



31 October 2012

Dear Shareholder

LUCAPA DIAMOND COMPANY LIMITED
Notice of Non-Renounceable Rights Issue to Shareholders

We are writing to you as the registered holder of shares in Lucapa Diamond Company Limited (**Company**) (ASX:LOM), formerly named Lonrho Mining Limited, as at today's date.

As announced to ASX on Monday 29 October 2012, the Company is undertaking a pro rata non-renounceable offer of shares to shareholders. The offer is on the basis of one (1) new fully paid ordinary share for every four (4) shares held by eligible shareholders of the Company as at 5.00pm WST on Friday 9 November 2012 (**Record Date**) at an issue price of \$0.009 per share, to raise approximately \$5.73 million (**Offer**).

The Company is making the Offer available to eligible shareholders, being persons who are registered as shareholders of the Company on the Record Date and have a registered address in Australia or New Zealand.

Eligible shareholders will be entitled to apply for shares not otherwise taken up in the Offer at the same price of \$0.009 per share (**Additional Shares**). The directors reserve the right, subject to any restrictions imposed by the Corporations Act 2001 (Cth) and the ASX Listing Rules to issue the Additional Shares at their sole discretion.

An Offer Document in relation to the Offer has been lodged with ASX setting out the timetable, as shown below, for the Offer. The Offer Document is available on the ASX website and on the Company's website www.lucapa.com.au.

The indicative timetable for the Offer is as follows:

Event	Date
Section 708AA Notice, Appendix 3B and Offer Document lodged with ASX.	29 October 2012
Notice sent to security holders containing the indicative timetable and the information required by Appendix 3B.	31 October 2012
"EX" DATE Shares commence trading ex-entitlements	2 November 2012
RECORD DATE to identify security holders entitled to participate in the issue.	9 November 2012
Offer Document and Entitlement and Acceptance forms despatched to Eligible Shareholders.	13 November 2012

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Event	Date
CLOSING DATE acceptances close at 5.00pm (Perth time).	27 November 2012
Securities quoted on a deferred settlement basis.	28 November 2012
ASX notified of under subscriptions.	30 November 2012
Despatch date of holding statements. Deferred settlement trading ends.	5 December 2012
Normal trading (T+3 trading) expected to start.	6 December 2012

*Subject to the ASX Listing Rules, the directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the new shares.

The Company intends to use the funds raised from the Offer to expand its kimberlite exploration program at the Lulo Diamond Concession in Angola. In September 2012, the Company began a 12-18 month program to drill test and sample 61 prioritised kimberlite targets. The Company has contracted for a low-level aeromagnetic survey to be flown in early 2013 over the two-thirds of the 3,000km² Lulo Diamond Concession not covered in the original survey in 2008. The new survey will include a ~725km² strip very close to the BLK_08 bulk sample and is expected to increase the number of priority kimberlite targets to be drill tested. The Company further expects to expand the program as a result of an extensive geological review of all magnetic targets near the BLK_08 alluvial bulk sample where the Company recovered a rare 131.4 carat diamond, independently valued at \$US3.51 million, in August 2012.

The funds raised will also be used to renew current licences including surface rental over the Lulo Diamond Concession, employment tax fees and costs associated with the application for renewal of the alluvial and kimberlite licences.

In addition, the funds will also be put to meeting ordinary working capital, the estimated costs of the Offer including ASX fees, legal fees, printing and postage, share registry fees and sundry expenses (plus GST) and the fee of 5% (plus GST) of the gross amount raised under the Offer that will be payable to the Lead Manager of the Offer, Indian Ocean Capital Pty Ltd, under their mandate.

The capital structure of the Company on completion of the Offer, assuming the Offer is fully subscribed, will be as follows:

Securities	Number
Shares	
Shares on issue at the date of this Offer Document	2,547,463,070
Shares to be issued pursuant to the Offer	636,865,768
Shares on issue on completion of the Offer	3,184,328,838

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Options	
Listed options expiring 2 December 2013 exercisable at \$0.02 each (LOMOA)	1,598,731,535
Unlisted options expiring 1 August 2013 exercisable at \$0.02 each	30,000,000
Unlisted options expiring 25 September 2014 exercisable at \$0.019 each	62,500,000
Unlisted options expiring 2 December 2014 exercisable at \$0.03 each	25,000,000
LOMOA options to be issued pursuant to IOC's mandate in relation to the Offer	60,000,000
Options on issue on completion of the Offer	1,776,231,535
Maximum number of Shares on a fully diluted basis following completion of the Offer¹	5,020,560,373

¹ The above table does not take into account the Entitlements that would attach to Shares that would be issued if any of the existing options described in the table were exercised before the Record date.

The Offer Document includes details of the Offer and the risks associated with investing in the Company and it is recommended that you read it carefully and, if you are interested in participating in the Offer, seek independent professional advice.

Yours faithfully

MILES KENNEDY
MANAGING DIRECTOR