

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Lucapa Diamond Company Limited

ABN

44 111 501 663

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | (i) Unlisted \$0.53 options expiring 2 June 2019
(ii) Performance Rights |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (i) 2,925,000 Unlisted \$0.53 options expiring 2 June 2019
(ii) 4,275,000 Performance Rights |

+ See chapter 19 for defined terms.

<p>3 Principal terms of the ⁺securities (e.g. if options, exercise price and expiry date; if partly paid ⁺securities, the amount outstanding and due dates for payment; if ⁺convertible securities, the conversion price and dates for conversion)</p>	<p>(i) Unlisted \$0.53 Options, expiring 2 June 2019 issued pursuant to the Company's Incentive and Retention Plan whereby the Options vest and become exercisable in three (3) equal tranches over a three (3) year term from the date of issue, subject to the Holder being an Eligible Participant at the time of vesting.</p> <p>(ii) Performance Rights issued pursuant to the Company's Incentive and Retention Plan whereby Performance Rights vest and become exercisable in four (4) equal tranches subject to the Holder being an Eligible Participant at the time of vesting at the following times:</p> <p>(a) (Tranche 1): Vest immediately after the incorporation of the Alluvial Mining Company;</p> <p>(b) (Tranche 2): Vest upon the Kimberlite Exploration Licence being renewed;</p> <p>(c) (Tranche 3): Vest upon the Company's Shares trading on the ASX at a VWAP of at least \$0.50 for a 10 day period; and</p> <p>(d) (Tranche 4): Vest one year from the date of grant.</p>
<p>4 Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional ⁺securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>(i) Yes, if vesting conditions are met, the shares will rank equally with the ordinary shares currently on issue.</p> <p>(ii) Yes, if vesting conditions are met, the shares will rank equally with the ordinary shares currently on issue.</p>
<p>5 Issue price or consideration</p>	<p>(i) Nil (ii) Nil</p>

+ See chapter 19 for defined terms.

6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	(i) Participation in the Company's Incentive and Retention Plan. (ii) Participation in the Company's Incentive and Retention Plan.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	26 May 2016
6c	Number of +securities issued without security holder approval under rule 7.1	Nil
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	(i) 2,925,000 Unlisted \$0.53 options expiring 2 June 2019 in accordance with the Company's Incentive and Retention Plan as approved by shareholders at the AGM held 26 May 2016 (ii) 4,275,000 Performance Rights in accordance with the Company's Incentive and Retention Plan as approved by shareholders at the AGM held 26 May 2016
6f	Number of +securities issued under an exception in rule 7.2	N/A
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A

+ See chapter 19 for defined terms.

6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A										
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A										
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	(i) 3 June 2016 (ii) 3 June 2016										
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>323,084,639</td> <td>Fully paid ordinary shares</td> </tr> <tr> <td>46,460,607</td> <td>Options exercisable at \$0.20 expiring 30 September 2017 (LOMOA)</td> </tr> </tbody> </table>	Number	+Class	323,084,639	Fully paid ordinary shares	46,460,607	Options exercisable at \$0.20 expiring 30 September 2017 (LOMOA)				
Number	+Class											
323,084,639	Fully paid ordinary shares											
46,460,607	Options exercisable at \$0.20 expiring 30 September 2017 (LOMOA)											
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>3,750,000</td> <td>Options exercisable at \$0.30 expiring 24 April 2017</td> </tr> <tr> <td>3,250,000</td> <td>Options exercisable at \$0.30 expiring 28 May 2017</td> </tr> <tr> <td>2,925,000</td> <td>Options exercisable at \$0.53 expiring 2 June 2019</td> </tr> <tr> <td>4,275,000</td> <td>Performance Rights</td> </tr> </tbody> </table>	Number	+Class	3,750,000	Options exercisable at \$0.30 expiring 24 April 2017	3,250,000	Options exercisable at \$0.30 expiring 28 May 2017	2,925,000	Options exercisable at \$0.53 expiring 2 June 2019	4,275,000	Performance Rights
Number	+Class											
3,750,000	Options exercisable at \$0.30 expiring 24 April 2017											
3,250,000	Options exercisable at \$0.30 expiring 28 May 2017											
2,925,000	Options exercisable at \$0.53 expiring 2 June 2019											
4,275,000	Performance Rights											
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The Company does not have a dividend policy.										

+ See chapter 19 for defined terms.

Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A

+ See chapter 19 for defined terms.

25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Issue date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ⁺Securities described in Part 1

(b) All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(a)
Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
 1 - 1,000
 1,001 - 5,000
 5,001 - 10,000
 10,001 - 100,000
 100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought
- 39 +Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?
 If the additional +securities do not rank equally, please state:
 • the date from which they do
 • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
- 41 Reason for request for quotation now
 Example: In the case of restricted securities, end of restriction period
 (if issued upon conversion of another +security, clearly identify that other +security)

+ See chapter 19 for defined terms.

42 Number and ⁺class of all ⁺securities quoted on ASX (including the ⁺securities in clause 38)

Number	⁺ Class
N/A	N/A

Quotation agreement

1 ⁺Quotation of our additional ⁺securities is in ASX's absolute discretion. ASX may quote the ⁺securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the ⁺securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those ⁺securities should not be granted ⁺quotation.
- An offer of the ⁺securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any ⁺securities to be quoted and that no-one has any right to return any ⁺securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the ⁺securities be quoted.
- If we are a trust, we warrant that no person has the right to return the ⁺securities to be quoted under section 1019B of the Corporations Act at the time that we request that the ⁺securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before ⁺quotation of the ⁺securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Mark Clements
Company Secretary
8 June 2016

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	205,879,103
Add the following:	
<ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 	
6 August 2015 Issue of Shares	22,485,278
28 August 2015 Shares issued pursuant to exercise of options, pursuant to Entitlement Issue	80,785
28 September 2015 and 2 October 2015 issued following the exercise of options pursuant to Placement	1,782,778
2, 5 and 6 October 2015 issued following the exercise of options pursuant to Placement	3,856,711
7 October 2015 issued following the exercise of options pursuant to Placement	1,261,112
8, 9 and 12 October 2015 issued following the exercise of options pursuant to Placement	1,346,002
13 and 14 October 2015 issued following the exercise of options pursuant to Placement	1,233,000
14 October 2015 Issue of Shares pursuant to placement	19,444,444
16 and 20 October 2015 issued following the exercise of options pursuant to Placement	665,512
28 October 2015 issued following the exercise of options pursuant to Placement	25,000

+ See chapter 19 for defined terms.

4 December 2015 issued following the exercise of options	26,156
14 December 2015 issued following the exercise of options	2,554
7 January 2016 issued following the exercise of options	5,589
16 February 2016 issued following the exercise of options	8,361,634
22 February 2016 issued following the exercise of options	33,480
23 February 2016 issued following the exercise of options	68,641
4 March 2016 issued following the exercise of options	200,035
15 March 2016 issued following the exercise of options	239,801
29 March 2016 issued following the exercise of options	6,451,650
31 March 2016 issued following the exercise of options	525,484
5 April 2016 issued following the exercise of options	2,417,720
12 April 2016 issued following the exercise of options	3,020,188
18 April 2016 issued following the exercise of options	729,932
19 April 2016 issued following the exercise of options	3,166,408
21 April 2016 issued following the exercise of options	759,756
22 April 2016 issued following the exercise of options	5,052,979
27 April 2016 issued following the exercise of options	8,843,473
28 April 2016 issued following the exercise of options	7,225,695
29 April 2016 to 3 May 2016 issued following the exercise of options	17,892,739
<ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period 	
<p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities</i> 	

+ See chapter 19 for defined terms.

<p><i>the subject of the Appendix 3B to which this form is annexed</i></p> <ul style="list-style-type: none"> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	

Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	323,083,639
Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	48,462,545
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p>4 November 2015 Issue of Shares pursuant to Prospectus dated 26 October 2015</p> <p>4 November 2015 Issue of Options pursuant to Prospectus dated 26 October 2015</p> <p>Note:</p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>1,000</p> <p>1,000</p>
“C”	2,000
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	

+ See chapter 19 for defined terms.

<p>"A" x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	48,462,545
<p>Subtract "C"</p> <p><i>Note: number must be same as shown in Step 3</i></p>	2,000
<p>Total ["A" x 0.15] – "C"</p>	<p>48,460,545</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
<p>"A"</p> <p><i>Note: number must be same as shown in Step 1 of Part 1</i></p>	323,083,639
Step 2: Calculate 10% of "A"	
<p>"D"</p>	<p>0.10</p> <p><i>Note: this value cannot be changed</i></p>
<p>Multiply "A" by 0.10</p>	32,308,363
Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A</p> <p><i>Notes:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
<p>"E"</p>	Nil

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	32,308,363
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	32,308,363 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.