



LUCAPA
DIAMOND COMPANY



**STRONG QUARTER & HALF YEAR DELIVERED
AND DEBT FREE**

Investor Webinar

26 July 2023

CAUTIONARY STATEMENTS

Forward-Looking Statements

This Presentation has been prepared by Lucapa Diamond Company Limited ("the Company"). This document contains background information about the Company current at the date of this Presentation. The Presentation is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this Presentation. This Presentation is for information purposes only. Neither this Presentation nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction. This Presentation may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply in their own jurisdiction. A failure to do so may result in a violation of securities laws in such jurisdiction. This Presentation does not constitute investment advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this representation are not intended to represent recommendations of particular investments to particular persons. Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments.

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No New Information

To the extent that this announcement contains references to prior exploration results, a production target and financial information derived from a production target and Mineral Resource estimates, which have been cross referenced to previous market announcements made by the Company, unless explicitly stated, no new information is contained. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of a production target and financial information derived from a production target and Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Competent Person's Statements

Information included in this presentation that relates to exploration results and resource estimates on the Lulo Diamond Resource, Mothae Diamond Resource and Merlin Diamond Resource is based on and fairly represents information and supporting documentation prepared and compiled by Richard Price who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Price is an employee of the Company. Mr Price has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr Price consents to the inclusion in the presentation of the matters based on this information in the form and context in which it appears.

ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

Lucapa respectfully acknowledges the Traditional Owners of the land on which our assets, Merlin and Brooking, are located and the land on which we meet today.

We pay our respects to all members of these indigenous communities and to Elders past, present and emerging.

Q2 2023 GROUP HIGHLIGHTS

LUCAPA DELIVERS ANOTHER STRONG QUARTER

**Physicals
records**

**Mothae
turnaround**

**Lulo & Mothae
EBITDA positive**

**Guidance
maintained**

**Continued Lulo
loan repayments**

**Strengthened
balance sheet**

**Interest-bearing
debt free**

**Exploration
ramp-up**

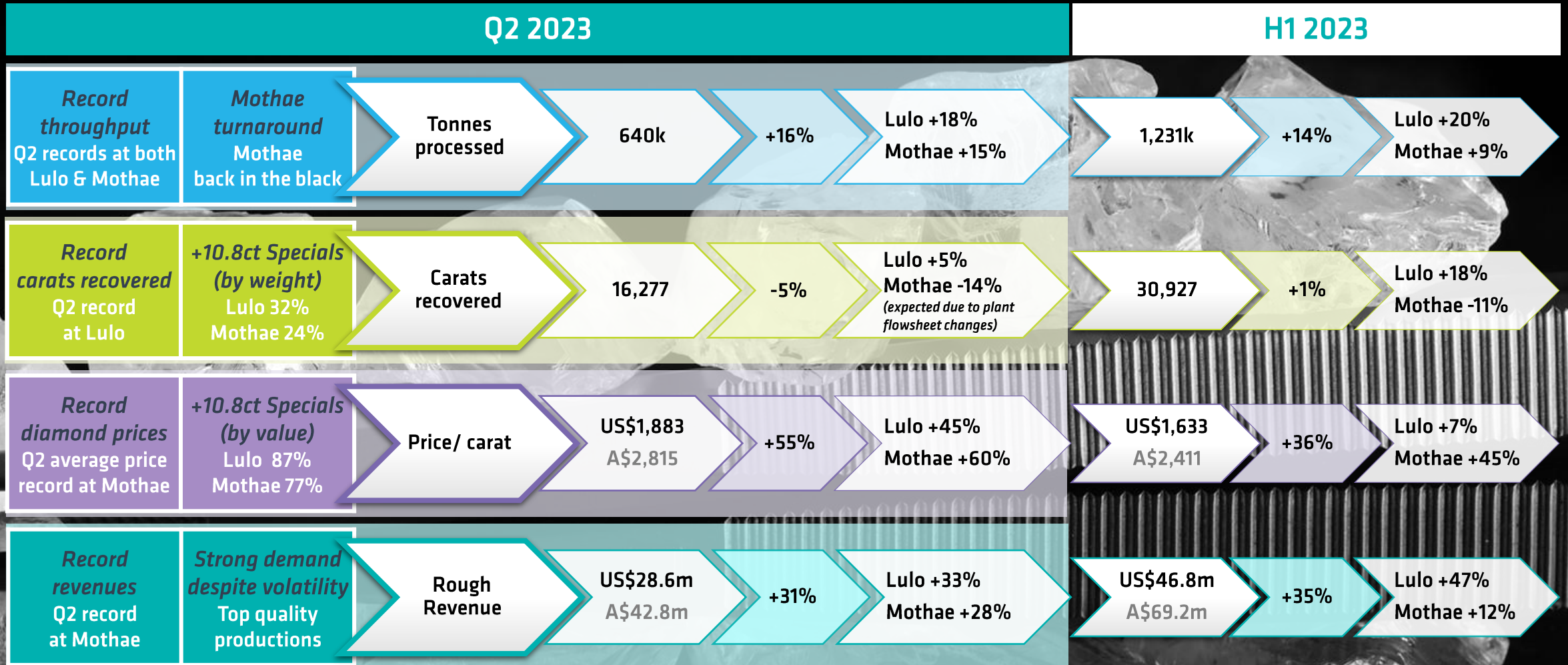
**Advanced Merlin
studies**

**ESG
milestones**



Q2/ H1 2023 OPERATIONS HIGHLIGHTS – 100% Project

LULO & MOTHAE DELIVER STRONG & RECORD PERFORMANCES



Note:

* As per ASX announcement on 19 July 2023

OPERATIONAL TURNAROUND

MOTHAE PLANT PERFORMANCE SIGNIFICANTLY IMPROVED

Revenue equation	Ave rough US\$/ carat	Ave grade (cpt)	Revenue per tonne	×	Plant capacity (tonnes per hour)	=	Revenue per hour
Actual 2022	US\$690	0.025	US\$18	×	167	=	~US\$3,000
Guidance published* 30 March 2023	US\$1,000	0.021	US\$21 +17%	×	180 +8%	=	~US\$3,780 +26%
Q2 2023 (first full quarter with changes)	US\$981	0.022	US\$22 +22%	×	~190 +14%	=	~US\$4,180 +39%

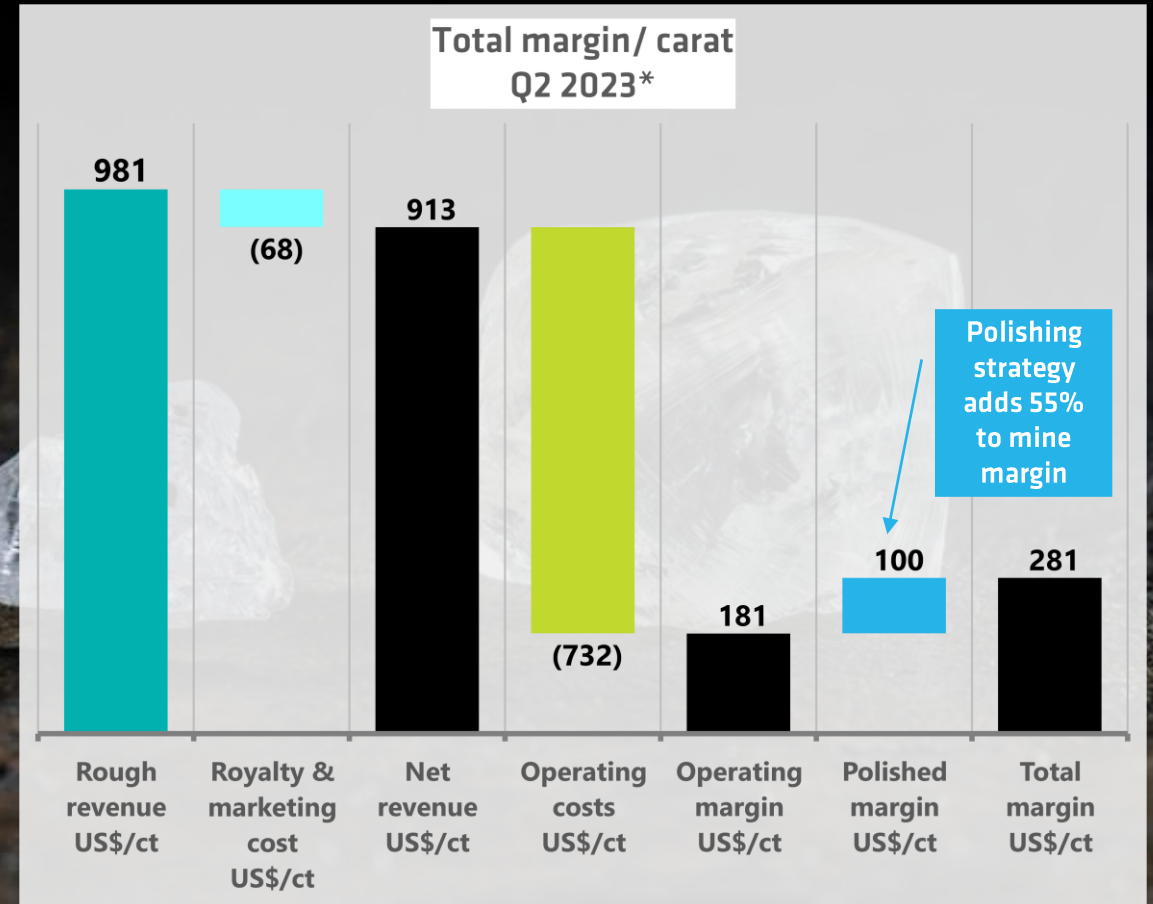
Note:

* As per ASX announcement on 30 March 2023

MOTHAË BACK IN THE BLACK

SIGNIFICANT IMPROVEMENT IN OPERATIONAL AND FINANCIAL PERFORMANCE IN Q2

- Plant mass balance/ bottlenecks addressed
- Focused on increasing revenue/ hour
 - Low-cost solution given the proposed VAT/ IT amendment bills in Lesotho
 - Implemented plant modifications in Q1
- Immediate positive results
 - Record processing volumes
 - Mass balance significantly improved
 - Grade/ carat recovery better than modelled
 - Average diamond price increased
 - Operating margin restored
- Polishing strategy continues to add significant benefit
- Potential for 2022 impairment reversal*
- IDC debt fully repaid



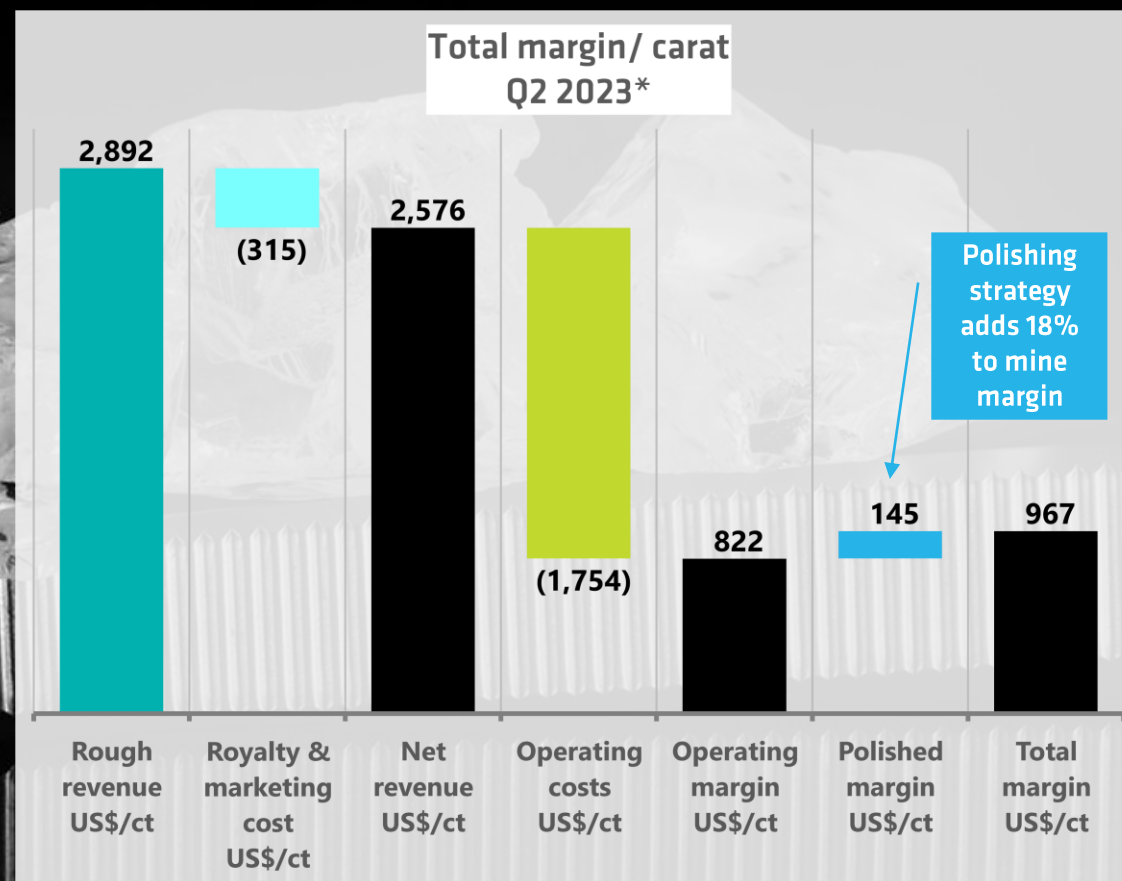
Notes:

* Company estimates for Q2/ H1 2023 – final half year accounts to be published end August 2023

LULO CONTINUES IN THE BLACK

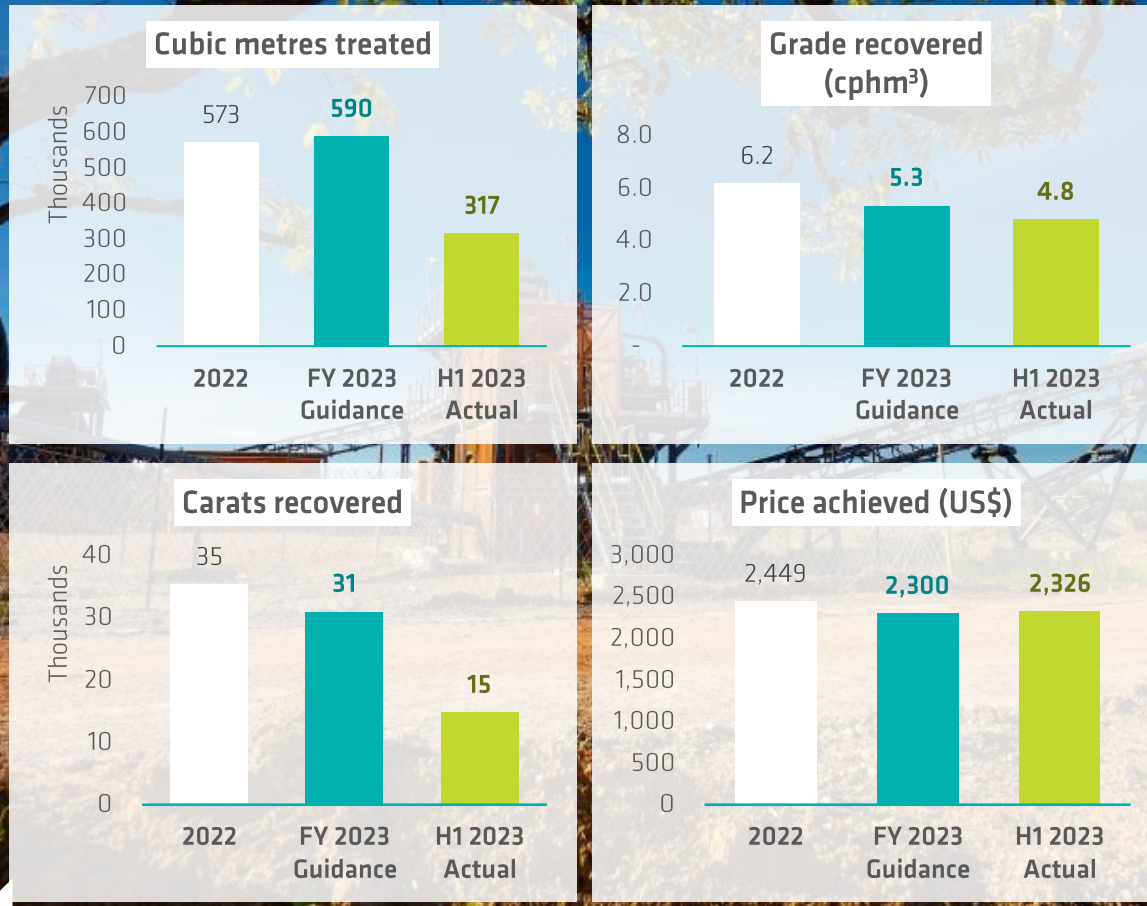
PRIOR YEAR'S EXPANSION STRATEGY CONTINUES TO DELIVER IN Q2

- Record mining & processing volumes
- Record carat recoveries
- Wet/ dry season mining
 - H1 – wet season – access limited to terraces
 - H2 – dry season – access gained to higher grade leziria areas
- Expanding alluvial resource development into the Lulo River
- Polishing strategy continues to add significant benefit
- US\$3.5 million capital loan repayment made to Lucapa (additional US\$1.5 million post Q2 end)
- ~US\$22 million repaid to Lucapa in 18 months

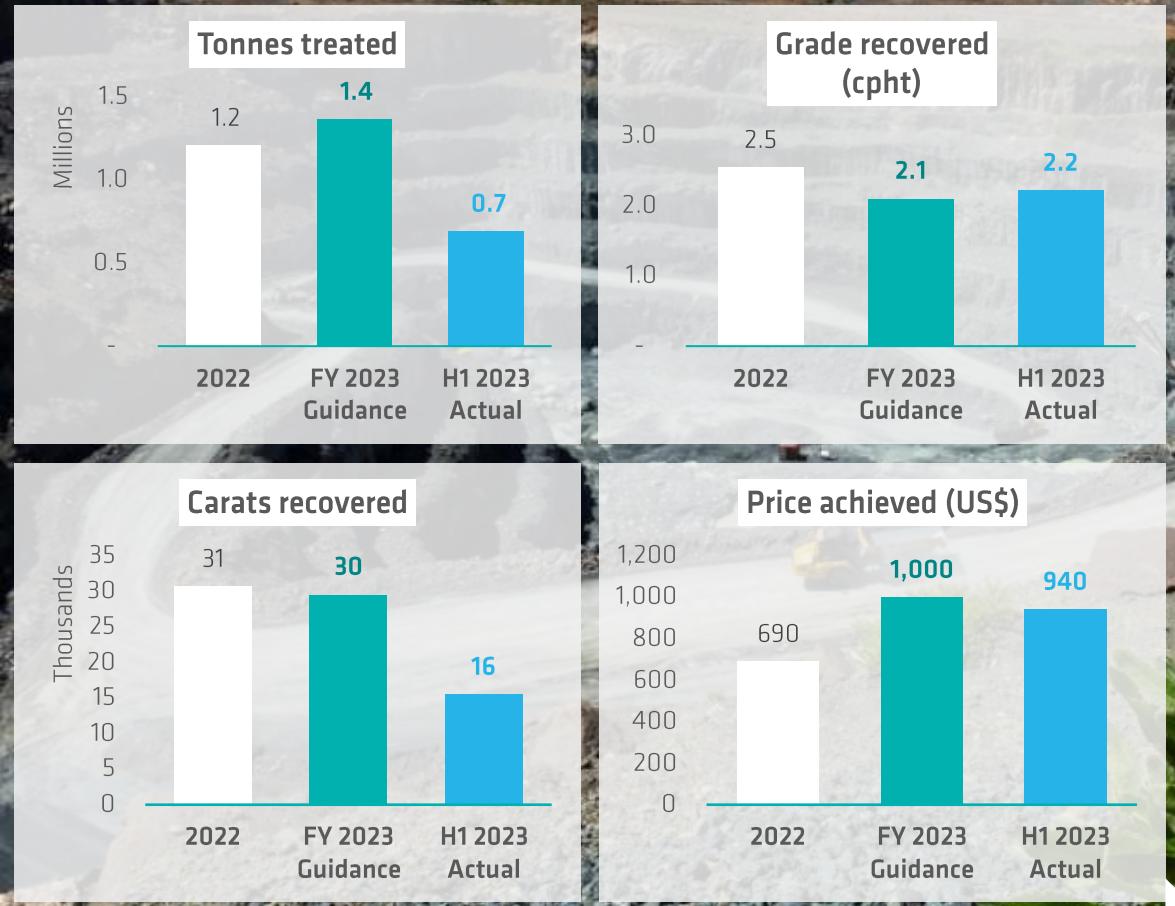


2023 OPERATING GUIDANCE – 100% PROJECT

LULO*



MOTHAE*



FULL YEAR 2023 OPERATING GUIDANCE MAINTAINED

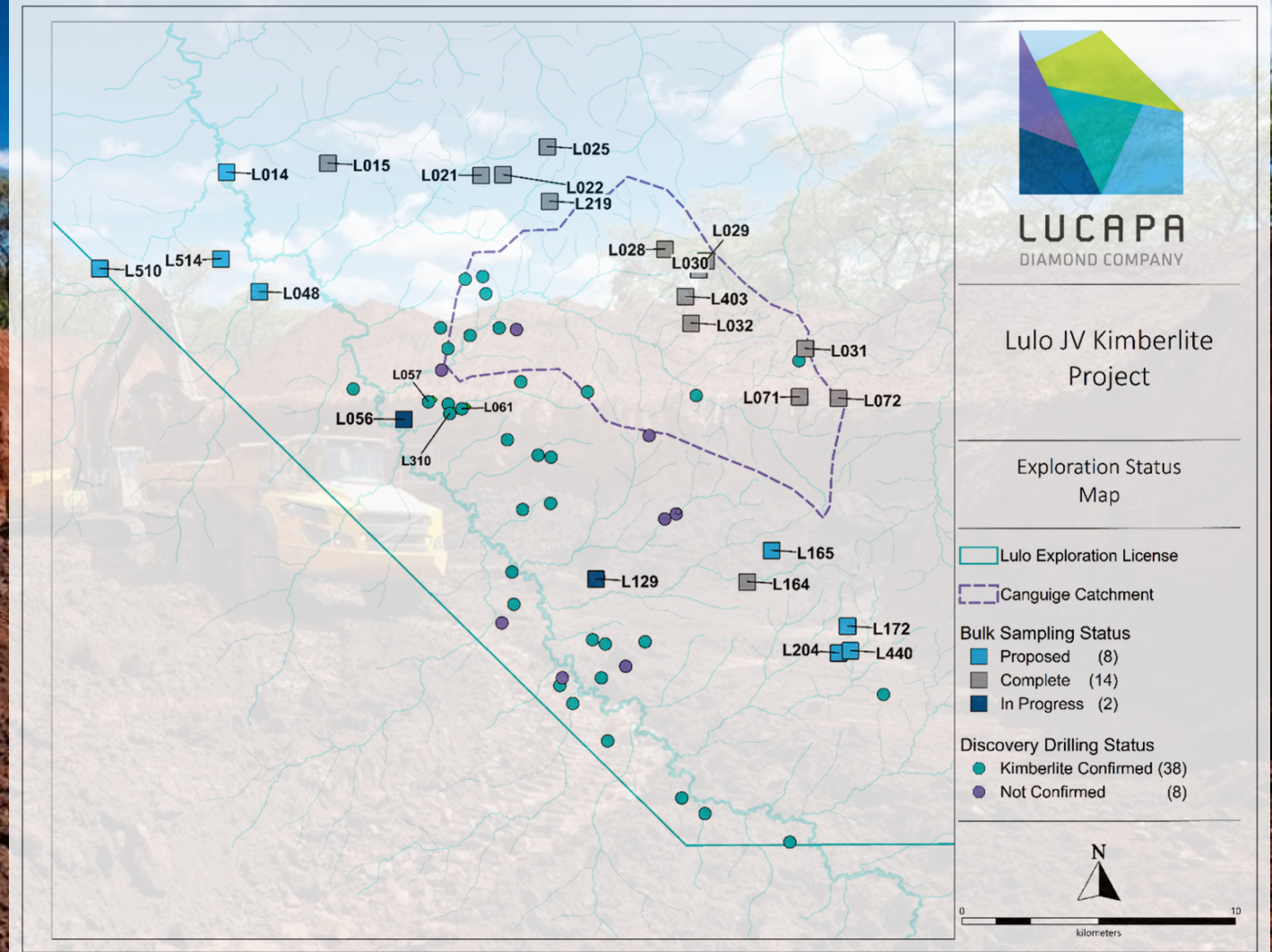
Note:

* Guidance as per ASX announcement on 30 March 2023 and H1 2023 Actual as per ASX announcement on 19 July 2023

PRIMARY SOURCE EXPLORATION

LULO

- Most advanced exploration program
- Searching for the source(s) of the exceptional Lulo alluvial diamonds
- Majority interest progressed
- Exploration activities significantly scaled recently
 - Stand-alone kimberlite bulk sampling plant
 - Now operating on continuous operations (24/7)
 - One sample every 10 days
- Kimberlite bulk sampling results confirming Lucapa expert's geological understanding
 - Few potentially economically significant kimberlites
 - Amongst many barren/ very low-grade kimberlites
- L164 recovered +100 carats from sampling at >1 carat per stone
 - Additional sampling required to investigate potential for stand-alone mine
- Continue to process priority samples
- Discovery drilling continuing/ adding to priority list



PRIMARY SOURCE EXPLORATION

BROOKING (WA)

- Searching for primary lamproite source(s) of diamonds recovered during previous sampling
- Diamondiferous lamproite already discovered by Lucapa
- Auger drilling program commenced post Q2 end to
 - identify shallow lamproitic material on geophysical targets and
 - assist with planning core holes on less defined heavy mineral targets
- Drilling complete
 - Drilling spoils bagged and sent for heavy minerals and micro diamond analysis

ORAPA (BOTSWANA)

- Searching for primary kimberlite bodies on concession and evaluating known, but poorly explored kimberlite
- Renewal of environmental and land-use permits almost complete
- Drill program planned to commence in H2 on targets

TRANSFORMATIVE DEVELOPMENT PROJECT

MERLIN

- 4.4 million carat classified JORC indicated & inferred resource
- Scoping studies illustrate strong economics for a long-life mine development at Merlin
 - Contemplating unique hybrid open-pit and vertical-pit mine development
- Feasibility study nearing completion
 - Will be completed in Q3
- Additional development options being investigated
 - Low-cost pilot program to recover diamonds from key kimberlite pipes
 - Acquired scrubbing & screening modules (China) and alluvial bulk sample plant (from Ellendale)
- Exploration potential
- Development timing in Lucapa's hands



2023 LUCAPA PRIORITY GOALS vs ICMC PRINCIPLES



5. Health and Safety:



9. Social Performance/ Community:



6. Environmental Performance:



- Q2 performance
 - First female ADT operator trained and employed at Lulo
 - Mothae ended Q2 with LTIFR of zero
 - No major environmental incidents
 - School construction near Lulo well advanced and to be completed in H2
 - Local agricultural programs
 - Casual employment from local villages

Note:

SDGs – 17 United Nations Sustainable Development Goals



ETHICAL
BUSINESS



DECISION-
MAKING



HUMAN
RIGHTS



RISK
MANAGEMENT



HEALTH
& SAFETY



ENVIRONMENTAL
PERFORMANCE



CONSERVATION
OF BIODIVERSITY



RESPONSIBLE
PRODUCTION



SOCIAL
PERFORMANCE

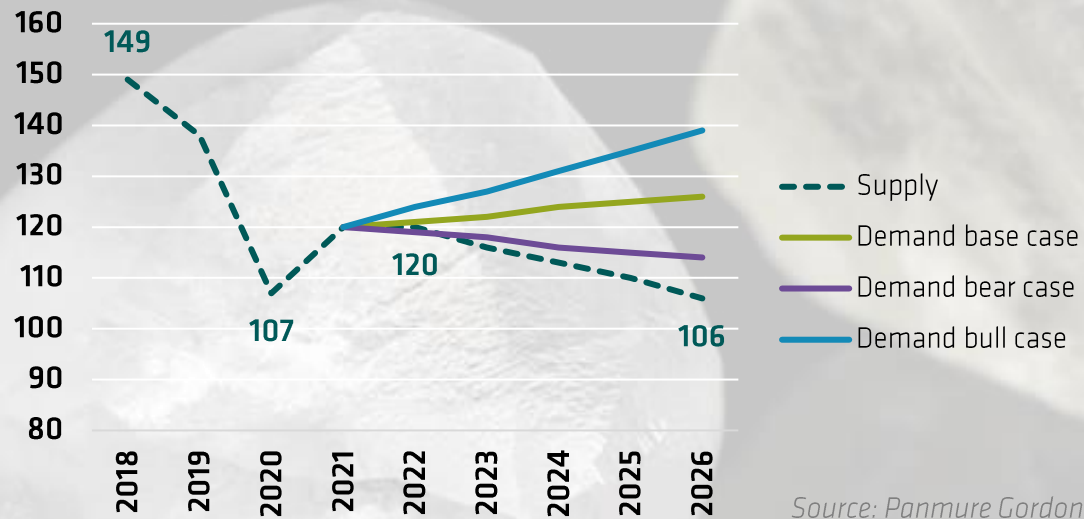


STAKEHOLDER
ENGAGEMENT

DIAMOND MARKET

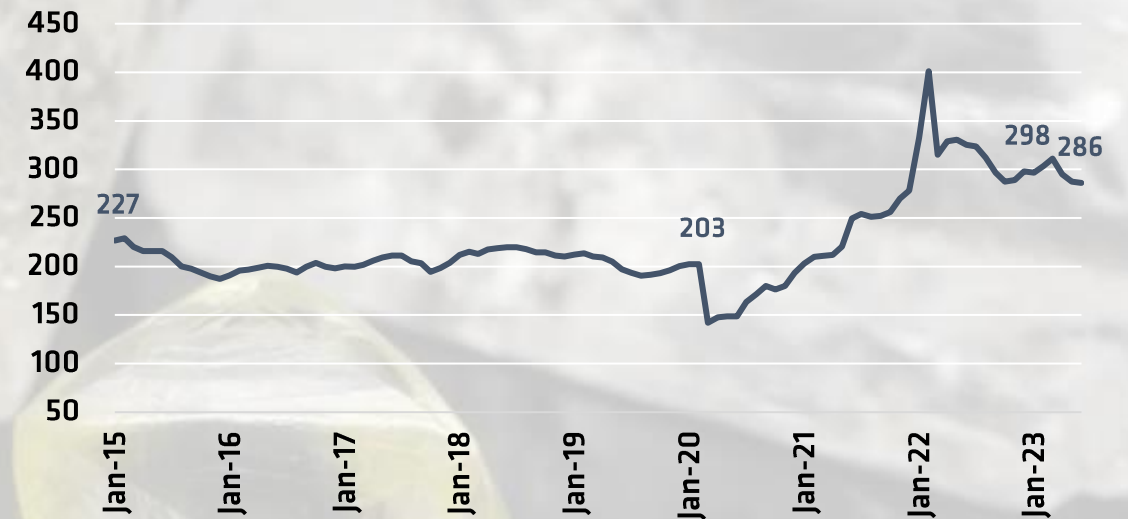
STRONG FUNDAMENTALS

Global Rough Diamond Supply & Demand Outlook
(Mcts)



- Global natural rough diamond supply reducing significantly
 - ~172m carats in 2003
 - ~149m carats in 2018
 - ~120m carats in 2022
 - ~106m carats in 2026 (estimate)
- Global demand increasing (bear case still sees supply deficit)

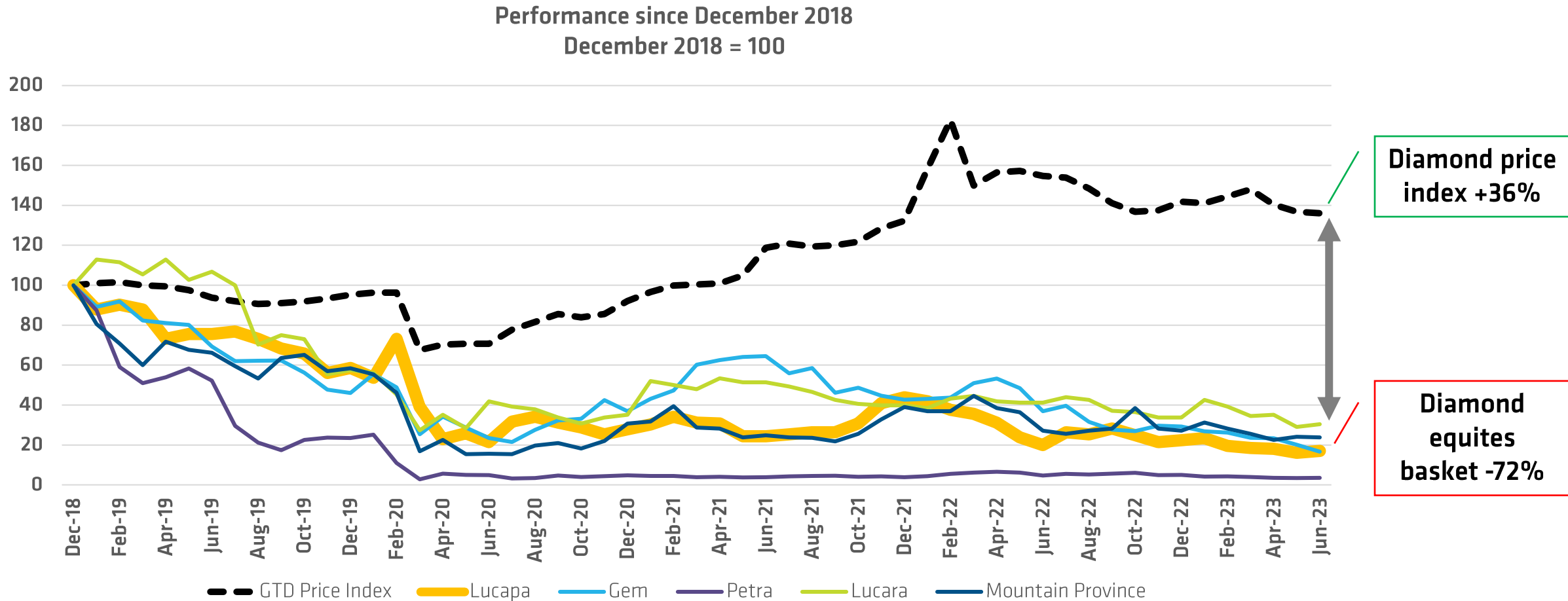
GTD Natural Rough Diamond Price
(Index)



- Global natural rough diamond prices
 - Jan 2015 to Feb 2020 – down 10%
 - Feb 2020 to June 2023 – up 41%
- High mid-stream inventories and recessionary/ inflationary fears causing pricing volatility currently
- Strong demand for branded jewellery and demand returning in the East
- **High-value high-quality diamonds a pocket of pricing strength**

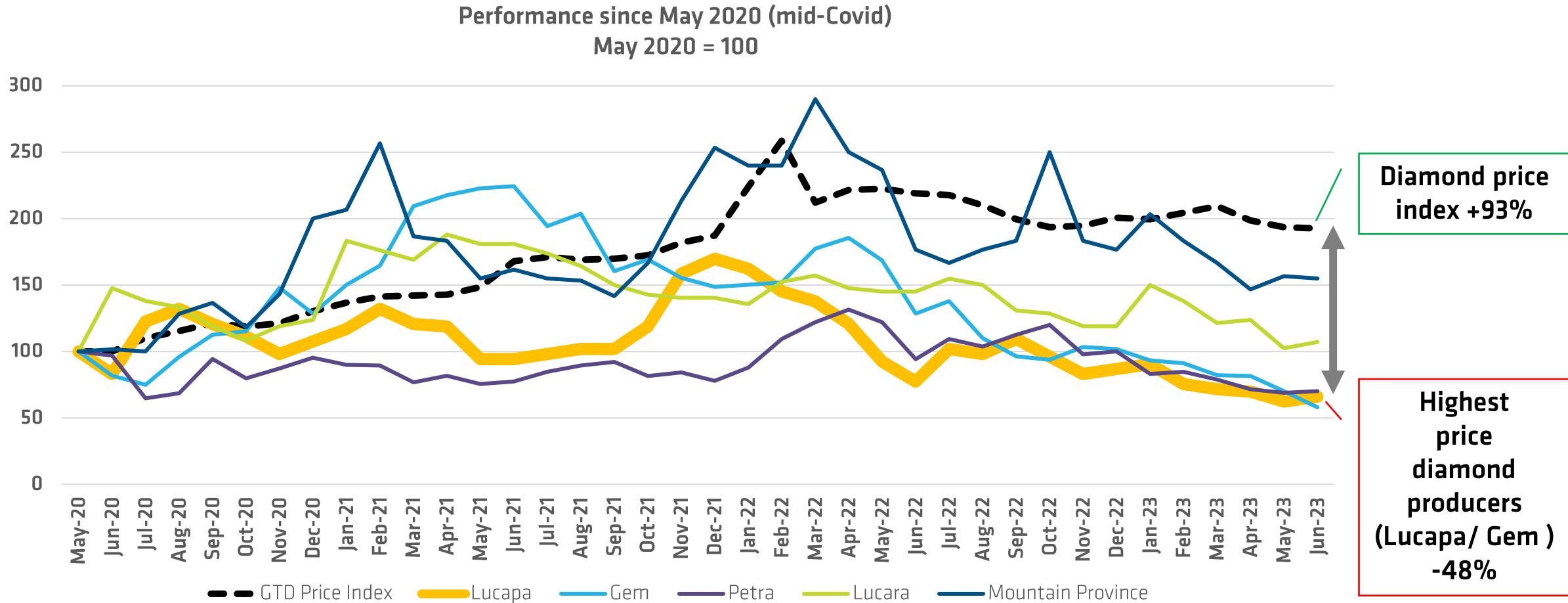
WHY INVEST IN DIAMONDS?

DISCONNECT BETWEEN ROUGH DIAMOND PRICES and LISTED DIAMOND EQUITIES



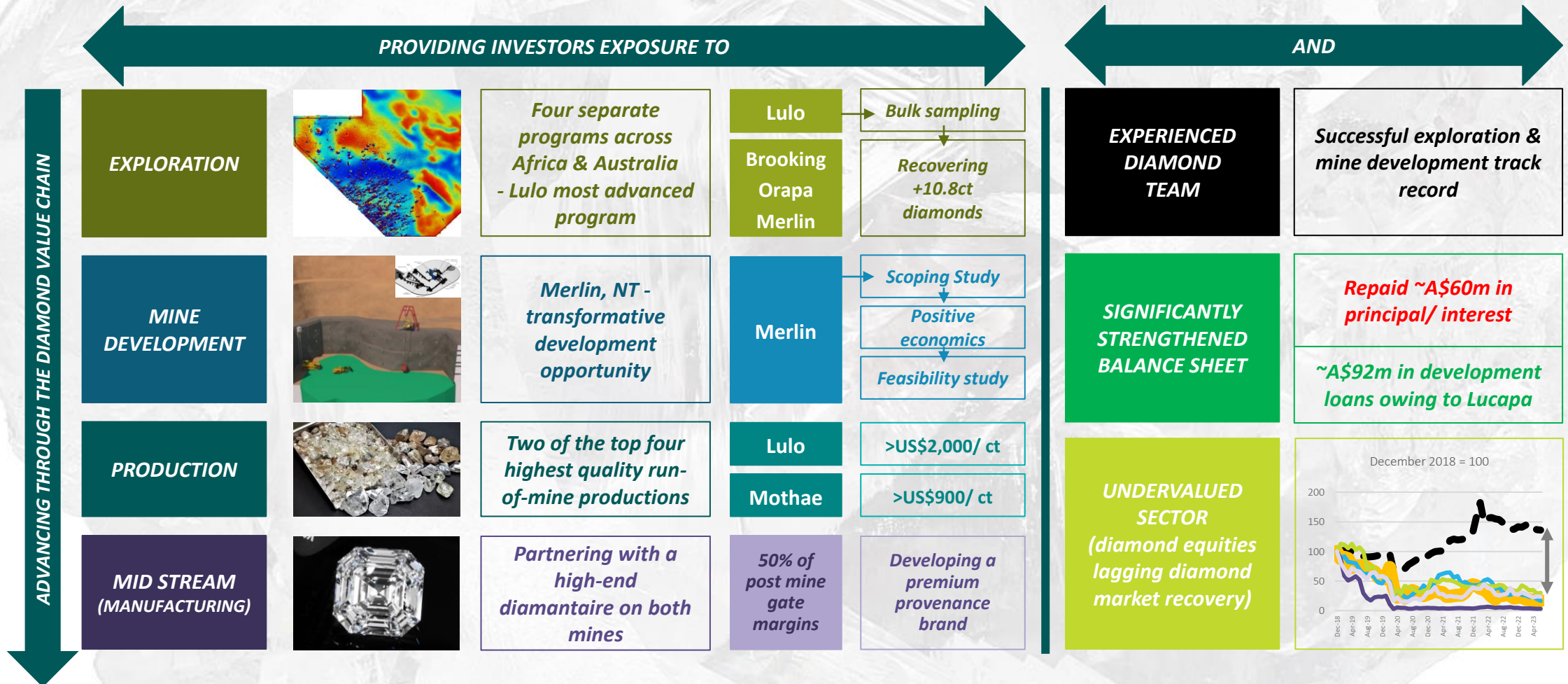
WHY INVEST IN NICHE HIGH-END DIAMONDS?

DISCONNECT BETWEEN ROUGH DIAMOND PRICES and LISTED DIAMOND EQUITIES



WHY INVEST IN LUCAPA?

A GROWING DIAMOND PRODUCER WITH A RARE PORTFOLIO OF ASSETS





LUCAPA
DIAMOND COMPANY

OUR FUTURE IS *clear*



Appendices



LUCAPA
DIAMOND COMPANY

Q2 2023 Quarterly Summary

		Lulo	Mothac	Total	Attributable
Tonnes treated (k tonnes)	Q2 2023	278	362	640	365
	Q2 2022	237	315	551	315
	% change	+17%	+15%	+16%	+16%
Grade (^A cphm ³ / ^B cpht)	Q2 2023	5.0 ^A	2.2 ^B	2.5 ^B	2.5 ^B
	Q2 2022	5.6 ^A	3.0 ^B	3.1 ^B	3.1 ^B
	% change	-11%	-25%*	-19%	-19%
Carats recovered	Q2 2023	8,202	8,075	16,277	8,933
	Q2 2022	7,791	9,344	17,135	9,657
	% change	5%	-14%*	-5%	-7%
+10.8 carat diamonds recovered (Specials)	Q2 2023	117	69	186	95
	Q2 2022	113	62	175	88
	% change	4%	+11%	6%	+8%
Rough diamond revenues (US\$m)	Q2 2023	20.7	7.9	28.6	13.8
	Q2 2022	15.6	6.2	21.8	10.6
	% change	+33%	+28%	+31%	+31%
Carats sold	Q2 2023	7,175	8,030	15,205	8,491
	Q2 2022	7,852	10,038	17,890	10,167
	% change	-9%	-20%*	-15%	-16%
Rough diamond price/ carat (US\$)	Q2 2023	2,892	981 ^R	1,883	1,627
	Q2 2022	1,993	613	1,218	1,039
	% change	+45%	+60%	+55%	+57%

Notes:

* Impact of plant flow sheet changes made in Q1 2023 to improve US\$/hour – reduction is not related to resource

H1 2023 Half Year Summary



		Lulo	Mothae	Total	Attributable
Tonnes treated (k tonnes)	H1 2023	539	692	1,231	700
	H1 2022	450	635	1,084	624
	% change	+20%	+9%	+14%	+12%
Grade (^A cphm ³ / ^B cpht)	H1 2023	4.8 ^A	2.2 ^B	2.5 ^B	2.5 ^B
	H1 2022	4.9 ^A	2.8 ^B	2.8 ^B	2.8 ^B
	% change	-2%	-18%*	-11%	-11%
Carats recovered	H1 2023	15,367	15,560	30,927	17,039
	H1 2022	13,018	17,493	30,511	17,452
	% change	+18%	-11%*	1%	-2%
+10.8 carat diamonds recovered (Specials)	H1 2023	206	121	327	167
	H1 2022	163	121	284	150
	% change	+26%	0%	+15%	+11%
Rough diamond revenues (US\$m)	H1 2023	33.3	13.5	46.8	22.8
	H1 2022	22.7	12.0	34.8	17.5
	% change	+47%	+12%	+35%	+30%
Carats sold	H1 2023	14,337	14,344	28,681	15,776
	H1 2022	10,449	18,523	28,972	17,146
	% change	+37%	-23%	-1%	-8%
Rough diamond price/ carat (US\$)	H1 2023	2,326	940	1,633	1,444
	H1 2022	2,177	650	1,201	1,022
	% change	+7%	+45%	+36%	+41%

Notes:

* Impact of plant flow sheet changes made in Q1 2023 to improve US\$/hour – reduction is not related to resource

Q2 2023 Quarterly Cash, Debt & Development Loans

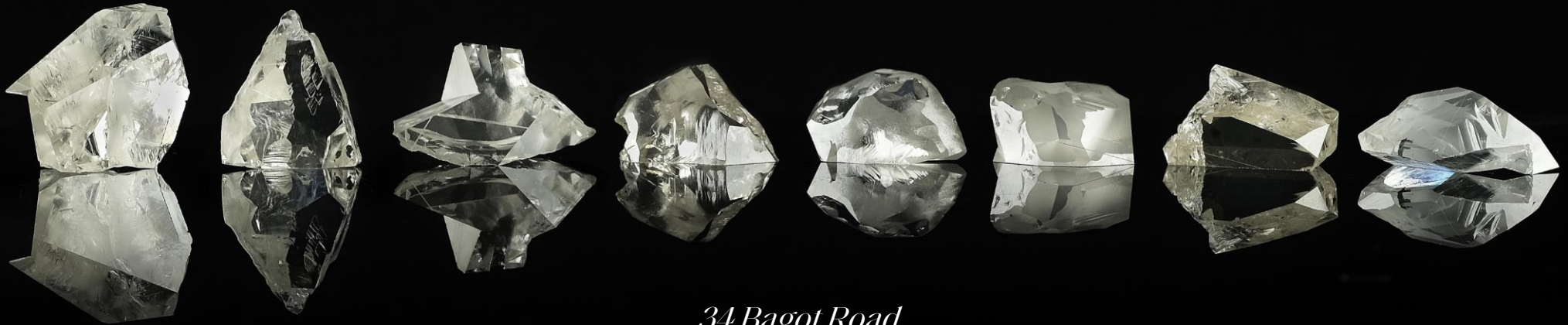


		Lulo	Mothac	Lucapa	Total	Attributable
Cash (A\$m)	H1 2023	8.0	1.9	4.8	14.8	9.4
	H1 2022	14.5	3.6	3.0	21.1	11.3
	% change	-45%	-47%	+60%	-30%	-17%
Interest- bearing debt (A\$m)	H1 2023	-	1.1	1.9	3.0	2.7
	H1 2022	-	6.0	8.3	14.3	12.5
	% change	-	-82%	-77%	-79%	-78%
Investment/ development loans owing to Lucapa (A\$m)	H1 2023	11.9	79.7	-	91.6	60.6
	H1 2022	35.7	64.8	-	100.4	59.6
	% change	-67%	+23%	-	-9%	+2%



LUCAPA

DIAMOND COMPANY



34 Bagot Road

Subiaco 6008

Western Australia

Phone: +61 8 9381 5995

Email: general@lucapa.com.au

Website: www.lucapa.com.au