



MOTHAE FINANCING UPDATE

Lucapa Diamond Company Limited (ASX: **LOM**) (“Lucapa” or “the Company”) is pleased to advise that, further to the ASX announcements of 9 October 2017 and 7 November 2017, Equigold Pte Ltd has elected to convert fees relating to the US\$15 million Mothae financing facility into Lucapa shares, as set out in the attached Section 708A notice.

This has resulted in the issue to Equigold of 2,424,155 ordinary fully-paid shares in Lucapa at a VWAP price of 26.9c per share. As previously advised, Equigold is associated with prominent Singapore-based resources investor Mr Simon Lee AO.

The terms of the US\$15 million facility also enable Equigold to further increase its shareholding in Lucapa by converting the last two scheduled quarterly repayments, totalling US\$3.75 million, into Lucapa shares.

Further to the ASX announcement of 7 November 2017, Lucapa has drawn down US\$10 million of the Equigold facility to advance the Phase 1 development of the high-value Mothae kimberlite project in Lesotho, southern Africa. Mothae is located within 5km of Gem Diamonds’ Letseng mine, which produces the world’s highest per carat kimberlite diamond production.

Lucapa’s new Mothae mine plan is detailed in the ASX announcements and presentation of 23 October 2017.

Lucapa Managing Director Stephen Wetherall said Lucapa welcomed Mr Lee’s ongoing support for the Company and its strategy to grow production of large and premium-value diamonds.



The advanced high-value Mothae kimberlite project, with current infrastructure

For and on behalf of the Lucapa Board.

STEPHEN WETHERALL
MANAGING DIRECTOR

ABOUT LUCAPA

Lucapa Diamond Company Limited is a growing diamond company with a portfolio of high-quality production, development and exploration assets in Angola, Lesotho, Botswana and Australia. The Company's focus on high-value production is designed to protect cash flows as pricing in this sector of the diamond market remains robust.

Lucapa's flagship asset is the Lulo Diamond Project in Angola, which produced the highest \$ per carat price of any run of mine diamond production in the world in 2016 and continues to produce some of the largest diamonds on record from that region. Lucapa and its Lulo partners are also well-advanced in their search for the primary source of these large and premium-value alluvial diamonds, with three rigs now available to drill priority kimberlite targets.

In keeping with the Company's growth strategy, Lucapa has secured a 70% interest in the advanced, high-quality Mothae kimberlite project in Lesotho, which is located in the heart of the world's highest-value cluster of kimberlite mines. Lucapa plans to commence production at Mothae in H2 2018.

Lucapa has also defined drilling targets at two earlier-stage diamond projects – Brooking in the West Kimberley lamproite province in Western Australia and Orapa Area F in Botswana's Orapa diamond field.

Lucapa's Board and management team have extensive diamond industry experience with companies including De Beers, Rio Tinto and Gem Diamonds. The Company was included in the ASX All Ordinaries Index in March 2017.

Forward-Looking Statements

This announcement has been prepared by the Company. This document contains background information about the Company and its related entities current at the date of this announcement. This 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 announcement. This announcement is for information purposes only. Neither this document 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.

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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.

No responsibility for any errors or omissions from this document arising out of negligence or otherwise is accepted. This document does include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of the Company. Actual values, results, outcomes or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements.

Any forward-looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and ASX Listing Rules, the Company does not undertake any obligation to update or revise any information or any of the forward-looking statements in this document or any changes in events, conditions or circumstances on which any such forward-looking statement is based.



SECTION 708A NOTICE

Lucapa Diamond Company Limited (ASX: **LOM**) (“Lucapa” or “the Company”) has allotted 2,424,155 fully paid ordinary shares (Fee Conversion Shares) pursuant to a Fee Conversion Notice from Equigold Pte Ltd for US\$500,000 in accordance with the terms of the US\$15 million secured loan facility.

The Company has also allotted 1,100,000 fully paid ordinary shares (Shares) following the exercise of vested Performance Rights.

As required under section 708A(6) of the Corporations Act 2001 (Cth) (Corporations Act), the Company gives notice that;

- (a) The Shares and Fee Conversion Shares were issued without disclosure under Part 6D.2 of the Corporations Act.
- (b) This notice is being given under paragraph 5(e) of section 708A of the Corporations Act.
- (c) As at the date of this notice, the Company has complied with the provisions of the Chapter 2M of the Corporations Act (as they apply to the Company), and section 674 of the Corporations Act.
- (d) As at the date of this notice, there is no excluded information with respect to the Company for the purposes of sections 708A(7) and (8) of the Corporations Act.

For and on behalf of the Board.

MARK CLEMENTS
COMPANY SECRETARY

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) Performance Rights
ii) Fully paid ordinary shares
iii) Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | i) 1,100,000 Performance Rights expiring 10 November 2020
ii) 1,100,000 Fully paid ordinary shares
iii) 2,424,155 Fully paid ordinary shares |
| 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) | i) Performance Rights expiring 10 November 2020
ii) Fully paid ordinary shares
iii) Fully paid ordinary shares |

+ See chapter 19 for defined terms.

<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) No, shares issued upon exercise of performance rights will rank equally with all other issued fully paid ordinary shares of the Company</p> <p>ii) Yes, the shares rank equally with the ordinary shares currently on issue</p> <p>iii) Yes, the shares rank equally with the ordinary shares currently on issue</p>
<p>5 Issue price or consideration</p>	<p>i) Nil</p> <p>ii) Nil</p> <p>iii) \$0.2693 (The lowest one-day VWAP in the 15 days preceding the Fee Conversion Notice from Equigold Pte Ltd (“Equigold”) in accordance with the terms of the US\$15 million secured loan facility.)</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>i) Issue of performance rights in accordance with the Company’s Incentive and Retention Plan</p> <p>ii) Exercise of vested performance rights expiring 10 November 2020</p> <p>iii) Issue of Fully paid ordinary shares pursuant to a Fee Conversion Notice from Equigold for US\$500,000 in accordance with the terms of the US\$15 million secured loan facility.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>30 May 2017</p>

+ See chapter 19 for defined terms.

6c	Number of +securities issued without security holder approval under rule 7.1	<ul style="list-style-type: none"> i) Nil ii) Nil iii) 2,424,155 Fully paid ordinary shares
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)	<ul style="list-style-type: none"> i) 1,100,000 Performance Rights expiring 10 November 2020 in accordance with the Company's Incentive and Retention Plan as approved by shareholders at the annual general meeting held 26 May 2016 ii) 1,100,000 Fully paid ordinary shares following the exercise of vested Performance Rights expiring 10 November 2020 in accordance with the Company's Incentive and Retention Plan as approved by shareholders at the annual general meeting held 26 May 2016 iii) Nil
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
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	Refer Annexure 1

+ See chapter 19 for defined terms.

7	<p>+Issue dates</p> <p>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.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	15 November 2017	
8	<p>Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)</p>	Number	+Class
		380,887,431	Fully paid ordinary shares
9	<p>Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)</p>	Number	+Class
		11,600,000	Options exercisable at \$0.35 expiring 30 September 2018
		500,000	Options exercisable at \$0.53 expiring 15 May 2019
		2,925,000	Options exercisable at \$0.53 expiring 2 June 2019
		250,000	Options exercisable at \$0.45 options, expiring 24 May 2020
		2,250,000	Options exercisable at \$0.46 options, expiring 31 May 2020
		1,068,750	Performance Rights expiring 2 June 2019
		3,431,250	Performance Rights expiring 31 May 2020
10	<p>Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)</p>	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 Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	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
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+ See chapter 19 for defined terms.

<p>41 Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	N/A					
<p>42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)</p>	<table border="1"> <thead> <tr> <th data-bbox="718 492 1021 537">Number</th> <th data-bbox="1021 492 1337 537">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="718 537 1021 672">N/A</td> <td data-bbox="1021 537 1337 672">N/A</td> </tr> </tbody> </table>	Number	+Class	N/A	N/A	
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
 21 November 2017

+ 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	
<i>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</i>	
<i>Insert</i> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	324,909,639
<i>Add</i> 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 	
20 December 2016 issued following the exercise of Performance Rights	62,500
28 February 2017 issued following the exercise of Performance Rights	125,000
3 April 2017 issued following the exercise of options	750,000
27 April 2017 issued following the exercise of options	200,000
27 April 2017 issued following the exercise of options	1,250,000
26 May 2017 issued following the exercise of options	1,523,030
6 June 2017 issued following the exercise of Performance Rights	1,193,750
14 August 2017 issued following the exercise of options	7,000
16 August 2017 issued following the exercise of options	75,000
17 August 2017 issued following the exercise of options	19,444
25 August 2017 issued following the exercise of options	660,500
31 August 2017 issued following the exercise of options	700,677
1 September 2017 issued following the exercise of options	450,000
1 September 2017 issued following the exercise of Performance Rights	422,500

+ See chapter 19 for defined terms.

8 September 2017 issued following the exercise of options	345,612
8 September 2017 issued following the exercise of Performance Rights	416,250
13 September 2017 issued following the exercise of options	1,636,700
19 September 2017 issued following the exercise of options	2,893,694
20 September 2017 issued following the exercise of options	2,433,263
22 September 2017 issued following the exercise of options	2,353,606
22 September 2017 issued following the exercise of options	1,241,000
29 September 2017 issued following the exercise of options	8,491,375
29 September 2017 issued following the exercise of options	11,326,873
6 October 2017 issued following the exercise of options	9,401,166
6 October 2017 issue of shares	4,224,697
15 November 2017 issue of shares	1,100,000
<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 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> 	
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	378,213,276
Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	56,731,991

+ See chapter 19 for defined terms.

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>15 May 2017 Issue of Shares 250,000</p> <p>15 May 2017 Issue of Options 500,000</p> <p>24 May 2017 Issue of Options 85,000</p> <p>7 June 2017 Issue of Options 165,000</p> <p>15 November 2017 Issue of Shares 2,424,155</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> 	
“C”	3,424,155
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	56,731,991
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	3,424,155
<p>Total [“A” x 0.15] – “C”</p>	<p>52,307,836</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

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	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	378,213,276
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	37,821,328
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <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> 	
“E”	Nil
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>	37,821,328
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	37,821,328 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.