



LUCAPA
DIAMOND COMPANY

Developing Africa's Diamond Resources

Africa Down Under Conference - 8 September 2017



Lucapa Diamond Company

...Who we are



- An Australian company listed on the ASX (ASX:LOM)
- A growing producer of large and premium-value diamonds
- Significant diamond and African experience



- Investing in Africa for >10 years

- **Producing and exploring a significant concession in Angola**

Significant in its high-quality and size of alluvial diamonds

Significant in its potential to host the source of the alluvial diamonds

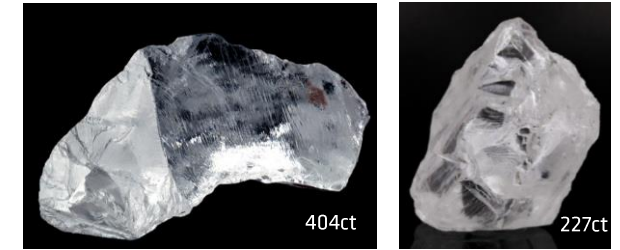
- **Developing another high-value mine in Lesotho**

Large and valuable diamonds recovered from bulk sampling

Project has the 2nd highest JORC resource \$ per carat for any kimberlite

- **Exploring for diamondiferous kimberlites in Botswana**

- **Exploring for diamondiferous lamproites in Western Australia**



Why we are in Africa

...Go where the diamonds are



World Diamond Production	Africa	Asia	Australia	North America	South America
Carat %	50	30	10	10	<1
Value %	58	29	2	11	<1

Source: Kimberley Process - 2016 Production

“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

Why we focus on high-quality production

...Pricing stability

The global demand for large and premium-value diamonds, like those from Lulo and Mothae, remains strong
- record sale prices for these diamonds still being achieved

- Strongest performing sector of the diamond market
- Mitigate revenue risk in down cycles
- Preserve cash flows

“Lucapa is developing into a globally significant producer of large, high value diamonds, a segment of the diamond industry which we believe offers the most attractive pricing dynamics for the foreseeable future”
Kieron Hodgson, Panmure Gordon Resource Analyst

“...Exposure to large stones is attractive, given this part of the rough market continues to hold up.”
Richard Hatch, RBC Resource Analyst

“Over the past two decades the price per carat for large diamonds appears to have improved substantially, in line with the increase in the number of billionaires.”
Martin Potts, Finncap Director of Mining Research



We are invested in

...The Republic of Angola



- **One of Africa's largest oil producers**
- **World's 5th largest diamond producer (by value)**
 - **2016 production**
 - US\$1.1bn
 - 9.0m carats
 - Ave price – US\$120 per carat
- **World's largest diamond mining company operates in Angola - Alrosa**
 - Invested in and operates world's 5th largest diamond mine – Catoca
 - Developing a 2nd kimberlite mine in Angola – Luaxe
- **Home to Lucapa's flagship and record holding asset – Lulo**

Angola

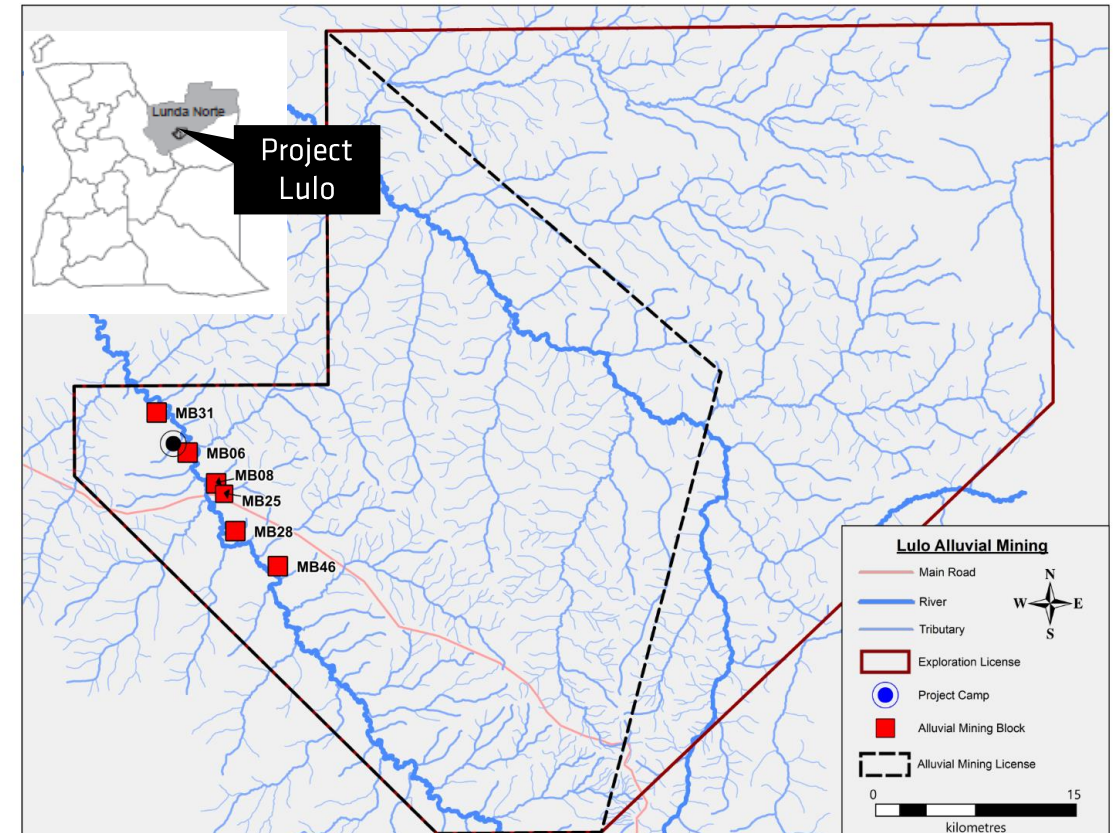
...Lulo...alluvial, steady cash flows

■ Lulo Records

- Angola's largest (404ct)- World's 27th largest diamond
- Angola's second largest diamond (227ct)
- Record for highest value production in the world in 2016 – US\$2,983 per carat
- **Consistently produces some of Africa's largest and most valuable diamonds**
- **Total of 7 +100 carat diamonds – treated <math><500,000\text{m}^3</math>**
- **~US\$83m @ >US\$2,100 per carat**

■ Development objectives

- **Generate cash flows**
 - ✓ Return development investment back to Lucapa
 - ✓ Return profit distributions to its 3 partners
 - ✓ Fund kimberlite exploration on the concession
- **Only explored a small section of one river – continuous exploration to add to JORC resource**
- **Tenure - 7 years remaining with 2 further 10 year renewal periods and one final 5 year period**



Making a difference
- employing over 270 local villagers
- uplifting remote communities

Angola

...Lulo...kimberlite, a significant opportunity!

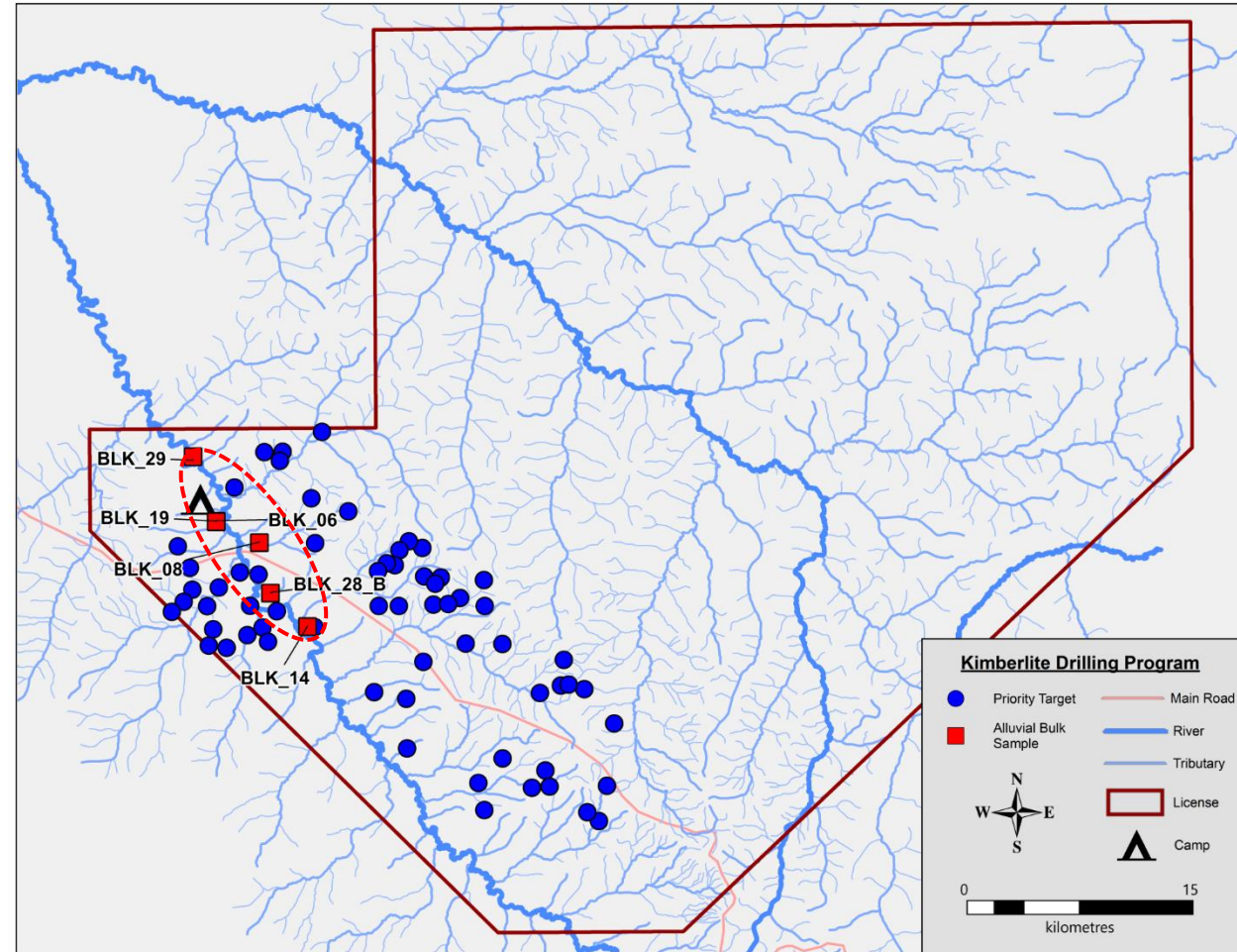
Historical Exploration

- Historical artisanal activity
- Outcropping kimberlites
- Airborne surveys
- Ground surveys
- Soil/ stream sampling
- Mineral Chemistry
- Drilling
- Kimberlite bulk sampling

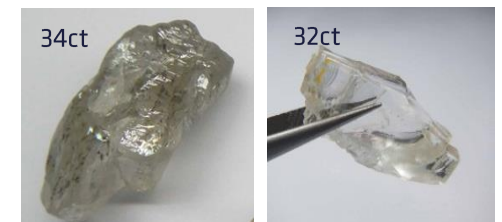
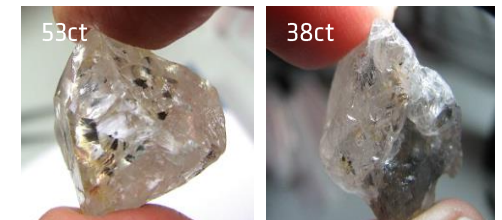
Two kimberlite provinces – larger south west province is diamondiferous

Large samples usually required to assess kimberlite diamond value – without a representative parcel, unknown value?

Alluvial recoveries have given insight into diamond value and strong indicator of pricing potential



Alluvial Sampling



Angola

...Lulo...kimberlite, a significant opportunity!

Alluvial Mining



- **Characteristics of recoveries from mining activities – diamonds are:**
 - Exceptional in size (weight)
 - Exceptional in value
 - Exceptional in frequency of recovery
 - Irregular in shape
 - Jagged edged
 - Brittle in type (Type IIa's)
 - Large compound diamond recoveries
 - Geographically confined
- **All strong indicators of**
 - Diamond value and
 - Proximity
- **Resulting in one of the most valuable run of mine productions**

Significant Opportunity

Given quality and value of the alluvial diamonds - value of the source could be exceptional

- **Next steps**
 - ✓ Identify anomalies on possible feeders (tributaries and drainage areas) (TDEM)
 - ✓ Prioritise targets
 - ✓ Design drill program to take core for sampling
 - ✓ Acquire/ engage rigs
 - ✓ Drill systematically
 - ✓ Send core for analysis
 - ✓ Expedite drilling as much as possible
 - ✓ Funding - without shareholder dilution

We are invested in

...The Kingdom of Lesotho



- **One of Africa's smallest but highest lying countries**
- **World's 7th largest diamond producer (by value)**
 - 2016 production
 - US\$0.4bn
 - 0.3m carats
 - Ave price – >US\$1,000 per carat
- **Home to:**
 - Gem – Letšeng (LSE:GEMD) - £110m
 - Firestone – Lihobong (AIM:FDI) - £101m
 - Namakwa – Kao (now private)
- **World's highest diamond value for a kimberlite resource (Letšeng)**
- **Home to Mothae – world's 2nd highest JORC resource \$ per carat for a kimberlite**

Lesotho

...Lucapa developing the next high-quality mine

- **Mothae - located in the heart of Lesotho's producing mines/ adjacent to the Letseng mine**
- **Advanced kimberlite project**
 - >600,000 tonnes/ >23,000 carats recovered
 - Large and high value diamonds recovered and sold for ~US\$17m – up to US\$41,500 per carat
 - >8,000m resource drilling
- **2nd highest JORC resource \$ per carat for a kimberlite mine**
- **+1m carats @ US\$1,063 per carat**
- **Government of Lesotho (“GoL”) are our 30% partner**
- **Lucapa and the GoL will bring this mine into production by end Q2 2018**
- **Lesotho has a favourable tax regime – claim capital allowance upfront**
- **Will become Lucapa's 2nd producing mine**
- **Optimised development plan to be approved at Mothae Board level – will be released to the ASX thereafter**



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.

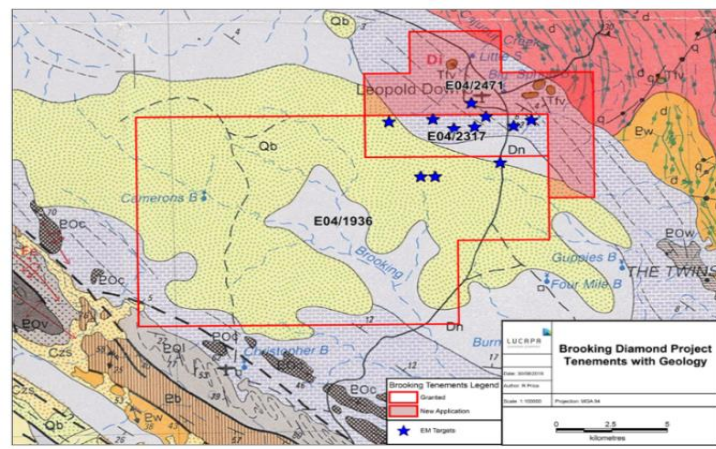
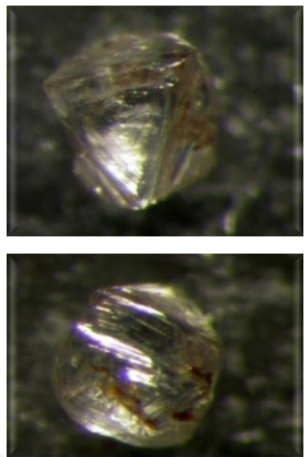


We are invested in

...Australia and Botswana

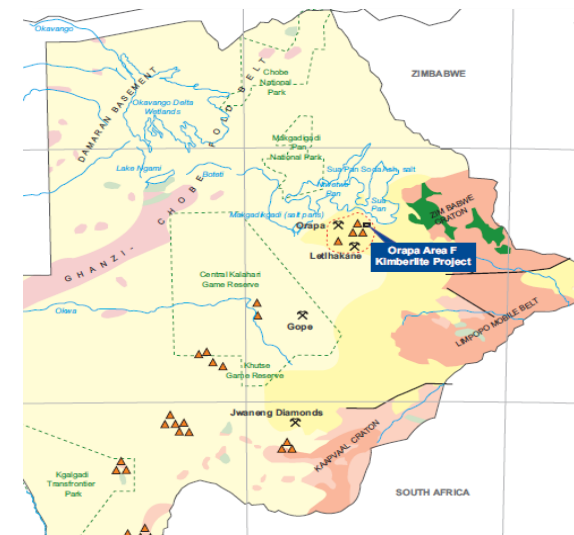
...Brooking - Western Australia

- Brooking within ~40km of Ellendale (produced > 50% of world's fancy yellows)
- Diamonds recovered/ drilling targets defined
- Heritage survey just completed
- Drilling planned in 2017



...Orapa Area F - Botswana

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



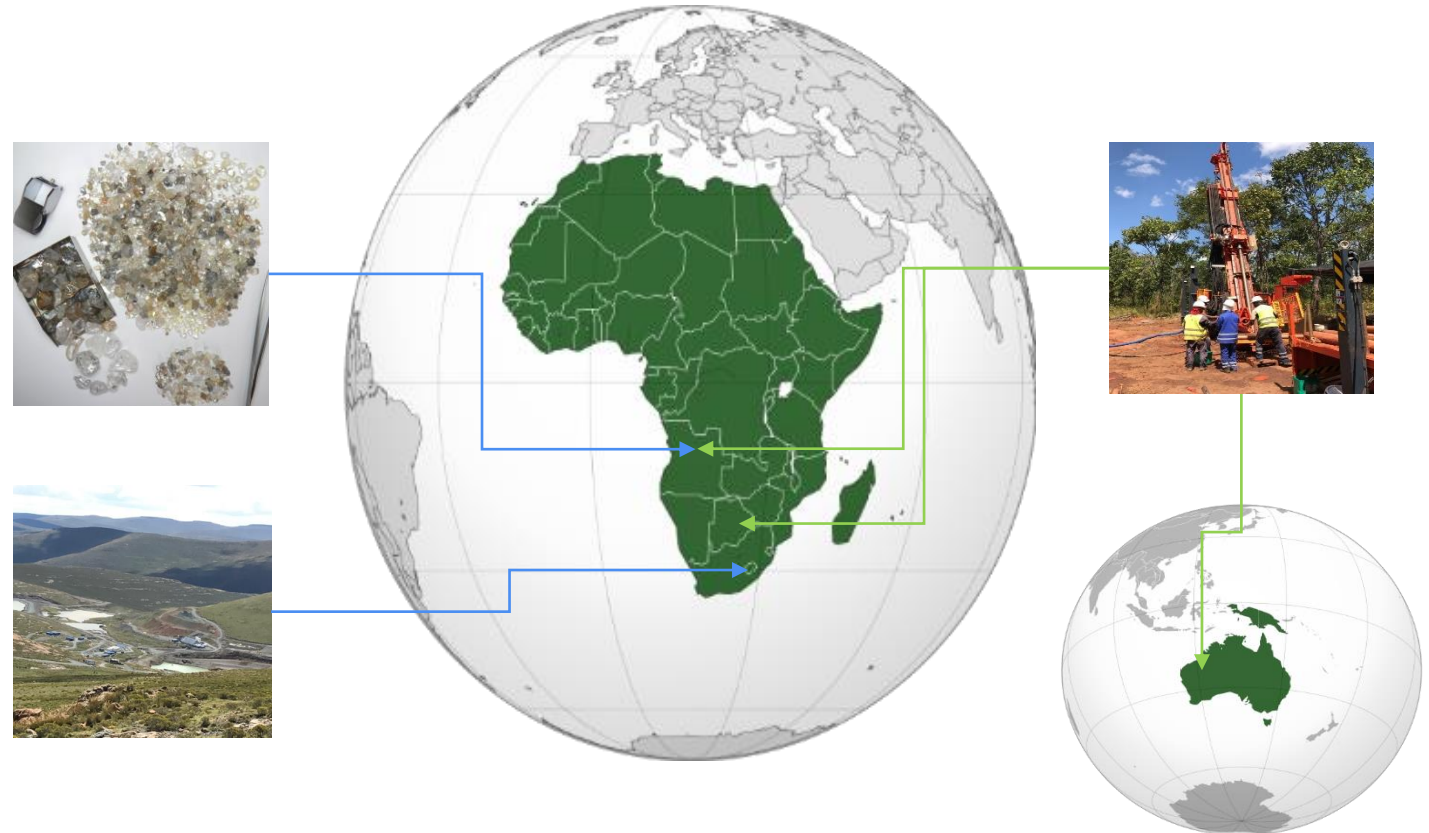
Lucapa Diamond Company

...Developing Africa's diamond resources



Australian company focused on high end production

- **PRODUCING** some of the best diamonds in the world at Lulo in Angola
- **DEVELOPING** the new high-value Mothae diamond mine in Lesotho to become Lucapa's second producing asset
- **EXPLORING** for tier-one primary source discoveries in:
 - Angola (Lulo)
 - Botswana (Orapa) and
 - Australia (Brooking)
- **EXPERIENCE** of our people across the diamond pipeline and in Africa to deliver on our development strategy





LUCAPA
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Contact Information

*34 Bagot Road
Subiaco 6008
Perth
Australia*

*Tel: +61 8 9381 5995
Fax: +61 8 9489 9201
email: general@lucapa.com.au
www.lucapa.com.au*



Forward-Looking & Competent Person's Statements



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.

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