



5 March 2020

Dear Shareholder,

Non-Renounceable Rights Issue – Notice to Ineligible Foreign Shareholders

This letter is to notify you that Lucapa Diamond Company Limited (ACN 111 501 663) (ASX: LOM) (**Company**) has announced a pro rata non-renounceable rights issue of up to approximately 35,651,602 fully paid ordinary shares (**New Shares**) at an issue price of \$0.11 per New Share to raise up to approximately \$3.9 million (before costs and rounding and assuming no other Shares are issued) (**Offer**). The Company lodged an offer document with the Australian Securities Exchange (**ASX**) on 4 March 2020 (**Offer Document**).

Each eligible shareholder will be entitled to subscribe for 1 New Share for every 14 shares held at 5.00pm (WST) on 9 March 2020 (**Record Date**). The New Shares issued pursuant to the Offer will rank equally in all respect with existing fully paid ordinary shares on issue in the Company. The Offer is not underwritten.

The Company has also announced it has received applications for a placement of 25,899,916 shares at an issue price of \$0.11 per share to raise \$2.8 million (before costs) (**Placement**). The current intention is that the Placement will complete after the Record Date, so participants in the Placement will not be eligible to participate in the Offer.

Purpose of the Offer and the Placement

The funds from the Offer and the Placement will be applied towards advancing the kimberlite exploration at the Lulo Diamond Project and general working capital and corporate purposes (including repaying principal and interest on loans (which may include related party loans), reducing liabilities and general operating expenditures) and costs and expenses of the Offer and the Placement.

Eligibility to participate in the Offer

The Offer is only open to shareholders of the Company who are registered as shareholders on the Record Date with registered addresses in Australia, New Zealand, the United Kingdom, Singapore, Hong Kong or Germany (**Eligible Shareholders**).

Shareholders with registered addresses outside Australia, New Zealand, United Kingdom, Singapore, Hong Kong or Germany are considered ineligible shareholders (**Ineligible Foreign Shareholders**) and cannot participate in the Offer. You are not eligible to participate in the Offer and you will not be sent a copy of the Offer Document.

This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the cost of complying with the legal and regulatory requirements in jurisdictions outside of Australia, New Zealand, the United Kingdom, Singapore, Hong Kong or Germany compared with the small number of Ineligible Foreign Shareholders and the number and value of the New Shares to which they would otherwise be entitled.

If you have any questions about the Offer, you should you consult your stockbroker or other professional adviser or call the Company Secretary on +61 8 9381 5995.

For and on behalf of the Lucapa Board.

MARK CLEMENTS
COMPANY SECRETARY