



5 May 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 105,102,522 fully paid ordinary shares (**New Shares**) on the basis of 1 New Share for every 5 fully paid ordinary shares held on the Record Date at an issue price of \$0.05 per New Share, together with 1 free attaching new option (exercisable at \$0.10 on or before the date that is 2 years after the issue date) for every 1 new share subscribed for and issued (**New Option**), to raise up to approximately \$5.255 million (before costs and rounding and assuming no other Shares are issued) (**Offer**). The Company lodged a prospectus in connection with the Offer with the Australian Securities and Investments Commission (**ASIC**) and the Australian Securities Exchange (**ASX**) on 1 May 2020 (**Prospectus**) and is available on the ASX website (www.asx.com.au).

The Company has appointed Far East Capital Limited (ACN 068 838 193; AFSL 253003) to act as lead manager to the Offer. The Offer is not underwritten.

Purpose of the Offer

The funds from the Offer are to be used to advance the search for the primary kimberlite sources of the high-value Lulo alluvial diamonds, preserve mining assets suspended as a result of the COVID-19 pandemic, for general working capital purposes and for costs of the Offer.

Eligibility to participate in the Offer

The Offer is only open to shareholders of the Company who are registered as shareholders at 5.00pm (WST) on 7 May 2020 (**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 Prospectus.

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 and Germany compared with the small number of Ineligible Foreign Shareholders and the number and value of the New Shares and New Options 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.

Authorised by the Lucapa Board.

MARK CLEMENTS
COMPANY SECRETARY