



**LUCAPA**  
DIAMOND COMPANY  
(ASX: LOM)

**A growing diamond producer  
and explorer**

*Mines and Money Conference London  
November 2016*



# Introduction

## A growing diamond producer...

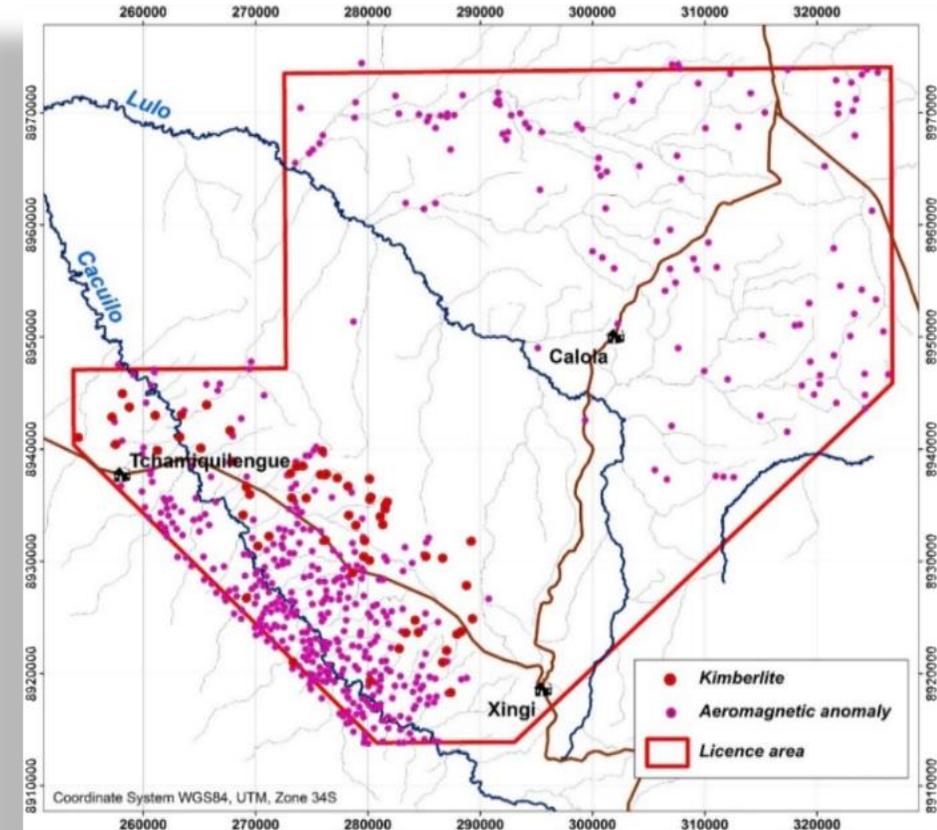
- Historical exploration recovered large size and quality stones
- Developed alluvial mining operations
- Exploration funding strategy in challenging financial climate
- Mining continues to recover exceptional quality diamonds
- Delivering the highest average price per carat of any diamond production in the world in 2016



# Introduction

## And explorer...

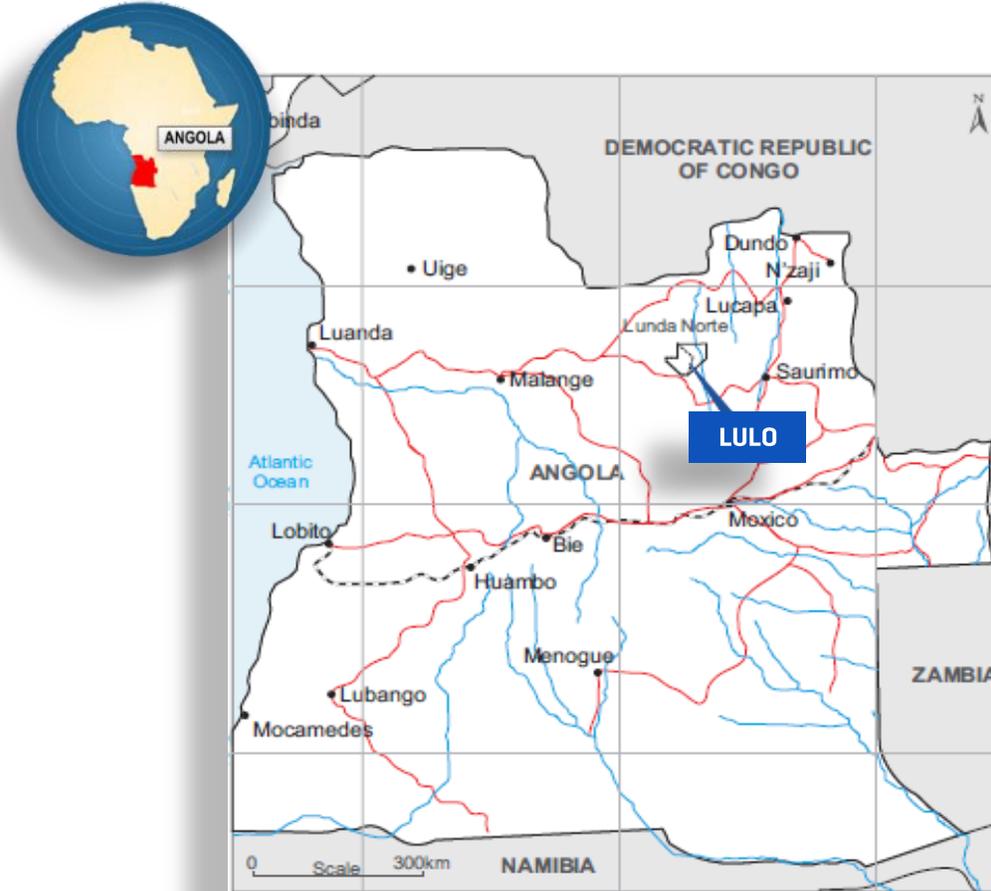
- Advanced exploration at Lulo
  - Significant kimberlite program searching for the source of the high value alluvial diamonds
  - Alluvial resource expansion to extend life of mine
- Early stage kimberlite exploration programs in known diamond areas
  - Australia
  - Botswana



# The Lulo Diamond Project

## Flagship asset...

- 3,000km<sup>2</sup> concession in the diamond heartland of Angola
- The world's 5<sup>th</sup> largest diamond producing nation
- Remains one of Africa's most underdeveloped addresses
- Potential for major diamondiferous kimberlite discoveries
- Promoting international investment through an improved Mining Code
- Former Chair of the Kimberley Process Certification Scheme (2015)



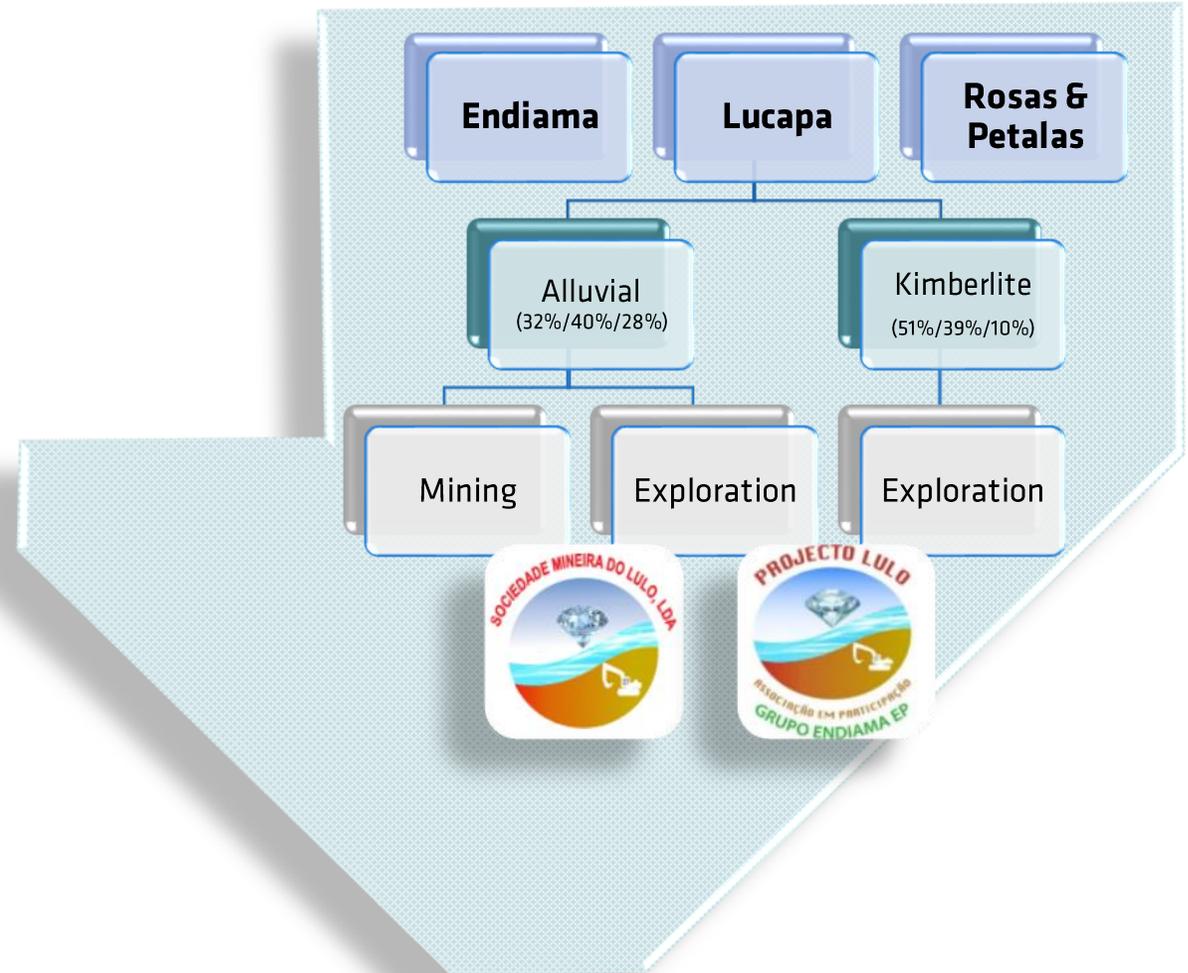
# The Lulo Diamond Project

An enduring partnership since 2008...

- Between



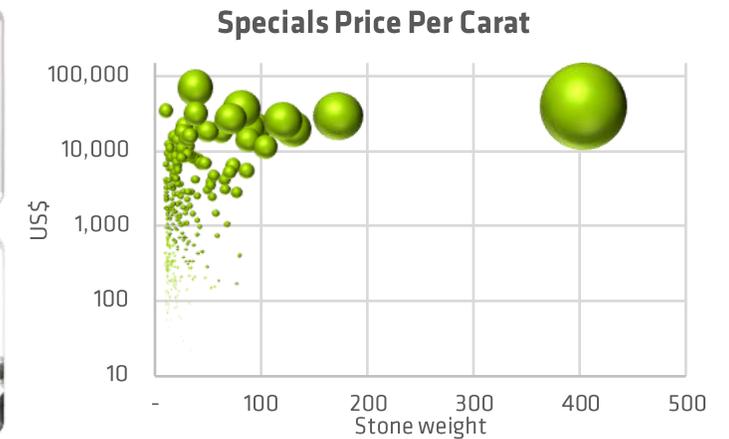
- Endiama is one of the world's biggest diamond producers with ~7% of the global market
- Rosas & Petalas original vendor and local partner
- Lucapa is the operator of
  - Alluvial mining company - Sociedade Mineira Do Lulo ("SML"); and
  - Exploration ventures ("Projecto Lulo")



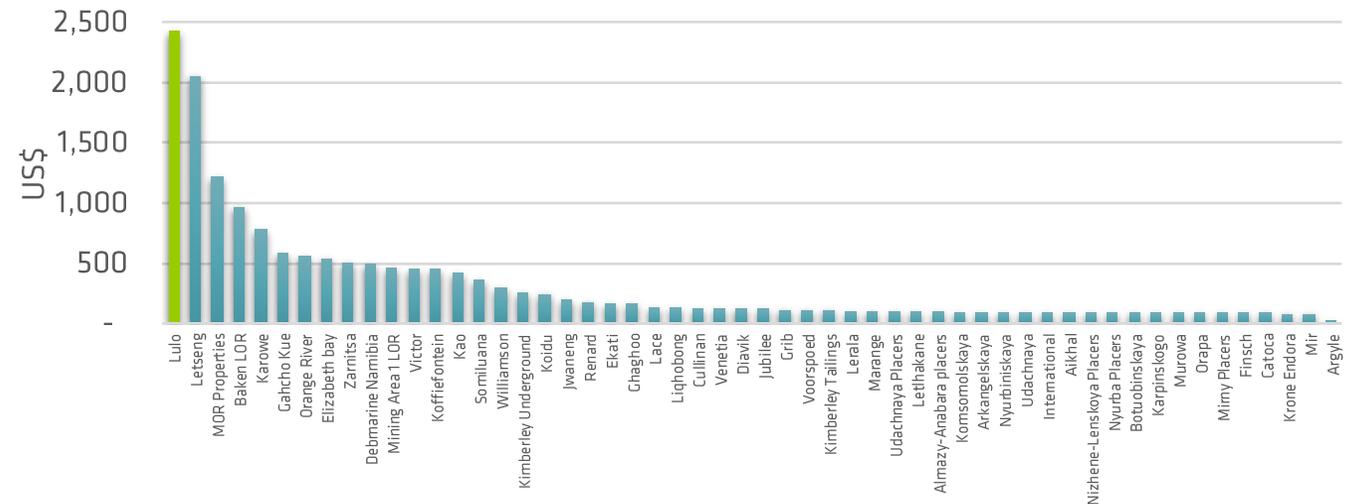
# The Lulo Diamond Project

## Big diamonds...regular production of Specials...

- “Specials” - diamonds >10.8 carats in weight
- Account for ~30% of diamond weight and 90% of total value
- High proportion of top-tier Type IIa diamonds and fancy colours
- Already producing:
  - The 404 carat *4th February Stone* - sold for US\$16 million
  - Five other +100 carat diamonds
  - 39 carat fancy pink
  - Over 30 +50 carat diamonds



Average US\$ Price Per Carat

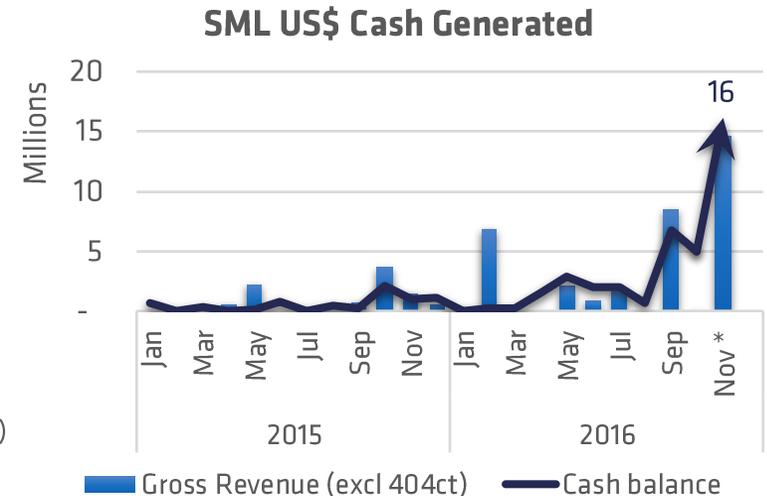
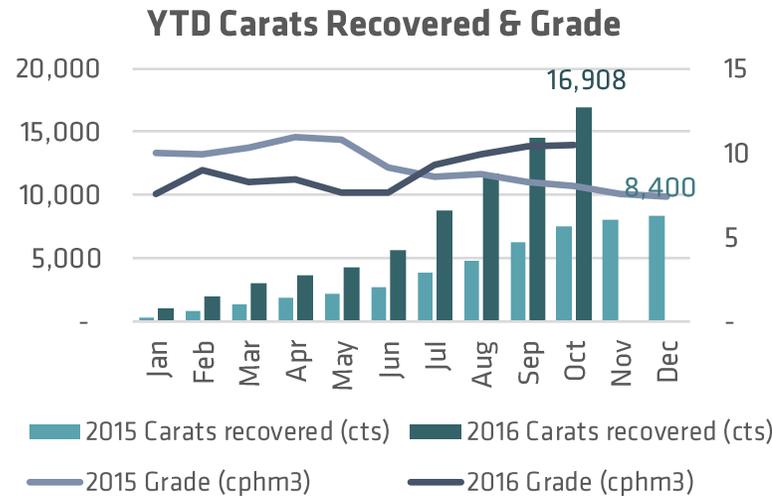
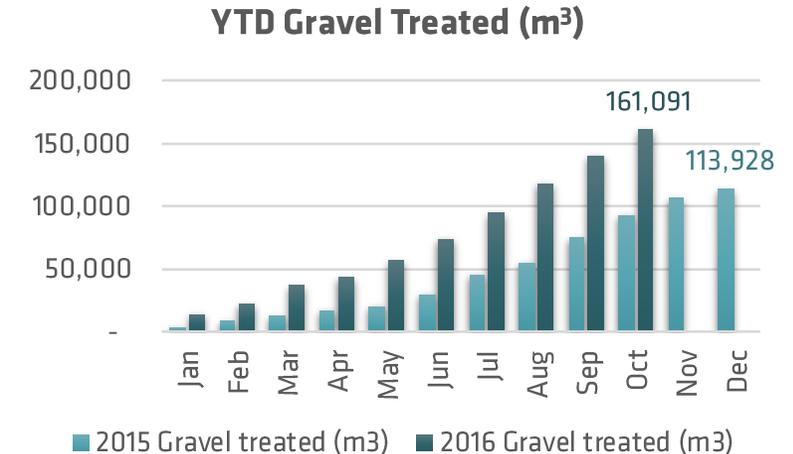
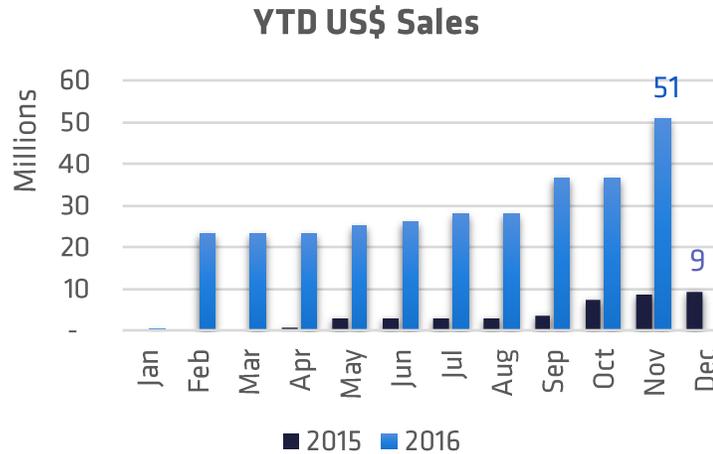


# The Lulo Diamond Project



## Alluvial production growth...

- 2015 (mining commenced)
  - \$9.4 million in sales
  - 8,400 carats produced
  - 113,928 bcm's treated
  
- 2016
  - Fleet and plant investment Resulting in:
    - \$51.0 million in YTD sales
    - 195% increase in average \$ per carat to \$2,983
    - Significant increases in volumes and grades
  - Strong cash generation



# The Lulo Diamond Project

## Recent improvements...new diamond technology and sort house...

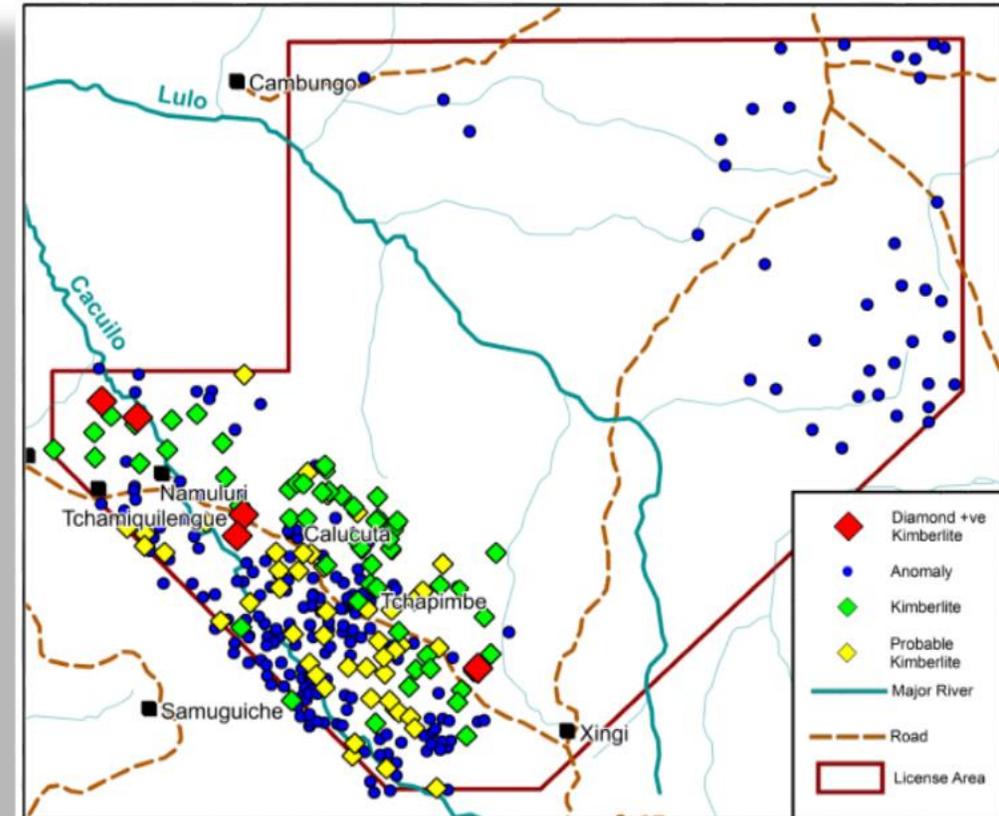
- XRT technology stream
  - Updated/ better technology – identifies carbon 6
  - Improves recovery of low-luminescing high value and Type IIa diamonds
- Larger sizing screens
  - Sort coarse material to process through XRT stream
  - Screens allow for recovery up to 1,100 carats in size
- ~20,000m<sup>3</sup> stockpile of oversize material
- New sort house & deep boiling facility
  - Improved security
  - Antwerp IP/ methodology



# The Lulo Diamond Project

## Kimberlite exploration...

- Extensive exploration programs since 2008
  - > 300 kimberlite targets identified
  - ~ 100 converted to proven or probable kimberlites
  - 5 of 13 tested are diamond-bearing
  - Priority target areas identified beneath richest alluvial source
- Strong weight of evidence pointing to proximal primary source(s)

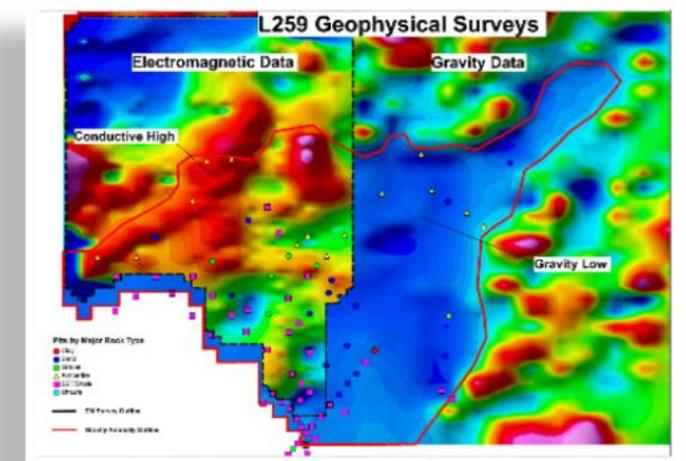


“It appears almost certain that the alluvial diamonds found in the Caculo River valley have been derived from one or more of the local kimberlite sources.” *Diamond expert Manfred Marx, June 2011.*

# The Lulo Diamond Project

## Kimberlite exploration...program stepped up...

- Increased drilling capability
  - Two rigs now on high-priority kimberlite targets
  - Third drill rig capable of drilling to 2,000m being delivered
- Large area airborne EM survey
  - Identify other possible non-magnetic targets and
  - Enhance definition of known targets
- New kimberlite program approved by Lulo partners – funded



# Lucapa Diamond Company

## Growing miner...exceptional diamonds...and upside...

- Alluvial mining
  - Recovering large high-value diamonds
  - Strong cash generation
  - XRT recovery stream set to enhance these cash flows
  - Extending alluvial resource areas
- Kimberlite exploration
  - Advanced funded program being stepped up
  - Drilling high-priority targets
  - 2 rigs on site and 3<sup>rd</sup> on the way
  - Targeting the source of the world's best alluvial diamonds
- Assessing other diamond opportunities



“... Highly prospective kimberlite exploration program which has the potential to confirm the first globally significant diamond discovery in over 25 years.” *Panmure Gordon & Co, The Quarterly Carat*





LUCAPA  
DIAMOND COMPANY

# Appendices



# Corporate Snapshot

## Global Exchanges

Australia (ASX: LOM)                      Germany (FSE: NHY)

## Board and Management

Miles Kennedy (NE Chairman)	Stephen Wetherall (CEO)
Gordon Gilchrist (NE)	Nick Selby (COO)
Albert Thamm (NE)	Johan van Wyk (FM)

## Projects

Lulo Angola (kimberlite and alluvial)	Orapa Area F Botswana (kimberlite)	Brooking Western Australia (kimberlite)
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## Share Information

Current price (cents) <sup>1</sup>	45
52 week price range (cents)	15 – 61
Shares in issue (million) <sup>2</sup>	323
Market capitalisation (A\$ million)	146
Cash balance (A\$ million) <sup>3</sup>	9

<sup>1</sup> As at 23 November 2016

<sup>2</sup> 46.4m listed 20c options in issue expiring Sept 2017 (ASX: LOMOA)

<sup>3</sup> As reported in September 2016 Quarterly Cash Flow Report. Does not include cash held by SML



# The Lulo Diamond Project



## Alluvial growth...physicals and sales...

	Q1 15	Q2 15	Q3 15	Q4 15	FY 15	Q1 16	Q2 16	Q3 16	OCT 16	YTD FY 16	Var YTD 16 to FY 15
<b>Actual Treated m<sup>3</sup> (bulked)</b>	12,912	17,264	44,009	38,402	<b>112,587</b>	37,208	37,031	64,779	20,695	<b>159,712</b>	42%
<b>Actual Carats Recovered</b>	1,335	1,430	3,479	2,151	<b>8,394</b>	3,087	2,581	8,851	2,375	<b>16,895</b>	101%
<b>Actual Grade Recovered (cphm<sup>3</sup>)</b>	10.34	8.28	7.9	5.6	<b>7.5</b>	8.3	7.0	13.7	11.5	<b>10.6</b>	42%
<b>Actual No of Stones Recovered</b>	1,317	1,818	2,896	1,594	<b>7,625</b>	2,259	2,051	4,561	1,063	<b>9,934</b>	30%
<b>Actual Avg Stone Size Recovered</b>	1.01	0.79	1.2	1.3	<b>1.1</b>	1.4	1.3	1.9	2.2	<b>1.7</b>	54%
<b>Number of Specials Recovered</b>	12	3	43	28	<b>86</b>	24	29	137	42	<b>232</b>	170%
<b>Specials Carat Weight</b>	195	96	1,030	764	<b>2,084</b>	1,285	683	3,210	1,018	<b>6,196</b>	197%
<b>Actual Sales (US\$)</b>	-	2,917,510	716,551	5,811,003	<b>9,445,063</b>	23,138,649	3,022,250	10,339,762	14,548,230	<b>51,048,891</b>	440%
<b>Actual Price per Carat (US\$)</b>	-	976	280	1,538	<b>1,013</b>	11,983	1,132	1,319	3,111	<b>2,983</b>	195%
<b>Actual Sales (Carats)</b>	-	2,989	2,559	3,778	<b>9,327</b>	1,931	2,670	7,837	4,677	<b>17,115</b>	84%
<b>Actual Sales (A\$)</b>	-	3,666,929	1,023,644	8,091,593	<b>12,782,166</b>	32,499,916	4,127,454	13,654,897	19,183,603	<b>69,465,870</b>	443%
<b>Actual Price per Carat (A\$)</b>	-	1,227	400	2,141	<b>1,370</b>	16,831	1,546	1,742	4,102	<b>4,059</b>	196%

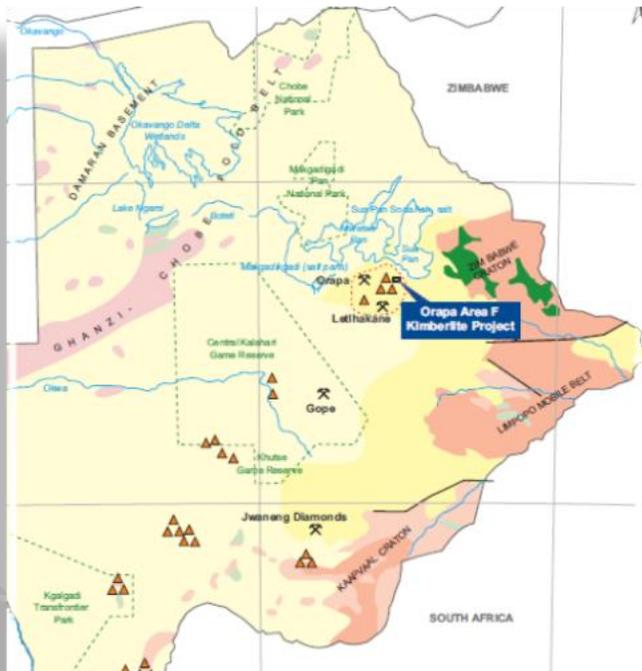


# Other Diamond Projects

Exploration projects secured to position Lucapa for global growth...

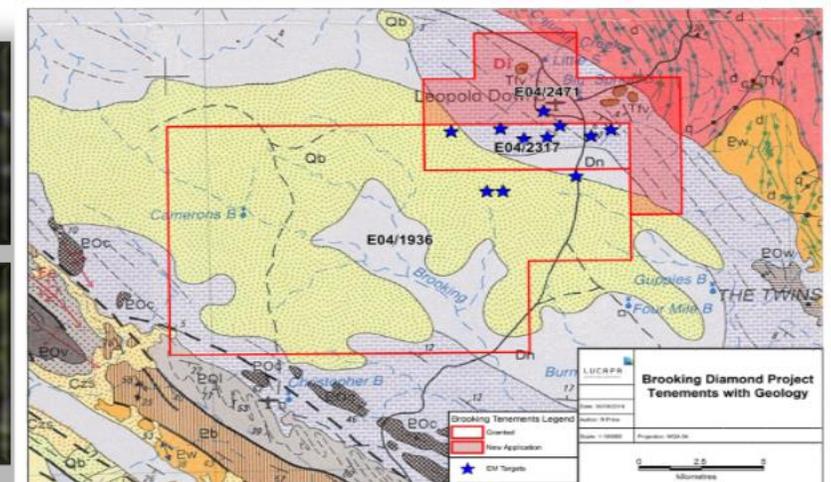
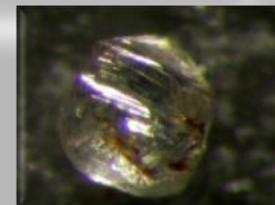
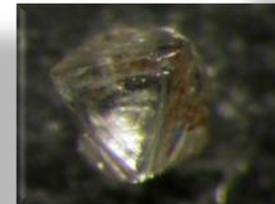
## Botswana

- Orapa Area F licence within ~40km of the Orapa diamond field in Botswana
- 3 specific targets
- Preliminary results pending



## Australia

- Brooking within ~40km of the Ellendale diamond mine, which once produced >50% of the world's fancy yellow gems
- Micro and macro diamonds recovered in first phase exploration program
- 11 targets identified for follow up



# Forward-Looking & Competent Person's Statements



## Forward-Looking Statements

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## No New Information

To the extent that this presentation contains references to prior exploration results which have been included in previous ASX 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 prior relevant market announcements.

## Competent Person's Statement

Information in this Presentation that relates to exploration targets, exploration results, mineral resources or ore reserves is based on and fairly represents information and supporting documentation prepared and compiled by Mr Albert Thamm who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Thamm is a Director of Lucapa Diamond Company Limited. Mr Thamm has sufficient experience which is relevant to the style of mineralisation and type of deposit 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 Thamm consents to the inclusion in this Presentation of the matters based on this information in the form and context in which it appears.