



LUCAPA
DIAMOND COMPANY

EXPLORING FOR THE PRIMARY SOURCE

*Discovering the source of the unique Lulo alluvial
diamonds in Angola*

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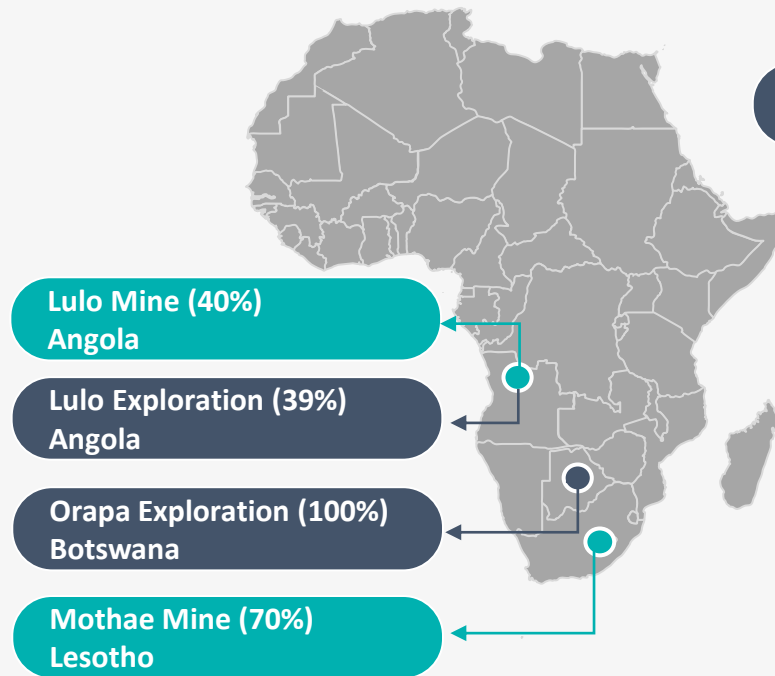
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Information included in this presentation that relates to exploration results and resource estimates on the Lulo Diamond Resource, Mothae Diamond Resource and Merlin Diamond Resource is based on and fairly represents information and supporting documentation 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.

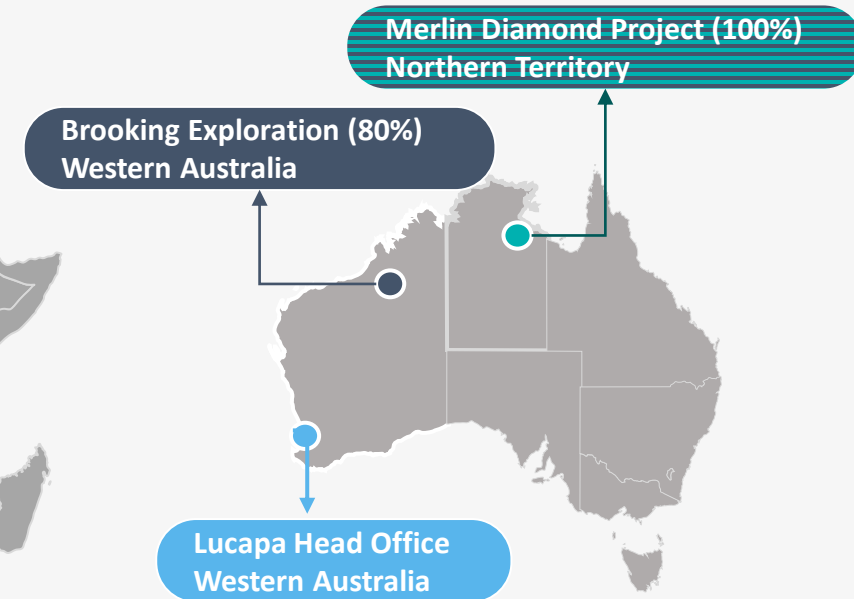
Our Projects

- Growing global producer & explorer of high-value diamonds
- Diversified portfolio – strong pipeline of assets to drive short- and long-term value
 - **Current production**
 - *Two mines* producing high-value diamonds
 - **Mine development**
 - *Near-term* mine development project
 - **Exploration**
 - *Four* primary source exploration projects
 - *One* alluvial exploration/resource extension project
- Earning additional margins by advancing through the diamond value chain beyond mine-gate

➤ Assets in Africa....



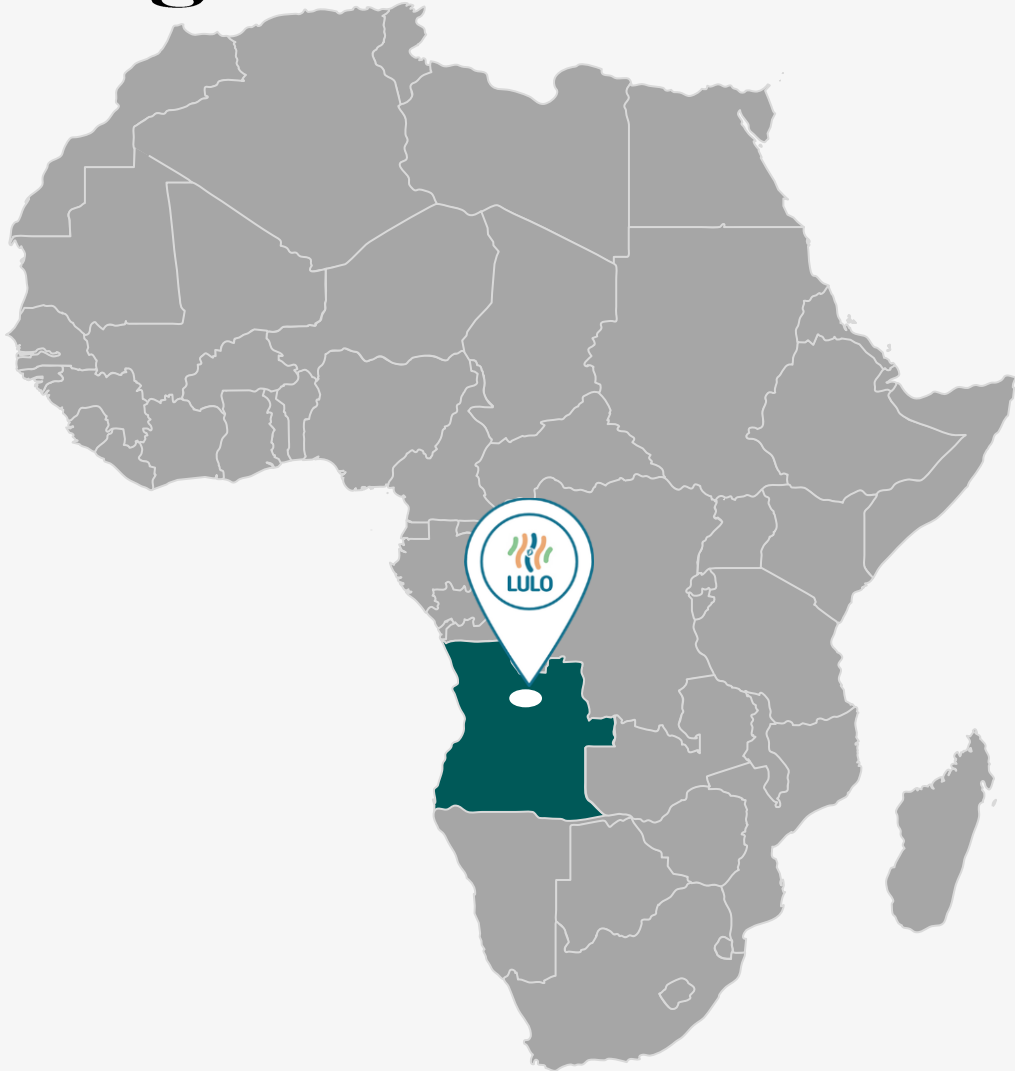
...and Down Under



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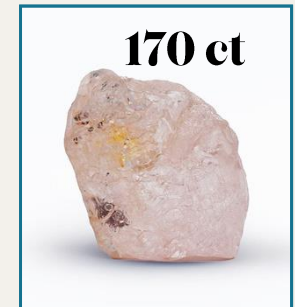
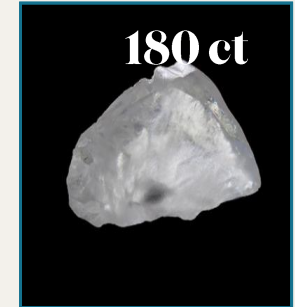
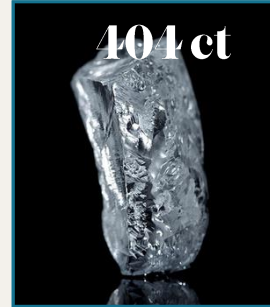
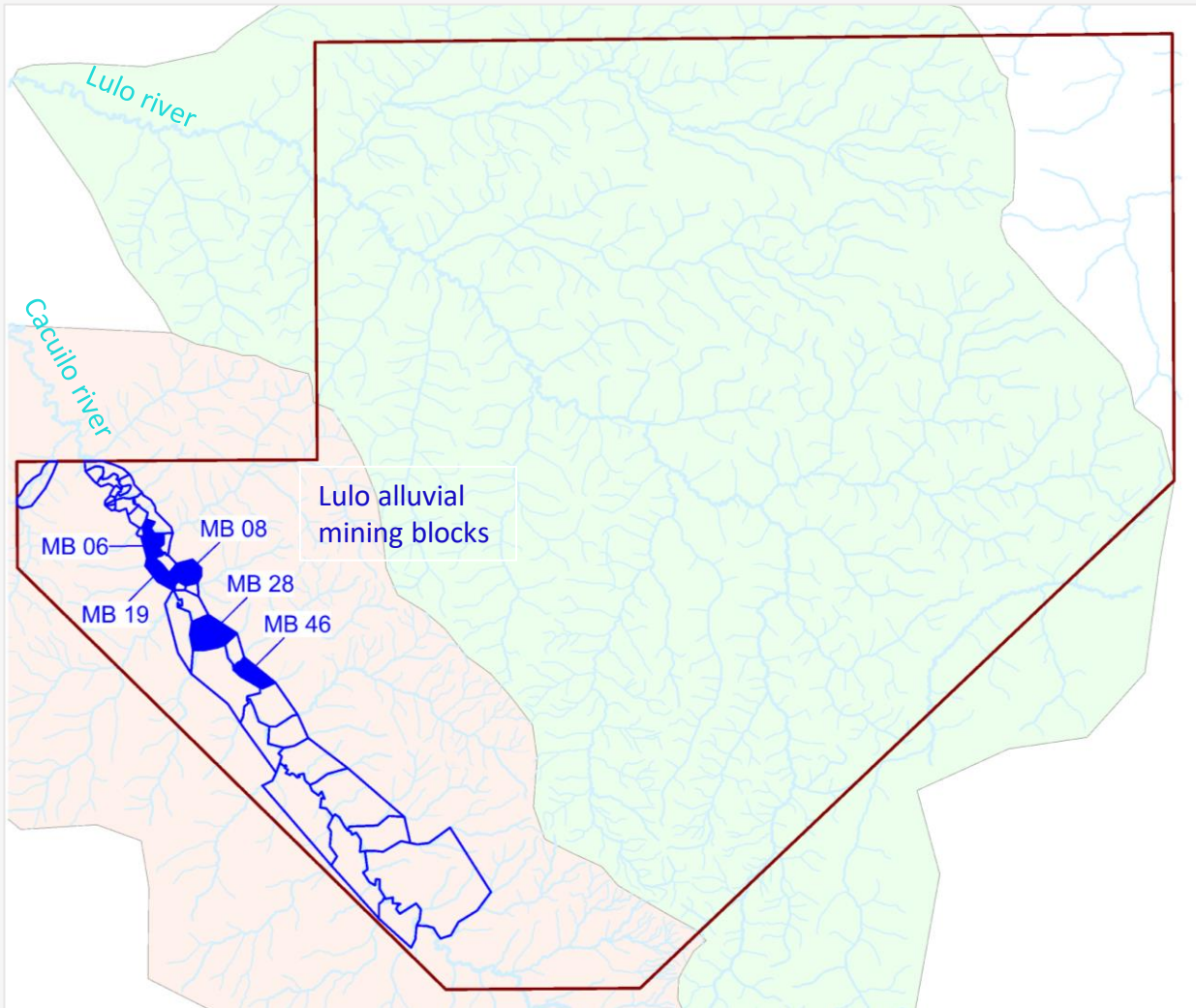
- Production
- Exploration
- Mine development & exploration

Angola Overview



- **Angola**
 - **World's 4th largest diamond producer by value**
 - **Significantly underexplored**
 - **New Government focus on attracting foreign direct investment**
 - **Stable mining code & improved diamond marketing framework**
 - **Diamond majors are back - De Beers and Rio Tinto recently returned**
 - **Highly prospective for source discovery**
- **Lulo concession**
 - **Joint venture with Endiama and Rosas & Petalas**
 - **3,000km² concession in Lunda Norte**
 - **Potential for significant discoveries**

Lulo Kimberlite Exploration – why all the excitement?





Alluvial mining at Lulo

- **Nine years of commercial diamond production in Caculo Valley**
- **Frequently recovering high value, large, irregular shaped diamonds**
- **Size and shape matters**
 - Indicator of proximity to source(s) - Large diamonds, drop out early
 - Irregular shaped diamonds, not transported - abrasion generally occurs from tumbling over longer distances
- **Frequency of recovery**
 - ~190k carats recovered to date at ~US\$2,100/ct (US\$2,575/ct @ today's diamond prices)
 - 37 >100 carat diamonds
 - >2,200 Specials (diamonds >10.8 carats)
 - Indicator of potential of the source(s)
 - High frequency of Type 2a diamonds recovered – responsible for large proportion of the diamond value



Type 2a diamonds

CLIPPIR diamonds

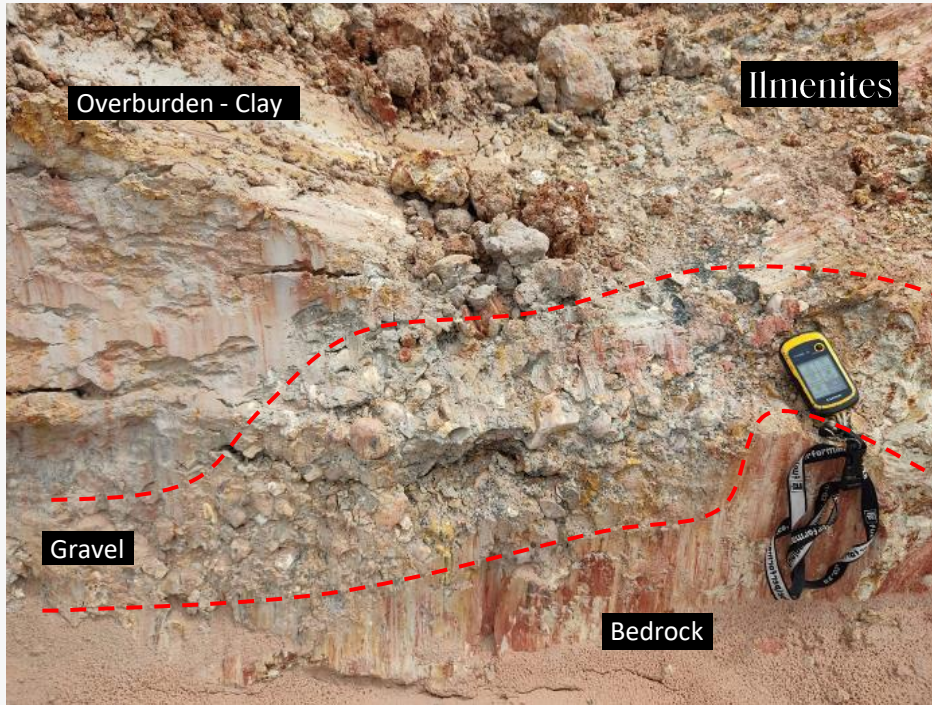
- Cullinan-like,
- Large,
- Inclusion-Poor,
- Pure,
- Irregular, and
- Resorbed

Other notable producers

- Cullinan, South Africa
- Letšeng, Lesotho
- Mothae, Lesotho
- Karowe, Botswana

- Only tiny proportion of world production like these (<1%)
- Most of the largest diamonds ever recovered have either been determined to be Type 2a or possess many characteristics of Type 2a's
- High value and generally lower grade diamond production, but economically significant mines.
- Individual diamonds worth many millions of dollars



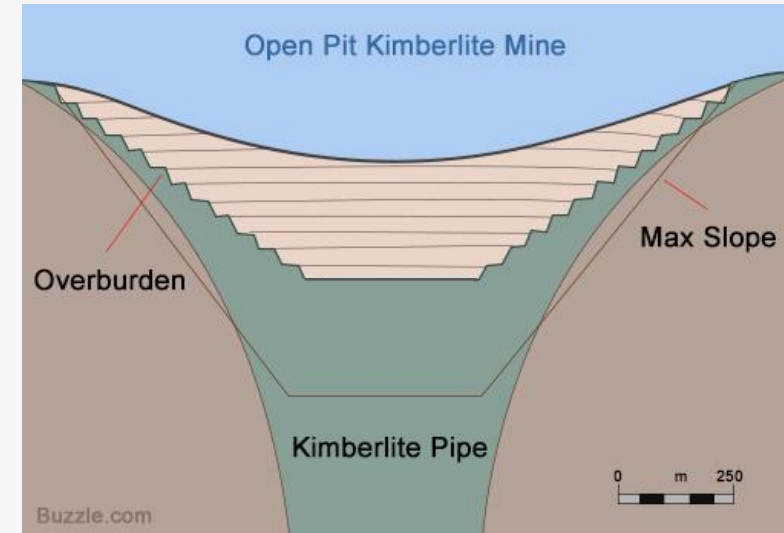
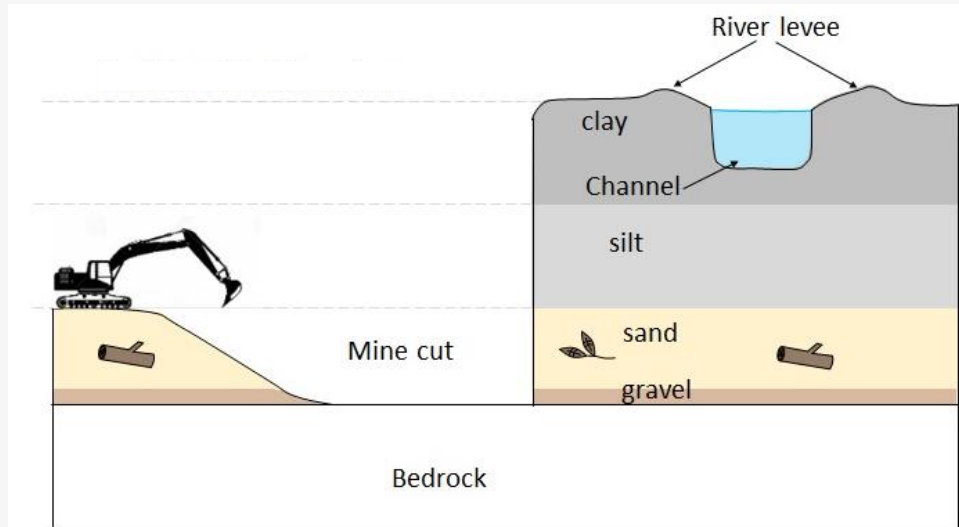


Cacuiilo River- Gravel Deposits

- Gravels occur between 1 and 10m below surface
- 0.1 - 1m thick
- Immature deposit with limited diamond concentration
- Soft bedrock with little topography - limited diamond concentration
- Clasts in gravel indicate local source of the gravel
- Likely most diamonds in system washed through and small proportion remain in gravels that we are mining



Alluvial vs Kimberlite Mining



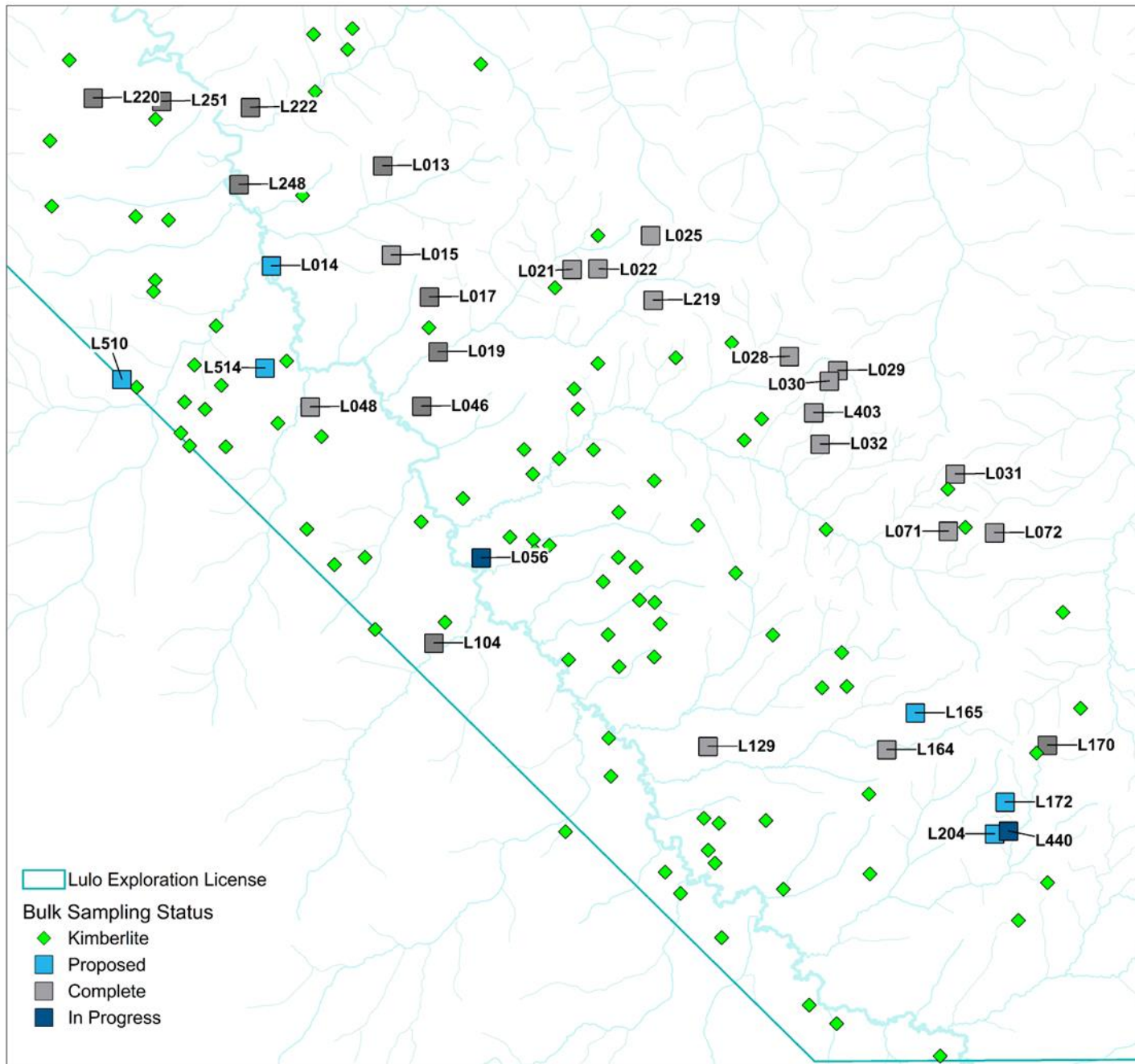
- Near surface - <10m to ore
- Ore is often <1m thick.
- Free dig – no blasting
- Constant removal of overburden to expose ore.
- Variable diamond grades
- Susceptible to seasonal fluctuations of water levels
- Large surface area impacted by mining – requires rehabilitation
- Diamonds are already released from the host rock

- Smaller surface area
- Deep extent:
 - conventional open pit,
 - underground mining
 - long term mine life >20 years
- Limited overburden/waste mining particularly in early stages
- Consistent grade allows long term planning and investment
- Resource defined before commencement
- Rock requires crushing to recover the diamonds

Kimberlite Bulk Sampling

➤ Extremely coarse size distribution seen in the alluvials is likely reflected in the primary sources.

➤ ~2000m³ Average sample size



Kimberlite Bulk Sampling - Exciting



- 13 – Kimberlites proven diamondiferous
- Remarkably coarse average stone sizes
- L164 - 64 diamonds, 82.37 carats, with 2 diamonds >15 carats.
- Type 2a – CLIPPIR diamonds
- Grades in the best pipe (L164) are economically interesting
- Results not enough to explain all the diamonds in the alluvial deposits
- Grades in the rest of the pipes are low.
- We believe - additional larger/richer deposits still to be identified

Next Steps



- Complete the current bulk sampling program
- Review geology information and use to prioritise additional targets
- Additional sampling of L164 to better determine grade distribution and diamond values
- Assess economic potential of L164 and other kimberlites
- Continue making additional kimberlite discoveries

Conclusion



- The results to date show that diamondiferous kimberlites are present
- The diamonds recovered from the samples are similar in type and size distribution to those in the alluvials
- However, the sample results so far do not explain the volume of diamonds recovered from the alluvials
- L164 is interesting but there must be **bigger/richer** pipes left to be sampled that will explain the alluvial diamonds
- This program would not have been possible for a “junior” without the funding from the alluvial mining
- The answer is now closer than ever: we are now at the business end of the project



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