

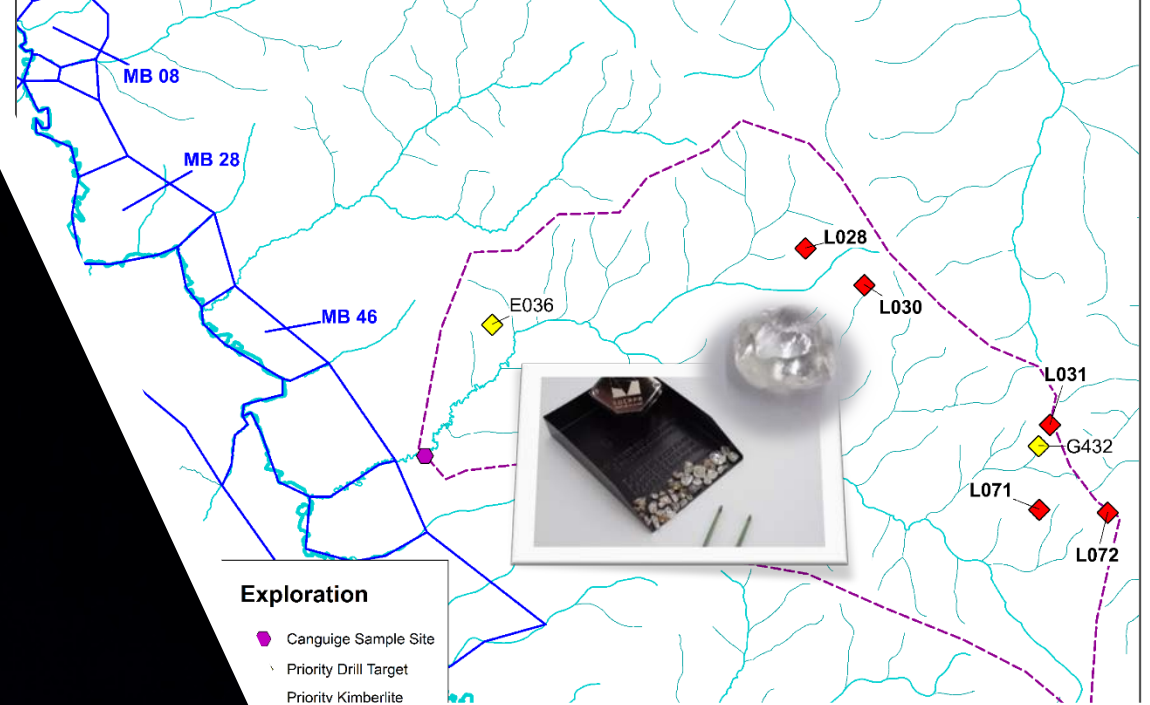


LUCAPA
DIAMOND COMPANY

*Closing in on the
source of some of the
world's most valuable
diamonds*



*Lulo kimberlite exploration update
February 2020*



Lulo – exceptional diamonds



How Lucapa discovered one of the world's most valuable diamond fields...

- **2007:** Lucapa (then Nare Diamonds) enters a JV to explore the 3,000km² Lulo concession in Angola
 - Alluvial exploration focuses on ~50km stretch of the Caculo River running through the concession
 - Kimberlite exploration commences under Project Lulo JV
- **2010:** Lulo partners recover first Special alluvial diamond weighing 22.5 carats
- **2015:** Commercial alluvial diamond production commences at Lulo
- **2016:** Angola's biggest recorded diamond, 404 carat "4th February Stone", recovered and sold for US\$16m
- **2019:** Sales of A\$55.2m at an exceptional average price of ~US\$1,900/ carat (~A\$2,900)



Located in a known diamond address



Near the world-class Catoca and Luaxe kimberlites...

- Lulo is located in Angola's Lundas - where the Catoca, Luaxe and Camutue kimberlites are located along with significant alluvial mining operations
- Catoca is the world's 4th largest diamond mine, with reserves of ~120m carats¹
- The Luale kimberlite pipe at Luaxe is the largest diamond discovery in the past 60 years¹



¹Alrosa investor presentation, November 2019

Where diamonds come from



They are brought to the earth's surface by kimberlite pipes...

- Diamonds originate in the earth's mantle about 160-600km below the surface
- They are created when the correct combination of heat and pressure causes carbon to crystallise in the form of a diamond
- Diamonds from the mantle are brought to the surface by deep-source volcanic eruptions/ kimberlite pipes
- Kimberlites often occur in clusters
- Historically, only about 10% of kimberlites are diamondiferous; approximately 10% of those kimberlites contain economic concentrations of diamonds
- Discovering economic kimberlites can create significant value and wealth

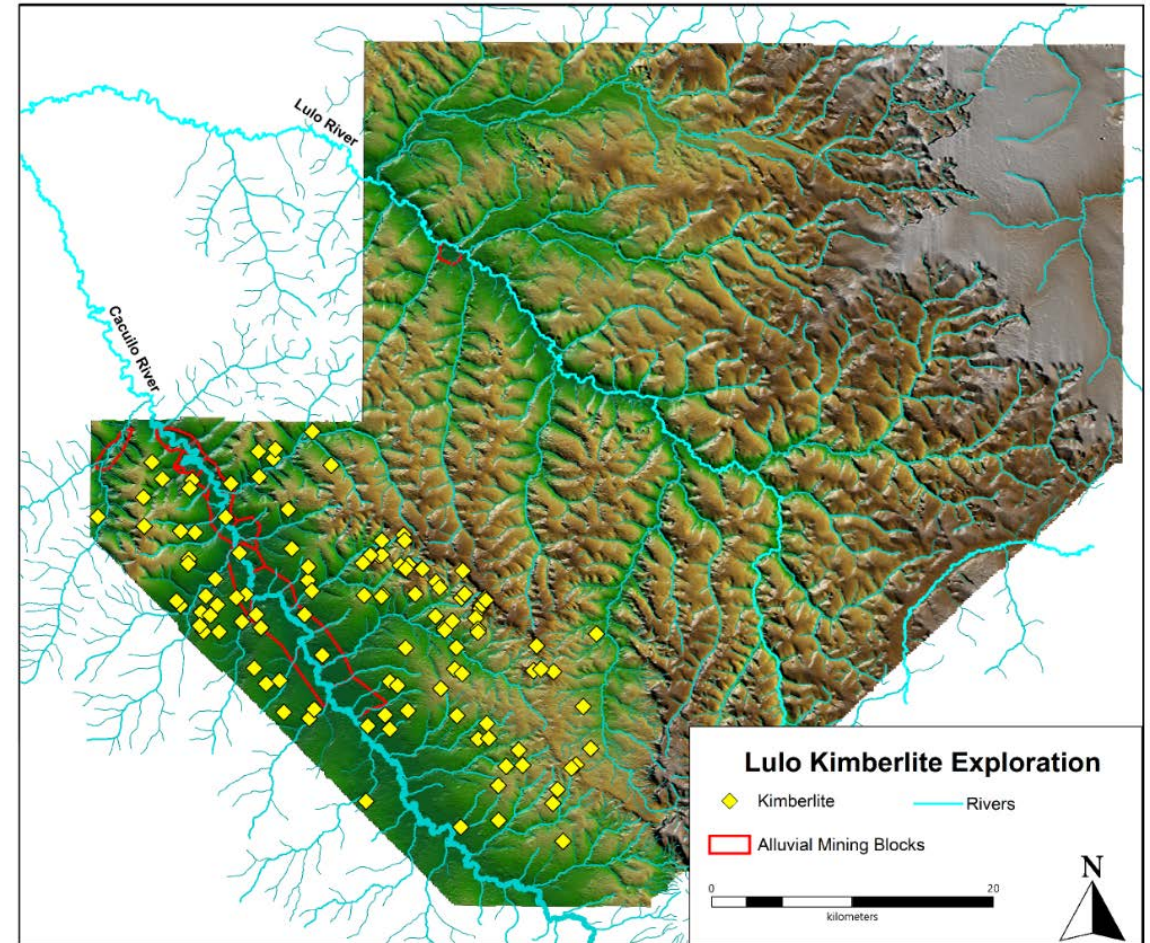


Why we believe the source is close



The kimberlites producing the exceptional Lulo alluvial diamonds await discovery...

- The Lulo alluvial diamonds mined in the past 5 years have been eroded from their kimberlite sources over millions of years and transported down streams into the Cacuilo River valley
- The frequent recovery of large and irregular shaped alluvial diamonds – with sharp edges and little signs of travel – all point to a nearby source
- Extensive kimberlite province identified beneath and near the alluvial diamond fields
- Exploration has already proven some Lulo kimberlites are diamond-bearing

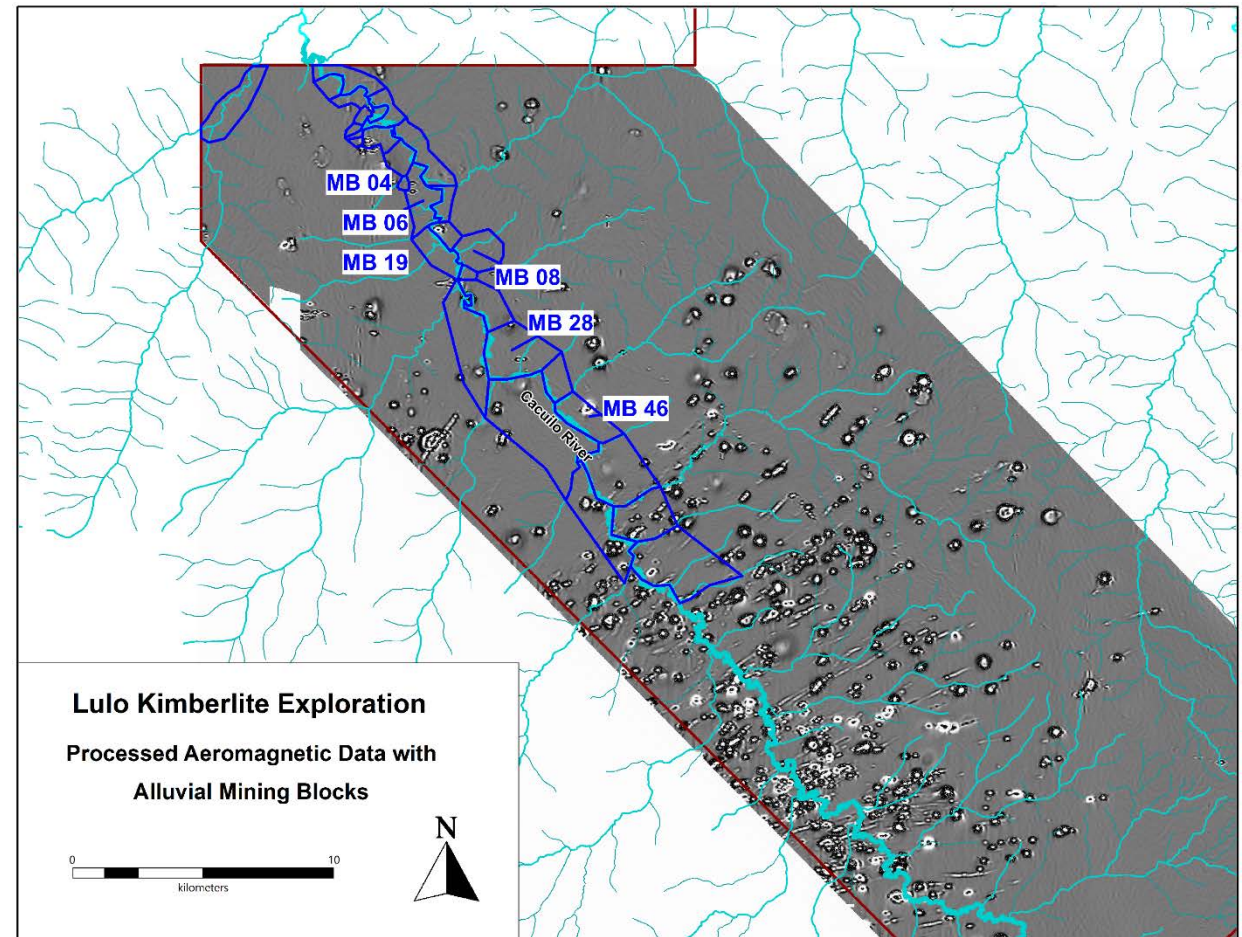


Discovering the source: Step 1



High-resolution aeromagnetic and EM surveys...

- High-resolution aeromagnetic and electromagnetic surveys identified ~300 targets in the Caculo River valley area
- These anomalies have signatures consistent with previous kimberlite discoveries in Angola

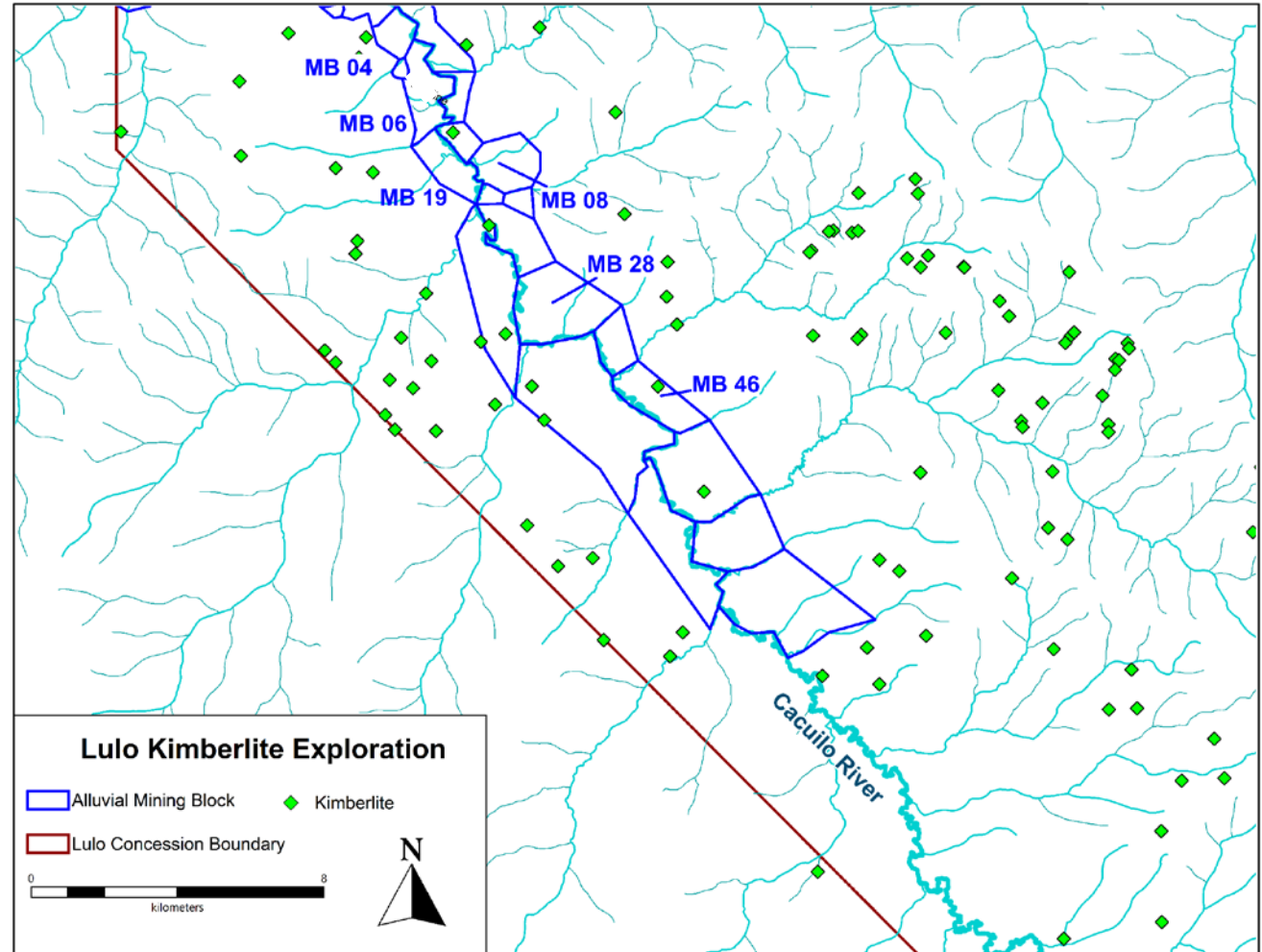


Discovering the source: Step 2



Drilling, mineral chemistry and bulk sampling...

- Extensive drilling and mineral chemistry analysis prove up ~100 kimberlite pipes
- These kimberlite pipes are located beneath, and near, the alluvial mining blocks in the Cacuiló River valley
- Lulo JV bulk sampling programs prove Lulo kimberlites are diamond-bearing, with four diamondiferous pipes already confirmed

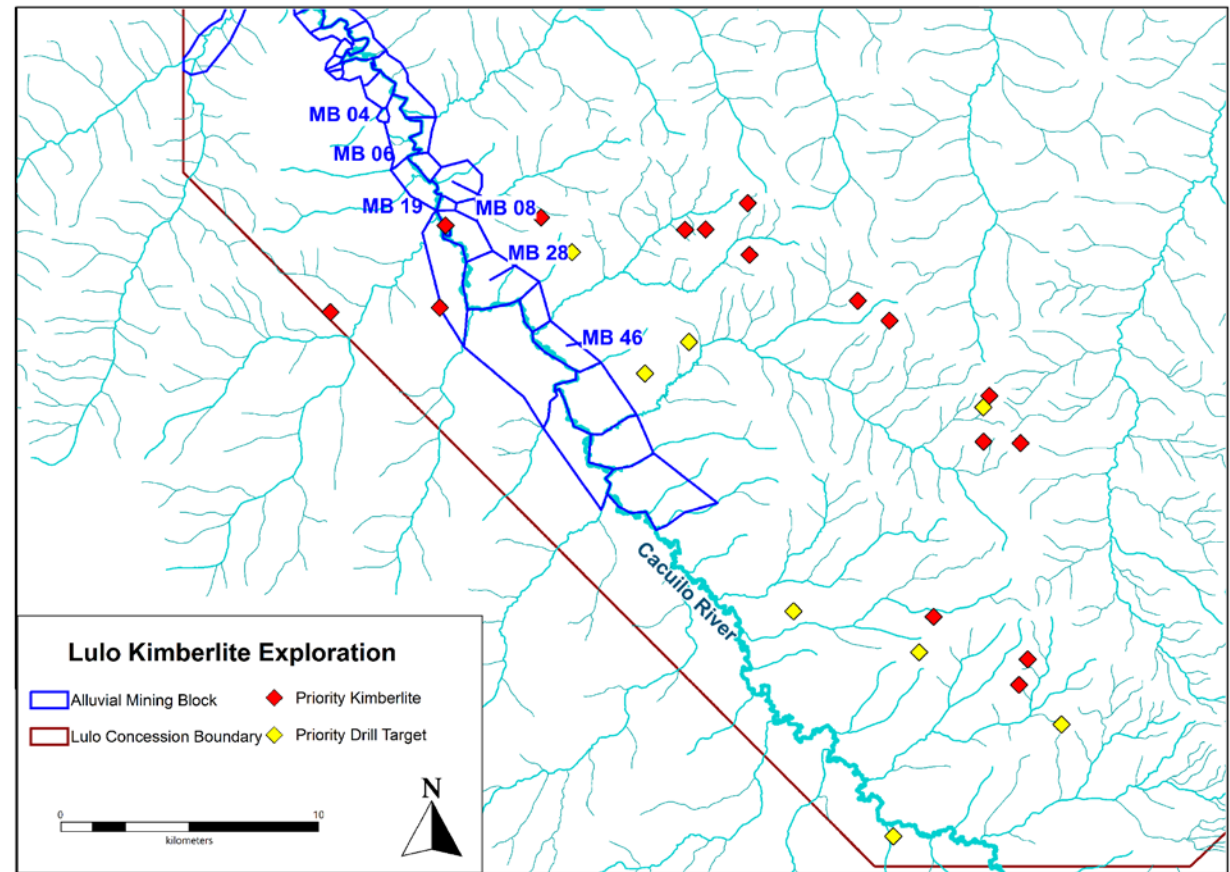


Discovering the source: Step 3



Technical review of all kimberlite exploration results to narrow down the search...

- Detailed technical review of all exploration results undertaken in 2019 to narrow the search for the hard-rock source of the Lulo alluvial diamonds
- Review included input from some of the world's leading diamond geologists
- Kimberlites rated on size, location, facies type, dilution, olivine levels, mineral chemistry analysis etc.
- Review determined next steps should be:
 - Bulk sampling of tributaries feeding into the Caculo River valley upstream of the high-value mining blocks
 - Drilling of 16 kimberlites rated most prospective to host diamonds in preparation for bulk sampling
 - Drilling of eight other priority targets to confirm as kimberlite



Highly-encouraging results



Rare diamonds recovered in stream bulk sampling of Canguige tributary...

- 45 diamonds of up to 3.75 carats recovered from Canguige tributary bulk sample¹
- Diamonds include rare Type IIa, top D-colour & light fancy yellow gems¹
- Results confirm the Canguige catchment contains at least one diamondiferous kimberlite contributing to the high-value alluvial deposits in the Caculo River valley
- Tributary sampling site located ~3km upstream of Mining Block 46, which has produced multiple Type IIa gems and Specials of up to 88 carats
- Five of the 16 top-rated kimberlites and two priority anomalies located upstream of the tributary sample site within Canguige catchment

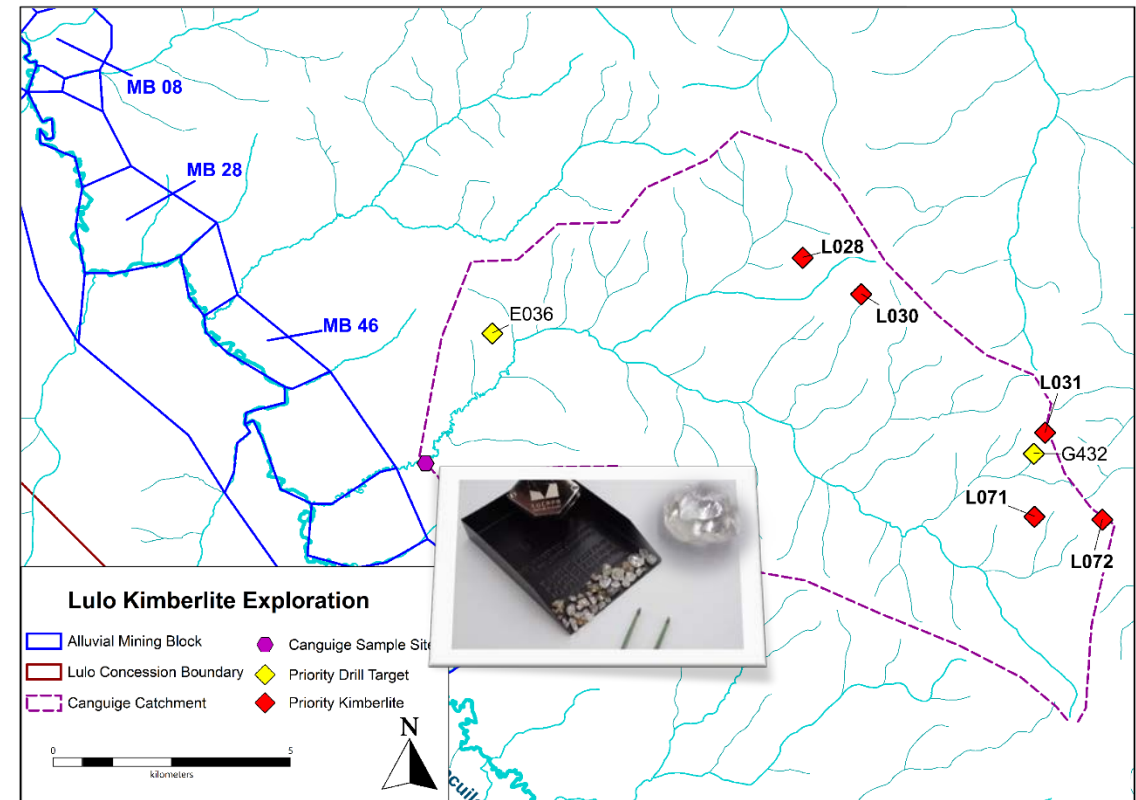


Photo insets: 45 diamonds recovered in tributary bulk sample and the largest diamond recovered in the sample weighing 3.75 carats

¹ As per ASX announcements on 19 and 21 February 2020

Drilling focus on the Canguige kimberlites



Closing in on the source...

- Drilling of the five top-rated kimberlites and two priority targets in the Canguige catchment has commenced
- Drilling of L028 kimberlite completed; L030 being drilled; L071, L072 and L031 to follow along with two priority targets
- Drilling aims to better define structure of the kimberlite pipes and define near-surface volcanoclastic kimberlite material suitable for early bulk sampling to test for diamond content
- Negotiations for Lucapa to secure a majority interest in the kimberlite licence could open funding options to accelerate this kimberlite exploration program – majors looking to return to Angola. Licence renewed until April 2023



“Speculative interest will be building throughout this process as shareholders keenly await news flow that may confirm the pipes are indeed potential sources of the exceptional Lulo alluvial diamonds.” Warwick Grigor, Far East Capital, 20 February 2020.

The size of the prize



The hard-rock source of the exceptional Lulo diamonds would be no ordinary discovery...

- The Lulo alluvial diamonds in the Caculo River valley are some of the most valuable in the world, achieving exceptional average run-of-mine sale prices of >US\$1,900/ carat (~19 times global average of ~US\$100)
- Finding the kimberlite source of such rare, high-quality diamonds would constitute a significant discovery on a global scale
- Such a discovery would be transformative for Lucapa
- Shares in Canadian company Dia Met Minerals rocketed 100-fold from C65c to C\$65 on the discovery of the diamondiferous Ekati kimberlite pipes
- The Jwaneng kimberlite mine in Botswana generates ~US\$2.7 billion in revenue per annum. It has been operating for >35 years¹
- It has taken patience, but Lucapa has always believed its systematic kimberlite exploration efforts at Lulo would eventually be justified



Share price graph for Canadian explorer Dia Met Minerals 1991-93 following Ekati kimberlite discoveries

Note: Share price graph included for indicative purposes only. Source: Lithoquest Diamonds Inc

¹Zimnisky Diamond Analytics, March 2018

"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

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