



LUCAPA
DIAMOND COMPANY
ASX:LOM

**A growing producer
of large & premium value diamonds**



Mining Indaba Conference Cape Town – February 2018

Lucapa: A growth story

Production, mine development and exploration



➤ Production - Lulo, Angola

- Large stone, high value resource
 - Record diamond recoveries
 - Highest US\$ per carat alluvial diamond production in the world
 - Delivering cash returns to joint venture partners and Lucapa as financier



➤ Mine development - Mothae, Lesotho

- Large stone, high value resource
 - World's 2nd highest resource price for a kimberlite
 - Commercial 150 tph mine development on track for H2 2018 production
 - Diamonds set to be recovered via early commissioning of existing 70 tph bulk sampling plant



➤ Exploration - Aggressive programs for source discoveries in 3 countries

- Lulo, Angola – significant kimberlite concession with advanced exploration programs
- Brooking, Australia – new and significant diamond discovery by Lucapa near Ellendale
- Orapa, Botswana - drilling program scheduled for 2018



Lucapa: Our focus

Large, premium value production where global demand is strong



“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

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

Richard Hatch, RBC

“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



When Mothae is commissioned, Lucapa will be the only listed company with more than one operating mine whose average diamond value is in excess of US\$1,000 per carat



Lulo Diamond Mine

(Angola)

The highest US\$ per carat alluvial diamond production in the world

Lulo: World-class diamonds

Achieving record run of mine alluvial prices

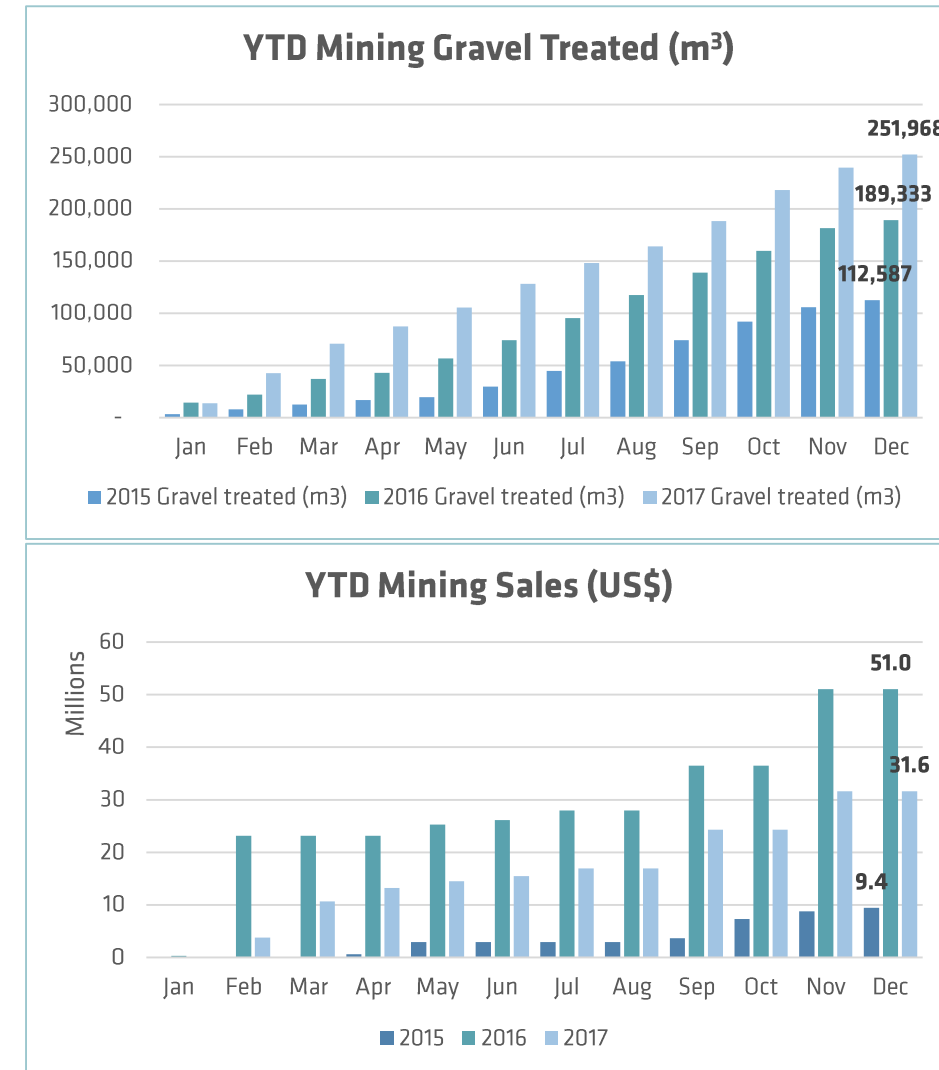
- >US\$106m total sales at >US\$2,100 per carat
- World's highest average price alluvial diamond production
- Produced 10 stones >100 carats including Angola's two largest recorded diamonds
 - 404 carat and 227 carat diamonds
- Diamond production characteristics:
 - Large Specials (>10.8 carats) accounting for ~90% of production value
 - High % of rare top white Type IIa diamonds
 - Coloured diamonds – pinks and yellows



Lulo: Strong cash generation

Cash returns to partners and Lucapa as financier

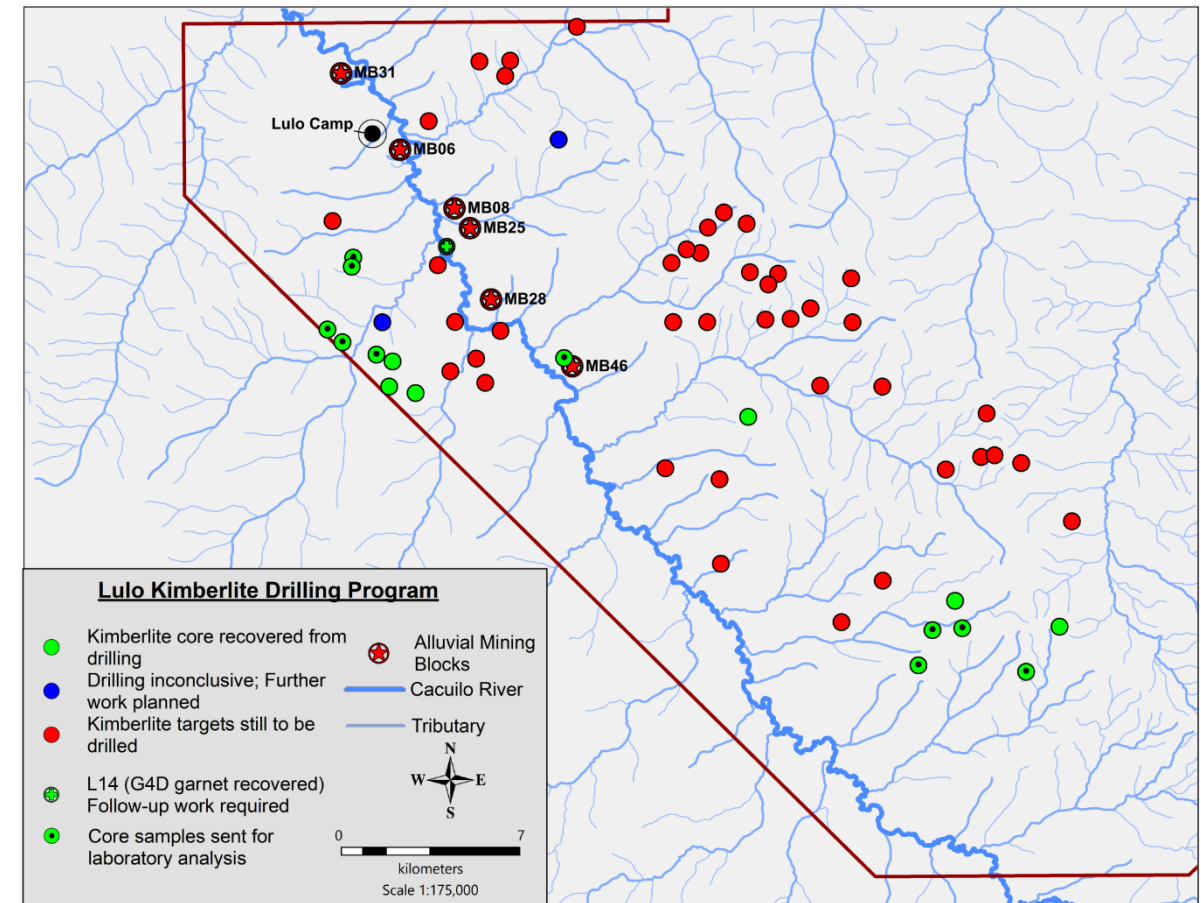
- Lulo mine in operation for 3 years
- Operating at planned throughput levels
- Diamond revenues generating cash returns
 - Lulo mine providing cash returns/ distributions to all 3 project partners
 - Lulo mine repaying capital investment loan to Lucapa
- Lucapa utilising its profit distributions to fund kimberlite exploration
- Strong start to 2018:
 - Sales already concluded totalling US\$9.1m at an average price of US\$2,192 per carat



Lulo: Kimberlite exploration

Drilling for the big prize: the source of the exceptional alluvial diamonds

- Targeting a tier-one global kimberlite source discovery
- Advanced kimberlite exploration program - funded
- Alluvial diamond recoveries illustrate the significant size of the prize
 - Very high average prices
 - Large, irregular shaped diamonds generally considered proximal to source
- Systematic, priority driven drilling program to continue throughout 2018
- Laboratory results have been slow BUT turnaround improved
 - Batching samples more frequently to speed up turnaround times
 - Additional resources committed





Mothae Diamond Project

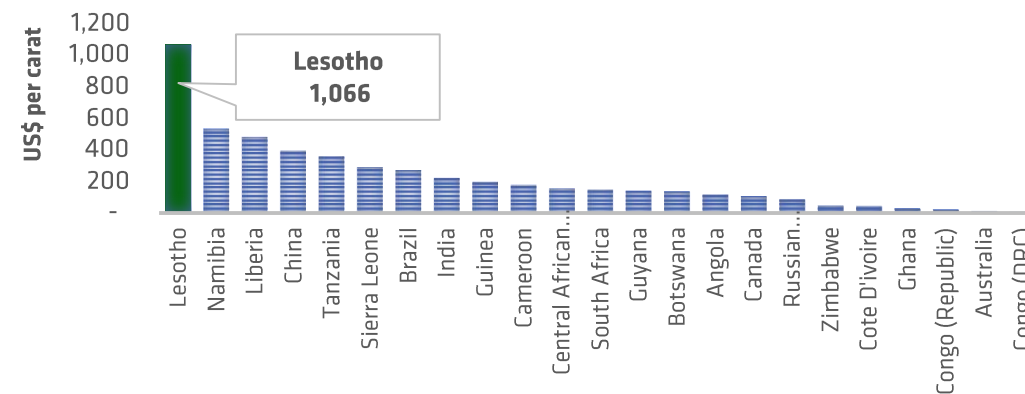
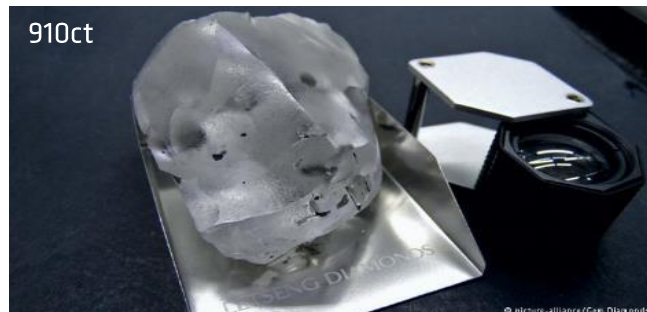
(The Kingdom of Lesotho)

Developing a second high value diamond mine to complement production from Lulo

Lesotho's diamond riches

Where spectacular diamond recoveries are made

- Lesotho is the 7th largest diamond producer by value
- BUT, Lesotho leads the world with the highest average US\$ per carat diamond production
- Spectacular 910 carat gem recovered from Letšeng in January 2018 reported to be the world's 5th largest diamond
- Lucapa acquired 70% of Mothae in 2017 – an advanced kimberlite diamond project adjacent to Letšeng



Mothae: Advanced development

High value trial mining recoveries

- Extensive trial mining (>600,000 tonnes) demonstrates Mothae hosts large and premium-value diamonds
- 23,400 carats recovered from trial mining; sales of US\$17m; sale prices up to US\$41,500/carats
- Large Type IIa white diamonds recovered and fancy colours – including 3 carat pink
- 8,000m of resource drilling
- Trial mining diamond recoveries included:
 - 254 carat boart diamond (broken)
 - 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 larger than 10 carats



Mothae: Countdown to diamonds

Commercial production on track, first diamonds imminent



- Commercial mining
 - Phase 1 mine development on track - new 150 tph treatment plant containing XRT large-diamond recovery circuit on schedule for H2 2018 commissioning
 - US\$15m loan raised to fund Phase 1 development
 - Significant project finance house performing due diligence on project
- Early diamond recoveries - Bulk sampling program ("BSP")
 - Refurbished existing 70 tph plant ahead of commercial production to deliver :
 - Additional resource and diamond data AND early cash flow
 - BSP to treat south, north and neck zone samples and above ground stockpiles



Mothae: Project economics

Positive production profile, cash flows, returns and NPV



Kimberlite mined (m tonnes)	25.3
Waste mined (m tonnes)	37.1
Stripping ratio (waste:ore tonnes)	1.5
Life of mine (years)	13.5
Carats recovered (k carats)	497.7
Gross revenues (US\$m)	776.5
Net operating cashflows (US\$m)	312.5
Capital estimate – Phase 1 (US\$m)	17.0
Capital estimate – Phase 2 (US\$m)	60.5
Project pre financing NPV @ 10% (US\$m)	85.4
Project pre financing IRR (%)	41

Discount Factor	12%	10%	8%
Annual Price Escalation			
0%	55.4	67.8	83.0
1%	70.3	85.4	103.8
2%	86.5	104.4	126.3
3%	103.9	124.9	150.7

Note:

- Detailed assumptions used in the financial modelling are contained in the ASX releases on the Mothae development dated 23 October 2017

Mothae: Diamond resource

JORC compliant resource estimate with significant upside potential

- +1 million carat resource at world's 2nd highest JORC diamond price of US\$1,063 per carat (2mm BCOS)
- Significant potential for increase:
 - Resource only estimated to 300m; kimberlite is modelled to 500m and open at depth
 - No resource included for kimberlite material in the neck zone connecting north & south lobes
 - Bulk sampling program to provide additional data for mine planning
 - No resource/ revenue included in evaluation for untreated kimberlite and residual material stockpiles





Brooking

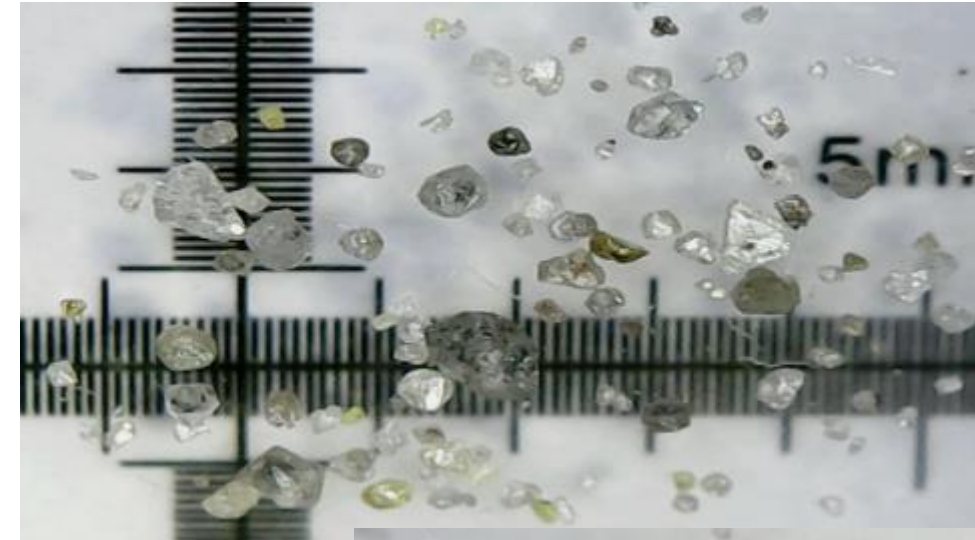
(Western Australia)

Exciting new diamondiferous lamproite discovery

Brooking: An exciting discovery

Spectacular diamond results on Ellendale's doorstep

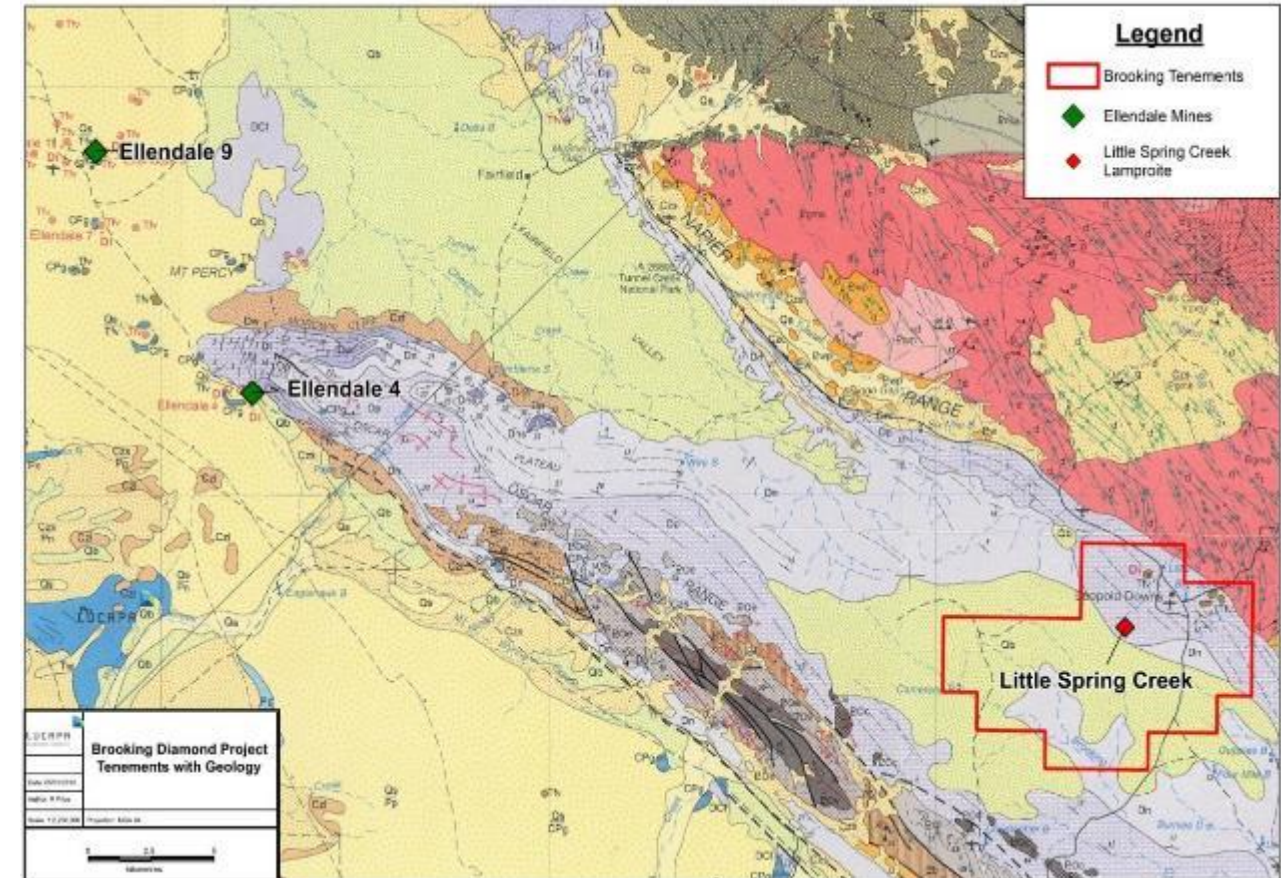
- Spectacular recovery results from drilling at Little Spring Creek prospect at Brooking
- 7 macro-diamonds and 112 micro-diamonds recovered from 86.8kg of HQ drill core sample
- Discovery validates previous surface sampling results including 24 diamonds and abundant lamproite indicator minerals
- Located ~50km from Ellendale, former source of 50% of world's fancy yellows
- High white diamond content with yellow diamonds also noted
- Results considered the best in Australia for decades



Follow-up work program



- Follow-up exploration planned at Little Spring Creek and other highly-prospective targets identified within the Brooking project
- Programs to commence after wet season will include:
 - Infill stream sampling
 - Ground and possible airborne geophysics including test work on capability of ground-penetrating radar
 - Drilling
 - Laboratory analysis of core
 - Trenching and bulk sampling





Orapa

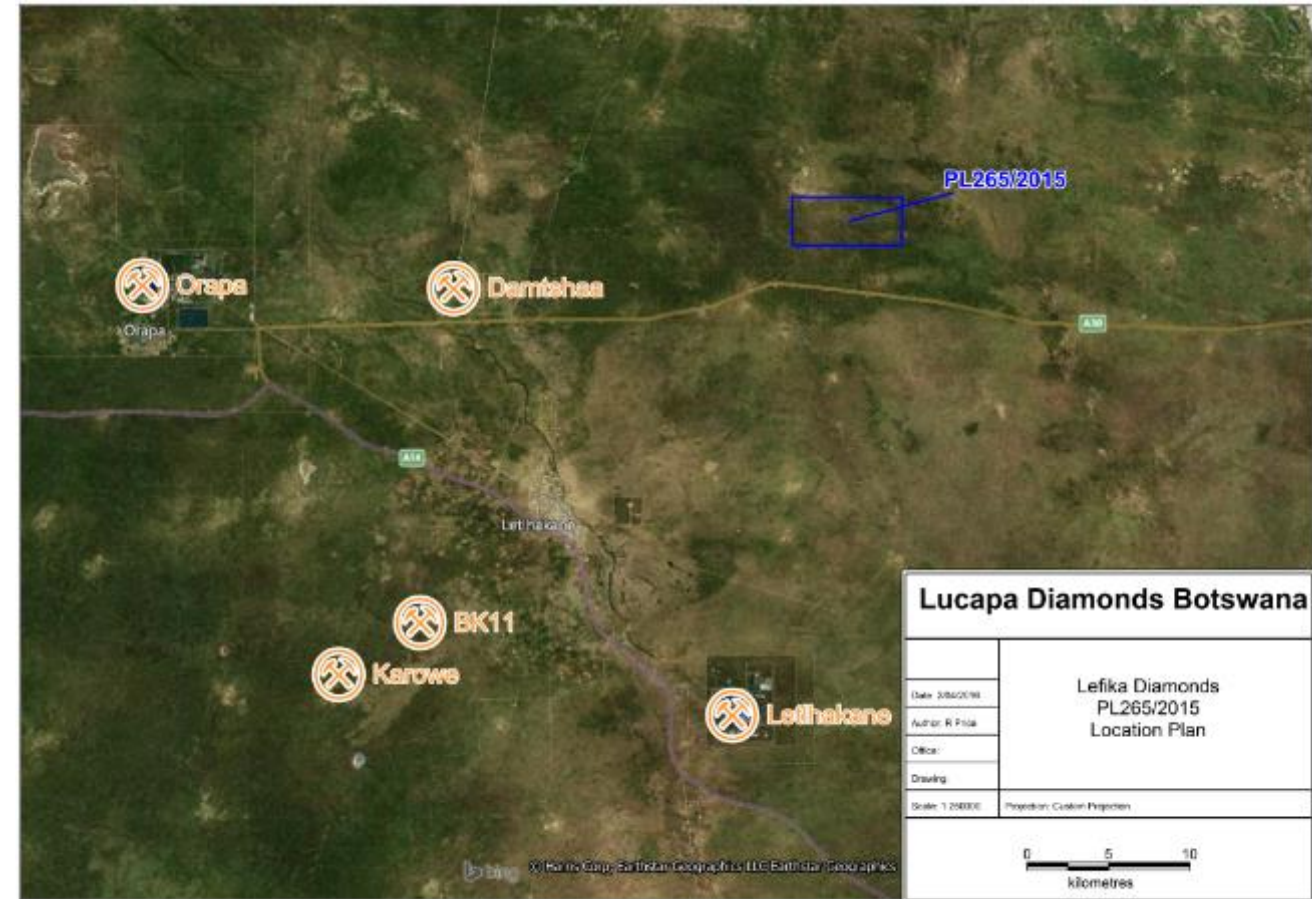
(Botswana)

Kimberlite exploration in well known kimberlite field

Orapa Area F: Kimberlite exploration

Located in significant kimberlite field

- World famous mines in the Orapa field:
 - Orapa - world's 3rd largest diamond mine – owned by De Beers/ Debswana
 - Karowe – large stone producer – recovered world's 2nd largest diamond on record weighing 1,109 carats
- Early stage kimberlite exploration
- Well-defined coincident magnetic, EM & gravity anomaly near two known kimberlites
- Drilling scheduled for 2018 following receipt of all regulatory approvals

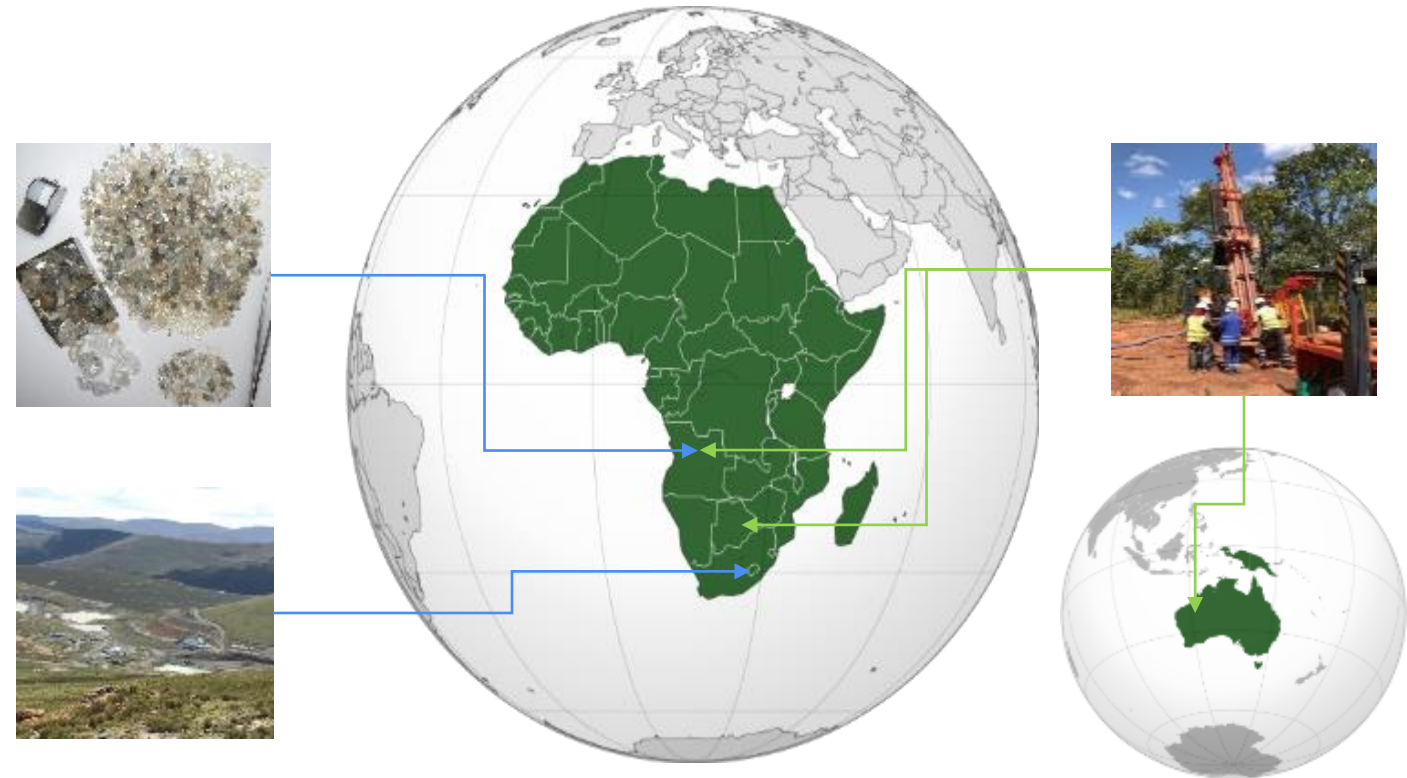


Lucapa Diamond Company

A growth story with a unique portfolio and multiple catalysts for re-rating



Lulo	<ul style="list-style-type: none">Alluvial mining results<ul style="list-style-type: none">Large stone, high value salesDistributions to partners and loan repayments to be proposedKimberlite exploration results<ul style="list-style-type: none">Drilling expeditedMore regular laboratory results
Mothae	<ul style="list-style-type: none">Second high value mine to be brought into production in 2018Bulk sampling program already set to produce diamonds
Brooking	<ul style="list-style-type: none">Brooking follow-up exploration program on exciting diamondiferous lamproite discovery in the West Kimberley
Orapa	<ul style="list-style-type: none">Drilling scheduled following receipt of regulatory approvals





Appendices

Lucapa Board & management

Broad experience across the full pipeline of the global diamond industry

**Miles Kennedy**

Non-Executive Chairman

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.

Gordon Gilchrist

Non-Executive Director

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

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.

Stephen Wetherall

Managing Director
Chief Executive Officer

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.

Nick Selby

Executive Director
Chief Operating Officer

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

A 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

A 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.

Lucapa Diamond Company

Corporate snapshot



Australia (ASX: LOM)	Germany (FSE: NHY)
Share price (A\$ cents)	24c
Shares on issue (million)	382
Cash and facilities (Lucapa) ¹	US\$13.6m
Cash (SML) ²	US\$9.6m
Market capitalisation	A\$92m
No of shareholders	>7,600
% held by top 40	30%
<p>1. As at 31 December 2017. Includes US\$5m undrawn from Equigold facility</p> <p>2. SML cash and receivables as at 31 December 2017. Lucapa 40% owner and operator. Year end unsold diamond inventory of 2,711 carats</p>	

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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 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.

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.

Information included in this announcement that relates to the stone frequency, grade and size frequency valuation and validation in the resource estimate is based on and fairly represents information and supporting documentation prepared and compiled by Dr Friedrich Johannes Reichart, Pri.Sci.Nat and Dr Johannes Ferreira, Pri.Sci.Nat. Both are employees of the MSA Group (Pty) Ltd, Johannesburg, South Africa. Both hold qualifications and experience such that both qualify as members of a Recognised Overseas Professional Organisation (ROPO) under relevant ASX listing rules. Dr Reichard and Dr Ferreira have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are 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. Both Dr Reichardt and Dr Ferreira have consented in writing to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.