



LUCAPA  
DIAMOND COMPANY

# Investor Presentation

The Future of Lucapa

[www.lucapa.com.au](http://www.lucapa.com.au)

December 2024



# Disclaimer

## Forward-Looking Statements

This announcement has been prepared by the Company in connection with a proposed equity raising by the company comprising a placement of new Ordinary Shares in the Company (“Shares”) to professional and sophisticated investors (“Placement or Offer”). 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, this presentation should be read in conjunction with the Company’s other periodic and continuous disclosure announcements lodged with the ASX, which are available at [www.asx.com.au](http://www.asx.com.au) or on the Company’s website. 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. This announcement 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 document does not constitute investment, financial product or other 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) risks associated with mining, exploration, operations, resource, environment, funding and adverse or unanticipated market, financial, currency or political developments.

To the fullest extent permitted by law, the Company, its officers, employees, agents and advisers do not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of any information, statements, opinion, estimates, forecasts or other representations contained in this announcement. 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 announcement or any changes in events, conditions or circumstances on which any such forward-looking statement is based. The information in this presentation remains subject to change without notice and in the Company’s discretion, in particular the timetable for the Offer.

## No New Information

To the extent that this announcement contains references to prior exploration results, a production target and financial information derived from a production target and Mineral Resource estimates, which have been cross referenced to previous market announcements made by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of a production target and financial information derived from a production target and Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from those announcements.

## Competent Person's Statements

Information included in this announcement that relates to exploration results and resource estimates on the Lula Diamond Inferred Resource, Mothae Diamond Indicated and Inferred Resource and Merlin Diamond Indicated and Inferred Resource is based on and fairly represents information and supporting documentation prepared and compiled by Richard Price who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Price is an employee of the Company. 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 announcement of the matters based on this information in the form and context in which it appears.

Release authorised by the Board of Directors of the Company.

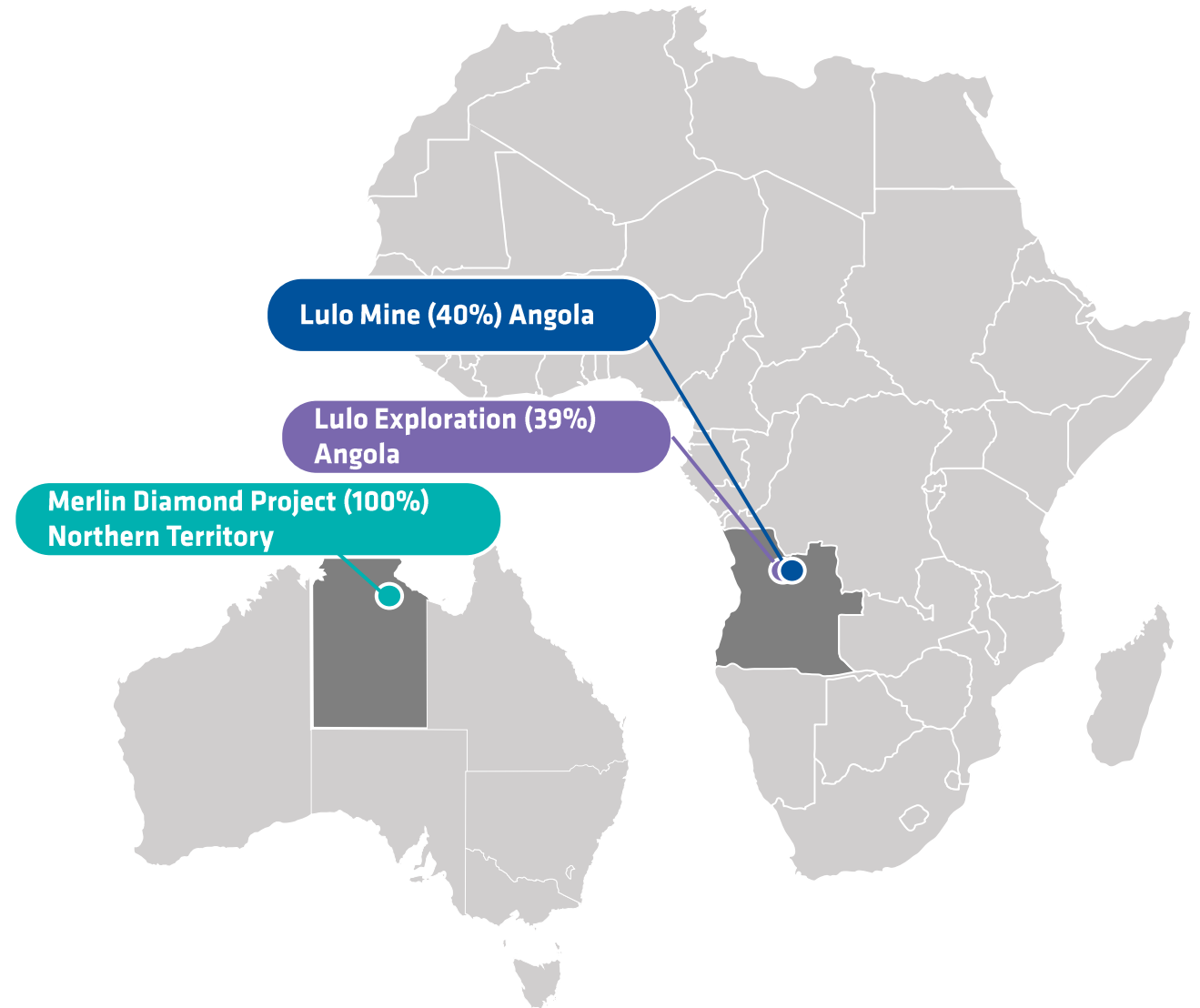
# Corporate Overview

## Current Production<sup>1</sup>

- *One mine with the highest-value diamond production in the world - Lulo, Angola*
  - Q3/2024 - Lulo 7,058 carats @US\$3,033/carat
  - Q3 YTD - 17,328 carats
  - Lulo's life of mine production – 220,000 carats @ US\$2,200/ct
  - ~US\$500m of diamonds produced to date

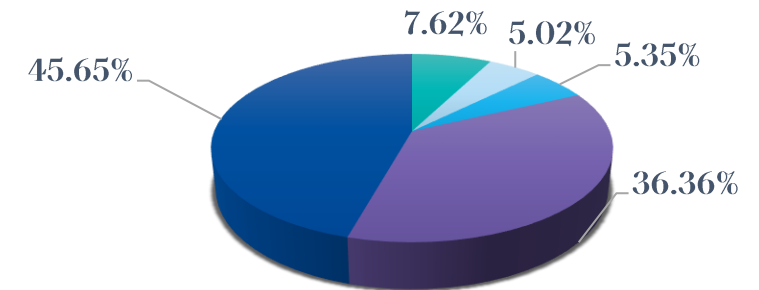
## Exploration & Development

- *Merlin Diamond Project, brownfields, 100% owned – Australia*
- *Lulo Kimberlite Primary Source Exploration JV – Angola*
- *Lulo Alluvial Resource Extension Project – Angola*



# LOM Capital Structure

Market Details	Units	Value
Shares on issue	FPO	290,121,999
Share price (26/11/24)	A\$/share	4.2
Market Cap	A\$m	12.2
Interest -bearing debt	A\$m	1.00
H1/2024	NAV/Share	A\$0.36



- Illwella Pty Ltd
- Shadbolt Future Fund (Tottenham) Pty Ltd
- Tazga Two Pty Ltd
- Remaining Top 20
- Other Shareholders

# Team Bios



**Stuart Brown**  
**Non- executive Chair**

Stuart was appointed as the Chairman of Lucapa in April 2024 and brings over 30 years of diamond knowledge and Africa experience. He is the former Interim CEO and CFO of major diamond producer De Beers where he had a 20 year career. Stuart is a former CEO of both Firestone Diamonds and Mountain Province Diamonds and holds a Bachelor of Accounting Science degree. Stuart resides in England and is a NED of Ferrexpo Plc and Digby Wells Environmental Holdings Ltd.



**Alex Kidman**  
**Managing Director/CEO**

Alex is a geologist by trade with 20 years' experience in the diamond mining industry across Africa, Indonesia and Australia in technical, management and corporate roles. He holds a Masters in Science (Geology) and is a member of the Australasian Institute of Mining and Metallurgy. Alex is a Director of Australian Natural Diamonds Pty Ltd.



**Johan van Wyk**  
**CFO**

Johan is a member of the South African Institute of Chartered Accountants. He has more than 25 years of experience in corporate finance, financial reporting and risk management. He has held senior financial positions at Barloworld Ltd in South Africa and in the Australian diamond industry. As previously announced, Johan has informed the Company that he is resigning from the Company effective 06/01/2025. However, Johan has committed to staying involved with the company to the end of February 2025 to complete the annual accounts.



**Richard Price**  
**Group Mineral Resource Manager**

Richard is a geologist with 30 years of experience in diamond mining and exploration and serves as Lucapa's Competent Person for JORC reporting. Richard worked for De Beers for 21 years and has extensive experience in diamond exploration, evaluation and production.



**Ronnie Beevor**  
**Non- executive Director**

Ronnie joined the Lucapa board in April 2024. He brings more than 40 years experience in investment banking and mining. Ronnie is a former head of investment banking of Rothschild Australia and is currently an NED of Champion Iron Ltd, Mont Royal Resources and Chair of Felix Gold. Ronnie is qualified as a Chartered Accountant in England and Wales and resides in Sydney.



**Miles Kennedy**  
**Non-executive Director**

Miles has held directorships of Australian listed resource companies for the past 30 years. He was formerly the Chairman of Kimberley Diamond Co, which developed the Ellendale diamond mine in Western Australia.



**Nick Selby**  
**Director**

Nick is an extraction metallurgist with 35 years of experience in the mining industry. He began his career with De Beers and joined Gem Diamonds in 2005, where he was responsible for establishing and running diamond projects in Africa, Indonesia and Australia.



**Neil Kaner**  
**Chief Technical Officer**

Neil is a mining engineer with over 35 years of experience in diamond and base metals mining in Southern Africa, Asia and Australia and has held senior operational, technical and corporate roles. Neil is a Director of Australian Natural Diamonds Pty Ltd.

# Company Strategy

## Targets for the next 6-12 months:

- Signing of Lulo Kimberlite MIC transferring majority ownership to Lucapa
- Completing geophysical survey over Merlin to generate follow up targets for ***both diamond and base metal potential***
- Completing resource extension work at Merlin
- Continuing the Lulo ***bulk sampling program to find the source of the exceptional alluvial diamonds***

## Focus on:

- Merlin Airborne Exploration (final results expected Q1 CY'25)
- Lulo Kimberlite Exploration
- Lulo Alluvials
- Cutting corporate costs to create a more sustainable company





# *Lulo Alluvial Mine*

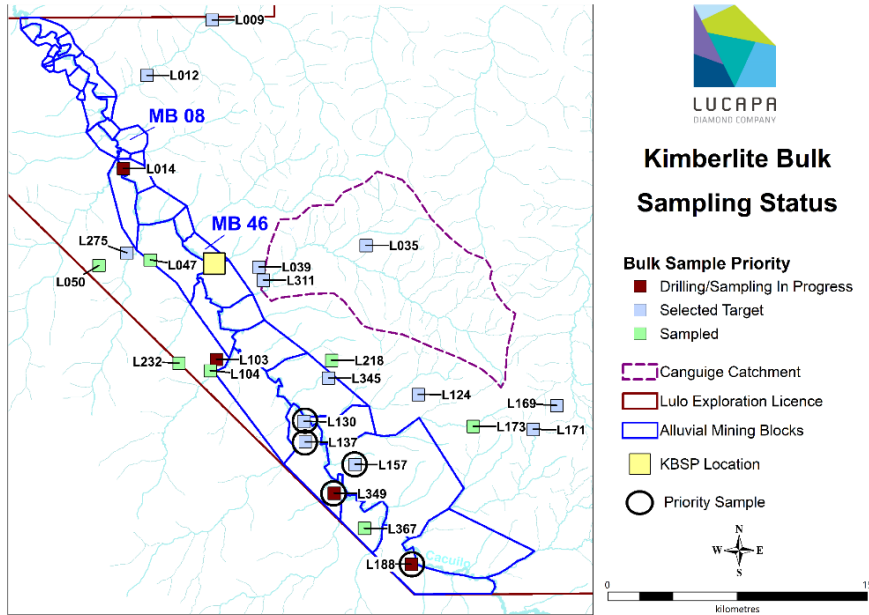
## **The highest \$/ct diamond mine in the world:**

- Produced 220k carats @ US\$2,200/ct generating ~US\$500m in revenue since production commenced in 2015
- Paid back US\$38m of the US\$39.5m development loan used to build the mine
- Paid over US\$14m in dividends to Lucapa
- US\$37m reinvested in the hunt for the source of the exceptional stones being recovered
- Regularly recovered large diamonds showing little evidence of transport – propensity for additional recoveries
- Currently US\$6.4m (excluding withholding tax) in declared dividends yet to be paid to Lucapa

# Lulo Exploration

## The search for the source of Lulo's incredible diamonds continues:

- Funded from the cash returns from the Alluvial mining operation
- MIC committee to approve majority stake progressing
- +300 geophysics targets
- 141 kimberlites discovered to date – 90% target to kimberlite conversion rate
- 42 kimberlites bulk sampled
  - Only one significantly diamondiferous
  - Means that the source of the diamonds is likely to be one or two kimberlites of significant economic potential, not lots of low grade low economic potential kimberlites
- Kimberlites prioritised using size, proximity to alluvial diamonds and kimberlite quality
- 14 kimberlites remaining to be sampled out of the current high priority list, with more to be added as understanding improves
- On average two samples taken every six weeks
- Every sample taken is one step closer to finding the source – ***could it be the next one?***





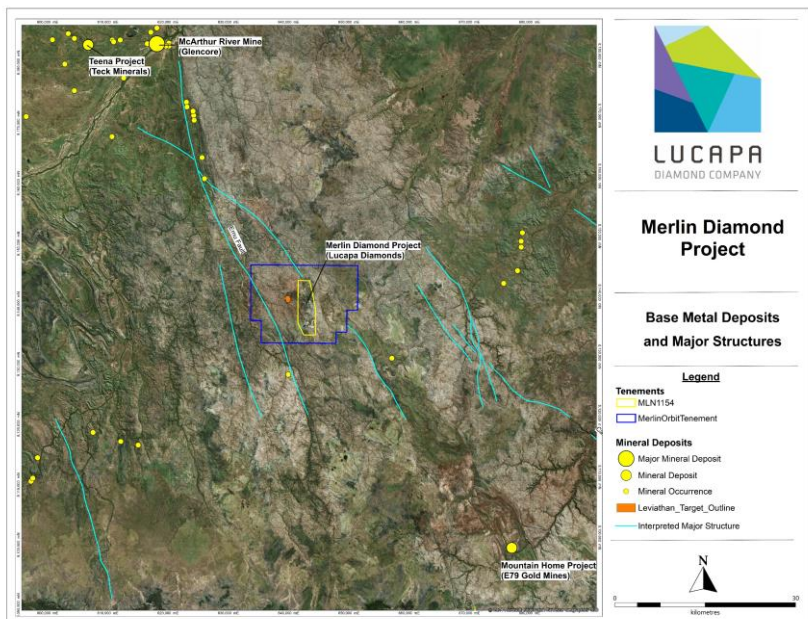
# Merlin

## Will be Australia's only operating diamond mine:

- Previously owned and operated by Rio Tinto
- 11 diamondiferous kimberlites, 8 of which have been previously mined
- 330k carats sold between 1999 and 2002 for US\$35m @ US\$106/ct
- Using the GTD rough diamond index, this represents a current day price of US\$298/ct
- ~28Mt and 4.3m carats of indicated and inferred resource in the current JORC compliant resource<sup>1</sup>
- All kimberlite pipes open at depth below the current resource, representing significant opportunity for resource extension
- Mining and exploration lease has significant exploration potential for further diamond deposits and new base metal deposits

<sup>1</sup>This Resource was originally prepared by Merlin Diamonds Limited according to JORC Code 2012 edition guidelines and announced to the ASX on 30 September 2014. The Company confirms that it is not aware of any new information or data which materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.





# Merlin Exploration

## Flying tenements with modern Xcite™ HTDEM system:

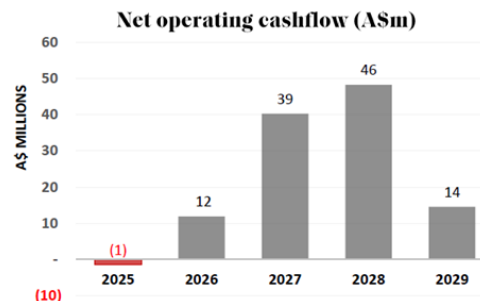
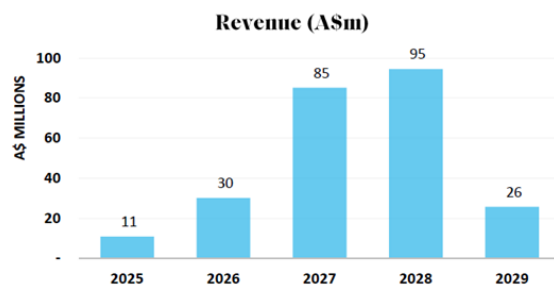
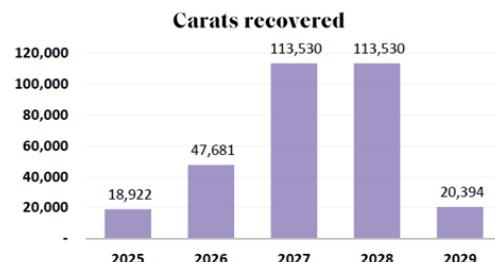
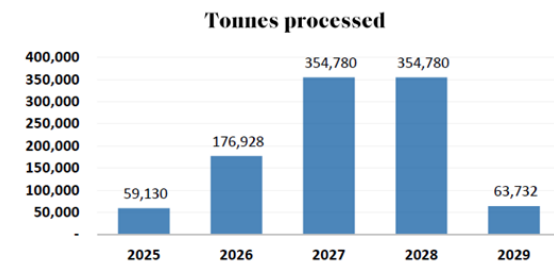
- Seen as cost-effective way to generate shareholder value
- Merlin tenements have both kimberlite and base metal exploration potential
- ***Is there another McArthur River mine?***
  - The McArthur River mine generates over 250kt zinc, 1.2m ounces silver and 50kt lead per annum
  - The same structures associated with the McArthur River mine run through the Merlin exploration license
- Modern Xcite™ system more sensitive than the last systems used 25 years ago and has the potential to identify targets that were missed
- Survey already underway, results to be released in Q1 2025



	Units	Phase 1	Phase 2	Total Project
Pits to be mined		Gawain, Ywain, Palomides, Sacramore, Excalibur	Gawain	
Ore mined	t	213,000	773,000	1,000,000
Carats expected to be recovered	ct	67,000	247,000	314,000
Average price per carat	US\$	415	545	517
Total expected revenue	A\$	42 million	204 million	246 million
Funding requirement	A\$	15 million	10 million	25 million
Net operating cashflow	A\$	11 million	99 million	110 million
Pre-tax NPV (10%)	A\$			40 million
Pre-tax IRR	%			75

# Merlin Capital efficient enhancements

- Phase 1 requires A\$15 million in funding
- Phase 2 a further A\$10 million in funding
- Generates A\$110 million net operating cashflow over 5 years
- Total project NPV <sub>(10%)</sub> of A\$40 million
- Plan intending to be funded at project level
- Lucapa is in discussions with several parties regarding funding:
  - offtake agreement,
  - royalty agreement,
  - JV partnership,
  - government funding and
  - direct project equity or debt
- Potential to improve plan with further resource definition of Gawain and PalSac kimberlites



# Equity raise details

Lucapa Diamond Company Limited (“**Lucapa**”, “**LOM**”, or the “**Company**”) is seeking to raise approximately A\$3 million via a two-tranche placement through the issuance of approximately 150 million new fully paid ordinary shares in the Company (“**New Shares**”) at A\$0.02 per New Share, the (“**Offer**”) or (“**Placement**”).

<b>Offer Details</b>	<p>The Company is seeking to raise approximately A\$3 million via a two-tranche placement through the issuance of approximately 150 million new fully paid ordinary shares in the Company (“<b>New Shares</b>”) at A\$0.02 per New Share, the (“<b>Offer</b>”) or (“<b>Placement</b>”). The Company reserves the right to accept oversubscriptions.</p> <ul style="list-style-type: none"> <li>Tranche 1: Placement of approximately 43.52 million New Shares at A\$0.02 per New Share to raise approximately A\$0.870 million utilising the Company’s existing placement capacity under ASX Listing Rule 7.1 (“<b>Tranche 1</b>”); and</li> <li>Tranche 2: Placement of approximately 106.48 million New Shares at A\$0.02 per New Share to raise approximately A\$2.129 million conditional on the Company obtaining shareholder approval at the Extraordinary General Meeting (“<b>EGM</b>”) expected to be held around mid-January 2025 (“<b>Tranche 2</b>”).</li> </ul>																
<b>Offer Price</b>	\$0.02 per New Share (“ <b>Offer Price</b> ”). The Offer Price represents a discount of 50% to the last close of \$0.04 on Monday 2 December 2024, a 49.8% discount to the 15-trading day VWAP of \$0.04 and a 51.3% discount to the 30 day trading day VWAP of \$0.041.																
<b>Attaching Option</b>	Offer participants will receive 1 free attaching option (“ <b>Option</b> ”) for every 2 New Shares subscribed for under the Placement. The Options will have an exercise price of A\$0.06 and an expiry date that is three years from the date of issue. The issuance of the Options will be subject to shareholder approval at the EGM expected to be held around mid-January 2025.																
<b>Director Participation</b>	Subject to shareholder approval, the Directors of the Company will be participating for approx. A\$300,000 under of the Offer (“ <b>Director Participation</b> ”). The Director Participation will be a combination of new capital as well as New Shares being issued in lieu of outstanding remuneration.																
<b>Use of Funds</b>	Proceeds raised through the Offer will be used to primarily for exploration at the Merlin Project including completing an EM survey over the Merlin Project (\$0.5M) and associated follow up work from the EM survey results (\$1.0M) as well as general working capital including costs of the Offer (\$1.5M).																
<b>Lead Manager</b>	Blue Ocean Equities Pty Ltd has been appointed as Lead Manager to the Offer.																
<b>Underwriting</b>	The Offer is not underwritten																
<b>Timetable</b>	<table border="1"> <thead> <tr> <th>Event</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Trading halt</td> <td>Tuesday, 3 December 2024</td> </tr> <tr> <td>Announcement of Offer to ASX, trading halt lifted &amp; trading resumes</td> <td>Thursday, 5 December 2024</td> </tr> <tr> <td>Settlement of New Shares issued under Tranche 1 of the Placement</td> <td>Wednesday, 11 December 2024</td> </tr> <tr> <td>Allotment of New Shares issued under Tranche 1 of the Placement</td> <td>Thursday 12, December 2024</td> </tr> <tr> <td>Extraordinary General Meeting to approve Options, Tranche 2 &amp; Director Participation</td> <td>Expected to be ~ Mid-January 2025</td> </tr> <tr> <td>Settlement of New Shares under Tranche 2 of the Placement</td> <td>Expected to be ~Mid-January 2025</td> </tr> <tr> <td>Allotment and trading of New Shares under Tranche 2 of the Placement</td> <td>Expected to be ~Mid-January 2025</td> </tr> </tbody> </table>	Event	Date	Trading halt	Tuesday, 3 December 2024	Announcement of Offer to ASX, trading halt lifted & trading resumes	Thursday, 5 December 2024	Settlement of New Shares issued under Tranche 1 of the Placement	Wednesday, 11 December 2024	Allotment of New Shares issued under Tranche 1 of the Placement	Thursday 12, December 2024	Extraordinary General Meeting to approve Options, Tranche 2 & Director Participation	Expected to be ~ Mid-January 2025	Settlement of New Shares under Tranche 2 of the Placement	Expected to be ~Mid-January 2025	Allotment and trading of New Shares under Tranche 2 of the Placement	Expected to be ~Mid-January 2025
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Note: The above dates are indicative only and may change without notice. The Company, in consultation with the Lead Manager, reserves the right to vary the times and dates of the Offer.																	

# Key risks

## Diamond prices and marketability

The ultimate profitability of the Company's operations will be dependent upon the market price and marketability of diamonds. There is a risk that a profitable market may not exist for the sale of diamonds produced by the Company.

Moreover, resource and reserve estimates and studies using different diamond prices than the prevailing market price could result in material write-downs of the Company's investment in the assets and even a reassessment of the economic feasibility of the Company's projects which could result in putting one or more projects on care and maintenance and slowing down operations until there is a change in diamond prices.

Despite the high quality of the diamond production from the Company's operations, an increase in the acceptance of manufactured (synthetic or lab-grown) gem quality diamonds for the jewellery industry could negatively affect the market for natural stones.

## Sovereign risks

In addition to its activities in Australia, the Company is also involved in operations in Angola and may explore other opportunities in other countries in the future. Whilst the Directors are of the opinion that the democratic and regulatory systems in Angola are relatively stable, the Company may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors. There can be no assurance that the political environment in this jurisdiction will continue and this could materially adversely affect the Company's prospects, operations, financial condition and results of operations. The Company's projects and businesses may be adversely impacted by acts of terrorism or war. While the Company will undertake all reasonable due diligence in assessing the risks of terrorism and war in the countries and regions in which it invests, the risks of acts of terrorism and war cannot be fully mitigated.

## Regulatory delays

The business of mineral exploration, project evaluation, development, mining and processing is subject to various national and local laws and plans relating to, amongst others, licencing and maintenance of title; environmental consents; taxation; employee relations; heritage or historic matters; health and safety; royalties; land acquisition and other matters. Although the Board believe that the Company is well placed to have all of its licences issued or renewed in relation to its material assets, should the Company identify future development opportunities or operations there is a risk that the necessary concessions, permits, licences, consents, titles, authorisations and agreements to implement planned exploration, project development, or mining may not be obtained or renewed under conditions or within time frames that make such plans economic, that applicable laws, regulations or the governing authorities will change or that such changes will result in additional material expenditures or time delays could materially adversely affect the Company's prospects, operations, financial condition and results of operations

## Risks and hazards inherent in exploration, development and mining

Exploration, evaluation, development and mining generally involves a high degree of risk. The Company's operations are and will continue to be subject to all the hazards and risks normally incidental to exploring for, evaluating, developing and mining diamond resources. Whilst the Company has taken, and will continue to take, all precautions necessary to minimize risk, the Company's operations will be exposed to hazards including, but not limited to: environmental hazards, periodic interruptions due to bad or hazardous weather conditions, unusual or unexpected geology or grade problems, unanticipated changes in the gravels or ore-body characteristics and diamond recovery, difficulties in sourcing, commissioning and operating plant and equipment, mechanical failure or plant breakdown, unexpected shortages, delays or increases in the sourcing or cost of consumables, spare parts, plant and equipment, industrial or labour disputes, seismic activity, flooding, fire, equipment failure, pit wall failure and other conditions involved in the exploration, evaluation, development and mining activities.

# Key risks - continued

<b>Funding Risk</b>	<p>In the future, the Company may need to raise additional funds (by way of debt and/or equity) to complete its intended exploration and development programs at Merlin. The ability of the Company to meet these future funding requirements, should they arise, will depend upon its continued capacity to access funding sources and/or credit facilities. Funding via additional equity issues may be dilutive to the Company's existing shareholders and, if available, debt financing may be subject to the Company agreeing to certain debt covenants.</p> <p>If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations, delay, suspend and/or scale back its exploration programmes and business strategies, as the case may be. There is no guarantee that the Company will be able to secure any additional funding as and when required or be able to secure funding on terms favourable to the Company.</p>
<b>Mineral Resource Estimates</b>	<p>Whilst the Company intends to undertake further exploration activities with the aim of defining further Mineral Resources, no assurance can be given that the exploration will result in the determination of further Mineral Resources. Even if further Mineral Resources are identified, no assurance can be provided that this can be economically extracted.</p> <p>Mineral Resource and Ore Reserve estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which are valid when originally calculated may change significantly when new information or techniques become available.</p> <p>In addition, by their very nature, Mineral Resource and Ore Reserve estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate.</p>
<b>Reliance on key personnel</b>	<p>The ability of the Company to achieve its objectives depends on the engagement of key employees, directors and external contractors that provide management and technical expertise.</p> <p>If the Company cannot secure technical expertise (for example to carry out development activities) or if the services of the present management or technical team cease to be available to the Company, this may affect the Company's ability to achieve its objectives either fully or within the timeframes and the budget that it has forecast. Additionally, industrial disruptions, work stoppages and accidents in the course of operations may adversely affect the Company's performance.</p> <p>There are also risks associated with staff acting out of their permitted authority and with contractors not acting in accordance with the Company's policies.</p>
<b>Third Party risk</b>	<p>The Company is a party to a joint venture agreement governing the exploration and development of one of its projects. There is a risk that one of the Company's joint venture partners or other contractors may default in their joint venture obligations or not act in the best interests of the joint venture. There is also a risk of legal or other disputes between the Company and co-venturers or contractors or other suppliers. This may have an adverse effect on the interests and prospects of the Company. The risk of a potential dispute with the Company's co-venturers is mitigated to an extent by the fact it is a major shareholder of the Company.</p> <p>There is a risk of insolvency or managerial failure by any of the contractors or other suppliers used by the Company in any of its activities, or that any of those agreements are terminated in accordance with their terms.</p>

# Key risks - continued

## Environmental

As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment. It is the Company's intention to conduct its activities to a high standard of environmental obligation, including compliance with all environmental laws. The social and legal framework governing this area is complex and constantly developing. There is a risk that the environmental regulations may become more onerous, making the Company's operations more expensive or cause delays. The cost of compliance with these laws and regulations may impact the cost of exploration, development, construction, operation of the production facilities and mine closure costs. Significant liabilities could also be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or noncompliance with environmental laws or regulations.

## Land tenure and other regulatory risks

Securing and maintaining tenure over mining tenements is critical to the future development of the Company's projects. The Company could lose title to or its interest in the tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments. Alternatively, applications, transfers, conversions or renewals may be refused or may not be approved with favourable terms. No guarantee can be given that all necessary permits, authorisations, agreements or licences will be provided to the Company by government bodies, or if they are, that they will be renewed. Any of these events could have a materially adverse effect on the Company's prospects and the value of its assets. The Company is also subject to other laws and regulations, including relating to exploration, mining, processing, development, tax, labour, subsidies, royalties, environmental impact and land access. Any materially adverse changes to government application, policy or legislation in relevant areas, or community or government attitudes could impact the assets, profitability or viability of the projects. Any changes may also require increased capital or operating expenditures and could prevent or delay development of the projects. The Company is not aware of any current reviews or changes that would affect its interests in tenements.

## Access and Native Title

There is a substantial level of regulation and restriction on the ability of exploration and mining companies to have access to land in Australia. Negotiations with both native title holders and landowners / occupiers are generally required before gaining access to land for exploration and mining activities. Inability or delays in gaining such access may adversely impact the Company's ability to undertake its proposed activities. The Company may need to enter into compensation and access agreements before gaining access to land. It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate rights of traditional owners or surface rights holders exist. In this case, the ability of the Company to gain access to tenements (through obtaining consent of any relevant traditional owner, body, Company or landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected. The Company's mineral titles may also be subject to access by third parties including, but not limited to, the areas' traditional owners. This access could potentially impact the Company's activities and may involve payment of compensation to parties whose existing access to the land may be affected by the Company's activities. If Aboriginal heritage sites or objects exist, the Company may need to enter into agreements with the traditional owners of the sites. The ability of the Company to implement its work program may be adversely affected in both time and cost.

# Key risks - continued

## Occupational health and safety

Exploration and mining activities have inherent risks. The Company is committed to providing a safe and healthy workplace and environment for its personnel, contractors and visitors. If any of the Company's employees or contractors suffers injury or death, compensation payments or fines may be payable and such circumstances could result in the loss of a licence or permit required to carry on the business. While the Company has also taken out and maintains what it considers to be an adequate level of workers compensation insurance. These liabilities may not be covered by the Company's insurance policies or, if they are covered, may exceed the Company's policy limits or be subject to significant deductibles. Also, any claim under the Company's insurance policies could increase the Company's future costs of insurance. Such an incident may also result in significant interruptions and delays in the projects and also have an adverse effect on the Company's business (including financial position) and reputation. In addition, it is not possible to anticipate the effect on the Company's business of any changes to workplace health and safety legislation or directions necessitated by concern for the health of the workforce. Such changes may have an adverse impact on the financial performance and/or financial position of the Company.

## Climate change risk

Climate change is a risk the Company has considered. The climate change risks particularly attributable to the Company include:

- the emergence of new or expanded regulations associated with the transitioning to a lower carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- climate change may cause certain physical risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns which have the potential to delay the Company's projects.





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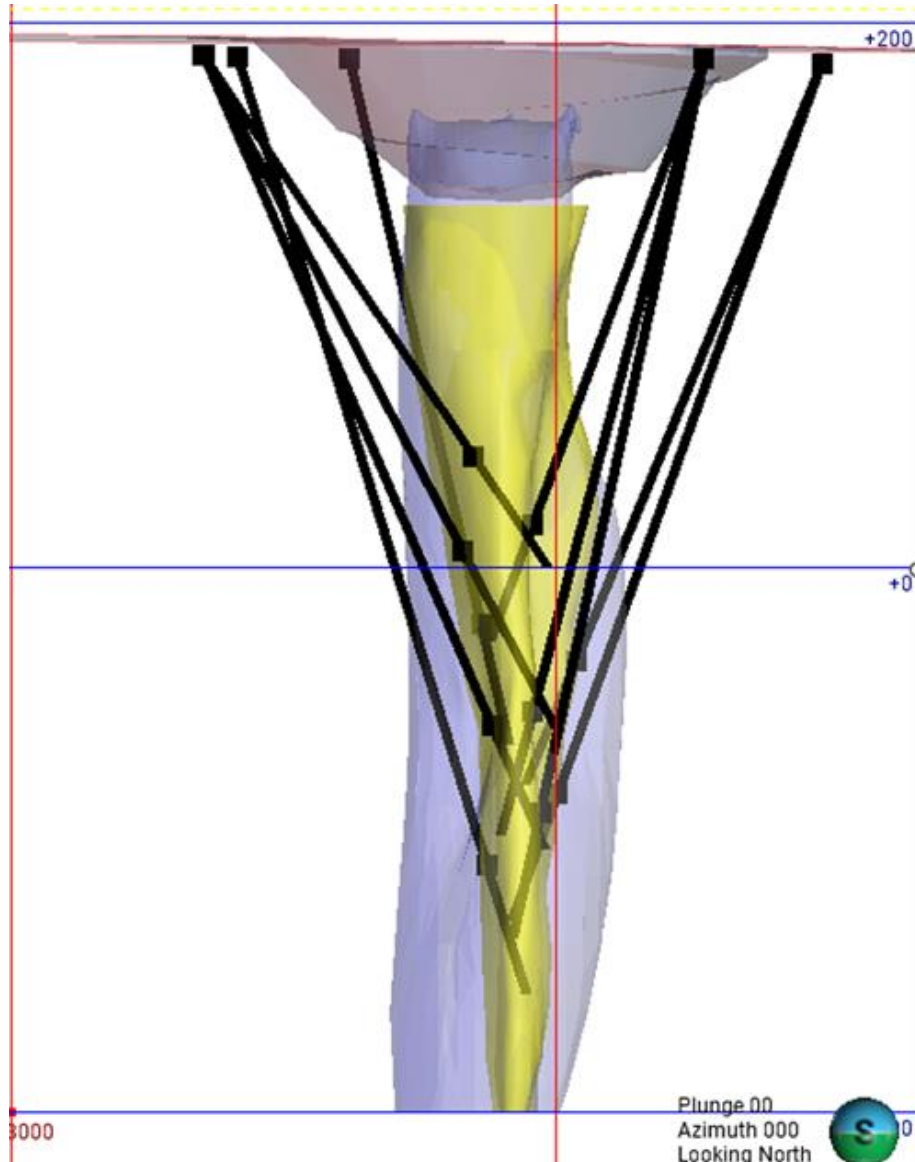


# *Appendices*

# Gawain Drilling

## Potentially increase current resource volume:

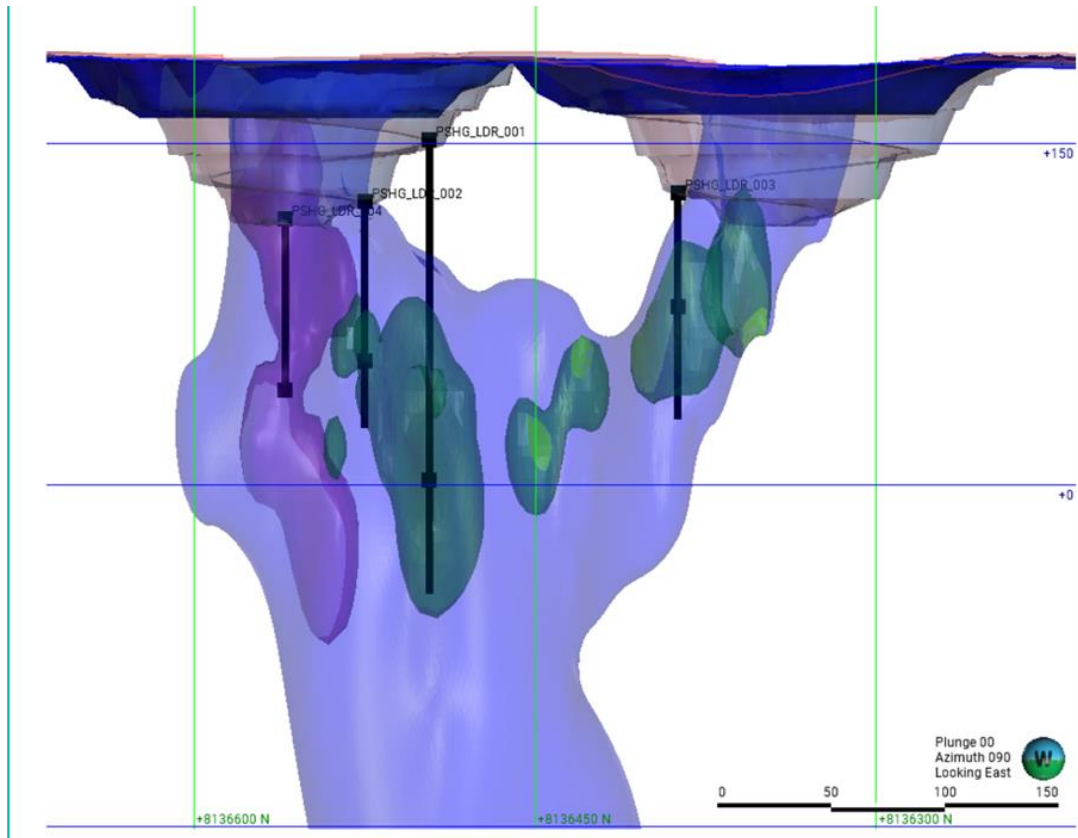
- All current plans based on JORC compliant resource (Yellow)
- Reinterpretation of historical drill records showed the potential for increased kimberlite volume at depth (Blue)
- RC and DD drilling proposed to confirm and define potential increase to resource volume (Black lines)
- Current Gawain JORC compliant resource:
  - Indicated – 1.0Mt @ 32cpt
  - Inferred – 0.6Mt @ 30cpt



# PalSac Drilling

## Potentially increase current resource grade:

- High grade zones identified at depth by Rio Tinto/Ashton, but volumes never defined
- Current JORC compliant resource does not include potential high-grade zones
- DD and LDD drilling proposed to define volumetric extent of potential high-grade zones
- Update JORC compliant resource following completion of drilling
- Current PalSac JORC compliant resource:
  - Indicated – 7.2 Mt @ 17 cpht
  - Inferred – 6.4 Mt @ 16 cpht



# Merlin Resource

## Merlin Classified Mineral Resource JORC Code (2012)<sup>4</sup>

Cluster	Pipe	Indicated			Inferred			Total Resource		
		Mt	kcts	cpht	Mt	kcts	cpht	Mt	kcts	cpht
North	Bedevere <sup>1,3</sup>	0	0	0	0.4	87	22	0.4	87	22
	Kaye <sup>2</sup>	1.1	134	12	1.7	158	9	2.9	293	10
	Ector <sup>1</sup>	2.0	209	10	2.8	248	9	4.9	457	9
	Gareth <sup>1</sup>	0.1	22	18	0.1	10	17	0.2	32	18
	<b>Sub-Total</b>	<b>3.3</b>	<b>366</b>	<b>11</b>	<b>5.0</b>	<b>504</b>	<b>10</b>	<b>8.3</b>	<b>869</b>	<b>10</b>
Centre	Ywain <sup>2</sup>	0.1	47	65	0.1	37	55	0.1	83	60
	Gawain <sup>2</sup>	1.0	314	32	0.6	180	30	1.6	493	31
	<b>Sub-Total</b>	<b>1.1</b>	<b>360</b>	<b>34</b>	<b>0.7</b>	<b>216</b>	<b>32</b>	<b>1.7</b>	<b>576</b>	<b>33</b>
South	Excalibur <sup>1</sup>	0.3	109	31	0.2	60	26	0.6	169	29
	Launfal <sup>1</sup>	1.5	199	14	1.5	200	14	2.9	399	14
	Palsac <sup>1</sup>	7.2	1,248	17	6.4	1,057	16	13.7	2,305	17
	Tristram <sup>2,3</sup>	0	0	0	0.6	36	6	0.6	36	6
	<b>Sub-Total</b>	<b>9.0</b>	<b>1,556</b>	<b>17</b>	<b>8.7</b>	<b>1,352</b>	<b>15</b>	<b>17.8</b>	<b>2,908</b>	<b>16</b>
<b>Total</b>		<b>13.4</b>	<b>2,282</b>	<b>17</b>	<b>14.4</b>	<b>2,072</b>	<b>14</b>	<b>27.8</b>	<b>4,354</b>	<b>16</b>

1. Mineral Resource grades based on previous mining operations recovery using a +0.95mm slotted bottom screen and +5DTC cut-off;
2. Mineral Resource grades based on bulk sample test work using a +0.8mm slotted bottom screen and +5DTC cut-off;
3. Insufficient grade data available to determine +5DTC cut-off grade for Tristram and Bedevere pipes therefore full-cut-off grades are used;
4. Rounding of tonnage and carats may result in computational inaccuracies.



# Lulo Resource

**TABLE 1: LULO JORC CLASSIFIED INFERRED ALLUVIAL DIAMOND RESOURCE**

**As at 31 DECEMBER 2023**

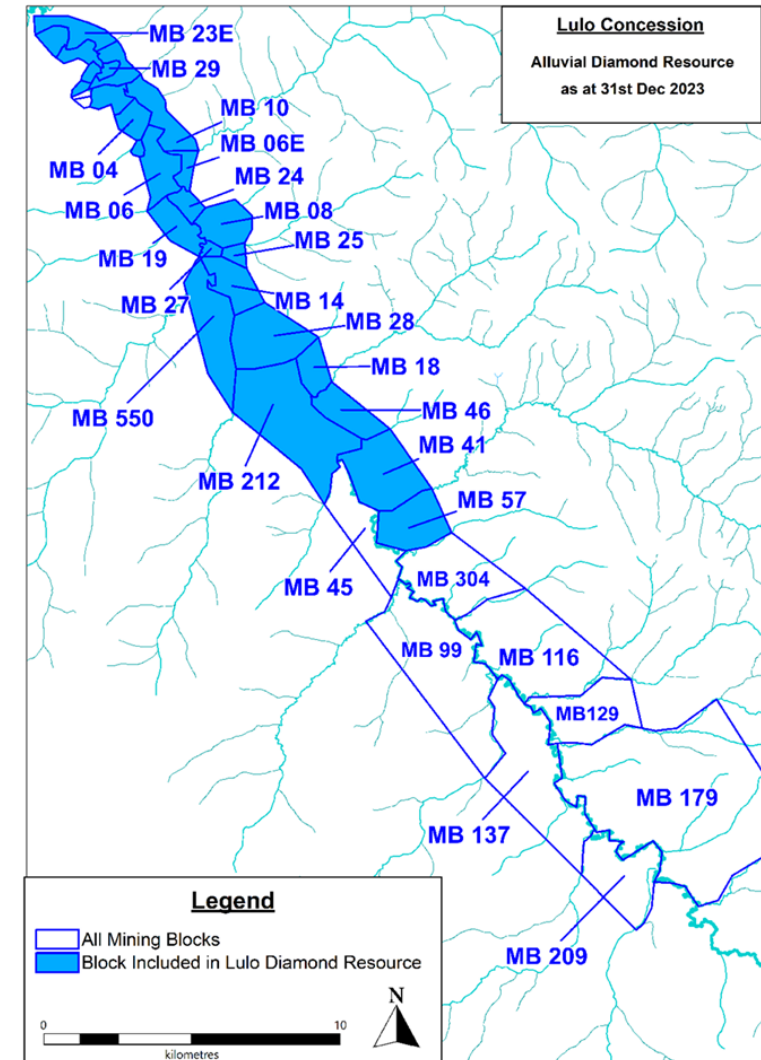
Date	Area (m <sup>2</sup> )	Diluted volume (m <sup>3</sup> )	Carats/Stone	Stones	Carats	Diluted grade (cphm <sup>3</sup> )	Modelled diamond value* (US\$/carat)
31 Dec 23	4,780,000	5,020,000	1.26	181,900	228,400	4.55	1,897
31 Dec 22	2,700,000	2,640,000	1.23	125,460	153,870	5.82	2,000

**Notes:**

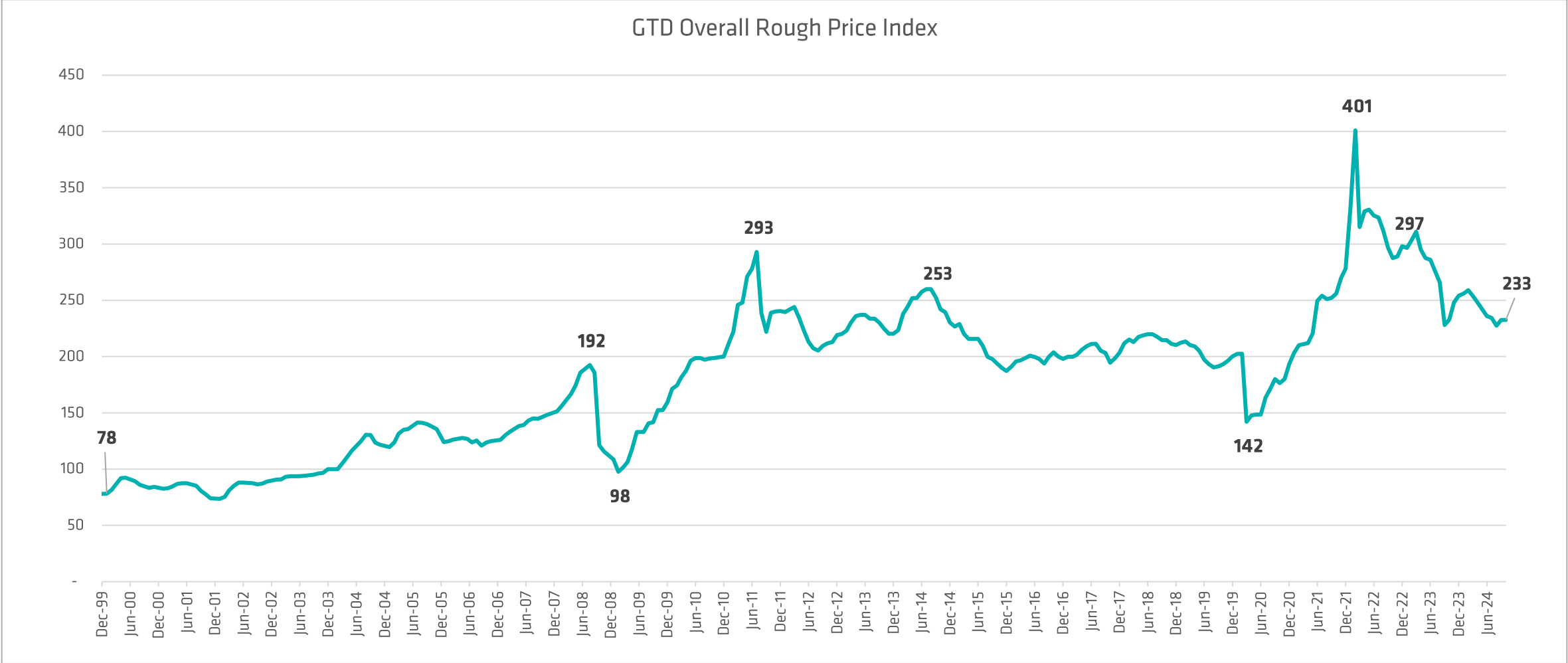
- i. m<sup>2</sup> = square metres; m<sup>3</sup> = cubic metres; cphm<sup>3</sup> = carats per 100 cubic metres
  - ii. Diluted volumes have been estimated based on historical mining production data to better reflect recoverable volumes and grades
  - iii. Bottom cut off screen size: effective 1.5mm
  - iv. Table contains rounded figures
- \* Special stones are not excluded in the modelling stage, either in terms of size or assortment

Refer ASX announcement 18 March 2024 titled *Updated Lulo Alluvial Resource Increases Carats by 48%*

The Company confirms that it is not aware of any new information or data that materially affects the information included in the Original Announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates of Mineral Resources in the Original Announcements continue to apply and have not materially changed.



# GTD Rough Price Index



Source: GTD Consulting – Overall Rough Diamond Price Index