

## TARGET MARKET DETERMINATION

Made By: **Lucapa Diamond Company Limited** ACN 111 501 663 (ASX code: **LOM**)  
(**Company** or **LOM**)

Product: Listed options to acquire fully paid ordinary shares in the capital of the Company (**Shares**) pursuant to a prospectus dated 23 December 2024 (**Prospectus**) (**New Options**)

Effective Date: 23 December 2024

### 1. About this Document

This target market determination (**TMD**) seeks to provide an outline of the class of investors for which this Product has been designed having regard to the objectives, financial situation and needs of that target market.

Capitalised terms used, but not defined, in this TMD have the meaning ascribed to them in the Prospectus.

This document is not a full summary of the Product's terms and conditions and is not intended to provide financial advice. Investors are strongly recommended when making a decision about this Product to read in full the Prospectus dated 23 December 2024 (**Prospectus**) issued by the Company which outlines the relevant terms and conditions under the Product. The Prospectus was issued by the Company pursuant to section 713 of the *Corporations Act 2001 (Cth)* (**Corporations Act**).

A copy of the Prospectus is available at <https://www.lucapa.com.au/investor-centre/asx-announcements/>

This TMD has been prepared by the Company in relation to the offer of:

- » up to 50,046,044 New Options to Eligible Shareholders for nil consideration, on the basis of one Option for every two Shares issued to subscribers under the share purchase plan conducted by the Company, made under the Prospectus;
- » up to 66,762,600 New Options to participants under the Placement announced on 5 December 2024 (**Placement**), on the basis of one Option for every two Shares issued or to be issued to under the Placement;
- » of up to 10,000,000 New Options to the lead manager of the Placement, Blue Ocean Equities Pty Ltd;
- » of up to 5,924,400 New Options to the Relevant Directors, on the basis of 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 at a \$0.02 issue price; and
- » of up to 2,313,000 New Options to Management Personnel on the basis of 1 free attaching New Option for every 2 Shares subscribed for and issued in lieu of remuneration owed to the Management Personnel by the Company at a \$0.02 issue price,

(together the **Offers**).

All recipients of this TMD are recommended to consult their professional adviser if they have any questions regarding the contents of the Prospectus.

Any recipient of this TMD who wishes to apply to be issued New Options under the Offers will need to apply under the Offers pursuant to the terms of the Prospectus. There is no cooling off period in respect of the issue of the New Options.

**This TMD is not a disclosure document for the purposes of the *Corporations Act 2001* (Cth), and therefore has not been lodged, and does not require lodgement, with the Australian Securities and Investments Commission (ASIC) nor does it contain a full summary of the terms and conditions of the Options. This TMD does not take into account your current financial position or circumstances nor what you intend for the future.**

The Company is not licensed to provide financial product advice in relation to the Options nor the Offers.

## 2. Target Market

The information below summarises the overall class of investors that fall within the target market for the New Options, based on the product key attributes and the objectives, financial situation and needs that they have been designed to meet.

Factor	Target Market
<b>Investment Objective</b>	<p>As the New Options will expire 3 years from the issue date (<b>Expiry Date</b>), the Company expects that an investment in the New Options will be suitable for investors who wish to have a right, but not an obligation, in the medium term, to acquire Shares in the Company prior to the Expiry Date.</p> <p>The Company expects that an investment in New Options will be suitable to investors who wish to gain exposure to equities in a small cap mining company listed on the ASX.</p> <p>The New Options are likely to be for investors seeking:</p> <ul style="list-style-type: none"> <li>(a) to profit from an appreciation in the market price of Shares in LOM by exercising the Options prior to their Expiry Date; or</li> <li>(b) to reduce risk by locking in a price to purchase or sell underlying Shares,</li> </ul> <p>and in either case who are accustomed to participating in speculative investments in the mining sector - but investors should first consider the Prospectus, including the risk factors relating to an investment in securities of the Company.</p> <p><b>The Options are not designed for investors who require an income stream from their investment in the Options.</b></p>
<b>Investment Timeframe</b>	<p>The Company will apply for quotation of the Options.</p> <p>To the extent the Options are quoted on ASX's official list, subject to any restriction imposed by ASX or under Australian securities laws, the Options will be freely transferable from the date of issue.</p>

	<p>Option holders will also have an ability to exercise Options and trade the underlying Shares issued on exercise, however, investors should be aware that such a dealing is only likely to be commercially viable in the event the trading price of the Shares exceeds the exercise price of the Options both at the date of exercise and sale.</p> <p>Investors with a medium-term outlook will benefit from an ability to exercise Options within the 3 year term of the Options and increase their shareholding and exposure to the potential upside in the Company's Shares into the future.</p> <p>Given the need to pay the exercise price in order to acquire the underlying Shares, investors in the target market are those who are in a financial position that is sufficient for them to invest their funds over approximately a 3 year time horizon, during which time their ability to liquidate their Options may be limited by a lack of liquidity and by the trading price of Shares (and, if the Options are admitted to official quotation on ASX, by a potential lack of liquidity and by the trading price of Shares and of the Options themselves).</p> <p><b>An investment in the Options under the Offers should be regarded as highly speculative.</b></p>
<p><b>Investment Metrics</b></p>	<p>While the Company does not have an established eligibility framework for investors based on metrics such as age, expected return or volatility, it is expected that the target market of investors will be able to withstand potentially large fluctuations and the potential for the losses in the value of their investment.</p> <p>An exercise price is required to be paid for the issue of Shares on exercise of the Options. As such, the capacity to realise the underlying value of the <b>Options would require that they be exercised on or before the Expiry Date</b> - presumably where the trading price of the underlying Shares is above the exercise price for the Options.</p> <p>Investors in the target market will need to be in a financial position to have sufficient available funds so as to facilitate an exercise of the Options prior to the Expiry Date. Prior to the Expiry Date investors' ability to liquidate the Options may be limited by a material lack of liquidity or any market for trading the Options. The Options (and the resulting Shares) offer <b>no guarantee</b> that there will be a liquid market or any guarantee of the price at which the underlying Shares may trade, any income, capital protection or gains.</p>
<p><b>Risk of Investment</b></p>	<p>The Company considers that while the issue price of the Options is free, an investment in the Company upon the exercise of the Options is highly speculative, such that an investment in the Company is not appropriate for an investor who would not be able to bear a loss of some or all of the investment.</p> <p>Investors should also have a sufficient level of financial literacy and resources (either alone or in conjunction with an appropriate adviser) to understand and appreciate the risks of investing in</p>

	<p>Options as an asset class generally and the more specific risks of investing in an Australian listed mining company.</p> <p>There is a substantial risk that the Options may:</p> <ul style="list-style-type: none"> <li>• decrease in value in the event that the Company's Share price does not appreciate or decreases; and</li> <li>• become worthless if the Company's Share price on the Expiry Date is less than the exercise price of Options.</li> </ul>
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### 3. Distribution Conditions

The **Options** are only being offered to:

- » Eligible Shareholders;
- » Placement Participants;
- » the Lead Manager of the Placement;
- » the Relevant Directors; and
- » Management Personnel.

The product can only be distributed by the Company by making an application for Options pursuant to the terms of the Prospectus.

The Company has emphasised that an investment in the Options, and in the Shares underlying the Options, is speculative in nature and not suitable for investors for whom such an investment is inappropriate. The Company considers that these distribution conditions will ensure that persons who invest in Options fall within the target market in circumstances where personal advice is not being provided to those persons by the Company.

### 4. Review Triggers

The Options are being offered for a limited offer period set out in the Prospectus, after the conclusion of which the Options will no longer be available for investment by way of a new issue. There is no guarantee that the Options may be able to be transferred at any time in the future.

It follows that the TMD will only apply in the period between the commencement of the offer of the Options and the issue of the Options shortly after the close of the Offer (**Offer Period**), after which the TMD will be withdrawn.

To allow the Company to determine whether circumstances exist that indicate this TMD is no longer appropriate to the Options and should be reviewed, the following review triggers apply for the Offer Period:

- (a) there is a material change to the Option's key attributes that make it no longer consistent with the likely objectives, financial situation and needs of investors in the target market;
- (b) the Company lodges with ASIC a supplementary or replacement prospectus in relation to the Prospectus;

- (c) any event or circumstance that would materially change a factor taken into account in making this TMD or the Company otherwise identifies a substantial divergence in how the Options are being distributed and acquired from that described in this TMD;
- (d) the existence of a significant dealing of the Options that is not consistent with this TMD;
- (e) ASIC raises concerns with the Company regarding the adequacy of the design or distribution of the Options or this TMD; and
- (f) material changes to the regulatory environment that applies to an investment in the Options.

The Company may also amend this TMD at any time.

## **5. Review Period**

If a review trigger occurs during the Offer Period, the Company will undertake a review of the TMD in light of the review trigger as soon as reasonably practicable and, in any case, within five business days of the review trigger occurring.

Periodic reviews of the TMD will occur weekly during the Offer Period.

## **6. Information Reporting**

As the Company is not appointing external distributors of the Options in respect of retail clients, the Company will consider any of the following matters:

- (a) complaints received by the Company in relation to the Options;
- (b) significant dealings in the Options which are inconsistent with this TMD;
- (c) any dealings outside the target market (to the extent that the Company is aware of such dealings); and
- (d) the conduct of the Company under this TMD.

Where relevant, the Company will consider any of the above matters and determine appropriate steps that will be taken including, where appropriate, reporting matters to ASIC.

## **7. Contact Details**

Contact details in respect of this TMD for the Company are:

Daniel Coletta, Company Secretary  
Email: [dcoletta@lucapa.com.au](mailto:dcoletta@lucapa.com.au)