



LUCAPA
DIAMOND COMPANY
(ASX: LOM)

A Growing Producer of Large & Premium-Value Diamonds

*Diggers & Dealers Presentation
8 August 2017*



A Growing Global Diamond Company

...Production, growth, funded exploration and experience

- **High-value production (alluvial)**
 - Achieving multiples above the world average diamond price
 - 2016 achieved US\$2,983 (world's highest average price per carat)
 - 2017 achieving US\$1,458 per carat to date
- **Second high-value mine development (kimberlite)**
 - Commissioning a second mine at another high-value resource in Q2 2018
- **Aggressive exploration for kimberlite sources**
 - Three rigs drilling priority targets throughout 2017 at Lulo for a tier-one source discovery
 - Botswana (Orapa) and WA (Brooking) projects to be drilled soon
- **Highly experienced diamond team**





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Lulo Diamond Mine

(Angola)

Delivered the highest average price per carat in the world in 2016

The Lulo Project

...Cornerstone asset

- 3,000km² concession in the diamond heartland of Angola – 5th largest diamond producing nation
- Within 150km of Catoca, the world's 4th biggest kimberlite mine
- Alluvial mining operations - producing large and premium-quality diamonds
- Kimberlite exploration operations - searching for a possible tier-one source
- Lucapa (40%) is the operator and in partnership with Endiama (Government) and Rosas & Petalas (Private)



The Lulo Diamond Mine

...Produces large, premium-value diamonds

- Regular recovery of rare, large diamonds known as Specials (>10.8 carats)
- High % are top-tier Type IIa gems
- Resulting in Specials accounting for ~90% of production value
- Lulo production has already included:
 - A 404 carat Type IIa D-colour gem (Angola's largest diamond)
 - A 227 carat Type IIa D-colour gem (Angola's 2nd largest diamond)
 - 5 other +100 carat diamonds
 - Many fancy colours, including a 39 carat fancy pink

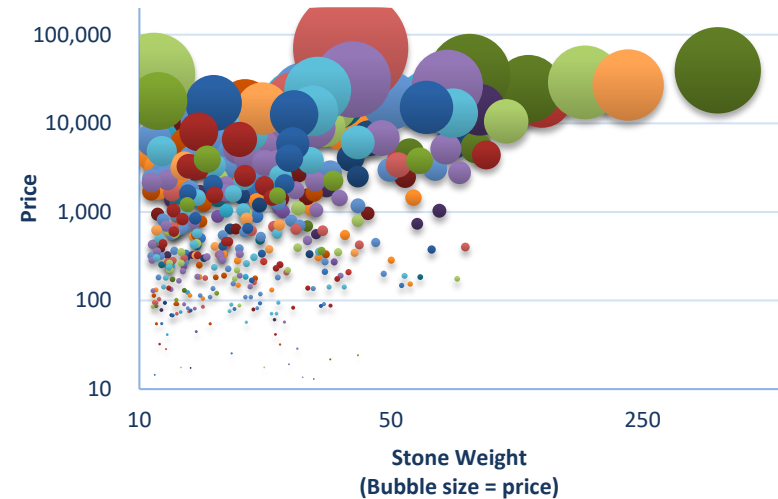


The Lulo Diamond Mine

...Rare high-end production, strong demand and pricing

- Global demand and prices for large and premium-quality diamonds remains robust
- Sales of all Lulo alluvial diamonds ~US\$85m
- Total average price of US\$2,133 per carat is ~18 times the global average
- Average price of Specials > US\$6,000 per carat
- Average value of Specials > US\$160,000 per stone
- The hard-rock kimberlite pipe/s producing such exceptional alluvial diamonds could be tier-one developments

Special Diamond Sales - 2013 - 2017

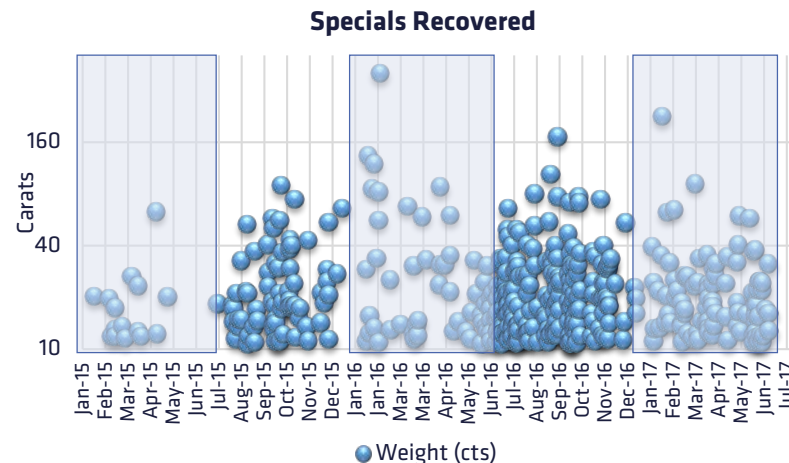
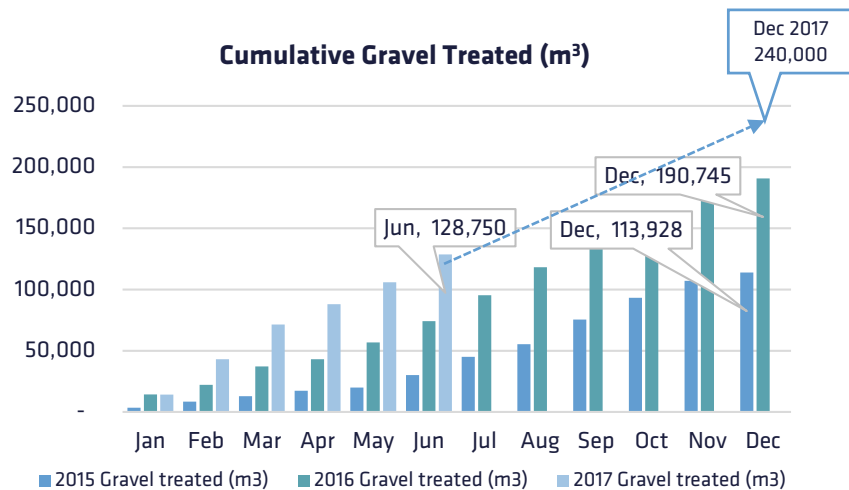


"... exposure to large stones is attractive, given this part of the rough market continues to hold up..." - Royal Bank of Canada's London Resource Analyst, Diamond Digest, 10 July 2017



The Lulo Diamond Mine

...Growing production and recoveries



- Growth in production
 - 2016 YoY – 67% achieved
 - 2017 YoY – 26% targeted
- H1 2017 target achieved – 73% YoY growth
- 2017 Target of 240,000m³ – on track

- Growth in Specials recovered
 - H1 2015 – 15 Specials
 - H1 2016 - 53 (up 253%)
 - H1 2017 – 95 (up 79%)



The Lulo Diamond Mine

...Production and cash generation into the future

- Operating at desired production capacity
- All plant upgrades completed:
 - wet front-end (wet season efficiencies)
 - XRT technology (to recover diamonds up to 1,100 carats in size)
 - and diamond deep boiling facility
- Latest JORC resource maintains 4-year life with 54% increase in modelled diamond value to ~US\$1,200 per carat
- Continuous exploration including the Lulo River to add to JORC resource



The Lulo Diamond Mine

...Returns for Lucapa and funding exploration

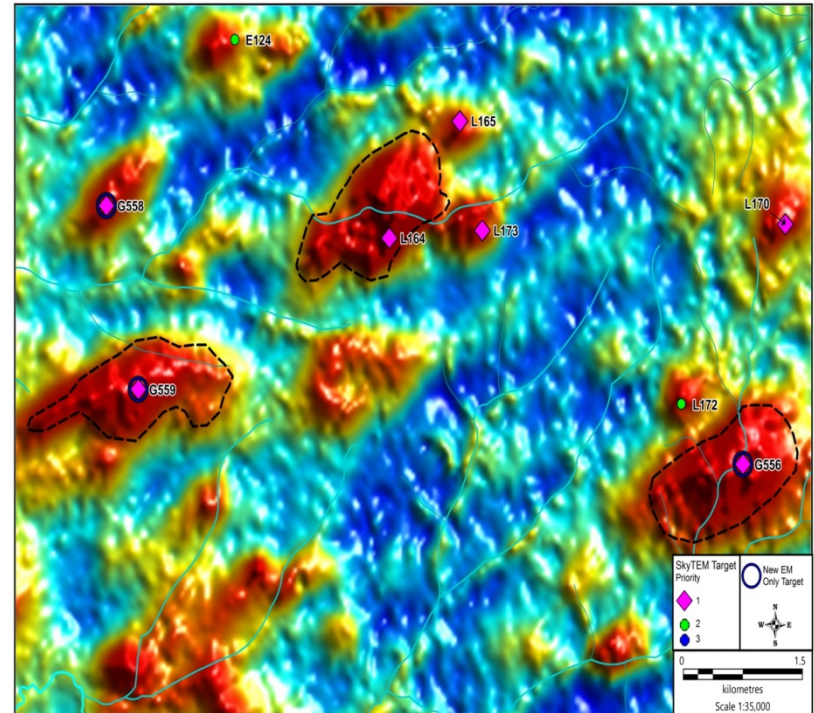
- Strong operational performance and diamond revenues generating returns for Lucapa and funding kimberlite exploration
- Lucapa to receive 70% of cash generated and declared to repay US\$35.6m loan funding provided over last ~8 years
- US\$5.9m returned to Lucapa in March 2016
- US\$5.6m declared to Lucapa in March 2017
 - US\$2.5m loan repayment already repatriated; final tranche being processed
 - US\$1.6m to fund kimberlite exploration
- After distributions Lulo cash balance - US\$8.5m at 30 June 2017
- Expansion capability to increase alluvial returns



Lulo Kimberlite Exploration

...The potential game-changer

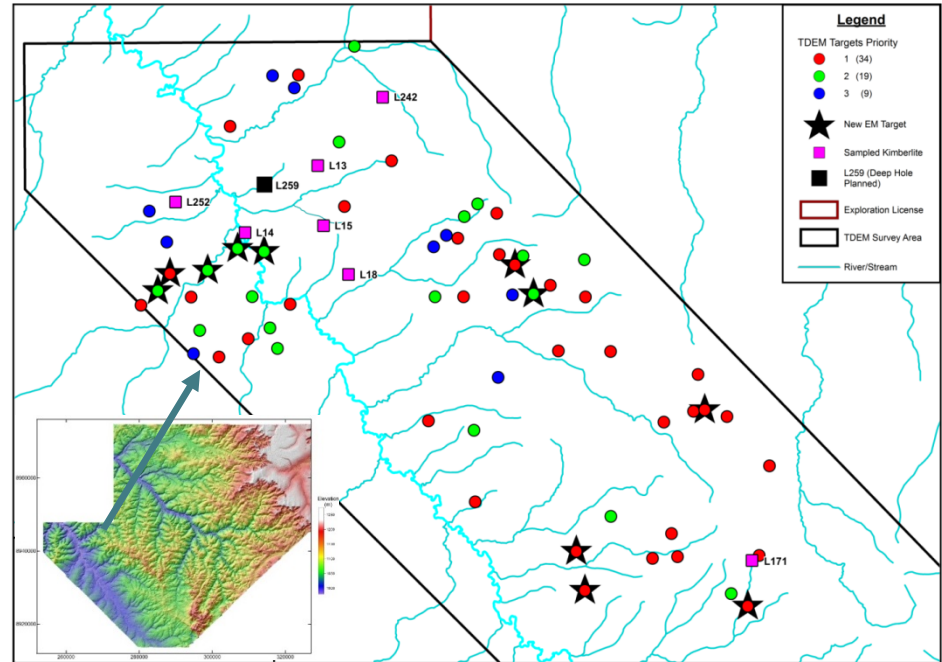
- Targeting a tier-one kimberlite discovery – a potential game-changer for Lucapa
- Exploration focus in prolific alluvial areas with strong geological evidence of proximal primary kimberlite sources
- New 5 year exploration permit approved by Government



Lulo Kimberlite Exploration

... Drilling targets identified and re-prioritised

- Extensive Time Domain Electro Magnetic survey (“TDEM”) recently flown over Cacuilto River valley (8,566 line kms)
- TDEM results have upgraded and improved definition of kimberlite targets in priority areas
- Results mapped 11 new EM targets of up to 150 hectares
- Strong EM signature indicates possible near-surface kimberlite
- All kimberlite targets re-prioritised for drilling



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

Lulo Kimberlite Exploration

...Systematic drilling, laboratory analysis, bulk sampling

- Three rigs on site to drill priority kimberlite targets from TDEM survey continuously throughout 2017
- Core samples to be progressively dispatched for mineral chemistry analysis in Cape Town. Results of first batch awaited
- Laboratory results to identify likely diamond-bearing pipes for follow up work and assist geology
- Follow up work to include taking bulk samples from likely diamond-bearing pipes to test if diamondiferous





MOTHAE
DIAMONDS (PTY) LTD



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Mothae Kimberlite Project

(The Kingdom of Lesotho)

Second highest JORC resource price per carat in the world for a kimberlite

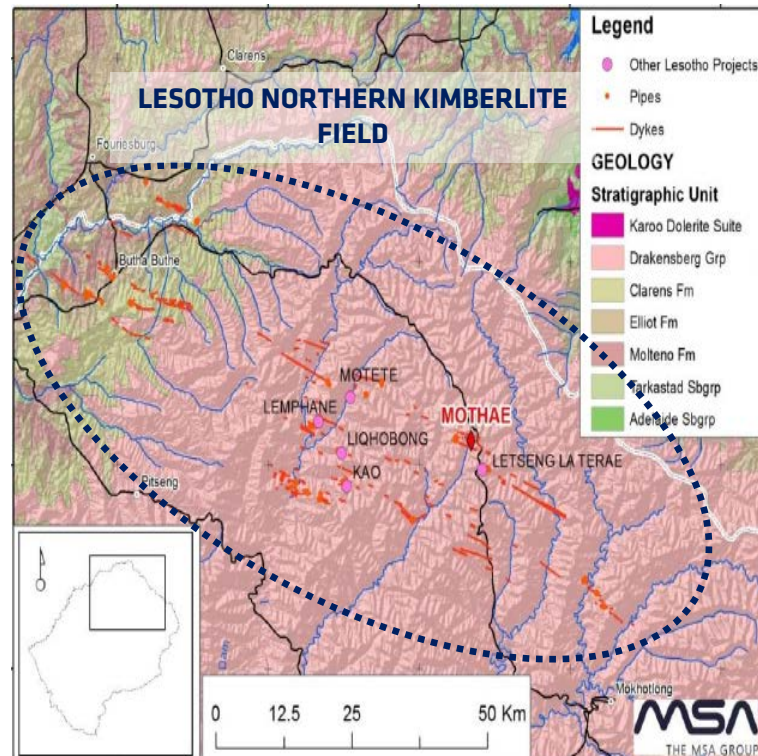
The Mothae Kimberlite Project

...In diamond-rich Lesotho, next to the world's highest price kimberlite mine



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- Acquired 70% of Mothae from Government of Lesotho for US\$9m in staged payments
- Located in the heart of the highest-value cluster of kimberlite mines - within 5km of Letšeng, the world's highest \$ per carat kimberlite mine
- Advanced kimberlite development with extensive bulk sampling and existing infrastructure
- New 10-year mining licence awarded as part of acquisition
- Favourable tax regime and tax assets



Lesotho's Diamonds

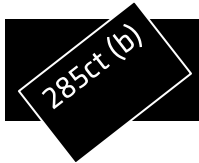
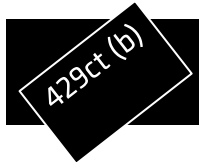
...A prolific large diamond producer



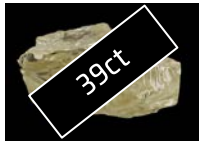
In production
- 13 years



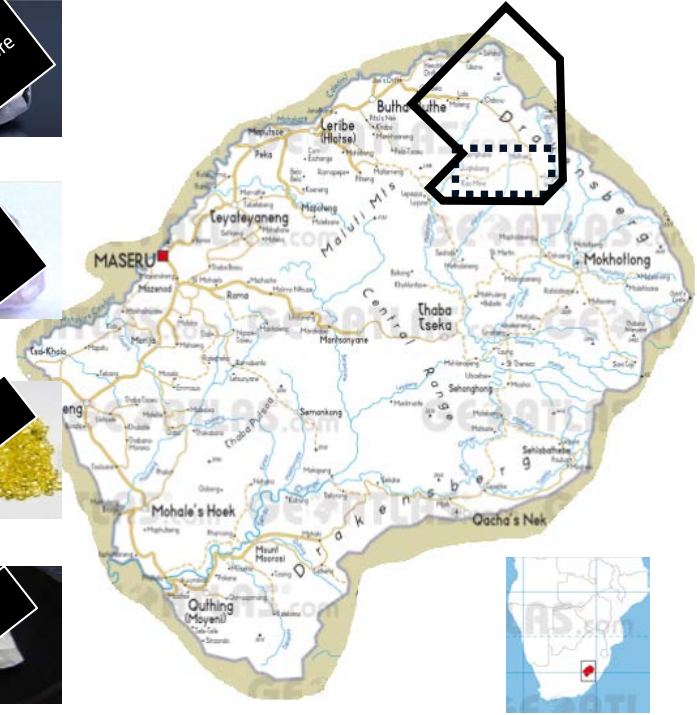
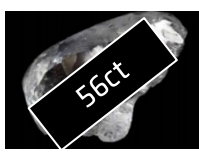
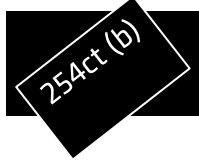
In production
- 6 years



In production
- < 1 year



Being developed



Diamond pictures sourced from companies - some pictures unavailable from owners
(b) Denotes boart stone

The Mothae Kimberlite Project

...A proven source of large and premium-quality diamonds

- Extensive trial mining (> 600,000 tonnes) has proven Mothae hosts large and valuable diamonds
- 23,400 carats recovered
- Trial mining sales of ~US\$17m; prices up to US\$41,500 per carat
- Trial mining diamonds recovered included:
 - 254 carat boart diamond
 - 84 carat octahedron diamond (broken)
 - 56 carat Type IIa - sold for US\$1.7m
 - 29 carat Type IIa - sold for US\$1.2m
 - 14 carat Type IIa - sold for US\$0.4m
 - 96 diamonds > than 10 carats



The Mothae Kimberlite Project

...+1m carat resource at the world's 2nd highest hard rock diamond price

- A well-defined 8.8ha kimberlite pipe
- Independent JORC resource containing +1 million carats
- World's 2nd highest modelled JORC diamond price at \$US1,063 per carat for a kimberlite
- Significant potential: JORC resource estimated to 300m (extends to 500m), connecting kimberlite dyke/ neck not included in resource

MOTHAE CLASSIFIED DIAMOND RESOURCE - 21 MARCH 2017					
To 300m Below Surface; 2mm Bottom Screen					
Resource Classification	Tonnes (Mt)	Grade (cpt)	Average Revenue Modelled (US\$/ carat)	Average Value Per Tonne (US\$/ tonne)	Total Resource (Million carats)
Indicated (to 50m)	2.39	3.0	1,196	34	0.07
Inferred (0m-300m)	36.57	2.7	1,053	28	0.97
TOTAL	38.96	2.7	1,063	28	1.04

Note: Reference is made to the Company's ASX announcements of 24 March 2017 and 30 May 2017. All material assumptions underpinning the resource estimate, production targets and forecasts continue to apply and have not materially changed. Material assumptions underpinning the production targets and financial forecast are provided in the 30 May 2017 announcement.



Mothae Development Plan

...Staged, low-risk approach to deliver early production & cash flows

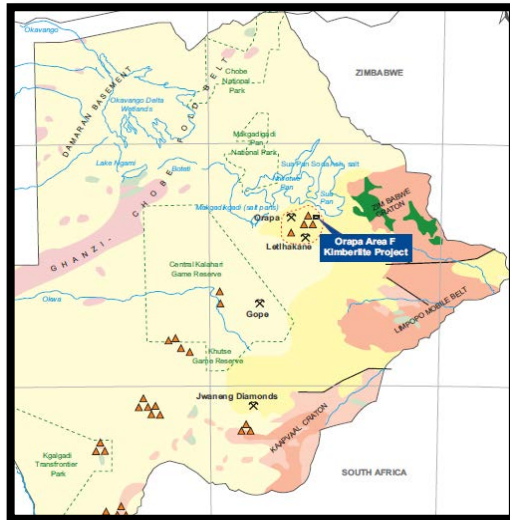
- Phase 1 development targeting annual production ~720k t
- Development based around existing infrastructure - US\$12m to optimise water, tailings, plant and technology
- Targeting ~44,000 carats of diamond production over first 3 years - primarily “free-dig” weathered surface material reduces mining costs – low drilling/blasting/stripping requirement
- Phase 1 operations to inform Phase 2 development - targeting ~2m tonnes per annum
- Detailed financial modelling shows free cash generation sufficient to repay project funding within 18 months
- Additional optimisation studies/ reviews producing positive results



Other Diamond Exploration Projects

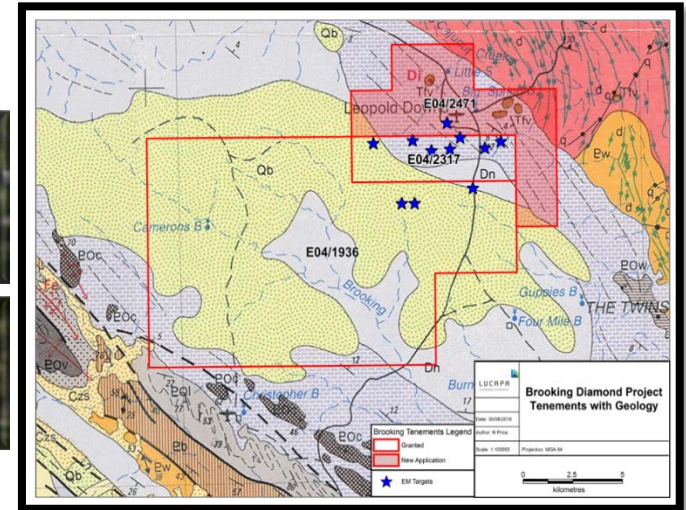
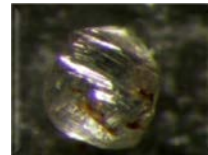
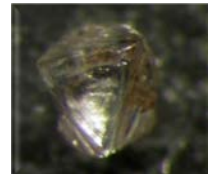
Orapa Area F - Botswana

- Orapa Area F within ~40km of the Orapa diamond field in Botswana
- Well-defined coincident magnetic, EM & gravity anomaly
- Drilling planned in Q3 2017



Brooking - Western Australia

- Brooking within ~40km of Ellendale, which once produced > 50% of world's fancy yellow gems
- Diamonds recovered/ drilling targets defined
- Heritage surveys being conducted ahead of proposed drilling in Q3 2017



Near-Term Strategic Objectives

...Production growth, risk mitigation, new discoveries

- **Production Growth:** Mothae development and targeted Lulo production increases to exploit strong global demand for large and premium value diamonds
- **Risk Mitigation:** Mothae mitigates single asset risk by providing 2 diamond production assets and sources (kimberlite/alluvial) in 2 countries
- **Tier-One Discovery Potential:** Three rigs drilling throughout 2017 in funded program targeting a tier-one diamondiferous kimberlite discovery. Drilling to commence at Orapa and Brooking projects
- **AIM Listing:** Possible London listing and risk mitigation designed to facilitate institutional investment support for Lucapa



Forward-Looking & Competent Person's Statements



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Competent Person's Statement

Information included in this announcement that relates to exploration results and resource estimates is based on and fairly represents information and supporting documentation prepared and compiled by Albert Thamm MSc FAusIMM (CP), 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 and consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

No New Information

To the extent that announcement contains references to prior exploration results and Mineral Resource estimates, which have been cross referenced to previous 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 relevant market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Forward-Looking Statements

This announcement has been prepared by the Company. This document contains background information about the Company 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.

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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, the Company 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.



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Appendices

Lucapa Diamond Company

...Corporate snapshot



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Australia (ASX: LOM) Germany (FSE: NHY)

Share price (A\$ cents)	29
Shares on issue (million)	330
Listed options (million, LOMOA) - underwritten ¹	46.3
Cash (Lucapa) ²	US\$7.8m
Cash (SML) ^{2,3}	US\$8.5m
Market capitalisation	A\$96m
No of shareholders	~7,500

1. \$0.20c options expiring 30 September 2017 subject to \$9.2m underwriting agreement - ASX announcement 26 May 2017
2. As at 30 June 2017
3. Lucapa 40% and operator



Lucapa Board & Management

...Significant global diamond industry experience



Miles Kennedy
Non-Executive Chairman

Mr Kennedy has held directorships of Australian listed resource companies for the past 30+ years. Was a founder and former Chairman of Kimberley Diamond Co, which developed the Ellendale diamond mine in Western Australia, which became the world's biggest producer of fancy yellow diamonds before being taken over by London-listed Gem Diamonds.

Stephen Wetherall
Managing Director/CEO

Mr Wetherall is a qualified chartered accountant with 20+ years' experience in financial and operational management, corporate transactions and strategic planning. Held senior financial/executive roles with De Beers and Gem Diamonds, where he developed their marketing and manufacturing arms which allowed him to gain an enviable understanding of the diamond industry right through to retail. At Gem, Mr Wetherall served as a director of Letšeng Diamonds and gained a valuable understanding of the mining sector in Lesotho.

Gordon Gilchrist
Non-Executive Director

Mr Gilchrist was previously employed by Rio Tinto from 1974 to 2005. He was CEO of Argyle Diamond Mines from 1993 to 2002, and under his leadership Argyle become the largest diamond mine, producing 30% by volume of the world's rough diamonds. Was CEO of Rio Tinto Diamonds from 2002 until 2005, based in Antwerp, Belgium.

Albert Thamm
Non-Executive Director

Mr Thamm has almost 30 years' experience in exploration and mining project development in Australia, Africa and South America. Was formerly Chief Geologist with the Ellendale diamond mine. Mr Thamm is a Fellow and Chartered Professional of the AIMM and a Fellow of the Society of Economic Geologists (USA). His background covers base metals, gold, iron ore, nickel, diamonds, uranium, coal and industrial minerals.

Nick Selby
Chief Operating Officer

Mr Selby is an extraction metallurgist with 35 years' experience. Began his career with De Beers, where he spent 19 years in a range of technical roles. Joined Gem Diamonds in 2005 as group metallurgist, responsible for providing assurance on the metallurgical process and expansion planning at Letšeng. Was also responsible for establishing diamond projects in Angola, Australia, the DRC, the Central African Republic, Indonesia and Botswana.

Neil Kaner
Chief Technical Officer

Mr Kaner is qualified mining engineer with 35+ years of operational, corporate and consulting experience, predominantly in diamonds and base metals in Africa, Asia and Australia. Has extensive operating experience in Lesotho and was the Consulting Mining Engineer at Letšeng Mine. He is a JORC Competent Person for diamond reserves.

Richard Price
Group Exploration Manager

Mr Price is geologist with ~30 years' experience in diamond exploration, diamond evaluation projects and diamond mine production in Australia and southern Africa. He spent 20+ years with De Beers and held a variety of exploration and mining roles, including Geological Evaluation Projects Manager at the Jwaneng mine in Botswana. Also led the exploration team responsible for the discovery of the Marange diamond deposits in Zimbabwe. He is a member of the AusIMM.