



ASX Announcement

Burgundy provides update on exploration activities in Botswana

16 April 2021

Burgundy Diamond Mines Limited (ASX: BDM; “Burgundy” or “the Company”) is pleased to provide an update on its exploration activities in Botswana being managed through an alliance agreement with private company Diamond Exploration Strategies Ltd (DES).

February 2021 Drilling Program

In an ASX Announcement released on 1 March 2021, Burgundy reported the completion of a short two-hole drilling program on the Mmashoro target east of the Orapa mine. Each of these holes was drilled to a depth of 100 metres and intersected 45 metres of Kalahari sediments and 55 metres of Stormberg Group basalt. Visual inspection of the chips recovered from the reverse circulation drilling identified significant quantities of basalt, but there was potential for this to be a kimberlite-basalt breccia for which kimberlitic indicator mineral analysis was required to confirm the presence of kimberlite material.

After some delays in sample shipment and processing in South Africa, this analysis has now been completed. The results do not show any kimberlite intersection from these two early holes, and the further potential of this target is being evaluated.

The planned drilling at the Nata Project in eastern Botswana will proceed as soon as environmental permits have been received. DES is working closely with government agencies to advance this permitting process.

Ongoing Exploration Program

The Mmashoro drilling represents only the first program of work planned by DES on more than 15 target areas over the coming 12 months. DES now controls a large tenement package over some highly prospective targets in many parts of Botswana, and has been working with Burgundy on selecting and prioritising targets to be assessed under the alliance agreement. These include a range of kimberlitic and alluvial targets, and on-ground activity on the first of these projects will be commencing in May.

Commenting on this announcement, **Burgundy Managing Director and CEO Peter Ravenscroft said:**

“While our first small drilling program in Botswana did not meet our expectations, this is only the first exploration program completed from an overall plan of fifteen targets over the next twelve months.

“A key part of our portfolio strategy and our focus on disciplined capital management is to make clear decisions on where to focus expenditures and when to progress to more prospective targets. We are moving quickly on to the next step in evaluating our substantial portfolio of opportunities, and we will continue to work closely with DES to provide maximum chance of future success as our Botswana program grows over coming months.

“We are at the same time building capability for the continued evaluation of the Ellendale Diamond Project that we announced in March 2021 and will provide further updates as we progress this work.”

-Ends-

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



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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 company.

Diamonds

Since mid 2020, Burgundy has acquired interests in three diamond projects:

- An earn-in agreement with North Arrow Minerals Inc. (TSX-V: NAR) 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.
- An option to acquire 100% ownership of the Ellendale and Blina projects (together the “Ellendale Diamond Project”) in the West Kimberley region of Western Australia. The acquisition includes all tenements pegged by Gibb River in 2019 over the historic Elldale diamond mine, famed for its production of iconic yellow diamonds, as well as the highly prospective Blina alluvial diamond deposit to the north-west of the Ellendale properties. The transaction is in the form of an Option Agreement over two years, with a series of staged payments from Burgundy to Gibb River (GIB) at Burgundy’s election.

In addition to these projects, Burgundy continues to actively 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 Eoro 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.