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**CHAIRMAN'S ADDRESS – 2018 AGM**

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Lucapa Diamond Company Limited (**ASX: LOM**) (“Lucapa” or “the Company”) provides the following transcript of the address by Chairman Miles Kennedy to shareholders at the Company’s 2018 Annual General Meeting held today.

For and on behalf of the Lucapa Board.

**MARK CLEMENTS**  
**COMPANY SECRETARY**

Welcome everyone to the 2018 Annual General Meeting of Lucapa Diamond Company Ltd.

Recently, in the Company's annual report, I outlined some of the significant achievements made by Lucapa during the past year. These included:

- Growing throughput at the flagship Lulo diamond mine in Angola, which continues to deliver the highest US\$ per carat production of any alluvial diamond operation in the world while also funding a systematic kimberlite drilling program
- Securing a 70% interest in the Mothae kimberlite project in Lesotho as well as project financing for the optimised Phase 1 development plan, which remains on time and schedule for commercial production this year
- A spectacular diamond discovery at the 80% owned Brooking project on the doorstep of the Ellendale mine in Western Australia's West Kimberley region

Your Board and management teams continue to make further progress across this suite of projects as we strive to unlock the true value of our diamond assets.

In Angola, we remain in high-level discussions to assist the Angolan Government to achieve its goal of doubling diamond production. The Government and its State-owned diamond enterprises have committed to making changes that are likely required to secure the foreign investment and expertise needed to achieve this goal. Having operated in Angola for a decade, through some very difficult times, Lucapa is in a great position to benefit from these changes. We expect further progress this year.

On the mining front, we continue to recover large and premium-value diamonds from new areas along the ~50km stretch of the Caculo River valley which runs through our Lulo concession. Recent recoveries from new mining blocks we have opened up, such as Mining Block 4, include a 46 carat pink, our biggest coloured diamond to date, as well as a number of high-value Type IIa D-colour gem Specials.

While our mining to date has focused on the alluvial terraces along the Caculo River, we believe there is major potential for the flood plains to also host diamond-bearing gravels, which would open up large new mining areas. We plan to begin testing these expansive flood plains during the 2018 dry season.

The dry season will also enable the Lulo partners to step-up our kimberlite exploration program. We plan to complete drilling of the remaining kimberlite targets, defined following the airborne TDEM survey, by the end of this year.

In Lesotho, our development team is well on schedule to commission our new Mothae mine in the second half of this year. Our new 150 tonne per hour plant is already being constructed on-site, with the XRT large-diamond recovery circuit due to arrive soon after being shipped to South Africa from Germany.

In addition, trial processing of kimberlite material through our recommissioned bulk sampling plant following recent efficiency and security modifications has met with immediate success, with recoveries from the first two days including a 25 carat yellow gem. Significantly, this Special was recovered from the non-resource Neck Zone and augurs well for an upcoming 50,000 tonne bulk sampling program which aims to increase the +1m carat JORC resource and extend the mine life.

There is also much excitement as our exploration efforts resume at the Brooking project in the West Kimberley to follow-up on the spectacular Little Spring Creek discovery in January, in which 119 micro and macro diamonds were recovered in samples from a single standard HQ (63mm) drill core. As we have announced this week, the drill crew is expected back on site at Little Spring Creek very soon following the completion of our first stage ground geophysical surveys, which have improved our target definition.

Airborne geophysical surveys are scheduled to be flown over the broader Brooking project area next month with the aim of defining additional drilling targets at other priority prospects where diamonds and lamproite indicator minerals were recovered from previous surface sampling programs. These priority target areas include Katie's Bore, Cameron's Bore, North East Creek, Santa Fe Dam, Homestead Creek and East West Creek.

Lucapa is advancing its mining, development and exploration efforts from a position of significant financial strength following the completion of a recent A\$16.5 million capital raising.

Significantly, this additional capital was contributed by some of Lucapa's major shareholders at no discount to the prevailing market price, illustrating the strong support the Company has from its larger shareholders to deliver on our growth strategies.

The capital raising also delivered Lucapa a new and significant shareholder in Ross Stanley. Ross Stanley has had a long and successful track record in the mining and drilling industries in Africa and elsewhere around the globe.

The placement has also helped Lucapa achieve two of its other goals. One was to remove the "unfunded" overhang from the share price and the second was to tighten up the Company's share register, with the top 10 shareholders now accounting for more than 30% of the stock. Other initiatives we have taken to tighten up the register include the assisted sale of unmarketable parcels and engaging reputed advisor and broker Euroz Securities to attract additional institutional backing for the Company.

The plans we have put in place for Lucapa have been deliberate – they have required patience but the foundations are now well established and Lucapa has never been in a better position. We have the projects, financial strength and dedicated and hard working management and operational teams to achieve our goals. The team you see in front of you today has delivered and I have no doubt they will continue to do so.

We are almost half way through this year already, having already ticked a number of our boxes, but we look forward to the months and years ahead with much excitement.

**MILES KENNEDY**  
**CHAIRMAN**