



ASX Announcement

## Letter to Shareholders

13 January 2021

Burgundy Diamond Mines Limited (ASX: BDM; "Burgundy" or "the Company") advises that the Company today distributed a letter to shareholders providing a recap of the Company's activities over the past 12 months and a broad overview of some of its planned activities in 2021.

The text of the letter is included below and can be found on the company's website at <https://www.burgundy-diamonds.com/newsletter>.

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This announcement was authorised for release on the ASX by the Board of Burgundy Diamond Mines Ltd.

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## Letter to Shareholders

13 January 2021

Dear Fellow Shareholder

At the start of a new year that we all hope will be better for the world than 2020, I believe it is a fitting time to give you an update on last year's progress at Burgundy Diamond Mines Ltd and an outlook of what we hope to achieve over the coming twelve months.

Despite the obvious challenges faced across the globe, 2020 was a very successful year for your company.

At the start of December 2019, before we introduced our diamond strategy, EHR Resources Ltd was a \$3 million company with a share price of 3 cents, a delayed gold/silver project in Peru and no management team. At the end of December 2020, the rebranded Burgundy Diamond Mines Ltd had a market capitalization of \$44m, a share price of 17 cents, and a burgeoning portfolio of international diamond projects. This positive momentum has been underpinned by a highly-credentialed management team and a considerably strengthened Board of Directors.

While this is an achievement of which we can be proud, we have emphasised all along that this is simply the start, the creation of a platform from which we can build our vision of becoming the world's leading mid-cap diamond company.

As we look ahead in 2021, we see an exciting year for developments on our existing projects:



- In Botswana, we continue to progress our exploration alliance with leading private company Diamond Exploration Strategies Ltd, as we are on target to be drilling at two highly prospective target areas this quarter. We expect to have a precise timeline on this drilling program locked in soon.
- In Nunavut, Canada, our bulk sampling program at the Naujaat diamond project is on track to commence activities in June once seasonal access to site is possible, with sample collection and shipment scheduled to be complete before the onset of the northern winter in the fourth quarter this year.
- In Peru, the drilling program at our La Victoria gold/silver project may commence in the second quarter of this year. Following delays, it is becoming increasingly likely that permits could be in place by the end of the current quarter,

In addition, we are continuing to pursue other diamond project opportunities around the world, and as highlighted in our [investor presentation](#) of November last year, our key focus is securing access to near-term development projects or existing operating mines that can provide early cashflow to fund our ongoing growth strategy. We are confident that some of these opportunities are nearing fruition, and we look forward to being able to tell you about them shortly.

We would like to thank you for your continued support as we continue on this exciting journey, and look forward to sharing even greater success over the course of 2021.

Yours sincerely

**Peter Ravenscroft**  
Managing Director and CEO

### About Burgundy Diamond Mines Limited

Burgundy is focused on global diamond exploration and project development with a vision to become a leading mid-cap diamond producer.

### Diamonds

Since late 2019, Burgundy has acquired interests in three diamond projects:

- An earn-in agreement with North Arrow Minerals Inc. over the Naujaat diamond project in Nunavut, Canada. The world class Naujaat project contains an exceptional population of uniquely coloured and rare high value stones. Burgundy has the option to earn-in to a 40% interest in the project by funding a C\$5.6 million preliminary 1,500 to 2,000 tonne bulk sampling program in 2021. The Company has already successfully raised the funds for this program, and delivery of fuel and sampling materials to the site is currently underway in preparation for next year. Burgundy has also made a preliminary proposal to earn an additional 20% interest by funding a larger 10,000 tonne bulk sample pending positive results from the first phase.
- An Exploration Alliance Agreement in Botswana with Diamond Exploration Strategies Ltd, a privately-owned company with an excellent management team. Burgundy is providing funding of US\$1.5 million over three years to finance exploration activities, earning 50% ownership of any discoveries made. Burgundy will have the option to sole fund a Scoping Study on a designated project to earn-in to a 70% ownership interest, with a further option to reach a 90% ownership interest by sole funding a Feasibility Study. The Alliance is initially over five areas that have existing prospecting licenses, but extends to cover other prospective areas of Botswana that may be identified. Drilling programs on two of the initial areas are scheduled to start early in the first quarter of 2021.



- 100% ownership of the Nanuk Diamonds project east of the Ungava Bay in Northern Quebec. The 274 sq.km area contains several occurrences of diamond-bearing kimberlite dykes that were originally found in the early 2000's but were left unexplored for the last 15 years.

In addition to these projects, Burgundy continues to evaluate other investment opportunities, principally in Canada, Botswana and Australia, as it seeks to build a world-class portfolio of diamond exploration, development and mining projects.

#### Gold and Silver

Burgundy holds an 18% interest in the La Victoria Gold/Silver Project, located in the prolific North-Central Mineral Belt of Peru, which it acquired through an earn-in arrangement with Eloro Resources Ltd (TSX-V: ELO) starting in 2017. Proposed drilling at this project has been impacted by permitting delays, but Burgundy remains enthusiastic about the potential of this project and expects to participate in the next drilling program when Covid-19 restrictions are eased and drill permits are granted.

#### **Caution regarding Forward Looking Information**

*This document contains forward looking statements concerning Burgundy Diamond Mines Limited. Forward looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements in this document are based on Burgundy's beliefs, opinions and estimates as of the dates the forward looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions or estimates should change or to reflect other future developments.*