



**LUCAPA**  
DIAMOND COMPANY

Lucapa Diamond Company Limited  
Interim Financial Report  
for the six months ended 30 June 2018

ASX Code: LOM



ACN 111 501 663  
34 Bagot Road | Subiaco WA 6008 | Tel +61-8 9381 5995 | Fax +61-8 9489 9201  
Email [general@lucapa.com.au](mailto:general@lucapa.com.au) | [www.lucapa.com.au](http://www.lucapa.com.au)

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The directors present their report together with the financial report of Lucapa Diamond Company Limited for the six months ended 30 June 2018 and the auditor's review report thereon.

## 1. Directors

The directors of the Company at any time during or since the end of the interim period are as follows.

Name	Period of directorship
Miles Kennedy, Non-Executive Chairman	Appointed 12 September 2008
Stephen Wetherall, Chief Executive Officer/ Managing Director	Appointed 13 October 2014
Nick Selby, Chief Operating Officer/ Executive Director	Appointed 4 September 2017
Gordon Gilchrist, Non-Executive Director	Appointed 27 March 2012, Resigned 26 July 2018
Albert Thamm, Non-Executive Director	Appointed 9 May 2014, Resigned 26 July 2018
Ross Stanley, Non-Executive Director	Appointed 26 July 2018

## 2. Review of operations

### OVERVIEW

Lucapa Diamond Company Limited (ASX: **LOM**) ("Lucapa" or "the Company") is an emerging global diamond company with a diversified portfolio of high-quality mining, development and exploration assets in Angola (Lulo alluvial mining and kimberlite exploration operations), Lesotho (Mothae kimberlite mine development), Australia (Brooking diamond-bearing lamproite discovery) and Botswana (Orapa Area F kimberlite exploration).

The Company's focus on expanding high-value diamond production from multiple sources is designed to maximise returns in a sector of the global diamond market where demand and pricing remains robust.

Lucapa, with its respective project partners, made significant advancements across its suite of diamond projects during the six months ended 30 June 2018 ("June half"), including:

- Mining large and premium-value diamonds at **Lulo**, continuing to deliver the world's highest US\$ per carat alluvial diamond production
- Continuation of a systematic drilling program at **Lulo**, funded from Lucapa's alluvial mining returns, aimed at identifying the kimberlite source(s) of the exceptional alluvial diamonds
- Developing a second high-value diamond mine at the **Mothae** kimberlite project in Lesotho, while recovering large Special diamonds up to 89 carats from a concurrent bulk sampling program designed to expand on the current published JORC resource
- Launching an extensive exploration and drilling program at the **Brooking** project in the West Kimberley to follow up on the spectacular micro and macro diamond recoveries at Little Spring Creek.



**Lulo white and fancy coloured diamonds**

**LULO DIAMOND PROJECT, ANGOLA**  
**Alluvial Diamond Mining - Sociedade Mineira Do Lulo ("SML")**  
**(Lucapa 40% associate and operator)**

Lulo alluvial diamond mining company, SML, produced 9,566 carats of diamonds during the June half, an increase of 15% on the previous corresponding period (Table 1).

Lulo continued to regularly produce large and premium-value diamonds, with the number of Special diamonds recovered during the June half up 24% to 118. The total weight of Specials was up 22% to 2,838 carats.



**Lulo diamonds sold during the June half**

A total of eight +50 carat diamonds were recovered during the June half, including two +100 carat stones. Other Special recoveries included a 43 carat yellow and a 46 carat pink coloured diamond.

The diamond production increases were generated from a 5% rise in mining volumes to 134,540 bulk cubic metres – a record rate for a half year period.

The recovered diamond grade improved 10% to 7.1 carats per 100 cubic metres.

	H117	H1 18	Var H1 17 to H1 18
Actual Treated m <sup>3</sup> (bulked)	128,250	134,540	5%
Actual Carats Recovered	8,301	9,566	15%
Actual Grade Recovered (cphm <sup>3</sup> )	6.5	7.1	10%
Actual No of Stones Recovered	6,880	5,943	-14%
Actual Avg Stone Size Recovered	1.2	1.6	33%
Number of Specials Recovered	95	118	24%
Specials Carat Weight	2,328	2,838	22%
Diamond Inventory (carats)	1,716	2,755	61%

**Table 1: SML production for the June half and comparative period**



### Alluvial Diamond Sales and Inventories

SML achieved gross sales revenues of US\$15.9 million for the June half, an increase of 3%. These sales represented an average price per carat US\$1,642 (Table 2).

These positive sales revenues and prices were achieved notwithstanding the decision to withhold from the June 2018 sale several large and high-value Specials. These Specials formed part of the 2,755 carat diamond inventory at 30 June 2018, up 61% on the previous corresponding period.

In addition to the diamond inventory, SML had cash and receivables of US\$10 million at 30 June. At the end of the June half, SML was considering its next loan repayment to Lucapa and pro-rata distribution to the Lulo partners, taking into account its strong cash position and large diamond inventories.

	H117	H1 18	Var H1 17 to H1 18
Actual Sales (carats)	9,531	9,656	1%
Actual Sales (US\$)	15,444,807	15,855,298	3%
Actual Price per Carat (US\$)	1,620	1,642	1%
Actual Sales (A\$)	20,316,731	20,205,476	-1%
Actual Price per Carat (A\$)	2,132	2,093	-2%

Table 2: SML revenue for the June half and comparative period

### Kimberlite Exploration - Project Lulo

**(Lucapa 39% joint venture partner and operator)**

The Lulo kimberlite exploration program aims to identify the primary hard-rock source(s) of the exceptional alluvial diamonds being mined on the same concession at Lulo. Lucapa funds the program from its share of alluvial mining distributions from SML.

The end of the Angolan wet season enabled the Lulo partners to step up the kimberlite drilling program, in line with the aim of extracting core from all remaining kimberlite targets on the current list by the end of calendar 2018.

During the June half, the Lulo partners received the results from the second batch of 10 kimberlite core samples sent to Cape Town, South Africa, for laboratory analysis.

Technical consultants, Remote Exploration Services ("RES"), highlighted kimberlite L164 for follow-up work based on it having the highest concentration of G3D and G4D garnets and other kimberlitic indicator minerals of any Lulo kimberlite target tested to date, including 11 garnets classified as diamond-associated grains.



Kimberlite drilling at Lulo

Core samples from a further eight Lulo kimberlites underwent laboratory analysis during the June half. RES advised that five of those kimberlites had been assessed as not warranting further follow-up work, with micro-probing of core samples from the remaining three kimberlites continuing.

In addition, drill core samples from a further nine Lulo kimberlites were later logged and exported to the Cape Town laboratory as drilling continued. Of most interest in this batch was the core from kimberlites L104 (identified from garimpeiro diggings) and L204 (identified from associated soil sampling results).

#### **Angolan Government Diamond Reforms**

During the June half, the new Angolan Government, headed by His Excellency President Joao Lourenco, continued to advance diamond sector reforms in line with the Government's goal to double Angola's diamond production through increased foreign investment.

This included President Lourenco stating a desire for Angolan diamonds to be marketed in jurisdictions such as Antwerp during a visit to the global diamond trading centre, and an anticipated Presidential decree to launch a new diamond marketing policy for Angolan production.

Lucapa remained in positive dialogue with Angolan officials during the June half to support the Government in achieving its stated objectives and looks forward to favourable outcomes.

As a Company which has operated successfully in Angola for 10 years, Lucapa is well positioned to benefit from positive change to the investment landscape in Angola.

#### **MOTHAIE DIAMOND PROJECT, LESOTHO**

**Kimberlite mine development – *Mothae Diamonds (Pty) Ltd***  
**(Lucapa 70% subsidiary, Government of the Kingdom of Lesotho 30%)**

The Mothae kimberlite pipe in Lesotho, southern Africa, is a high-quality large stone diamond resource located within 5km of Letšeng, the highest US\$ per carat kimberlite diamond mine in the world.

Mothae is a known host of large and premium value diamonds, with previous trial mining producing 23,400 carats of diamonds which achieved sale prices of up to US\$57,000 per carat (see ASX announcement 31 January 2017).

Lucapa made significant progress at Mothae during the June half with two parallel work streams:

- A bulk sampling program using the refurbished plant and infrastructure with the aim of expanding on the current published JORC resource and;
- Construction and development of the new 1,080,000 tonne per annum (90,000 tonne per month) commercial production plant incorporating a large-diamond recovery circuit utilising XRT technology

#### **Bulk Sampling Program**

The bulk sampling program is designed to expand on the current published Mothae JORC resource (refer ASX announcement 24 March 2017), to assist mine planning, by testing areas of the kimberlite pipe which had either not been sampled, or where previous sampling had been insufficient.

The areas of the Mothae kimberlite pipe being tested through the refurbished bulk sampling plant include the Neck, South-East and North zones. Lucapa plans to extract and process staged bulk samples of up to 50,000 tonnes from each of these three zones.



**The refurbished bulk sampling plant complex which is testing material from the Neck, South-East and North zones of the Mothae kimberlite pipe**

Preliminary recoveries during the June half were extremely encouraging; with Lucapa recovering an 89 carat yellow diamond from the South-East zone and a 25 carat yellow diamond from the Neck zone.

These preliminary bulk sampling results provide further evidence that Mothae is a source of large diamonds and thus complementary to Lulo.

Overall recoveries of Mothae diamonds from the ongoing bulk sampling program totalled almost 1,000 carats at 30 June 2018. These bulk sampling diamonds will be included in the first sale parcel of Mothae diamonds currently scheduled for Q4 2018.





**89 carat yellow diamond recovered from the South-East zone at Mothae**



**25 carat yellow diamond and white diamonds recovered from the Neck zone at Mothae**



### **New 1,080,000 tpa Commercial Production Plant Construction**

Construction of the new 1,080,000 tpa commercial production plant continued throughout the June half and remains on schedule for H2 2018 commissioning and diamond production.

The arrival at Mothae late in the June half of the two XRT large-diamond recovery units, which were manufactured in Germany, meant most of the major diamond plant components had been delivered to site.

Significant progress was also made during the June half on water, tailings and site infrastructure, along with the upgrading of roads for all-weather access.



**Construction of the new 1,080,000 tpa Mothae commercial production plant –  
viewed from over one of the fresh water dams**



**Scrubbing and screening module under construction at Mothae**

## **BROOKING DIAMOND PROJECT, WESTERN AUSTRALIA**

### **Lamproite Exploration - Brooking Diamonds (Pty) Ltd**

**(Lucapa 100% subsidiary - project tenements owned 80%, Leopold Diamond Company 20%)**

Lucapa's Brooking lamproite diamond project is located in the West Kimberley region of Western Australia, within 50km of the Ellendale mine which, until its recent closure, produced more than 50% of the world's fancy yellow diamonds.

In January 2018, following its initial drilling campaign, Lucapa announced a significant diamondiferous lamproite discovery at the Little Spring Creek prospect at Brooking.

The one hole drilled at Little Spring Creek intersected lamproitic material from close to surface to ~70m. An 86.8kg sample of crushed core from this drill hole produced 119 diamonds – including 112 micro-diamonds and 7 macro-diamonds. The largest macro-diamond measured approximately 1.0mm x 0.6mm x 0.5mm.

Subsequent washing of the diamonds revealed a relatively high proportion of white diamonds, with yellow diamonds also being noted.

The discovery prompted Lucapa to launch an extensive follow-up exploration program after the northern wet season, starting with ground-based electromagnetic and ground penetrating radar surveys, which were successful in defining the body at Little Spring Creek to help position drilling coordinates.

The follow-up drilling program commenced at Little Spring Creek in June 2018.

In parallel with the Little Spring Creek drilling program, Lucapa engaged New Resolution Geophysics ("NRG") to fly a helicopter-borne Xcite Time Domain Electromagnetic ("TDEM") survey over the entire 118km<sup>2</sup> Brooking project area.

The TDEM survey was designed to identify additional drilling targets within the Brooking project where diamonds and lamproite indicator minerals were recovered from previous surface sampling programs. These additional target areas included Cameron's Bore, Katie's Bore, East-West Creek, Homestead Creek, Santa Fe Dam and North East Creek.



**Drilling at the Little Spring Creek discovery and flying of the TDEM survey  
across the entire Brooking project**



## **ORAPA AREA F PROJECT, BOTSWANA**

### **Kimberlite Exploration – *Lucapa Diamonds (Botswana) Pty Ltd* (Lucapa 100% subsidiary)**

Lucapa's Orapa Area F project is located ~40km east of the prolific Orapa diamond mine in Botswana. Previous exploration programs at Orapa Area F – including ground magnetic, EM and gravity surveys – were successful in defining kimberlite drilling targets.

During the June half, Lucapa's approvals for a proposed kimberlite drilling program at Orapa Area F were delayed. Drilling will commence when the necessary approvals are forthcoming.

## **CORPORATE**

During the June half, Lucapa completed a US\$12.5m (A\$16.7m) private placement. The placement was supported by major existing Lucapa shareholders and saw Tazga Two Pty Ltd (a private company associated with Mr Ross Stanley) emerge with a substantial shareholding of 8.58% in Lucapa.

Lucapa's cash balance stood at US\$10m (A\$13.5m) at June 30 – excluding cash held by the Company in Angola to fund the Lulo kimberlite exploration program. In addition to Lucapa's cash reserves, Lulo alluvial mining company SML had cash and receivables of US\$10m at 30 June and an unsold diamond inventory of 2,755 carats.

## **3. Financial position**

For the six months ended 30 June 2018, the Group recorded a loss after tax of US\$4.2m (Jun 2017: US\$1.1m) after accounting for its share of a loss in SML associate, amounting to US\$1.2m (Jun 2017: profit of US\$3.9m) and higher corporate office expenses.

SML's half year results were materially affected by a decision to postpone the sale of several high-value diamonds (including a pink coloured diamond) to the second half of the year in anticipation of a change to the diamond marketing policy in Angola as a result of strong and positive initiatives being driven by President Joao Lourenco. Corporate expenses included costs for technical expertise sourced as a result of the increased development activity across the group, costs relating to the successful capital raising and a non-cash fair value adjustment on hedging instruments.

As at 30 June 2018 the Group had net assets of US\$68.4m (Dec 2017: US\$59.6m).

The Board of Directors have considered the financial position and prospects of the Group as set out below in note 2. b) to the financial statements and are satisfied that the going concern basis of preparation of the financial statements is appropriate.

#### 4. Auditor's independence declaration

The directors received the following report from the Company's auditors, Greenwich & Co:



Greenwich & Co

Greenwich & Co Audit Pty Ltd | ABN 51 609 542 458  
Level 2, 35 Outram Street, West Perth WA 6005  
PO Box 953, West Perth WA 6872  
T 08 6555 9500 | F 08 6555 9555  
www.greenwichco.com

##### **Auditor's Independence Declaration**

To those charged with the governance of Lucapa Diamond Company Limited

I declare that, to the best of my knowledge and belief, during the half-year ended 30 June 2018 there have been no contraventions of:

- the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Greenwich & Co Audit Pty Ltd

Greenwich & Co Audit Pty Ltd

Rafay Nabeel  
Audit Director

Perth

12 September 2018

An independent member of Morison KSI | Liability limited by a scheme approved under Professional Standards Legislation

This report is made with a resolution of the directors:

Miles Kennedy  
Non-Executive Chairman

Dated at Subiaco this 12<sup>th</sup> day of September 2018

LUCAPA DIAMOND COMPANY LIMITED ABN 44 111 501 663



Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income  
for the six months ended 30 June 2018

	Note	30 Jun 2018 USD	30 Jun 2017 USD
Share of (loss)/profit of associate	8	(1,202,736)	3,863,287
Fair value adjustments	6	(365,668)	(2,634,187)
Finance income		30,213	20,837
Consulting expenses		(384,329)	(303,548)
Depreciation expense		(100,479)	(87,927)
Employee benefits expenses		(1,912,464)	(957,527)
Director and employee options		(400,494)	(611,502)
Finance expense		(1,632)	(96,978)
Foreign exchange gain		92,792	127,131
Other income/(expenses)		2,348	(469,136)
<b>Loss before income tax</b>		<b>(4,242,449)</b>	<b>(1,149,550)</b>
Income tax expense		(48,779)	-
<b>Loss after income tax for the period</b>		<b>(4,291,228)</b>	<b>(1,149,550)</b>
Other comprehensive loss		(273,158)	(96,655)
<b>Total comprehensive loss attributable to members of the Company</b>		<b>(4,564,386)</b>	<b>(1,246,205)</b>
<b>(Loss)/earnings per share</b>			
Basic loss per share (cents)	5	(1.09)	(0.35)
Diluted loss per share (cents)	5	(1.08)	(0.33)

The Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

	Note	30 Jun 2018 USD	31 Dec 2017 USD
<b>Assets</b>			
Cash and cash equivalents		9,990,570	8,296,887
Trade and other receivables		2,086,327	512,409
Inventories		149,916	29,304
Financial assets	6	159,003	809,444
<b>Total current assets</b>		<b>12,385,816</b>	<b>9,648,044</b>
Property plant and equipment	7	46,800,367	34,370,797
Non-current financial assets	6	23,704,075	25,778,095
Investment in associate	8	7,704,671	8,907,407
<b>Total non-current assets</b>		<b>78,209,113</b>	<b>69,056,299</b>
<b>Total assets</b>		<b>90,594,929</b>	<b>78,704,343</b>
<b>Liabilities</b>			
Trade and other payables	9	6,362,475	8,300,735
Borrowings	10	6,478,850	1,742,900
<b>Total current liabilities</b>		<b>12,841,325</b>	<b>10,043,635</b>
Non-current provisions		844,904	935,600
Non-current borrowings	10	8,583,224	8,074,185
<b>Total non-current liabilities</b>		<b>9,428,128</b>	<b>9,009,785</b>
<b>Total liabilities</b>		<b>22,269,453</b>	<b>19,053,420</b>
<b>Net assets</b>		<b>68,325,476</b>	<b>59,650,923</b>
<b>Equity</b>			
Share capital	11	111,134,160	96,981,417
Reserves		(1,173,541)	13,421
Accumulated losses		(41,635,143)	(37,343,915)
<b>Total equity</b>		<b>68,325,476</b>	<b>59,650,923</b>

The Consolidated Interim Statement of Financial Position is to be read in conjunction with the accompanying notes.

Consolidated Interim Statement of Changes in Equity  
for the six months ended 30 June 2018

	Issued capital USD	Share based payments reserve USD	Foreign currency translation reserve USD	Accumulated losses USD	Total USD
<b>Balance at 1 January 2017</b>	89,114,329	3,613,674	(5,537,255)	(34,261,854)	52,928,894
<b>Comprehensive income for the period</b>					
Profit for the period	-	-	-	(1,149,550)	(1,149,550)
Other comprehensive loss	-	-	(96,655)	-	(96,655)
<b>Total comprehensive income for the period</b>	-	-	<b>(96,655)</b>	<b>(1,149,550)</b>	<b>(1,246,205)</b>
<b>Transactions with owners, recorded directly in equity</b>					
Issue of share capital	879,667	-	-	-	879,667
Issue of options	(44,101)	655,603	-	-	611,502
Expiry of options	-	(271,742)	-	271,742	-
Share issue expenses	(37,976)	-	-	-	(37,976)
<b>Total transactions with owners</b>	<b>797,590</b>	<b>383,861</b>	<b>-</b>	<b>271,742</b>	<b>1,453,193</b>
<b>Balance at 30 June 2017</b>	<b>89,911,919</b>	<b>3,997,535</b>	<b>(5,633,910)</b>	<b>(35,139,662)</b>	<b>53,135,882</b>
<b>Balance at 1 January 2018</b>	<b>96,981,417</b>	<b>5,302,281</b>	<b>(5,288,860)</b>	<b>(37,343,915)</b>	<b>59,650,923</b>
<b>Comprehensive income for the period</b>					
Loss for the period	-	-	-	(4,291,228)	(4,291,228)
Other comprehensive income	-	-	(273,158)	-	(273,158)
<b>Total comprehensive income for the period</b>	-	-	<b>(273,158)</b>	<b>(4,291,228)</b>	<b>(4,564,386)</b>
<b>Transactions with owners, recorded directly in equity</b>					
Issue of share capital	13,035,016	-	-	-	13,035,016
Issue of options	1,499,741	(913,804)	-	-	585,937
Share issue expenses	(382,014)	-	-	-	(382,014)
<b>Total transactions with owners</b>	<b>14,152,743</b>	<b>(913,804)</b>	<b>-</b>	<b>-</b>	<b>13,238,939</b>
<b>Balance at 30 June 2018</b>	<b>111,134,160</b>	<b>4,388,477</b>	<b>(5,562,018)</b>	<b>(41,635,143)</b>	<b>68,325,476</b>

The Consolidated Interim Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

Consolidated Interim Statement of Cash Flows  
for the six months ended 30 June 2018

	30 Jun 2018 USD	30 Jun 2017 USD
<b>Cash flows from operating activities</b>		
Cash paid to suppliers and employees	(3,285,577)	(1,996,038)
Interest and finance cost	(4,166)	(8,062)
Interest received	30,214	20,837
<b>Net cash used in operating activities</b>	<b>(3,259,529)</b>	<b>(1,983,263)</b>
<b>Cash flows from investing activities</b>		
Payments for exploration costs	(468,268)	(840,295)
Payments for development	-	(206,163)
Proceeds from associate	-	2,355,411
Payments for property plant and equipment	(11,275,812)	(664,723)
<b>Net cash (used in)/generated from investing activities</b>	<b>(11,744,080)</b>	<b>644,230</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	12,504,079	827,270
Share issue costs	(202,829)	(82,077)
Repayment of borrowings	(1,723)	(408,227)
Proceeds from borrowings	5,000,000	4,089,860
Borrowing transaction costs	(250,000)	-
<b>Net cash generated from financing activities</b>	<b>17,049,527</b>	<b>4,426,826</b>
Net increase in cash and cash equivalents	<b>2,045,918</b>	<b>3,087,793</b>
Cash and cash equivalents at beginning of period	8,296,887	4,349,142
Exchange loss on foreign cash balances	(352,235)	393,427
<b>Cash and cash equivalents at end of period</b>	<b>9,990,570</b>	<b>7,830,362</b>

The Consolidated Interim Statement of Cash Flows is to be read in conjunction with the accompanying notes.



## **1. Corporate information**

Lucapa Diamond Company Limited is a company domiciled and incorporated in Australia. The address of the Company's registered office is 34 Bagot Road, Subiaco WA 6008. The Company and its subsidiaries (collectively "the Group") are primarily involved in the mining and exploration of diamond projects in Africa and Australia.

## **2. Basis of preparation**

### **a) Statement of compliance**

The interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the annual financial report of the Company as at and for the year ended 31 December 2017.

This interim financial report was approved by the Board of Directors on 12<sup>th</sup> September 2018.

### **b) Basis of measurement**

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. Whilst the Group has achieved diamond exploration, alluvial development and mining success at the Lulo Diamond Project and anticipates cashflows to be received from Mothae following the completion of the mine development, the directors recognise that the Group may have to seek funding in the future in order to continue to exploit and develop its four diamond projects.

For the six months ended 30 June 2018, the Group recorded a loss after tax of US\$4.3m (Jun 2017: US\$1.1m). As at 30 June 2018 the Group had net assets of US\$68.4m (Dec 2017: US\$59.6m).

During the current period, the Company received funding from the following sources:

- US\$5m drawdown from the borrowing facility with Equigold Pte Ltd for the purposes of funding the Phase 1 development of Mothae;
- US\$12.5m (before costs) from the issue of shares at no discount to the prevailing market price as per the ASX announcement of 9 April 2018.

Future funding sources include anticipated SML and Mothae loan repayments, distributions from SML and Mothae and debt financing from project financiers.

The ability of the Group to continue to pay its debts as and when they fall due for a 12-month period from the date the financial report is signed is dependent upon:

- continued success of the Lulo alluvial mine to generate cash to repay its loans to Lucapa and make distributions to the partners;
- bringing Mothae into commercial production on time to generate forecast cashflows; and
- continued successful cash management and project/debt finance sourcing.

In addition, Lucapa has the capacity to place securities under ASX Listing Rule 7.1.

The Directors believe that the above funding strategies can be achieved and the going concern basis is appropriate for the following reasons:

- The Group operates on a program of income and expenditure designed to ensure that there are at all times sufficient funds on hand to continue operations for the foreseeable future, whilst at the same time continuing the alluvial mining, diamond mine development and furthering its exploration projects in an effective manner; and

- The successful historical ability of the Group to raise capital via debt and/or equity placements and capital raisings given the current cash generating ability and prospectivity of the Lulo Diamond Project and forecast future cash flows from the Mothae Kimberlite Project.

However, should the Group be unable to obtain sufficient funding as advised above, there is a material uncertainty which may cast doubt as to whether or not the Group will be able to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

### **3. Significant accounting policies**

The financial statements have been prepared using consistent accounting policies to those used for the year ended 31 December 2017, except as set out below.

#### *New or revised accounting standards*

The Company adopted all or new revised accounting standards that became effective for reporting periods commencing on 1 January 2018. Adoption of these standards has not resulted in any material changes to the Company's accounting policies. Other standards that have been issued but are not yet effective are considered to have no significant effect on the financial statements.

<b>4. Segment reporting</b>								
	<b>Mining</b>		<b>Exploration &amp; Evaluation</b>		<b>Corporate</b>		<b>Total</b>	
	<b>30 Jun 2018</b>	<b>31 Dec 2017</b>	<b>30 Jun 2018</b>	<b>31 Dec 2017</b>	<b>30 Jun 2018</b>	<b>31 Dec 2017</b>	<b>30 Jun 2018</b>	<b>31 Dec 2017</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>Assets</b>								
Cash and cash equivalents	128,468	25,546	3,014	1,560	9,859,088	8,269,781	9,990,570	8,296,887
Trade and other receivables	1,878,597	369,124	-	-	207,730	143,285	2,086,327	512,409
Inventory	149,916	29,304	-	-	-	-	149,916	29,304
Financial assets	159,003	809,444	-	-	-	-	159,003	809,444
<b>Total current assets</b>	<b>2,315,984</b>	<b>1,233,418</b>	<b>3,014</b>	<b>1,560</b>	<b>10,066,818</b>	<b>8,413,066</b>	<b>12,385,816</b>	<b>9,648,044</b>
Property plant and equipment	31,229,081	21,617,314	15,506,730	12,722,761	64,556	30,722	46,800,367	34,370,797
Non-current financial assets	23,704,075	25,778,095	-	-	-	-	23,704,075	25,778,095
Investment in associate	7,704,671	8,907,407	-	-	-	-	7,704,671	8,907,407
<b>Total non-current assets</b>	<b>62,637,827</b>	<b>56,302,816</b>	<b>15,506,730</b>	<b>12,722,761</b>	<b>64,556</b>	<b>30,722</b>	<b>78,209,113</b>	<b>69,056,299</b>
<b>Total assets</b>	<b>64,953,811</b>	<b>57,536,234</b>	<b>15,509,744</b>	<b>12,724,321</b>	<b>10,131,374</b>	<b>8,443,788</b>	<b>90,594,929</b>	<b>78,704,343</b>
<b>Liabilities</b>								
Trade and other payables	5,901,583	8,029,879	-	-	460,892	270,856	6,362,475	8,300,735
Borrowings	6,478,850	1,742,900	-	-	-	-	6,478,850	1,742,900
<b>Total current liabilities</b>	<b>12,380,433</b>	<b>9,772,779</b>	<b>-</b>	<b>-</b>	<b>460,892</b>	<b>270,856</b>	<b>12,841,325</b>	<b>10,043,635</b>
Non-current provisions	844,904	935,600	-	-	-	-	844,904	935,600
Non-current borrowings	8,583,224	8,074,185	-	-	-	-	8,583,224	8,074,185
<b>Total non-current liabilities</b>	<b>9,428,128</b>	<b>9,009,785</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,428,128</b>	<b>9,009,785</b>
<b>Total liabilities</b>	<b>21,808,561</b>	<b>18,782,564</b>	<b>-</b>	<b>-</b>	<b>460,892</b>	<b>270,856</b>	<b>22,269,453</b>	<b>19,053,420</b>
<b>Profit or loss</b>	<b>30 Jun 2018</b>	<b>30 Jun 2017</b>	<b>30 Jun 2018</b>	<b>30 Jun 2017</b>	<b>30 Jun 2018</b>	<b>30 Jun 2017</b>	<b>30 Jun 2018</b>	<b>30 Jun 2017</b>
<b>(Loss)/profit before income tax</b>	<b>(2,064,024)</b>	<b>1,159,590</b>	<b>(862)</b>	<b>-</b>	<b>(2,226,342)</b>	<b>(2,309,140)</b>	<b>(4,291,228)</b>	<b>(1,149,550)</b>

The Group engages in business activities within the following business segments: diamond mining in Africa, diamond exploration & evaluation projects in Africa and Australia and a corporate and administrative office in Western Australia to support and promote the other activities.

	30 Jun 2018	30 Jun 2017
<b>5. Loss per share</b>	<b>Cents</b>	<b>Cents</b>
Basic loss per share (cents per share)	(1.09)	(0.35)
Diluted loss per share (cents per share)	(1.08)	(0.33)
<b>Loss attributable to members of the Company used</b>	<b>USD</b>	<b>USD</b>
- in calculation of basic loss per share	(4,291,228)	(1,149,550)
- in calculation of diluted loss per share	(4,291,228)	(1,149,550)
<b>Weighted average number of shares used as the denominator</b>	<b>Number</b>	<b>Number</b>
- in calculation of basic loss per share	392,113,431	325,705,032
- in calculation of diluted loss per share	396,081,073	350,134,337
	<b>30 Jun 2018</b>	<b>31 Dec 2017</b>
	<b>USD</b>	<b>USD</b>
<b>6. Financial assets</b>		
<b>Current financial assets</b>		
Foreign currency derivatives	-	650,440
Other short term financial assets	159,003	159,004
<b>Total</b>	<b>159,003</b>	<b>809,444</b>
<b>Non current financial assets</b>		
<b>SML receivable - Alluvial project</b>		
At 1 January	25,778,095	33,285,531
Investment during the period	-	293,745
Repayment received	-	(4,000,000)
Transferred to Deferred exploration and evaluation costs (note 7)	(2,358,793)	-
	<b>23,419,302</b>	<b>29,579,276</b>
Fair value adjustment due to discounting	284,773	(3,801,181)
<b>At end of period</b>	<b>23,704,075</b>	<b>25,778,095</b>

#### SML receivable - Alluvial project

During previous financial years, the Group established an alluvial diamond mining operation on the Lulo concession, under a mining license granted by the Angolan Ministry of Geology and Mines and under the permission of Endiama, the national diamond mining company of Angola. Previous expenditure for this project had been capitalised as deferred exploration and evaluation and was transferred to Mine Development cost during the development phase. In accordance with the Mining Investment Contract, the JV partners agreed that in the event of a commercial diamond mining operation being established on the Lulo diamond project, all alluvial and kimberlite exploration and development funds and assets that the Group has contributed to the project should be reimbursed from each of the respective mining operations when commercialised. As such and following the incorporation of SML in May 2016, the alluvial mining company for the Lulo project, the net cumulative balance of the Alluvial Development cost was transferred to Financial Assets as a receivable. During the current period the receivable was reduced by kimberlite exploration operating costs incurred by SML on behalf of the Company.

The receivable has been re-measured to its estimated fair value using the Income Approach, which is a valuation technique that converts future cash flow into a single discounted present value, and is classified as level 3 in the fair value hierarchy due to the use of unobservable inputs. Significant unobservable inputs are the timing and amounts of future repayments which are based on the expected cash flows per the Company's forecast model for SML. Sensitivity factors which could impact the valuation include operational recoveries and delays in the timing of repayments which will decrease the fair value estimate. A discount rate of 11.97% has been applied in the fair value calculation.



## 7. Property plant and equipment

	Deferred exploration and evaluation costs USD	Mine development USD	Plant and equipment USD	Computer equipment USD	Office equipment USD	Total USD
<b>Cost</b>						
Balance at 1 January 2017	9,667,065	1,987,842	-	23,182	17,341	11,695,430
Additions	3,047,159	11,270,153	7,954,970	70,336	11,928	22,354,546
Foreign currency movements	8,537	65,332	603,297	5,008	427	682,601
<b>Balance at 31 December 2017</b>	<b>12,722,761</b>	<b>13,323,327</b>	<b>8,558,267</b>	<b>98,526</b>	<b>29,696</b>	<b>34,732,577</b>
Additions	430,133	4,089,291	7,300,378	109,470	13,882	11,943,154
Transferred from Financial assets (note 6)	2,358,793	-	-	-	-	2,358,793
Disposals	-	-	-	(546)	-	(546)
Foreign currency movements	(4,956)	(219,322)	(1,533,008)	(13,575)	(1,836)	(1,772,697)
<b>Balance at 30 June 2018</b>	<b>15,506,731</b>	<b>17,193,296</b>	<b>14,325,637</b>	<b>193,875</b>	<b>41,742</b>	<b>47,261,281</b>
<b>Accumulated depreciation</b>						
Balance at 1 January 2017	-	166,749	-	4,228	8,878	179,855
Amortisation/depreciation charge for the year	-	170,896	-	8,348	2,444	181,688
Foreign currency movements	-	-	-	202	35	237
<b>Balance at 31 December 2017</b>	<b>-</b>	<b>337,645</b>	<b>-</b>	<b>12,778</b>	<b>11,357</b>	<b>361,780</b>
Amortisation/depreciation charge for the year	-	86,786	-	11,155	2,538	100,479
Disposals	-	-	-	(282)	-	(282)
Foreign currency movements	-	-	-	(896)	(167)	(1,063)
<b>Balance at 30 June 2018</b>	<b>-</b>	<b>424,431</b>	<b>-</b>	<b>22,755</b>	<b>13,728</b>	<b>460,914</b>
<b>Net carrying amounts</b>						
At 31 December 2017	12,722,761	12,985,682	8,558,267	85,748	18,339	34,370,797
<b>At 30 June 2018</b>	<b>15,506,731</b>	<b>16,768,865</b>	<b>14,325,637</b>	<b>171,120</b>	<b>28,014</b>	<b>46,800,367</b>

Deferred exploration costs represent the cumulative expenditure incurred in relation to the Lulo, Botswana and Brooking projects on diamond exploration and evaluation including plant and equipment. The Company continues to explore for the primary kimberlite sources of the alluvial diamonds being recovered on the Lulo concession, explore for kimberlite in Botswana and for lamproite in Australia.

During 2017 the Group acquired 70% of Mothae Diamonds (Proprietary) Limited in Lesotho. The acquisition and development cost are recognised under Mine Development and Plant and equipment.

	30 Jun 2018 USD	31 Dec 2017 USD
<b>8. Investment in associate</b>		
<b>Summarised financial information of SML</b>		
Current assets	15,776,853	21,245,644
Non-current assets	29,125,674	31,323,195
Current liabilities	(2,531,736)	(7,665,769)
Non-current liabilities	(28,738,138)	(28,263,577)
<b>Equity</b>	<b>13,632,653</b>	<b>16,639,493</b>
Group's carrying amount of the investment	7,704,671	8,907,407
SML Contingent liabilities	-	-
SML Capital commitments	-	-
	<b>30 Jun 2018</b>	<b>30 Jun 2017</b>
Group's share of (loss)/profit for the period	(1,202,736)	3,863,287

The Company has a 40% interest in SML and has recognised its share of SML's results since its formal incorporation in May 2016. In accordance with the Group's accounting policy the 2017 dividend declared by SML of US\$1.6m has been netted off the carrying amount of the investment.

	30 Jun 2018 USD	31 Dec 2017 USD
<b>9. Trade and other payables</b>		
Trade payables	1,238,831	3,509,910
Mothae deferred purchase consideration	4,500,000	4,500,000
Accruals and other payables	623,644	290,825
<b>Total</b>	<b>6,362,475</b>	<b>8,300,735</b>

	30 Jun 2018 USD	31 Dec 2017 USD
<b>10. Borrowings</b>		
<b>Current borrowings</b>		
Finance lease liabilities	1,223	3,765
Other short-term loans	6,477,627	1,739,135
<b>Total</b>	<b>6,478,850</b>	<b>1,742,900</b>
<b>Non-current borrowings</b>		
Finance lease liabilities	22,540	24,263
Other non-current loans	7,189,481	8,049,922
Other non-current loans - Embedded derivative	1,371,203	-
<b>Total</b>	<b>8,583,224</b>	<b>8,074,185</b>

The current and non-current loans include US\$15million due to Equigold Pte Ltd ("Equigold"), a private Singaporean entity in terms of the funding facility agreement announced to the ASX on 9 October 2017. The terms of the loan include the following:

- The capital balance is repayable in eight quarterly payments commencing December 2018;
- Market related fees are payable on draw down and with interest payments;
- Equigold, at its election, can convert the last two quarterly payments into ordinary shares in the Company at the then market price;
- Interest is payable at 13% pa;
- Lucapa, as its election, can convert fees and quarterly interest into ordinary shares in the Company at the then market price;
- The loan is secured by way of a General Security Deed granted by Lucapa in favour of the lender over collateral consisting of all of the Company's present and after acquired property, undertaking and rights.

	30 Jun 2018	31 Dec 2017
<b>10. Borrowings (continued)</b>		
The embedded derivative was ascribed a fair value of \$1,371,203 using a Black-Scholes model. The inputs to the Black-Scholes valuation were as follows:		
Measurement date	30-Jun-18	-
LOM share price at measurement date (A\$)	0.265	-
Exercise price (A\$)	0.25	-
Estimated volatility	58%	-
Expiry date	01-Sep-20	-
Risk-free interest rate	2.83%	-
	<b>30 Jun 2018</b>	<b>30 Jun 2018</b>
	<b>Number</b>	<b>USD</b>
<b>11. Share capital</b>		
<b>Listed securities</b>		
<b>Movement in ordinary shares</b>		
On issue at beginning of period	380,887,431	96,981,417
Issue of shares	74,749,201	13,035,016
Issue of shares on exercise of options and performance rights	2,016,250	1,499,741
Transaction costs	-	(382,014)
<b>On issue at end of period</b>	<b>457,652,882</b>	<b>111,134,160</b>
<b>Share-based payments</b>	<b>30 Jun 2018</b>	<b>31 Dec 2017</b>
Weighted average remaining contractual life of share options and performance rights in issue (years)	1.19	1.33
Weighted average Lucapa share price during the period/ year (A\$)	0.26	0.31
	<b>30 Jun 2018</b>	<b>30 Jun 2017</b>
	<b>USD</b>	<b>USD</b>
<b>Share-based payment expense recognised as:</b>		
Director and employee options	400,494	611,502
Share issue expenses*	179,185	44,101
Loan funding*	530,937	-
Deferred exploration and evaluation costs*	6,257	-
	<b>1,116,873</b>	<b>655,603</b>

\* Non cash financing and investing activities.

# 11. Share-based payments (continued)

## Share options and Performance rights in issue

Exercise price (A\$)	Share options							Performance rights			Weighted average price (A\$)
	\$0.35	\$0.53	\$0.53	\$0.45	\$0.46	\$0.35	\$0.4355	\$0.00	\$0.00	\$0.00	
Expiry date	30-Sep-18	02-Jun-19	15-May-19	24-May-20	31-May-20	20-Apr-20	07-Jun-21	02-Jun-19	31-May-20	07-Jun-21	
Number on issue at beginning of period	11,600,000	2,925,000	500,000	250,000	2,250,000	-	-	1,068,750	3,431,250	-	0.32
Issue of options/ Performance rights	-	-	-	-	-	2,500,000	1,301,000	-	-	3,090,000	0.21
Exercise of options/ Performance rights	-	-	-	-	-	-	-	-	(2,016,250)	-	-
<b>On issue at end of period</b>	<b>11,600,000</b>	<b>2,925,000</b>	<b>500,000</b>	<b>250,000</b>	<b>2,250,000</b>	<b>2,500,000</b>	<b>1,301,000</b>	<b>1,068,750</b>	<b>1,415,000</b>	<b>3,090,000</b>	<b>0.31</b>
Exercisable at end of period	11,600,000	2,925,000	500,000	250,000	1,500,000	2,500,000	433,666	-	830,000	257,507	
<b>Assumptions used in estimating fair value of grants in current period:</b>											
Grant date						18-Apr-18	07-Jun-18			07-Jun-18	
LOM share price at grant date (A\$)						0.260	0.265			0.265	
Estimated volatility						80%	80%			80%	
Risk-free interest rate						2.75%	2.83%			2.83%	
Fair value per option/right (A\$)						0.094	0.109			0.265	

## **12. Events subsequent to reporting date**

On 9 July 2018, Lucapa provided an update to the ASX on exploration at the 80% owned Brooking diamond project in Western Australia.

Lamproite core from the first PQ (85mm) drill hole completed at the Little Spring Creek discovery at Brooking (DH-002) had been logged and ~200kg of core samples air-freighted to a specialist laboratory in Canada for detailed micro-diamond analysis. These core samples arrived at the laboratory on 18 July after clearing customs in Canada.

The announcement also confirmed the Xcite airborne TDEM survey flown over the entire 118km<sup>2</sup> Brooking project had been completed on schedule. The interpretation and modelling of the TDEM survey data was expected to take approximately four weeks to complete.

On 11 July 2018, Lucapa and its Lulo partners announced to the ASX the recovery of a 114 carat diamond from the Lulo alluvial diamond mine – the 11<sup>th</sup> +100 carat diamond recovered to date from Lulo. Subsequent deep boiling of the 114 carat stone confirmed it was a Type IIa top-colour white diamond.

On 24 July 2018, Lucapa and its Lulo partners announced to the ASX the sale of a parcel of 2,527 carats of Lulo diamonds for US\$2 million, representing an average price per carat of US\$800.

On 26 July 2018, Lucapa announced to the ASX that the sale of shares under the Company's unmarketable share sale parcel sale had been completed at a price of \$0.26 per share.

On 27 July 2018, Lucapa announced to the ASX that Mr Ross Stanley had joined the Board as a non-executive director and that Mr Gordon Gilchrist and Mr Albert Thamm had resigned as non-executive directors.

On 30 July 2018, Lucapa announced to the ASX that a Special diamond weighing 12 carats had been recovered from the North zone in the Mothae bulk sampling program. This meant that Special diamonds had been recovered from all three zones being bulk sampled after an 89 carat diamond was recovered from the South-East zone and a 25 carat diamond recovered from the North zone.

On 2 August 2018, Lucapa and its Lulo partners announced to the ASX that a new Angolan Government policy regarding the marketing of Angolan diamond production has been formally enacted. The new laws are central to the drive to double the country's diamond production by implementing more favourable investment and marketing policies designed to increase foreign investment in the diamond sector and grow its contribution to the Government fiscus.

On 7 August 2018, Lucapa announced to the ASX the recovery of more special and coloured diamonds from the Mothae current bulk sampling program in the North zone, including a 28 carat Special and two light pink diamonds.

On 28 August 2018, Lucapa announced that 18 macro-diamonds and 1,082 micro-diamonds had been recovered from 178kg of core sample from drill hole LSC/DH002 at the Little Spring Creek target within the Brooking diamond project in Western Australia's West Kimberley region. In addition, 11 new lamproite targets have also been identified at Brooking following interpretation of data from a helicopter borne TDEM survey. The targets include a ~7 hectare anomaly identified near Katie's Bore, where 20 micro-diamonds and high concentrations of lamproite indicator minerals were previously recovered.

On 29 August 2018, Lucapa released a presentation for the Africa Down Under Conference in Perth, Australia.

In the opinion of the directors of Lucapa Diamond Company Limited:

1. the financial statements and notes as set out on pages 11 to 23, are in accordance with the Corporations Act 2001, including:
  - (a) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its performance, for the interim period ended on that date; and
  - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



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Miles Kennedy  
Non-Executive Chairman

Dated at Subiaco this 12<sup>th</sup> day of September 2018





Greenwich & Co Audit Pty Ltd | ABN 51 609 542 458  
Level 2, 35 Outram Street, West Perth WA 6005  
PO Box 983, West Perth WA 6872  
T 08 6555 9500 | F 08 6555 9555  
[www.greenwichco.com](http://www.greenwichco.com)

## Independent Auditor's Review Report

To the members of Lucapa Diamond Company Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Lucapa Diamond Company Limited, which comprises the consolidated condensed statement of financial position as at 30 June 2018, the consolidated condensed statement of profit or loss, the consolidated condensed statement of comprehensive income, the consolidated condensed statement of changes in equity and the consolidated condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### Directors' Responsibility for the Half-Year Financial Report

The directors of Lucapa Diamond Company Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Lucapa Diamond Company Limited's financial position as at 30 June 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*. As the auditor of Lucapa Diamond Company Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Lucapa Diamond Company Limited would be in the same terms if given to the directors as at the time of this auditor's review report.

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## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Lucapa Diamond Company Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of Lucapa Diamond Company Limited's financial position as at 30 June 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

### *Emphasis of matter - Inherent uncertainty regarding continuation as a going concern*

Without modifying our conclusion, we draw attention to Note 2.b, which outlines that the going concern basis is dependent upon successful completion of funding strategies to generate or raise sufficient funds to pay Lucapa Diamond Company Limited's debts as and when they fall due.

As a result, there is material uncertainty related to events or conditions that may cast significant doubt on Lucapa Diamond Company Limited's ability to continue as a going concern, and therefore whether it will realise its asset and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Greenwich & Co Audit Pty Ltd

Greenwich & Co Audit Pty Ltd



Rafay Nabeel  
Audit Director

12 September 2018

Perth  
Western Australia

### **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 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 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 Price 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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