



LUCAPA
DIAMOND COMPANY

COMPLEXO ESCOLAR DO CACUILO



ESG
REPORT 2023

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ACKNOWLEDGEMENT

Lucapa acknowledges the Traditional Owners of the land on which the Merlin Diamond Project in the Northern Territory and the Brooking Exploration Project in Western Australia are located.



CEO Letter

In 2023, the lions share of our social impact budget across Lulo and Mothae was devoted to education projects. Education for the next generation is crucial to create opportunities for the future.

Education is such a basic right in the western world, however, in emerging economies, it is not the same. Many struggle to afford to send their children to school and many communities can't afford to build schools.

In 2023, after more than a year of planning and building, a new school in the local village near the Lulo Mine in the province of Lunde Norte opened to the public. This came after SML committed significant funds (about US\$2million) to build a new school so the children of our employees and those from surrounding villages benefit from learning in a clean, modern and

stimulating environment. I was there for the official opening of the Complexo Escolar Do Caculo in November and toured the impressive facility.

Credit must go to the team who drove the construction of this school. It is largely self-sufficient, with bores providing fresh water and solar panels supplying electricity. In addition to the classrooms and staff rooms, the school is equipped with excellent sporting facilities.

Our focus on education also extended in 2023 to Lesotho's education system. Mothae continued to support students by funding scholarships and resourcing classrooms.

We hope you enjoy the 2023 ESG Report.

NICK SELBY
CEO & MD
Lucapa Diamond Company Limited

Our Purpose

Lucapa produces natural diamonds sustainably and cares for its people, communities and the countries in which we operate.

Our Values

SAFETY

We conduct operations in a safe, responsible and environmentally conscious manner.

INTEGRITY

We interact with all stakeholders with integrity, respect, honesty, transparency and fairness.

TEAMWORK

We attract and employ the best skillsets, encourage teamwork, diversity and reward performance.

PARTNERSHIP

We partner with the local communities and governments in the countries we operate for mutual benefit.



ICMM PRINCIPLES

Lucapa's sustainability program is aligned with the objectives of the United Nations Sustainable Development Goals and we have adopted the International Council on Mining and Metals (ICMM) Principles framework.



ETHICAL
BUSINESS



DECISION-
MAKING



HUMAN
RIGHTS



RISK
MANAGEMENT



HEALTH
& SAFETY



ENVIRONMENTAL
PERFORMANCE



CONSERVATION
OF BIODIVERSITY



RESPONSIBLE
PRODUCTION



SOCIAL
PERFORMANCE



STAKEHOLDER
ENGAGEMENT

2023 PRIORITY GOALS



1. HEALTH & SAFETY

Safety is our number one priority throughout Lucapa's operations. The safety of our people sees us investing time and resources into training of employees and cultivating a safe working environment. Our goal is for zero harm.



2. COMMUNITY

Our operations are located in some of the most disadvantaged areas in Africa. Together with our partners, we provide employment for more than one thousand people across the two mines and use our resources to address shortages in education, health and social facilities.



3. ENVIRONMENT

Our operations sit in remote areas surrounded by sensitive ecosystems. We are focused on rehabilitating the disturbed land caused by our mines and regularly monitor our impact on the environment.

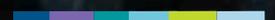


The Kimberly Process

The historical threat to human rights from conflict diamonds is recognised and taken very seriously by Lucapa and its partners.

All diamond mining and sales in the Group are performed in accordance with the Kimberley Process and in adherence to the World Diamond Council's System of Warranties.

Policies and procedures have been put in place to ensure that all businesses within the Group comply with the legislation of host countries and incorporate international best practice in respect of human rights and ethical standards.



Health, Safety & People



Total Employees and Contractors

Lucapa

13

Mothae

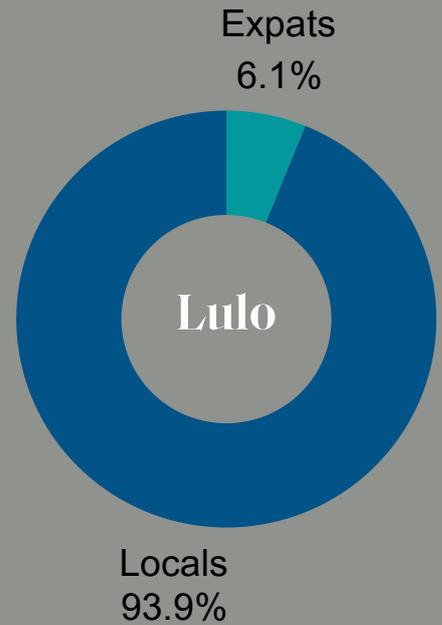
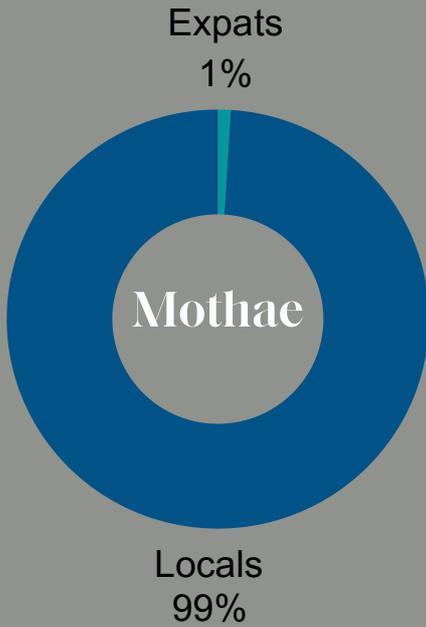
489

Lulo

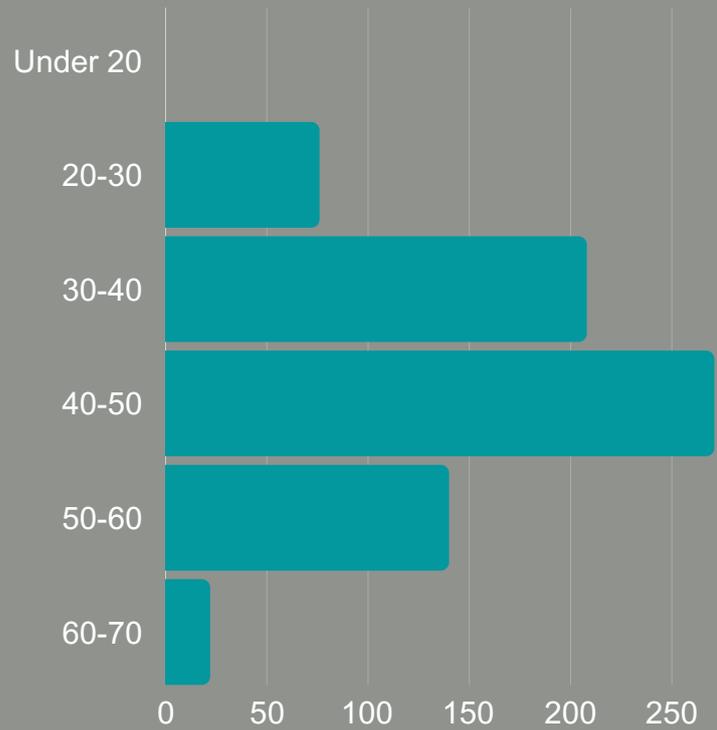
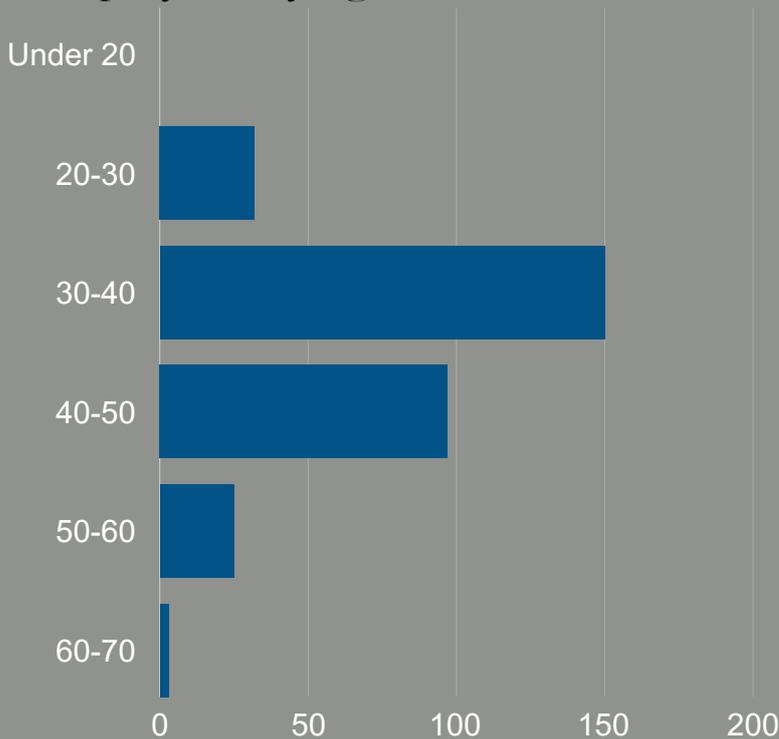
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Merlin

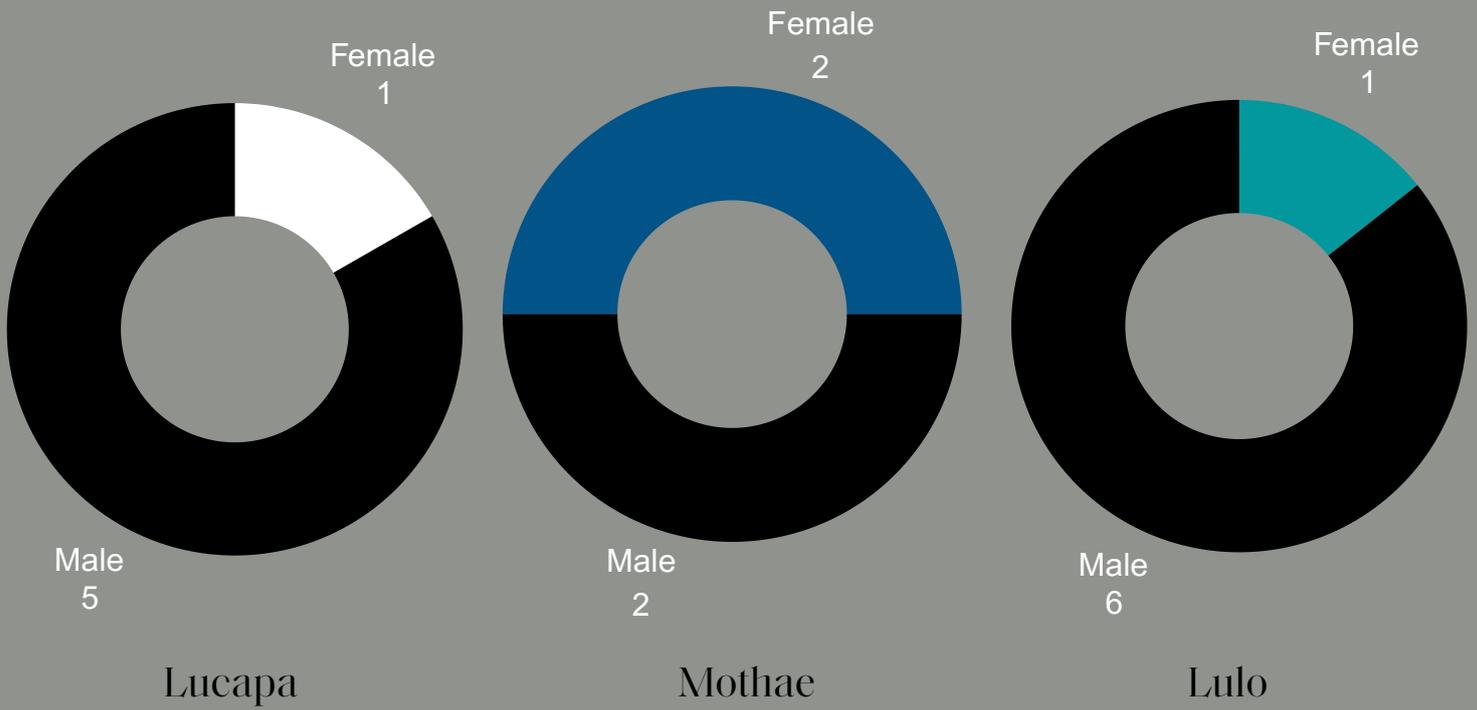
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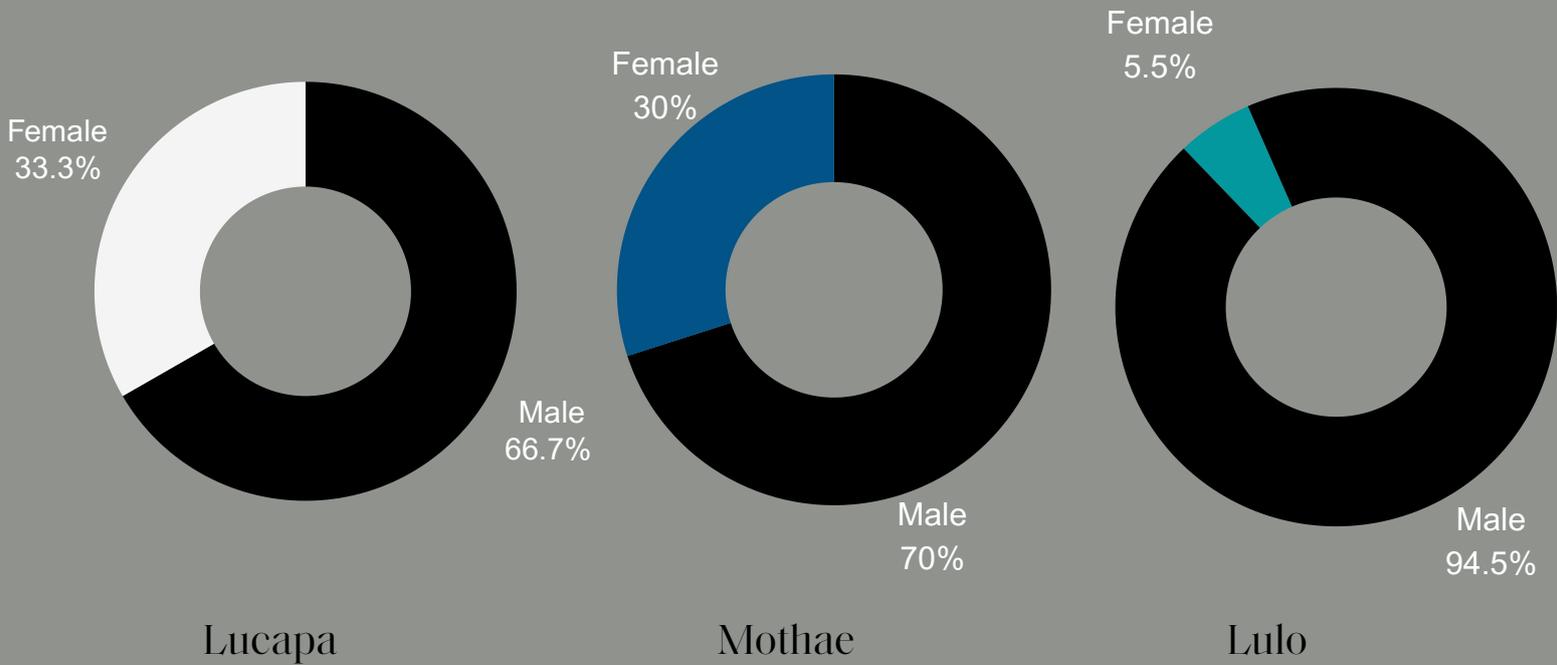
Employees by age



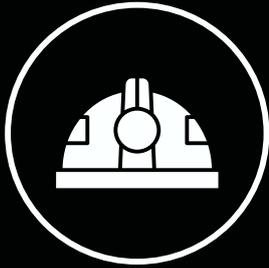
Management



Total Employees



LTIFR
per 200,000 hours worked



2022

Lulo

0.40

Mothae

0.35

2023

0.19

0.00

HEALTH & SAFETY AT OUR SITES

Lucapa's priority is safety of its people.

In Q1 2023, Mothae reached an excellent safety milestone of 1.3 million LTI free manhours. Overall, Mothae improved its annual recorded Lost Time Injury Frequency Rate (LTIFR) to end the year at zero compared with 0.35 in 2022.

Lulo improved its LTIFR in 2023 to record 0.19 compared to 0.40 in 2022.

Toolbox meetings which are short, informal gatherings between supervisors and employees occur before every shift at the mines.

The content of the meetings varies and depends on which hazards are likely to be encountered by the workers during the planned tasks for the day. In addition, the mine sites carry out regular random drug and alcohol testing across the entire workforce.

Continuous education and training to encourage improvement across all areas of health and safety is provided at the mines.

The operations have systems and processes to report safety concerns and breaches. To date, there have been no operational fatalities recorded. Health education is also provided by staff at the on-site clinics at the operations.

Industrial relations

In 2023, Lucapa and its partners employed more 1,400 people across a diverse range of ages, experience and nationalities.

In 2023, Sociedade Mineira do Lulo (SML) the operator of the Lulo mine negotiated new pay and conditions for employees through the workers union representing the Lulo workforce.

The new agreement runs for two and a half years and will expire in 2026.

At Mothae, employees remuneration and conditions are reviewed regularly and compare favourably to local industry benchmarks. Mothae employees receive annual inflationary cost of living pay increases.



Lulo employees attend an information session regarding alcohol abuse



Lulo employees attend environmental management courses

Community



Cacuilo School Opening

In November 2023, the Escolar Do Cacuilo in Xamiquelengue was officially opened by the Governor of Lunde Norde, the region in which the mine is located. SML committed US\$2 million to finance the planning, construction and fit out of the school and the sporting facilities.

The school is situated on about 6000 square meters of land donated by the municipality.

Almost 1000 students from the nearby villages attend the primary school from years one to seven. Classes are held in two shifts; one starting in the morning and the other in the afternoon.

The school is self sufficient and equipped with a 5kW solar power plant, water supply mains with borehole and 3000 litre raised tank and distribution network. The main building consists of 8 classrooms, an office area, storage and ablution facilities. There's also a multipurpose court for ball sports.



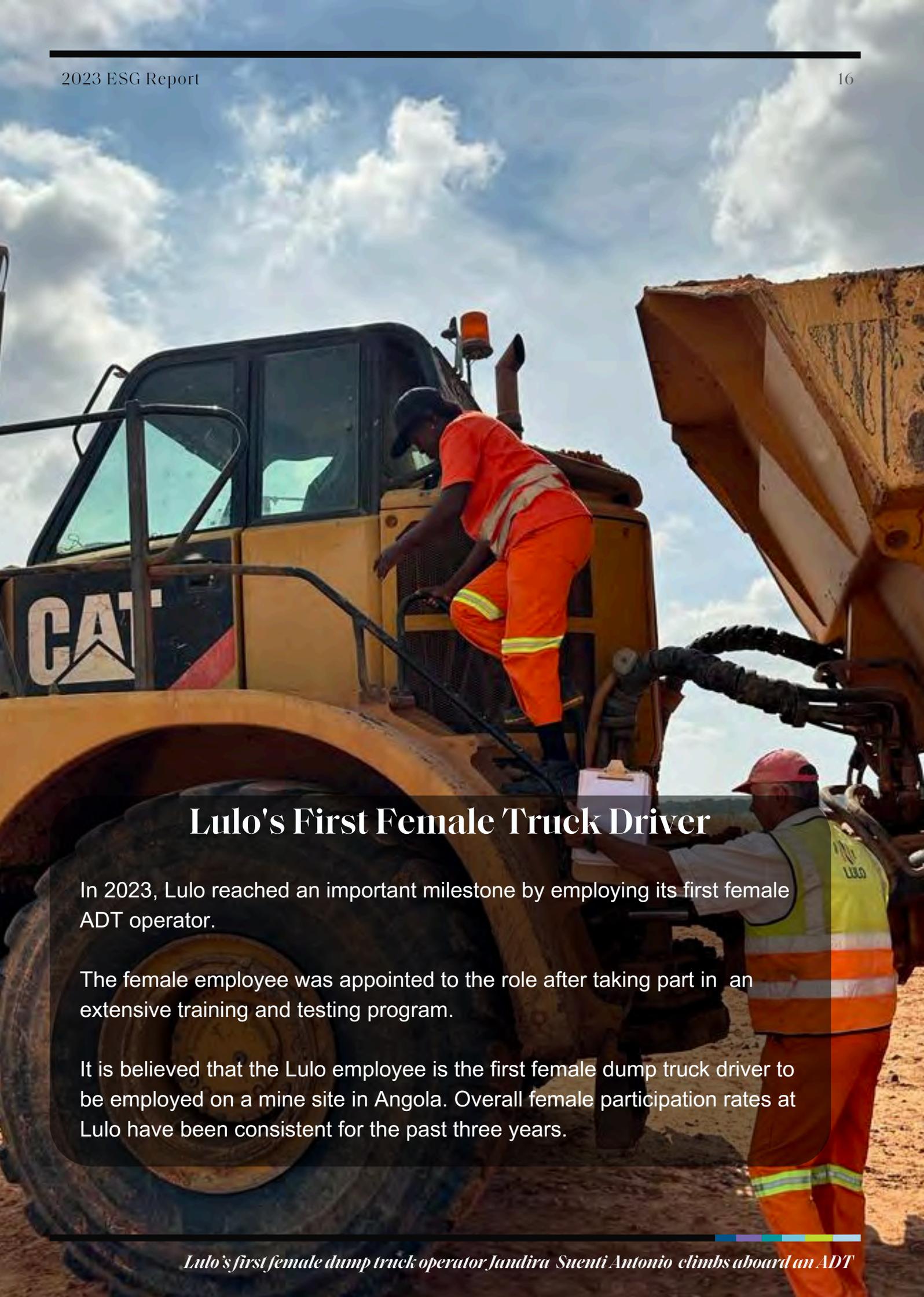
Cacuilo School Opening



Desks donated by SML (top) and the school's ablution block



Picture: SML GM Pieter Von Wielligh, Lucapa CEO Nick Selby, Lucapa Board Director Miles Kennedy



Lulo's First Female Truck Driver

In 2023, Lulo reached an important milestone by employing its first female ADT operator.

The female employee was appointed to the role after taking part in an extensive training and testing program.

It is believed that the Lulo employee is the first female dump truck driver to be employed on a mine site in Angola. Overall female participation rates at Lulo have been consistent for the past three years.

Lulo's first female dump truck operator Jandira Suenti Antonio climbs aboard an ADT

Supporting Lesotho's Schools



Education is the focus of Mothae's Corporate Social Responsibility activities.

In 2023, Mothae Mine continued its "Take a Child to School" initiative, where it provides bursaries for twelve students to attend local high schools. The financial support for the students allows them to receive an education at a quality school which their families otherwise could not afford. Students results are regularly monitored to ensure they are achieving their milestones and to motivate them.

The Mine also donated school uniforms and school jerseys from schools in Bloemfontein to young school students at Sebera Primary School and White Hill Primary School in Qacha's Nek.



Picture: Lesotho Children proudly wear their uniforms donated from schools in Bloemfontein, South Africa

Mothae Community Support

Mothae continued to support local Basotho through its agricultural kickstart program. Farmers were supplied seed and fertilizer to grow produce which the mine then purchases to use in the kitchen to create meals for the mine workers.

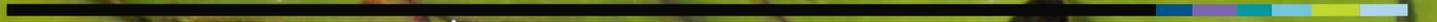
The agriculture program gives financial support and provides certainty for farmers and provides healthy meals for the workforce from locally sourced produce.

In 2023, Mothae purchased ZAR 1.5 million of produce from farmers and local businesses, in line with the previous year's support of the local community.

Mothae mine also provides poverty relief through rotational employment of casual labour from neighbouring villages.



Environment



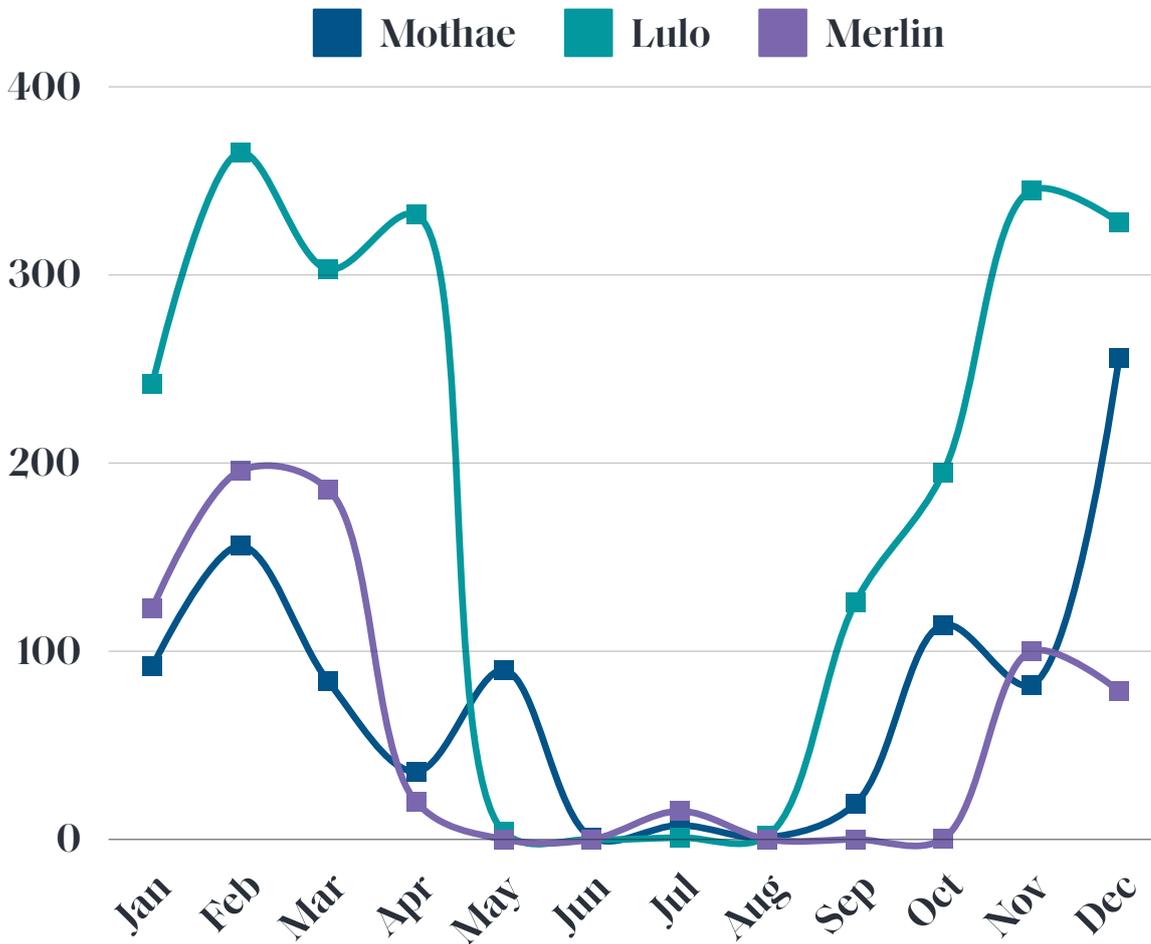
Monthly Rainfall

Merlin total rainfall: 720 mm

Mothae yearly total rainfall: 939 mm

Lulo yearly total rainfall: 2,175 mm

Total rainfall/snow (in mm) at Mothae, Merlin and Lulo in 2023



Mothae
 Max temp 25 C
 Min temp -11 C

Lulo
 Max temp 37 C
 Min temp 17 C

Merlin
 Max temp 42 C
 Min temp 5 C



Mothae
 2.69 l/t
 mined

Lulo
 0.68 l/t
 mined



Potable &
 Process Water

0.76 m³/t
 processed

1.08 m³/t
 processed

Our Lulo operations are located in an area subject to extreme tropical weather fluctuations. The 2023/2024 summer wet season was particularly severe, with widespread flooding impacting the mining and exploration areas.



Merlin Community Engagement

Traditional Owners visited Merlin for a sacred site clearance survey in 2023. This was conducted in conjunction with an anthropologist and archaeologist. Three archeological heritage sites were recorded by the team on the mineral licence area and the exploration lease. No new sacred sites were identified.

Engagement continued throughout the period, with Traditional Owners, the Northern Territory Government and other stakeholders as the Merlin Feasibility Study advanced and then pivoted to a smaller scale development proposal.



Groundwater monitoring at Merlin



In line with Lucapa's environmental obligations to protect and manage groundwater at the Merlin site, monitoring bores were installed across the lease in 2023.

In total, 17 instrumented bores were drilled to collect data about the groundwater levels.

The information collected through the monitoring stations will ensure proper management of the groundwater resource is maintained.

A man wearing a red hard hat and yellow safety glasses, holding a small green plant. He is wearing an orange safety shirt. The background is a blurred outdoor setting with trees and sunlight.

Environmental Management

There were no significant environmental incidents reported at Lulo or Mothae in 2023.

The Environmental team at Sociedade Mineira do Lulo (SML) grew in 2023, as greater emphasis was given to protecting the environment surrounding the operations.

Land rehabilitation and revegetation efforts stepped up as the trial nursery to germinate native plants and revegetate disturbed land on the Lulo concession grew.

Various species of native trees are being grown at the trial nursery and planted over disturbed land to revegetate it. The trial nursery will make way for a larger, more permanent structure at the site.

Progressive Rehabilitation

Progressive rehabilitation and revegetation activities took place across the Lulo concession during 2023.

The rehabilitation of more than 15 mining blocks consisted of backfilling, overburden levelling and revegetation totalling in area of 6.5 million square metres. Overburden levelling also took place at the Slides Dam and Tailings Dam.

The areas colour coded in aqua and green on this page have been fully rehabilitated including revegetation of the disturbed areas where applicable.

8943000
8942500
8942000
8941500
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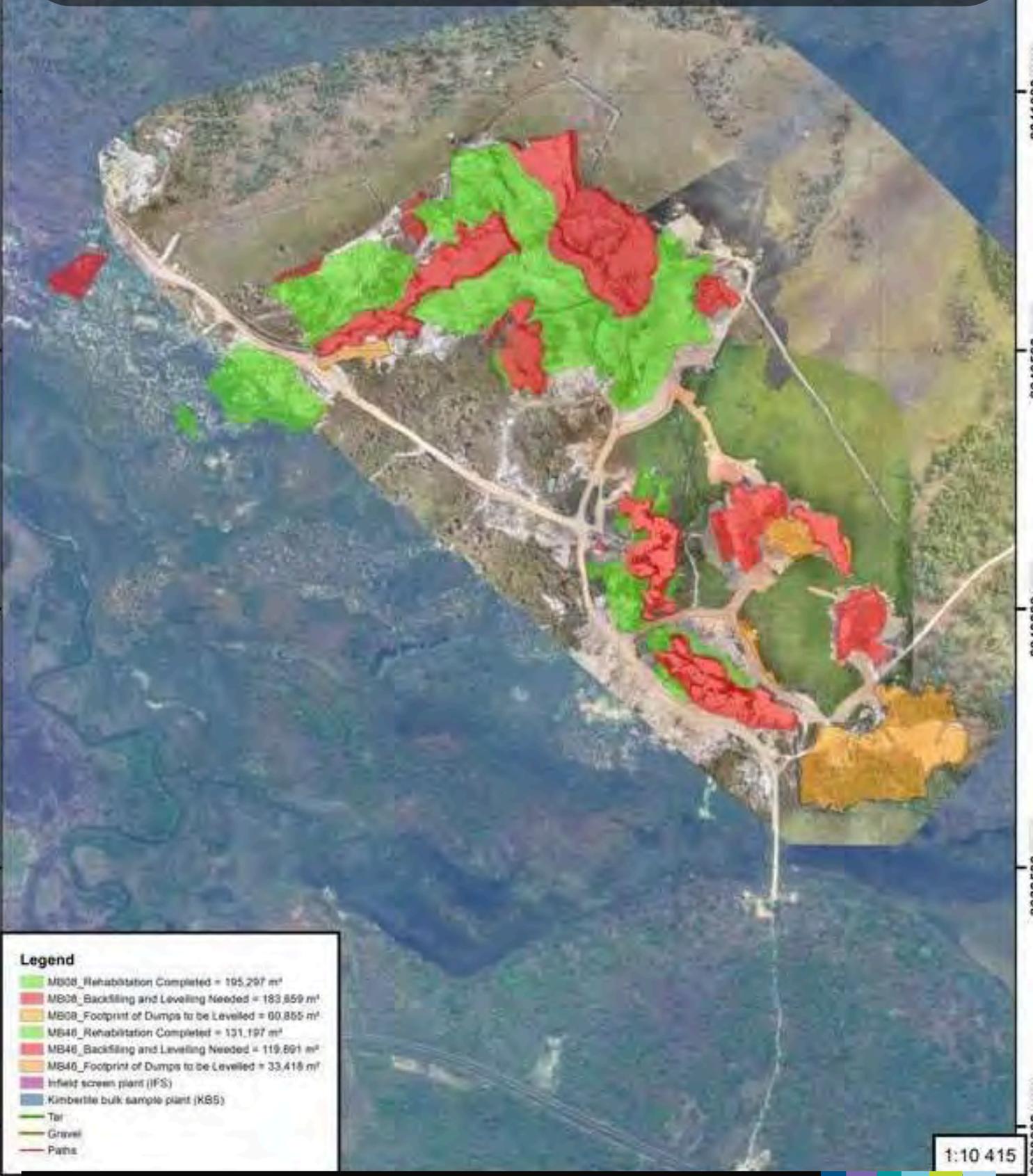


Legend

- River to natural course (Rehabilitation complete) = 113,415 m²
- MB06 Rehabilitation Completed = 201,436 m²
- MB06 Backfilling and Leveling Needed = 365,336 m²
- MB06 Footprint of Dumps to be Levelled = 132,861 m²
- Tail
- Gravel
- Paths

Progressive Rehabilitation

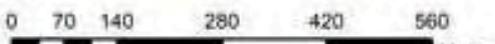
The areas colour coded in green on this map of Mining Block 08 indicates full rehabilitation including revegetation of the disturbed areas where applicable.



Legend

- MB08_Rehabilitation Completed = 195,297 m²
- MB08_Backfilling and Levelling Needed = 183,859 m²
- MB08_Footprint of Dumps to be Levelled = 60,855 m²
- MB46_Rehabilitation Completed = 131,197 m²
- MB46_Backfilling and Levelling Needed = 119,591 m²
- MB46_Footprint of Dumps to be Levelled = 33,418 m²
- Infield screen plant (IFS)
- Kimberlite bulk sample plant (KBS)
- Tar
- Gravel
- Paths

1:10 415





Planting a sapling as part of the revegetation efforts at Lulo



Members of the environmental team revegetating a mining block at Lulo



LUCAPA
DIAMOND COMPANY



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