



SALE OF UNMARKETABLE PARCEL FACILITY

Lucapa Diamond Company Limited (ASX:**LOM**) (“Lucapa” or “the Company”) wishes to announce its intention to undertake a share sale facility (“Facility”) for shareholders that hold less than \$500 in value of the Company’s fully paid ordinary shares (“Shares”) (“Unmarketable Parcel”).

The Company currently has 5,395 Shareholders on its share register, of these, 2,688 hold parcels of Shares worth less than \$500 in value based on the closing Share price of the Company's Shares on ASX on 19 June 2023 of \$0.032 and on this basis deemed holders of Unmarketable Parcels are those holding 15,624 Shares or less.

The Company is offering this Facility to assist holders of Unmarketable Parcels to sell Shares without having to use a broker or pay brokerage. The Company will pay all costs of the sale for shareholders who use this Facility, excluding tax consequences from the sale which remain the shareholder’s responsibility.

The Company has appointed Blue Ocean Equities Pty Ltd to sell the Shares under the Facility. The sale price will be determined once all the Shares under the Facility are sold. Holders of an Unmarketable Parcel will receive a proportionate share of the sale proceeds from all Shares sold under the Facility without any deduction for brokerage or handling costs.

Shareholders with an Unmarketable Parcel who wish to retain their shareholding need to return a complete Share Retention Form indicating their intention to retain their shareholding by no later than 5.00pm Perth time on 4 August 2023, otherwise their shares will be sold by the Company through the Facility.

Shareholders with an Unmarketable Parcel who would like their shareholding to be sold by the Company do not need to take any action.

A summary of the key dates in relation to the Facility are as follows:

Event	Date
Record Date for establishing holders of Unmarketable Parcels	5pm Perth time, 19 June 2023
ASX announcement regarding Unmarketable Parcel Sale Facility	20 June 2023
Despatch of Letter and Share Retention Form to shareholders holding an Unmarketable Parcel	22 June 2023
Closing Date for receipt of the completed Share Retention Forms	5pm Perth time, 4 August 2023
Last date for Remittance of Sale Proceeds of Unmarketable Parcels	Before 29 September 2023

The Company reserves the right to change any of the dates referred to in this announcement or the enclosed letter and Share Retention Form, or to vary, cancel or delay the Facility or the sale of Shares at any time before Shares are sold, by making an announcement to ASX.

Attached is a copy of the letter to shareholders and Share Retention Form which will be dispatched to all shareholders holding an Unmarketable Parcel of Shares as at the Record Date.

The sale of Unmarketable Parcels through the Facility will also benefit the Company, as it is expected to significantly reduce the administrative costs associated with maintaining a large number of small shareholdings on the Company's share register.

The Company does not provide any recommendation or advice as to whether shareholders holding an Unmarketable Parcel should sell or retain their Shares.

Authorised by the Lucapa Board.

**STEPHEN WETHERALL
MANAGING DIRECTOR**

For further information, please contact:

**CANDICE SGROI
HEAD OF INVESTOR RELATIONS & CORPORATE COMMUNICATIONS**

Lucapa Diamond Company Limited

Tel: 0400 49 22 85

ABOUT LUCAPA

Lucapa is an ASX listed diamond miner and explorer with assets in Africa and Australia. It has interests in two producing diamond mines in Angola (Lulo, in which LOM holds 40%) and Lesotho (Mothae, in which LOM holds 70%). The large, high-value diamonds produced from these two niche African diamond mines attract some of the highest prices per carat for rough diamonds globally.

The Lulo mine has been in commercial production since 2015, while the Mothae mine commenced commercial production in 2019.

In 2021, through its wholly owned subsidiary, Australian Natural Diamonds Pty Ltd, Lucapa completed the strategic and transformative acquisition of the Merlin Diamond Project, an historic Australian mine in the Northern Territory of Australia. A feasibility study is expected to be completed in H1 2023.

Lucapa and its project partners are also exploring for potential primary source kimberlites or lamproites at the prolific Lulo concession in Angola, the Brooking and Merlin projects in Australia and the Orapa Area F project in Botswana.

The Board, management and key stakeholders in Lucapa have deep global diamond industry experience and networks all through the value chain from exploration to retail.



20 June 2023

Dear Shareholder

SALE OF UNMARKETABLE PARCELS

Lucapa Diamond Company Limited ("Company") recognises that there are a large number of shareholders with small parcels of fully paid ordinary shares in the Company ("Shares") for whom it may not be cost effective to sell those Shares on the Australian Securities Exchange ("ASX").

The Company has established a share sale facility ("Facility") for shareholders on the register who have Shares with a market value of less than \$500 ("Unmarketable Parcel").

The Company currently has 5,395 Shareholders on its share register, of these, 2,688 hold parcels of Shares worth less than \$500 in value based on the Share price at the close of trading on 19 June 2023 of \$0.032, hence are deemed holders of Unmarketable Parcels.

Why has the Company established the Facility?

The Company is offering shareholders with Unmarketable Parcels an opportunity to sell their shares through the Facility, such a sale may benefit the shareholders involved as it will allow their Shares to be readily sold on the ASX (which they might otherwise find difficult to do due to the small size of their shareholding). Additionally, there will be no brokerage costs payable by them on the sale (as these will be borne by the Company). The Facility will also assist the Company by reducing the administrative and registry costs associated with small parcels of Shares and a large shareholder base.

How does the Facility work?

ASX Listing Rules and clause 10 in the Company's Constitution empower the Company to sell the security holdings of any member who holds an Unmarketable Parcel ("Minority Member") provided the Minority Member has:

- a) been issued with notice in writing and a Share Retention Form; and
- b) not returned their Share Retention Form by 5:00pm (WST) on 4 August 2023 ("Closing Date").

Your shareholding (which is set out on the Share Retention Form) was less than a marketable parcel at the close of trading on 19 June 2023 ("Record Date").

This notice is to inform you, and all other holders of Unmarketable Parcels of Shares that the Company intends to invoke the provisions of clause 10 of the Company's Constitution and would like to sell on your behalf your Unmarketable Parcel if the market value of your holding remains below \$500 at 5.00pm (WST) on the Closing Date.

What do I need to do?

Option 1: If you wish for your shareholding to be sold there is no need to do anything.

As soon as is practical after 5.00pm (WST) on the Closing Date the Company will endeavour to arrange the sale at the best price reasonably obtainable at the time of sale, in the ordinary course of trading on the ASX and the proceeds from that sale will be remitted to you.



If your direct credit bank details require updating, you can amend your details online via the Investor Portal by visiting <https://investor.automic.com.au/#/home> to login or register for an Automic account. Once you have an Automic account, select “my details” to update your payments details. This will ensure you receive your funds via EFT in a timely manner.

Options 2: If you do not wish for your shares to be sold you must:

- **complete and return the Share Retention Form to our Share Registry, Automic by 5pm WST on the Closing Date; or**
- **top up your shareholding to be more than an Unmarketable Parcel prior to the Closing Date (for example, by acquiring additional Shares on the ASX).**

Key Dates

A summary of key dates in relation to the Facility are as follows:

Event	Date
Record Date for establishing holders of Unmarketable Parcels	5pm Perth time, 19 June 2023
ASX announcement regarding Unmarketable Parcel Sale Facility	20 June 2023
Despatch of Letter and Share Retention Form to shareholders holding an Unmarketable Parcel	22 June 2023
Closing Date for receipt of the completed Share Retention Forms	5pm Perth time, 4 August 2023
Last date for Remittance of Sale Proceeds of Unmarketable Parcels	Before 29 September 2023

The Company reserves the right to change any of the dates referred to in this letter and Share Retention Form, or to vary, cancel or delay the Facility or the sale of Shares at any time before Shares are sold, by making an announcement to ASX.

The Company does not provide any recommendation or advice as to whether shareholders holding an Unmarketable Parcel should sell or retain their Shares.

Enclosed is an Information Sheet to answer questions that you may have with respect to the sale of Unmarketable Parcels.

This letter is important. If you are in doubt about what to do, you should consult your legal, financial or taxation advisor.

Should you have any queries in relation to this matter please contact Automic on 1300 288 664 (within Australia) or +61 2 9698 5414 (international) from 8.30am to 5.00pm WST, Monday to Friday.

For and on behalf of the Lucapa Board.

Miles Kennedy
CHAIRMAN



SMALL SHAREHOLDING SALE FACILITY INFORMATION PACK

1. What is an Unmarketable Parcel?

An unmarketable parcel is a holding of fully paid ordinary shares in the Company ("Shares") that is valued at less than \$500 ("Unmarketable Parcel"). Based on the closing price of Shares on 19 June 2023 ("Record Date") of \$0.032, this is equivalent to a holding of no more than 15,624 Shares.

2. Why has the Facility been established?

The Company has decided to establish an Unmarketable Parcel Sale Facility ("Facility") to enable you to sell your Unmarketable Parcel without incurring brokerage or handling costs that could otherwise make a sale of your Unmarketable Parcel uneconomic or difficult. The sale of Unmarketable Parcels through the Facility will also enable the Company to reduce administrative costs associated with maintaining a large number of relatively small holdings of Shares.

3. What is the Facility?

The Company has established the Facility to facilitate shareholders holding Unmarketable Parcels in the Company to sell their Shares. The Company will arrange to sell the Unmarketable Parcels at no cost to you, and to remit repayment to you.

4. Does the Company have the authority to establish the Facility?

The Company has the ability to establish the Facility and facilitate the sale of Unmarketable Parcels under clause 10 of its Constitution and rule 15.13 of the ASX Listing Rules.

5. What do I need to do to sell my Shares?

If you wish to sell your Shares you should TAKE NO ACTION.

Your Shares will be sold through the Facility unless a duly completed Share Retention Form in respect of your Shares is received by the Company's Share Registry, Automic before 5:00pm (WST) on 4 August 2023 ("Closing Date") in accordance with the instructions on the Share Retention Form. A Share Retention Form is enclosed with this letter. The maximum number of Shares that may be sold under the Facility will depend on the closing price of Shares on the Closing Date and will be that whole number of Shares that is valued as close to but in any event less than \$500. The minimum number of Shares in a parcel that may be sold is 1.

6. What if I do not wish to sell my Unmarketable Parcel?

If you do not wish to sell your Shares, you MUST OPT-OUT of the Facility by completing and returning the enclosed Share Retention Form to the address provided in the Share Retention Form so that it is received by Automic prior to 5.00pm (WST) on the Closing Date. If Automic has not received your Share Retention Form by the Closing Date, your Shares will be sold through the Facility.

Alternatively, you can purchase more Shares on-market so that you hold at least \$500 worth of Shares as at 5.00pm (WST) on the Closing Date. Please note that any additional Shares acquired must be registered by 5.00pm (WST) on the Closing Date, under the same name and address and with the same holder number (SRN or HIN) as set out in the enclosed Retention Form.



7. What if the value of my holding increases before the Facility Closing Date?

The Company will not sell your Shares if the market value of the Shares increases such that you no longer have an Unmarketable Parcel on the Closing Date.

8. What if I sell my shares before the Facility Closing Date?

If you sell your Shares in the Company prior to the Closing Date, no further action will be taken.

9. What if I hold multiple Unmarketable Parcels of Shares?

If you hold Shares in multiple shareholdings, some of which are Unmarketable Parcels, then the Company will sell those Unmarketable Parcels, unless a Share Retention Form is received for each shareholding, or you can merge the holdings by contacting Automic on 1300 288 664 (within Australia) or +61 2 9698 5414 (international) from 8.30am to 5.00pm WST, Monday to Friday.

10. What price will I receive for shares sold through the Facility?

Under the Facility, Shareholders appoint the Company to arrange for a broker ('Broker') to sell their shares. The Broker (as an execution only broker) will endeavour to arrange the sale at the best price reasonably obtainable at the time of the sale, in the ordinary course of trading on the ASX.

Each shareholder will receive their proportionate share of the total sale proceeds for all Shares sold through the Facility without any brokerage or handling costs. The Share price is subject to change from time to time. As participating shareholders will receive an average price for their Shares, the price received may be different from the price appearing in news sources or quoted by ASX on any day or more or less than the actual price received by the broker from the sale of the individual Shares and may not be the best price on the day the Shares are sold.

You will not have control over the time or price at which your Shares are sold, and the price you receive may not reflect the price of Shares appearing in the media or quoted by the ASX on any given day, nor be the best price for Shares available on the day your Shares are sold.

11. What is the price of the Company's shares?

The last sale price of the Company's shares at the close of trading on 19 June 2023 was \$0.032. The share price changes frequently and more recent prices are available in newspapers and from the ASX website (www.asx.com.au) under the ASX code 'LOM'.

12. Do I need to pay anything if I participate in the Facility?

The Company will pay all costs and expenses arising in connection with the Facility. However, any tax payable, or other tax consequences from the sale, will be your responsibility.

13. When will the proceeds from the sale of Shares be sent to me?

Payment will be remitted to you following settlement of all Shares sold under the Facility as soon as reasonably practicable.

Payment will be made via a direct credit to your bank account at an Australian financial institution as recorded in the Company's share register.



If your direct credit details require updating, you can amend your payment details online through Automic's website at <https://investor.automic.com.au/#/home>. Payment will be made in Australian dollars.

Please note any funds under the Facility which have not been claimed will be transferred to unclaimed monies at ASIC in accordance with regulatory requirements.

14. What are the advantages and disadvantages of participating in the Facility?

The following are the key advantages and possible disadvantages of selling your Shares through the Facility.

Advantages

- receiving a cash payment from the sale of your Unmarketable Parcel;
- avoiding any brokerage or related selling expenses in connection with the sale of your Shares; and
- the sale price of your Shares being determined by reference to the prevailing market price of Shares.

Disadvantages

- no longer holding any Shares in the Company (unless you subsequently buy more Shares);
- possible capital gains tax being payable; and
- the price of the Company's Shares subsequently rising following the sale of your Shares (although there is no way of predicting whether this would actually occur).

7. What if my shares are held in a CHESS holding?

If your Shares remain in a CHESS holding, the Company may move those Shares to an issuer sponsored holding and the Shares will be sold through the Facility.

8. Where can I get further information?

If you have any questions concerning your shareholding or how the Facility will work, please contact Automic on 1300 288 664 (within Australia) or +61 2 9698 5414 (international) from 8.30am to 5.00pm WST, Monday to Friday.

9. Important notes

The Company reserves the right, subject to the ASX Listing Rules, to change any of the dates referred to in this letter or to vary, cancel or delay the Facility or the sale of your Shares at any time before your Shares are sold, by making an announcement to ASX.

This letter does not constitute advice or a recommendation to buy, sell or hold the Company shares or that the Facility is the best way to sell the Company shares.

The Company and Automic may (but are not obliged to) accept a Share Retention Form as valid even if it is late, incomplete or is otherwise defective. The Company and Automic reserve the right to reject or not process any Share Retention Form, whether correctly completed or not.



The terms of the Facility (set out in the Chairman's letter to shareholders, the information pack and the Share Retention Form) may be changed by the Company by giving notice to the ASX and posting such notice on the Company's website (<https://www.lucapa.com.au/>), but no such change will apply to any completed sale of shares through the Facility. Shareholders are bound by any such change whether or not they receive notice of the change.

In accordance with the Company's constitution, the Facility will become unavailable following the announcement of a takeover bid for the Company. However the Facility may be recommenced after the close of the offers made under any takeover.

Personal information may be collected on the Share Retention Form by the Company, the Broker and Automic for the purpose of the administration of, and the sale of Shares through, the Facility. That information may be used by each of them and may be disclosed by each of them to each other, to their respective related or associated bodies corporate, to external service companies such as mail service providers, for those purposes, or as otherwise required or permitted by law.

If you are in any doubt about what to do, you should consult your legal, financial or taxation adviser.

[EntityRegistrationDetailsLine1Envelope]
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**Shares held at 5.00pm (WST) on
19 June 2023:** [LOMUMP23WK]

ASX Security Code: LOM

Holder Number (SRN/HIN): [HolderNumberMasked]

UNMARKETABLE PARCEL SALE FACILITY ELECTION FORM

YOUR ELECTION MUST BE RECEIVED BY NO LATER THAN 5.00PM (WST) ON 4 August 2023

This is an important document and requires your immediate attention. This document should be read in conjunction with the enclosed shareholder letter. If you are in any doubt as to how to deal with this form, you should consult your professional advisor.

Option A: Elect Online (Recommended)

Visit <https://investor.automic.com.au/#/home>

To elect online, simply scan the barcode to the right or enter the above link into your browser. Instructions lodging your election online and accessing this portal are provided in the section overleaf.

- ✓ **It's fast and simple:** Electing online is very easy to do, it eliminates any postal delays and removes any potential risk of it being lost in transit.
- ✓ **It's secure and confirmed:** Electing online provides you with greater privacy over your instructions and provides you with confirmation that your Election has been successfully processed.



Option B: Paper Election

Step 1: Make your election below:

A PLEASE TICK THE BOX TO INDICATE YOU WISH TO RETAIN YOUR SHARES

B REQUEST TO SELL YOUR SHARES

If you wish to elect to sell your shares you do not need to return this form. To ensure you receive payment via EFT please update your payment details via the Investor Portal by visiting <https://investor.automic.com.au/#/home> and following the steps below:

Existing users: If you have an existing Automic Investor Portal account, with access to Lucapa Diamond Company Limited, you do not need to register and can log in with your existing username and password at <https://investor.automic.com.au>

If you do not automatically see your LOM shareholding in your account, you can easily add it by selecting the "Add holding" button on the top right-hand corner of the screen and following the prompts.

New users: If you do not have an existing Automic account you will need to register for Investor Portal by visiting <https://investor.automic.com.au/#/signup> and following these steps:

1. In the Company Name field, select "Lucapa Diamond Company Limited (LOM)"
2. Enter your Holder Number (SRN or HIN) as shown on the top of this form
3. Enter the postcode (Australian address) or click "change country" to select the country code (overseas address) relevant to your holding
4. Tick the "I'm not a robot" box and click "Next"
5. Complete the prompts to set up your Username and Password

Once you are logged in, select "my details" next to your Lucapa Diamond Company Limited holding and update your payment details.

Step 2: Provide your contact details:

Telephone Number

Contact Name (PLEASE PRINT)

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Email Address

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SUPPORT YOUR COMPANY: By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).

Step 3: Sign and return the form in accordance with the instructions provided:

I/We authorise you to act in accordance with my/our instructions set out above. I/We acknowledge that these instructions supersede and have priority over all previous instructions relating to this Small Parcel Sale Facility.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

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Sole Director or Sole Director &
Sole Company Secretary

Director

Director/Company Secretary



INSTRUCTIONS FOR COMPLETION OF THIS FORM

ELECTION OPTIONS

A: RETENTION OF SHARES

If you wish to retain your shares, please place a tick in the box provided. Should you validly sign the form but fail to place a tick in the box, it will be at the Company's discretion as to whether or not it is your intention to retain your shares.

B: SELLING YOUR SHARES - REQUEST FOR DIRECT CREDITING OF PAYMENTS

If you wish to elect to sell your shares you do not need to return this form. To ensure you receive payment via EFT please update your payment details by following the instructions above.

SIGNING REQUIREMENTS

Individual:	Where the holding is in one name, the Shareholder must sign.
Joint holding:	Where the holding is in more than one name, all of the Shareholders must sign.
Power of Attorney:	If any signatory signs under Power of Attorney, please attach an originally certified photocopy of the Power of Attorney to this Form when you return it.
Companies:	To be signed in accordance with your Constitution. Please sign in the box which indicates the office held by you.
Estates:	If any signatory signs in the capacity of Executor/s, please attach to this Form when you return it, a certified photocopy of the Probate or Death Certificate together with the Will.

LODGING YOUR SHARE SALE FACILITY FORM



**IMPORTANT! Election Forms cannot be returned by fax or email.
Your Acceptance Form must be returned via one of the return methods provided below.**

Due to recent changes to delivery times by Australia Post, standard delivery may now take up to ten Business Days, or longer from regional areas. Shareholders should bear this in mind when returning Election Forms using Australia Post.

ONLINE

Existing users: If you have an existing Automic Investor Portal account, with access to Lucapa Diamond Company Limited, you do not need to register and can log in with your existing username and password at <https://investor.automic.com.au>

If you do not automatically see your LOM shareholding in your account, you can easily add it by selecting the "Add holding" button on the top right-hand corner of the screen and following the prompts.

New users: If you do not have an existing Automic account you will need to register for Investor Portal by visiting <https://investor.automic.com.au/#/signup> and following these steps:

- In the Company Name field, select "Lucapa Diamond Company Limited (LOM)"
- Enter your Holder Number (SRN or HIN) as shown on the top of this form
- Enter the postcode (Australian address) or click "change country" to select the country code (overseas address) relevant to your holding
- Tick the "I'm not a robot" box and click "Next"
- Complete the prompts to set up your Username and Password

Once you are logged in, select "Offers" from the left-hand vertical menu and follow the prompts.

BY MAIL

Lucapa Diamond Company Limited – Unmarketable Parcel Sale Facility
C/- Automic Group
GPO Box 5193
Sydney NSW 2001

BY HAND DELIVERY (Between Sydney office hours 9.00am – 5.00pm AEST)

Automic Group
Level 5
126 Phillip Street
Sydney NSW 2000

**YOUR SHARE SALE ELECTION FORM MUST BE RECEIVED BY NO LATER THAN
5.00PM (WST) ON 4 August 2023.**

