

ASX Announcement

Burgundy acquires one of last five Argyle Pink Diamonds 'hero' stones

2 November 2021

Highlights

- Burgundy purchases one of the last ever 'hero' stones sold at the 2021 Argyle Pink Diamonds Tender;
- This iconic Fancy Vivid Purplish Pink diamond will become one of the centrepieces of the collection of Fancy Colour diamonds that will anchor Burgundy's ultra luxury brand;
- The stone aligns perfectly with the key characteristics of the emerging brand: rarity and desirability, impeccable provenance and in-house hand-crafting of these individually unique gifts of nature.

Burgundy Diamond Mines Limited (ASX: BDM; "Burgundy" or "the Company") is pleased to announce the acquisition of one of the iconic 'hero' stones sold at the final Argyle Pink Diamonds Tender in October 2021.

The diamond named as the Argyle Stella™ is one of the five 'hero' stones of the last ever Signature Tender and represents a singular and irreplaceable piece of diamond history.

An extremely low number of pink diamonds were produced by the former Argyle diamond mine, and an even lower number of large Fancy Vivid Purplish Pink stones were classed as 'hero' stones. As the last ever stone of this size and quality to be produced at Argyle, the Argyle Stella™ is unmatched as an iconic diamond of great beauty, value and desirability, and the rarity of this diamond as a collector piece is unquestionable.

Burgundy has made a significant investment in purchasing this stone, which is expected to generate multiples of longer-term value for the Company's shareholders by its innovative use as the centrepiece of the Burgundy Fancy Colour diamond brand which will be launched in the coming months.

Burgundy's brand will epitomise the ethos of natural beauty, traceable provenance and nurtured creation of truly unique polished Fancy Colour diamonds, and Argyle Stella™ exemplifies this perfectly.

The diamond lay cradled beneath the majestic Western Australian landscape for more than a billion years before being brought into the light. It was then personally handled respectfully and responsibly by an experienced group of experts, and transformed into a Star by a creative and passionate craftsman dedicated to showcasing these incredible artefacts of nature.



The stunning Argyle Stella™ is a 1.79 carat Square Radiant Fancy Vivid Purplish Pink



*Burgundy Master Craftsman **Richard How Kim Kam** admires Argyle Stella™, one of his last great creations while with his former employer*

All creations under the Burgundy brand will share a similar journey to that of Argyle Stella™ and be carefully managed by the same group of people, using the same equipment and processes. The emerging brand will present an exclusive opportunity for ownership of these rare gifts from the centre of our earth.

Burgundy Managing Director and CEO, Peter Ravenscroft, said: "Acquiring this 'hero' stone represents an exciting step on our journey to creating a visionary ultra luxury brand that will transform the Fancy Colour diamond niche sector. This is a highly strategic purchase of one of the rarest diamonds in history, which we



liken to buying “one of the last Bugattis”. Less than a dozen stones like this have ever been produced, and there will never be another one.

“We have plans to leverage the beauty and rarity of this diamond, and use it as a foundation stone in building a brand at the pinnacle of ultra luxury, housed in our subsidiary company that we are establishing in Paris. We are looking forward to being able to talk more about this brand in the very near future, and expanding on the value that Argyle Stella™ will bring to Burgundy shareholders in the longer term.”

-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 production and sale of polished Fancy Colour diamonds through a vertically integrated business model, with the vision to become the world’s leading mid-cap diamond company.

In mid 2021, Burgundy acquired capability and facilities for the cutting and polishing of rough diamonds in Perth, Western Australia. This capability will be used for cutting and polishing of Burgundy’s own production from future mining operations, as well as rough diamonds from third party producers. Marketing and sales will be conducted under a visionary brand currently under development with a view to establish a significant position in the high-value niche sector of Fancy Colour diamonds.

In addition, Burgundy has acquired interests in three diamond projects since mid-2020:

- An option agreement with Gibb River Diamonds Ltd (ASX: GIB) to acquire 100% ownership of the Ellendale and Blina projects (together the “Ellendale Diamond Project”) in the West Kimberley region of Western Australia, including all tenements pegged in 2019 over the historic Ellendale diamond mine, as well as the highly prospective Blina alluvial diamond deposit to the north-west of the Ellendale properties. Following substantial review of the available data by Burgundy, work programs underway include the fabrication of an XRT bulk sampling plant, geological trenching and pitting, and early site works including the preparation of roads, a camp site and the sample plant site.
- An earn-in agreement with North Arrow Minerals Inc. (TSX-V: NAR) over the Naujaat diamond project in Nunavut, Canada. Burgundy has the option to earn-in to a 40% interest in the project by funding a C\$5.6 million preliminary bulk sampling program in 2021. Sample collection was completed in August 2021, processing of the sample started in October 2021 and results are 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, with potential to reach 90% ownership through further project funding. An extensive program evaluating some 15 separate target areas is underway.

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.