



BURGUNDY
DIAMOND MINES

Investor Presentation

26 July 2021

Burgundy Diamond Mines Limited
ASX: BDM

Managing Director:
Peter Ravenscroft

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Highlights

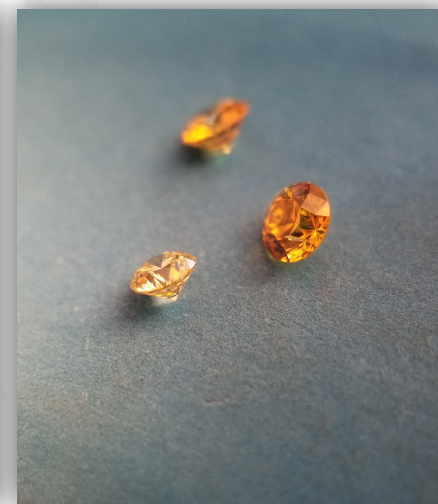
- Rapidly growing new diamond company with **heavyweight Board and Management**
- Acquiring control of world's best diamond projects, with focus on **high-value Fancy Diamonds**
- Innovative re-start of **Ellendale** operation in Western Australia, renowned for Fancy Yellow diamonds – cash-flow begins next year
- Moving downstream into **cutting/polishing, branding and sale** of Fancy Diamonds
- Seeking to **consolidate niche sector** through unique vertically integrated approach and expansion into **dominant Fancy Diamond trading platform**



Ellendale Terrace 5 Alluvial Fancy **Yellows**



Ellendale 9 East Alluvial Fancy **Yellows**



Naujaat **Orangey Yellows**

Outline

Building the pipeline from source to sales



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- Current profile
- Focus on Fancy Colour Diamonds
- Planned expanded business structure
- Market differentiation
- Capital raise outcome
- Use of funds
- Why invest in Burgundy?



Burgundy Diamonds Snapshot

Strong established base in ASX listing



ASX:

BDM

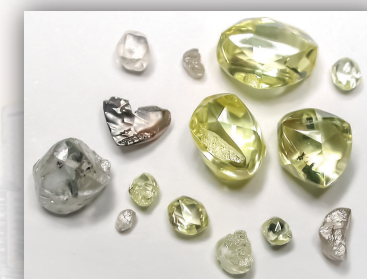
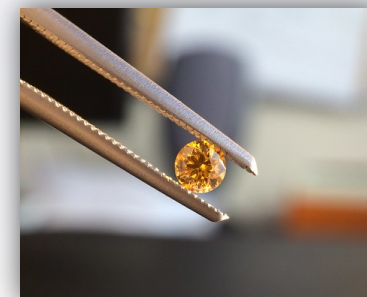
Issued Shares	337m
Options Unlisted, Escrowed	10m
Market Capitalisation	A\$88m
Convertible notes*	A\$34.5m
Pro-forma cash	>\$50m
Management & Director Ownership	17%

Numbers as of July 26, 2021

* subject to shareholder approval

Building the world's leading mid-cap diamond company

- An emerging, fast-growing diamond company
- Innovative strategy
- World-class management team and board
- Building a balanced portfolio of the world's best diamond projects in favourable jurisdictions
- Planned operational diamond production in 2022
- Focus on fancy-coloured diamonds and large stone production
- Planning end-to-end business from exploration to polished diamond production and sales
- Completed A\$50 million capital raise July 2021



Key People:

A world-class leadership group

- Great track record
- Deep diamond experience
- Extensive diamond networks

Michael O'Keeffe

- Exceptional record of recent success
- Executive chairman Champion Iron
- Previously Riversdale, ex MD Glencore
- Focus on pricing upside for rapid growth opportunities in niche markets

Kim Truter

- Wide experience in diamond operations, marketing and sales
- Ex CEO De Beers Canada, COO Rio Tinto Diamonds, MD Argyle Diamonds, President Diavik Diamonds
- Focus on operational delivery of innovative projects

Peter Ravenscroft

- One of leading experts on diamond project evaluation
- 40 years' diamond industry experience in Africa, Canada, Australia
- Ex MD Technical Evaluation in Rio Tinto, global experience on capital projects
- Wide diamond network

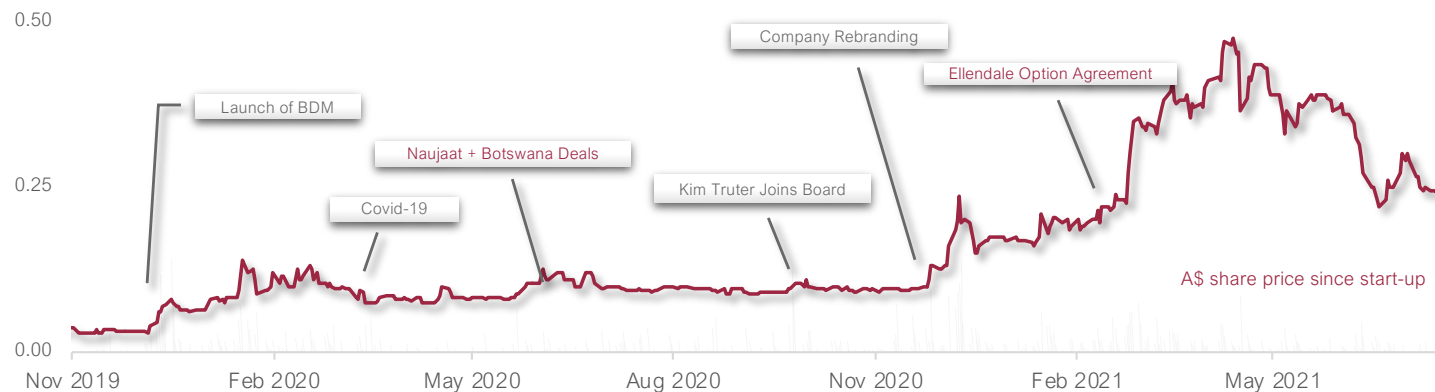
Building on Early Success

Strong foundation established for future growth

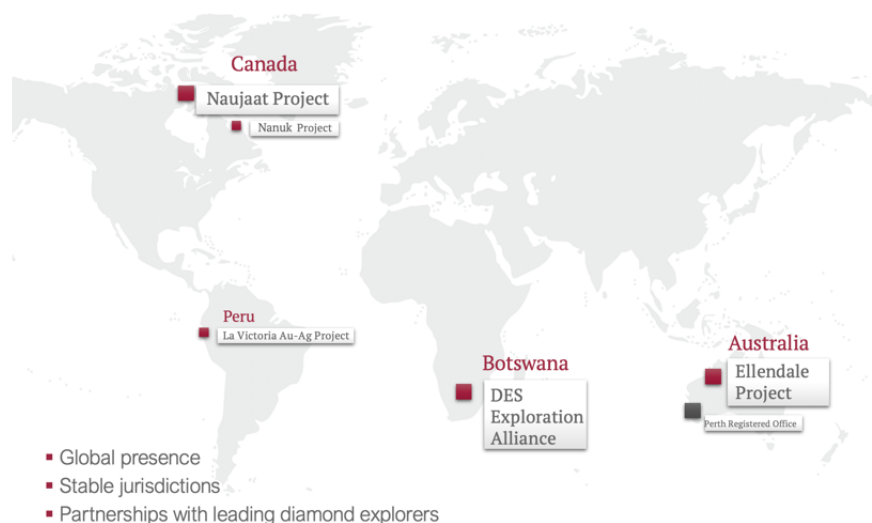


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Diamond Company Market Capitalisation (\$A million)



Numbers as of July 2021, after capital raise
* Producing diamond company; Source: S&P Global Market Intelligence



Three Key Projects Underway

- **Naujaat** (Nunavut, Canada) | medium tonnage, good grade project ex BHP | opportunity for diamond price upside from **Orangey Yellow** stones | bulk sample commencing July, results early 2022
- **Botswana Exploration Alliance** | generative exploration in world's premier diamond jurisdiction | low-cost project generator deal with substantial upside | major work program underway since February
- **Ellendale Project, WA** | previously produced 50% of world's **Fancy Yellow** diamonds | extensive remaining potential sources of diamonds | options being assessed, sampling starting end 2021, production planned for 2022

Ellendale Project

A range of development options, extremely high value product



Multiple development pathways

- **Primary focus:** scaled-up development of alluvial deposits (Blina, E9, E4)
- **Incremental expansion:** 3-5 years' cashflow from focus on available diamond bearing dumps and stockpiles
- **Longer-term:** mining of open-pit remnants, extensions, satellite resources

Fit-for-purpose modular approach

- Small footprint deployment of advanced technology
- Incremental scale up of XRT processing plants (rapid deployment, maximised recovery)

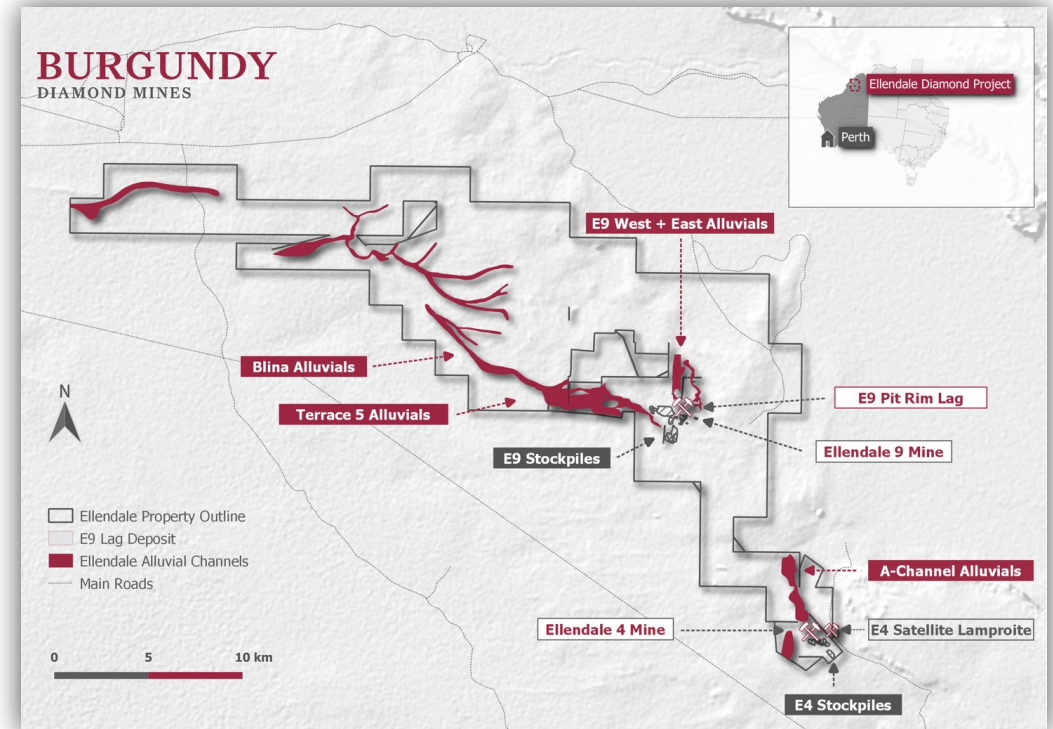
Focus on recovery of high-value diamonds

- Immediate screening of fine material
- coarse cut-off size in plant, recovering only >1 carat stones

Maximised value through innovative marketing and sales

- Moving downstream with cutting/polishing of high-end goods

Pathway to early entry into the **Fancy Color diamond sector** via highly desirable product as foundation of new luxury-goods brand



Why will we succeed where others haven't?

- Small mine approach focused on protecting margins
- Innovative technology and rapid growth strategy
- Extraction of higher prices through creative branding, marketing and sales approaches
- Moving downstream to polished sales for select diamonds

Fancy-Colour Diamonds

A high-margin market niche open for consolidation



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Why focus on Fancy Colour Diamonds?

- Extreme rarity relative to white diamonds (less than 0.1% of production)
- Price of Fancy Colour diamonds has increased 5X over last 20 years – white diamonds have flat-lined
- Much more robust against competitive threats (over-supply from Russia, Angola or substitution by synthetic diamonds)
- Growing value as an investible Real Asset – as shown by success of Argyle Pink Diamonds

Fancy Colour Diamond Prices vs White Diamonds

(index 2000 = 100)



Source: www.polishedprices.com, Gemdax Consultants; Argyle Pink Diamonds



Why could we dominate this niche sector?

- Small number of specialist players (private companies, family businesses)
- Funding through public company provides unique structure and financial strength
- No-one has end-to-end approach, or their own dedicated sources of rough
- Opportunity to develop sector-leading brand and extract higher margins as demonstrated by Argyle

A clear opportunity to **consolidate** and control a small, but **high-value corner of the diamond market**

Market Differentiation

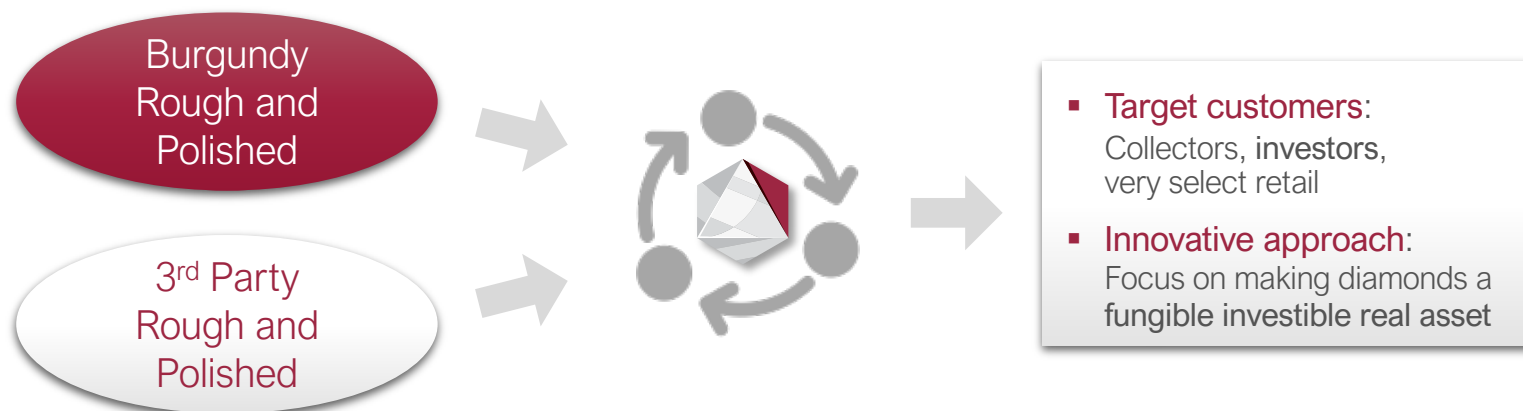
What is different about Burgundy?



A Fully Integrated Diamond Business focused on Fancy Diamonds



.... linked to an emerging Fancy Diamond trading platform



Outcome of Capital Raise

Successful completion in July 2021



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- Burgundy has received binding commitments from institutional and sophisticated investors to raise A\$50.2m in new capital
- A\$34.5 million via an unsecured Convertible Notes issue:
 - Each Note has a face value of A\$1, with a 3-year term to maturity and a 6% coupon rate.
 - The Notes are unsecured and will convert at a 10% premium to the price of the Share Placement at the election of the holders.
 - The Notes are redeemable in the event they are not converted to equity by the maturity date.
 - The Note issue will require shareholder approval at a general meeting of shareholders to be held in September 2021.
- A\$15.2 million through a Share Placement at an issue price of \$0.24 per share
 - The Placement is in accordance with the Company's existing placement capacity.
 - 36,388,188 shares to be issued pursuant to the Company's placement capacity under Listing Rule 7.1;
 - 26,925,459 shares to be issued pursuant to the Company's placement capacity under Listing Rule 7.1A.

Pro-Forma Capital Structure

	23 July 21	Pro Forma
Issued shares	273.25m	336.56m
Options Unlisted, Escrowed	10.00m	10.00m
Market capitalisation	A\$71.05m	A\$87.51m
Convertible notes	-	A\$34.50m
23 July 2021 Share Price	0.26	

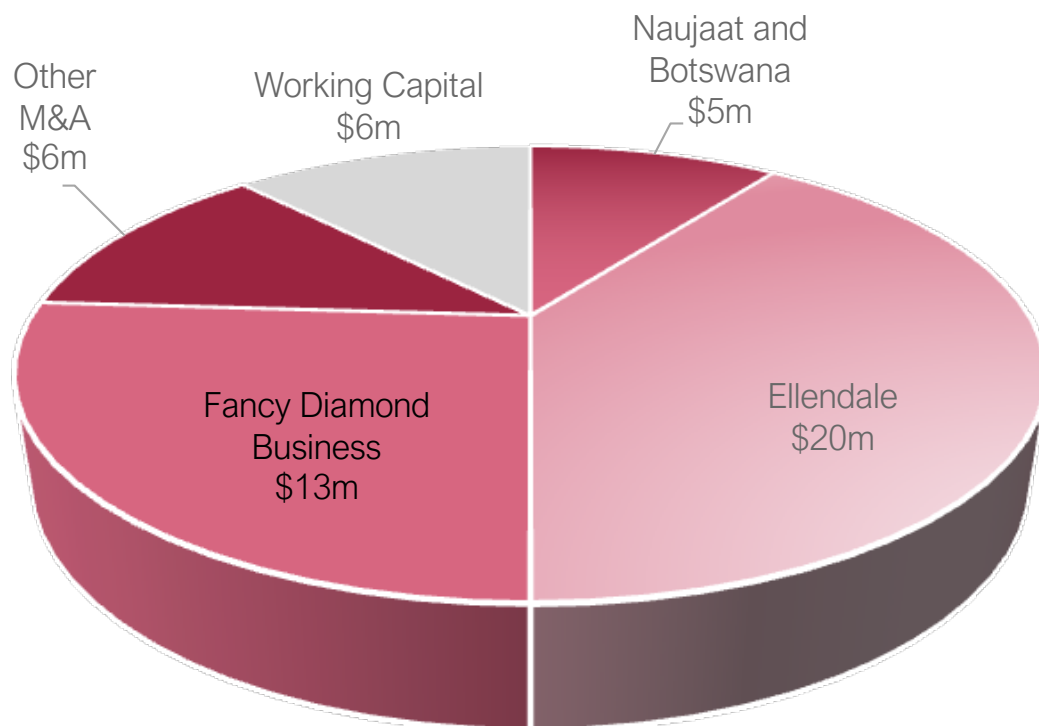
	Number (m)			
	23 July 21	Issued	Pro Forma	A\$ million
Shares				
Ordinary Shares	273.25	63.31	336.56	87.51
	Number (m)			
	23 July 21	Issued	Pro Forma	A\$ million
Debt				
Convertible Notes	-	34.50	34.50	34.50

Proposed Use of Funds



A\$50m for current projects, working capital, and seed funding of new **Fancy Diamond business**

Planned Use of Funds (A\$50 million)



- **Naujaat:** completion of Phase 1 bulk sample
- **Botswana:** ongoing alliance spending
- **Ellendale:**
 - Capex \$15-20m for bulk sample plant and first operating plant
 - Opex to end 2022
- **Other M&A:** continued execution of portfolio strategy; funding of success in Botswana
- Establishment and market positioning of **Fancy Diamond brand**
- **Diamond Purchase:** initial purchase of diamond inventory
(note that additional diamond purchase to be done off balance sheet)

Objective: Self-sustaining business from end 2022

Why Invest in Burgundy Diamonds?

Opportunity for outsize returns from rapidly growing pure-play diamond investment

1. An **exceptional team** with deep industry experience and a great **track record**
2. Early **success** and rapidly growing a cash-flow generating diamond business
3. Expanding **downstream** to maximise value
4. Targeting **control** of **niche high-value sector** with substantial value potential



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