



LUCAPA POSTS 13% INCREASE IN H1 EBITDA

Result comes amid softer diamond market, highlighting strong ongoing demand for Lucapa's premium gems

H1 FINANCIAL RESULTS (excluding Mothae)

Attributable to Lucapa

- ❖ EBITDA US\$1.4m up 13% from US\$1.3m in H1/23
- ❖ After tax loss[^] US\$1.2m v US\$0.06m profit in H1/23
- ❖ Received US\$1.8m in SML dividends

H1 OPERATIONAL RESULTS (including Mothae)

- ❖ Total carats recovered 27,362 v 30,927 in H1/23
- ❖ Total rough diamond sales US\$35.6m v US\$46.8 in H1/23
- ❖ Average price per carat US\$1,213/carat v US\$1,633/carat in H1/23

Reporting period: For the half year ended 30 June 2024

Previous reporting period: For the half year ended 30 June 2023

1. Results for announcement to the market

		% up/ down	2024	2023
Revenue from ordinary activities [^]	US\$'000	n/a	-	-
Profit/ (loss) after income tax from ordinary activities attributable to members [^]	US\$'000	n/a	(1,267)	64
Net profit/ (loss) after income tax attributable to members	US\$'000	n/a	(14,255)	3,238
100% Project EBITDA – continuing operations ^{^*}	US\$'000	-3%	4,799	4,954
Attributable EBITDA – continuing operations [*]	US\$'000	+13%	1,445	1,283
Net tangible asset per security	A\$	-19%	0.365	0.453

[^] Excluding Mothae and Orapa which are classified as discontinued operations

^{*} EBITDA and Attributable measures are non-AIFRS. Attributable measures are based on Lucapa's % interest in projects. For statutory reporting purposes, SML's results are included on an equity accounted basis.

2. Dividends

Not applicable.

3. Commentary

Refer to the review of operations contained in the directors' report of the Interim Financial Report for the six months ended 30 June 2024 and the subsequent events.



4. Review

The consolidated interim financial statements for the half year ended 30 June 2024 have been reviewed by the Company's auditors.

Additional information supporting the Appendix 4D disclosure requirements can be found in the review of operations, consolidated interim financial statements and accompanying notes.

For and on behalf of the Lucapa Board.

Nick Selby
Managing Director

For more information:

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ABOUT LUCAPA

Lucapa is an ASX listed diamond miner and explorer with assets in Angola and Australia. It has an interest in the Lulo Diamond Mine in Angola which has been in commercial production since 2015, (conducted by Sociedade Mineira Do Lulo, Lda ("SML") Lucapa 40%, Endiama 32%, Rosas & Petalas 28%).

The large, high-value diamonds produced from Lulo attracts the highest prices per carat for alluvial diamonds globally.

Lucapa also has a 39% interest in the Lulo Kimberlite Exploration Joint-Venture (Endiama 51%, Rosas & Petalas 10%), which is exploring for the potential primary source kimberlites at the prolific Lulo concession in Angola.

In 2021, through its wholly owned subsidiary, Australian Natural Diamonds Pty Ltd, Lucapa completed the strategic and transformative acquisition of the Merlin Diamond Project, an historic Australian mine in the Northern Territory of Australia.

The Board, management and key stakeholders in Lucapa have deep global diamond industry experience and networks all through the value chain from exploration to retail.

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.

Forward-Looking Statements

This announcement has been prepared by the Company. This document contains background information about the Company and its related entities current at the date of this announcement. This is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this announcement.

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Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) risks associated with mining, exploration, operations, resource, environment, funding and adverse or unanticipated market, financial, currency or political developments.

No responsibility for any errors or omissions from this document arising out of negligence or otherwise is accepted. This document does include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of the Company.

Actual values, results, outcomes or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements. Any forward-looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and ASX Listing Rules, the Company does not undertake any obligation to update or revise any information.

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LUCAPA
DIAMOND COMPANY



For the six months ended 30 June 2024

ASX Code: LOM

ACN: 111 501 663

www.lucapa.com.au

Interim Financial Report

DIRECTORS' REPORT	3
CONSOLIDATED INTERIM FINANCIAL STATEMENTS	13
Consolidated Interim Statement of Profit or Loss	13
Consolidated Interim Statement of Other Comprehensive Income	14
Consolidated Interim Statement of Financial Position	15
Consolidated Interim Statement of Changes in Equity	16
Consolidated Interim Statement of Cash Flows	17
Condensed Notes to the Consolidated Interim Financial Statements	18
1. Basis of Preparation	18
2. Segment Reporting	19
3. Investment in Associate	20
4. Expenses	21
5. Earnings per Share	21
6. Discontinued Operations	22
7. Financial Assets	23
8. Property, Plant and Equipment	24
9. Trade and Other Payables	25
10. Borrowings	26
11. Share Capital and Share-based Payment	26
12. Events Subsequent to Reporting Date	28
DIRECTOR'S DECLARATION	29
INDEPENDENT AUDITOR'S REVIEW REPORT	30
DEFINITIONS AND ABBREVIATIONS	32



LUCAPA
DIAMOND COMPANY

Directors' Report

The Directors present their report together with the interim financial report of Lucapa Diamond Company Limited (ASX: LOM) ("the Company") for the six months ended 30 June 2024 and the auditor's review report thereon. The Company, its subsidiaries and associates (collectively "the Group") are primarily involved in exploration, mine development and diamond mining projects in Africa and Australia.

Directors

The Directors of the Company at any time during or since the end of the financial period are:

Name	Position	Appointment date
<i>S Brown</i>	Non-Executive Chairman	8 April 2024
<i>M Kennedy</i>	Non-Executive Director	12 September 2008
<i>R Beevor</i>	Non-Executive Director	8 April 2024
<i>N Selby</i>	Chief Executive Officer/Managing Director	4 September 2017
<i>R Stanley</i>	Non-Executive Director	Resigned 8 April 2024

Review of Operations

Overview

Lucapa is a diamond mining company with activities spanning exploration, production, rough sales and the downstream value-adding cutting & polishing activities.

The Company's flagship project is its 40% stake in the Lulo alluvial mine in Angola ("SML"), which is renowned for achieving the highest average price per carat for any alluvial production globally and for ongoing recoveries of high-quality, large diamonds including +100 carat diamonds on a regular basis.

The Company also had a 70% stake in the Mothae kimberlite mine in the Kingdom of Lesotho ("Mothae") for which a sale agreement was entered into during the half year and finalised post 30 June. This followed a strategic review of the Company's portfolio of assets undertaken by the newly restructure Board.

In 2021, Lucapa completed the 100% acquisition of Merlin, a near-development project in the Northern Territory of Australia. Development options for Merlin are currently being considered after pivoting in 2023 from a large-scale development to a smaller, lower capital cost option.

Lucapa's main exploration project is the advanced Lulo Kimberlite Joint-venture exploration programme in Angola, tasked with locating the primary source of the large, high-value alluvial diamonds recovered by SML.

Operational highlights for the June half year include:

- Group attributable EBITDA from continuing operations of US\$1.4 million, up from US\$1.3 million for H1 2023;
- SML achieving EBITDA of US\$5.6 million despite mining being affected by an extreme wet season and delays in timing of tender sales;
- Recovery by SML of four special diamonds greater than 100 carats;
- The execution of the Mothae sale agreement and subsequent finalisation of the disposal without further recourse to Lucapa;
- The re-structuring of the Board with the appointment of two experienced independent Non-Executive Directors;
- Progress in the renewal of the Lulo Kimberlite Exploration Joint-Venture Minerals Investment Contract in which it is proposed for Lucapa to receive a majority stake



Rough Diamond Market

The steady improvement in the rough diamond market seen at the end of 2023 continued into the first quarter of 2024 but slowed down thereafter. Good demand and stronger prices were achieved for diamonds larger than two carats, although this trend softened during Q2. However, there was ongoing strong demand for the production of Lucapa's mines, in particular Type Ila diamonds above 10 carats.

There is currently an oversupply in the polished inventory globally and it is reported that some of the bigger producers are considering production cuts to allow a rebalance of the market. High inflation and low demand from Chinese consumers are also hindering the recovery of the diamond market. These trends have so far had a minimal effect on Lucapa due to its large stone population.

Lulo Alluvial Mine, Angola

(CONDUCTED BY SOCIEDADE MINEIRA DO LULO ("SML") LUCAPA 40% ASSOCIATE, ENDIAMA 32%, ROSAS & PETALAS 28%)

Mining and Operations

Operations at SML in H1 were impacted by a severe wet season which caused flooding of the lizeria (floodplain) areas. Mining was therefore largely focused on the terrace levels and resulted in lower carats recovered and lower grade compared to the prior period.

However, the lower grade was largely offset by higher quality and value of recoveries. Specials for the half year include individual diamonds weighing 203, 116, 162, 195 carats as well as other smaller high value stones.

TABLE 1: LULO PRODUCTION RESULTS AND RECOVERIES

	100% Project			40% Attributable
	H1 '23	H1 '24	% Var	H1 '24
Volume processed (bulked m ³)	317,247	304,463	-4%	121,785
Carats recovered	15,367	10,270	-33%	4,108
Grade recovered (cphm ³)	4.8	3.4	-30%	3.4
+10.8 carat diamonds (Specials)	206	97	-53%	39

Diamond Sales

Total sales for the half year were US\$27.2 million versus US\$33.3 million in 2023.

SML completed four run-of-mine diamond sales and one Specials tender in H1, selling 13,761 carats at US\$1,976 per carat, compared to 14,337 carats at US\$2,326 per carat in H1 2023. The tender included the 203 and 116 carat diamonds and generated total revenue of US\$10.5 million.

The overall average sales price for the half year was affected by the postponement of a second tender planned for Q2. This was only finalised in July and included the 195 carat as well as four other high-quality white diamonds and one pink diamond. The tender generated revenue of US\$12.4 million as per ASX announcement of 25 July 2024.



Mothae Kimberlite Mine, Lesotho

(CONDUCTED BY MOTHAE DIAMONDS (PTY) LTD (“MOTHAE”) LUCAPA 70% AND GOVERNMENT OF LESOTHO (“GOL”) 30%)

Mining and Operations

Operationally Mothae performed well during the six months to June and achieved volume and recovery targets. However ongoing challenges were experienced in terms of the low frequency of high value diamonds which impacted the value per carat and overall revenue.

Following a strategic review, the Board decided to divest Mothae and a disposal process was initiated. Several parties expressed interest, accessed the data room and after a period of offer and negotiation a sale agreement was executed in June with local Lesotho company, Lephema Executive Transport (Pty) Ltd. Under the agreement, Lucapa will receive a purchase price of A\$10,000 from the purchaser as well as approximately A\$1 million from Mothae in outstanding technical services payments. The purchaser will assume all liabilities and guarantee obligations relating to Mothae previously held by Lucapa. All key conditions precedent included in the agreement were satisfied subsequent to the half year.

Mothae will be classified as a discontinued operation in future for financial reporting purposes.

TABLE 2: MOTHAE PRODUCTION RESULTS AND RECOVERIES

	100% Project			70% Attributable
	H1 '23	H1 '24	% Var	H1 '24
Tonnes processed (t)	692,080	735,803	6%	515,062
Carats recovered	15,560	17,092	10%	11,965
Grade recovered (cpht)	2.2	2.3	6%	2.3
+10.8 carat diamonds (Specials)	121	103	-15%	72

Diamond Sales

Mothae completed six diamond sales through the partnership with Safdico during the period for a total of US\$8.4 million, compared to US\$ 13.5 million for the prior half year.

The average sales price achieved was US\$540 per carat compared to US\$940 for H1 2023.



Merlin Kimberlite Mine Development, Australia

(CONDUCTED BY AUSTRALIAN NATURAL DIAMONDS PTY LTD (“AusND”) – 100% LUCAPA)

Following the decision in late 2023 to pause the full-scale development plans for the Merlin project, Lucapa is in the process of evaluating options for a smaller scale development with lower upfront capital requirements, commencing with mining of the higher-grade kimberlite pipes on a select basis.

Kimberlite Exploration, Angola

(CONDUCTED BY PROJECT LULO JOINT VENTURE (“PROJECT LULO JV”) LUCAPA 39%, ENDIAMA 51%, ROSAS & PETALAS 10%)

The Lulo kimberlite exploration program continued satisfactorily despite progress being slowed by the wet season. During the half year more diamonds were recovered from the L164 kimberlite target material and several new and high-priority targets have been identified for bulk sampling. Construction of road access to the high priority L014 target close to the Caculo river has also commenced.

As announced to the ASX on 24 June 2024, the Company has made significant progress in the renewal of the Lulo Kimberlite Exploration Joint-Venture Minerals Investment Contract (“MIC”) in which it is proposed for Lucapa to increase its stake from 39% to a majority of 51%.

The committee tasked with verifying the terms of the MIC and ensuring legal compliance met in June. According to its terms, the committee must conclude its discussion within 90 days from the meeting and submit a final report to the Angolan Minister of Mineral Resources prior to the signing of the new MIC.



Brooking Exploration, Western Australia

(CONDUCTED BY BROOKING PTY LTD – LUCAPA 100%; LEOPOLD DIAMONDS HOLDING 20% INTEREST IN THE TENEMENTS)

Following an extensive program conducted in 2023, further targets were selected for testing this year and results from drilling and geochemical and heavy mineral samples were announced to the ASX on 2 April 2024. Certain targets/areas of interest were identified but require further work in the future. The Lucapa board has put the future of Brooking under review.

Orapa Exploration, Botswana

(CONDUCTED BY LUCAPA DIAMONDS (BOTSWANA) PTY LTD; LUCAPA 100%)

A drilling program was conducted during the period to confirm if kimberlite was present in a geophysical target at the project. None was observed from the results and no further work on this is planned. The exploration licence lapsed in June 2024. The project will be classified as a discontinued operation for financial reporting purposes.

Corporate

In February 2024, a general meeting of shareholders approved a 1 for 5 share consolidation which was completed in March 2024.

Lucapa appointed two new Independent Non-Executive Directors to the Board following the resignation of non-executive director Ross Stanley. Mr Stuart Brown, an ex-head of diamond giant De Beers was appointed Chairman and Mr Ronnie Beevor, an ex-Investment banker and experienced mining director was appointed as non-executive director. Former Chairman Miles Kennedy remains on the Board as a non-executive director. In addition, Mr Daniel Coletta was appointed as Company Secretary following the resignation of Mr Mark Clements.

Corporate cost for the June half amounted to US\$1.2 million, in line with the prior year.

Tenements

TABLE 3: SCHEDULE OF TENEMENTS

Project	Country	Type	Size (km ²)	Period (yrs)	Interest (%)	End date
Brooking	Australia	Exploration Licence	72	5	80	Dec-24
		Exploration Licence	13	5	80	Mar-24 ^
		Exploration Licence	29	5	80	Jun-27
Lulo	Angola	Kimberlite (primary source) exploration	3000	5	39	May-24 ^
		Alluvial (secondary source) mining and exploration	1500	10	40	Jul-25
Merlin	Australia	Mineral lease	24	25	100	Dec-47
		Exploration Licence	210	5	100	Apr-25
Mothae	Lesotho	Mining Licence	47*	10	70	Jan-27
Orapa	Botswana	Reconnaissance	8	2	100	Jun-24 #

* Area includes the protection and production area

^ Application for licence extensions in progress

Lapsed

Financial Review

The Group results from continuing operations for the half year was a loss after tax of US\$1.3 million (H1 2023: profit of US\$0.1 million).

Lucapa's share of SML's profit after tax was US\$0.5 million, down from US\$0.9 million in H1 2023. SML reported an EBITDA of US\$5.6 million (H1 2023: US\$6.1 million) for the half year, which was impacted by a severe wet season and a delay in sales as referred to in the review of operations.

Corporate expenses were in line with the prior year.

The profit after tax from discontinued operations recognised in respect of Mothae was US\$6.2 million (H1: 2023: US\$0.8 million). This consists of Mothae's profit after tax from operations of US\$1.3 million, a gain on disposal of US\$3.3 million and a foreign exchange translation reserve re-allocation of US\$1.5 million.

The consolidated profit after tax from all operations in H1 was US\$4.7 million (H1 2023: US\$1 million) consisting of a loss attributable to members of the Company of US\$14.3 million (H1 2023: profit of US\$3.2 million) after allocating US\$18.9 million to non-controlling interests with the disposal of Mothae.

During the half year, Lucapa received a US\$1.8 million net dividend from SML. The Group had a cash balance of US\$0.3 million at 30 June 2024 (31 December 2023: US\$1.7 million). In addition, SML which is treated as an associate and not consolidated into Lucapa's financial statements, held US\$1.3 million cash as well as 2,565 carats in diamond inventory which included high value Specials sold in July 2024 for US\$12.4 million.

Group net assets as at 30 June 2024 amounted to US\$70.7 million (31 December 2023: US\$71.3 million). This includes Mothae's assets of US\$19.8 million and liabilities of US\$19.3 million classified as held for sale.

The Board has considered the financial position and prospects of the Group as set out in the basis of preparation of the financial statements and are satisfied that the going concern basis of preparation of the financial statements is appropriate.

To enable users of the Financial Report to gain a better insight into the extent and nature of activities of the Group, the Board has decided to provide the following financial disclosures, in addition to the AIFRS requirements:

- a pro-forma Consolidated Statement of Profit & Loss by entity including the full results of SML (refer table 4 below); and
- a summary of the attributable EBITDA by entity (refer table 6).

Lucapa is extensively involved in the operating activities of SML, has funded the development and has a 40% ownership interest in the mine. It therefore provides useful information to incorporate SML's results on a consolidated basis and providing an alternative view of the make-up of the profit after tax attributable to owners of the Company.

The additional information is not presented in terms of AIFRS but reconciliations have been prepared to the statutory Operating Profit/ Loss per the Interim Consolidated Statement of Profit or Loss (refer tables 5 and 7).

On the pro-forma consolidated basis as per above, the Group recorded an EBITDA from continuing operations of US\$4.8 million (H1 2023: US\$5.0 million) for the June half year and a loss after tax from continuing operations of US\$0.3 million (H1 2023: profit of US\$1.7 million). On a per carat sold basis rough diamond revenue from continuing operations decreased from US\$2,326 in H1 2023 to US\$1,977 for the current period whilst EBITDA from continuing operations increased from US\$346 to US\$349.

On an attributable basis, the Group recorded an EBITDA from continuing operations of US\$1.4 million (H1 2023: US\$1.3 million) for the June half year. Per carat sold, attributable rough diamond revenue from continuing operations decreased as above from US\$2,326 in H1 2023 to US\$1,977 for the current period and EBITDA from continuing operations increased from US\$224 to US\$262.

Pro-forma consolidated earnings overview (including SML)

TABLE 4: CONSOLIDATED STATEMENT OF PROFIT OR LOSS:

	SML		Corporate & other		Group		Group*	
	H1 '24	H1 '23	H1 '24	H1 '23	H1 '24	H1 '23	H1 '24	H1 '23
	US\$000s						A\$000s	
CONTINUING OPERATIONS								
Rough revenue & polished margin	27,425	34,386	-	-	27,425	34,386	42,984	54,494
Royalty & selling costs	(2,904)	(3,522)	-	-	(2,904)	(3,522)	(4,552)	(5,582)
Operating costs	(18,932)	(24,744)	(790)	(1,166)	(19,722)	(25,910)	(30,911)	(41,062)
EBITDA	5,589	6,120	(790)	(1,166)	4,799	4,954	7,522	7,851
Depreciation	(4,996)	(4,231)	(82)	(45)	(5,078)	(4,276)	(7,959)	(6,777)
Impairment	-	-	(51)	-	(51)	-	(80)	-
Net finance cost	-	-	4	(257)	4	(257)	6	(407)
Fx & FV adjustments and other	-	-	(474)	111	(474)	111	(743)	176
Profit/ (loss) before income tax	593	1,889	(1,393)	(1,357)	(800)	532	(1,254)	843
Income tax	575	1,392	(95)	(190)	480	1,202	752	1,905
Profit/ (loss) after income tax	1,168	3,281	(1,488)	(1,547)	(320)	1,734	(502)	2,748
DISCONTINUED OPERATIONS (MOTHAЕ + ORAPA)								
Profit from discontinued operation, after tax	-	-	5,750	587	5,750	587	9,013	931
Profit for the period	1,168	3,281	4,262	(960)	5,430	2,321	8,511	3,679
Attributable to:								
Owners of the Company	467	1,312	(14,722)	1,927	(14,255)	3,239	(22,342)	5,133
Non-controlling interests	701	1,969	18,984	(2,887)	19,685	(918)	30,853	(1,455)
	1,168	3,281	4,262	(960)	5,430	2,321	8,511	3,679
Per carat sold:								
	US\$						A\$	
Rough diamond revenue	1,977	2,326	-	-	1,977	2,326	3,098	3,686
EBITDA	406	427	-	-	349	346	547	548

TABLE 5: CONSOLIDATED EBITDA RECONCILIATION:

	H1 '24	H1 '23
	US\$000	
Operating loss as per statement of profit or loss	(1,176)	(1,011)
Remove equity accounted earnings:		
SML equity accounted income	(467)	(912)
Add consolidated earnings (100%):		
SML EBITDA	5,589	6,120
Add back non-cash items:		
Foreign exchange translation	474	411
LOM depreciation and impairment	133	46
Mothae - intergroup transactions	246	300
Consolidated EBITDA	4,799	4,954

* Results converted to A\$ at an average US\$: A\$ exchange rate for the period of 0.634 (H1 2023: 0.631)

Attributable earnings overview

TABLE 6: ATTRIBUTABLE EBITDA BY ENTITY

	SML (40%)		Corporate & other (100%)		Group		Group*	
	H1 '24	H1 '23	H1 '24	H1 '23	H1 '24	H1 '23	H1 '24	H1 '23
	US\$000s						A\$000s	
Rough revenue & polished margin	10,971	13,754	-	-	10,971	13,754	17,195	21,797
Royalty & selling costs	(1,162)	(1,409)	-	-	(1,162)	(1,409)	(1,821)	(2,233)
Operating costs	(7,573)	(9,898)	(791)	(1,164)	(8,364)	(11,062)	(13,109)	(17,531)
EBITDA	2,236	2,447	(791)	(1,164)	1,445	1,283	2,265	2,033
<i>Per carat sold:</i>	US\$						A\$	
Rough diamond revenue	1,976	2,326	-	-	1,976	2,326	3,098	3,645
EBITDA	406	427	-	-	262	224	411	354

TABLE 7: ATTRIBUTABLE EBITDA RECONCILIATION

	H1 '24	H1 '23
	US\$000	
Operating loss as per statement of profit or loss	(1,176)	(1,011)
<i>Eliminate intergroup entries:</i>		
Mothae - intergroup transactions	246	301
<i>Add back non-cash items:</i>		
Foreign exchange translation	474	411
LOM depreciation and impairment	133	46
SML depreciation, tax and fair value adjustments	1,768	1,536
Attributable EBITDA	1,445	1,283

* Results converted to A\$ at an average US\$: A\$ exchange rate for the period of 0.634 (H1 2023: 0.631)

Auditor's Independence Declaration

The Directors received the following declaration from the Company's auditors, Elderton Audit Pty Ltd:

ELDERTON
AUDIT PTY LTD

Auditor's Independence Declaration

To those charged with the governance of Lucapa Diamond Company Limited

I declare that, to the best of my knowledge and belief, during the half-year ended 30 June 2024 there have been no contraventions of:

- the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

This declaration is in respect of Lucapa Diamond Company Limited and the entities it controlled during the period.

Elderton Audit Pty Ltd.

Elderton Audit Pty Ltd



Sajjad Cheema
Director

Perth
22 August 2024

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Signed in accordance with a resolution of the Directors, on behalf of the Directors.



STUART BROWN

Chairman

Dated this 22nd August 2024

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Consolidated Interim Financial Statements

Consolidated Interim Statement of Profit or Loss

for the six months ended 30 June 2024

		30 Jun 2024	30 Jun 2023
	<i>Note</i>	US\$000	
CONTINUING OPERATIONS			
Share of profit of associate	3	467	912
Corporate expenses	4	(1,223)	(1,199)
Share-based payments	11	105	(313)
Foreign exchange loss		(474)	(411)
Impairment of capitalised exploration cost		(51)	-
Operating loss		(1,176)	(1,011)
Finance cost		-	(260)
Finance income		4	3
Fair value adjustments		-	1,522
(Loss)/ profit before income tax		(1,172)	254
Income tax expense		(95)	(190)
(Loss)/ profit after income tax from continuing operations		(1,267)	64
DISCONTINUED OPERATIONS			
Profit from discontinued operation, after tax	6	5,996	887
Profit for the period		4,729	951
Attributable to:			
Owners of the Company		(14,255)	3,238
Non-controlling interests		18,984	(2,287)
		4,729	951
Earnings per share			
	5	Cents	Cents
Basic (loss)/ profit per share		(4.94)	1.12
Basic (loss)/ profit per share - continuing operations		(0.44)	0.02
Diluted (loss)/ profit per share		(4.75)	1.08
Diluted (loss)/ profit per share - continuing operations		(0.42)	0.02

The consolidated statement of profit or loss is to be read in conjunction with the accompanying notes.

Consolidated Interim Statement of Other Comprehensive Income
for the six months ended 30 June 2024

	30 Jun 2024	30 Jun 2023
	US\$000	
Profit for the period	4,729	951
Other comprehensive (loss)/income	(5,222)	3,555
Total comprehensive (loss)/ income for the year	(493)	4,506
Attributable to:		
Owners of the Company	(17,930)	5,711
Non-controlling interests	17,437	(1,205)
	(493)	4,506

The consolidated statement of other comprehensive income is to be read in conjunction with the accompanying notes.

Consolidated Interim Statement of Financial Position

as at 30 June 2024

		30 Jun 2024	31 Dec 2023
	Note	US\$000	
Assets			
Cash and cash equivalents		296	1,317
Trade and other receivables		2,594	2,466
Contract assets		-	833
Inventories		21	2,351
Other current financial assets	7	1,482	3,923
Assets held for sale	6	19,763	-
Total current assets		24,156	10,890
Property plant and equipment	8	52,232	51,863
Non-current financial assets	7	685	699
Investment in associate	3	14,748	18,281
Total non-current assets		67,665	70,843
Total assets		91,821	81,733
Liabilities			
Trade and other payables	9	1,231	8,231
Current borrowings		-	235
Liabilities iro assets held for sale	6	19,288	-
Total current liabilities		20,519	8,466
Non-current provisions		600	1,956
Deferred tax liabilities		17	26
Total non-current liabilities		617	1,982
Total liabilities		21,136	10,448
Net assets		70,685	71,285
Equity			
Share capital	11	154,552	154,230
Reserves		(5,379)	(1,344)
Accumulated losses		(78,488)	(64,164)
Equity attributable to owners of the Company		70,685	88,722
Non-controlling interests		-	(17,437)
Total equity		70,685	71,285

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Consolidated Interim Statement of Changes in Equity for the six months ended 30 June 2024

	Issued capital	Share based payments reserve	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
<i>Note</i>	US\$000						
Balance at 1 January 2023	154,230	158	(3,956)	(55,129)	95,303	(9,996)	85,307
Comprehensive income for the period							
Profit/ (loss) for the period	-	-	-	3,238	3,238	(2,287)	951
Other comprehensive income	-	-	2,473	-	2,473	1,082	3,555
Total comprehensive income/ (loss) for the period	-	-	2,473	3,238	5,711	(1,205)	4,506
Transactions with owners, in their capacity as owners							
Issue of options	11	314	-	-	314	-	314
Expiry of options	-	(16)	-	16	-	-	-
Total transactions with owners	-	298	-	16	314	-	314
Balance at 30 June 2023	154,230	456	(1,483)	(51,875)	101,328	(11,201)	90,127
Balance at 1 January 2024	154,230	884	(2,228)	(64,164)	88,722	(17,437)	71,285
Comprehensive income for the period							
(Loss)/ profit for the period	-	-	-	(14,255)	(14,255)	18,984	4,729
Other comprehensive income	-	-	(3,606)	(69)	(3,675)	(1,547)	(5,222)
Total comprehensive income/ (loss) for the period	-	-	(3,606)	(14,324)	(17,930)	17,437	(493)
Transactions with owners, in their capacity as owners							
Issue of options	11	235	-	-	235	-	235
Expiry of options	-	(340)	-	-	(340)	-	(340)
Transfer of reserves on exercise of options	-	(324)	-	-	-	-	-
Share issue expenses	-	(2)	-	-	(2)	-	(2)
Total transactions with owners	322	(429)	-	-	(107)	-	(107)
Balance at 30 June 2024	154,552	455	(5,834)	(78,488)	70,685	-	70,685

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Consolidated Interim Statement of Cash Flows

for the six months ended 30 June 2024

	30 Jun 2024	30 Jun 2023
Note	US\$000	
Cash flows from operating activities		
Receipts from products and related debtors	9,623	22,669
Cash paid to suppliers and employees	(11,184)	(24,350)
Interest and finance cost	-	(1,907)
Interest received	5	13
Net cash used in operating activities	(1,556)	(3,575)
Cash flows from investing activities		
Payments for exploration costs	(256)	(3,356)
Payments for development	(552)	(3,689)
Dividend and receivable proceeds from associate	1,800	15,818
Payments for property plant and equipment	(168)	(1,097)
Net cash generated from investing activities	824	7,676
Cash flows from financing activities		
Proceeds from issue of share capital	-	9,060
Share issue costs	(1)	(584)
Repayment of borrowings	-	(12,872)
Net cash used in financing activities	(1)	(4,396)
Net decrease in cash and cash equivalents	(733)	(295)
Cash and cash equivalents at beginning of period	1,317	7,366
Exchange gain/ (loss) on foreign cash balances	3	(166)
Cash and cash equivalents classified as held for sale	6	-
Cash and cash equivalents at end of period	296	6,905

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

Condensed Notes to the Consolidated Interim Financial Statements for the six months ended 30 June 2024

1. Basis of Preparation

Statement of Compliance

The interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The interim financial report does not include all of the information required for a full annual financial report and should be read in conjunction with the annual financial report of the Company as at and for the year ended 31 December 2023.

The basis of preparation of the interim financial report is set out below and was authorised for issue by the Board of Directors on the date of the Directors' Report.

Basis of Measurement

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of current liabilities in the ordinary course of business.

Going Concern

The results of Group and its entities are summarised the financial review section of the Directors' report.

The Directors believe that the going concern basis is appropriate for the following reasons:

- The diamond market remains stable for higher value production;
- Prior year inflationary environment pressures on costs and the supply chains have improved;
- The book value of the Group's assets exceeds its liabilities by US\$70.7 million and the Group is debt free;
- Mothae has been disposed of with no recourse to Lucapa;
- All approvals are in place for SML to repay Lucapa's alluvial investment loan as well as dividends and should follow directly following SML shareholder approval;
- The Group has historically been successful in raising equity for the furtherance of its projects and under ASX Listing Rule 7.1 the Company has the capacity to place securities to raise equity: and
- The Group has historically been successful in raising and restructuring debt facilities.

However, despite the Group's previous track record in sourcing new funds for its projects, there remains no assurance that the Group in future will be successful in obtaining funding as and when needed.

In the event that the Group is unsuccessful in the matters set out above in relation to obtaining future funds, there is a material uncertainty whether the Group will continue as a going concern, and therefore whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Condensed Notes to the Consolidated Interim Financial Statements for the six months ended 30 June 2024

2. Segment Reporting

	Exploration & Evaluation		Mining		Corporate & other	Discontinued operations/ Held for sale	Total
	Angola	Australia	Angola	Australia	Australia	Lesotho/ Botswana	
US\$000							
Period ended 30 June 2024	Profit or loss						
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	82	-	82
	-	-	-	-	(105)	-	(105)
	-	(51)	467	-	(1,592)	-	(1,176)
	-	-	-	-	4	-	4
	-	(51)	-	-	-	-	(51)
	-	(51)	467	-	(1,588)	5,996	4,824
	Other segment information						
	2,563	39	-	858	1	10,329	13,790
As at 30 June 2024	Assets and liabilities						
	33,991	2,238	16,866	16,047	2,911	19,768	91,821
	-	17	-	697	1,124	19,298	21,136
Period ended 30 June 2023	Profit or loss						
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	39	-	6	-	45
	-	-	-	-	313	-	313
	-	-	912	-	(1,923)	-	(1,011)
	-	-	-	-	(257)	-	(257)
	-	-	912	-	(658)	887	1,141
	Other segment information						
	2,219	22	-	1,638	1	1,610	5,490
As at 31 December 2023	Assets and liabilities						
	31,428	2,257	22,914	15,601	1,554	7,979	81,733
	-	-	-	658	993	8,797	10,448

The Group is involved the following business segments: exploration & evaluation projects in Angola, Botswana and Australia, mining in Angola, Australia and Lesotho and corporate and other administrative functions in Australia to support and promote its activities. Lesotho and Botswana have been classified as discontinued operations.

Condensed Notes to the Consolidated Interim Financial Statements

for the six months ended 30 June 2024

3. Investment in Associate

	30 Jun 2024	31 Dec 2023
	US\$000	
Summarised financial information of SML		
Current assets	22,831	30,450
Non-current assets	23,417	28,322
Current liabilities	12,163	15,856
Non-current liabilities	2,844	2,844
Equity	31,241	40,072
Group's carrying amount of the investment	14,748	18,281
Contingent liabilities	-	-
	30 Jun 2024	30 Jun 2023
	US\$000	
Revenue	27,425	34,386
Cost of sales	(20,118)	(21,887)
Administrative and selling expenses	(6,714)	(10,611)
Fair value adjustments	-	(1,000)
Finance cost	-	-
Profit before tax	593	888
Income tax expense	575	1,392
Profit for the period	1,168	2,280
Total comprehensive income for the period	1,168	2,280
Group's share of profit for the period	467	912
EBITDA	5,589	6,120

The Group has recognised its 40% share of SML's results since its formal incorporation in May 2016. SML's earnings include fair value adjustments in relation to the discounting of the financial asset of Lucapa reflected under note 7.

Condensed Notes to the Consolidated Interim Financial Statements

for the six months ended 30 June 2024

4. Expenses

	30 Jun 2024	30 Jun 2023
Note	US\$000	
Breakdown of expenses by nature		
Employee benefits expenses (excluding share based payments)	729	746
Depreciation and amortisation	82	45
Auditors remuneration	7	11
Mining and short term leases	83	60
Consulting fees and other administrative expenses	322	337
Total expenses	1,223	1,199
Breakdown of expenses by function		
Corporate expenses	1,223	1,199
Total expenses	1,223	1,199
Employee benefits expenses		
Wages, salaries and director remuneration	605	667
Superannuation costs	60	58
Share-based payments	11 (105)	313
Other associated employee expenses	64	21
	624	1,059

5. Earnings per Share

	30 Jun 2024	30 Jun 2023
	Cents	Cents
Basic loss per share	(4.94)	1.12
Basic loss per share - continuing operations	(0.44)	0.02
Diluted loss per share	(4.75)	1.08
Diluted loss per share - continuing operations	(0.42)	0.02
	US\$000	US\$000
Loss used in calculating earnings per share		
Attributable to members of the Company used in calculating:		
- basic earnings per share	(14,255)	3,238
- basic earnings per share - continuing operations	(1,267)	64
- diluted earnings per share	(14,255)	3,238
- diluted earnings per share - continuing operations	(1,267)	64
	Number	Number
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares outstanding during the period used in calculation of:		
- basic earnings per share	288,437,818	287,911,975
- diluted earnings per share	300,384,226	299,250,671

Condensed Notes to the Consolidated Interim Financial Statements

for the six months ended 30 June 2024

6. Discontinued Operations

	30 Jun 2024	30 Jun 2023
	US\$000	
Revenue	8,812	14,441
Cost of sales	(9,448)	(6,974)
Gross profit/(loss)	(636)	7,467
Royalties and selling expenses	(418)	(698)
Corporate expenses	(490)	(419)
Foreign exchange gain/(loss)	3,530	(5,315)
Operating profit	1,986	1,035
Finance cost	(611)	(148)
Gain on remeasurement to fair value less costs to sell	3,338	-
Reclassification of foreign currency translation reserve	1,541	-
Profit from discontinued operations - Mothae	6,254	887
Impairment of capitalised exploration cost - Orapa, Botswana	(258)	-
Profit from discontinued operations - Group	5,996	887
Profit from discontinued operations - Mothae as above	6,254	887
Gain/(loss) on reversal of loan and interest with Lucapa	57,270	(3,285)
Profit /(loss) from discontinued operations - Mothae entity	63,524	(2,398)
Attributable to:		
Owners of the Company (before intergroup elimination)	44,540	(111)
Non-controlling interests	18,984	(2,287)
	63,524	(2,398)
Major classes of assets and liabilities classified as held for sale		
Assets		
Cash and cash equivalents	291	-
Trade & other receivables and Contract assets	2,011	-
Diamond and other inventory	3,086	-
Property, plant and equipment	5,764	-
Right of Use Assets	8,611	-
Assets held for sale	19,763	-
Liabilities		
Trade and other payables	9,378	-
Provisions	1,502	-
Lease liabilities	8,408	-
Liabilities iro assets held for sale	19,288	-
Net assets directly associated with disposal group	475	-
Amounts included in accumulated OCI		
Foreign currency translation reserve	-	-
Cash flows for the period		
Operating	(85)	903
Investing	(166)	(451)
Financing	472	(339)
Net cash flow	221	113
Earnings per share	Cents	Cents
Basic(loss)/earnings per share	(4.50)	1.10
Diluted (loss)/earnings per share	(4.32)	1.06

Condensed Notes to the Consolidated Interim Financial Statements

for the six months ended 30 June 2024

As per the ASX announcements of 15 May 2024 and 25 June 2024 the Board decided to divest Mothae and a sale agreement was executed in this regard during June with local Lesotho company, Lephema Executive Transport (Pty) Ltd. The sale was fully completed in August 2024 and as at 30 June, Mothae was classified as a disposal group held for sale and a discontinued operation.

As per the ASX announcement on 2 April 2024 the Group completed exploration work at the Orapa Area F Project in Botswana. No further work is planned on the project and the exploration licence has lapsed. The project was classified as a discontinued operation.

7. Financial Assets

	30 Jun 2024	31 Dec 2023
	US\$000	
Non-current financial assets		
Receivable in respect of SML		
At 1 January	3,923	12,643
Investment during the period	16	565
Repayment received	-	(5,781)
Transferred to Deferred exploration and evaluation costs for Kimberlite JV	(2,457)	(3,504)
	1,482	3,923
Fair value adjustment due to discounting	-	-
At end of period	1,482	3,923
Less: Current portion of receivable	(1,482)	(3,923)
Non-current receivable	-	-
Security deposit for environmental rehabilitation in respect of Merlin	685	699
Total non-current financial assets	685	699
Current financial assets		
Receivable in respect of SML		
Current portion of receivable	1,482	3,923

The receivable in respect of SML was transferred from alluvial development in 2016 and represents the future reimbursement in US dollars of the Company's historic alluvial exploration and development costs incurred at Lulo. The receivable has been re-measured to its estimated fair value using the income approach, which is a valuation technique that converts future cash flow into a single discounted present value and is classified as level 3 in the fair value hierarchy due to the use of unobservable inputs.

Significant unobservable inputs are the timing and amounts of future repayments which are based on the expected cash flows per the Company's forecast model for SML. Sensitivity factors which could impact the valuation include operational recoveries, diamond prices and delays in the timing of repayments which will decrease the fair value estimate. A discount rate of 16.5% has been applied in 2023 the fair value calculation.

Condensed Notes to the Consolidated Interim Financial Statements

for the six months ended 30 June 2024

8. Property, Plant and Equipment

	Deferred exploration and evaluation	Mine development	Plant and equipment	Decom- missioning assets	Stripping activity assets	Right-of-use assets	Other assets	Total
US\$000								
Cost								
Balance at 1 January 2023	31,727	30,808	18,565	1,307	855	3,132	1,945	88,339
Additions	4,221	59	3,516	5	284	1,651	146	9,882
Disposals	-	-	(11)	(418)	-	(3,875)	(2)	(4,306)
Foreign currency movements	(146)	(466)	(1,257)	(58)	(59)	(232)	(122)	(2,340)
Balance at 31 December 2023	35,802	30,401	20,813	836	1,080	676	1,967	91,575
Additions	2,686	892	103	58	-	10,032	19	13,790
Foreign currency movements	(40)	(333)	60	(7)	7	322	10	19
Balance at 30 June 2024	38,448	30,960	20,976	887	1,087	11,030	1,996	105,384
Accumulated depreciation								
Balance at 1 January 2023	2,040	15,206	3,279	133	322	3,037	1,212	25,229
Amortisation/ depreciation charge for the year	-	1,324	2,033	25	617	1,515	352	5,866
Impairment	-	154	12,420	126	136	190	344	13,370
Disposals	-	-	(11)	-	-	(3,875)	(2)	(3,888)
Foreign currency movements	(144)	(129)	(267)	(9)	(18)	(223)	(75)	(865)
Balance at 31 December 2023	1,896	16,555	17,454	275	1,057	644	1,831	39,712
Amortisation/ depreciation charge for the year	-	127	130	5	2	1,716	35	2,015
Impairment	309	-	-	-	-	-	-	309
Reclassification as held for sale	-	652	1,629	65	21	8,611	57	11,035
Disposals	-	(1,065)	913	-	-	-	-	(152)
Foreign currency movements	10	42	104	1	7	59	11	234
Balance at 30 June 2024	2,215	16,311	20,230	346	1,087	11,030	1,934	53,153
Net carrying amounts								
At 31 December 2023	33,906	13,846	3,359	561	23	32	136	51,863
At 30 June 2024	36,233	14,649	746	541	-	-	62	52,231

Condensed Notes to the Consolidated Interim Financial Statements

for the six months ended 30 June 2024

Deferred exploration and evaluation costs

Deferred exploration and evaluation costs represent the cumulative expenditure incurred in relation to the Lulo and Brooking projects on diamond exploration and evaluation including plant and equipment.

The Company continues to explore for the primary kimberlite sources of the alluvial diamonds being recovered on the Lulo concession and for lamproite in Australia.

The Group has a 39% interest in the Project Lulo Kimberlite Exploration Joint Venture ("the JV"), an unincorporated entity classified as a joint operation that operates under the terms of a Mineral Investment Contract entered into between the partners. The Group is responsible for the upfront funding of the exploration costs. Accordingly, the Group's interest in the assets, liabilities, revenues and expenses attributable to the JV have been included in the appropriate line items in the consolidated financial statements.

Deferred exploration and evaluation costs of US\$33.9 million (31 December 2023: US\$31.4 million) in the schedule above are related to the JV.

A review of the Deferred exploration and evaluation assets has been performed to determine if any impairment loss should be recognised based on the economic environment and relevant facts and circumstances. No adjustment has been required or recognised in terms of this during the period.

Mine development and other assets

Mine development, Plant and Equipment and Decommissioning assets relate to the Merlin project. Other assets comprise vehicles, computer equipment, furniture & fittings and office equipment.

A review of the other assets has been performed to determine if any impairment loss should be recognised based on the economic environment and relevant facts and circumstances. No other impairments were assessed as being required.

9. Trade and Other Payables

	30 Jun 2024	31 Dec 2023
	US\$000	
Trade payables	261	1,275
Short-term advance	-	2,213
Employee related accruals	650	1,875
Accruals and other payables	320	2,868
Total	1,231	8,231

The short-term advance relates to monies advanced to Mothae in terms of the minimum cash price of US\$630/ carat contained in the partnership agreement with Safdico International Limited. The advance is non-interest bearing and repayable from future sales, polished partnership profits or in cash as and when agreed between the parties. The advance has been transferred to held for sale as at 30 June 2024.

Condensed Notes to the Consolidated Interim Financial Statements

for the six months ended 30 June 2024

10. Borrowings

	30 Jun 2024	31 Dec 2023
	US\$000	
Current borrowings		
Lease liabilities	-	235
Total	-	235

Lease liabilities

The lease liabilities consist of the amounts due in respect of:

- mining equipment and plant at Mothae, leased on a monthly basis until May 2024; and
- various lease contracts for office space, office and other equipment used in operations. Lease terms vary between 1 and 3 years.

Generally, the Group's obligations under leases are secured by the lessor's title to the leased assets. Certain lease contracts include extension and termination options.

11. Share Capital and Share-based Payment

	30 Jun 2024	30 Jun 2024
	Number	US\$000
Listed securities		
Movement in ordinary shares (ASX code: LOM)		
On issue at beginning of period	1,439,559,875	154,230
Share consolidation (5:1)	(1,151,647,935)	-
Issue of shares on exercise of options and performance rights	2,210,059	324
Transaction costs	-	(2)
On issue at end of period	290,121,999	154,552
Unlisted securities		
Movement in unlisted options (A\$0.08 exercise price; expire 30 July 2025)		
On issue at beginning of period	5,000,000	-
Share consolidation (5:1)	(4,000,000)	-
On issue at end of period	1,000,000	-

Terms and conditions

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Share-based payments

	30 Jun 2024	31 Dec 2023
	US\$000	
Share-based payment recognised		
Profit or Loss		
Director and employee options	(105)	741
Non-cash financing and investing activities		
Share issue expenses	-	-
Loan funding	-	-
Deferred exploration and evaluation costs	-	-
	(105)	741
Weighted average remaining contractual life of share options and performance rights in issue (years)	1.41	1.82
Weighted average Lucapa share price during the period/ year (A\$) (after 5:1 share consolidation)	0.103	0.195

Condensed Notes to the Consolidated Interim Financial Statements

for the six months ended 30 June 2024

11. Share Capital and Share-based Payment

Movement in Share options and Performance rights in issue and other share-based payment disclosures

	Share options	Performance rights					Weighted average price (A\$)
	Unlisted	Unlisted	Unlisted	Unlisted	Unlisted	Unlisted	
Exercise price (A\$)	\$0.40	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Expiry date	30-Jun-25	31-Dec-25	31-Jan-27	29-Nov-27	31-Dec-26	30-Jun-28	
Number on issue at beginning of period	5,000,000	22,959,090	8,206,295	10,497,030	11,027,380	9,875,264	0.03
Share consolidation (5:1)	(4,000,000)	(18,367,272)	(6,565,036)	(8,397,624)	(8,821,903)	(7,900,211)	
Issue of options/ performance rights	-	-	-	-	-	-	-
Exercise of options/ performance rights	-	-	(1,641,259)	(568,800)	-	-	-
Expiry/ lapsing of options/ performance rights	-	-	-	-	(124,917)	-	-
On issue at end of period	1,000,000	4,591,818	(0)	1,530,606	2,080,560	1,975,053	0.04
Exercisable at end of period	1,000,000	-	-	-	-	-	

Condensed Notes to the Consolidated Interim Financial Statements

for the six months ended 30 June 2024

12. Events Subsequent to Reporting Date

On 25 July 2024 Lucapa announced the sale of six Lulo diamonds for US\$12.4 million at tender.

On 14 August 2024 Lucapa announced the conclusion of the divestment of the Mothae mine.

No other matters or circumstances have arisen since the end of the financial period, which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial periods.

Director's declaration

for the six months ended 30 June 2024

In the opinion of the Directors of Lucapa Diamond Company Limited:

- (a) the financial statements and notes, as set out on pages 13 to 28, are in accordance with the Corporations Act 2001, including:
- (i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial period ended on that date;
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (b) Subject to the uncertainty outlined in the Directors' report and basis of measurement sections, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors, on behalf of the Directors.



STUART BROWN

Chairman

Dated this 22nd August 2024

Independent Auditor's Review Report

For the six months ended 30 June 2024

ELBERTON

AUDIT PTY LTD

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Lucapa Diamond Company Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Lucapa Diamond Company Limited (the 'Company') and its subsidiaries ("the Group"), which comprises the condensed consolidated statement of financial position as at 30 June 2024, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Lucapa Diamond Company Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

Material Uncertainty related to Going Concern

Without qualifying our conclusion, we draw attention to the Basis of Preparation note 1 of the financial report, which described that the ability of the Group to continue as a going concern is dependent on the debt and equity finance. As a result, there is a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern, and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Limited Liability by a scheme approved under Professional Standards Legislation

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Independent Auditor's Review Report

For the six months ended 30 June 2024

Director's Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Elderton Audit Pty Ltd.

Elderton Audit Pty Ltd



Sajjad Cheema

Director

22 August 2024

Perth

Definitions and Abbreviations

<i>A\$</i>	Australian dollar
<i>AIFRS</i>	Australian International Financial Reporting Standards
<i>AGM</i>	Annual general meeting of shareholders
<i>AusND</i>	Australian Natural Diamonds Pty Ltd (100% held, registered in Australia)
<i>Attributable</i>	Attributable ownership in the projects based on Lucapa's % shareholding. This is a non-AIFRS measure
<i>Brooking</i>	Brooking Pty Ltd
<i>EBITDA</i>	Earnings before interest, taxation, depreciation & amortisation and other non-trading items; EBITDA is a non-AIFRS measure
<i>Endiama</i>	Endiama E.P. (Angola's national diamond mining company)
<i>ESG</i>	Environmental, Social and Governance
<i>GoL</i>	Government of the Kingdom of Lesotho
<i>GTD Index</i>	GTD Consulting Overall Rough Diamond Price Index
<i>June half, the half year or H1</i>	The six months ended 30 June
<i>LTI</i>	Lost time injury
<i>Lucapa, the Company or LOM</i>	Lucapa Diamond Company Limited (ASX code: LOM)
<i>Merlin</i>	Merlin Diamond Project, owned by AusND
<i>Mothae</i>	Mothae Diamonds (Pty) Ltd, registered in Lesotho (Shareholding: Lucapa 70% and GoL 30%). For AIFRS reporting, Mothae's results are consolidated
<i>Mtpa</i>	Million tonnes per annum
<i>Orapa</i>	Orapa Area F, Botswana
<i>P&L</i>	Profit or Loss; Statement of Profit or Loss
<i>PPE</i>	Property plant and equipment
<i>Rosas & Petalas</i>	Rosas & Petalas S.A. (Private venture partner in Lulo, registered in Angola)
<i>QX 20XX</i>	Reference to one of the quarter periods in a calendar year
<i>Safdico</i>	Safdico International, a subsidiary of Graff International
<i>SFD</i>	Size frequency distribution
<i>SML</i>	Sociedade Mineira Do Lulo Lda, registered in Angola (Shareholding: Lucapa 40% Endiama 32% and Rosas & Petalals 28%). For AIFRS reporting, SML's results are included on an equity accounted basis
<i>Specials</i>	Diamonds individually weighing in excess of 10.8 carats
<i>the Board</i>	The Lucapa Board of Directors
<i>the Group</i>	The Company and its subsidiaries and associates
<i>the Second Half or H2</i>	The six months ended/ ending 31 December
<i>US\$</i>	United States dollar
<i>XRT</i>	X-Ray transmission
<i>Z Star</i>	Z Star Mineral Resource Consultants (Pty) Ltd
<i>ZAR, R or Rand</i>	South African rand

Corporate Directory

Registered Office & Principal Place of Business

34 Bagot Road, Subiaco
Western Australia 6008

Contact Details

Phone: +61 8 9381 5995
E-mail: general@lucapa.com.au
Internet: www.lucapa.com.au

Directors

Stuart Brown: Non-Executive Director, Chairman
Miles Kennedy: Non-Executive Director
Ronnie Beevor: Non-Executive Director
Nick Selby: Managing Director/ Chief Executive Officer

Company Secretary

Daniel Coletta

Share Registry

Automic Pty Ltd
Level 2
267 St Georges Terrace, Perth
Western Australia 6000

Share Trading Facilities

The Company's ordinary shares are listed on the Australian Securities Exchange (Code: LOM)
The Home exchange is Perth.

Auditor

Elderton Audit Pty Ltd
Level 32
152 St Georges Terrace, Perth
Western Australia 6000

ASX Additional Information

Competent Person's Statement

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

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.

Forward-Looking Statements

This announcement has been prepared by the Company. This document contains background information about the Company and its related entities current at the date of this announcement. This is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this announcement.

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No responsibility for any errors or omissions from this document arising out of negligence or otherwise is accepted. This document does include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of the Company. Actual values, results, outcomes or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements. Any forward-looking statements in this announcement speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and ASX Listing Rules, the Company does not undertake any obligation to update or revise any information.

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