



Fast Growing Diamond Miner & Explorer:

Closing in on the Kimberlite Source

AGM Presentation – May 2016



Corporate Snapshot



Global Exchanges

Australia (ASX: LOM)	Germany (FSE: NHY)
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Board and Management

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

Projects

Lulo – Angola (kimberlite and alluvial)	Orapa Area F – Botswana (kimberlite)
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2016 Select Lulo Diamond Recoveries

133 carat – Jan	404 carat – Feb	60 carat – May
120 carat – Jan	68 carat – March	35 carat – May
86 carat – Jan	59 carat – April	21 carat – May
82 carat – Feb	88 carat – April	14 carat – May (fancy yellow)

Strong Cash Position

Q1 16 – Lulo Sales totalling A\$32.5m
 – Special distribution of A\$8.3m received by LOM

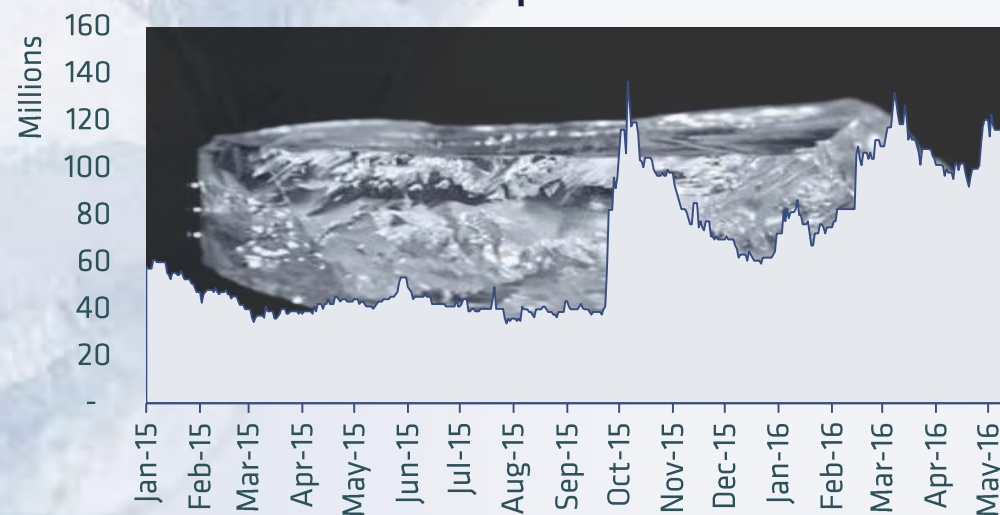
Q2 16 – Sales to date of A\$2.9m
 – LOMOB Option conversions of A\$16.2m received by LOM

Share Information

Current price (cents)	35
52 week price range (cents)	15 - 61
Shares in issue (million)	323
Market capitalisation (A\$ million)	113
Cash balance (A\$ million) ¹	>20m

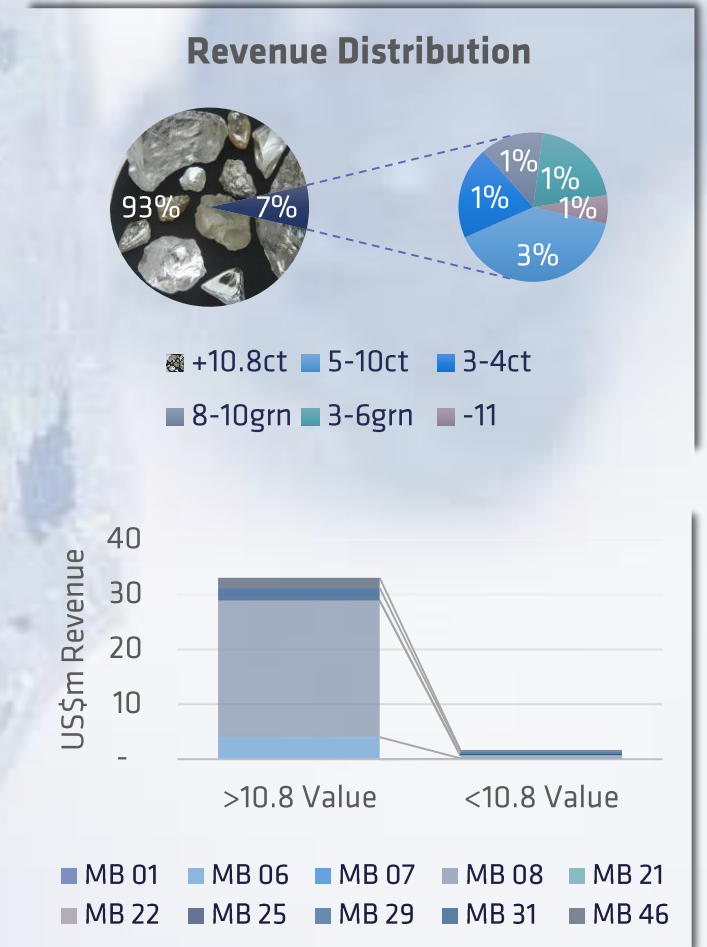
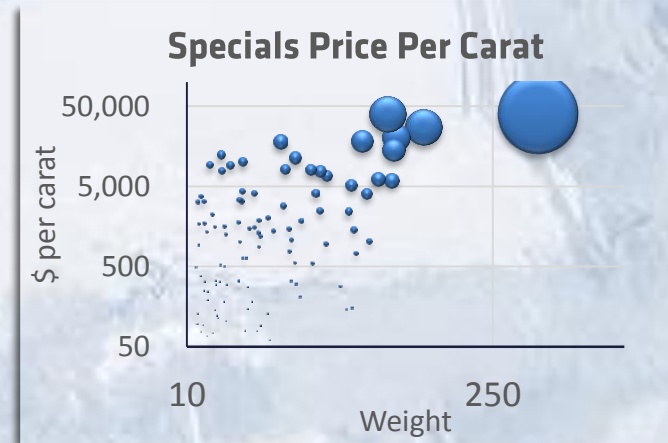
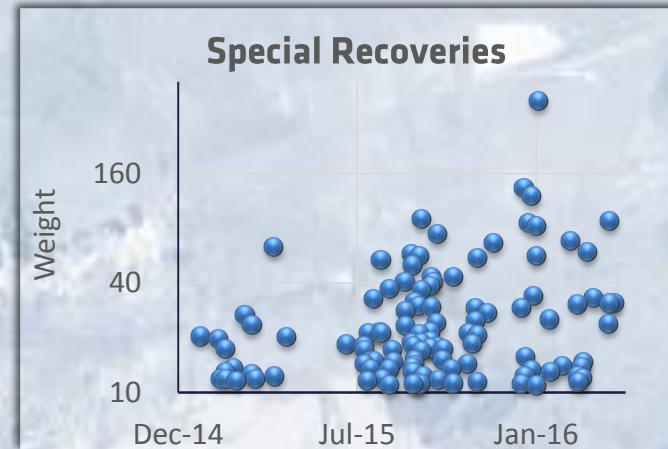
¹ As announced on 4 May 2016 post exercising of LOMOB options

Market Capitalisation



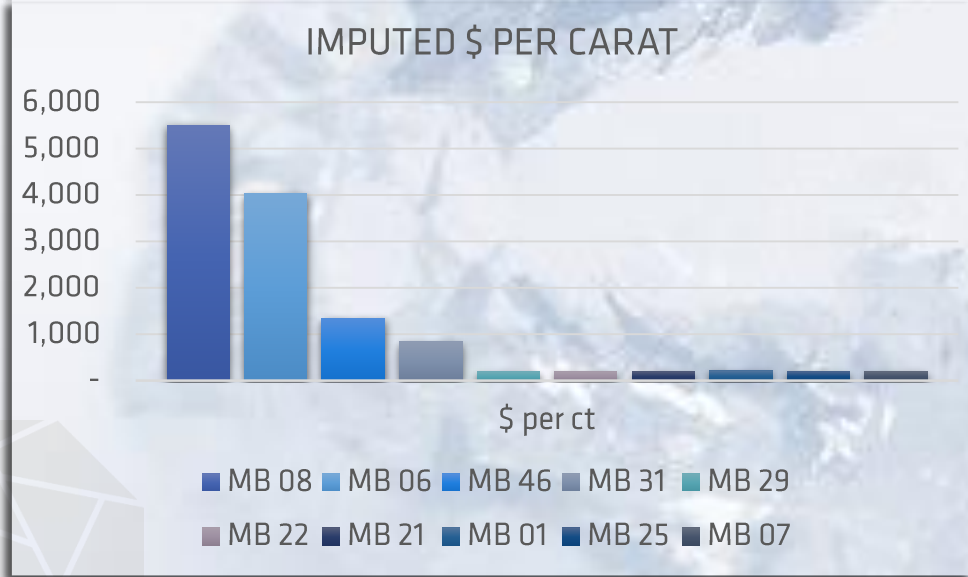
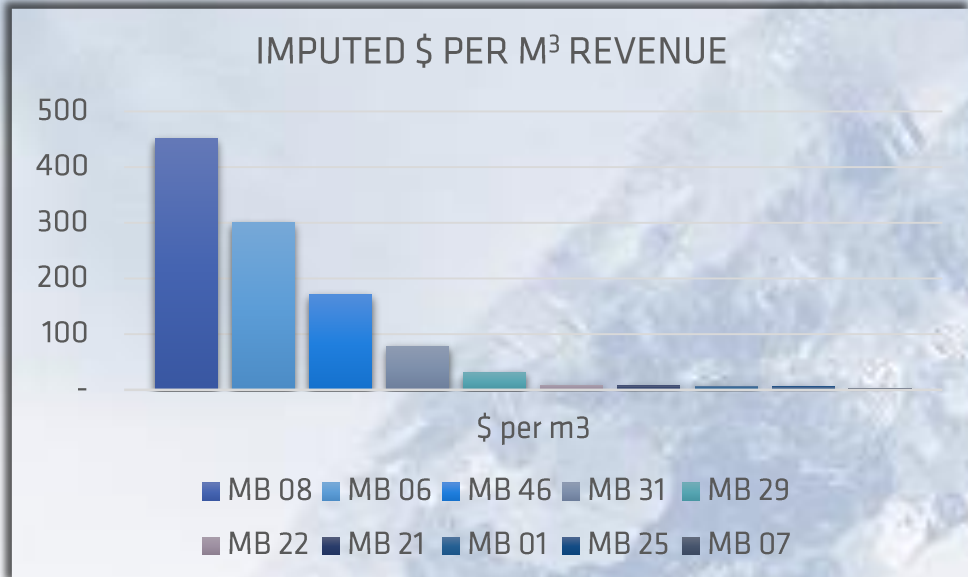
Lulo – Special Diamond Resource

- Significant population of large “Special” diamonds (>10.8 carats)
- Type IIa diamonds
- High gem-quality white production and fancy coloured diamonds
- Large average stone size > 1.0 carats per stone (1.5mm Bottom Cut Off Screen)
- US\$40.3 million in diamond sales @ average price of US\$2,881 per carat
- Repeatable recoveries in 3 significant areas
- Continued strong global market demand for high end and investment quality diamonds



The source of these exceptional diamonds would be a world class mine

Focused Mining - Lulo "Jewellery Boxes"



133ct



120ct



86ct



29ct



16ct



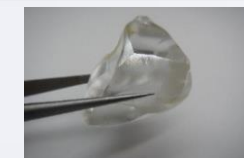
404ct



131ct



90ct



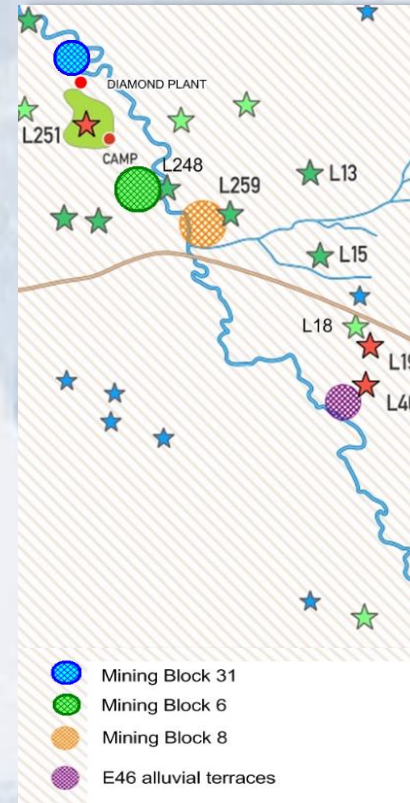
82ct



75ct

E46 - Another Source of Special Diamonds

- Trial mining campaign at E46 planned to:
 - Confirm estimates from the limited historical sampling (note: no Specials were recovered in historical sampling)
 - E46 is a material part of future life of mine located 18km from the current plant
 - Inform scenario planning for expansion - hauling fleet vs second plant
- Timing of campaign was fleet and access dependent
- Results:
 - Large white and fancy pink and yellow diamonds recovered in trial mining campaign
 - 18 Specials incl. 88cts, 68cts, 60cts, 59cts, 35cts, 33cts, 31ct, 2 x 30cts, 25cts, 24cts and 21cts
 - Average stone size
 - Specials - 32.5 carats per stone
 - Overall - 1.4 carats per stone
- Kimberlite exploration impact - Another Source? Diamond-bearing L46 and surrounding kimberlites elevated as priority drilling targets



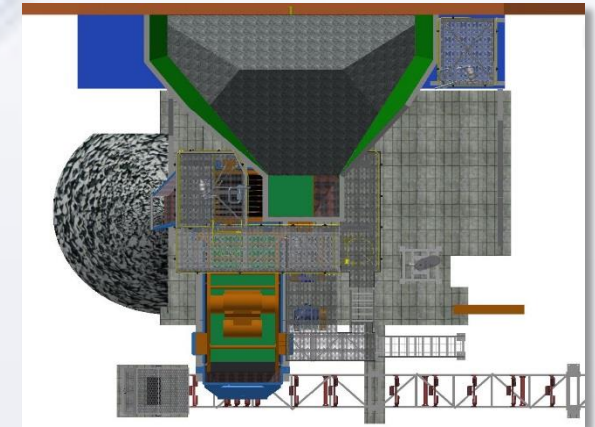
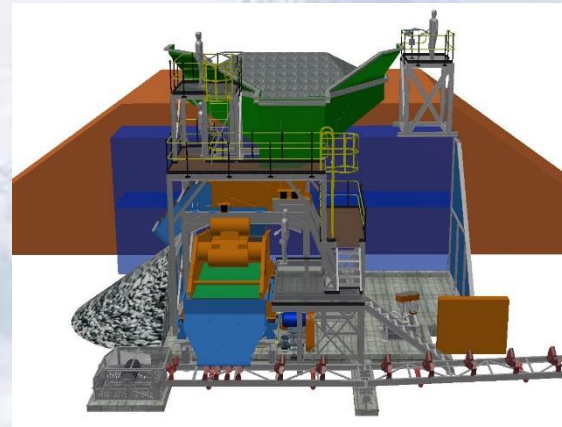
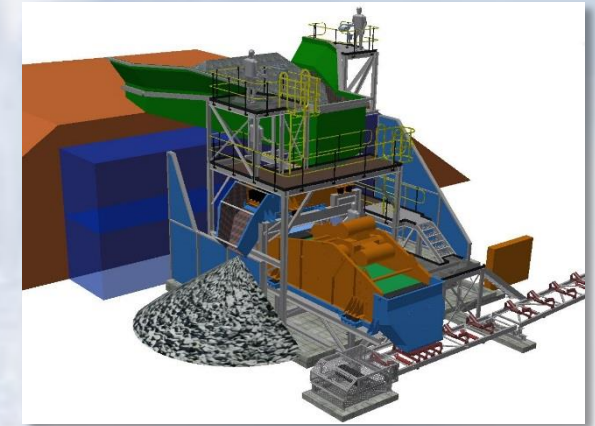
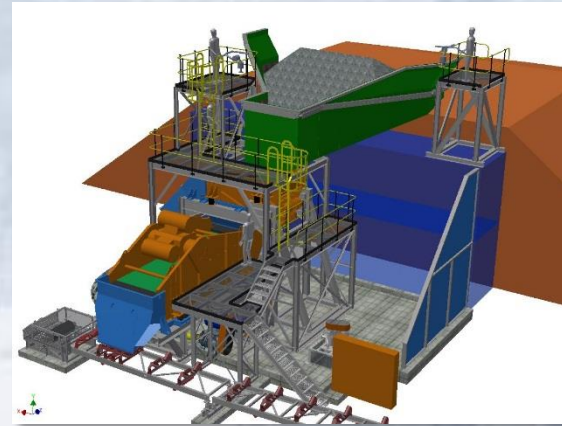
2016 Alluvial Development Plan

- Incorporate alluvial mining company
- Improve plant and camp
 - Reduce plant bottlenecks – WFE
 - Invest in improved technology – XRT
 - Improve diamond values – deep boiling
 - Improve site amenities
- Improve mining
 - Invest in new earth moving fleet – increase volumes & build stockpiles in dry season and prepare for next wet season
 - Invest in critical spares – reliability and up time
- Invest in skills
- Grow cash flows
 - Focused mining from high value Blocks 8 and 6
 - Expand inferred JORC resource to extend inferred life of mine
 - Cost focus
 - Decision on doubling production
 - Increase stake in operations
- Continue to inform kimberlite exploration program



Building Capacity and Adaptability

- Wet front end (“WFE”) installation
- Reduce bottlenecks for wet material handling and screening
- Modular, mobile unit - can be moved and used as part of a stand alone infield screening plant
- Delivered to site in Q1 16 – not immediately erected as production expansion scenarios being considered
 - Install WFE at plant 1 or plant 2?
- Decision to erect at plant 1



New Technology

- State-of-the-art XRT recovery technology and boiling facilities
- Increase recovery and value of large and valuable Type IIa diamonds
- Same technology and processes used by:
 - TSX-listed Lucara Diamond Corp at Karowe mine for recovery of 1,109 carat, 817 carat and 395 carat diamonds
 - LSE- listed Gem Diamonds at the Letšeng mine – highest average \$ per carat kimberlite diamond mine
- Screened material and processing changed as a result of recovery of a +400 carat diamond

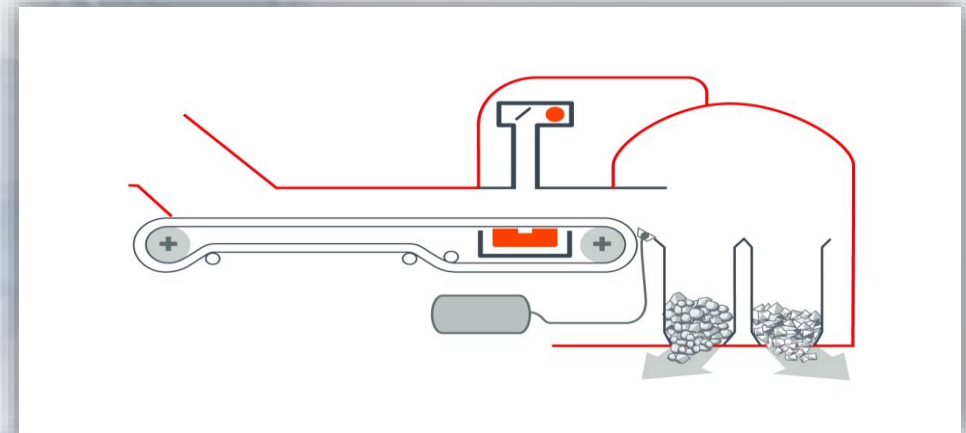
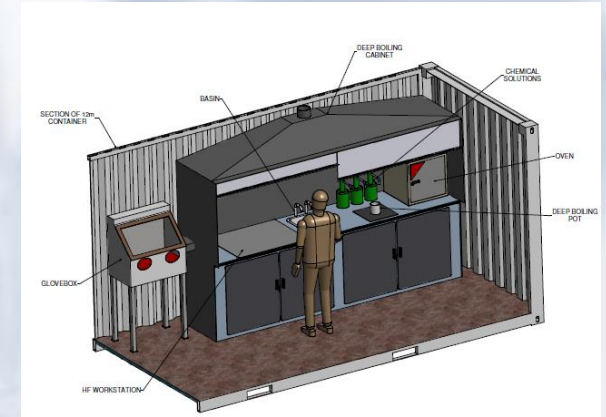
Current treatment:

- +1.5mm to -32mm through Dense Media Separator (“DMS”)
 - 32mm screen = possible to recover max 295 carat
- +32mm (“oversize”) to tailings

New treatment:

- +1.5mm to -18mm through DMS
- +18mm to -55mm through XRT
 - 55mm screen = possible to recover max 1,100 carat
- +55mm (oversize) to tailings

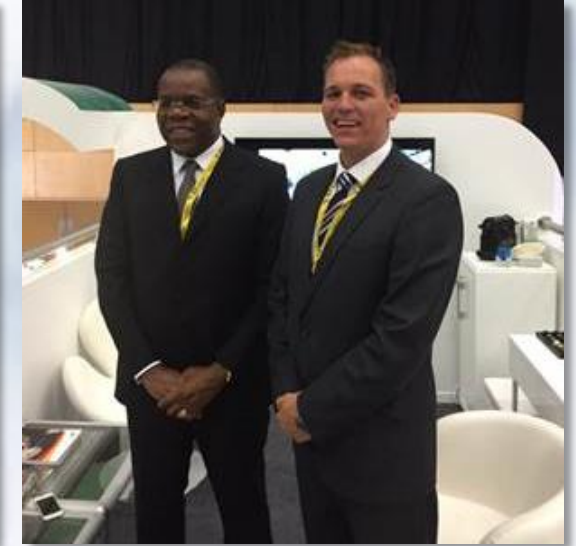
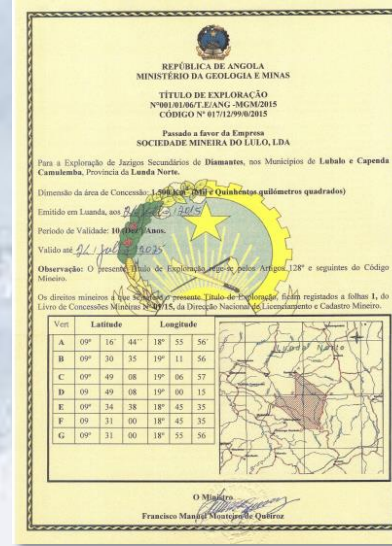
- Oversize material stockpiled since the recovery of the 404 carat diamond for re-processing through XRT module on arrival
- XRT acquired and boiling facility being fabricated - due for installation in Q3 16



Lulo Alluvial Mining Company Incorporated



- Public Deed of Incorporation executed by all shareholders
- Sociedade Mineira do Lulo, Limitada (“SML”) incorporated
- SML is a stand alone alluvial mining entity distinct from the exploration joint ventures
- Pre-emptive rights for SML shareholders signed into shareholder agreements
- Free cash from alluvial revenues to be distributed as follows:
 - 50% to repay Lucapa investment in alluvial exploration and development until investment repaid
 - 50% to SML shareholders as a dividend



AUSTRALIA



ANGOLA



32%

28%

Sociedade Mineira do Lulo Limitada (SML)

40% and Operator



Lulo – Kimberlite Weight of Evidence

The right geography - Africa

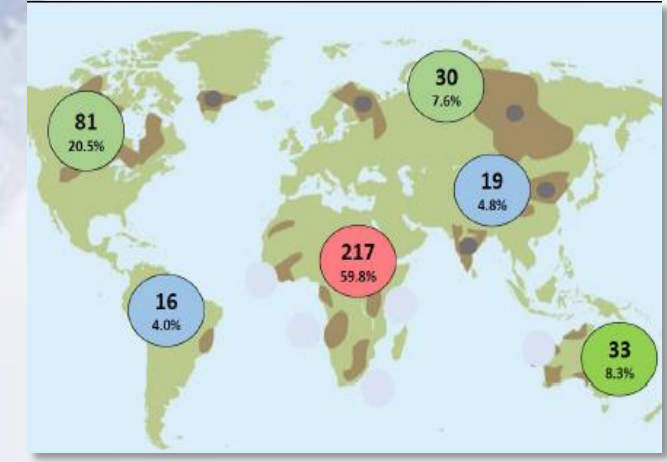
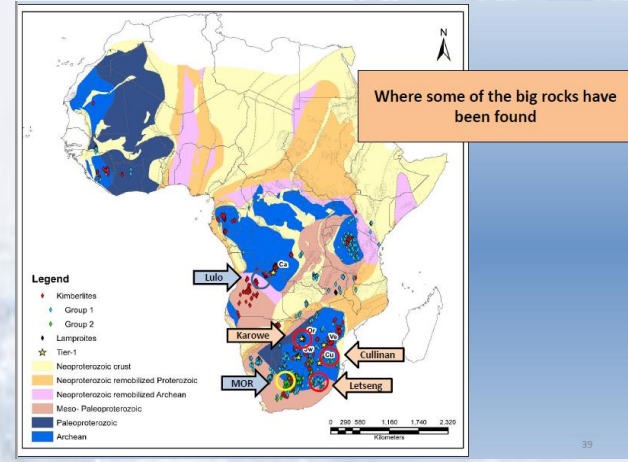
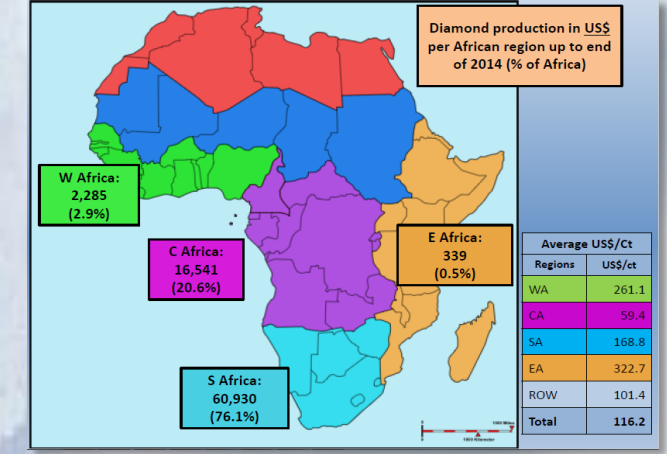
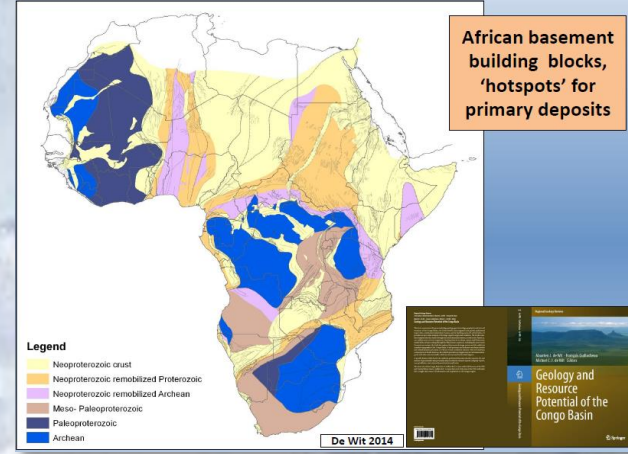
- Angola – known diamond country
- 5th largest diamond producer
- Two kimberlite provinces on concession and 150km from Tier 1 mine. ~300 targets, 5 diamondiferous pipes
- Lulo concession surrounded by alluvial producers

The right indicators

- Diamonds
- High concentrations of kimberlite indicator minerals (garnets, ilmenite etc.)
- Little to no abrasion on indicator minerals and diamonds
- Bimodal diamond populations

The right diamonds

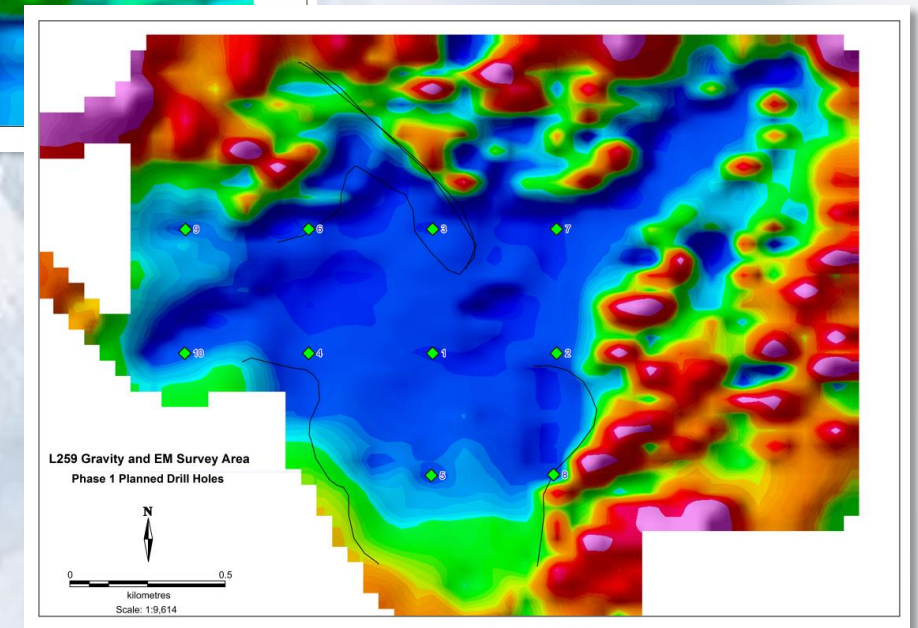
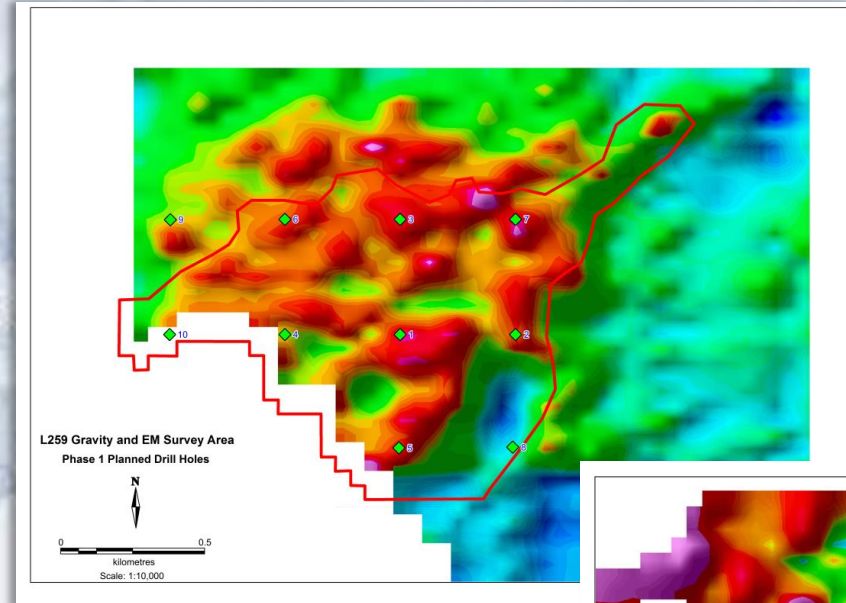
- Large Type IIa diamonds in alluvial fields
- Irregular shaped, jagged edged
- Primarily localised in L259 area (Mining Block 6 and 8)



“If you look at the science of it, there’s still many more kimberlites to be found, and the geology says they will be big.”
 Charles Skinner – Head of Exploration, De Beers

Lulo - Closing in on the Kimberlite Source(s)

- Priority targets near the richest sources of large alluvial diamonds - Mining Blocks 8 and 6
 - 78-108ha body identified at L259 - consistent with weathered near-surface expression of a kimberlite pipe
 - Other proximal kimberlite targets include L13, L15, E217 and L248
- Targets at E46 elevated as a result of large trial mining recoveries
 - Three proximal targets of L46, L18, L19
 - L19 and L46 confirmed as diamondiferous
- Targets to be drilled with mobile drill rig in Q2/Q3 16 starting with L259
- Three-year kimberlite program submitted to Endiama and Ministry of Geology and Mines



Lucapa: An Exciting Future



Lucapa is a growing diamond miner and explorer with an exciting mining and development project in a world class diamond-producing country

- Exciting kimberlite drilling program set to commence
- Scaling up alluvial diamond mining operations in BIG diamond areas - Mining Blocks 8 and 6
- US\$7 million capital program being rolled out including XRT technology (to increase recovery of large valuable and Type Ila diamonds), deep boiling facilities and earthmoving fleet
- Discussions being advanced to increase shareholding in SML
- Global diamond opportunities being assessed to position Lucapa for continued growth in the diamond sector
- London corporate advisers appointed - positioning Company for kimberlite success in major capital markets



Forward-Looking & Competent Person's Statements

Forward-Looking Statements

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