

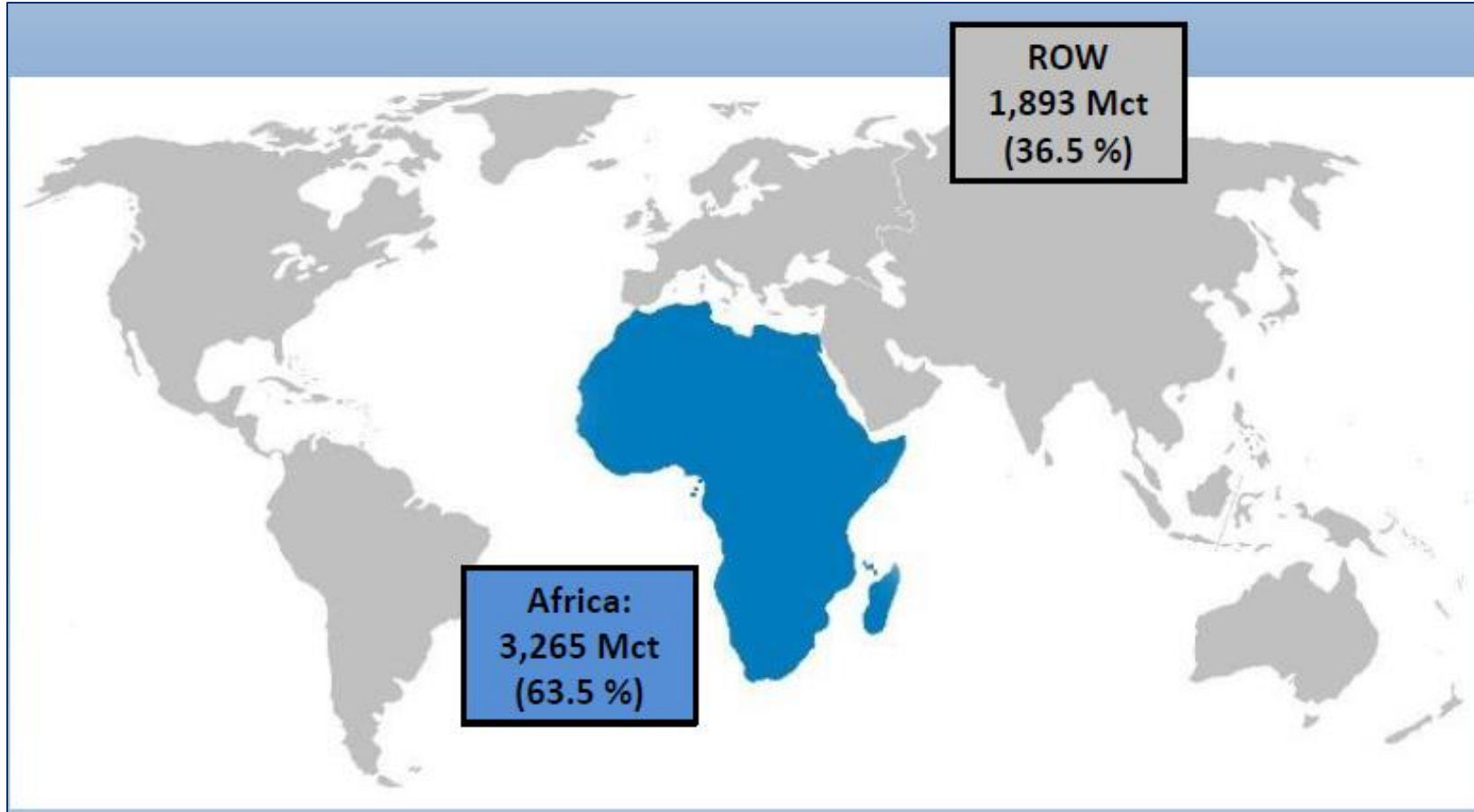
LUCAPA
DIAMOND COMPANY

**A growing diamond producer
and explorer**

Africa Down Under Conference
8th September 2016

Introduction

If I told you we had a diamond project in...

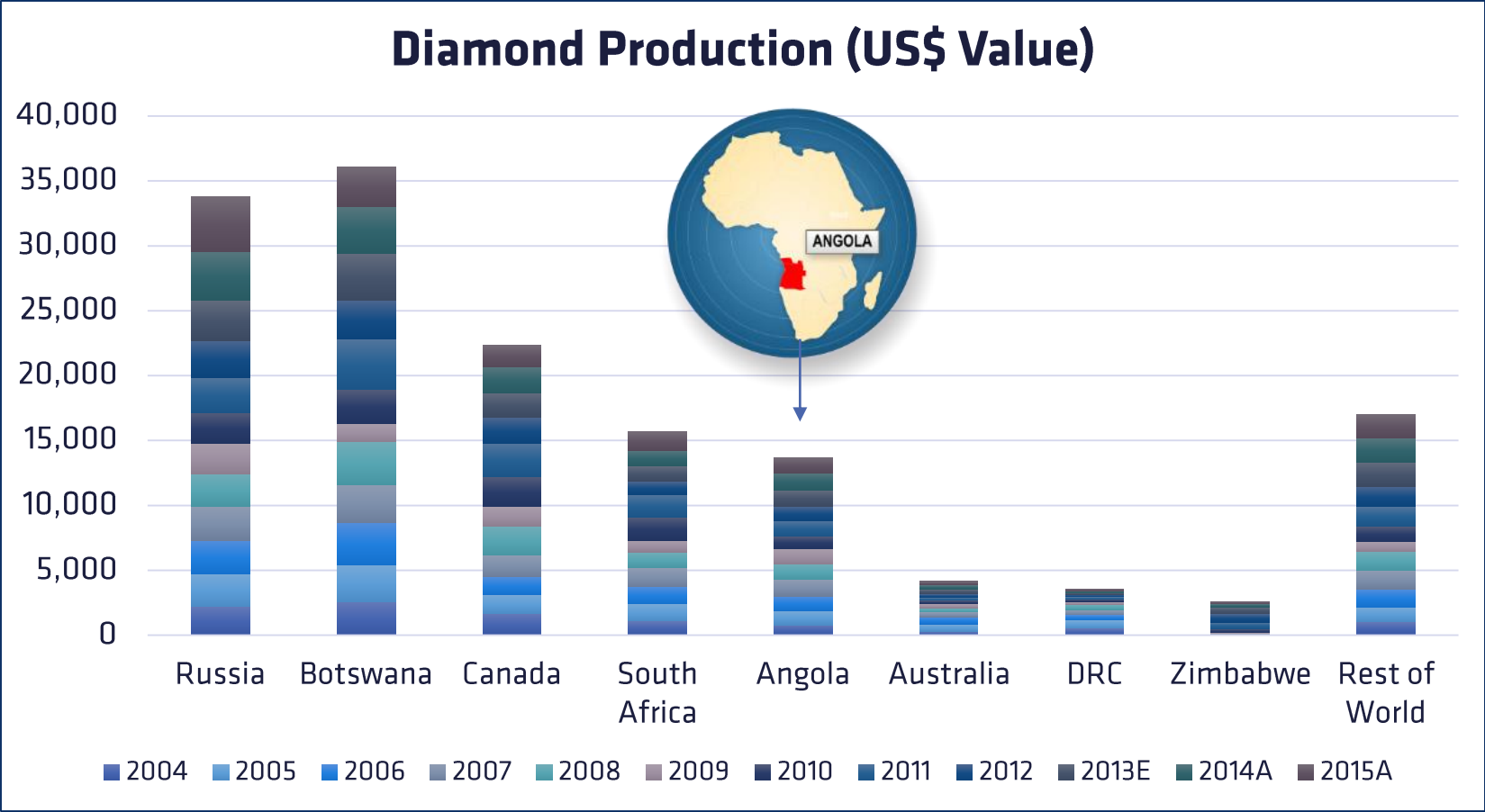


Source: M de Wit (PDAC presentation)



Introduction

in...



Source: KP Statistics



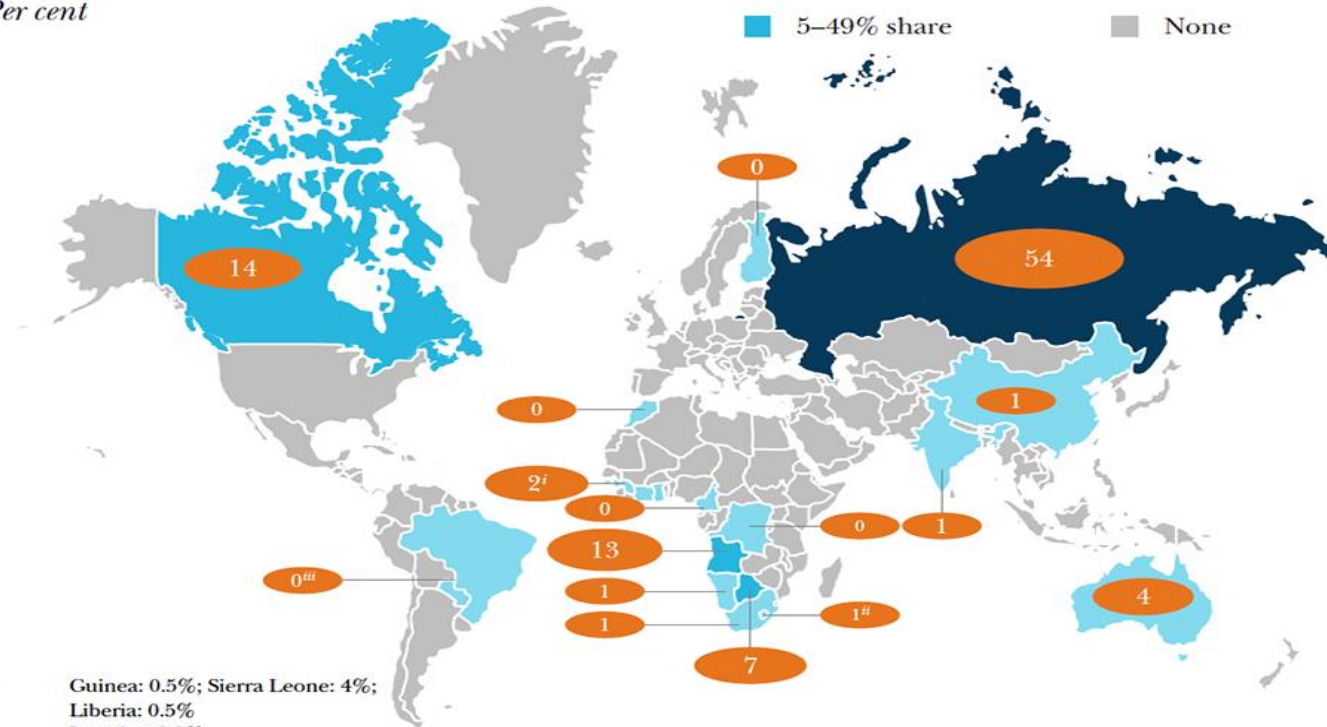
Introduction

in...

SHARE OF GLOBAL DIAMOND EXPLORATION SPEND BY COUNTRY 2013-2014

Per cent

■ More than 50% share ■ 0.1–4.9% share
■ 5–49% share ■ None



- i Guinea: 0.5%; Sierra Leone: 4%;
Liberia: 0.5%
- ii Lesotho: 0.9%
- iii Paraguay and Brazil: 0.1%

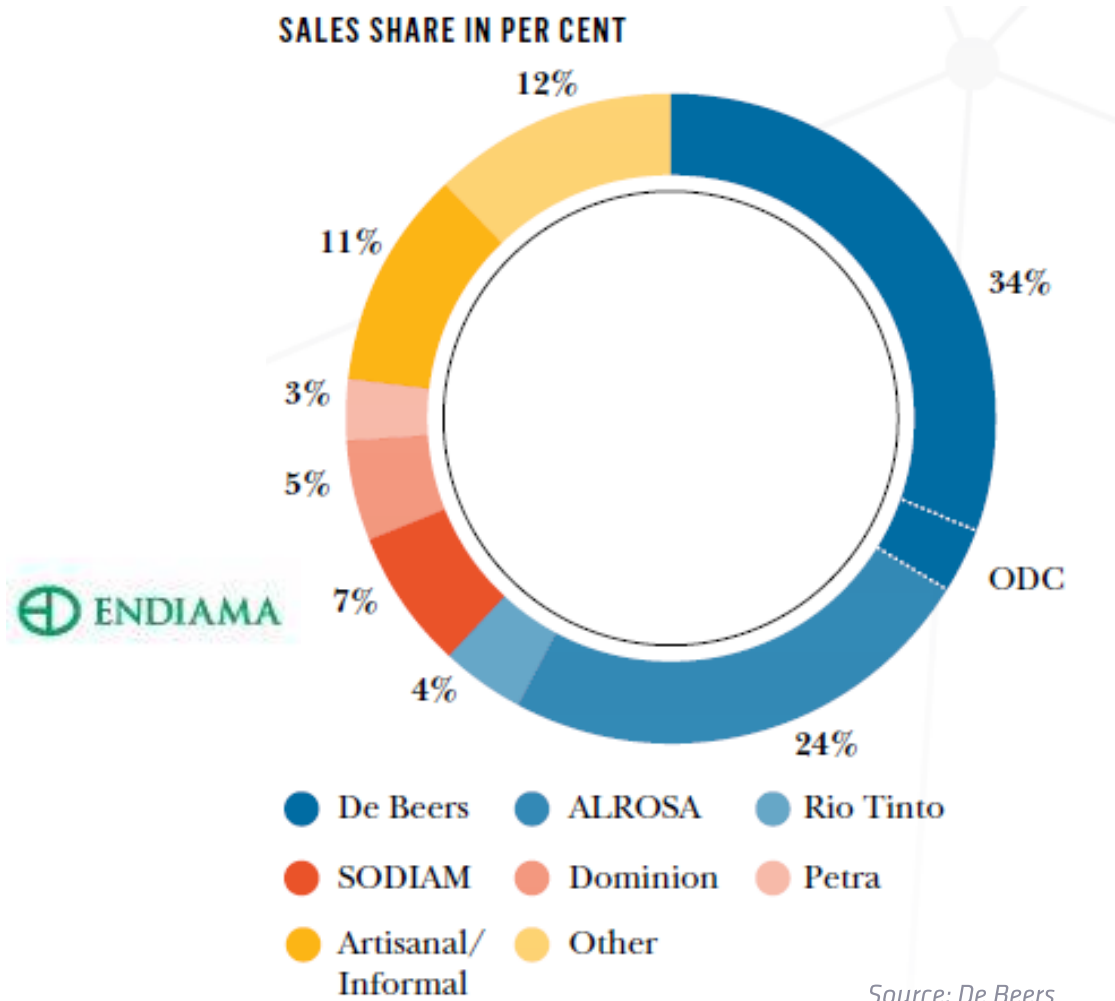
Note: Total may not sum due to rounding

Source: De Beers estimates based on company publications and websites, SNL Metals & Mining's Corporate Exploration Strategies 2013; includes grassroots, late stage, and mine site exploration expenditures



Introduction

with...



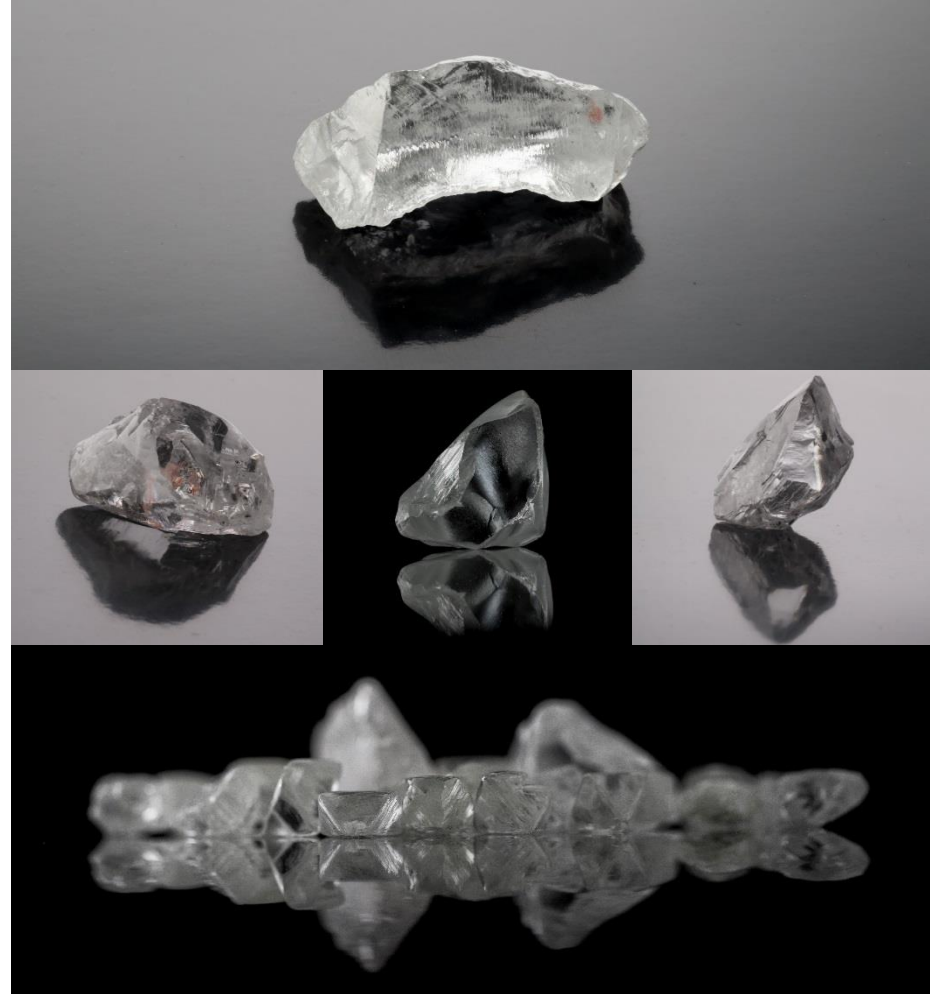
Introduction

with record breaking diamonds...



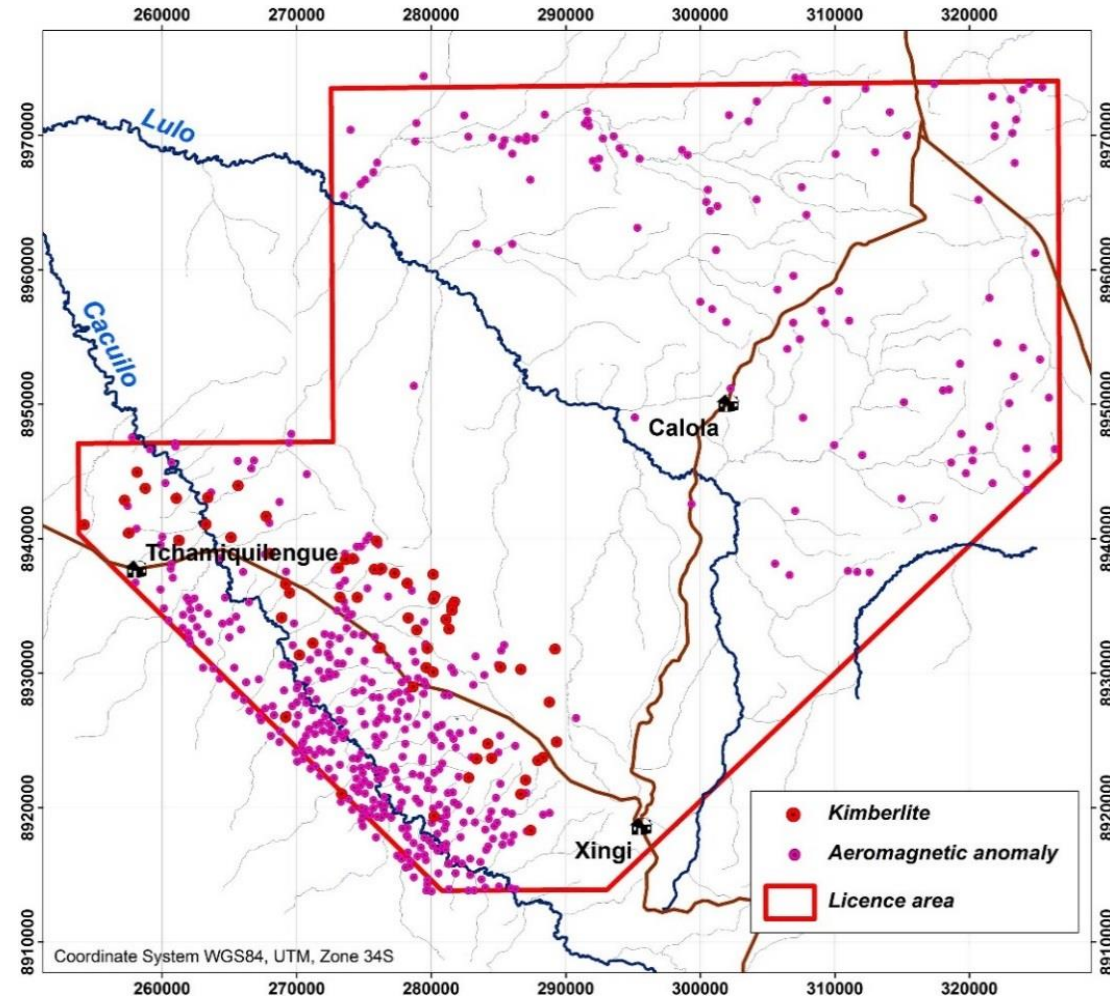
Introduction

with production of the highest quality...



Introduction

with significant source potential...



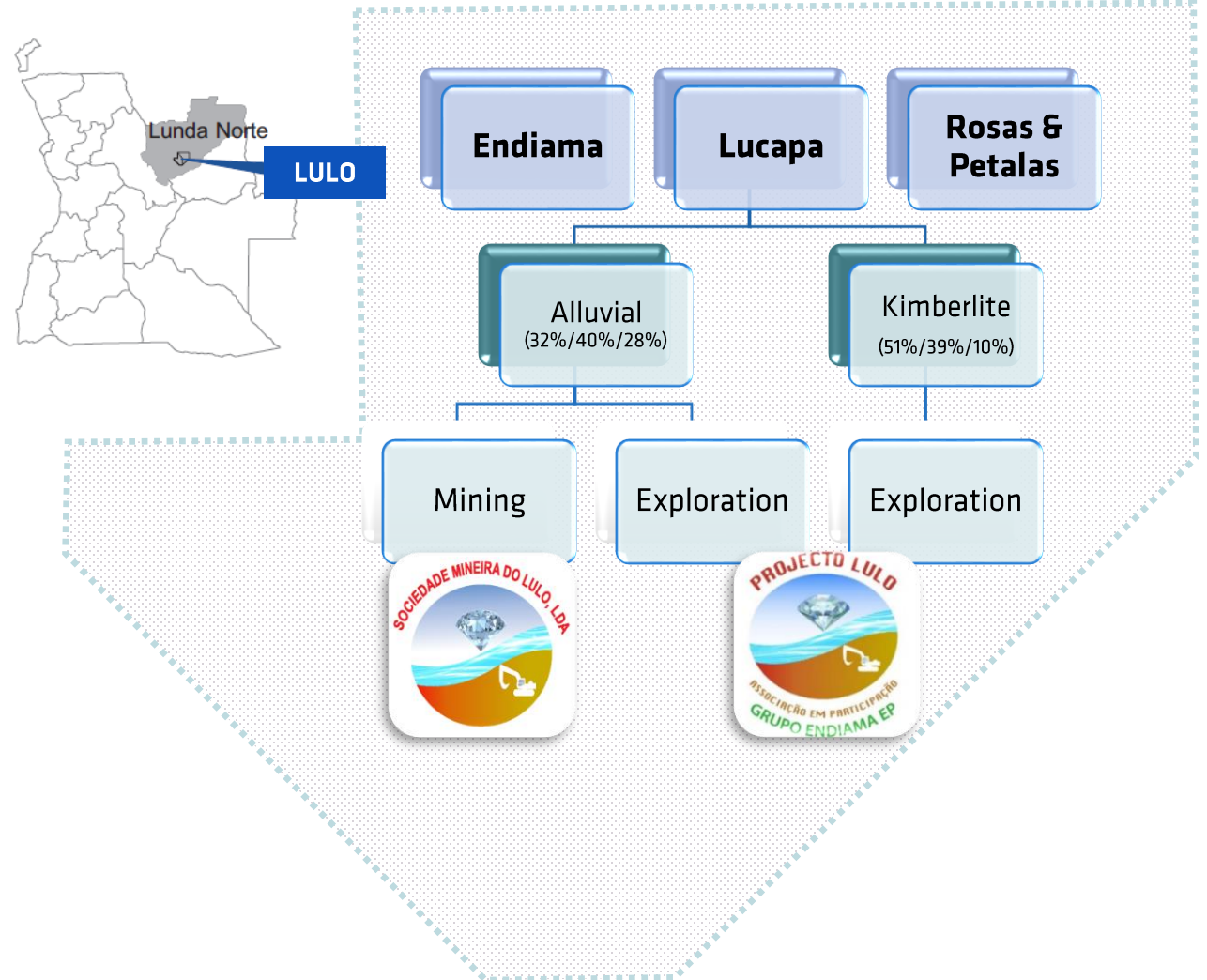


The Lulo Diamond Project

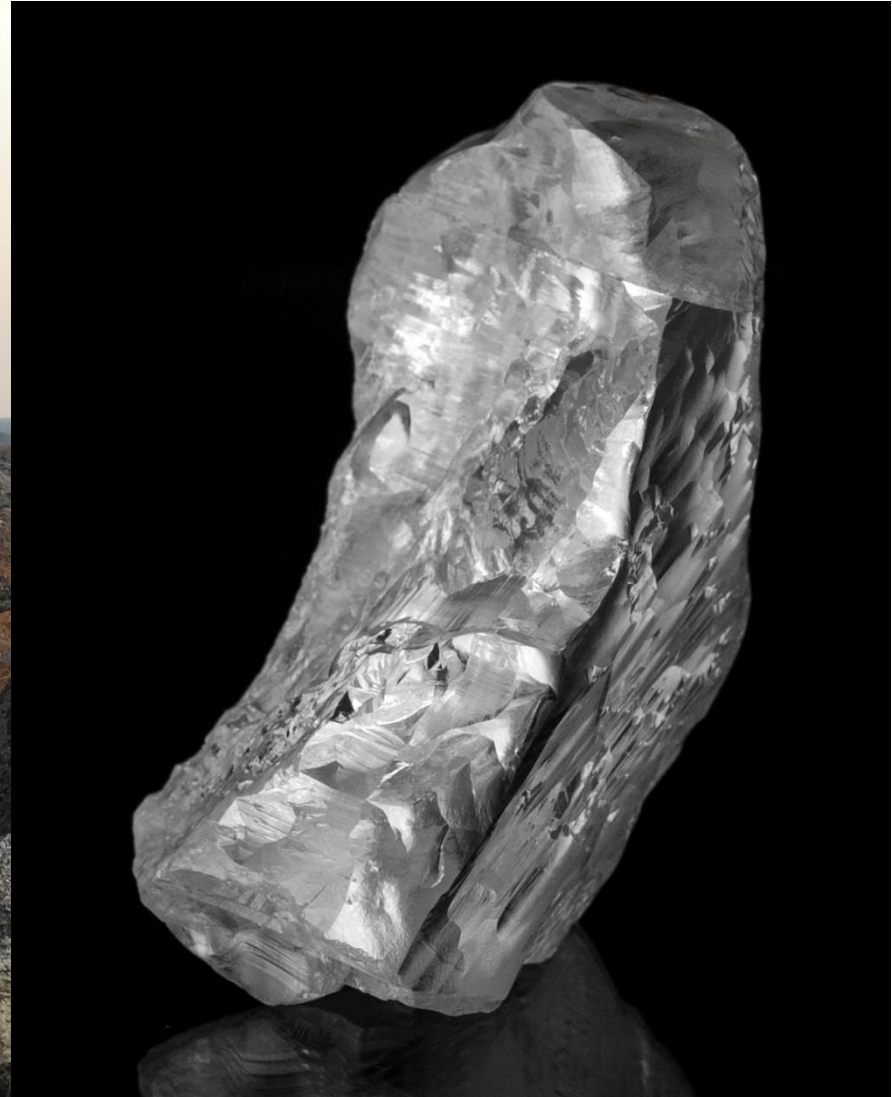


Lulo Diamond Project

- Partnership with
 - Endiama - Angolan Government and
 - Rosas & Petalas – private partner
- 3,000km² diamond concession
- Lunda Norte Province – Angola's diamond heartland
- Diamond activities
 - Alluvial and kimberlite exploration (“Projecto Lulo”) and
 - Alluvial diamond mining company (“SML”) minimum 10 year mining title



Alluvial Operations - SML

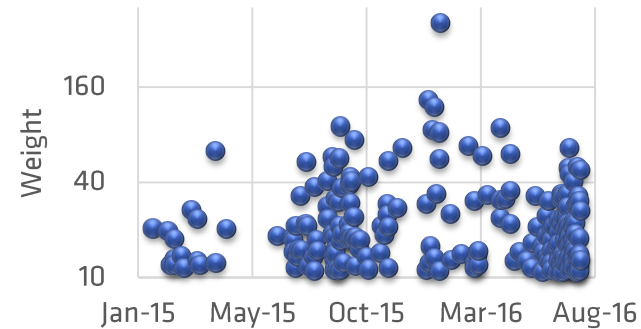


Alluvial Production

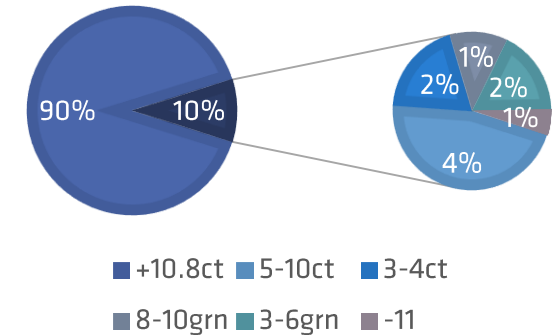
exceptional quality...

- Overall ~**US\$2,100** per carat sale price - **20** times global average
- Extraordinary Specials population
- 2016 average stone size of 1.6 carats
- Top-quality white, fancy coloured & Type IIa diamonds

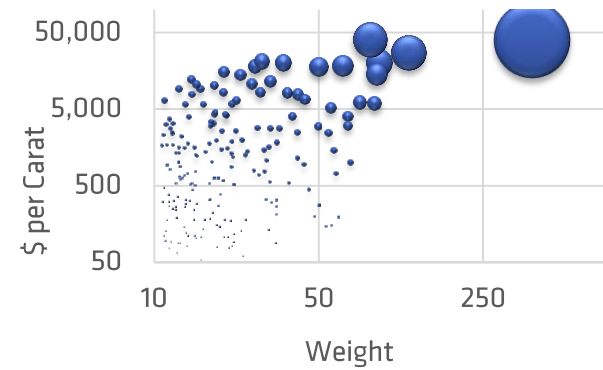
SPECIAL RECOVERIES



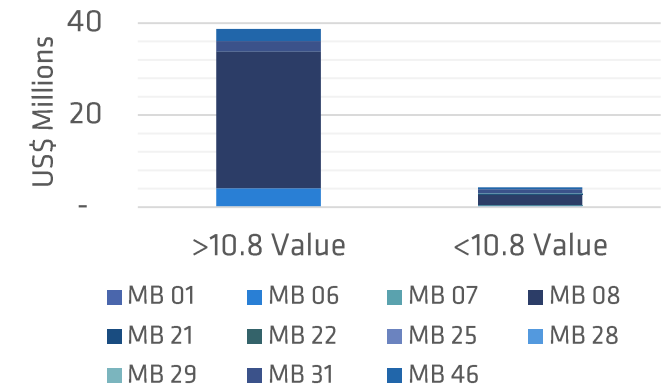
REVENUE DISTRIBUTION %



SPECIALS PRICE PER CARAT

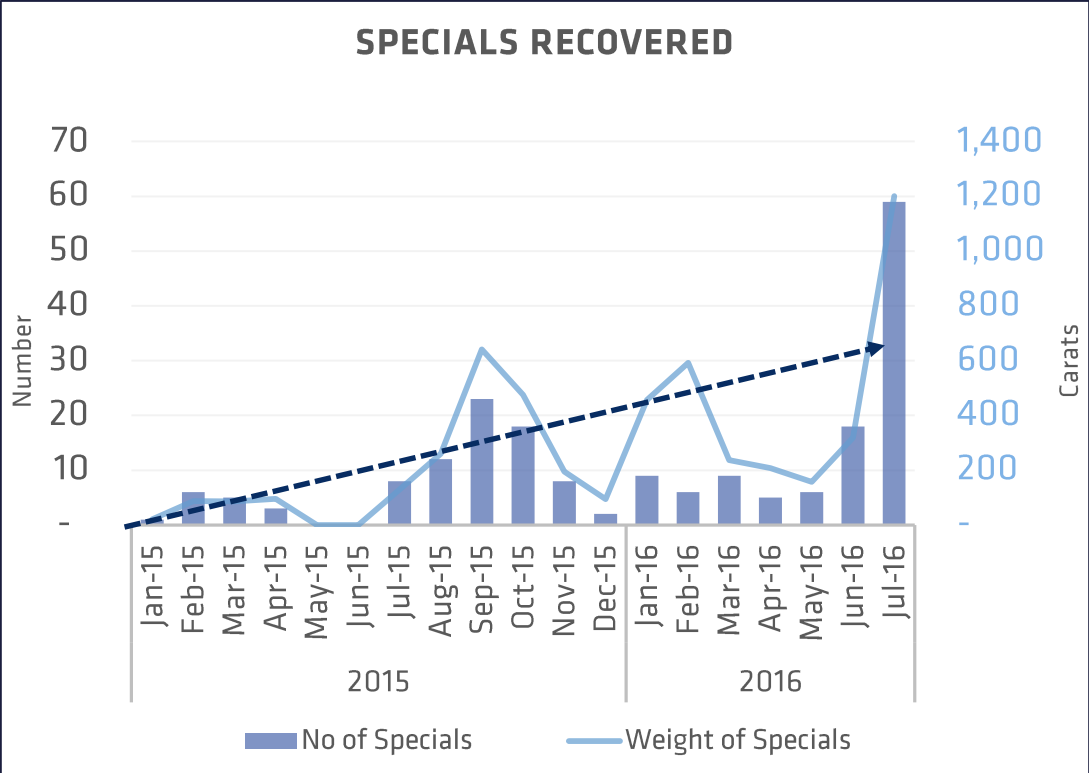
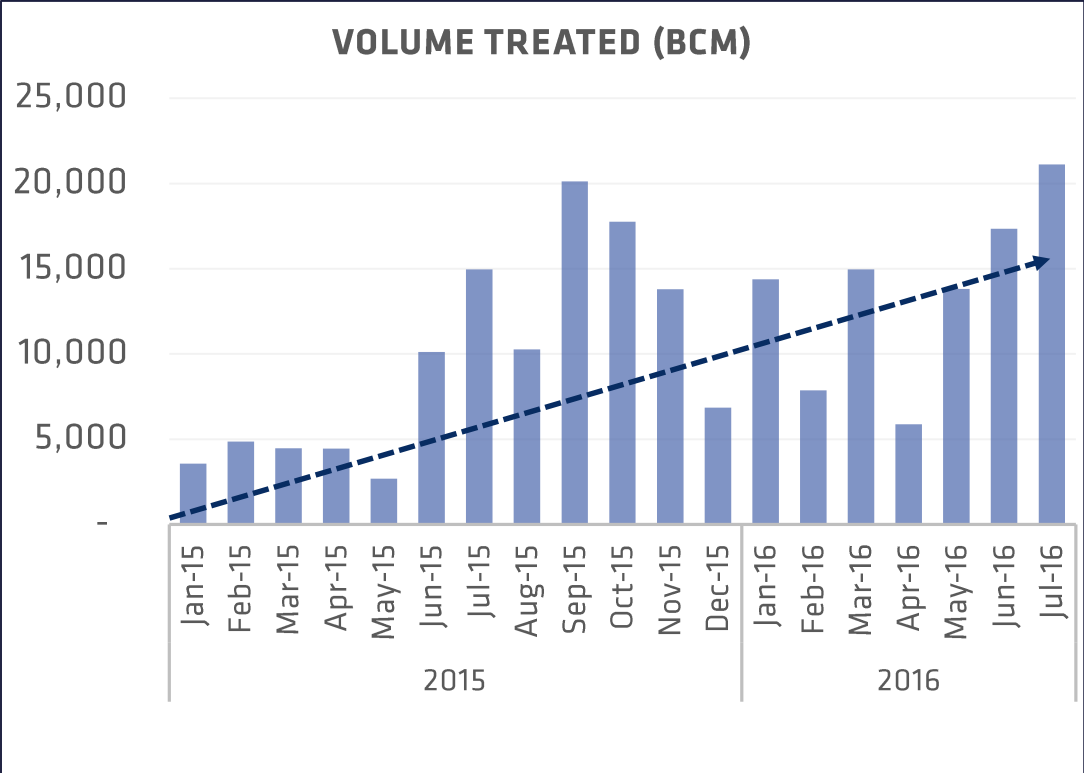


REVENUE DISTRIBUTION US\$



Alluvial Production

operational growth...



Alluvial Production

cash generating operations...

- YTD Revenue up 240% on 2015
- Higher mining volumes and regular diamond sales
- Generated US\$32m in revenue ~10,200 carats in 2016
- Monthly cash operating cost of ~US\$1.3m at 20,000 bcm
- SML is a strong cash generating operation
- Lulo distribution already declared to partners in 2016



Significant Investment in Place

mining and exploration equipment...



Trucks

- 3 CAT 740B
- 5 CAT 745C
- 2 CAT 725
- 2 Bell



Excavators & Dozers

- 6 CAT Exc
- 1 Bell Exc
- 1 CAT D6 Doz
- 1 CAT D8 Doz



Front End Loaders & Other

- 1 CAT 966H FEL
- 2 CAT 928 FEL
- 1 Bell FEL
- 2 CAT 422E TLB
- 1 CAT Grader
- 1 Compactor
- 1 Telehandler
- 1 Crane



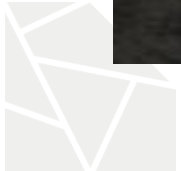
Vehicles

- 5 Toyota Land Cruisers
- 4 Ford Rangers
- 1 Toyota Hilux
- 1 Scania 60 seater Bus
- 1 Canter Utility



Drilling

- Sedidril Core Rig
- 1 Tractor and trailer



Significant Investment in Place

processing plant and recovery...

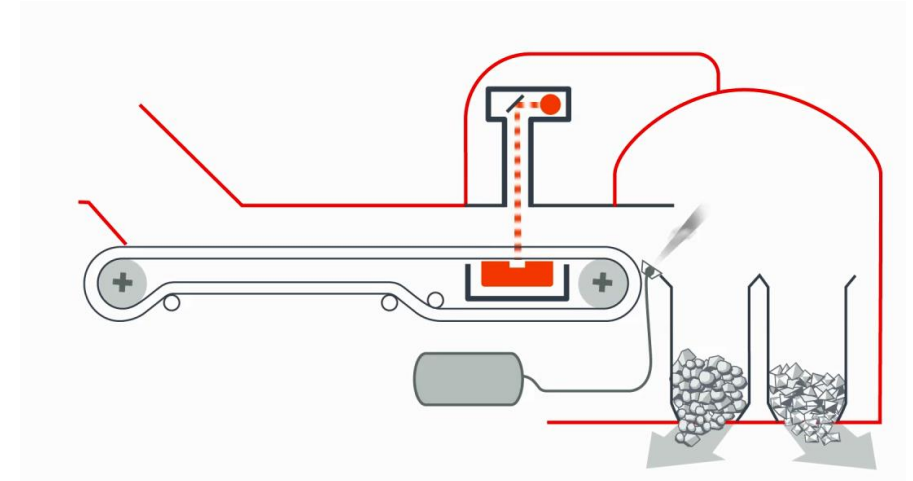
- 150 tonne per hour DMS plant (+1.5mm and -32mm screens)
- Installed wet front end in July 2016 – significant improvement in feed rate, washing clay rich and wet material
- Invested in X-ray flow sort capacity in the recovery



Investment in New Technology

currently being installed...

- XRT recovery stream
 - Coarse material processing and improved diamond recovery
- Larger 55mm screens will allow recovery of diamonds up to 1,100 carats
- Larger more secure recovery and diamond cleaning facility
- Commissioning in early Q4 2016
- Oversize material to be processed



Kimberlite Exploration



Kimberlite Prospectivity

the right geography...

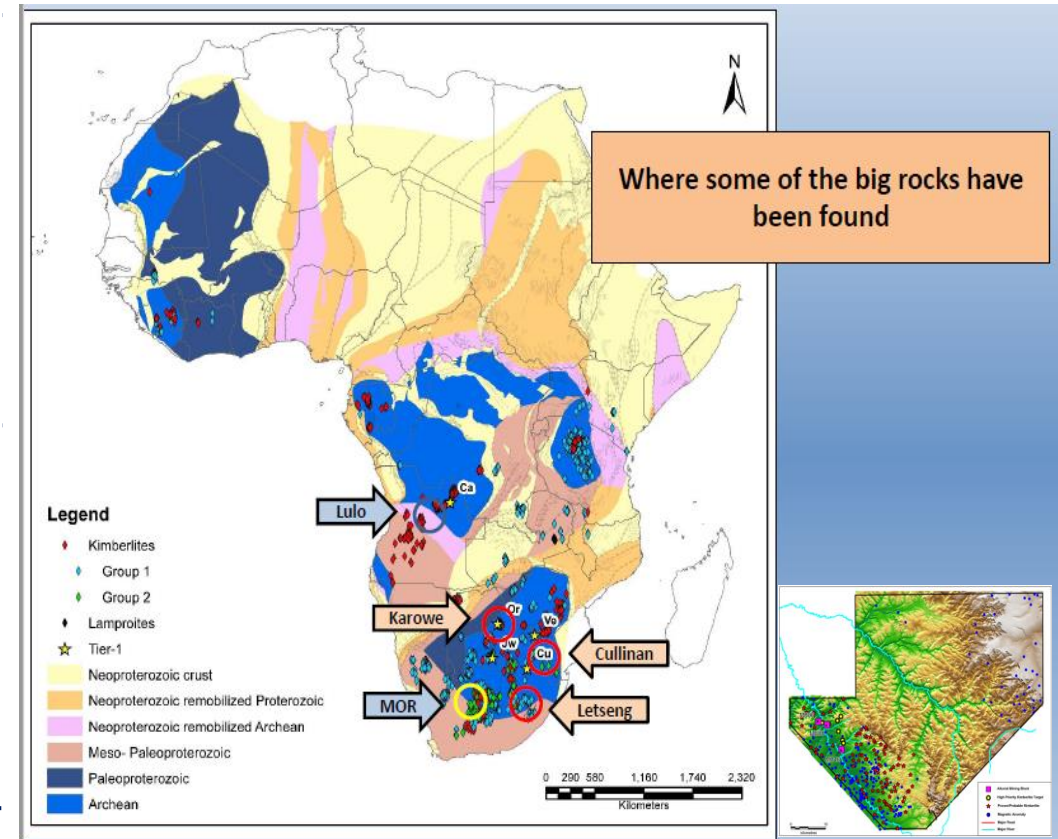
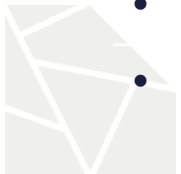
- Africa – largest diamond continent
- Angola – a global top 5 diamond producer
- Significant kimberlite provinces
- Large alluvial resources – sources undiscovered

the right indicators...

- Diamonds
- High concentrations of kimberlite indicator minerals
- Little to no signs of transport, irregular shaped, jagged edged

the right diamonds...

- Large stone diamond population
- Type IIa and fancy colours
- High average \$ per carat



Source: M de Wit (PDAC presentation)

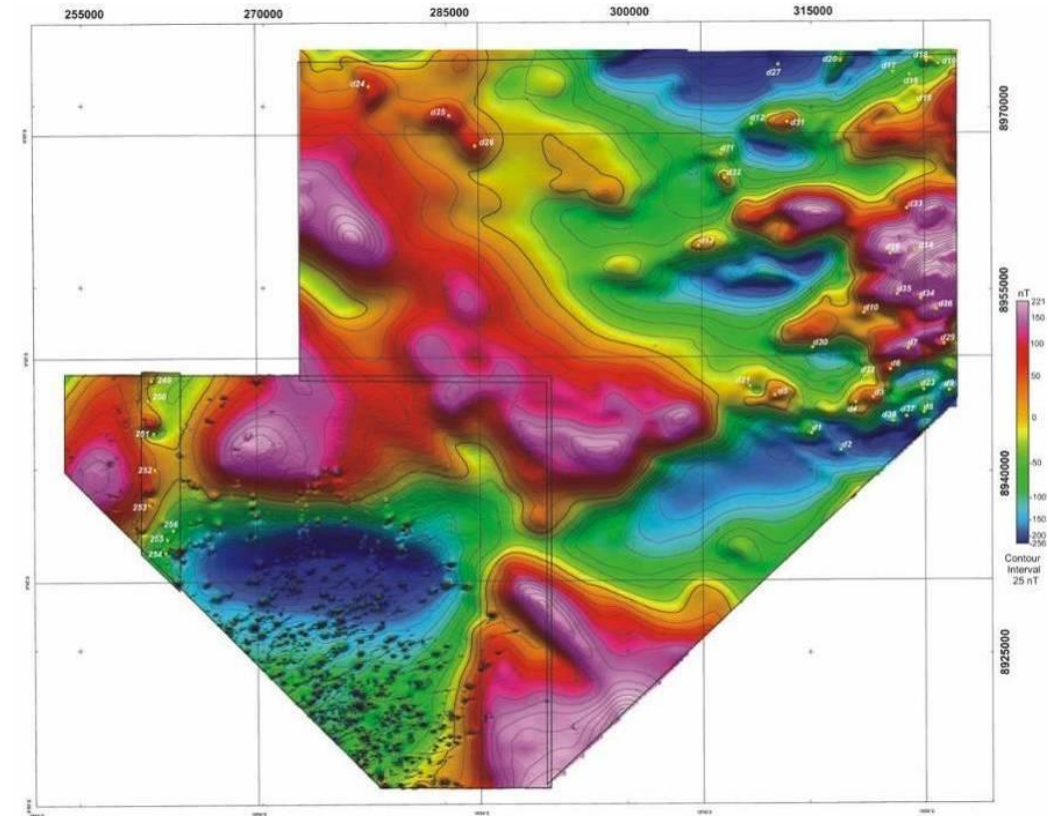
"If you look at the science of it, there's still many more kimberlites to be found, and the geology says they will be big."

Charles Skinner – Head of Exploration, De Beers

Lulo Kimberlite Exploration

2008 to date...

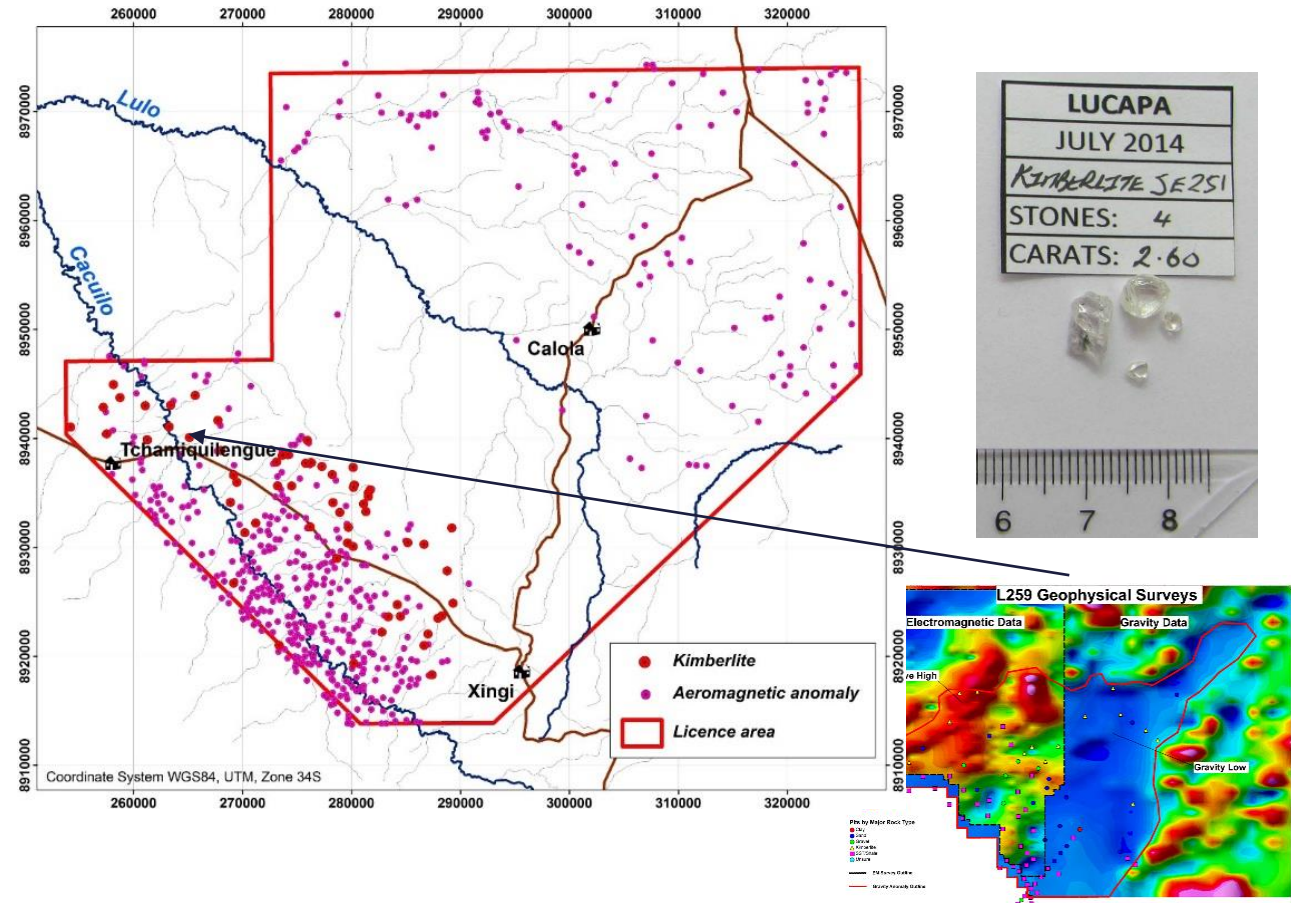
- Historical data review
- Airborne magnetic surveys
- Ground geophysics surveys
- Stream sampling
- Pitting
- Drilling
- Bulk sampling
- Geochemistry
- Geological consultants



Lulo Kimberlite Exploration

results...

- >300 targets
- ~100 converted to proven/probable kimberlites
- 5 of the 13 kimberlites tested confirmed as diamond-bearing
- Priority ~100ha target directly beneath our richest alluvial source

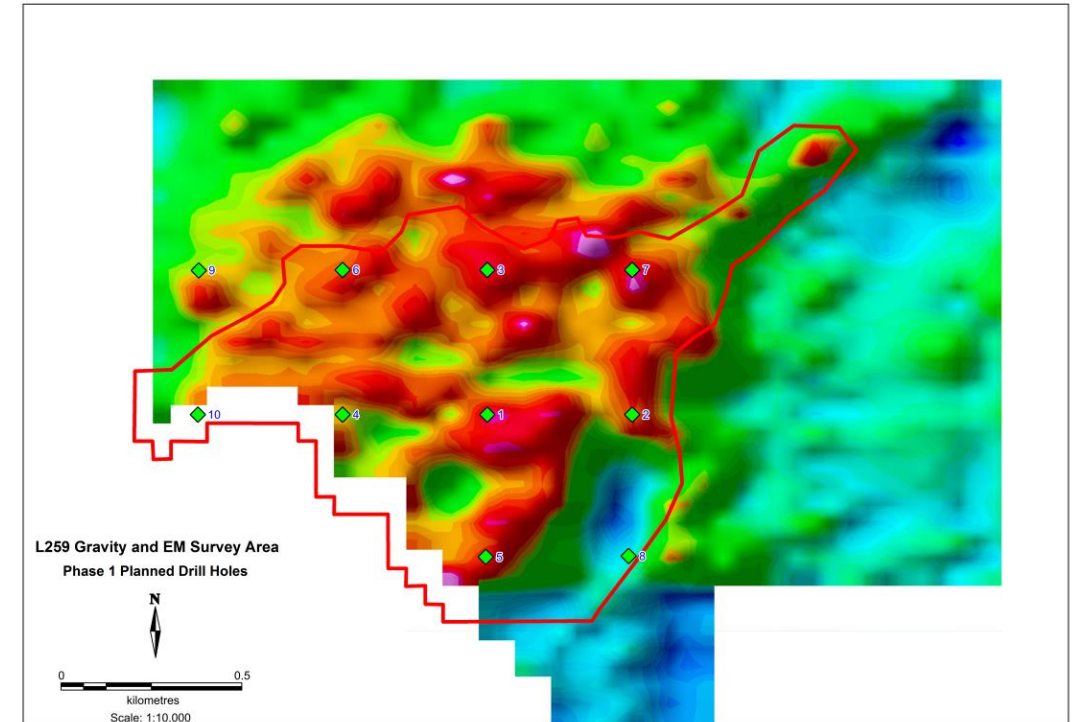


“It appears almost certain that the alluvial diamonds found in the Caculo River valley have been derived from one or more of the local kimberlite sources.”
International diamond expert Manfred Marx, June 2011.

Lulo Kimberlite Exploration

currently...

- Drilling high-priority kimberlite target L259
- Expediting drilling across all the targets
- Acquiring a larger drill rig capable of drilling to 2,000m
- Licence renewal application
 - New 3 year kimberlite program approved by Lulo partners
 - New kimberlite exploration licence applied for



"... 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*

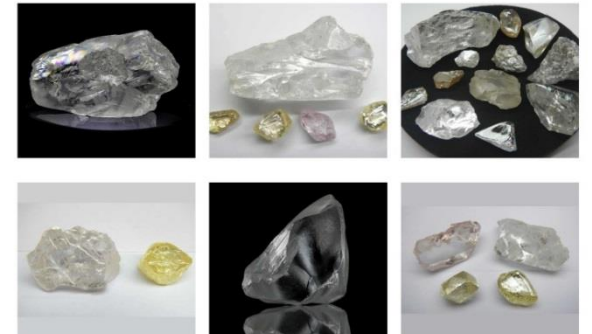
An Exciting Year Ahead

Lucapa is a growing diamond producer and explorer with an exciting alluvial and kimberlite development project in partnership with Endiama and Rosas & Petalas

- Targeting a major kimberlite discovery
- Advanced kimberlite exploration program
- Cash flow positive mining operations - recovering BIG diamonds
- About to commission XRT technology to handle coarser material
- Exploring options to increase our shareholdings
- Exploring other diamond opportunities
- Considering AIM admission in London - position for kimberlite development success
- Visit us at booth #42



LULO DIAMONDS
EXCEPTIONAL SIZE. EXCEPTIONAL QUALITY



www.lucapa.com.au

Forward-Looking & Competent Person's Statements



LUCAPA
DIAMOND COMPANY

Forward-Looking Statements

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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.

