



LUCAPA  
DIAMOND COMPANY

**A growing multi-asset producer of high-value diamonds**

**20  
22**



# Annual General Meeting

30 May 2022

# Cautionary Statements

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## Forward-Looking Statements

This Presentation has been prepared by Lucapa Diamond Company Limited (“the Company”). This document contains background information about the Company current at the date of this Presentation. The Presentation is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this Presentation. This Presentation is for information purposes only. Neither this Presentation nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction. This Presentation may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply in their own jurisdiction. A failure to do so may result in a violation of securities laws in such jurisdiction. This Presentation does not constitute investment advice and has been prepared without taking into account the recipient’s investment objectives, financial circumstances or particular needs and the opinions and recommendations in this representation are not intended to represent recommendations of particular investments to particular persons. Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments.

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## No New Information

To the extent that this announcement contains references to prior exploration results and Mineral Resource estimates, which have been cross referenced to previous market announcements made by the Company, unless explicitly stated, no new information is contained. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

## Competent Person’s Statements

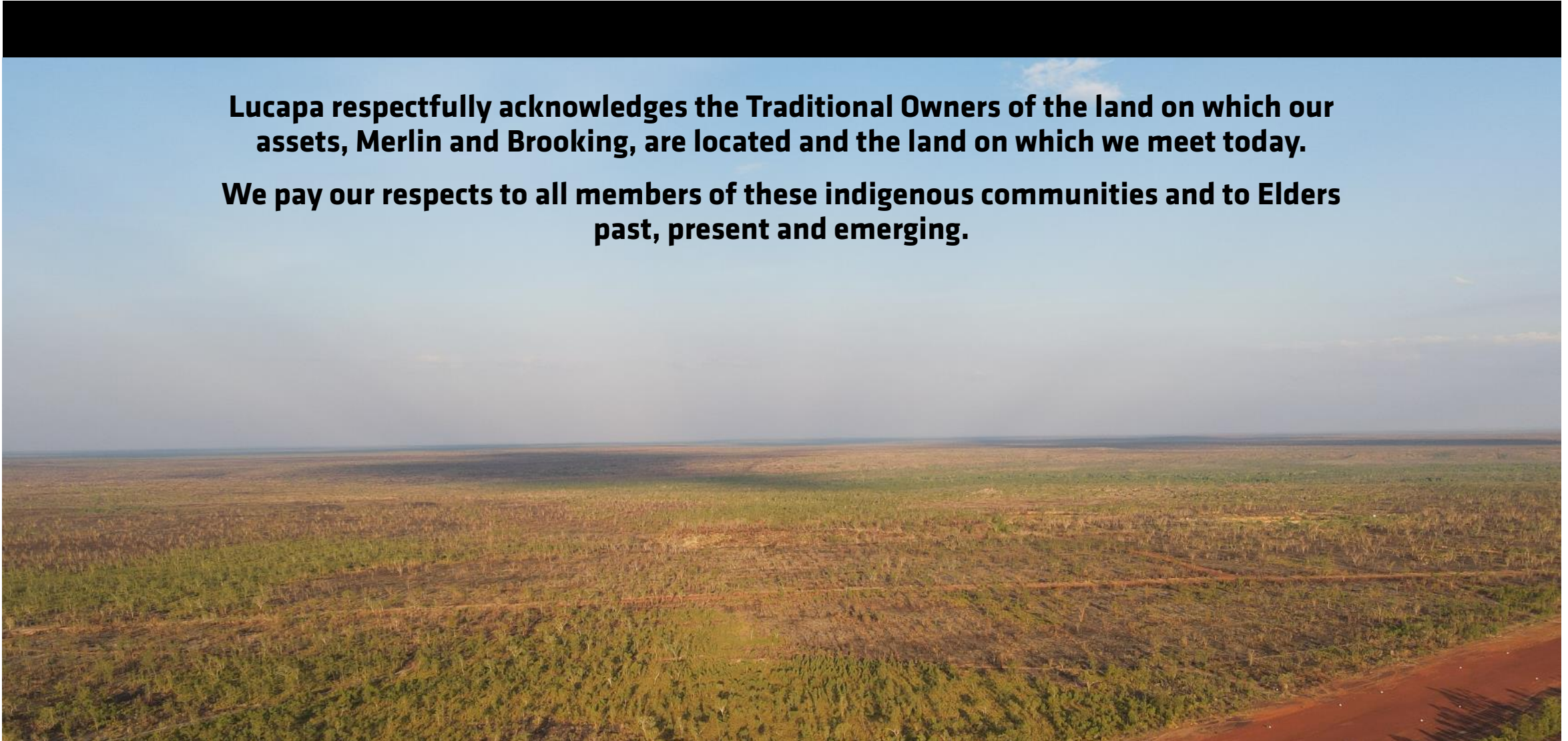
Information included in this presentation that relates to exploration results and resource estimates on the Lulo Diamond Resource, Mothae Diamond Resource and Merlin Diamond Resource is based on and fairly represents information and supporting documentation prepared and compiled by Richard Price who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Price is an employee of the Company. Mr Price has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr Price consents to the inclusion in the presentation of the matters based on this information in the form and context in which it appears.

# Acknowledgement of Traditional Owners

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**Lucapa respectfully acknowledges the Traditional Owners of the land on which our assets, Merlin and Brooking, are located and the land on which we meet today.**

**We pay our respects to all members of these indigenous communities and to Elders past, present and emerging.**



# 2021 at a glance – A record year

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## Attributable



Record Attributable Revenue

**A\$65 million**



Record Attributable EBITDA

**A\$22.3 million**



Recovered Attributable Carats

**32,567**



Transformative Acquisition

**Merlin**

## 100% Project



Record Project Revenue

**A\$135 million**



Record Project EBITDA

**A\$54.5 million**



Record Project Recovered Carats

**57,065**



Debt Repaid

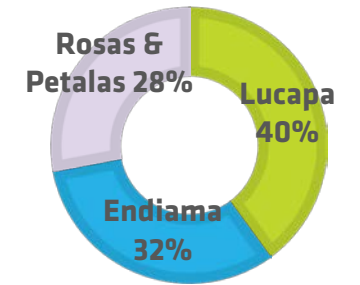
**A\$5.9 million**

# Producing Operations





# Lulo Mine – Highest \$ per carat alluvial resource



## Record 2021 Production

0.5 million cubic metres of gravel processed - 80% up on 2020  
Eight +100 carat diamonds recovered and large fancy pinks



## Infield Screening Plant Constructed

Second alluvial processing plant commissioned  
Improve production volumes and deliver cost savings



## JORC Mineral Resource Updated

11% increase in resource carats  
34% increase in value per carat



## Loan and Dividend Approved

SML dividend paid in February 2022  
SML loan repayment awaiting Central Bank approval



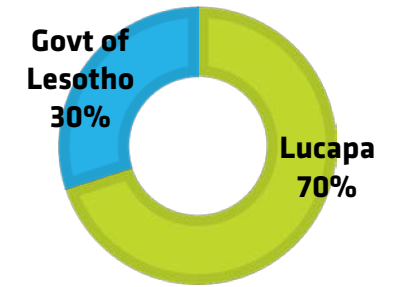
## Cutting & Polishing Partnership

Delivering solid returns beyond the mine gate



Infield screening plant at Lulo

# Mothae Mine – Top 3 highest \$ per carat kimberlite resource



- ✓ **Solid 2021 Production**  
1.1 million tonnes of ore processed  
Increased capacity and completed crusher foundation repair during year
- ✓ **Mass Balance and Throughput Optimisation**  
Mass balance limitations as mining moves to more competent material - impacting throughput  
Original bulk sample plant repurposed to gain additional throughput
- ✓ **Mining Methodology**  
Potential to improve mass balance via continuous miner technology
- ✓ **Cutting & Polishing Partnership**  
Delivering solid returns beyond the mine gate
- ✓ **204 Carat Diamond Recovered**  
Eighth +100 carat diamond in May 2022  
Third +200 carat diamond



# Development & Exploration





# Merlin Project – Transformative acquisition in the NT

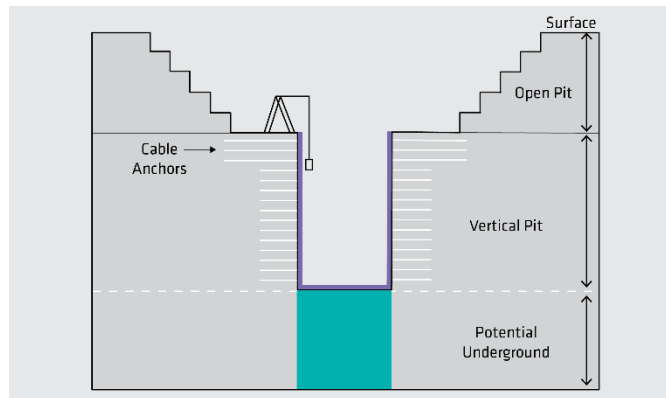


✓ Updated Scoping Study\* demonstrates strong economics for a long-life mine

## Methodology



Open pit and vertical pit mine development only  
(excludes underground potential)



71% of resource mined in Indicated category

Kimberlite sourced from eight pipes

Commercial production in H2 2024

\* Refer ASX announcement on 3 March 2022 for full Updated Scoping Study, key inputs and assumptions, cautionary statement and disclaimer

## Outcomes

### Physicals

All price scenarios

<b>14-Year</b> Mine Life	<b>2.1m</b> Carats Recovered	<b>14m</b> Tonnes Treated	<b>A\$69m</b> Pre-production Process & Infrastructure Capital
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### Financials

NPV <sub>7%</sub> (pre-tax)	EBITDA	Undiscounted Free Cash (pre-tax)	IRR
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Low (Nov 2021 Index)

<b>A\$343m</b>	<b>A\$702m</b>	<b>A\$558m</b>	<b>59%</b>
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Base (Jan 2022 Index)

<b>A\$541m</b>	<b>A\$1,000m</b>	<b>A\$857m</b>	<b>85%</b>
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Current (Feb 2022 Index)

<b>A\$697m</b>	<b>A\$1,234m</b>	<b>A\$1,091m</b>	<b>105%</b>
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# Merlin Project – Expected\* top 10 \$ per carat kimberlite resource



## Traditional Owner (“TO”) Meeting

First TO meeting took place in Borrooloola this month  
Northern Land Council (“NLC”) and Lucapa working to conclude deed of assumption shortly



## Feasibility Study

Unique hybrid open pit and vertical pit mining (“VPM”) development  
VPM animation - [https://youtu.be/\\_5jyBlxcwWA](https://youtu.be/_5jyBlxcwWA)  
Targeting Q3 2022 publication of results  
Currently on plan however are dependent on third parties



## Financing

Exploring financing solutions with various debt providers



## New Kimberlite Exploration

New discovery exploration program commenced - all previous kimberlite discoveries are diamondiferous  
Historical De Beers data acquired and being interpreted to identify targets

*\* Combined average across eight kimberlites in Updated Scoping Study mine plan as per ASX announcement on 3 March 2022*



TO and NLC meeting in Borrooloola

# Merlin Project – Transformative acquisition in the NT



		Lulo (40% Attributable <sup>1</sup> )	Mothae (70% Attributable <sup>1</sup> )	CY2021 Lucapa (Total Attributable <sup>1</sup> )	Corporate (100% Attributable <sup>1</sup> )	Merlin Scoping Study (100% Attributable <sup>1</sup> ) <sup>#</sup>	Proforma Lucapa (Total Attributable <sup>1</sup> )	
<b>Production</b>	<i>Carats</i>	9,838	22,731	<b>32,569</b>	-	153,000	~185,500	<b>~5x</b>
<b>Sales</b>	<i>Carats</i>	11,127	25,307	<b>36,434</b>	-	<b>153,000</b>	~189,400	
<b>Average price</b>	<i>US\$/ carat</i>	2,808	688	1,335	-	<b>634</b>		
<b>Cash operating cost</b>	<i>US\$/ carat</i>	1,469	533	819	-	<b>334</b>		
<b>Revenue</b>	<i>A\$m</i>	42	23	<b>65</b>	-	<b>143</b>	208	<b>~3x</b>
<b>Cash operating cost</b>	<i>A\$m</i>	22	18	<b>40</b>	3	<b>72</b>	115	
<b>EBITDA*</b>	<i>A\$m</i>	<b>20</b>	<b>5</b>	<b>25</b>	<b>(3)</b>	<b>71</b>	93	<b>~4x</b>
<b>Margin</b>	<i>%</i>	48%	22%	38%	-	<b>50%</b>	45%	

Notes:

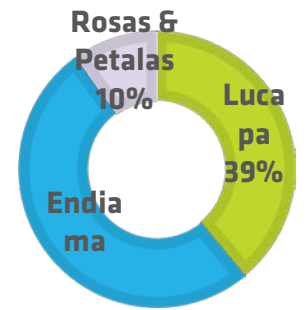
<sup>1</sup> Attributable ownership in the projects based on Lucapa's holding as per ASX announcements on 27 January 2022 and 28 February 2022. This is a non-AIFRS measure. For statutory reporting purposes, SML is equity accounted given Lucapa holds a 40% interest and Mothae is consolidated given Lucapa holds a 70% interest





\* EBITDA, a non-AIFRS measure, is equal to rough diamond revenue less total cash operating costs (including ore/ gravel and waste/ overburden mining, processing, on- and off-site costs, royalties and selling costs, partnership margins and inventory movements)

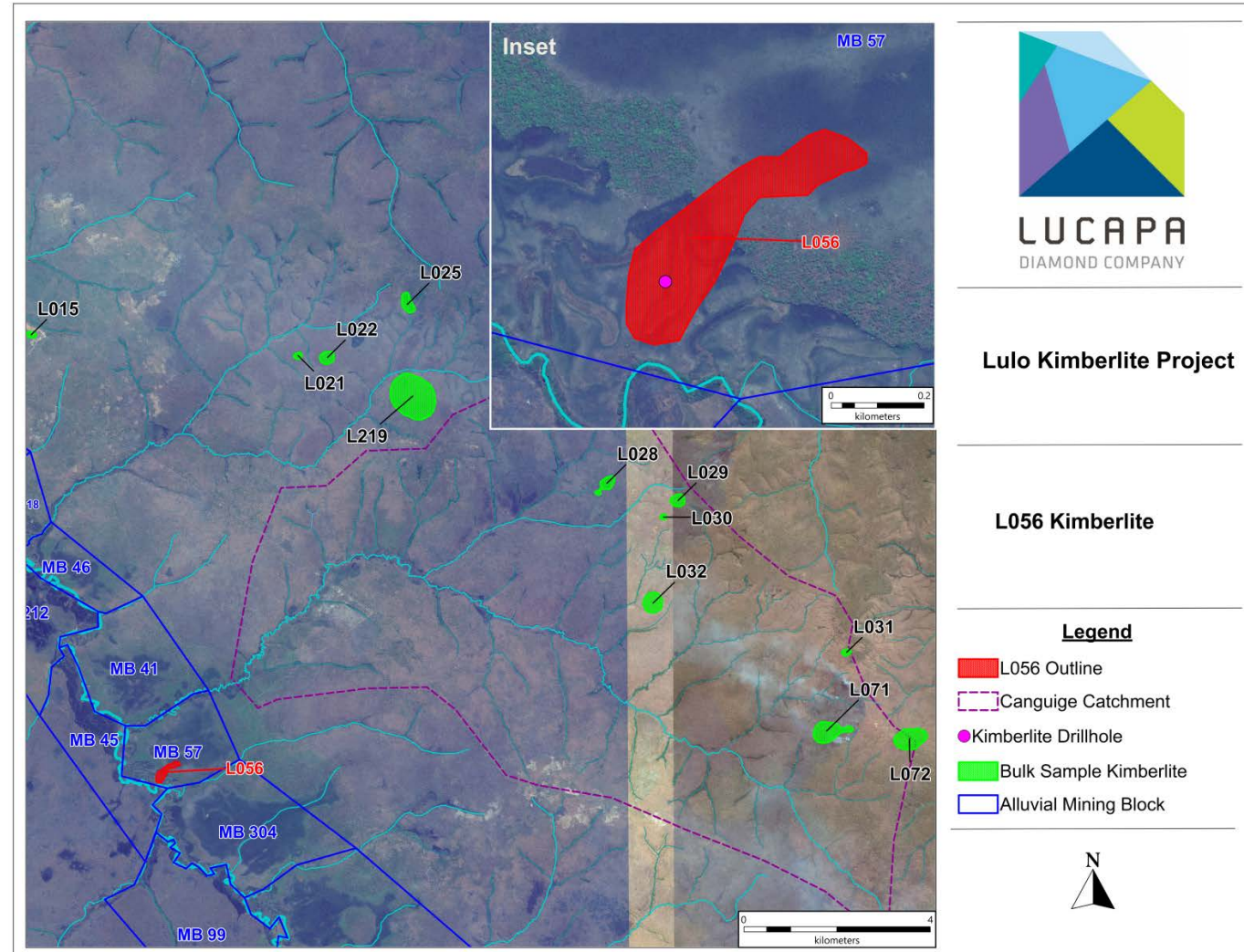
<sup>#</sup> Average annual production for full life of mine as per Base price scenario in Updated Scoping Study announced to the ASX on 3 March 2022, including key assumptions and inputs on which this is based as well as cautionary statement and disclaimer. Merlin first production planned for 2024, first full year of production in 2025.



# Project Lulo JV – Searching for the kimberlite source(s) in Angola



- 
**Significant Geophysical Anomalies**  
 +360 anomalies in Caculo Valley/ +500 on Lulo concession  
 ~120 selected for drilling/ sampling campaign  
 +100 confirmed as kimberlites in Caculo Valley
- 
**High Priority Targets Selected**  
 +80 drill core & other samples sent for mineral chemistry analysis  
 18 selected from results/ peer reviewed  
 Bulk sampling already commenced with positive results
- 
**Standalone Kimberlite Bulk Sample Plant**  
 Crushing circuit commissioned  
 Balance of plant being constructed – have experienced delays due to logistics constraints  
 Two bulk samples to be processed every six weeks from H2 2022 onwards
- 
**New Kimberlites Discovered**  
 Kimberlite drilling continues in priority areas to identify potential sources  
 Further batch of drill core samples sent for picking ahead of mineral chemistry analysis  
 Kimberlite L56 drill core sample contained “visual deep purple garnets” - key indicator mineral for diamondiferous kimberlite  
 Kimberlite L56 is adjacent to the Caculo Rover and is immediately upstream of the Canguige River

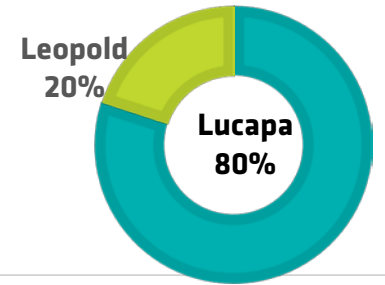





**Lulo Kimberlite Project**

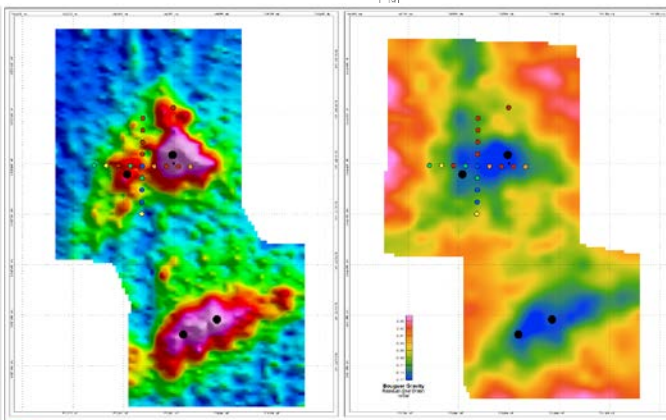
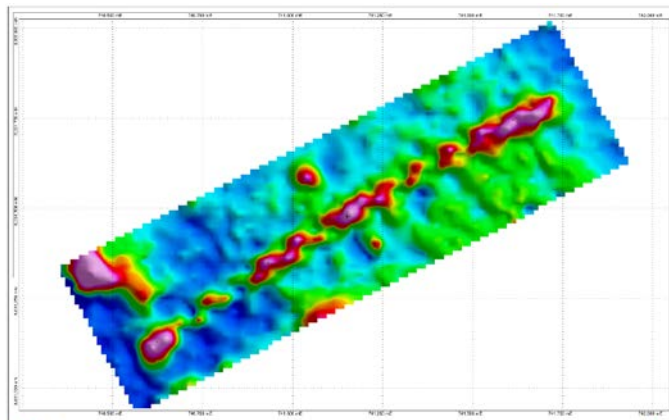
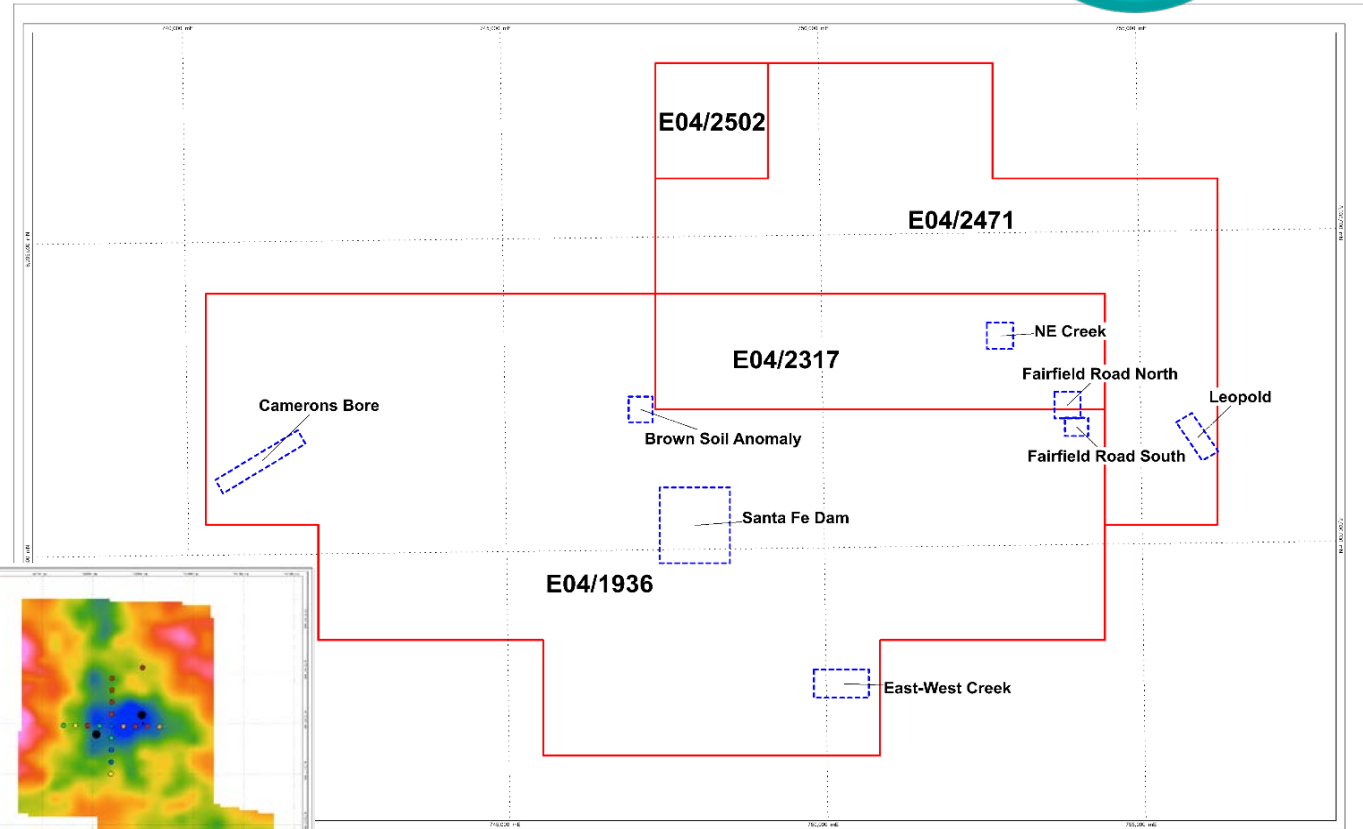
**L056 Kimberlite**



# Brooking – Searching for lamproite sources in WA



- 
**Priority Anomalies On Diamondiferous Tenement**  
 Three identified from gravity and electromagnetic surveys  
 Follow up drilling and pitting planned in 2022
- 
**Survey**  
 Drone geophysics underway now to identify additional targets
- 
**Core Drilling**  
 Being planned on the three anomalies and additional geophysical target



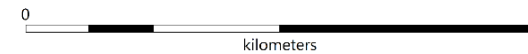
**Brooking Diamond Exploration Project**  
Cameron's Bore  
2021 EM Data with Proposed Drilling Locations



**Legend**  
● Proposed Drill Hole

**Brooking Diamond Exploration Project**  
Fairfield Road North and South Target  
2021 EM and Gravity Data with 2020 Geochem

**Legend**  
Soil Geochem  
Ca  
Mg  
Fe  
K  
Na  
Si  
S  
Ti  
Zn

## Brooking Diamond Exploration Project 2022 Exploration Plan



- Legend**
-  Target Block Outline
  -  Tenement



# ESG – Social licence to operate



## Focus

Growing investor and consumer focus  
Lucapa implementing ICMM principles



## Inaugural ESG report

Released within the Annual Report



## Education Focus

Refurbishing schools in Lesotho and building a new school in nearby village in Angola



## Community Focus

+90% local employment, significant local procurement  
Drilled potable boreholes  
Established solar power  
Donated medical supplies  
Provide access to on-site clinic  
Vaccination program



ETHICAL BUSINESS



DECISION-MAKING



HUMAN RIGHTS



RISK MANAGEMENT



HEALTH & SAFETY



ENVIRONMENTAL PERFORMANCE



CONSERVATION OF BIODIVERSITY



RESPONSIBLE PRODUCTION



SOCIAL PERFORMANCE



STAKEHOLDER ENGAGEMENT

# Lucapa's Unique Offering

A growing multi-asset producer of high-value diamonds

## Quality

Team | Assets | ESG

## Growth

Development | Production | Expansion

## Upside

Exploration | Vertical Integration







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