



# AUSTRALIA'S GLOBAL PRODUCER OF *high-* *value* DIAMONDS

Investor Webinar  
*30 March 2023*



LUCAPA  
DIAMOND COMPANY

# Cautionary Statements

## 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, a production target and financial information derived from a production target 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 a production target and financial information derived from a production target and 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.

# GROUP HIGHLIGHTS



# 2022 GROUP HIGHLIGHTS



## PRODUCING ASSETS

### LULO



#### Record operational performances

- **SML** – volumes, carats & Specials
- **Mothae** – volumes, Specials & average diamond price

#### Record diamond revenues

- **A\$149m** (100% project basis) at average diamond price of A\$2,309/ carat
- **A\$69m** (attributable basis) at average diamond price of A\$1,950/ carat

#### Mining EBITDA (non-AIFRS measure)

- **A\$49.3m** EBITDA profit (on a 100% project basis)
  - **SML** – A\$53.0m EBITDA profit
  - **Mothae** – A\$3.7m EBITDA loss
- **A\$18.6m** EBITDA profit (on an attributable basis)
  - **SML** (40%) – A\$21.2m EBITDA profit
  - **Mothae** (70%) – A\$2.6m EBITDA loss

#### Record repatriations

- **A\$23m** loan repayments and dividends repatriated from Angola in 2022
- Development loan owing to Lucapa reduced to A\$18.6m

#### Strengthened balance sheet

- Record debt repayments
- Reduced interest bearing debt by **A\$18.6m** to A\$9.4m
- Interest bearing **debt free in Q3 2023**
- Paving the way for dividends

#### Challenges

- Cost inflation, mass balance (processing), contractor and logistical challenges Mothae - ~**A\$15.4m** non-cash impairment charge

### MOTHAE



Note:

Reported numbers and definitions as per Financial Report released to the ASX on 28 February 2023

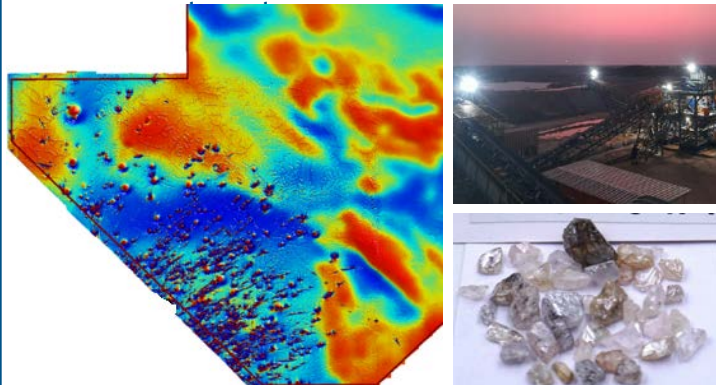
# 2022 GROUP HIGHLIGHTS



## DEVELOPMENT ASSETS & ESG

### Primary Source Exploration

- **Lulo**
  - Commissioned stand alone kimberlite bulk sample plant
  - Discovered 19 additional kimberlites
  - Best bulk sample results from L164
    - 82 carats at highest grade
    - Large diamond recoveries (15ct Special)
    - Confirmation that Lulo kimberlites host Special sized stones
  - Furthered the majority stake discussions
- **Orapa & Brooking**
  - Planned target drilling
- **Merlin**
  - Early stage exploratory programs



### Mine development

- **Merlin**
  - Near term mine development opportunity in Australia
  - Historic 4.4m carat JORC compliant indicated and inferred resource (refer ASX announcements 24 May 2021 and 3 March 2022)
  - Updated Merlin Scoping Study - using innovative hybrid open pit and vertical pit development (refer ASX announcement on 3 March 2022)
    - Evidenced significant potential for an economic mine development
  - Feasibility study well advanced - Q2 2023

### Nation's biggest diamond unveiled

August 17, 2003

STUNNING and spiritual, Australia's largest diamond was today unveiled in Darwin.

The \$1 million, 104.73 carat white diamond has been given an indigenous name - in an Australian first - to preserve its link with its place of origin.

It has been called Jungiila Bunajina, which means star meteorite dreaming stone, by the Garrawa and Gurdanji clans.

The diamond was mined on sacred Aboriginal land in the Northern Territory in March 2002, at the trial Merlin diamond mine about 80km south of Borroloola.



The uncut 104.73 carat gem / AAP

Note: Media article from NEWS.com.au on 17 August 2003

### ESG

- Adopted ICMM principles, tailor the 17 UN SDG's for the mining industry
- Implemented a number of programs at both mining operations
- Record employment levels at both operating mines



An aerial photograph of the Lulo Alluvial Mine in Angola. The image shows a large-scale mining operation with various pieces of heavy machinery, including excavators and conveyor systems, spread across a vast, reddish-brown alluvial deposit. Several small, colorful buildings are scattered throughout the site, likely serving as administrative or worker facilities. The terrain is characterized by deep tracks from heavy vehicles and large piles of earth and rock. The text 'LULO ALLUVIAL MINE' is overlaid in large, white, sans-serif capital letters, with 'Angola' written below it in a smaller, white, italicized font.

LULO  
ALLUVIAL MINE  
*Angola*

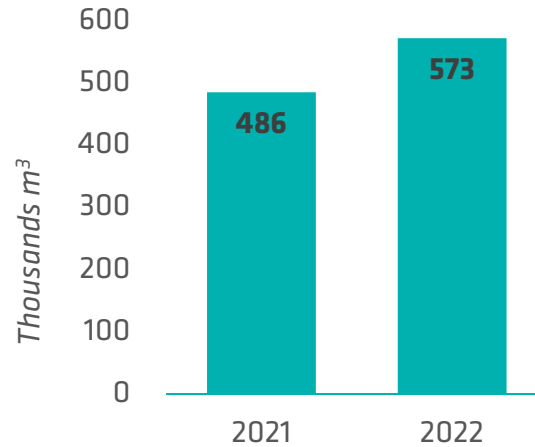
# 2022 LULO PERFORMANCE



## PHYSICALS & PRICE

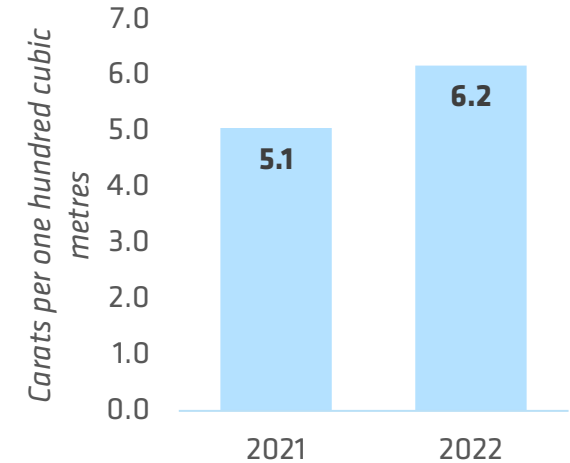
### Cubic metres treated

- New record for cubic metres treated and mine (including overburden)
- Up 18% on 2021
- Stripping ratio of 9.9:1



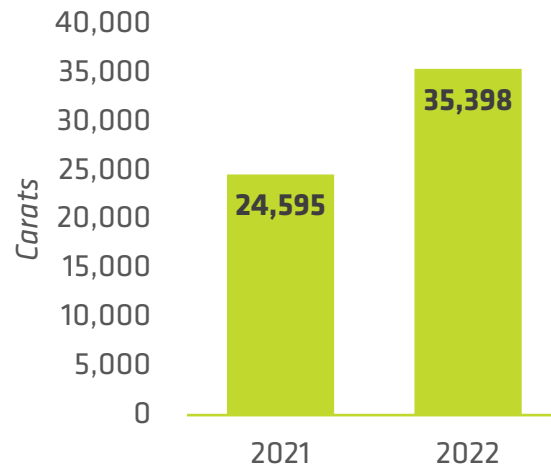
### Grade recovered

- Up 22% on 2021
- Source of gravel/ tailings



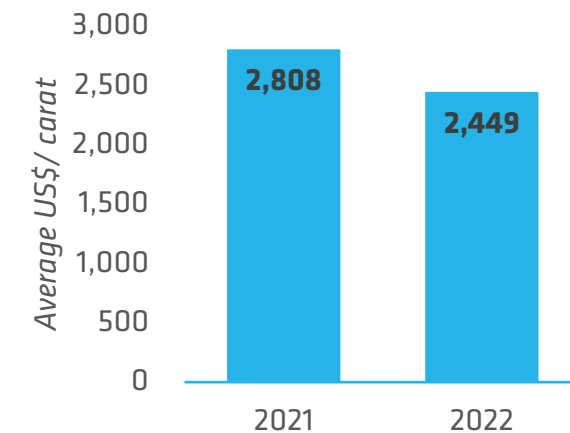
### Carats produced

- New record
- Up 44% on 2021 (higher volumes and higher grades)
- New records:
  - Specials recovered (incl. 170 carat pink coloured stone)
  - Average stone size



### Price achieved

- Highest US\$/ carat run-of-mine production globally
- 13% lower than 2021 - GTD price index up 7% in 2022
- Primarily source of gravels



Note:  
As per Financial Report released to the ASX on 28 February 2023

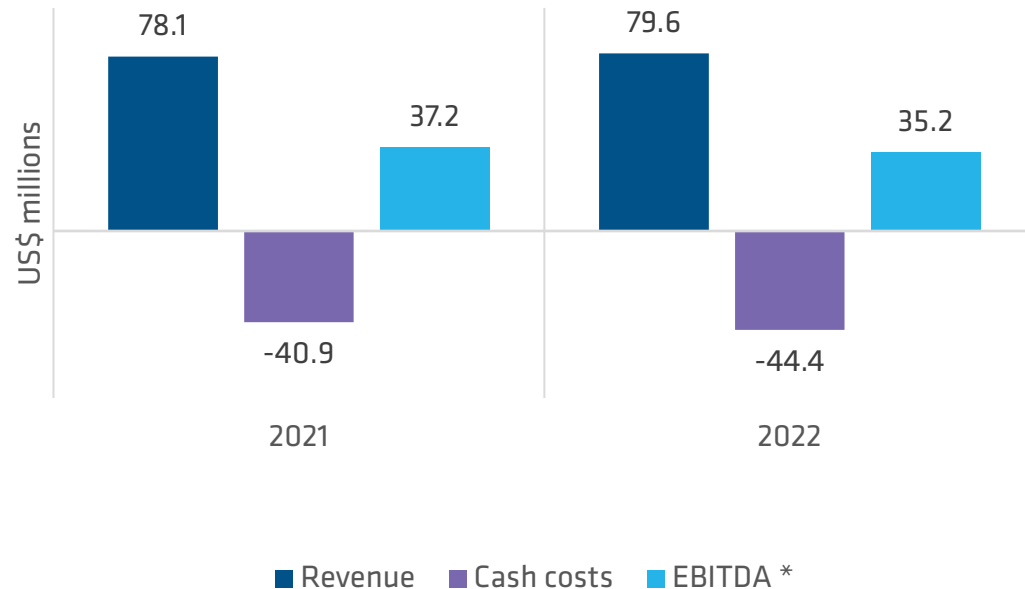
# 2022 LULO PERFORMANCE



## FINANCIAL

### 100% PROJECT

### COMMENTS



1. 8<sup>th</sup> year of operation
2. World's highest US\$/ carat run-of-mine production at >US\$2,400/ carat
3. Expanded capacities continuously year on year
  1. FY 2015 – ~112k bulk m<sup>3</sup>
  2. FY 2022 – ~573k bulk m<sup>3</sup>
4. Records in 2022
  - Volumes
  - Carats recovered and sold (Specials recovered)
  - Revenue
  - Dividends paid to SML shareholders
  - Loan repayments to Lucapa
5. Total operating cost (including royalties and selling costs) per carat recovered improved 24% to US\$1,255/ carat
6. Second consecutive year EBITDA >US\$30m

Note:

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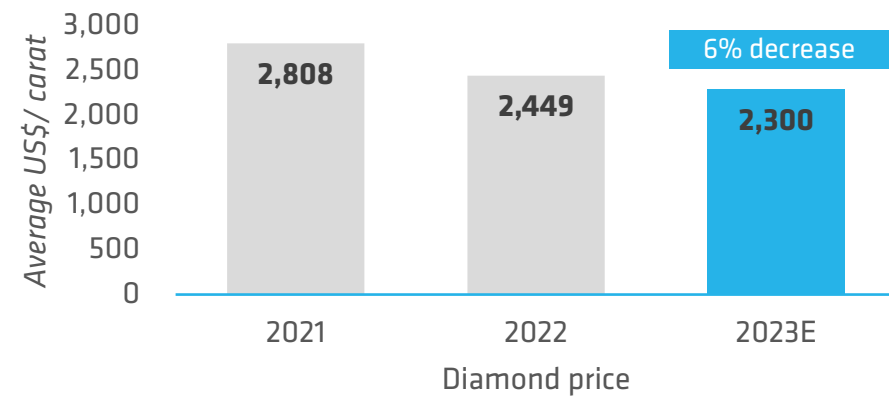
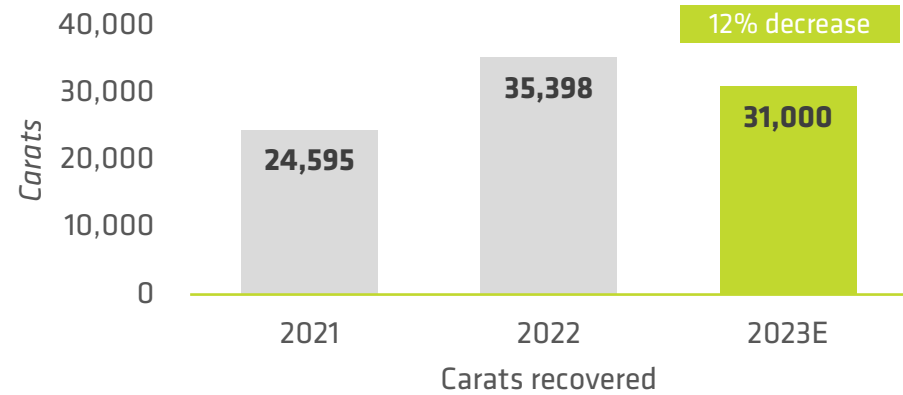
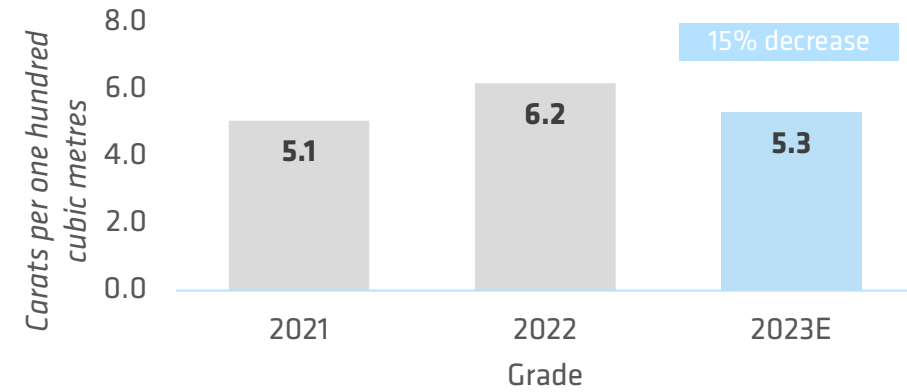
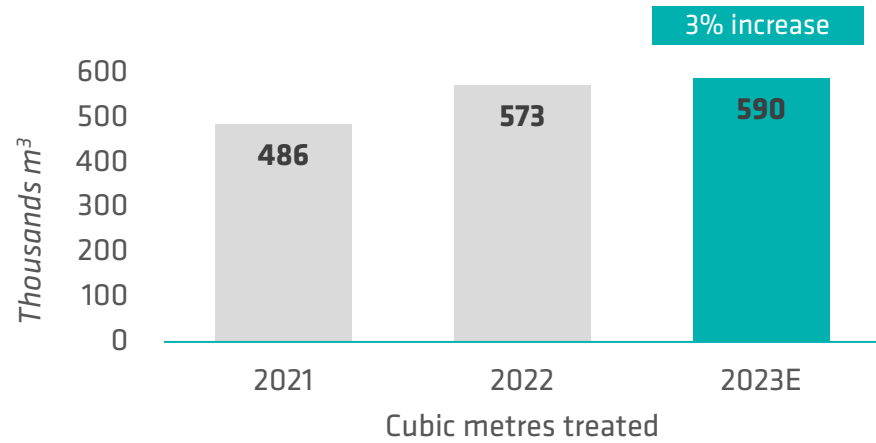
\* EBITDA is a non-IFRS measure



# 2023 LULO GUIDANCE



## 2023 PHYSICALS & PRICE





MOTHAE KIMBERLITE

MINE

*Lesotho*

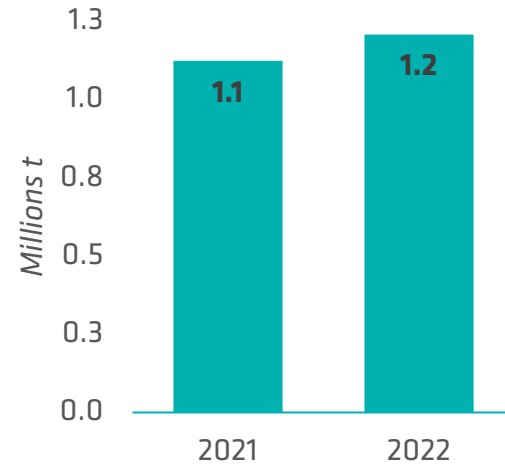
# 2022 MOTHAE PERFORMANCE



## PHYSICALS & PRICE

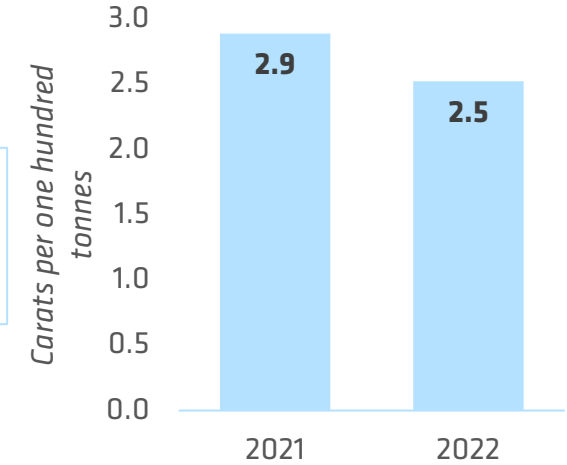
### Tonnes treated

- Tonnes treated up 7% on 2021
- New record for tonnes treated and mined
- Mass balance & mining/ logistical constraints



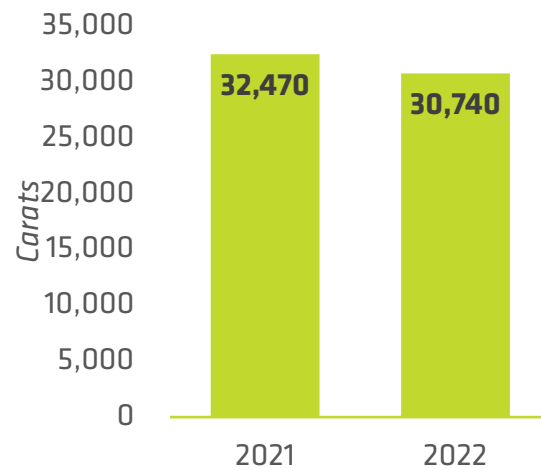
### Grade recovered

- Down 14% on 2021
- Primarily source of ore
- Mass balance constraints



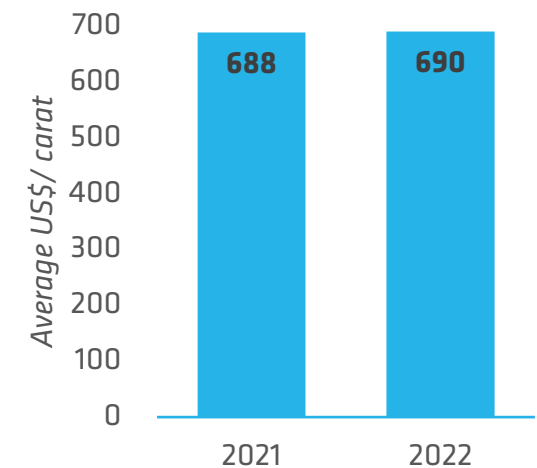
### Carats produced

- Down 5% on 2021 (higher volumes offset by lower grade)
- New records:
  - Specials recovered
  - Average stone size



### Price achieved

- Marginally up on 2021 - GTD price index up 7% in 2022
- New record
- 3<sup>rd</sup> highest US\$/carat kimberlite run-of-mine production globally



Note:  
As per Financial Report released to the ASX on 28 February 2023



# 2023 MOTHAE GUIDANCE



## 2023 PHYSICALS & PRICE

### ➤ Optimisation modelling conducted in Q4 2022

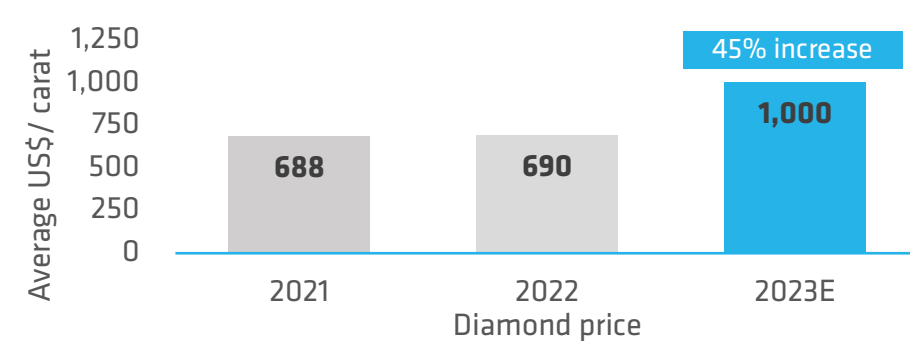
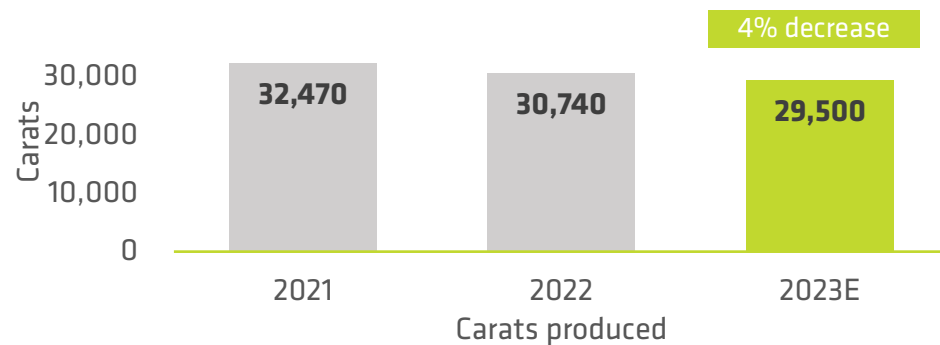
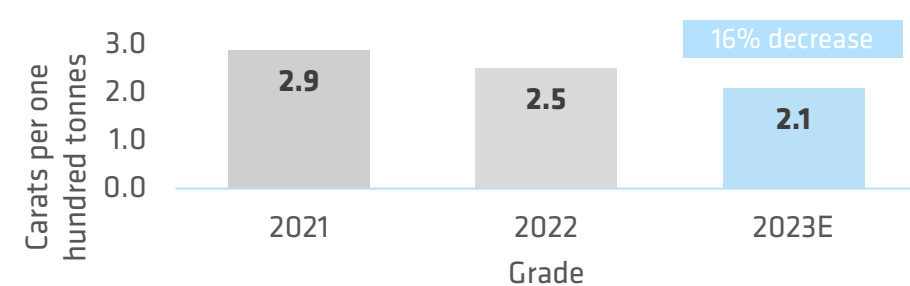
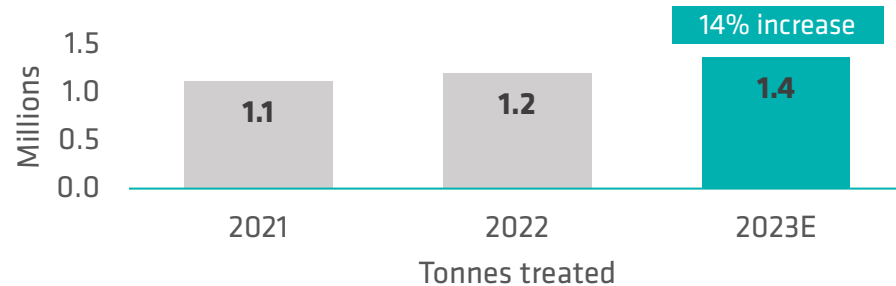
- Identified potential to increase plant throughput/ revenue per hour

### ➤ Plant modifications designed and completed in Q1 2023

- To improve plant throughput
- Will reduce grade in smaller size fractions as a result - *reduced small diamond liberation*
- Will increase average stone size and average run-of-mine diamond price

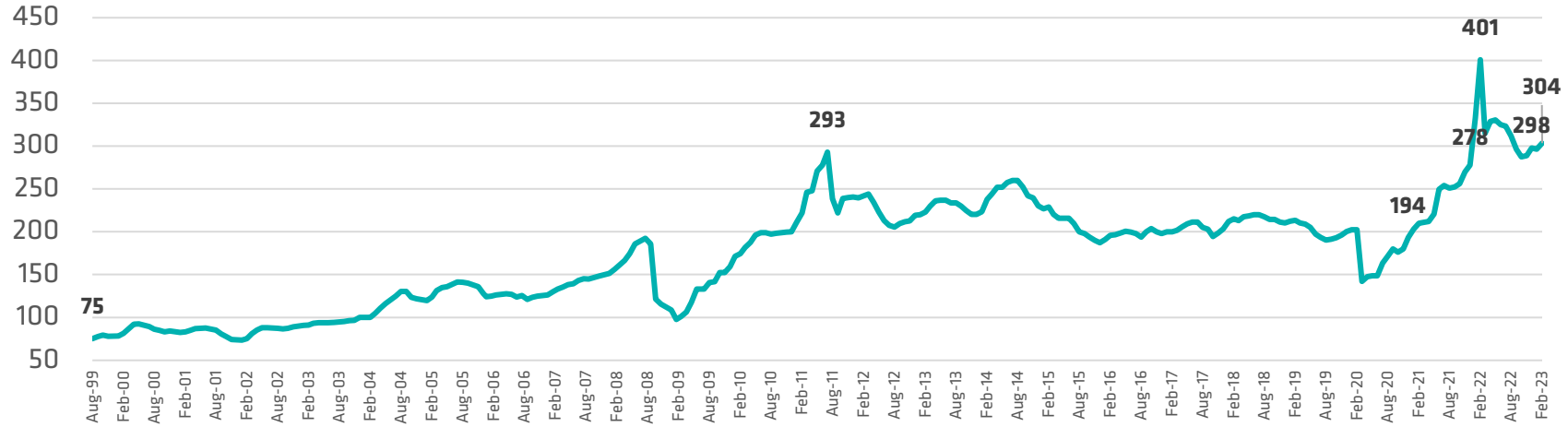
### ➤ Q3 2023 to date

- Record throughput rates/ daily production records
- Grade losses lower than modelled
- Higher average stone size and average run-of-mine diamond price
- Diesel price reduction/ favourable exchange rate environment (these are uncontrollable)
- GoL discussing Tax legislation/ bills internally and with mining industry



# DIAMOND MARKET

## GTD NATURAL ROUGH DIAMOND PRICE INDEX

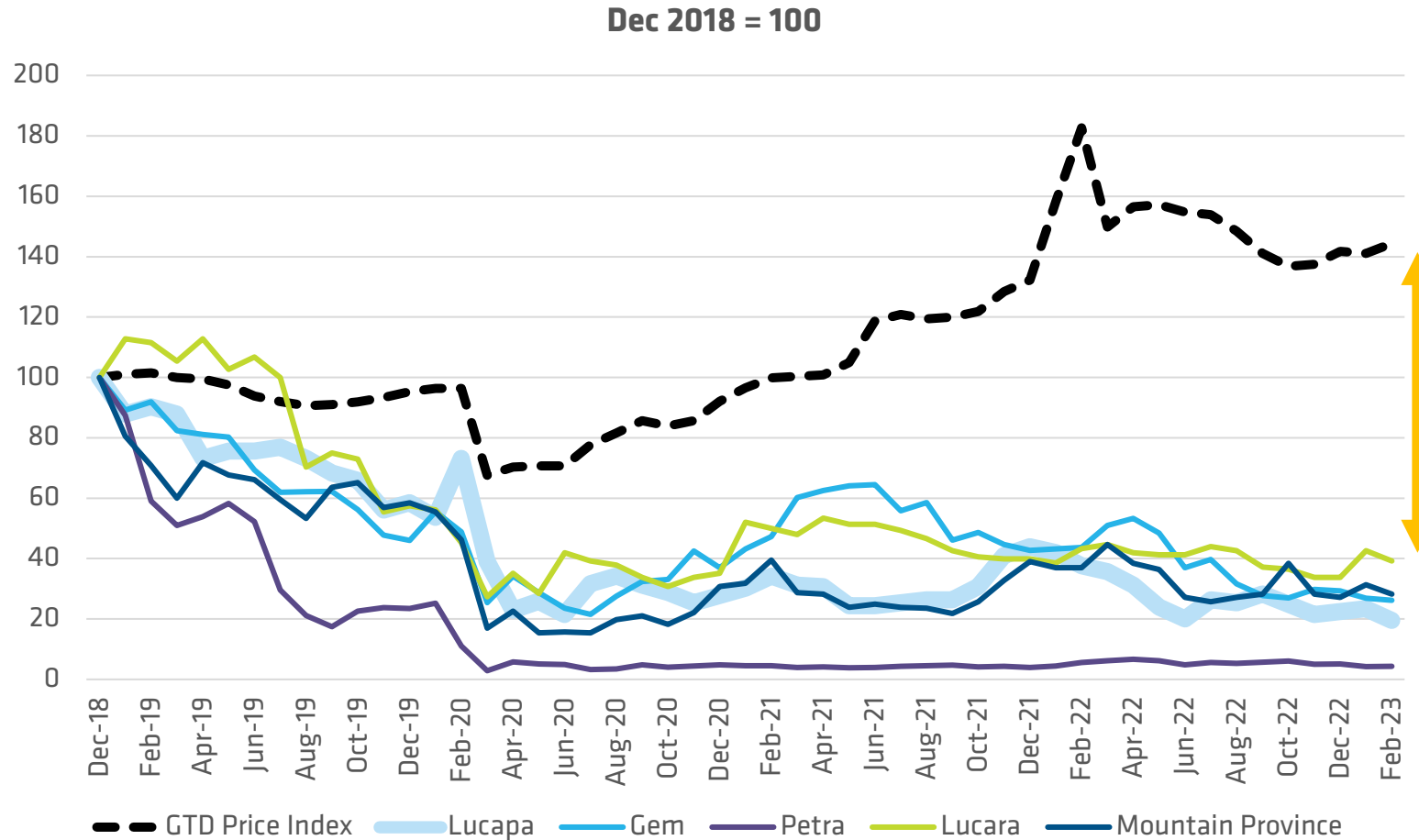


- **2021 index** increased 43% on 2020
  - Post pandemic demand
- **2022 index** increased 7% on 2021
  - Continued post pandemic demand in Q1 – record high in Feb
  - Russia/ Ukraine war impacted prices in Q2
  - High polished inventory levels tempered rough demand in Q3
  - Improved demand over festive season saw rough index rise in Q4
- **2023 index** to February up 2% on 2023
  - Continuing demand end Jan/ Feb resulting in rough indexing ending 2% up end February

- **Demand**
  - Very small lower end rough in high demand (lack of these goods from Russia)
  - Chinese demand in 2022 down due to Covid lockdowns – impact of re-opening still not yet seen in market
- **Supply**
  - Natural rough diamond supply to drop 10% by decade end
  - Canadian/ Russian mines nearing end of life and, outside of Luaxe, no new mines to mitigate
  - Medium term supply expected to be around ~115/ 125m carats per annum (down from 172m carats in 2003 and 150m carats in 2017)

# EQUITIES DISCONNECT TO MARKET

## GTD NATURAL ROUGH DIAMOND PRICE INDEX versus LISTED DIAMOND EQUITIES



Source: GTD Consulting & Bloomberg Terminal

# LUCAPA DIAMONDS

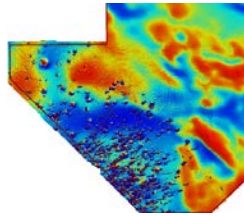
LISTED PURE PLAY MULTI ASSET DIAMOND COMPANY

PROVIDING INVESTORS EXPOSURE TO

AND

ADVANCING THROUGH THE DIAMOND VALUE CHAIN

EXPLORATION



Four separate programs across Africa & Australia  
Lulo exploration - most advanced

Lulo

Bulk sampling

Brooking  
Orapa  
Merlin

Recovering +10.8ct diamonds

MINE DEVELOPMENT



Merlin - near term transformative development opportunity

Merlin

Scoping Study

Positive economics

Feasibility study

PRODUCTION



Two of the top four highest quality run-of-mine productions

Lulo

>US\$2,000/ ct

Mothae

>US\$900/ ct

MID STREAM (MANUFACTURING)



Partnering with a high-end diamantaire on both mines

50% of post mine gate margins

Developing a premium provenance brand

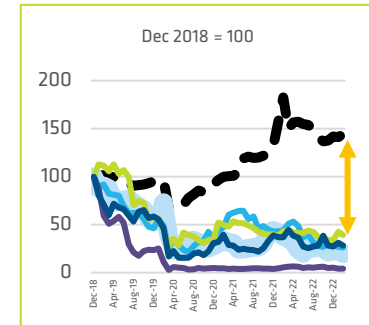
EXPERIENCED DIAMOND TEAM

Successful exploration & mine development track record

STRENGTHENING BALANCE SHEET

LOM interest bearing debt free by Q3 2023  
- ~A\$90m loans owing to LOM

UNDERVALUED SECTOR (diamond equities lagging steep diamond market recovery)







LUCAPA  
DIAMOND COMPANY



*34 Bagot Road*

*Subiaco 6008*

*Western Australia*

*Phone: +61 8 9381 5995*

*Email: [general@lucapa.com.au](mailto:general@lucapa.com.au)*

*Website: [www.lucapa.com.au](http://www.lucapa.com.au)*