

Lucapa Diamond Company Limited

ACN 111 501 663
(ASX code: LOM)

PROSPECTUS

This Prospectus is being issued for the offer:

- to Eligible Shareholders to subscribe for up to 75,000,000 New Shares at an issue price of \$0.02 per New Share under a share purchase plan (**SPP**) **together with** 1 New Option for every 2 New Shares issued under the SPP to raise approximately \$1.5 million before offer costs, with the ability to accept oversubscriptions to raise approximately a further \$500,000 (before costs) (**SPP Offer**);
- of up to 66,762,600 New Options to Placement Participants, on the basis of one Option for every two Shares issued or to be issued to under the Placement (**Placement Options Offer**);
- of up to 10,000,000 New Options to the Lead Manager (**Lead Manager Offer**);
- of up to 5,924,400 New Options to the Relevant Directors (**Director Offer**); and
- of up to 2,313,000 New Options Management Personnel (**Management Offer**)

(together the **Offers**).

The Offers are not underwritten.

IMPORTANT NOTICE

This document is important and should be read in its entirety.

If, after reading this Prospectus, you have any questions about the Offer Securities being offered under this Prospectus or any other matter relating to the Offer, then you should consult your professional adviser. An investment in the Offer Securities offered by this Prospectus should be considered speculative.

This Prospectus may not be released to US wire services or distributed in the United States except by the Company to a limited number of shareholders who are employees of the Company or “accredited investors” (as defined in Rule 501(a) under the US Securities Act).

This Prospectus has also been prepared in accordance with Section 713 of the Corporations Act.

IMPORTANT NOTICE

1. Prospectus

This Prospectus is dated **23 December 2024**. A copy of this Prospectus has been lodged with ASIC on that date. Neither ASIC nor ASX nor their officers take any responsibility for the contents of this Prospectus nor the merits of the investment to which this Prospectus relates. No Offer Securities will be issued or allotted on the basis of this Prospectus later than 13 months after the date of this Prospectus (**Expiry Date**).

This Prospectus is a transactional specific prospectus for offers of continuously quoted securities (being the New Shares under the Offer) and an offer of New Options to acquire continuously quoted securities and has been prepared in accordance with section 713 of the Corporations Act.

This Prospectus does not contain the same level of disclosure as an initial public offering prospectus prepared pursuant to Section 710 of the Corporations Act. In making representations in this Prospectus, regard has been made to the fact that Lucapa Diamond Company Limited (**LOM** or the **Company**) is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult. Further information is provided in Section 7 of this Prospectus. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX.

The Company will apply to ASX within 7 days of the date of this Prospectus for quotation of the New Shares offered under this Prospectus. Application will be made to the ASX for the listing of all New Options as a separate class of securities tradeable on the ASX. The ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may quote the New Shares and/or New Options is not to be taken in any way as an indication of the merits of the Company.

Applications for New Shares offered pursuant to this Prospectus can only be accepted by Eligible Shareholders and only in accordance with the applicable Application Form. Applications for New Options offered pursuant to this Prospectus can only be accepted in accordance with the relevant Application Form that accompanies this Prospectus. Applications under the:

- SPP Offer for New Options can only be submitted by Eligible Shareholders;
- Placement Options Offer can only be submitted by Placement Participants;
- Lead Manager Offer can only be submitted by the Lead Manager or their nominee; and
- Director Offer can only be submitted by the Relevant Directors or their nominees; and

- Management Offer can only be submitted by Management Personnel or their nominees.

If you are in any doubt about the contents of this document, you should obtain independent professional advice.

2. Applications for New Shares

Applications for New Shares by Eligible Shareholders can only be made by payment via Bpay® or EFT in accordance with instructions contained in Application Form, as further described herein. Each Eligible Shareholder's Application Form confirms that Eligible Shareholder's entitlement to participate in the Offer.

3. Disclaimer

The information contained in this Prospectus is not investment advice. Before deciding to invest in the Company, you should read and understand the entire Prospectus and, in particular, in considering the Company's prospects, you should consider the risk factors that could affect the Company's performance. You should carefully consider these risk factors in Section 6 in the light of your personal circumstances (including financial and taxation issues) and seek advice from your professional adviser before deciding to invest. Investing in the Company involves risks.

None of the Company, the Directors, Lead Manager and its Representatives or any other person gives any guarantee as to the success of the Company, the repayment of capital, the payment of dividends, the future value of the Offer Securities or the price at which the New Shares (including those issued on the exercise of the New Options) will trade on the ASX.

Any references to past performance of the Company is no guarantee of future performance.

Blue Ocean Equities Pty Limited (ACN 151 186 935) (**Lead Manager**) nor any of its affiliates, related bodies corporate, or their respective directors, employees, officers, representatives, agents, partners, consultants and advisers (each a **Representative**), have permitted or caused the issue, submission, or operation of this Prospectus, or authorised, approved or verified any forward-looking statements or any other statements. To the maximum extent permitted by law, the Lead Manager and Representatives expressly disclaim all liabilities (including, without limitation, any liability arising from fault or negligence on the part of any person) and any direct, indirect, consequential or contingent loss or damage whatsoever arising from, make no representations regarding, and take no responsibility for, any part of this Prospectus and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

The Lead Manager and Representatives make no recommendation as to whether you or your related parties should participate in the SPP Offer nor do they make any representations or warranties, express or implied, to you concerning the SPP

Offer or any such information and by paying for your New Shares through BPAY® or EFT payment in accordance with the instructions on the Entitlement and Acceptance Form, you represent, warrant and agree that you have not relied on any statements made by the Lead Manager and Limited Parties in relation to the New Shares, or the SPP Offer generally.

The SPP Offer, Director Offer and Management Offer is being undertaken by Lucapa and the Lead Manager has no role, involvement or responsibility for the SPP Offer, Director Offer and Management Offer.

4. No Representations other than this Prospectus

No person or entity is authorised to give any information or to make any representation in connection with the Offers that is not contained in this Prospectus or has not been released to ASX with the authorisation of the Company. No person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital by the Company or the payment of a return on the New Shares. You should rely only on information contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company or the Directors.

The Application Forms accompanying this Prospectus are important. Please refer to the instructions in Section 4 of this Prospectus regarding acceptance of the Offers.

5. Forward looking information

Some of the statements appearing in this Prospectus may be in the nature of forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. You should be aware that such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate.

Forward looking statements are subject to many inherent risks and uncertainties before actual outcomes are achieved. Those risks and uncertainties include factors and risks specific to the industry in which the Company operates as well as general economic conditions, interest rates, exchange rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and any variation may be materially positive or negative. Forward looking information (including forecast financial information) is subject to uncertainty and contingencies, many of which are outside the control of the Company.

6. Past performance

Investors should note that the Company's past performance, including Share price performance, provides no guarantee or guidance as to future Share price performance.

Any past performance and pro forma financial information given in this Prospectus is provided for

illustrative purposes only and should not be relied upon as (and is not) an indication of the Company's view of its future performance, including the Company's future financial position or Share price performance. Investors should note that the pro-forma financial information has not been audited and is based on management estimates and not on financial statements prepared in accordance with applicable statutory requirements. Accordingly, investors should treat this information with appropriate caution.

7. No cooling off rights apply to the Offers

Cooling off rights do not apply to an investment pursuant to any of the Offers. This means that, in most circumstances, you cannot withdraw your Application Form once it has been lodged.

8. Offer Restrictions on Distribution

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

No action has been taken to lodge this Prospectus in any jurisdiction outside of Australia or to otherwise permit a public offering of New Shares or New Options in any jurisdiction outside of Australia.

In particular, the Offer Securities have not been, and will not be, registered under the US Securities Act and may only be offered and sold in the United States in accordance with an available exemption from registration under the US Securities Act and applicable US state securities laws. See Section 2.1(b) for further information on international offer restrictions.

It is the responsibility of any Applicant to ensure compliance with any laws of a country relevant to their application. Return of a duly completed Application Form (and in the case of the SPP Offer payment of the Application Monies) will be taken by the Company as a representation that there has been no breach of such laws and that the Applicant is an Eligible Shareholder, Placement Participant, Relevant Director, Management Personnel or the Lead Manager (as applicable).

9. Target Market Determination

In accordance with the obligations under the Corporations Act, the Company has determined the target market for the Offers of New Options under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determinations (**TMD**) as set out on the Company's website <https://www.lucapa.com.au/>. By making application under the Offers, you warrant that you have read and understood the applicable TMD and that you fall within the target market set out in that TMD.

10. Prospectus availability

Those investors who receive this Prospectus electronically are advised that the issue of securities under this Prospectus is only available to

persons receiving the prospectus (in hard copy form or downloaded from the ASX website) in accordance with the distribution restrictions described in item 8 above. The information on the Company's website does not form part of this Prospectus.

A paper copy of this Prospectus may be obtained free of charge from the Company or downloaded from the ASX website. The information on the ASX website or the Company's website do not form part of this Prospectus. A personalised Application Form will be despatched to Eligible Shareholders, Placement Participants, the Relevant Directors, Management Personnel and the Lead Manager in accordance with their recorded mailing preferences and in the case of the SPP Offer Eligible Shareholders simply need to make payment as per section 4.1 of this Prospectus to participate in the SPP Offer. Those who access the electronic version of this Prospectus should ensure they download and read the entire Prospectus. The electronic version of the Prospectus on the Company's website will not include a personalised Application Form.

11. ASIC Class Order on Share Purchase Plans does not apply

In certain circumstances, a listed company may undertake a share purchase plan in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (**ASIC Instrument**).

The ASIC Instrument allows a body which is admitted to the official list of the ASX not to comply with Part 6D.2 or 6D.3 of the Act (other than sections 736 and 738) for an offer of shares for issue under a share purchase plan, allowing the share purchase plan to be conducted without the use of a prospectus subject to compliance with the conditions of the ASIC Instrument.

The Company is unable to rely on the ASIC Instrument because the New Options proposed to be issued under the SPP Offer are a new class of securities not quoted on the ASX and are not covered by the disclosure and advertising relief that is the subject of the ASIC Instrument. Accordingly, the Company is undertaking the SPP Offer under this Prospectus.

12. Conditional Offers

The issue of the New Options under the Placement Options Offer, Lead Manager Offer, Director Offer and Management Offer and New Shares and New Options under the SPP Offer, are subject to Shareholder approval being obtained at the General Meeting to be held on 22 January 2025. No New Options under the Placement Options Offer, Lead Manager Offer, Director Offer and Management Offer and New Shares and New Options under the SPP Offer, will be issued until such time as the required Shareholder approval has been obtained.

13. Enquiries

Before making a decision about investing in the Offer, you should seek advice from your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser to determine whether it meets your objectives, financial situation and needs. If you have any questions on how to take up the New Shares offered to you under the Offer, please call the Offer Information Line on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between the hours of 8.30am and 5.00pm, Perth time Monday to Friday.

14. Definitions and glossary, financial amounts and time

Definitions of certain terms used in this Prospectus are contained in Section 9. Unless otherwise indicated, all references to currency are to Australian dollars and all references to time are to Perth, Australia time.

TABLE OF CONTENTS

Key SPP Offer details	5
Important Dates for SPP Offer	5
1. SPP OFFER OVERVIEW	9
2. DETAILS OF THE SPP OFFER	17
3. EFFECT OF THE OFFER	28
4. ACTION REQUIRED BY ELIGIBLE SHAREHOLDERS AND INVESTORS	32
5. RIGHTS AND LIABILITIES ATTACHING TO THE NEW SHARES AND NEW OPTIONS	38
6. RISKS	42
7. ADDITIONAL INFORMATION	51
8. DIRECTORS' STATEMENT	59
9. DEFINITIONS	60
10. CORPORATE DIRECTORY	62
ANNEXURE A - OPTION TERMS AND CONDITIONS	45
SPP OFFER APPLICATION FORM	
PLACEMENT OPTIONS APPLICATION FORM	

Key details for the Offers

Key details of the Offer	
SPP Offer to Eligible Shareholders	A minimum of \$1,000 and up to \$30,000 worth of New Shares per Eligible Shareholder (see section 2.1 for other increments) at an issue price of \$0.02 per New Share together with 1 New Option for every 2 New Shares issued under the SPP Offer.
Issue Price per New Share	\$0.02 per New Share payable in full on Application
Maximum number of New Shares issued under this Prospectus under the SPP Offer	75,000,000 New Shares (100,092,089 New Shares if fully oversubscribed)
Maximum number of New Options issued under this Prospectus under the SPP Offer	37,500,000 New Options (50,046,044 New Options if fully oversubscribed)
Maximum number of New Options issued under the Placement Options Offer	66,762,600 New Options
Maximum number of New Options issued under the Director Offer	5,924,400 New Options
Maximum number of New Options issued under the Management Offer	2,313,000 New Options
Maximum number of Options issued under the Lead Manager Offer	10,000,000 Lead Manager Options
Maximum proceeds from the SPP Offer (before costs)	Approximately \$1.5 million (before costs) (approximately \$2 million (before costs) if fully oversubscribed)
Maximum proceeds from the Placement Options Offer, Lead Manager Offer, Director Offer and Management Offer	No funds will be raised through the issue of New Options under the Placement Options Offer, Lead Manager Offer, Director Offer and Management Offer

Proposed Timetable for the Offers

Event	Date
Record Date for eligibility to participate in the SPP Offer	5.00 pm WST, 10 December 2024
Announcement Date of SPP Offer	11 December 2024
Issue of Placement Shares under Tranche 1 the Placement*	12 December 2024
Lodgement of Prospectus with ASX and ASIC, Opening Date of Offers	23 December 2024
Despatch of Notice of Meeting	24 December 2024
Despatch of Prospectus	27 December 2024
General Meeting to approve the issue of New Shares under the SPP Offer and the issue of New Options under each of the Offers	22 January 2025

Closing Date of the Offers	5.00 pm WST, 23 January 2025
Announcement of results of SPP Offer and issue of New Shares* and New Options* under the Offers and despatch holding statements	Before 12 noon AEDT 30 January 2025
Quotation of New Shares under the SPP on ASX	31 January 2025
Subject to satisfying ASX requirements, Official quotation of the New Options under the Offers	31 January 2025

*subject to Shareholder approval

The above dates are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend these dates without prior notice including extending the last date for receipt of Application Forms, or to delay or withdraw any of the Offers at any time without prior notice. If withdrawn, all Application Monies for New Shares under the SPP Offer which have not been issued will be refunded (without interest) as soon as practicable. Applicants are encouraged to submit their Application Form as early as possible.

Letter from the Independent Chairman

Dear Shareholder

On behalf of the board of directors (**Board**) of **Lucapa Diamond Company Limited** ACN 111 501 663 (ASX code: LOM) (**Company** or **Lucapa**), I am pleased to offer Eligible Shareholders the opportunity to participate in the Company's share purchase plan to raise up to approximately A\$1.5 million (before costs) (**SPP** or **Share Purchase Plan**).

As announced on 5 December 2024, the Company received firm commitments from institutional, sophisticated and professional investors to subscribe for 133,525,200 Shares at an issue price of \$0.02 per Share to raise \$2,670,504 (before costs) (**Placement**).

The Placement is being conducted in two tranches as follows:

- on 12 December 2024, the Company issued a total of 43,518,299 Shares at an issue price of \$0.02 per Share to raise \$870,366 (before costs) (**Tranche 1**); and
- subject to the receipt of Shareholder approval the Company is proposing to issue a further 90,006,901 Shares at an issue price of \$0.02 per Share (before costs) to professional and sophisticated investors, myself and Director Ronnie Beavor to raise an additional \$1,800,138 (**Tranche 2**).

Subject to Shareholder approval the Company has also agreed to issue:

- 1 free attaching New Option for every 2 Shares subscribed for and issued to Placement Participants;
- me and my fellow Directors Miles Kennedy, Nick Selby and Alex Kidman, Shares at the same issue price under the Placement and to issue 1 free attaching New Option for every 2 Shares subscribed for and issued in lieu of unpaid expenses, fees and remuneration, as appropriate; and
- members of the Company's Management Personnel (or their nominees) Shares at the same issue price under the Placement and to issue 1 free attaching New Option for every 2 Shares subscribed for and issued in lieu of unpaid remuneration. Blue Ocean Equities Pty Ltd ACN 151 186 935 acted as Lead Manager to the Placement and under the terms of a mandate letter between the Lead Manager and the Company is entitled to receive a management fee in cash of 6% (excluding GST) of the gross proceeds raised under the Placement and 10,000,000 New Options, subject to receipt of Shareholder approval.

The Company also wishes, subject to Shareholder Approval, to offer our Shareholders the opportunity under the SPP (**SPP Offer**) to subscribe for New Shares in the Company at the same offer price as applicable under the Placement and to receive 1 New Option for every 2 New Shares issued under the SPP, on the same terms as the New Options issued under the Placement. The SPP Offer gives Eligible Shareholders the opportunity to subscribe for up to \$30,000 worth of new fully paid ordinary shares in the Company (**New Shares**) at an issue price of \$0.02 per New Share, in parcel sizes of \$1,000, \$2,000, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000, subject to the Company's allocation policy, without the Shareholder personally incurring any brokerage or transaction costs. The SPP Offer has a targeted raise of \$1.5 million (before costs) however, the Company reserves the right to accept oversubscriptions to raise approximately a further \$500,000 (before costs).

The New Options offered under the Placement Options Offer, the SPP Offer, Director Offer, Management Offer and the Lead Manager Offer are all subject to Shareholder approval. The Company also intends to seek to have the New Options quoted as a separate class of quoted securities on the ASX.

The Offers are not underwritten.

The funds raised from the Placement and SPP will primarily be utilised to accelerate the exploration program at the Merlin Diamond Project, to satisfy the costs of the Offer and for additional working capital.

As a show of my confidence in Lucapa, as the Chairman of the Company, I have committed to participate in the Placement (subject to Shareholder approval) for a total of 3,925,000 Shares (and accompanying 1,962,500 Placement Options) and to accept 5,300,000 Shares and 2,650,000 Options in lieu of Directors fees. As a Board, we welcome the participation of Eligible Shareholders in the SPP Offer set out in this Prospectus and appreciate your ongoing support. A copy of this Prospectus has been lodged with ASIC and the ASX and can be accessed on the ASX website or via the Company's website: <https://www.lucapa.com.au/spp> .

On behalf of the Board, I thank you for your continued support of the Company and invite you to consider participating in the SPP Offer.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Stuart Brown', with a stylized flourish at the end.

Stuart Brown
Non-executive Chairman
Lucapa Diamond Company Limited

1. OVERVIEW OF THE OFFERS

This section is intended to highlight key information for potential investors. This Section is not intended to provide full information for investors intending to apply for New Shares and New Options offered pursuant to this Prospectus. This Prospectus and all its Sections should be read and considered in their entirety.

Question	Response	Where to find more information
<p>What are the Offers being made under this Prospectus?</p>	<p>By this Prospectus the Company is offering:</p> <ul style="list-style-type: none"> • to Eligible Shareholders to subscribe for up to approximately 75,000,000 New Shares (100,092,089 New Shares if fully oversubscribed) at an issue price of \$0.02 per New Share under a share purchase plan (SPP) together with 1 New Option for every 2 New Shares issued under the SPP to raise approximately \$1.5 million before offer costs, with the ability to accept oversubscriptions to raise approximately a further \$500,000 (before costs) (SPP Offer). The SPP Offer gives Eligible Shareholders the opportunity to subscribe for up to \$30,000 worth of new fully paid ordinary shares in the Company (New Shares) at an issue price of \$0.02 per New Share, in parcel sizes of \$1,000, \$2,000, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000, subject to the Company's allocation policy, without the Eligible Shareholder personally incurring any brokerage or transaction costs; • of up to 66,762,600 New Options to Placement Participants, on the basis of one Option for every two Shares issued or to be issued to under the Placement (Placement Options Offer); • of up to 10,000,000 New Options to the Lead Manager (Lead Manager Offer); • of up to 5,924,400 New Options to the Relevant Directors (Director Offer); and • of up to 2,313,000 New Options Management Personnel (Management Offer). 	<p>Sections 2.1, 2.2, 2.3, 2.4 and 2.5</p>
<p>What is the purpose of the Offers and the use of funds?</p>	<p>The SPP Offer is part of a capital raising being implemented in conjunction with a Placement to the Placement Participants, which was announced to the ASX on 5 December 2024.</p> <p>The SPP Offer gives Eligible Shareholders the opportunity to apply to invest in the Company at the same issue price per Share as the Placement.</p> <p>The Company presently intends to use funds raised under the SPP Offer for the purposes set out in Section 2.9.</p> <p>The Placement Options Offer is being made in accordance with the Company's announced intention to offer free attaching New Options to Placement Participants. The Lead Manager Offer is being made for services rendered. The Management Offer and Directors Offer is being made to help compensate the Relevant Directors and Management Personnel for unpaid Directors fees, expenses and remuneration.</p> <p>No funds will be raised as a result of the Placement Options Offer, the Director Offer, Management Offer or Lead Manager Offer.</p> <p>Funds raised from the exercise of the New Options under all of the Offers is intended to be applied towards working capital.</p> <p>This Prospectus has also been issued to facilitate any potential secondary trading of the Offer Securities and any secondary trading of the Shares to be</p>	<p>Sections 2.8 and 2.9</p>

Question	Response	Where to find more information
	issued upon exercise of the New Options.	
Can I sell or transfer my entitlements under the SPP Offer?	No, the Offers are non-renounceable and accordingly, you cannot offer to sell or transfer any of your entitlement on ASX or via an off-market transfer.	Section 2.1(d)
Who is eligible to subscribe under the Offers?	<p>SPP Offer: The SPP Offer is made to Eligible Shareholders only. Eligible Shareholders are those Shareholders who are the registered holder of Shares as at 5.00 pm Perth time on 10 December 2024 with a registered address in Australia or New Zealand.</p> <p>Placement Options Offer: Only Placement Participants are eligible to participate in the Placement Options Offer. Placement Participants are those investors who participated or have agreed to participate in the Placement and were issued Shares under Tranche 1 and/or who have subscribed for and will be issued Shares under Tranche 2 including Directors.</p> <p>Lead Manager Offer: Only the Lead Manager is eligible to participate in the Lead Manager Offer.</p> <p>Director Offer: Only the Relevant Directors (or their nominees) are eligible to participate in the Director Offer.</p> <p>Management Offer: Only the Management Personnel (or their nominees) are eligible to participate in the Management Offer.</p> <p>The issue of New Shares under the SPP Offer, Shares under Tranche 2 of the Placement (including to the Directors Stuart Brown and Ronnie Beevor), to the Relevant Directors and Management Personnel in lieu of unpaid expenses, fees and remuneration, as appropriate and the issue of New Options under each of the Offers is subject to the receipt of Shareholder approval.</p>	Sections 2.1, 2.2, 2.3, 2.4 and 2.5
What are the key terms of the New Options?	<p>The terms of the New Options to be issued under the Offers are the same. The New Options will have an exercise price of \$0.06 each and will expire 3 years from the issue date.</p> <p>The full terms of the New Options are set out in Section 5.2.</p>	Sections 2.1, 2.2, 2.3, 2.4, 2.5 and 5.2
How will the New Shares under the SPP Offer be allocated?	<p>The Company aims to raise up to \$1.5 million under this Prospectus, with the ability to accept oversubscriptions to raise approximately a further \$500,000 (before costs). If applications for more than the Targeted Amount of the SPP Offer and oversubscriptions are received before the Closing Date, the Company may scale back applications at its sole discretion and in the manner it sees fit. The Company reserves the right to scale back or refuse applications under the SPP Offer at its absolute discretion. Any determination by the Board will be final.</p> <p>If there is a scale back, you may receive less than the amount of Offer Securities for which you have applied. If a scale back produces a fractional number of Offer Securities when applied to your application, the number of Offer Securities you will be allotted will be rounded down to the nearest whole number of Offer Securities. If there is a scale back, the difference between the Application Monies received from you, and the number of Offer Securities allocated to you multiplied by the Issue Price, will be refunded to you without interest.</p>	Sections 2.1(e)
Is there a minimum or maximum subscription amount?	There is no minimum aggregate subscription amount across the Offers, but there is a minimum parcel size for each Eligible Shareholder accepting the SPP Offer of \$1,000 per Offer.	Sections 2.1, 2.2, 2.3, 2.4 and 2.5

Question	Response	Where to find more information
	<p>The maximum subscription amount which may be received by the Company under the SPP Offer under this Prospectus is \$1.5 million (being the Targeted Raise), with the ability to accept oversubscriptions to raise approximately a further \$500,000 (before costs). The maximum parcel size for each Eligible Shareholder accepting the SPP Offer is \$30,000.</p> <p>Under the Placement Options Offer, the Director Offer and Management Offer no person may apply for (and the Company will not issue) New Options in excess of the person's entitlement to New Options which is 1 free attaching New Option for every 2 Shares subscribed for and issued under the Placement or in lieu of unpaid expenses, fees and remuneration, as appropriate, as applicable.</p> <p>The Lead Manager may not apply for (and the Company will not issue) New Options where the aggregate number of New Options issued to the Lead Manager will exceed 10,000,000 New Options.</p>	
Are the Offers underwritten ?	No, the Offers are not underwritten.	Section 2.12
How do the New Shares rank?	All New Shares issued under the SPP Offer will rank equally in all respects with existing Shares from the date of their issue.	Sections 2.15 and 5.1
Quotation	Application for official quotation by ASX of the New Shares under this Prospectus. Application will also be made for the New Options offered under this Prospectus as an additional class of listed security will be made within seven days of the date of this Prospectus. If the New Options are not quoted by ASX within 3 months after the date of this Prospectus, the Company will not issue the New Shares or the New Options and all Application Monies received (with respect to the unquoted securities, if any) will be refunded (without interest) in full to the Applicants.	Section 2.13
Do I have to participate?	<p>SPP Offer: No. Participation in the SPP Offer is entirely voluntary. If you do not wish to participate in the SPP Offer, do nothing.</p> <p>Other Offers: No. Participation in each of the Offers is entirely voluntary, even if you applied for and were issued Shares under the Placement or will be issued Shares in lieu of unpaid expenses, fees and remuneration, as appropriate. However, if you do not apply you will not be issued New Options.</p>	Sections 4.1 (a) to (e)

What is the effect of the Offers on the Company's capital structure?

The effect of the Offers on the capital structure is set out below (assuming no other Securities are issued and no other existing Securities are exercised):

	Shares		Performance Rights	Unquoted options	
Existing Securities on issue	333,640,298		5,586,218	1,000,000 ¹	
Shares to be issued under the Stage Two Placement, to Relevant Directors and to Management Personnel	106,481,701 ²		-	-	
Maximum Securities to be issued under the SPP Offer	75,000,000 ²	100,092,089 if fully oversubscribed		37,500,000	50,046,044 if fully oversubscribed
Maximum New Options to be issued under the Placement Options Offer	-		-	66,762,600 ²	
Maximum New Options to be issued under the Lead Manager Offer	-		-	10,000,000 ²	
Maximum New Options to be issued under the Directors Offer	-		-	5,924,400 ²	
Maximum New Options to be issued under the Management Offer	-		-	2,313,000 ²	

Sections 3.1 and 3.2

	<table border="1"> <tr> <td data-bbox="394 204 618 339">Total under SPP Offer</td> <td data-bbox="622 204 779 339">515,121,999</td> <td data-bbox="784 204 1122 339">540,214,088 if fully oversubscribed</td> <td data-bbox="1126 204 1339 339">5,586,218</td> <td data-bbox="1344 204 1507 339">123,500,000¹</td> <td data-bbox="1512 204 1832 339">136,046,044 if fully oversubscribed</td> </tr> </table>	Total under SPP Offer	515,121,999	540,214,088 if fully oversubscribed	5,586,218	123,500,000 ¹	136,046,044 if fully oversubscribed	
Total under SPP Offer	515,121,999	540,214,088 if fully oversubscribed	5,586,218	123,500,000 ¹	136,046,044 if fully oversubscribed			
<p>Note: (1) Also includes unquoted options expiring 30 July 2025 with an exercise price of \$0.40. (2) Subject to the receipt of Shareholder approval.</p> <p>It is not expected that the Offers will have any effect on the control of the Company.</p>								
<p>How do I apply under the Offers?</p>	<p>SPP Offer: Eligible Shareholders can apply for New Shares (and accompanying New Options) under the SPP Offer by simply making payment via BPAY® online or by EFT, using the payment details and instructions included on your SPP Application Form (the Application Form does not need to be returned). If New Zealand Shareholders are unable to pay via BPAY®, they must make payment via EFT in accordance with section 4.1 of this Prospectus.</p> <p>Placement Options Offer: Placement Participants may apply for New Options under the Placement Options Offer by completing the 'Placement Options Offer Application Form'.</p> <p>Lead Manager Offer: The Lead Manager Offer may apply for New Options under the Lead Manager Offer by completing the 'Lead Manager Offer Application Form'.</p> <p>Director Offer: Relevant Directors may apply for New Options under the Director Offer by completing the 'Director Offer Application Form'.</p> <p>Management Offer: Management Personnel (or their nominees) may apply for New Options under the Management Offer by completing the 'Management Offer Application Form'.</p>	<p>Sections 4.1 (a) to (e)</p>						
<p>Are Directors participating in the Offers?</p>	<p>Subject to the receipt of Shareholder approval:</p> <ul style="list-style-type: none"> two of the Company's Directors, Mr Stuart Brown and Mr Ronnie Beevor, will be participating under the Placement and therefore the Placement Options Offer; and Directors Miles Kennedy, Stuart Brown, Nick Selby and Alex Kidman will be subscribing for Shares at the same issue price under the Placement and will be issued 1 free attaching New Option for every 2 Shares subscribed for and issued in lieu of unpaid expenses, fees and remuneration, as appropriate participating under the Director Offer. <p>None of the Directors will be participating in the SPP Offer.</p>	<p>Section 7.6</p>						

The relevant interest of each of the Directors in Securities as at the date of this Prospectus is set out in the table below.

Director	Shares	Voting Power (%)	Performance Rights
Miles Kennedy	623,363 ¹	0.19%	-
Stuart Brown	-	0%	-
Nick Selby	677,569 ²	0.20%	298,800 ³
Alex Kidman	402,686 ⁴	0.12%	1,064,395 ⁵
Ronnie Beevor	766,667 ⁶	0.23%	-

Notes:

1. 570,030 Shares held directly by Mr Kennedy, 53,333 Shares held indirectly by Mrs Janet Kennedy (spouse).
2. 677,569 Shares held indirectly by Ms Diana Peta Selby (spouse).
3. 298,800 Performance Rights held indirectly by Ms Diana Peta Selby (spouse), subject to various vesting conditions.
4. 308,012 Shares held directly by Mr Kidman, 94,674 Shares held indirectly by Mrs Vinie Kidman (spouse).
5. 737, 645 Unlisted Performance Rights held directly by Mr Kidman, subject to vesting rights and 326,750 Unlisted Performance Rights held indirectly by Mrs Vinie Kidman (spouse).
6. 766,667 Shares held indirectly by One Digger Pty Ltd (Mr Beevor is a beneficiary of the Digger Super Fund).

The table below sets out the Shares to be subscribed for, together with the entitlement to New Options of the Directors under the Placement Options Offer and the Director Offer (as applicable), subject to the receipt of Shareholder approval:

Director	Shares under the Placement	Shares under in lieu of fees, expenses and remuneration	New Options under the Placement Options Offer	New Options under the Directors Offer	Total Shares	Voting Power under the Targeted Raise	Voting Power under if the SPP Offer is oversubscribed	Total Options
Miles Kennedy		2,300,200		1,150,100	2,300,200	0.45%	0.43%	1,150,100
Stuart Brown	3,925,200	5,300,000	1,962,600	2,650,000	9,225,200	1.79%	1.71%	4,612,600
Nick Selby		3,000,000		1,500,000	3,000,000	0.58%	0.56%	1,500,000
Alex Kidman		1,248,600		624,300	1,248,600	0.24%	0.23%	624,300
Ronnie Beevor	5,000,000	-	2,500,000	-	5,000,000	0.97%	0.93%	2,500,000

The Directors are not entitled to New Options under the SPP Offer, Management Offer or the Lead Manager Offer.

How can I obtain further information	Contact the Offer Information Line on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) Monday to Friday between the hours of 8.30am and 5.00pm, Perth time. For advice, actively consult your broker, accountant or other professional adviser.	Section 4.6
Risk Factors	There are many risks associated with an investment in the Company, including relating to the Company's business, its regulatory environment and its financial requirements generally. Refer to Section 6 for a more detailed description of some of these Risk Factors.	Section 6

2. DETAILS OF THE OFFERS

2.1 SPP Offer

The share purchase plan offer (**SPP Offer**) is an offer to each Eligible Shareholder to apply for up to \$30,000 worth of fully paid ordinary shares in the Company at an issue price of A\$0.02 per New Share (being up to 75,000,000 New Shares per Eligible Shareholder, up to 100,092,089 New Shares if fully oversubscribed)), to raise up to a total of \$1.5 million before costs (**Targeted Raise**) with the ability to accept oversubscriptions for an additional \$500,000 (approximately before costs). For every 1 New Share subscribed and issued under the SPP Offer, at no additional cost the subscriber will also receive 1 New Option. Applications can only be made in the following parcel sizes:

SPP Application Amount	Number of New Shares which may be purchased	Number of free New Options
\$1,000	50,000	25,000
\$2,000	100,000	50,000
\$5,000	250,000	125,000
\$10,000	500,000	250,000
\$15,000	750,000	375,000
\$20,000	1,000,000	500,000
\$25,000	1,250,000	625,000
\$30,000	1,500,000	750,000

Eligible Shareholders may apply for New Shares under the SPP Offer but are not required to do so. The Company will make application for official quotation by ASX of the New Shares. The Company will make application for official quotation by ASX of the New Options as a new class of securities within the time limits prescribed by the ASX Listing Rules.

In certain circumstances, a listed company may undertake a SPP in accordance with *ASIC Corporations (Share and Interest Purchase Plan) Instrument 2019/547 (Class Order)*. The Class Order allows a company to conduct a SPP without the use of a prospectus. However, due to the fact that this SPP Offer includes both New Shares and New Options, the Company is unable to rely on the disclosure relief granted by the Class Order and therefore it is undertaking the SPP Offer under this transaction specific prospectus pursuant to section 713 of the Corporations Act.

The Company is convening a meeting of shareholders on 22 January 2025 to seek Shareholder Approval for the issue of the New Shares and the issue of the New Options under the SPP Offer.

(a) Eligible Shareholders under the SPP Offer

Eligible Shareholders under the SPP Offer are those holders of Shares who:

- are registered as a holder of Shares as at the Record Date; and
- have an address on the Company's share register in Australia or New Zealand.

Shareholders who do not satisfy each of the above-mentioned criteria are Ineligible Foreign Shareholders.

The Company, in its absolute discretion, reserves the right to determine whether a Shareholder is an Eligible Shareholder and is therefore able to participate in the Offer, or an Ineligible Foreign Shareholder and is therefore unable to participate in the SPP Offer. The Company disclaims all liability to the maximum extent permitted by law in respect of any determination as to whether a Shareholder is an Eligible Shareholder or an Ineligible Foreign Shareholder.

The entitlement of Eligible Shareholders to participate in the Offer has been determined on the Record Date.

The Company has decided that it is unreasonable to make the Offer to any Shareholder with a registered address outside the Exempt Jurisdictions (**Ineligible Foreign Shareholder**), having regard to:

- (i) the number of Shareholders with addresses in such other countries as a proportion of total Shareholders in the Company;
- (ii) the number and value of the New Shares and New Options those Shareholders would be offered under the SPP Offer; and
- (iii) the cost to the Company of complying with applicable legal and regulatory requirements in such other countries.

(b) Overseas shareholders

The SPP Offer does not, and is not intended to, constitute an offer of New Shares, New Options or any other securities in any place or jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Prospectus.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand). In addition, for Eligible Shareholders who subscribe for New Shares, the Company will issue New Options for no consideration.

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand). This Prospectus is not an investment statement or prospectus under New Zealand law and is

not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

United States

The New Shares and the New Options have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may only be offered, sold or resold in, or to persons in, the United States in accordance with an available exemption from registration requirements of the US Securities Act and applicable US state securities laws.

Any person in the United States or any person that is, or is acting for the account or benefit of a U.S. person with a holding through a nominee may not participate in the SPP Offer and the nominee must not take up any Entitlement or send any materials into the United States or to any person that is, or is acting for the account or benefit of, a U.S. person.

(c) Opening and Closing Date for SPP Offer

The SPP Offer will open for receipt of acceptances on 23 December 2024. The Closing Date for Applications to be made under the SPP Offer is 5.00pm (Perth time) on 23 January 2025.

The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend the last date for receipt of Applications Forms (or applicable payment), or to delay or withdraw the SPP Offer at any time without prior notice. Where the SPP Offer is withdrawn, all Application Monies will be refunded (without interest) as soon as practicable by cheque to your registered address as noted on the Company's Share Registry.

Any extension of the Closing Date will have a consequential effect on the issue date of New Shares and New Options.

(d) No transfer of entitlements under the SPP Offer

The SPP Offer is non-renounceable and therefore Eligible Shareholders cannot offer to sell or transfer any of their entitlement to participate in the SPP Offer on ASX or via an off-market transfer (or any other exchange or privately transferred).

If New Shares are issued under the SPP Offer, Eligible Shareholders who do not take up their entitlement under the SPP Offer in full will have their percentage interest in the Company diluted as compared to that percentage as at the date the SPP Offer made.

(e) Scale back

The Company intends to raise approximately \$1.5 million (before costs) with the ability to raise a further \$500,000 (approximately, before costs) in oversubscriptions under the SPP Offer. If applications for more than the Maximum Amount of the SPP Offer and oversubscriptions are received before the Closing Date, the Company may scale back applications at its sole discretion and in the manner it sees fit.

Applications under the SPP Offer will be allocated at the absolute discretion of the Company and the final allocation decision will be at the sole discretion of the Board. The Company reserves the right to scale back or refuse applications under the SPP Offer at its absolute discretion.

If the scale back produces a fractional number of New Shares when applied to your parcel, the number of New Shares you will be allocated will be rounded down to the nearest whole number of New Shares. If the number of New Shares (and accompanying New Options)

issued under the SPP Offer is less than the number applied for, surplus Application Monies will be refunded in full. Interest will not be paid on Application Monies refunded.

(f) Custodians

Eligible Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how to proceed. The SPP Offer is being made to all Eligible Shareholders. The Company is not required to determine whether or not any Eligible Shareholder is acting as a nominee or the identity or residence of any underlying beneficial owners / holder (**UBH**) of Shares.

The SPP Offer will be available to the UBH of custodians / nominees to the extent the UBH is a resident in Australia or New Zealand. Due to legal restrictions, nominees and custodians may not send this Prospectus to any person outside Australia or New Zealand who is not permitted to participate in the Offer in accordance with the preceding sentence.

Each custodian or nominee who is applying for SPP Shares on behalf of their individual UBH will need to submit a schedule showing the amount of New Shares being applied for in respect of each UBH.

In respect of nominees, trustees or custodians acting on behalf of UBHs, the foreign restrictions under the offer will be applied at the registered address of the Custodian. This will be irrespective of whether the holder is an institutional or sophisticated investor.

Eligible Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how to proceed. The Offer is being made to all Eligible Shareholders. The Company is not required to determine whether or not any Eligible Shareholder is acting as a nominee or the identity or residence of any beneficial owners of Shares.

(g) Joint Holders

Unless a holder is a custodian, if a holder is recorded with one or more other persons as the joint holder of the Company's Shares, the joint holding is considered a single registered holding for the purpose of the SPP Offer. Joint holders are entitled to participate in respect of that single holding and may apply for up to a maximum amount of \$30,000 worth of New Shares (irrespective of whether the holder and the other person or persons receive multiple offers under the SPP Offer, for example, due to multiple identical registered holdings).

2.2 Placement Options Offer

As announced on 5 December 2024, the Company received firm commitments from institutional, sophisticated and professional investors to subscribe for 133,525,200 Shares at an issue price of \$0.02 per Share to raise \$2,670,504 (before costs) (**Placement**).

The Placement is being conducted in two tranches as follows:

- » on 12 December 2024, the Company issued a total of 43,518,299 Shares at an issue price of \$0.02 per Share to raise \$870,366 (before costs) (**Tranche 1**); and
- » subject to the receipt of Shareholder approval the Company is proposing to issue a total of 90,006,901 Shares at an issue price of \$0.02 per Share (before costs) to professional and sophisticated investors, myself and Director Ronnie Beavor to raise a further \$1,800,138 (**Tranche 2**).

The Placement Options Offer is an offer of up to 66,762,600 New Options for nil consideration on the basis of one Option for every two New Shares or to be issued under

the Placement subject to the receipt of Shareholder approval (**Placement Options Offer**). Where the determination of a Placement Participant's entitlement to New Options under the Placement Options Offer results in a fraction, such fraction will be rounded down to the nearest whole Option.

Based on the number of New Shares issued under the Placement, up to 66,762,600 New Options may be issued under the Placement Options Offer. No funds will be raised from the issue of the New Options. If all of the New Options under the Placement Options Offer are exercised the Company will receive approximately \$4,005,756 (before costs).

The New Options offered under the Placement Options Offer will be exercisable at \$0.06 each and will expire 3 years after the issue date and otherwise on the terms set out in this Section 5.2.

All of the Shares issued upon exercise of the New Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Sections 2.15 and 5.1 for further information regarding the rights and liabilities attaching to the Shares.

2.3 Lead Manager Offer

The Company engaged the services of Blue Ocean Equities Pty Ltd (**Blue Ocean Equities**) to manage the Placement. Pursuant to the mandate between the Company and Blue Ocean Equities summarised in section 5.3 (**Equity Raising Mandate**), the Company agreed to issue the Lead Manager 10,000,000 New Options in aggregate for services performed under the Equity Raising Mandate. The offer of 10,000,000 New Options to the Lead Manager is the subject of the Lead Manager Offer (**Lead Manager Offer**).

The New Options offered under the Lead Manager Offer will be exercisable at \$0.06 each and will expire 3 years after the issue date and otherwise on the terms set out in Section 5.2.

Only the Lead Manager (or nominee) may accept the Lead Manager Offer by using the relevant Application Form in relation to the Lead Manager Offer.

No funds will be raised from the Lead Manager Offer as the New Options are being issued as consideration for services provided by the Lead Manager in respect of the Placement. If all of the New Options under the Lead Manager Offers are exercised the Company will receive approximately \$600,000 (before costs).

2.4 Director Offer

The Company has agreed, subject to obtaining Shareholder approval, to issue Shares to each of Miles Kennedy, Stuart Brown, Nick Selby and Alex Kidman (being current directors) (together, the **Relevant Directors**) and to issue 1 free attaching New Option for every 2 Shares subscribed for and issued in lieu of expenses, director fees and remuneration owed to the Relevant Directors by the Company (**Amount Owing**) at a \$0.02 deemed conversion price equal to the issue price under the Placement. The offer of 5,924,400 New Options to the Relevant Directors is the subject of the Director Offer (**Director Offer**).

The Amount Owing to each Director, the number of Shares and the number of New Options to be issued to each Participating Director, is set out below.

Director	Amount Owing	Number of Shares	Number of New Options
Miles Kennedy	\$46,004	2,300,200	1,150,100
Stuart Brown	\$106,000	5,300,000	2,650,000
Nick Selby	\$60,000	3,000,000	1,500,000
Alex Kidman	\$24,972	1,248,600	624,300
Total	\$236,976	11,848,800	5,924,400

2.5 Management Offer

The Company has agreed, subject to obtaining Shareholder approval, to convert \$92,520 owing in remuneration to members of management that are not related parties (together, the **Management Personnel**) into Shares at a deemed issued price of \$0.02 the same issue price under the Placement and to issue 1 free attaching New Option for every 2 Shares subscribed for and issued. The offer of 2,313,000 New Options to the Management Personnel is the subject of the Management Offer (**Management Offer**).

2.6 Eligibility to participate in the Offers

(a) SPP Offer

The SPP Offer is made to Eligible Shareholders only. Eligible Shareholders are those Shareholders who are the registered holder of Shares as at 5.00 pm Perth time on 10 December 2024 with a registered address in Australia or New Zealand.

(b) Placement Options Offer

Only Placement Participants are eligible to participate in the Placement Options Offer. Placement Participants are those investors who participated or have agreed to participate in the Placement and were issued Shares under Tranche 1 and/or who have subscribed for and will be issued Shares under Tranche 2 including Directors.

(c) Lead Manager Offer

Only the Lead Manager is eligible to participate in the Lead Manager Offer.

(d) Director Offer

Only the Relevant Directors (or their nominees) are eligible to participate in the Director Offer.

(e) Management Offer

Only the members of Management Personnel (or their nominees) who have agreed to subscribe for Shares at a deemed issue price of \$0.02 per Share and 1 New Option for every 2 Shares issued in lieu of the cash amounts of remuneration owed to them are eligible to participate in the Management Offer.

2.7 Shareholder approval

The Company is seeking Shareholder approval for (amongst other matters) the issue of the New Shares and New Options under the SPP Offer and the New Options under the Placement Options Offer, Lead Manager Offer, Director Offer and Management Offer, which is to be sought at a general meeting of the Company, scheduled to be held on 22 January 2025 (**General Meeting**). A notice of meeting for the General Meeting will be despatched by the Company in due course following this Prospectus. The Company proposes to seek quotation of the New Options subject to satisfying the quotation requirements of ASX in addition to the New Shares.

The SPP Offer is being made subject to Shareholders approving the issue of New Shares and New Options pursuant to the SPP Offer for the purposes of Listing Rule 7.1 because the issue of Offer Securities pursuant to the SPP Offer exceeds the 15% limit in ASX Listing Rule 7.1 and does not fall within any of the exceptions in ASX Listing Rule 7.2 because:

- » the issue of free attaching New Options does not satisfy the conditions of ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547;
- » the issue price per New Share is less than 80% of the relevant five-day volume weighted average market price (VWAP) of Shares, being the maximum discount permitted under Listing Rule 7.2 Exception 5, using the VWAP before the day the SPP Offer was announced, and not forecasting what the VWAP will be prior to the issue of the New Shares; and
- » because there are no pre-existing New Options in the same class as the proposed New Options, it is not possible to satisfy the VWAP requirements of Listing Rule 7.2 Exception 5 in relation to the proposed New Options.

If Shareholder approval is not obtained for the issue of New Shares and New Options under the SPP Offer, then the Company will not be able to proceed with the issue of the New Shares and New Options under the SPP Offer and Applicants under the SPP Offer will not be issued any Offer Securities and the Company will refund all Application Monies without interest.

It is not proposed for any related party of the Company to participate in the SPP Offer (noting that Listing Rule 10.12, exception 4 (that would otherwise permit the SPP Shares to be issued to related parties under a share purchase plan without Shareholder approval), is not satisfied in this instance, for the same reasons as detailed above in relation to Listing Rule 7.2, exception 5).

In addition, if Shareholder approval is not obtained for the issue of New Options as contemplated under any of the Director Offer, Management Offer, the Lead Manager Offer and the Placement Options Offer (and in respect of the Placement Options Offer if Shareholder approval is not obtained for the issue of Share under Tranche 2 of the Placement) then the Company will not issue New Options under that Offer.

2.8 Purpose of the Offers

The SPP Offer is part of a capital raising being implemented in conjunction with a Placement to the Placement Participants, which was announced to the ASX on 5 December 2024.

The SPP Offer gives Eligible Shareholders the opportunity to apply to invest in the Company at the same issue price per Share as the Placement.

The Company presently intends to use funds raised under the SPP Offer for the purposes set out in Section 2.9.

The Placement Options Offer is being made in accordance with the Company's announced intention to offer free attaching New Options to Placement Participants. The Lead Manager Offer is being made for services rendered. The Management Offer and Director Offer is being made to help compensate the Relevant Directors and Management Personnel for unpaid Directors fees, expenses and remuneration.

No funds will be raised as a result of the Placement Options Offer, the Director Offer, Management Offer or Lead Manager Offer.

Funds raised from the exercise of the New Options under all of the Offers is intended to be applied towards working capital.

This Prospectus has also been issued to facilitate any potential secondary trading of the Offer Securities and any secondary trading of the Shares to be issued upon exercise of the New Options.

2.9 Use of Funds

Where Shareholder approval is obtained and the SPP Offer is fully subscribed there will be an increase in cash in hand of the Company of up to approximately \$1.5 million (before costs). No funds will be raised by the issue of the New Options. If the Company raises approximately \$1.5 million from the SPP Offer, it is currently proposed that the Company will use those funds, as follows:

Use of Funds	\$Amount
Advancing the Merlin Project – exploration program including costs of the electromagnetic survey and follow up work	\$1,000,000
Costs of the Offers	\$120,000
Working capital	\$380,000
Total under the Targeted Raise*	\$1,500,000*

If the SPP Offer is oversubscribed the Company will allocate any funds in excess of the Targeted Raise to working capital.

No funds will be raised as a result of the Placement Options Offer, Lead Manager Offer, Director Offer and Management Offer.

The Company will receive \$0.06 for each New Option exercised. If all New Options are issued and exercised, the Company will receive approximately \$7,350,000 (before costs), \$8,162,762.64 if the SPP Offer is fully oversubscribed. There is no certainty that any of the New Options will be exercised.

Funds raised from the exercise of the New Options are intended to be applied towards working capital given the timing and uncertainty of the exercise of New Options. The application of funds will depend on when New Options are exercised and the status of the Company's projects and requirements at the relevant time.

The above is a statement of current intentions at the date of this Prospectus. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

2.10 Issue Date

It is expected that New Shares and New Options will be issued by ASX in accordance with the dates specified in the Proposed Timetable.

It is the responsibility of Applicants to determine their allocation prior to trading in the New Shares and New Options. Applicants who sell the New Shares and New Options before they receive their holding statements do so at their own risk.

2.11 No cooling off rights

Cooling off rights do not apply to an investment in New Shares and New Options under the Offers. You cannot withdraw your Application once it has been received.

2.12 No Underwriting

The Offers are not underwritten and therefore no guarantee of the amount which may be raised for the SPP Offer under this Prospectus.

2.13 Quotation

Application for official quotation by ASX of the New Shares and (as a new class of securities) the New Options offered under this Prospectus will be made within seven days of the date of this Prospectus. If either of the New Shares or New Options is not quoted by ASX within 3 months after the date of this Prospectus, the Company will not issue those New Shares and or New Options (for which quotation was not obtained, as the case may be) and all Application Monies received (with respect to the unquoted securities, if any) will be refunded (without interest) in full to the Applicants.

The fact that ASX may grant official quotation to the New Shares and the New Options is not to be taken in any way as an indication of the merits of the Company or the New Shares. Neither ASX nor any of its officers accepts or takes any responsibility for the contents of this Prospectus.

It is expected that normal trading on ASX will commence in relation to New Shares and (subject to satisfying ASX requirements) New Options issued under the SPP Offer on 7 February 2025.

2.14 CHESS

The Company will apply to ASX to participate in CHESS for those Shareholders who have, or wish to have, a sponsoring stockbroker. Shareholders who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, Shareholders will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares and New Options allotted to them under this Prospectus. The notice will also advise Shareholders of their Holder Identification Number (HIN) and explain, for future reference, the sale and purchase procedures for the New Shares under CHESS and issuer sponsorship.

Further monthly statements will be provided to Shareholders if there have been any changes in their interest in the Company during the preceding month.

2.15 Rights and liability attaching to New Shares and New Options

The New Shares issued under the SPP Offer will be on a fully paid basis and will rank equally in all respects with existing Shares. Full details of the rights and liabilities attaching to Shares are set out in the Company's constitution, a copy of which may be downloaded from the Company's website at <https://www.lucapa.com.au/investor-centre/corporate-information/> or is available for inspection at the Company's registered office during normal business hours.

You may also contact the Company's Share Registry on the Offer Information Line on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between the hours of 8.30am and 5.00pm, Perth time to request a copy of the Company's constitution. A summary of the important rights attaching to the New Shares is contained in Section 5.1 of this Prospectus. The terms and conditions of the New Options are described in Section 5.2 of this Prospectus and are otherwise subject to the ASX Listing Rules. The Company will be making application for quotation of the New Shares, not the New Options.

2.16 Brokerage and Stamp Duty Costs

No brokerage or stamp duty is payable by Eligible Shareholders, Placement Participants, the Lead Manager, Relevant Directors or Management Personnel on the issue of New Options or New Shares (in relation to the SPP Offer) under this Prospectus.

2.17 Minimum and Maximum Subscription

There is no minimum subscription under the Offers.

Up to 75,000,000 New Shares under the SPP Offer (plus up to 37,500,000 accompanying New Options at no extra cost) will be offered under the SPP Offer to raise approximately \$1.5 million before the expenses of the Offers are taken into account, with the ability to raise a further \$500,000 (approximately, before costs) in oversubscriptions. This would involve the issue of a total of 100,092,089 New Shares plus a total of 50,046,044 New Options if the SPP Offer is fully oversubscribed.

There is no minimum aggregate amount of capital that must be subscribed under the SPP Offer before the New Shares and New Options are issued - however in respect of the SPP Offer there is an individual minimum parcel size for applications of \$1,000 and a maximum parcel size of \$30,000 under the SPP Offer.

Under the Placement Options Offer, the Director Offer and Management Offer no person may apply for (and the Company will not issue) New Options in excess of the person's entitlement to New Options, which is 1 free attaching Option for every 2 New Shares subscribed for under the Placement, to the Relevant Directors and Management Personnel, as applicable.

The Lead Manager may not apply for (and the Company will not issue) New Options in excess of 10,000,000 New Options.

2.18 Risks

There are a number of risks associated with an investment in New Shares and New Options in the Company. A brief overview of some of the key risks is outlined in Section 6. In particular, as the Issue Price is at a material discount to the recent market price for the Company's shares, there may be a material number of New Shares issued and New Options issued under the Offers. Failing to participate in the SPP Offer (see Section 3.2) means that Shareholders could therefore be diluted as a result of the issue of the New Shares and the issue of Shares on the exercise (if any) of the New Options.

An investment in the Company carries certain risks that may impact on the future profitability of the Company and the value of the Company's securities. The Offer Securities should be considered speculative. The Directors recommend that potential investors carefully consider this Prospectus and consult their professional advisors before deciding whether to apply for New Shares or New Options pursuant to this Prospectus.

Some of the key risk factors affecting an investment in the Company are discussed in Section 6 of this Prospectus.

3. EFFECT OF THE OFFERS

3.1 Effect of the Offers on the capital structure of the Company

The principal effect of the Offers, assuming all New Shares and New Options offered under this Prospectus are issued, will be to increase the total number of New Shares on issue by a maximum of 75,000,000 and to increase the New Options on issue by a maximum of 122,500,000.

The effect of the Offers on the capital structure is set out below (assuming all New Shares and New Options offered under this Prospectus are issued and no other Securities are issued and no other existing Securities are exercised).

	Shares		Performance Rights	Unquoted options	
Existing Securities on issue	333,640,298		5,586,218	1,000,000 ¹	
Shares to be issued under the Stage Two Placement, to Relevant Directors and to Management Personnel	106,481,701 ²		-	-	
Maximum Securities to be issued under the SPP Offer	75,000,000 ²	100,092,089 if fully oversubscribed		37,500,000	50,046,044 if fully oversubscribed
Maximum New Options to be issued under the Placement Options Offer	-		-	66,762,600 ²	
Maximum New Options to be issued under the Lead Manager Offer	-		-	10,000,000 ²	
Maximum New Options to be issued under the Directors Offer	-		-	5,924,400 ²	
Maximum New Options to be issued under the Management Offer	-		-	2,313,000 ²	
Total under SPP Offer	515,121,999	540,214,088 if fully oversubscribed	5,586,218	123,500,000 ¹	136,046,044 if fully oversubscribed

Note:

- (1) Also includes unquoted options expiring 30 July 2025 with an exercise price of \$0.40.
(2) Subject to the receipt of Shareholder approval.

3.2 Potential effect on control of the Company

The potential effect the Offer will have on the control of the Company, and the consequences of that effect, will depend on several factors, including Eligible Shareholder and investor demand.

The potential effect of the Offer on the control of the Company includes:

- (a) If some Eligible Shareholders do not take up the SPP Offer, then the interests of those Eligible Shareholders will be diluted more than the interests of those Eligible Shareholders who do take up the SPP Offer;
- (b) The proportional interests of Ineligible Foreign Shareholders may be diluted because those Ineligible Foreign Shareholders are not entitled to participate in the SPP Offer.

The Company is of the view that the Offers will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. No investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offers.

3.3 Market Price of Shares

The highest and lowest closing market prices of the Shares on ASX during the 3 months of trading preceding the Record Date and the respective dates of those sales, are:

Highest: \$0.045 on 4 November 2024
Lowest: \$0.025 on 9 December 2024

The volume weighted average sale price on ASX of the Shares during the 90 days immediately preceding the date of lodgement of this Prospectus with ASIC (**VWAP**) (which includes the effect of the announcement of the pricing of the Offer and Placement), is \$0.028.

The Issue Price represents a:

- premium of 17.6 % to the Company's closing price on 20 December 2024 of \$0.017;
- discount of 22.18% to the Company's 5-day VWAP calculated over the last five days on which sales in shares were recorded before the day on which the SPP was announced of \$0.0257; and
- discount of 12% to the Company's 15 day VWAP of \$0.023.

3.4 Impact of change in ASX Market price

The market price of the Company's Shares on the ASX may change between the date of this Prospectus and the date of issue of New Shares under the SPP Offer.

If there is a decrease in that market price, this will result in a corresponding proportionate decrease in the market value of New Shares issued to the Applicant. If there is an increase in that market price, this will result in a corresponding proportionate increase in the market value of New Shares issued to the Applicant.

However, any increase or decrease in market value will not alter the issue price per New Share, nor the number of New Shares to be issued, under the SPP Offer.

3.5 Pro Forma Statement of Financial Position

The pro forma statement of financial position of the Company has been prepared by the Company based on the audit reviewed statement of financial position as at 30 June 2024, and adjusted to reflect pro forma assets and liabilities of the Company as if completion of the Offers and the Placement had occurred by 30 June 2024.

The pro-forma financial information has not been audited or reviewed and, other than the estimated costs of the Offers and the Placement, it does not include the indicative expenditure of the proceeds of the SPP Offer and the Placement.

The pro forma financial information is presented in an abbreviated form, in so far as it does not include all of the disclosure statements or comparative information required by Australian Accounting Standards applicable to the Company's annual financial statements.

The financial information should be read in conjunction with the risk factors described in Section 6, and other information detailed within or referred to in this Prospectus, including the Company's other periodic and continuous disclosure announcements referred to in Section 7.3.

	US\$000		
	30 Jun 2024		
	Reviewed Jun-24 Balances	Capital raising (net of costs)	Balance after Capital Raising
Assets			
Cash and cash equivalents	296	2,465	2,761
Trade and other receivables	2,594	-	2,594
Inventories	21	-	21
Financial assets	1,482	-	1,482
Assets held for sale	19,763	-	19,763
Total current assets	24,156	2,465	26,621
Property plant and equipment	52,232	-	52,232
Non-current financial assets	685	-	685
Investment in associate	14,748	-	14,748
Total non-current assets	67,665	-	67,665
Total assets	91,821	2,465	94,286
Liabilities			
Trade and other payables	1,231	(211)	1,020
Liabilities in respect of assets held for sale	19,288	-	19,288
Total current liabilities	20,519	(211)	20,308
Non-current provisions	600	-	600
Deferred tax liabilities	17	-	17
Total non-current liabilities	617	-	617
Total liabilities	21,136	(211)	20,925
Net assets	70,685	2,676	73,361
Equity			
Share capital	154,552	2,676	157,228
Reserves	(5,379)	44	(5,335)
Accumulated losses	(78,488)	(44)	(78,532)
Total equity	70,685	2,676	73,361

Notes:

1. The pro forma statement of financial position has been prepared on the assumption that all shareholder resolutions are approved and the targeted SPP Offer is taken up in full. The cash proceeds from Tranche 1 of the Placement and the costs of the Placement have also been included.
2. The cash proceeds from the capital raising and other related adjustments have been converted to US dollars at an exchange rate of A\$1.00 : US\$0.64.

If the SPP Offer is fully oversubscribed the Cash and cash equivalents will increase to \$3,077,000 after the additional ASX listing fees in respect of the additional Offer Securities has been paid.

4. ACTION REQUIRED

4.1 How to apply

(a) SPP Offer

If you wish to subscribe for New Shares under the SPP Offer, please pay your Application Monies in accordance with the instructions below and in the personalised SPP Application Form.

Pursuant to the SPP Offer, Eligible Shareholders may apply for a maximum of \$30,000 worth of New Shares. Eligible Shareholders may participate by selecting one of the following subscription parcel amounts (**SPP Application Amount**) to purchase New Shares under the SPP Offer:

SPP Application Amount	Number of New Shares which may be purchased	Number of free New Options
\$1,000	50,000	25,000
\$2,000	100,000	50,000
\$5,000	250,000	125,000
\$10,000	500,000	250,000
\$15,000	750,000	375,000
\$20,000	1,000,000	500,000
\$25,000	1,250,000	625,000
\$30,000	1,500,000	750,000

The above table details the number of New Shares and New Options (subject to Shareholder approval) that would be issued for different SPP Application Amounts (assuming there is no scale back of applications).

Any Application Monies received for more than an Applicant's final allocation of New Shares (only where the aggregate excess amount is A\$1.00 or greater) will be refunded, without interest. The Issue Price for each New Share accepted under your SPP Offer is payable on application.

You may take up all or part of your SPP Offer only by the following means:

- for Shareholders resident in Australia, by making payment by BPAY® or EFT corresponding to the component (part or all) of your SPP Offer you wish to accept and by following the instructions in the personalised application form; and
- for Shareholders resident in New Zealand, by
 - » making payment by BPAY® if the resident has an Australian bank account; or
 - » where BPAY® is not available to them, payment by EFT (by contacting the Offer Information Line on 1300 288 664 (within

Australia) or +61 2 9698 5414 (outside Australia) for further details should they wish to draw their payment from a New Zealand bank),

by no later than 5:00pm (Perth time) on the Closing Date.

Payment by BPAY® is to be completed using your identification number specified on your personalised SPP Application Form. If paying via BPAY®:

- Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY® by the date and time mentioned above;
- you must follow the instructions for BPAY® set out in the Application Form;
- you do not need to return the Application Form but are taken to make each of the statements and representations on that Application Form and as referred to in this Prospectus; and
- if you subscribe for less than a parcel of New Shares as specified in the table above, you are taken to have accepted the SPP Offer in respect of such parcel of New Shares which is covered in full by your Application Monies.

You do not need to return the Application Form, but by making payment under the SPP Offer you are taken to make each of the statements and representations in the Application Form and as referred to in this Prospectus.

If you do not wish to accept any of your entitlement under the SPP Offer, you are not obliged to do anything. The number of Shares you currently hold and your rights attaching to those Shares (such as the number of votes) will not be affected should you choose not to accept any part of the SPP Offer.

(b) Placement Options Offer

A Placement Participant may only accept the Placement Options Offer on the basis of one Option for every two New Shares subscribed for pursuant to the Placement by completing and submitting the 'Placement Options Offer Application Form' which accompanies this Prospectus (and which will be provided to you by the Company or the Share Registry) in accordance with the Proposed Timetable. The issue of New Options under the Placement Options Offer is subject to and conditional on the receipt of Shareholder approval both for the issue of New Options under the Placement Options Offer and for the issue of Shares under Tranche 2 of the Placement (if applicable).

If Shareholder approval for the issue of New Options under the Placement is not obtained, the New Options will not be issued. Additionally, if Shareholder approval for the issue of New Shares under Tranche 2 is not obtained, the New Options in respect of these Shares will not be issued.

There is no payment required to apply for the New Options under the Placement Options Offer, but you will only be issued 1 New Option for every 2 Shares subscribed and issued to you.

Participation is entirely voluntary even if Placement Participants applied for and were issued Shares under the Placement. However, if Placement Participants do not apply they will not be issued New Options.

(c) Lead Manager Offer

The Lead Manager may only accept the Lead Manager Offer for 10,000,000 New Options in aggregate by completing and submitting the 'Lead Manager Offer Application Form', which accompanies this Prospectus (and which will be provided by the Company or the Share Registry).

(d) Director Offer

The Relevant Directors may only accept the Director Offer for up to 5,924,400 New Options in aggregate on the basis of one Option for every two New Shares to be subscribed for and issued in lieu of the amounts owing to the Relevant Directors at a \$0.02 deemed conversion price by completing and submitting the 'Director Offer Application Form', which accompanies this Prospectus (and which will be provided to you by the Company or the Share Registry). The issue of New Options under the Directors Offer is subject to and conditional on the receipt of Shareholder approval for the issue of New Options under the Directors Offer.

If Shareholder approval for the issue of New Options to the Relevant Directors is not obtained, the Relevant Directors will not be issued New Options.

Participation is entirely voluntary, even if Participating Directors applied for and will be issued Shares in lieu of unpaid expenses, fees and remuneration, as appropriate. However, if Relevant Directors do not apply they will not be issued New Options.

(e) Management Offer

The Management Personnel may only accept the Management Offer for up to 2,313,000 New Options on the basis of one Option for every two New Shares to be subscribed for and issued in lieu of remuneration owed to the Management Personnel at a \$0.02 deemed conversion price by completing and submitting the 'Management Offer Application Form', which accompanies this Prospectus (and which will be provided to you by the Company or the Share Registry). The issue of New Options under the Management Offer is subject to and conditional on the receipt of Shareholder approval for the issue of New Options under the Management Offer.

If Shareholder approval for the issue of New Options to the Management Personnel is not obtained, the Key Management Personnel will not be issued New Options.

Participation is entirely voluntary, even if Management Personnel applied for and will be issued Shares in lieu of unpaid remuneration. However, if Key Management Personnel do not apply they will not be issued New Options.

4.2 Payment of the Application Monies is binding

Payment of the Application Monies constitutes a binding offer to acquire New Shares and associated New Options under the SPP Offer on the terms and conditions set out in this Prospectus and, once provided to the Company, cannot be withdrawn.

4.3 Application Form is binding

Receipt of an online election or acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of New Shares (as applicable) and New Options accepted by the Company.

If the Application Form is not completed correctly, it may still be treated as valid. The Directors' decision as to whether to treat the Application as valid and how to construe, amend or complete the Application Form is final.

4.4 Representations you will be taken to have made by accepting an Offer

By making a payment of the Application Monies in respect of the SPP Offer or by returning an election or completing and returning your Application Form, you will be deemed to have represented that you are entitled to apply for Offer Securities under the SPP Offer, Placement Options Offer, Director Offer, Management Offer or the Lead Manager Offer, as applicable. In addition, you will be deemed to have:

- (a) fully read and understood this Prospectus and the Application Form in their entirety;
- (b) agreed to be bound by the terms of the relevant Offer, the provisions of this Prospectus and the Company's Constitution;
- (c) declared that you are over 18 years of age and have the legal capacity and power to perform all your rights and obligations under the relevant Offer and Application Form;
- (d) authorised the Company to register you as the holder of the New Shares and/or New Options, as applicable;
- (e) acknowledged that once the Company receives any payment of Application Monies in respect of the SPP Offer, you may not withdraw your application or funds provided except as allowed by law;
- (f) confirmed in respect of the SPP Offer that you are an Eligible Shareholder as at the Record Date and that you were the registered holder at the Record Date of the Shares;
- (g) if making an Application under the SPP Offer:
 - (i) confirmed that you have a registered address in Australia or New Zealand, and that you are the registered holder of Shares, as at the Record Date; and
 - (ii) if you are in New Zealand, acknowledge that the SPP Offer is being made in New Zealand in reliance on the New Zealand mutual recognition regime set out in Part 9 of the New Zealand Financial Markets Conduct Act 2013 and Part 9 of the New Zealand Financial Markets Conduct Regulations 2014 and the Offers and the content of this Prospectus are principally governed by Australian, rather than New Zealand, law;
- (h) in respect of the SPP Offer agreed to apply for and be issued up to the number of New Shares and New Options for which you have submitted payment of any Application Monies, at the Issue Price per New Share;
- (i) authorised the Company, the Share Registry and their respective officers, employees or agents to carry out on your behalf all necessary actions for the New Shares and/or New Options to be issued to you;
- (j) understood and acknowledged that the information contained in this Prospectus and Application Form is not investment advice nor a recommendation that the New Shares or New Options are suitable for you given your investment objectives, financial situation or circumstances and acknowledged that you have not been

provided with investment advice or financial product advice by the Company or its Directors;

- (k) acknowledged that investment in the Company is subject to the risk factors outlined in Section 6 of this Prospectus;
- (l) acknowledged that the Company or its related bodies corporate, affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers do not guarantee the performance of the Company or the Share price, nor do they guarantee the repayment of capital;
- (m) authorised the Company to correct any errors in your Application Form or any other document provided to you;
- (n) agreed to provide any requested substantiation of your eligibility to participate in the Offer if and, if making an Application under the SPP Offer, your holding of Shares on the Record Date;
- (o) acknowledged that the Company is not liable for any exercise of its discretions referred to in this Prospectus;
- (p) acknowledge that the Company or its Related Bodies Corporate, affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers do not guarantee the performance of the Company or the Share price, nor do they guarantee the repayment of capital;
- (q) acknowledge that the New Options have not, and will not be, registered under the securities laws in any jurisdictions outside of Australia; and
- (r) are in compliance with all relevant laws and regulations and
- (s) represented and warranted that:
 - (i) (except under limited circumstances and by invitation only) you are not in the United States and are not acting for the account or benefit of a person in the United States;
 - (ii) the New Shares or New Options have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and accordingly, the New Shares, New Options and the Shares underlying the New Options may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws; and
 - (iii) you have not and will not send any materials relating to the Offer to any person in the United States.

4.5 Privacy Act

If you make an Application for New Shares (including making payment pursuant to this Prospectus) and/or New Options, you will be providing personal information to the Company (directly or by the Company's Share Registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder or investor, facilitate distribution payments and corporate communications to you as a Shareholder or investor and carry out administration.

The information may also be used from time to time and disclosed for purposes related to Shareholders' investments to the Company's agents and service providers, such as:

- (a) to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry;
- (b) the Share Registry for ongoing administration of the shareholder register;
- (c) printers and other companies for the purpose of preparation and distribution of statements and for handling mail; and
- (d) legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering and advising on the New Shares and or New Options and for associated actions.

The Company complies with its legal obligations under the *Privacy Act 1988 (Cth)*. You can access, correct and update the personal information that we hold about you. Please contact the Company or its Share Registry if you wish to do so at the relevant contact details set out in this Prospectus. Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988 (Cth)*, the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for New Shares, the Company may not be able to accept or process your application.

4.6 Queries concerning the Offers

If you have any queries concerning the Offers, please contact the Company directly at general@lucapa.com.au If you have any queries in relation to the Offers, please contact the Company's Share Registry on the Offer Information Line on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between the hours of 8.30am and 5.00pm, Sydney time Monday to Friday.

5. RIGHTS AND LIABILITIES ATTACHING TO THE NEW SHARES AND NEW OPTIONS

5.1 Rights attaching to the New Shares

The Company is incorporated in Australia and is subject to the Corporations Act. As a company listed on ASX, the Company is also regulated by the Listing Rules.

The rights attaching to ownership of Shares (including New Shares) are described in the Constitution and are regulated by the Corporations Act, Listing Rules and the general law.

The New Shares will rank equally in all respects with, and have the same rights as, existing Shares. Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which can be downloaded from the Company's website at <https://www.lucapa.com.au/investor-centre/corporate-information/> or inspected, free of charge, at the Company's registered office during normal business hours. In applying for New Shares and New Options, the Applicant agrees that the New Shares and New Options to be issued under the Offers and the New Shares to be issued upon the exercise of New Options are bound by the terms of the Constitution.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

General Meetings and Notice

Each Shareholder is entitled to receive notice of all general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or the Listing Rules. Shareholders are entitled to be present in person (including by specified permitted electronic means), or by proxy, attorney or representative to attend and vote at general meetings of the Company. Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act.

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- » each Shareholder entitled to vote may vote in person or by proxy, attorney or representative or if a determination has been made by the Board in accordance with the Constitution, by direct vote;
- » on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder entitled to vote has one vote (even though he or she may represent more than one member);
- » on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder entitled to (or where a direct vote has been lodged) shall, in respect of each fully paid Share held by them, or in respect of which they are appointed a proxy, attorney or representative, have one vote for every fully paid Share, but in respect of partly paid Shares shall have such number of votes being equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable in respect of those Shares (excluding amounts credited); and
- » different voting procedures may apply at a virtual meeting of Shareholders.

Dividend Rights

There is no guarantee of any dividends or distributions by the Company. Subject to and in accordance with the Corporations Act, the Listing Rules, the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time decide to pay a dividend to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares. The Directors may rescind a decision to pay a dividend if they decide, before the payment date, that the Company's financial position no longer justifies the payment.

Winding Up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he or she considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

Transfer of Shares

Shares in the Company are freely transferable, subject to formal requirements, and so long as the registration of the transfer does not result in a contravention of or failure to observe the provisions of a law of Australia and the transfer is not in breach of the Corporations Act or the Listing Rules.

Variation of Rights

The Company may, subject to the Corporations Act and with the sanction of a special resolution passed at a meeting of Shareholders, or with the written consent of the majority of Shareholders in the affected class, vary or abrogate the rights attaching to Shares.

5.2 Terms and Conditions of the New Options

- (a) Definitions for the purposes of the terms and conditions of the New Options:
 - (i) **Option Holder** means the person or persons registered as the holder of one or more Options from time to time.
 - (ii) **Expiry Date** means 5.00pm (WST) on the date that is 3 years after the Issue Date.
 - (iii) **Exercise Notice** means the form prescribed by the Company from time to time for the purpose of exercising Options.
 - (iv) **Issue Date** means the date on which the New Options are issued to the holder.
 - (v) WST means Australian Western Standard Time.
- (b) Each New Option carries the right to subscribe for one Share upon exercise.
- (c) Subject to paragraph (j), the amount payable upon exercise of a New Option will be \$0.06 (**Exercise Price**).
- (d) New Options may be exercised by the Option Holder by delivering to the Company's registered office or the Company's share registry an Exercise Notice at

any time prior to the Expiry Date. Any New Options not exercised before the Expiry Date will automatically lapse on the Expiry Date.

- (e) Each Exercise Notice must state the number of New Options to be exercised and be accompanied by the relevant holding statement(s), if any, and payment (in Australian currency by electronic funds transfer or other means of payment acceptable to the Company) to the Company of an amount (Application Monies) being the result of the Exercise Price multiplied by the number of New Options being exercised.
- (f) Within 5 Business Days after receipt of a properly executed Exercise Notice and Application Monies in cleared funds in respect of the exercise of any New Options, the Company will:
 - (i) issue the resultant Shares and deliver notification of shareholdings;
 - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
 - (iv) If a notice delivered under paragraph (f)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
- (g) Shares issued pursuant to an exercise of Options will rank, from the date of issue, pari passu with existing Shares in all respects.
- (h) Options carry no right to participate in pro rata issues of securities to Shareholders unless the Options are exercised before the record date for determining entitlements to the relevant pro rata issue.
- (i) Each Option Holder will be notified by the Company of any proposed pro rata issue of securities to Shareholders a reasonable period prior to the record date set for that pro rata issue to give the Option Holder the opportunity to exercise the Options in sufficient time to receive, before that record date, Shares issued on the exercise of Options entitling participation in the pro rata issue.
- (j) In the event of a reorganisation (including reconstruction, consolidation, subdivision, reduction, or return) of the capital of the Company, the terms of all the Options will be changed to the extent necessary to comply with the requirements of the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (k) Except as noted in paragraph (j) above, an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

- (l) The Company will apply for quotation of the Options on the ASX. However, the Options will only be admitted to official quotation by ASX if the conditions for quotation of a new class of securities under the ASX Listing Rules are satisfied. If official quotation of the Options is not granted by ASX the Options will not be quoted.
- (m) Subject at all times to the Corporations Act, the ASX Listing Rules and the Company's Constitution, the Options are transferable by an Option Holder on market in accordance with the ASX Listing Rules (if and for so long as the Options are quoted on the ASX), and if not quoted on the ASX, by written notice to the Company.

5.3 Lead Manager Mandate

The Company has appointed Blue Ocean (**Lead Manager**) as its lead manager to the Placement. The Company has agreed to pay the Lead Manager a cash commission of 6.0% of the amount raised under the Placement. Subject to Shareholder approval, LOM has agreed to issue the Lead Manager with 10,000,000 New Options.

Either the Company or the Lead Manager may terminate the Mandate by 14 days' written notice to the other party. The Mandate contains other customary termination rights for an agreement of this nature relating to breaches of obligations by either party.

The Company is required to provide customary warranties and indemnities in favour of the Lead Manager for an agreement of this nature, including but not limited to the Company indemnifying the Lead Manager for a material breach of the Company's obligations under the Mandate (but only to the extent that the Lead Manager's fraud, negligence or wilful default did not cause or contribute to the loss).

6. RISKS

A decision to apply for New Options should be regarded as very speculative. The business activities of the Company are subject to risks and there are many risks which may impact on the Company's future performance. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but many are outside of the control of the Company and cannot be mitigated.

This section identifies and summarises some of the major risks associated with an investment in the Company however, it is not exhaustive. There may be other risks which the Directors and/or management of the Company are unaware which may impact upon the Company, its operations and/or the value and performance of the New Options and the Company generally. Prospective investors should carefully consider the following factors in addition to the other information presented in this Prospectus.

6.1 Risks associated with the Company

(a) Nature of the New Options

There is no certainty that Shares will trade above the Issue Price of the New Shares. In the event that New Options are exercised, this will dilute the holdings of existing Shareholders.

(b) 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.

(c) Exploration and development risk

The Company's projects are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. The future profitability and performance of the Company and the value of its securities is likely to be directly related to the results of exploration on its current and/or future projects, as well as the subsequent extraction of those resources. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

Successful development of and production from those resources is dependent on obtaining all necessary consents and approvals as well as the successful design, construction and operation of efficient mining, and processing facilities and

infrastructure. No assurance can be given that the Company will be able to obtain all necessary consents and approvals in a timely manner or at all.

The future exploration, development and operational activities of the Company may be affected by a range of factors, including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native and local title process, changing government regulations and many other factors beyond the control of the Company.

In addition, the construction of any proposed development may exceed the expected timeframe or cost for a variety of reasons out of the Company's control. Any delays to project development could adversely affect the Company's operations and financial results and may require the Company to raise further funds to complete the project development and commence operations.

(d) Liquidity and future capital requirements

The future capital requirements of the Company will depend on many factors including its ability to develop its projects and to receive the payment of its dividends from joint venture parties from its projects in Angola in a timely manner. The Company believes its available cash following the Placement and the Offers will be adequate to fund its business objectives in the short term, however, the Company will require further funding in the future to further develop its projects.

In the event further funding is required to maintain operations, any additional equity financing may be dilutive to Shareholders or may be undertaken at lower prices than the then market price.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional funding as needed, it may be required to reduce the scope of its activities, the Company may also not be able to take advantage of opportunities or respond to competitive pressures. An inability to obtain additional funding could also result in delays or reductions in further exploration and evaluation activities which could have a material adverse effect on the Company's ability to continue as a going concern.

(e) Regulatory risk

The Company's activities are dependent upon the maintenance (including renewal) of the tenements/licences in which the Company has or acquires an interest. Maintenance of the Company's tenements/licences is dependent on, among other things, the Company's ability to meet the licence conditions imposed by relevant authorities. Although the Company has no reason to think that the tenements/licences in which it currently has an interest will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant authority or that the Company will be able to meet the conditions of renewal on commercially reasonable terms, if at all.

(f) Government policy

The availability and rights to explore and mine, as well as industry profitability generally, can be affected by changes in government policy that are beyond the

control of the Company. Changing attitudes to environmental, land care, cultural heritage and indigenous land rights' issues, together with the nature of the political process, provide the possibility for future policy changes. There is a risk that such changes may affect the Company's exploration plans or, indeed, its rights and/or obligations with respect to the tenements/licences (inclusive of applications).

(g) Failure to satisfy expenditure commitments and licence conditions

Each tenements/licence is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in the tenements/licences if conditions are not met or if insufficient funds are available to meet expenditure commitments.

(h) Estimates of Mineral Resources

The Company has estimated Inferred and Indicated Mineral Resources across its tenements/licences. The Mineral Resources are estimates only and are based on interpretations, knowledge, experience and industry practice which may change when new techniques or information becomes available. Estimates that are valid when made may change significantly when new information becomes available. In addition, commodity price fluctuations, as well as increased production costs or reduced throughput and/or recovery rates, may render reserves and resources uneconomic and so may materially affect the estimates.

(i) Reliance on personnel and operating costs

The Company is dependent on the experience of its Directors and management team. Whilst the Board has sought to, and will continue to ensure that the management team and any key employees are appropriately incentivised, their services cannot be guaranteed. The loss of any of the Directors, senior management or key employees' services to the Company may have an adverse effect on the performance of the Company pending replacements being identified and retained by or appointed to the Board of the Company.

There is a high demand in Western Australia for skilled workers from competing operators. Tightening of the labour market due to a shortage of skilled labour, combined with a high industry turnover rate and growing number of competing employers for skilled labour, may adversely impact the Company's or its contractors' ability to identify, retain and employ the skilled personnel required for the Company's operations. The Company may be exposed to increased labour costs in markets where the demand for labour is strong. A shortage of skilled personnel may limit the Company's activities.

(j) Contractual risk

The ability of the Company to achieve its objectives will depend on the performance of other parties to contracts which the Company may enter into in the future. If a party defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek legal remedy. Legal action can be costly and there can be no guarantee that a legal remedy will ultimately be granted on appropriate terms.

Further, the Company is unable to predict the risk of insolvency or managerial failure by any of the third party contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service

providers used by the Company for any activity. The effects of such failures may have an adverse effect on the Company's activities.

(k) Title and grant

Interests in all tenements in Western Australia and Northern Territory are governed by state legislation and are evidenced by the granting of licenses or leases. Interests in tenements in Angola are governed by the mining acts and regulations that are current in and are evidenced by the granting of mineral investment contracts. Each license or lease of contract is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could be exposed to additional costs, have its ability to explore or mine any tenements reduced or lose title to or its interest in any tenements if license conditions are not met or if insufficient funds are available to meet expenditure commitments.

If in the future, the term of any tenements are not renewed or extended, the Company may suffer damage through loss of the opportunity to discover and/or develop any mineral resources on these tenements.

(l) Sovereign risk

Some of the Company's exploration and development activities are to be carried out in Angola. As a result, the Company will be subject to political, social, economic and other uncertainties including, but not limited to, changes in policies or the personnel administering them, foreign exchange restrictions, changes of law affecting foreign ownership, currency fluctuations, royalties and tax increases in that country.

6.2 Risks relating to the mining industry generally

(m) Operating risk

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades, operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Unless and until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

(n) Environmental risks

The operations and proposed activities of the Company are subject to Australian laws and regulations in respect to the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company is committed to complying with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay the Company's business activities and increase costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could 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.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive. Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

(o) **Landowners and access risk**

Land access is critical for exploration and evaluation to succeed. In all cases the acquisition of prospective tenements/licences is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential.

Access to land for mining and exploration purposes can be affected by land ownership including private (freehold) land, native and local title obligations, heritage obligations, pastoral lease and regulatory requirements within the jurisdictions where the Company operates.

The Company will be required to negotiate access arrangements and pay compensation to landowners, local authorities, traditional land users and others who may have an interest in the area covered by a mining tenement. The Company's ability to resolve access and compensation issues will have an impact on the future success and financial performance of the Company's operations. If the Company is unable to resolve such compensation claims on economic terms, this could have a material adverse effect on the business, results or operations and financial condition of the Company and any delays or costs in respect of conflicting third-party rights, obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas. Access to land for exploration purposes can be affected by land ownership, nature reserves and national parks, government regulation and environmental restrictions.

Access is critical for exploration and development to succeed and the ability to be able to negotiate satisfactory commercial arrangements with landowners, farmers and occupiers is often essential. Any delays or costs in respect of conflicting third-party rights (for example, in relation to the assignment of any access agreements or the relocation of existing infrastructure on any existing miscellaneous licences that overlap with a tenement), obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas.

Rights to mineral tenements/licences carry with them various obligations regarding minimum expenditure levels and responsibilities in respect of third party interests,

the environment and safety. Failure to observe these requirements could prejudice the right to maintain the access rights to a given area.

(p) **Native title claims and Aboriginal heritage**

In the future if the existence of native title claims occur over the area covered by any tenements in Western Australia or the Northern Territory, or a subsequent determination of native title over the area occurs, this will not impact the rights or interests of the holder provided any tenement has been or will be validly granted in accordance with the *Native Title Act 1993* (Cth) (**NT Act**).

If any tenements were not validly granted in compliance with the NT Act, this may have an adverse impact on the Company's activities. The Company is not aware of any circumstances to indicate that any of its tenements in Northern Territory or Western Australia were not or will not be validly granted in accordance with the NT Act.

The grant of any future tenure to the Company over areas that are covered by registered claims or determinations will likely require engagement with the relevant claimants or native title holders (as relevant) in accordance with the NT Act. The Directors will closely monitor the potential effect of native title claims involving any tenements in which the Company has or may have an interest.

There remains a risk that additional Aboriginal sacred sites may exist on the land the subject of a tenement. The existence of such sites may preclude or limit mining activities in certain areas of the Company's tenements.

(q) **Competition risk**

The industry in which the Company is involved is subject to domestic and global competition, including major diamond exploration and production companies. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

The Company's current and future potential competitors may include entities with greater financial and other resources than the Company which, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these entities.

(r) **Climate change**

There are a number of climate-related factors that may affect the Company's business. Climate change or prolonged periods of adverse weather and climatic conditions (including floods, hail, drought, water, scarcity, temperature extremes, frosts, earthquakes and pestilences) may have an adverse effect on the Company's ability to access its projects and therefore the Company's ability to carry out exploration activities.

Changes in policy, technological innovation and consumer or investor preferences could adversely impact the Company's business strategy, particularly in the event of a transition (which may occur in unpredictable ways) to a lower-carbon economy.

(s) **Occupational health and safety**

Site safety and occupational health and safety outcomes are a critical element in the reputation of the Company. While the Company has a strong commitment to achieving a safe performance on site a serious site safety incident could impact upon the reputation and financial outcomes for the Company.

Failure to comply with applicable regulations or requirements may result in significant liabilities, a suspension of operations and increased costs.

Industrial accidents may occur in relation to the performance of the Company's services. Such accidents, particularly where a fatality or serious injury occurs, or a series of such accidents occurs, may have operational and financial implications for the Company which may negatively impact on the financial performance and growth prospects for the Company.

(t) Insurance

The Company intends to continue to insure its operations in accordance with industry practice. In certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

(u) Unforeseen expenses

The Company's cost estimates and financial forecasts include appropriate provisions for material risks and uncertainties and are considered to be fit for purpose for the proposed activities of the Company. If risks and uncertainties prove to be greater than expected, or if new currently unforeseen material risks and uncertainties arise, the expenditure proposals of the Company are likely to be adversely affected.

6.3 General risks

(a) General economic climate

Factors such as inflation, currency fluctuations, interest rates, legislative changes, political decisions, events affecting global financial liquidity, employment rates and industrial disruption have an impact on operating costs. The Company's future income, asset values and share price can be affected by these factors.

General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.

Specifically, the conflict between Ukraine and Russia and conflict in the Middle East has and continues to impact global macroeconomics and markets generally. The nature and extent of the effect of this conflict on the performance of the Company and the value of its Shares remains unknown. The Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the conflict between Ukraine and Russia and conflict in the Middle East as well as overall impacts on global macroeconomics. Given the situation is continually evolving, the outcomes and consequences are inevitably uncertain.

(b) Exchange rate risk

The Company funds its activities in USD. Accordingly, the revenues, earnings, costs, expenses, assets and liabilities of the Company may be exposed adversely to exchange rate fluctuation. Further, the future value of the Company's shares may fluctuate in accordance with movements in the exchange rates and interest rates.

(c) Government and legal risk

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

The Company is not aware of any reviews or changes that would affect its permits. However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's development plans or its rights and obligations in respect of its permits. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company the future performance of the Company or any return on an investment in the Company.

(d) Litigation risks

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. As at the date of this Prospectus, there are no material legal proceedings affecting the Company.

(e) Force majeure

Force majeure is a term used to refer to an event beyond the control of a party claiming that the event has occurred. Significant catastrophic events – such as war, acts of terrorism, pandemics, loss of power, cyber security breaches, global threats or natural disasters – such as earthquakes, fire or floods could disrupt the Company's operations and interrupt critical functions, or otherwise harm the business. To the extent that such disruptions or uncertainties result in delays or cancellations of the Company's activities, and/or its business, results of operations and financial condition could be harmed.

(f) Taxes and royalties

There is a risk that the Commonwealth, Northern Territory, Western Australian or Angolan Governments may seek to introduce further, or increase existing, taxes and royalties.

(g) Unforeseen risk

There may be other risks which the Directors are unaware of at the time of issuing this Prospectus which may impact on the Company, its operations and/or the valuation and performance of its Shares.

6.4 Concluding Comment

The above list of risk factors ought not to be taken as an exhaustive list of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares, New Options or the Shares issued on the exercise of the New Options.

Investment in the Company must be regarded as highly speculative and neither the Company nor any of its Directors or any other party associated with the preparation of this Prospectus guarantee that any specific objectives of the Company will be achieved or that any particular performance of the Company or of the New Shares or New Options, including those offered by this Prospectus, will be achieved.

7. ADDITIONAL INFORMATION

7.1 Nature of the Prospectus

This Prospectus is a transaction specific prospectus issued under section 713 of the Corporations Act which allows the issue of a transaction specific prospectus in relation to Offer of securities (or options to acquire such securities) where those securities are of a class which have been quoted for 12 months before the date of that prospectus.

7.2 Taxation

The acquisition of Offer Securities and disposal of Offer Securities by investors or Shareholders will have tax consequences, which will differ depending on the individual financial affairs of each Shareholder or investor. All potential investors in the Company are urged to take independent financial advice about the consequences of acquiring Offer Securities from a taxation viewpoint and generally.

The Directors consider that it is not appropriate to give advice regarding the taxation consequences associated with a purchase or subsequent disposal of any Offer Securities subscribed for under this Prospectus as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders. The Directors recommend that all Eligible Shareholders consult their own professional tax advisers.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of subscribing for New Shares under this Prospectus.

7.3 Continuous Disclosure and Documents Available for Inspection

This Prospectus is issued pursuant to section 713 of the Corporations Act.

Section 713 of the Corporations Act enables companies to issue transaction specific prospectuses where those companies are, and have been for a period of 12 months, disclosing entities.

The Company is a "disclosing entity" for the purposes of section 713 of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations which requires it to disclose to ASX any information of which it is, or becomes, aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

Eligible Shareholders or investors intending to participate in an Offer should refer to the announcements made by the Company to the ASX. This information is available from the ASX website, www.asx.com.au (ASX Code: LOM), and the Company's website, <https://www.lucapa.com.au/investor-centre/asx-announcements/>.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

Additionally, the Company is also required to prepare and lodge with ASX yearly and half yearly financial statements accompanied by a directors' statement and report and an audit review or report. These reports are released to ASX and published on the Company's and ASX's websites.

The Company will provide a copy of each of the following documents, free of charge, to any person who asks for it prior to the Closing Date:

- (a) the Annual Report for the financial year ended on 31 December 2023, being the annual financial report most recently lodged with ASIC by the Company;

- (b) the quarterly report of the Company for the quarter ended 30 September 2024 as lodged with ASX on 21 October 2024; and
- (c) the following continuous disclosure notices given by the Company after the lodgement of the Annual Report referred to in paragraph (a) above and before the lodgement of this Prospectus with ASIC.

Date	Description of Announcement
23 December 2024	Update on the Project Lulo JV Mineral Investment Contract
20 December 2024	Director Resignation
12 December 2024	Tranche 1 Capital Raising Completed and Cleansing Notice
12 December 2024	Application for quotation of securities - LOM
11 December 2024	Proposed issue of securities – LOM
11 December 2024	Lucapa launches A\$1.5M Share Purchase Plan
5 December 2024	Investor Presentation
5 December 2024	Proposed issue of securities – LOM
5 December 2024	Capital Raising
3 December 2024	Trading Halt
29 November 2024	Four Lulo Diamonds Sell for US\$2.6m at Tender
25 November 2024	Lucapa enters into \$1.0M short-term loan facility
25 November 2024	Lucapa initiates exploration campaign at Merlin
25 November 2024	Production re-start plan for Merlin Diamond Project in NT
22 November 2024	Initial Director's Interest Notice
21 November 2024	Initial Director's Interest Notice
21 November 2024	Final Director's Interest Notice
21 November 2024	Lucapa MD and CEO Nick Selby to step down
21 October 2024	Quarterly Activities Report
10 October 2024	Lulo Kimberlite Exploration Update
9 October 2024	Change of Director's Interest Notice
9 October 2024	Notification of cessation of securities - LOM
10 September 2024	Ceasing to be a substantial holder
23 August 2024	Appendix 4D and Half Year Report

Date	Description of Announcement
14 August 2024	Lucapa completes divestment of Mothae Mine stake
29 July 2024	Recovery of high-value 176 carat diamond from Lulo
26 July 2024	Quarterly Activities Report
25 July 2024	Six Lulo diamonds sell for US\$12.4m at tender
15 July 2024	Lulo Kimberlite Exploration Update
10 July 2024	Lucapa launches new interactive investor hub
25 June 2024	Mothae Mine conditional Sale and Purchase agreement executed
24 June 2024	Committee meets to progress Lulo Kimberlite Exploration JV
13 June 2024	Change of Director's Interest Notice
31 May 2024	Company Secretary Appointment/Resignation
28 May 2024	Results of Annual General Meeting
28 May 2024	CEO's AGM Presentation
28 May 2024	Chairman's and CEO's AGM Addresses
28 May 2024	Lulo Recovers 195 Carat Type IIa Diamond
21 May 2024	Annual General Meeting Webinar Registration
17 May 2024	Application for quotation of securities - LOM
17 May 2024	Exercise of Performance Rights
15 May 2024	Lucapa to Divest Stake in Mothae Mine
20 April 2024	Quarterly Activities Report
24 April 2024	Annual Report

The Company may make further ASX announcements after the date of this Prospectus. Copies of the abovementioned announcements (as well as any further announcements) will be available on the ASX website, www.asx.com.au under the Company's code "LOM". You are advised to refer to the ASX's website and the Company's website for announcements or updates relating to the Company.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

7.4 Details of Substantial Shareholders

The table below sets out those persons who (together with their Associates) have a relevant interest in 5% or more of the Company's Shares based on the most recent filings and the Company's share register:

Shareholder	Notification Date	No of Shares
Ilwella Pty Ltd	17 November 2020	12,278,881
Tazga Two Pty Ltd as trustee for Tazga Two Trust	2 June 2021	11,001,403
Shadbolt Future Fund (Tottenham) Pty Ltd	20 December 2021	12,800,000

7.5 Information excluded from continuous disclosure notices

As at the date of this Prospectus, there is no information that has not been disclosed under the continuous disclosure requirements of the Listing Rules and which the Board considers would reasonably require in order to assess the Company's assets and liabilities, financial position and prospects and the rights and liabilities attaching to New Shares and New Options in the Company other than as is set out in this Prospectus.

7.6 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director has or had within 2 years before the lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with its promotion or formation or in connection with the offer of New Options; or
- (c) the offer of New Options, other than as ordinary Shareholders,
- (d) and no amounts or benefits have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director:
 - (i) to induce him or her to become, or to qualify, as a Director; or
 - (ii) for services rendered by him or her in connection with the promotion or formation of the Company or the offer of New Options.

The relevant interest of each of the Directors in Securities as at the date of this Prospectus is set out in the table below. The table does not take into account any New Shares or New Options the directors may acquire under the Offers.

Director	Shares	Voting Power (%)	Performance Rights
Miles Kennedy	623,363 ¹	0.19%	-
Stuart Brown	-	0%	-

Nick Selby	677,569 ²	0.20%	298,800 ³
Alex Kidman	402,686 ⁴	0.12%	1,064,395 ⁵
Ronnie Beevor	766,667 ⁶	0.23%	-

Notes:

1. 570,030 Shares held directly by Mr Kennedy, 53,333 Shares held indirectly by Mrs Janet Kennedy (spouse).
2. 677,569 Shares held indirectly by Ms Diana Peta Selby (spouse).
3. 298,800 Performance Rights held indirectly by Ms Diana Peta Selby (spouse), subject to various vesting conditions.
4. 308,012 Shares held directly by Mr Kidman, 94,674 Shares held indirectly by Mrs Vinie Kidman (spouse).
5. 737,645 Unlisted Performance Rights held directly by Mr Kidman, subject to vesting rights and 326,750 Unlisted Performance Rights held indirectly by Mrs Vinie Kidman (spouse).
6. 766,667 Shares held indirectly by One Digger Pty Ltd (Mr Beevor is a beneficiary of the Digger Super Fund).

The table below sets out the Shares to be subscribed for, together with the entitlement to New Options of the Directors under the Placement Options Offer and the Director Offer (as applicable), subject to the receipt of Shareholder approval:

Director	Shares under the Placement	Shares under in lieu of fees, expenses and remuneration	New Options under the Placement Options Offer	New Options under the Directors Offer	Total Shares	Voting Power under the Targeted Raise	Voting Power under if the SPP Offer is oversubscribed	Total Options
Miles Kennedy		2,300,200		1,150,100	2,300,200	0.45%	0.43%	1,150,100
Stuart Brown	3,925,200	5,300,000	1,962,600	2,650,000	9,225,200	1.79%	1.71%	4,612,600
Nick Selby		3,000,000		1,500,000	3,000,000	0.58%	0.56%	1,500,000
Alex Kidman		1,248,600		624,300	1,248,600	0.24%	0.23%	624,300
Ronnie Beevor	5,000,000	-	2,500,000	-	5,000,000	0.97%	0.93%	2,500,000

The Directors are not entitled to New Options under the SPP Offer Management Offer or the Lead Manager Offer.

The remuneration currently paid (including superannuation and non-cash share-based payments) to Directors or their nominees during the past two financial years preceding the lodgement of this Prospectus with ASIC is set out below:

Director	FY ended 31 December 2023 (USD)	FY 2024 Estimate (USD)
Miles Kennedy	132,719	106,221
Stuart Brown	-	100,026
Nick Selby	624,291	550,913
Alex Kidman	296,657	351,715
Ronnie Beevor	-	63,465

The Constitution also provides that:

- (e) the Directors shall be entitled to be paid reasonable travelling, accommodation and other expenses incurred by them respectively in or about the performance of their duties as Directors; and
- (f) if any of the Directors being willing are called upon to perform additional or special duties for the Company, the Company may remunerate that Director as determined by the Directors and that remuneration may be either in addition to or in substitution for his or her Directors' fees.

7.7 Related Party Transactions

There are no related party transactions entered into that have not otherwise been disclosed in this Prospectus.

7.8 Restricted securities

The Company as at the date of this Prospectus does not have any of its issued securities classified as 'restricted securities' (as defined in the Listing Rules).

7.9 Estimated Costs of the Offers

The expenses of the Offers (exclusive of GST) are estimated to be approximately as follows:

Expenses	\$
ASIC lodgement fee	\$3,206
ASX listing fees	\$29,015
Legal (including the preparation of this Prospectus)	\$50,000

Postage and share registry	\$45,000
Total	\$127,221*

Note: In addition to the cash costs of the Offers (as detailed above) the Lead Manager is subject to Shareholder approval to receive the New Options as outlined in this Prospectus.

*The ASX listing fees will be \$32,316 if the SPP Offer is fully oversubscribed making the total costs \$130,522.

7.10 Consents and Interests of Parties

Each of the parties referred to in this Section does not make, or purport to make, any statement in this Prospectus other than as specified in this Section and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than the reference to its name or a statement included in this Prospectus with the consent of that party as specified in this Section.

Blue Ocean has given its written consent to being named as the Lead Manager to the Placement in this Prospectus. Blue Ocean has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

K&L Gates has given its written consent to being named as the solicitors to the Company in this Prospectus. K&L Gates has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Automic Group has given and not withdrawn its written consent to be named as the Share Registry to the Company in the form and context in which it is so named. Automic Group does not make, or purport to make, any statement in this Prospectus and is not aware of any statement in this Prospectus which purports to be based on a statement made by it and makes no representation, expressed or implied, regarding and takes no responsibility for, any statements in or omissions from this Prospectus.

Other than as set out below or elsewhere in this Prospectus, all persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation of or distribution of this Prospectus do not have, and have not had in the 2 years before the date of this Prospectus, any interest in:

- » the formation or promotion of the Company;
- » property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of New Shares and New Options pursuant to this Prospectus; or
- » the offer of New Shares and New Options pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) and no other benefit has been given or agreed to be given to any of those persons for services provided by those persons in connection with the formation or promotion of the Company or the offer of New Shares or New Options issued pursuant to this Prospectus.

7.11 Electronic Prospectus

Pursuant to Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Securities in response to an electronic application form, subject to compliance with certain provisions. If you have received this

Prospectus as an Electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company's Share Registry on +61-2 9698 5414 who can send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

7.12 Financial Forecasts

The Directors have considered the applicable laws and do not believe that they have a reasonable basis to forecast future earnings, on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast.

7.13 Directors' authorisation

Each Director of the Company has given, and has not withdrawn, their consent to the lodgement of this Prospectus with ASIC.

8. DIRECTORS' STATEMENT

The Directors have made all reasonable enquiries in the preparation of this Prospectus and on that basis have reasonable grounds to believe that:

- » any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in this Prospectus by persons other than Directors;
- » other persons making the statement or statements in this Prospectus were competent to make such statements and that those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC, or to the Directors knowledge, before any issue of New Shares or New Options pursuant to this Prospectus.

This Prospectus is prepared on the basis that certain matters may reasonably be expected to be known to likely investors or their professional advisors. Each of the Directors of the Company has consented to the lodgement of this Prospectus in accordance with Section 720 of the Corporations Act and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company by:



Mr Stuart Brown
Chairman
Lucapa Diamond Company Limited

9. DEFINITIONS

In this Prospectus the following terms and abbreviations have the following meanings, unless otherwise stated or unless the context otherwise requires:

\$ or AUD means Australian dollar;

Applicant refers to a person who makes payment of Application Monies under the SPP Offer or who submits an Application Form;

Application refers to the making payment of Application Monies for Offer Securities under the SPP or the submission of an Application Form;

Application Form means the Application Form accompanying this Prospectus pursuant to which an Applicant is capable of accepting an Offer;

Application Monies means monies payable by Applicants in respect of their Applications under the SPP Offer;

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context may require;

ASX Settlement Operating Rules means ASX Settlement Pty Limited's operating rules;

Board means the board of Directors;

Business Day has the meaning ascribed to it in the Listing Rules;

CHESS means Clearing House Electronic Subregister System;

Closing Date means the closing date of the SPP Offer being 5.00pm Perth time on 23 January 2025 (subject to the right of the Company to vary the date without notice);

Company or **LOM** means Lucapa Diamond Company Limited ACN 111 501 663;

Constitution means the constitution of the Company;

Corporations Act means Corporations Act 2001 (Cth);

Directors means the directors of the Company;

Director Offer means the offer of New Options as described in this Prospectus, in particular section 2.4;

EFT means electronic funds transfer, and if applicable, includes funds transfer using required SWIFT codes;

Eligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date whose registered address is in Australia or New Zealand;

FMC Act means *Financial Markets Conduct Act 2013 (New Zealand)*;

Ineligible Foreign Shareholder has the meaning as provided in Section 2.1(a);

Issue Price means \$0.02 per New Share;

Lead Manager means Blue Ocean Equities Pty Ltd ACN 151 186 935;

Lead Manager Offer means the offer of New Options as described in this Prospectus, in particular section 2.3;

Listing Rules means the listing rules of the ASX;

Management Offer means the offer of New Options as described in this Prospectus, in particular section 2.5;

Management Personnel means those management personnel who have agreed to subscribe for Shares at a deemed issue price of \$0.02 per Share and 1 New Option for every 2 Shares issued in lieu of the cash amounts of remuneration owed to them under the Management Offer;

New Option or **Options** means an option, subject to the Option Terms, to purchase a Share with an exercise price of \$0.06 and an expiry date 3 years after the Issue Date which are the subject of the SPP Offer, Placement Options Offer, Director Offer, Management Offer or the Lead Manager Offer;

New Shares means the Shares proposed to be issued pursuant to the SPP Offer;

Offer Information Line means 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia);

Offer means the SPP Offer;

Offer Securities means collectively the New Shares and the New Options under this Prospectus;

Opening Date means the opening date of the Offers being 23 December 2024 (subject to the right of the Company to vary the date without notice);

Option Terms means the terms applicable to the New Options set out in section 5.2;

Placement has the meaning given to that term under section 2.2;

Placement Options Offer Application Form means the application form for New Options, under the Placement Options Offer which form accompanies this Prospectus;

Placement Options Offer means the offer of New Options as described in this Prospectus, in particular section 2.2;

Record Date means 5.00 pm Perth time on 10 December 2024;

Related Bodies Corporate has the meaning as provided in the Corporations Act 2001;

Relevant Interest has the same meaning as provided in the Corporations Act;

Relevant Directors means Miles Kennedy, Stuart Brown, Nick Selby and Alex Kidman;

Representative has the meaning given in the Disclaimer included in this Prospectus;

Share means a fully paid ordinary share in the capital of the Company;

Shareholder means a holder of Shares;

Share Registry means Automic Group ;

SPP Offer Application Form means the application form to make an application under the SPP Offer accompanying this Prospectus;

SPP Offer means the offer to each Eligible Shareholder of up to \$30,000 worth of New Shares at the Issue Price together with 1 New Option for every 2 New Share issued under the SPP Offer (where any resulting fractional entitlements to a New Option will be rounded down to the nearest whole number of New Options) as described in this Prospectus, in particular section 2.1;

Targeted Raise means the aggregate maximum amount of \$1.5 million (before costs) to be raised under the SPP Offer;

US Securities Act means the US Securities Act of 1933, as amended; and

Voting Power has the meaning given to that term in the Corporations Act.

Please note that references in this Prospectus to "Sections" are to sections of this Prospectus.

10. CORPORATE DIRECTORY

Directors

Mr Stuart Brown	Independent Non-Executive Chairman
Mr Miles Kennedy	Non-Executive Director
Mr Nick Selby	Non-Executive Director
Mr Ronnie Beevor	Non-Executive Director
Mr Alex Kidman	Managing Director

Company Secretary

Mr Daniel Coletta

Registered office

34 Bagot Road,
Subiaco Western Australia 6008

Share Registry

Automic Pty Ltd
Level 5, 191 St Georges Terrace,
Perth Western Australia 6000

