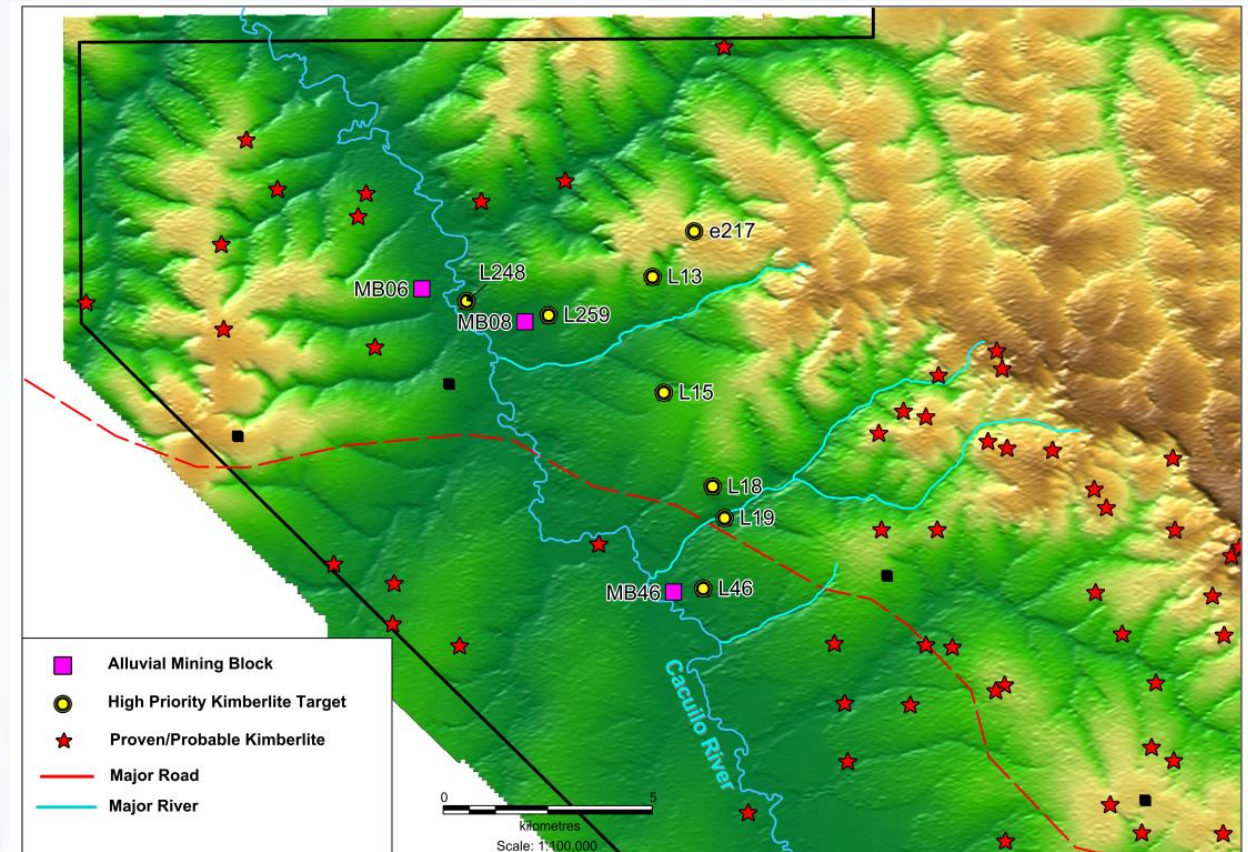
✓ 3-year kimberlite program submitted to Angolan Ministry of Geology and Mines



***"It appears almost certain that the alluvial diamonds found in the Caculo River valley have been derived from one or more of the local kimberlite sources."** International diamond expert Manfred Marx, June 2011.*

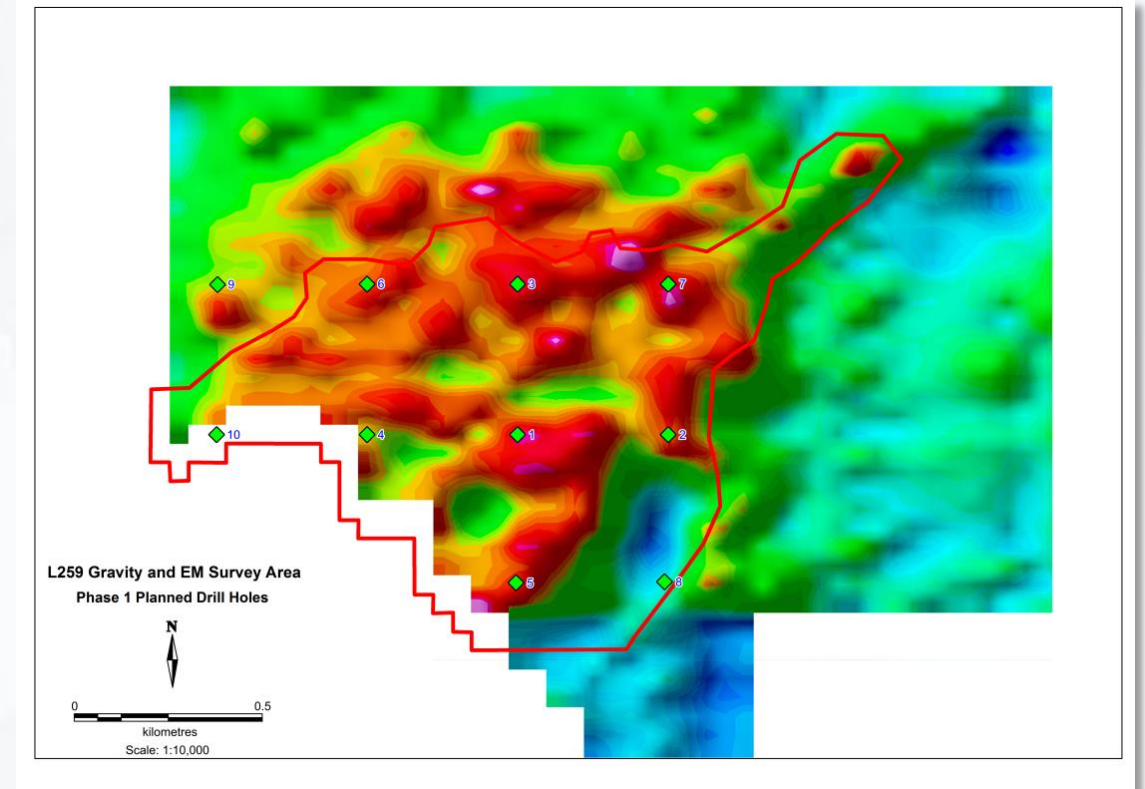
High Priority Kimberlite Targets

- ✓ Priority targets identified near the Lulo “jewellery boxes” - Mining Blocks 8 and 6
 - 78-108ha body identified at L259 consistent with weathered near-surface expression of a kimberlite pipe
 - Other proximal kimberlite targets include L13, L15, E217 and L248
- ✓ Kimberlite targets at E46 also elevated following large diamond recoveries from trial mining
 - Three proximal targets of L46, L18, L19
 - L19 and L46 already confirmed as diamondiferous
- ✓ Large alluvial diamonds in the E46 area considered to be from a separate kimberlite source to Mining Block 8/6 diamonds



Kimberlite Drilling Commences at L259

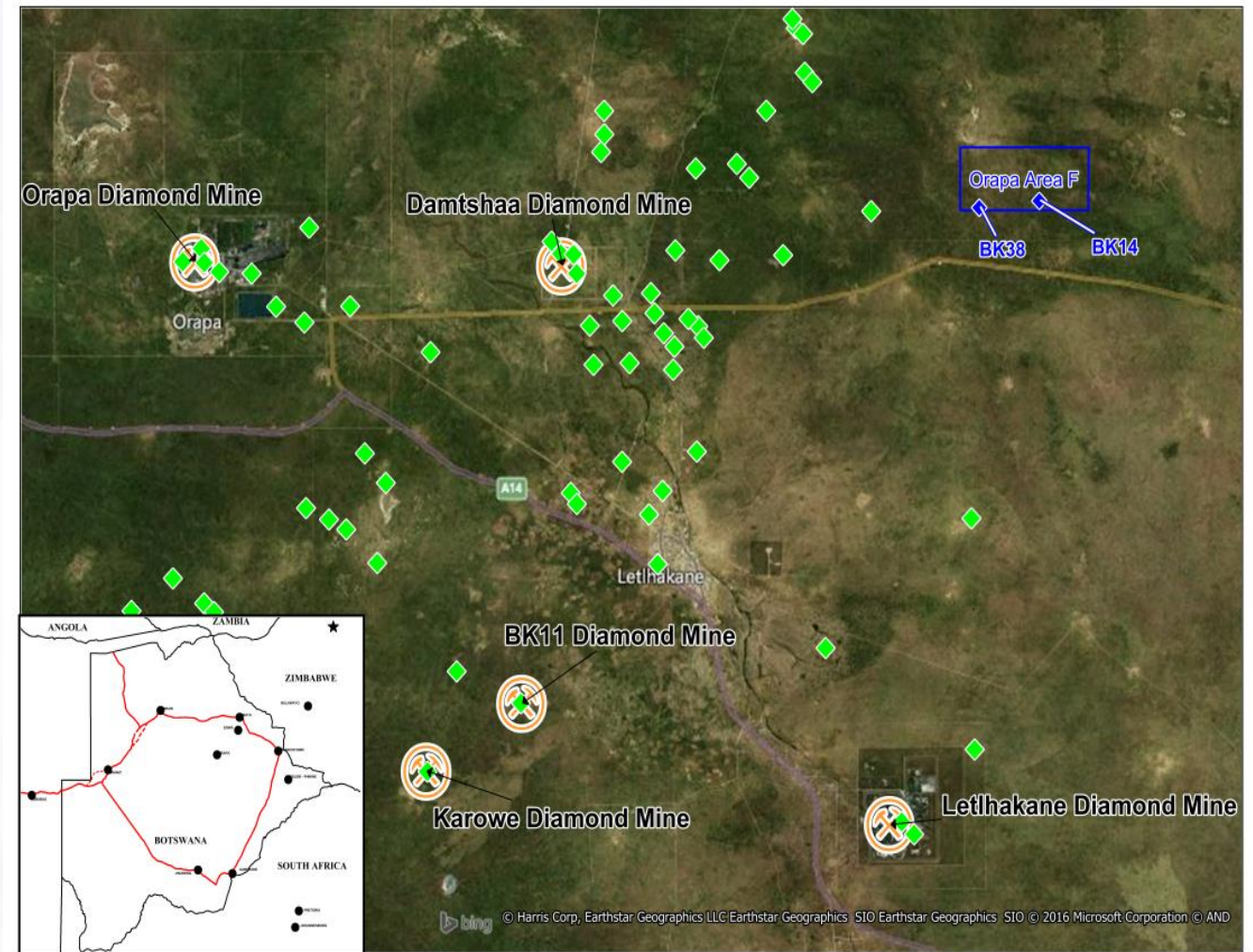
- ✓ Drilling of high-priority Lulo kimberlite targets has commenced
- ✓ L259 first to be drilled – below Mining Block 8 and adjacent to Mining Block 6
- ✓ Cost-effective first phase drilling program using company-owned rig



“... Highly prospective kimberlite exploration program which has the potential to confirm the first globally significant diamond discovery in over 25 years.” *Panmure Gordon & Co, The Quarterly Carat, April 2016*

Botswana - Orapa Area F

- ✓ A 16.2km² kimberlite prospecting licence in Botswana's best diamond address
- ✓ 100% owned by Lucapa
- ✓ Located 40km east of Orapa and ~4km of the BK02 kimberlite being bulk sampled by Lucara Diamond Corporation
- ✓ Orapa Area F contains two known kimberlites and an anomaly which warrant testing
- ✓ Upcoming exploration program at Orapa Area F includes:
 - Ground-based magnetic survey
 - Ground-based EM survey
 - MMI soil sampling program
 - Review of historical data



Lucapa: An Exciting Future

Lucapa is a growing diamond miner and explorer with an exciting mining and development project in a world class diamond-producing country

- ✓ Exciting drilling program commenced targeting a major kimberlite diamond discovery. Cost effective and funded
- ✓ Scaling up cash-generative alluvial diamond mining operations in BIG diamond areas - Mining Blocks 8 and 6
- ✓ Capital improvements to increase revenues, plant efficiency and ability to recover individual diamonds of up to 1,100 carats
- ✓ Discussions being advanced to increase shareholding in SML
- ✓ Global diamond opportunities being assessed to position Lucapa for continued growth in the diamond sector
- ✓ AIM listing to position Lucapa for kimberlite development success



Forward-Looking & Competent Person's Statements

Forward-Looking Statements

This Presentation has been prepared by Lucapa Diamond Company Limited ("the Company"). 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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No New Information

To the extent that this presentation contains references to prior exploration results and Mineral Resource estimates, which have been included in previous ASX market announcements made by the Company, unless explicitly stated, no new information is contained. The Company confirms that it is not aware of any new information or data that materially affects the information included in the prior relevant market announcements or presentations and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the presentation continue to apply and have not materially changed.

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 Fellow 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.

Appendixes



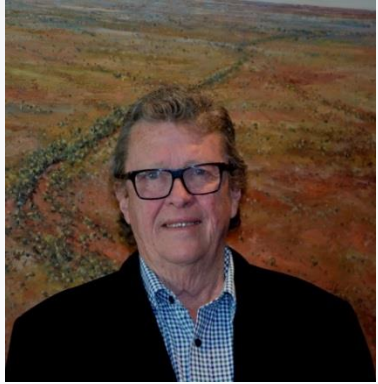
Lucapa Mining - Physicals

	Exploration Phase 2008-2015	Q1 15	Q2 15	H1 15	Q3 15	Q4 15	H2 15	FY 15	Q1 16	Q2 16	YTD H1 16	YTD FY 16	Total Mining 2015-2016	Total Lulo 2008-2016
Actual Treated m ³ (bulkied)	19,371	12,912	17,264	30,176	44,009	38,402	82,411	112,587	37,208		37,208	37,208	149,795	169,166
Actual Carats Recovered	1,950	1,335	1,430	2,765	3,479	2,151	5,630	8,394	3,088		3,088	3,088	11,482	13,432
Actual Grade Recovered (cphm3)	10.07	10.34	8.28	9.16	7.90	5.60	6.83	7.46	8.30		8.30	8.30	7.67	7.94
Actual No of Stones Recovered	1,740	1,317	1,818	3,135	2,896	1,594	4,490	7,625	2,260		2,260	2,260	9,885	11,625
Actual Avg Stone Size Recovered	1.12	1.01	0.79	0.88	1.20	1.35	1.25	1.10	1.37		1.37	1.37	1.16	1.16
Specials Recovered	15	12	3	15	43	28	71	86	23		23	23	109	132
Actual Sales (Carats)	867	-	2,989	2,989	2,559	3,778	6,338	9,327	1,931	2,670	4,601	4,601	13,928	14,795
Actual Sales (A\$)	6,040,000	-	3,666,929	3,666,929	1,023,644	8,091,593	9,115,237	12,782,166	32,499,916	2,931,555	35,431,470	35,431,470	48,213,636	54,253,636
Actual Price per Ct (A\$)	6,965	-	1,227	1,227	400	2,141	1,370	1,370	16,831	1,098	7,700	7,700	3,667	3,667
Actual Sales (US\$)	5,570,400	-	2,917,510	2,917,510	716,551	5,811,003	6,527,553	9,445,063	23,138,649	3,022,250	26,160,899	26,160,899	35,605,962	41,176,362
Actual Price per Ct (US\$)	6,424	-	976	976	280	1,538	1,030	1,013	11,983	1,132	5,686	5,686	2,783	2,783

Lucapa Timeline

2008	<ul style="list-style-type: none"> • Lucapa secures interest in 3,000km² Lulo diamond concession • Aeromagnetic survey identifies first Lulo kimberlite targets
2010	<ul style="list-style-type: none"> • First alluvial diamond recovered (22.2 carats) from original 15tph diamond plant
2011	<ul style="list-style-type: none"> • First +100 carat alluvial diamond recovered (131.5 carats)
2013	<ul style="list-style-type: none"> • Aeromagnetic surveys over the remainder of the Lulo concession increase number of kimberlite targets to >250 • First sale of Lulo diamonds for A\$3.12 million • New 150tph diamond plant commissioned at Lulo
2014	<ul style="list-style-type: none"> • First kimberlite diamonds recovered at Lulo • Alluvial mining licence agreement signed
2015	<ul style="list-style-type: none"> • Alluvial diamond mining commences • Mining operations scaled up to 10,000 and then 20,000 bulk cubic metres per month • Alluvial Mining Blocks 8 produces regular Special diamonds • Lulo becomes operating cash flow positive • High-priority L259 kimberlite identified • Lulo alluvial diamond sales exceed 10,000 carats • Maiden JORC Resource announced
2016	<ul style="list-style-type: none"> • Lulo recovers Angola's biggest recorded diamond – a 404 carat Type IIa D-colour gem sold for A\$22.5m • Lucapa receives A\$8.3 million special distribution from sales of 404 carat Lulo diamond • Lucapa receives A\$16.3 million from conversion of listed options • Lulo alluvial mining company incorporated • Kimberlite drilling program commences at the high-priority L259 target

Lucapa Board and Management Team



Miles Kennedy – Non-Executive Chairman

Co-founder and former chairman of Kimberley Diamond Co, which developed the Ellendale diamond mine in WA before being taken over by Gem Diamonds. Has held directorships of ASX-listed resources companies for >30 years



Stephen Wetherall – CEO/Managing Director

Qualified chartered accountant with +20 years' experience in operational management, corporate transactions and strategic planning. Extensive understanding of diamond industry from exploration to retail built during previous roles with De Beers and Gem Diamonds.



Gordon Gilchrist – Non-Executive Director

Former CEO of Argyle Diamond Mines, which became the largest diamond production mine in the world under his leadership. Served as CEO of Rio Tinto Diamonds from 2002 to 2005, based in Antwerp.



Nick Selby – Chief Operating Officer

An extraction metallurgist with 37 years' experience in the mining industry, including 19 years with De Beers. In previous role with Gem Diamonds was responsible for establishing diamond projects in various countries including Angola, DRC, Central African Republic, Lesotho and Botswana.



Albert Thamm – Non-Executive Director

Geologist with 28 years' experience in exploration and mining project development in Africa (including Angola), South America and Australia. Formerly Chief Geologist with the Ellendale diamond mine in WA.

Lulo Inferred Alluvial Diamond Resource



Classified, Depleted & Reconciled Lulo Alluvial Diamond Resource as reported 31 December 2015

JORC Classification	Sector	Thickness (m)	Area (m ²)	Insitu volume (m ³)	Grade (stns/m ³)	Carats/stone	Stones	Carats	Insitu grade (cphm ³)	Modelled value (USD)*
Inferred	5	0.44	96,200	10,400	0.11	0.95	1,200	1,100	10.58	\$781
	4	0.33	60,000	17,699	0.05	1.04	2,600	1,800	9.09	\$781
	5N	0.64	80,000	51,200	0.06	1.13	3,000	3,400	6.64	\$781
	4 MB08	0.57	255,575	120,001	0.06	1.48	6,900	9,700	8.23	\$931
	46	0.40	331,800	132,700	0.18	0.97	24,100	23,400	17.63	\$781
	1	0.60	363,700	218,200	0.07	0.82	14,300	11,700	5.36	\$781
Total			1,187,275	550,200	0.09	1.02	52,100	51,000	9.27	\$806

Note : cphm³: carats per 100 cubic metres; Stns/m³: stones per cubic metre

***Special stones are not excluded in the modelling stage, in terms of size or assortment.**

Average realised sales are significantly higher in value than the modelled values shown above

Bottom screen size: effective -1.5mm

Note: Depleted for mining to end of October 2015. Resource revision in progress. Sector 46, MB08, MB06, partial depletion, plus additions