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## **MINING INDABA 2019 PRESENTATION**

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Lucapa Diamond Company Limited (**ASX: LOM**) (“Lucapa” or “the Company”) is pleased to provide the attached Company presentation for the Mining Indaba 2019 conference in Cape Town, South Africa, which commences today.

The presentation highlights Lucapa’s continued growth in the large and premium-value diamond sector, the continued strength of which was underlined by the US\$16.7 million sale of a parcel of seven Specials from the Lulo mine in the historic first international diamond tender completed under Angola’s new diamond marketing regulations. These diamonds achieved an exceptional average price per carat of US\$33,530 (Refer ASX announcement 1 February 2019).

Lucapa plans to increase production at Lulo and has commenced commercial production at the new Mothae kimberlite mine in Lesotho.

At Lulo, Lucapa and its partners plan to scale up the alluvial mining operations in mid-2019 by expanding the mining fleet and introducing an additional shift on the diamond treatment plant. This will see Lulo treat material 24 hours a day/7 days a week.

This expansion is expected to be internally funded from operations at Lulo mining company *Sociedade Mineira Do Lulo* (“SML”), which recently declared an US\$8 million loan repayment and distribution to Lucapa and its partners (Refer ASX announcement 24 December 2018).

As has been flagged in the Indaba presentation, Lucapa will provide updated guidance for the Mothae mine in respect of volume, grade and price in early Q2 2019 after the first quarter of commercial mining operations.

As has been evident through the successful commissioning and ramp-up phases, the 1.1Mtpa Mothae plant has recovered diamonds at grades in excess of the JORC resource grades, primarily we believe as a result of better efficiencies in the new plant driving increased liberation of diamonds.

In addition to the Indaba presentation, Lucapa has also released a new video of the Company’s mining and exploration activities on its website at [www.lucapa.com.au](http://www.lucapa.com.au)

For and on behalf of the Lucapa Board.

**STEPHEN WETHERALL**  
**MANAGING DIRECTOR**



**LUCAPA**  
DIAMOND COMPANY

# **Lucapa Diamond Company Limited**

## ***Growing production of top-quality diamonds***

***Mining Indaba – Cape Town 2019***



# Corporate snapshot



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

Share price (A\$ cents)	19.5c
Shares on issue (million)	472
Market capitalisation	A\$92m
52-week share price range	16.5c – 31.5c
Group cash (31 December 2018) <sup>1</sup>	US\$8.2m
Debt <sup>2</sup>	US\$21m

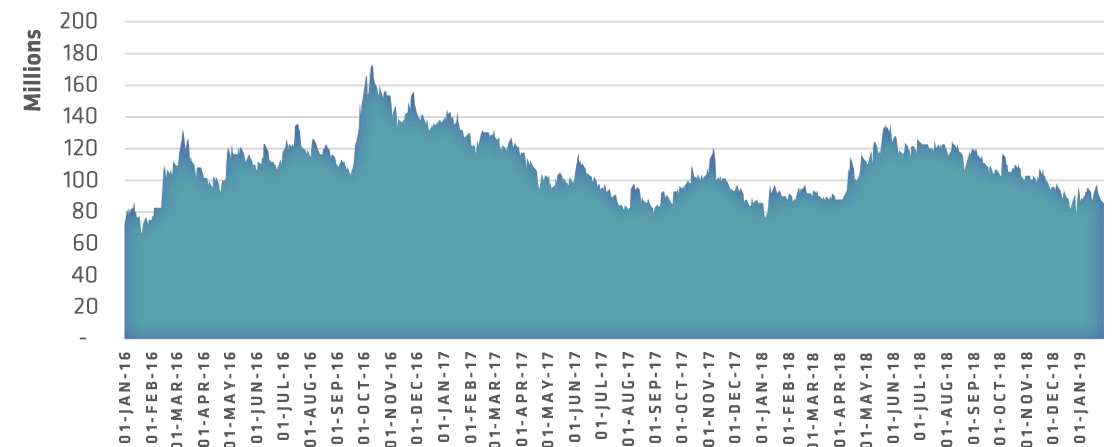
<sup>1</sup> Excludes US\$5m cash held by Lulo mining company SML and high-value diamond inventories (Lulo 1,935 carats; Mothae 3,089 carats)

<sup>2</sup> Includes US\$13m Equigold facility and US\$7m Mothae development facility with Industrial Development Corp of South Africa

## Share Register

Largest shareholder (Tazga Two)	8.7%
Director and management holding	~12%
Institutional holding	~5%

## LUCAPA MARKET CAP- A\$



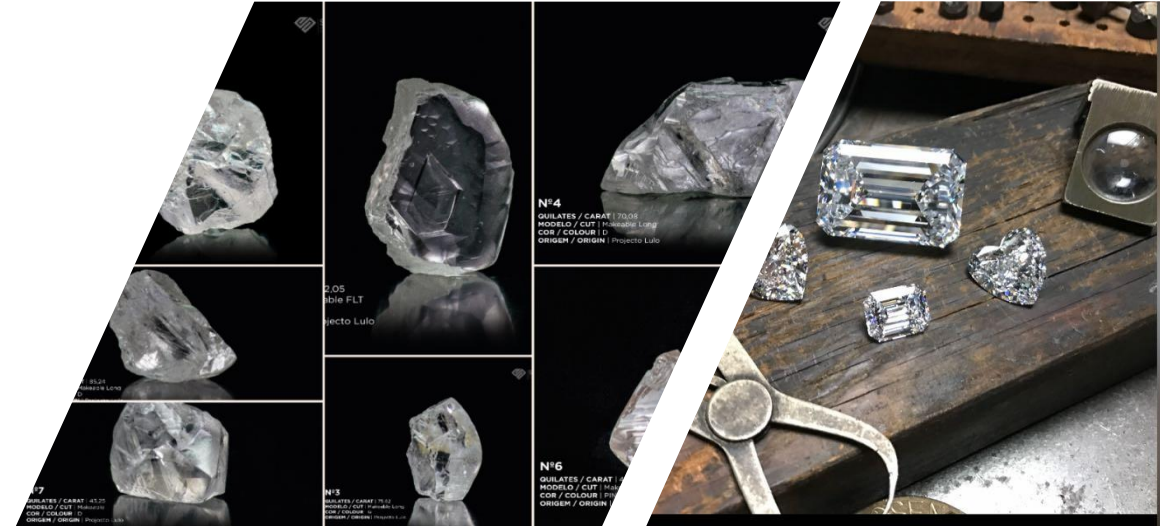
# The diamond team



<b>Stephen Wetherall</b> Managing Director/ Chief Executive Officer	A qualified chartered accountant with 20+ years' experience in financial and operational management, corporate transactions and strategic planning. Held senior financial/ executive roles with De Beers and Gem Diamonds, where he developed their marketing and manufacturing arms and gained an enviable understanding of the diamond industry right through to retail. At Gem, Stephen served as a director of Letšeng Diamonds and gained a valuable understanding of the mining sector in Lesotho.
<b>Nick Selby</b> Executive Director/ Chief Operating Officer	An extraction metallurgist with 35 years' experience. Began his career with De Beers, where he spent 19 years in a range of technical roles. Joined Gem Diamonds in 2005 as group metallurgist, responsible for providing assurance on the metallurgical process and expansion planning at Letšeng. Was also responsible for establishing diamond projects in Angola, Australia, the DRC, the Central African Republic, Indonesia and Botswana.
<b>Neil Kaner</b> Chief Technical Officer	A qualified mining engineer with 35+ years of operational, corporate and consulting experience, predominantly in diamonds and base metals in Africa, Asia and Australia. Has extensive operating experience in Lesotho and was the Consulting Mining Engineer at Letšeng Mine. A JORC Competent Person for diamond reserves.
<b>Richard Price</b> Group Exploration Manager	A geologist with ~30 years' experience in diamond exploration, diamond evaluation projects and diamond mine production in Australia and southern Africa. Spent 20+ years with De Beers and held a variety of exploration and mining roles, including Geological Evaluation Projects Manager at the Jwaneng mine in Botswana. Also led the exploration team responsible for the discovery of the Marange diamond deposits in Zimbabwe. A member of the AusIMM.
<b>Miles Kennedy</b> Non-Executive Chairman	Has held directorships of Australian listed resource companies for 30+ years. Was a founder and former Chairman of the original Kimberley Diamond Co, which developed the Ellendale diamond mine in Western Australia, which became the world's biggest producer of fancy yellow diamonds before being taken over by London-listed Gem Diamonds.
<b>Ross Stanley</b> Non-Executive Director	Ross is the largest shareholder in Lucapa and is a well-respected mining executive with extensive experience both in Australian and African mining enterprises. Formerly the majority shareholder and Managing Director of ASX listed Stanley Mining Services prior to its merger with Layne Christensen in 1997. Stanley Mining was the dominant drill services provider in Ghana in the 1990's. Also served as a non- executive director of Equigold NL.

# The Lucapa growth story

- ❑ **2018 Production and development**
  - ❑ **High-value diamond production**
    - ❑ Lulo, Angola - world's highest US\$ per carat alluvial mine now in 5<sup>th</sup> year of production
  - ❑ **Development of second high-value mine**
    - ❑ Mothae, Lesotho - successful construction and commissioning of high-value kimberlite mine
- ❑ **2019 Growth pathway**
  - ❑ **Lulo** - production expansion in mid 2019
  - ❑ **Mothae** - first year of production in 2019
  - ❑ **Downstream integration** - Accreting margins beyond mine gate
- ❑ **Exploration upside**
  - ❑ **Source exploration programs being advanced in Angola, Australia and Botswana**
    - ❑ 68 kimberlites confirmed to date at Lulo in current drilling campaign
    - ❑ Diamondiferous lamproite discovered at Brooking

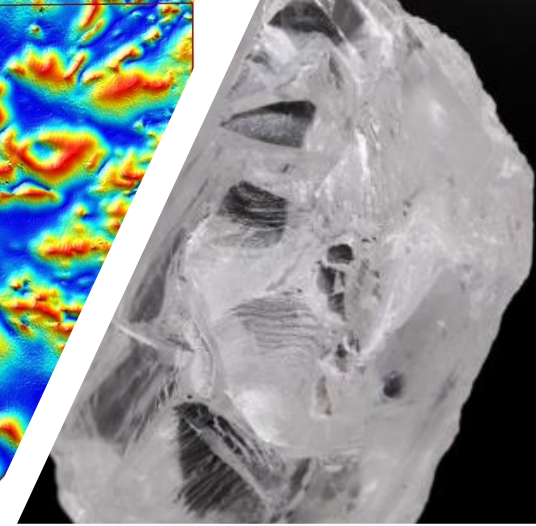
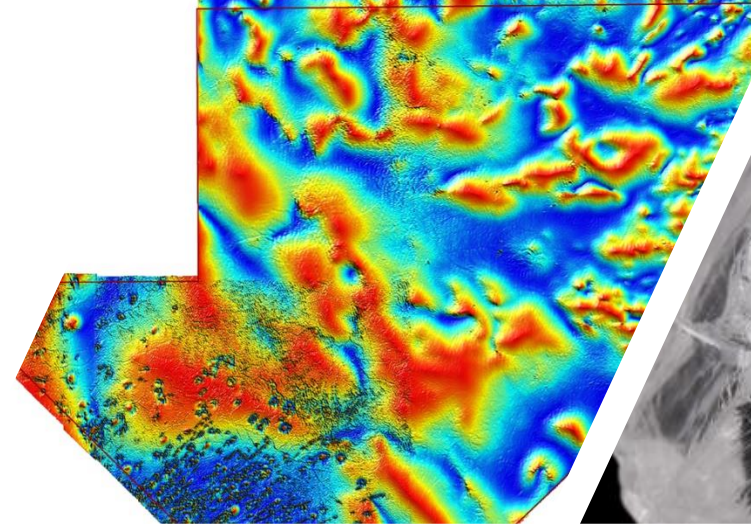




# Lulo, Angola

# An exceptional diamond field

- ❑ **3,000km<sup>2</sup> concession in Angola's Lunda Norte diamond province**
- ❑ **Partnership with Endiama (state diamond mining company) and Rosas & Petalas (local Angolan partner)**
- ❑ **Two licences on the concession – primary and secondary deposits**
- ❑ **Mining licence - alluvial**
  - ❑ Now in 5<sup>th</sup> year of production
  - ❑ World's best alluvial diamonds
- ❑ **Kimberlite licence - exploration**
  - ❑ >300 kimberlites and kimberlite anomalies identified proximal to Caculo River valley alluvial
  - ❑ Five-year licence extension to April 2023



# Consistent growth in production

## ❑ Production growth

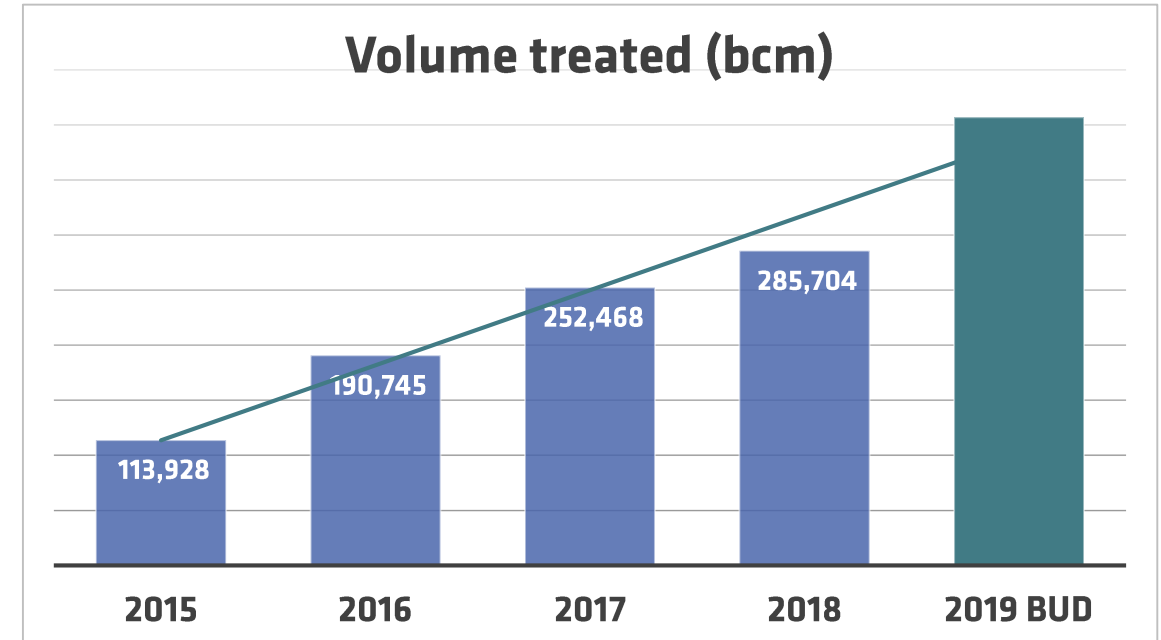
- ❑ 2015 – commenced production
- ❑ 2016 – +67% bcm
- ❑ 2017 – +32% bcm
- ❑ 2018 – +13% bcm

## ❑ World's best alluvial diamonds

- ❑ US\$141m sales @ >US\$2,100/carat
- ❑ 11 +100 carat diamonds incl. Angola's two largest – 404 and 227 carats
- ❑ ~800 Specials (>10.8 carats) to date

## ❑ Consistent returns to stakeholders:

- ❑ Distributions to partners and loan repayments to Lucapa for three straight years



## ❑ Forecasting >25% volume increase in 2019

- ❑ Implement third shift at treatment plant
- ❑ Expand and upgrade mining fleet
- ❑ Dedicated alluvial exploration-only fleet





Nº1

QUILATES / CARAT | 114,94  
MODELO / CUT | Makeable Long  
COR / COLOUR | D  
ORIGEM / ORIGIN | Projecto Lulo

Nº2

QUILATES / CARAT | 85,24  
MODELO / CUT | Makeable Long  
COR / COLOUR | D  
ORIGEM / ORIGIN | Projecto Lulo

Nº3

QUILATES / CARAT | 46,77  
MODELO / CUT | Makeable  
COR / COLOUR | PINK BR  
ORIGEM / ORIGIN | Projecto Lulo

Nº4

QUILATES / CARAT | 70,08  
MODELO / CUT | Makeable Long  
COR / COLOUR | D  
ORIGEM / ORIGIN | Projecto Lulo

## Government reforms signal positive new era for Angola's diamond sector

- Leading to historic Angolan tender of seven exceptional Lulo diamonds recovered in 2018
- >30 international diamantaires participated in inaugural tender
- Diamonds sold for US\$16.7m
- Average price of US\$33,530/carat

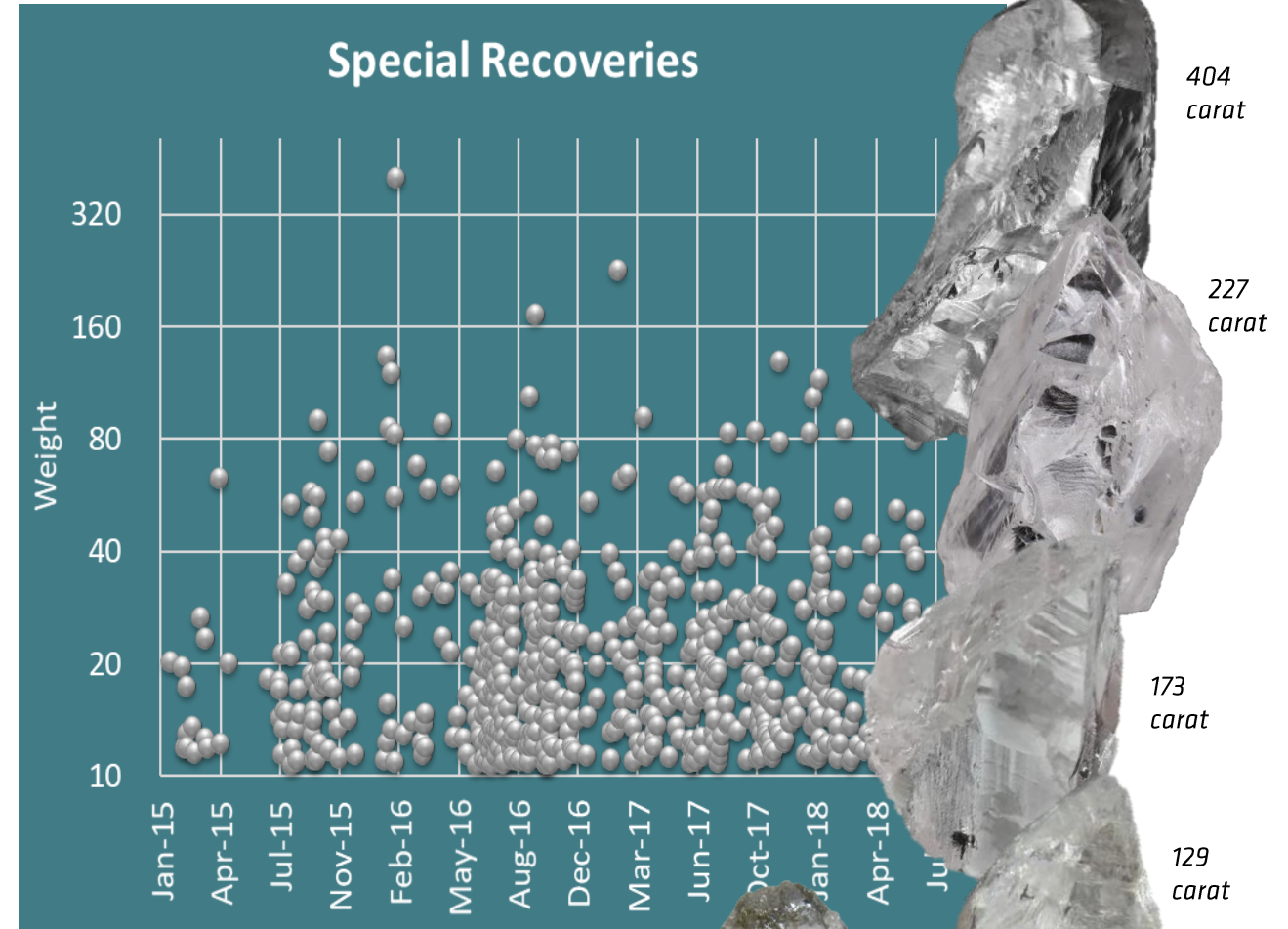


QUILATES / CARAT | 62,05  
MODELO / CUT | Makeable FLT  
COR / COLOUR | D  
ORIGEM / ORIGIN | Projecto Lulo

QUILATES / CARAT | 75,62  
MODELO / CUT | Makeable Long  
COR / COLOUR | G  
ORIGEM / ORIGIN | Projecto Lulo

# Continuous source exploration

- ❑ Aim is to locate primary source(s) of the exceptional alluvial diamonds
- ❑ Large, irregular shaped alluvial diamonds – with little to no signs of travel – frequent recovery and considered proximal to source
- ❑ Large number of kimberlite targets identified proximal to alluvial fields
- ❑ Year-round exploration program
  - ❑ Current drilling campaign extracting core for mineral chemistry analysis
  - ❑ 92 anomalies drilled; 68 confirmed as kimberlite
  - ❑ 11 kimberlites identified for follow-up
  - ❑ 6 diamond-bearing kimberlites confirmed



Source: Company



# Mothae, Lesotho



# Second high-quality mine

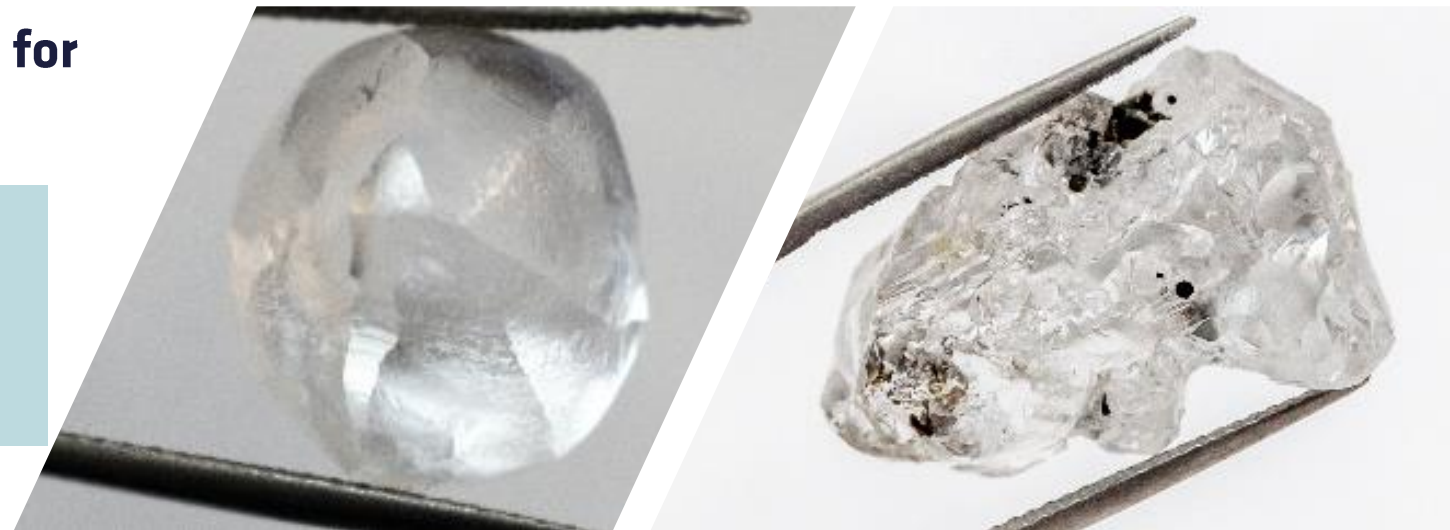
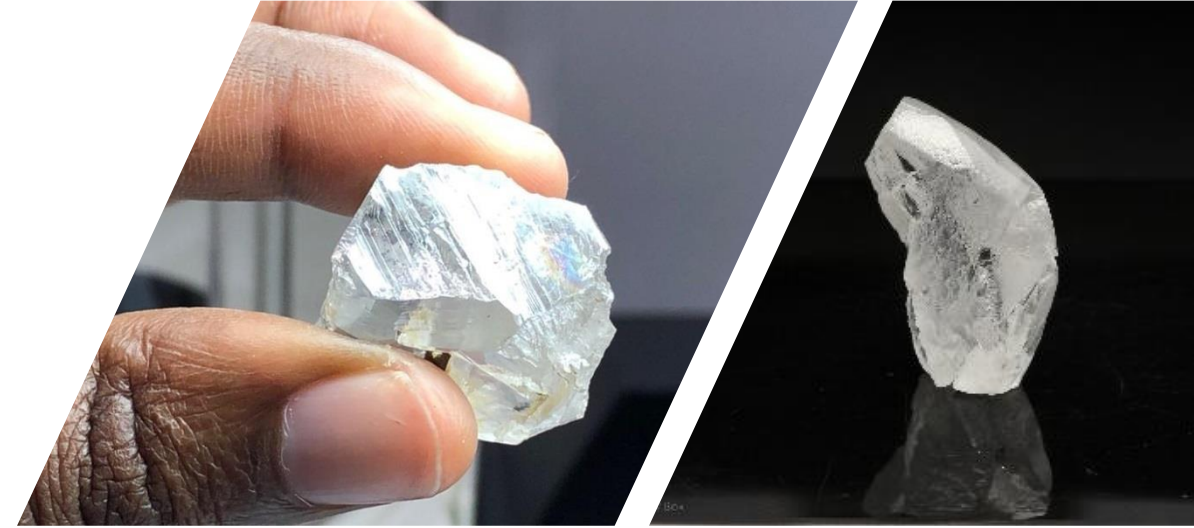
- ❑ **Acquired 70% of Mothae in 2017**
- ❑ **Neighbours Letšeng mine in Lesotho's diamond-rich Maloti mountains**
- ❑ **+1m carat JORC high-value resource \***
- ❑ **Fully financed – debt/equity**
- ❑ **Phase 1 construction completed 2018**
- ❑ **1.1Mtpa plant commissioned Q4 2018 incorporating two XRT large diamond recovery circuits**
- ❑ **Targeting ~US\$30m revenue per annum under Phase 1**
- ❑ **Scalable to 2.2Mtpa under Phase 2 (H2 2021)**

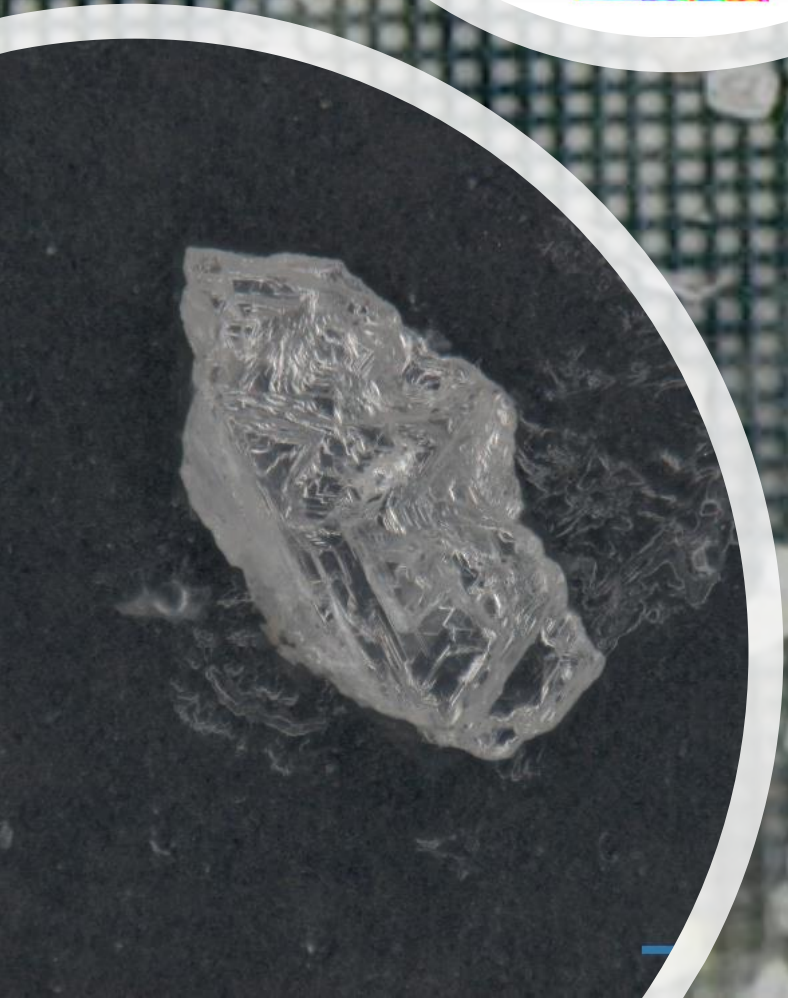
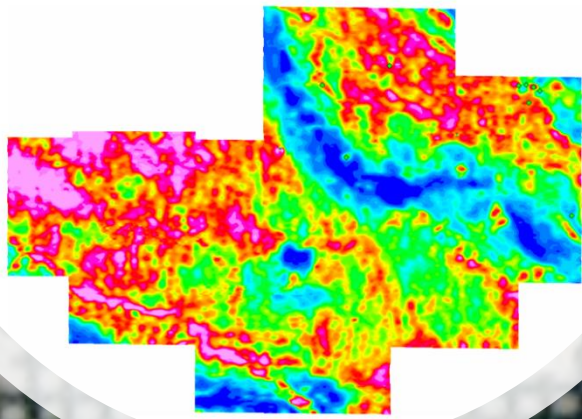
*\* Refer ASX announcement dated 24 March 2017. All material assumptions continue to apply and have not materially changed.*



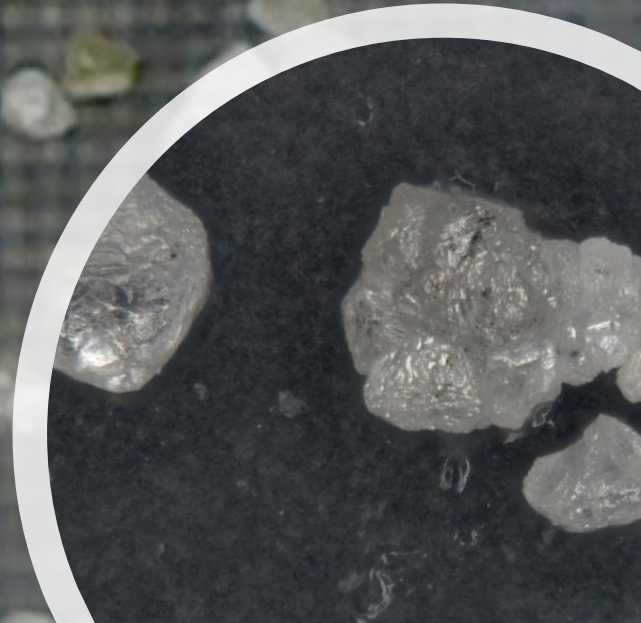
# Pre and post commissioning results

- ❑ **Very positive results from new plant**
  - ❑ **Plant efficiencies leading to better diamond liberation**
  - ❑ **Actual grade recovered in excess of resource grade**
  - ❑ **Specials being recovered regularly including top/high colour whites weighing 78 carats and 38 carats and an 89 carat yellow**
  - ❑ **First run of mine sale in Antwerp planned for February 2019**
- ❑ **Revised guidance early Q2 2019**
    - ❑ Volume, grade and price
    - ❑ Cash flow model



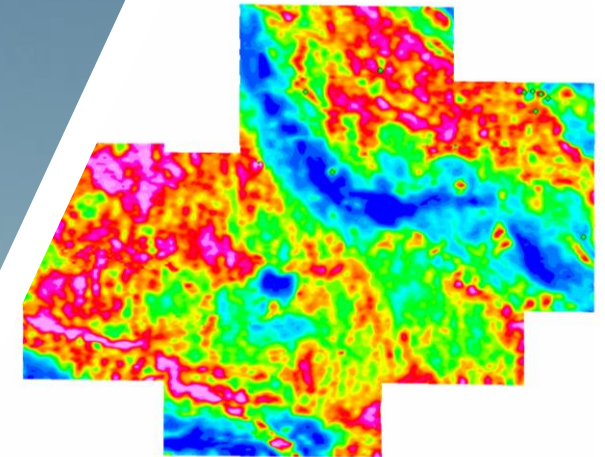
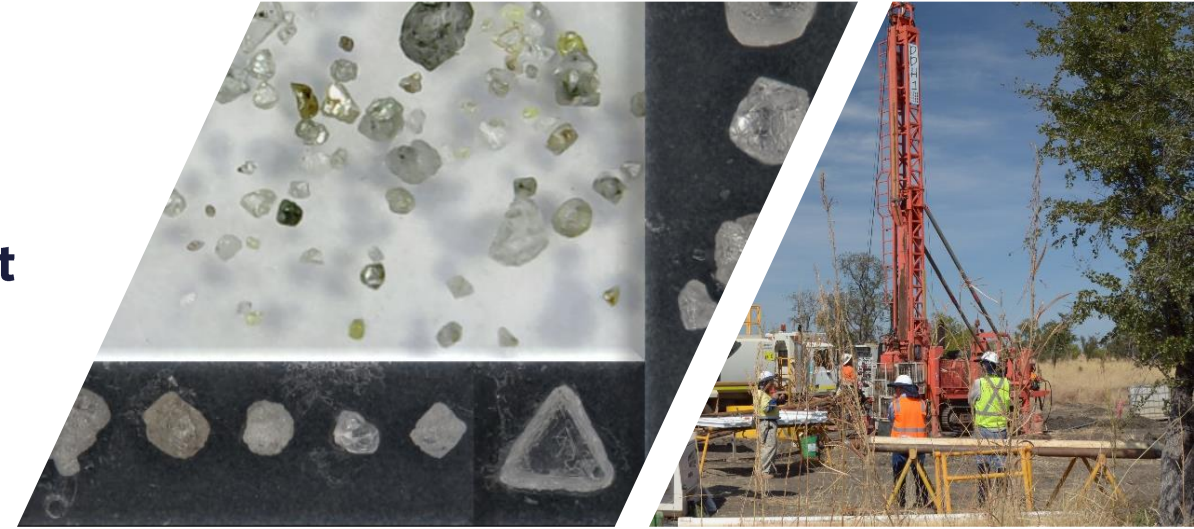


# Brooking, Western Australia



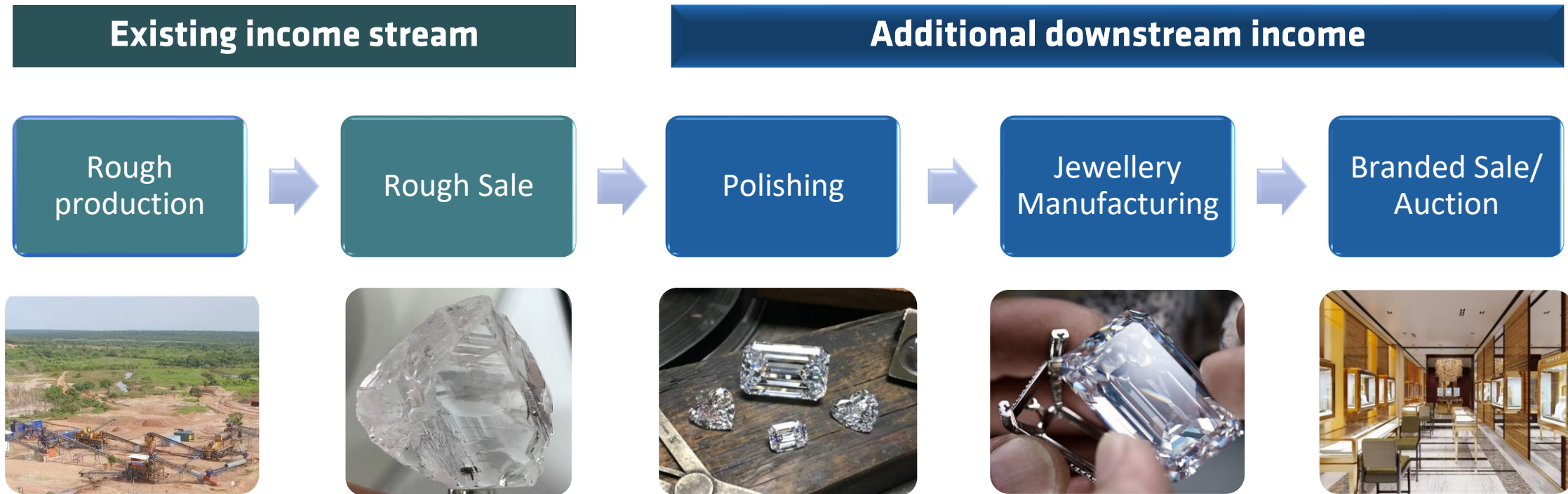
# Brooking diamond discovery

- ❑ **The Kimberley, Western Australia**
- ❑ **On the doorstep of the Ellendale mine, which produced >50% of world's fancy yellow diamonds**
- ❑ **Spectacular diamond results from two holes drilled at Little Spring Creek ("LSC") – 1,219 micro and macro diamonds from 265kg of core samples**
- ❑ **Diamond results pending from ~100 tonne bulk sample of LSC lamproite material**



# Attracting additional revenues

- ❑ From large high-end production
- ❑ Partnered cutting and polishing, branding and marketing
- ❑ Accrete additional value beyond the mine gate



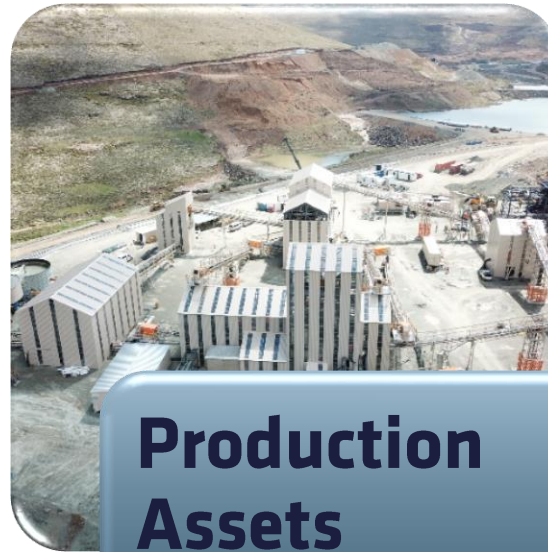


# Growing producer of top-quality diamonds





## Exploration Assets

-  Lulo
-  Brooking
-  Orapa



## Production Assets

-  Lulo (alluvial)
-  Mothae (kimberlite)



## Multi Mine Company

- High-end production from two mines
- Growth & polishing integration in 2019
- Significant source discovery potential

# Forward-Looking & Competent Person's Statements



## Forward-Looking Statements

This Presentation has been prepared by Lucapa Diamond Company Limited (“the Company”). This document contains background information about Lucapa Diamond Company Limited 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 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 included in this presentation that relates to exploration results and resource estimates is based on and fairly represents information and supporting documentation prepared and compiled by Richard Price MAusIMM who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Price is an employee of Lucapa Diamond Company Limited. 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.