



ASX Announcement

Not for distribution or release in the United States

Burgundy receives additional A\$0.5m investment in convertible notes

26 July 2021

Following the earlier ASX announcement on 26 July 2021 of a capital raise of A\$49.7 million comprising A\$15.2 million in a share placement and A\$34.5 million in convertible notes, Burgundy Diamond Mines Limited (ASX: BDM; "Burgundy" or "the Company") is pleased to announce it has received an additional commitment of A\$0.5 million to the convertible note issue, as detailed in the accompanying Appendix 3B statement.

This results in the total capital raise being A\$50.2 million.

It is noted that the convertible note issue will require shareholder approval at a general meeting of shareholders to be held in September 2021.

Important Notices: This announcement may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be illegal. The Convertible Notes and any shares issued on conversion of the Convertible Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, in the United States, unless they have been registered under the U.S. Securities Act (which the Company has no obligation to do or procure), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable state securities laws.

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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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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 through a vertically integrated business model.

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. Site activities started in June 2021, with sample collection expected to complete in Q3 2021, processing of the sample to start Q4 2021 and results expected early in 2022. 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 (DES), 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 was initially over five areas that have existing prospecting licenses held by DES. Subsequent to the formation of the Alliance, DES has expanded its tenement holding, as well as signing agreements with other diamond exploration companies in Botswana, providing access to significant areas of highly prospective ground. An extensive program evaluating some 15 separate target areas is underway.
- 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 Diamonds Ltd (ASX: GIB) in 2019 over the historic Ellendale 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 at Burgundy’s election. Substantial review of the available data has been completed by Burgundy, and work programs are already underway including the fabrication of a state-of-the-art bulk sampling plant including advanced XRT recovery technology.

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 projects, operations and downstream opportunities.

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.