



LUCAPA
DIAMOND COMPANY

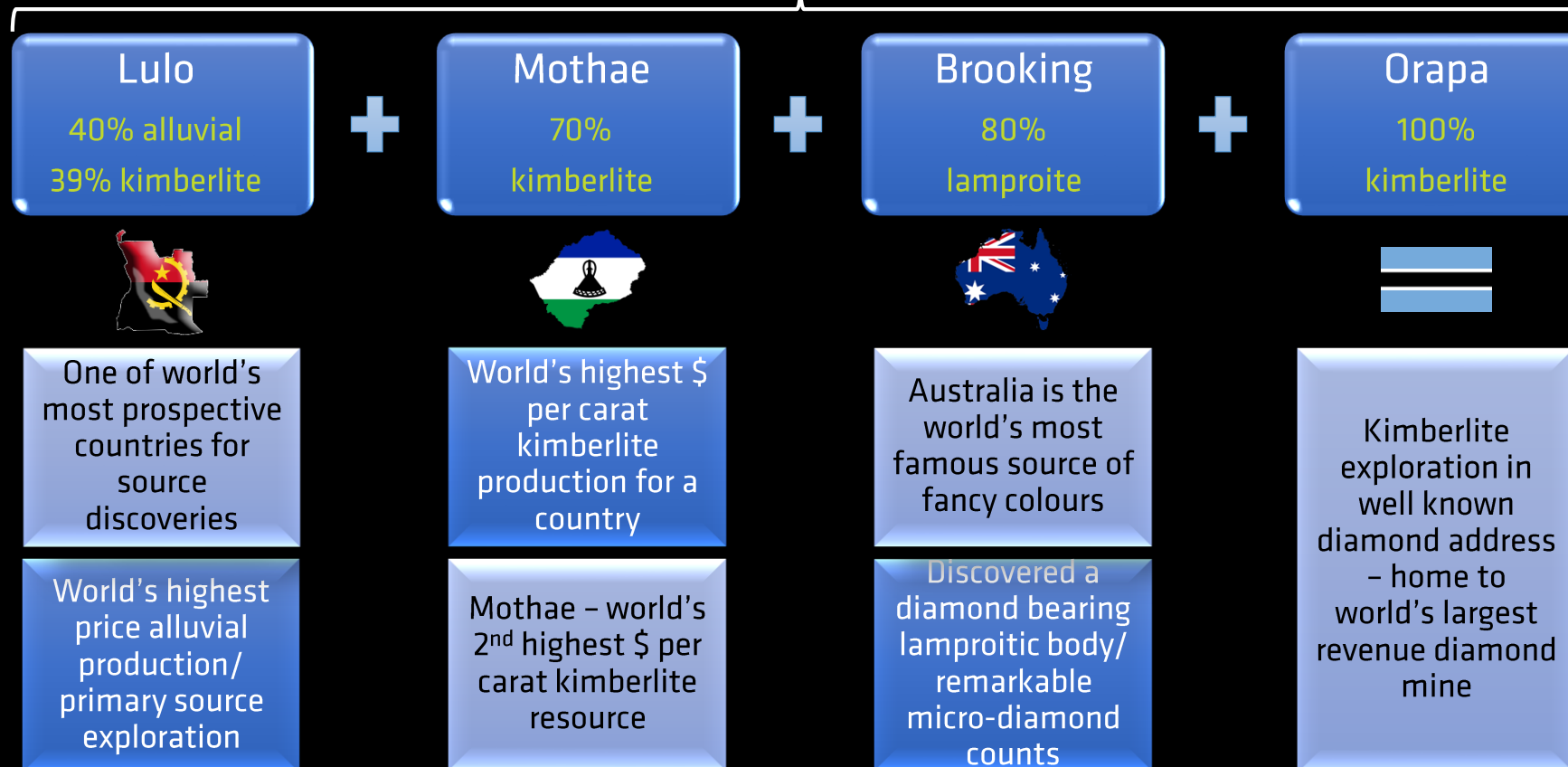


An Exceptional Diamond Company

High-value production and exploration upside
Moving through the diamond value chain

Africa Down Under Conference - August 2018

Lucapa invested in...Africa and Down Under



Projects...Africa



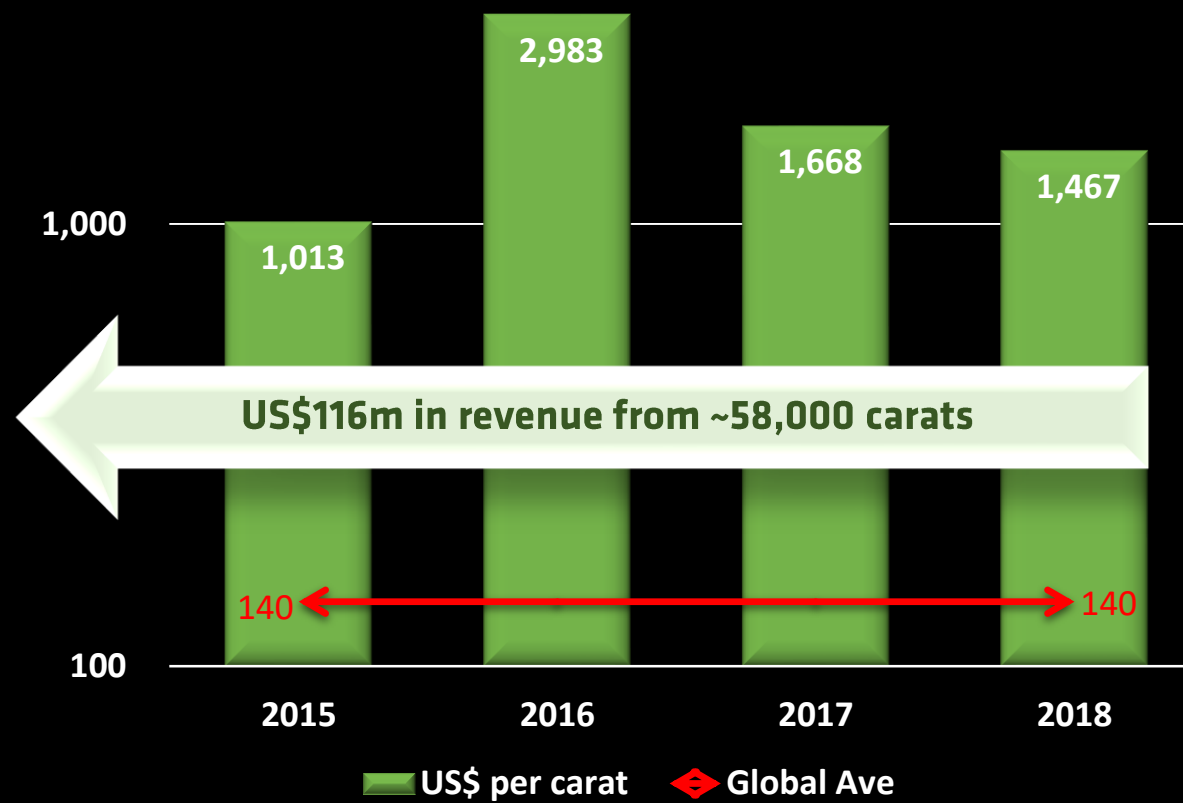
Lulo, Angola

- Exceptional diamond concession
- Partnership with Angolan Govt via Endiama and one local partner
- Lucapa has invested ~\$50m in Angola
- Alluvial mining and kimberlite exploration operations

1. Alluvial mining operation

- Vast alluvial fields
- Home to some of the best and largest diamonds in the world
- Produced Angola's two largest diamonds on record
- Prolific frequency of recovery of Special sized (diamonds >10.8 carats) high value diamonds
- Highest ave \$ per carat alluvial production in the world

Lulo average diamond price



Source: Company - actuals to June 2018

Projects...Africa

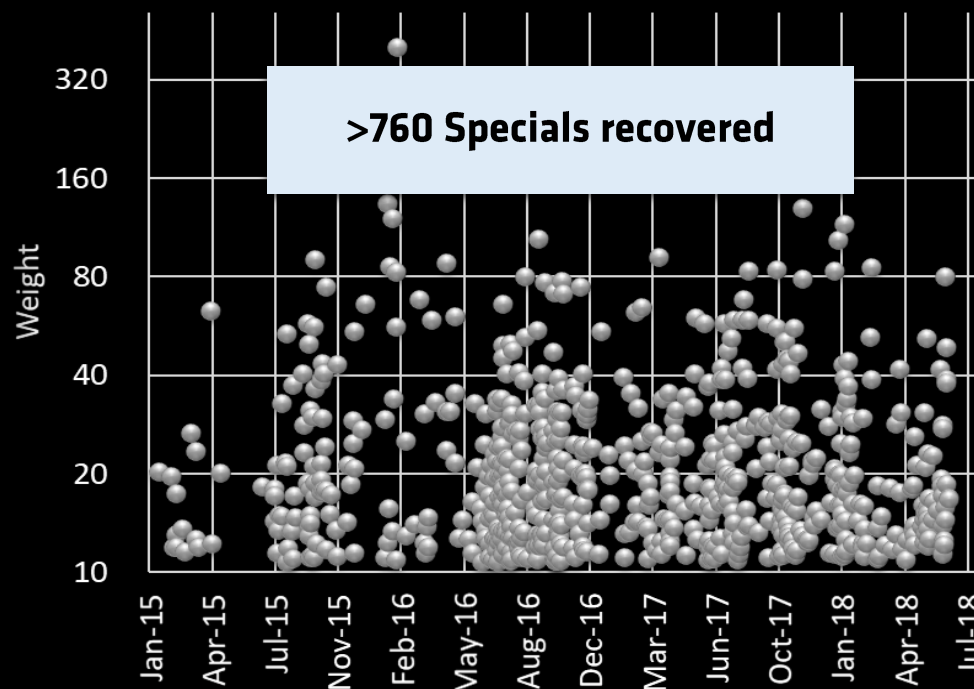


Lulo, Angola

2. Kimberlite exploration operation

- To locate primary source(s) of the alluvial diamonds
- Large irregular shaped diamonds - no signs of transport - proximal to source
- Highly prospective concession
- Large number of big kimberlite targets identified underlying the alluvial fields
- Permanent exploration program - all year-round
 - Current drilling program extracting core for mineral chemistry analysis
 - 54 targets drilled
 - 40 confirmed as kimberlite
 - Targets identified for follow up

Special Recoveries



Source: Company





Initiatives to drive new investment...



- Initiatives being led by new President – His Excellency Joao Lourenco
- With the objective of attracting foreign direct investment into the mining sector
- In order to grow the contribution from its extensive resources to the Angolan people
- Resulted in swift and significant changes
- New policies already gazetted

- New Diamond Marketing Policy
 - Revokes previous Presidential Decree
 - Promoting transparency, predictability and standardisation
 - Aimed at safeguarding interests of producers
 - Establishes additional sales channels
 - Contracts/ Sights
 - Spot/ Seasonal
 - Tenders/ Auctions
 - Cutting & Polishing
 - Regulations to implement are currently being drafted

What does this mean?

- Lulo will access other channels to achieve higher values for all of its production
- Such as – “Tenders/ Auctions” for Special sized diamonds
- Lucapa to register as a buyer in Angola

In line with the President's initiatives to attract investment, Lucapa is in discussions with Endiama to:

- Support drafting of the regulations to implement new marketing policy
- Increase equity participation in projects, and
- Expand our operations in Angola



Mothae, Lesotho

- Kimberlite mine development
- Partnership with the Government of Lesotho
- Large stone producer - 2nd highest \$ per carat kimberlite pipe in the world
- Lucapa investing ~\$30m in Lesotho
- Will be Lucapa's 2nd diamond producing asset
- Conducting concurrent bulk sampling program on inadequately tested or untested zones to improve:
 - resource knowledge;
 - life of mine; and
 - value of mine
- Commissioning timeline remains on track



Mothae, Lesotho

- Initial financial modelling
 - 1.1mt pa Phase 1
 - 2.2mt pa Phase 2 (in 2021)
 - 13.5 year life of mine
 - Project NPV ~US\$85m

All assumptions as per ASX release on 23 October 2017
- Production project is being de-risked
 - Bulk sampling program recovering large diamonds
 - Debt and equity funding secured
 - Mine establishment on track
 - Staff engaged
 - Additional studies to optimise development
 - Dams/ power/ roads/ camp etc.



**As per ASX Release on
23 October 2017**

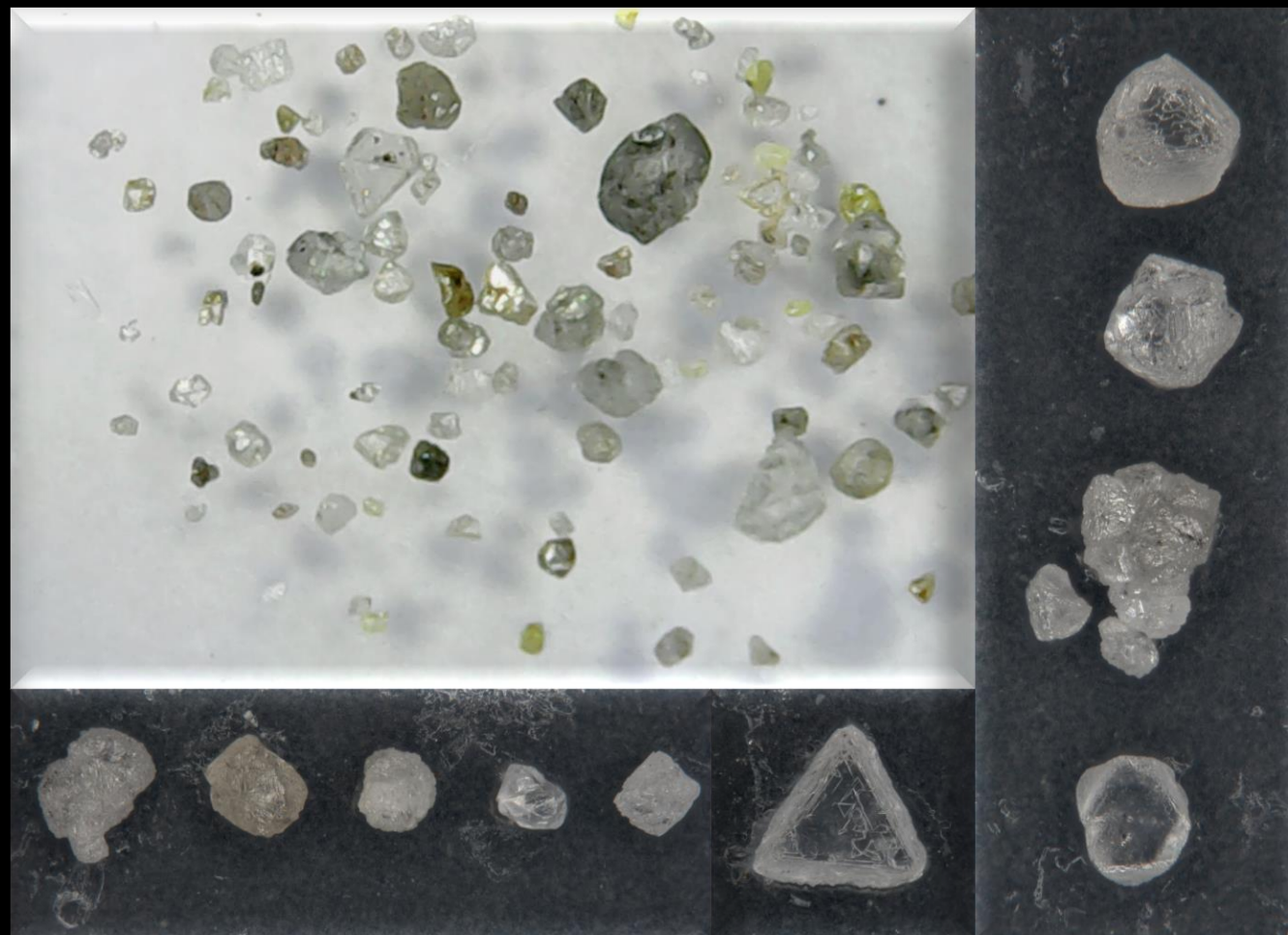
NPV (US\$m)	10%	8%
Annual Price Escalation	Discount Factor	
0%	67.8	83.0
1%	85.4	103.8
2%	104.4	126.3
3%	124.9	150.7

**Ignoring impact of recent Rand
exchange rate devaluation
against US\$ or geotechnical
review**

Projects...Down Under

Brooking, WA

- The Kimberley
- Lamproite exploration
- First drill program – significant discovery
 - Discovered a lamproitic body on Little Spring Creek (“LSC”) target
 - High micro-diamond counts in drill core - 119 diamonds in 87kg sample
- Second drilling campaign at LSC target
 - 178kg sample sent to Canadian laboratory
 - Remarkable 1,100 micro-diamonds counted in drill core sample
 - ~3 times original drill hole

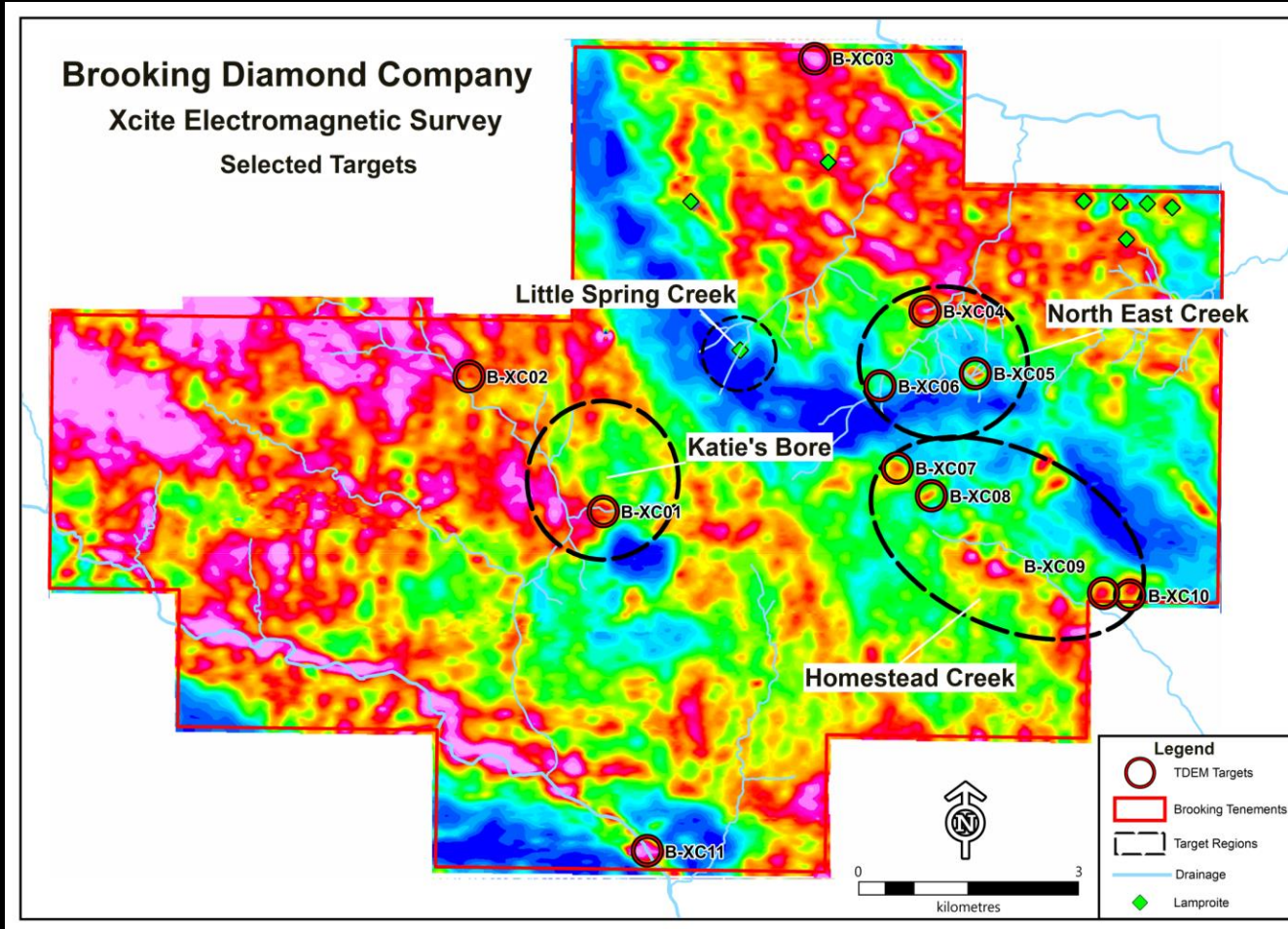


Projects...Down Under



Brooking

- Also completed an airborne geophysics survey
 - Time Domain Electromagnetic Survey over entire 118km² Brooking tenement
 - 11 additional targets identified on tenement
 - Largest target ~7 hectares in size at Katie's Bore where large numbers of micro-diamonds have been previously recovered
- Immediate next steps
 - Bulk sampling options being considered for LSC target
 - Drilling campaign over new targets (3rd campaign in less than 10 months)
 - Program of Works/ Heritage permissions being sought



Lucapa...growth strategy



Growth...organic development & acquisitive success



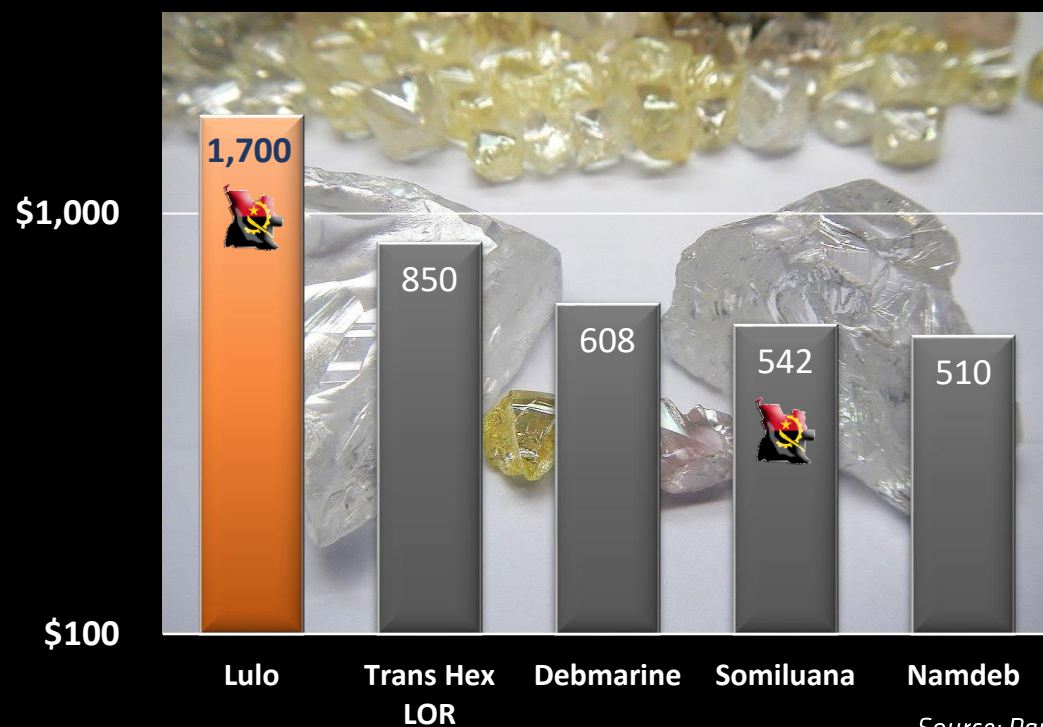
Next step...moving along the diamond value chain



Ownership of high-value production...

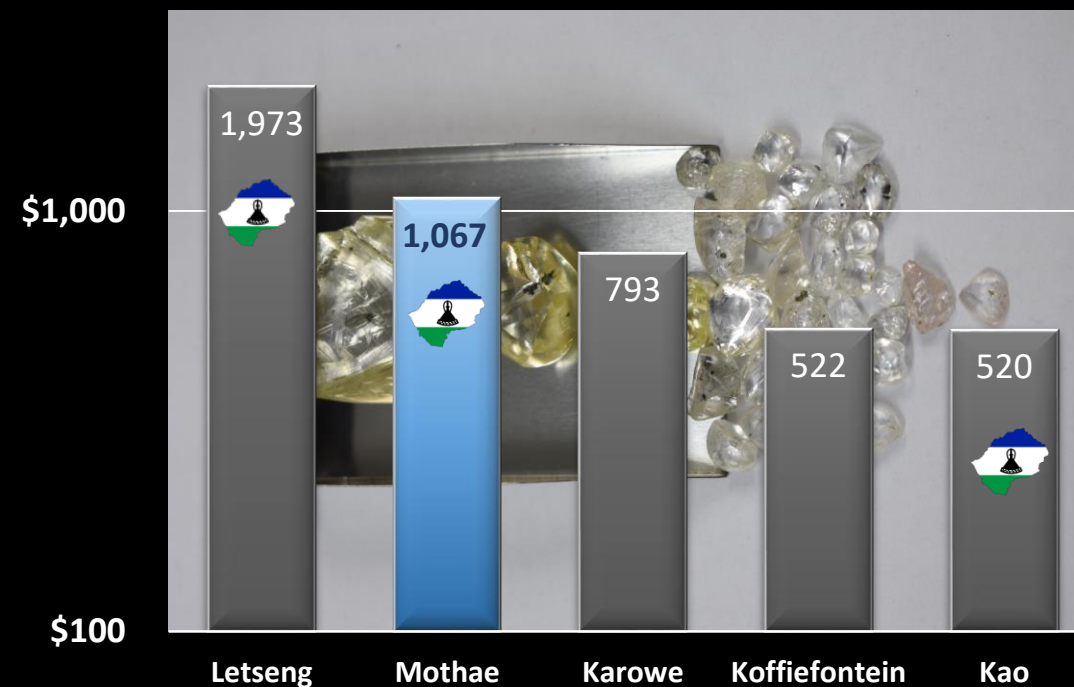
Top 5 alluvial mines by price

■ US\$ per carat



Top 5 kimberlite mines by price

■ US\$ per carat



Specific focus...high-value

Why focus on resources that produce high-value diamonds?

Rough

Stable sector

Scarce supply
Consistent demand
Brings pricing stability

An area where Lucapa has significant expertise

Cutting & polishing

Access margins beyond mine gate on select or bespoke high-value diamonds

Provides rough price protection

Also an area where Lucapa has significant expertise & relationships

Polishing...exceptional stones

Existing income stream

Rough

Price

A\$22.5m



Additional downstream income

Polished

Jewellery
Manufacturing

Auction





An Exceptional Diamond Company

Growing producer of high-value diamonds, with significant exploration upside

AND

Attracting downstream margins on bespoke exceptional diamonds

Forward-Looking & Competent Person's Statements

Forward-Looking Statements

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Information included in this presentation that relates to exploration results and resource estimates is based on and fairly represents information and supporting documentation prepared and compiled by Richard Price MAusIMM who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Price is an employee of Lucapa Diamond Company Limited. Mr Price has sufficient experience which is relevant to the style of mineralisation and type of deposits 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 Price consents to the inclusion in the presentation of the matters based on this information in the form and context in which it appears.



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