



**BURGUNDY**  
DIAMOND MINES

# Annual General Meeting Presentation

9 December 2021

Burgundy Diamond Mines Limited  
ASX: BDM

Managing Director:  
Peter Ravenscroft



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# Burgundy Diamonds Snapshot

Strong established base in ASX listing



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## Building the world's leading mid-cap diamond company

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

ASX: **BDM**

Issued Shares	337m
Options Unlisted <sup>1</sup>	23m
Market Capitalisation	A\$80m
Convertible notes	A\$35m
Cash at hand	>\$44m
Management & Director Ownership	17%

Numbers as of 8 December 2021  
1. 10m options subject to Escrow.

## Key People:

### 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.

## A world-class leadership group

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

# Review of FY2021

*Successfully executing and extending strategy*



Positioned for next phase of growth

- Rebranded to Burgundy Diamond Mines.
- Successfully raised ~A\$60 million (initial \$10.6m in July 2020 and \$49.7m in July 2021).
- Significantly expanded Board, management and operational team.



Fully integrated downstream diamond business

- Establishment of downstream cutting and polishing operations.
- First purchase of third-party rough diamonds.
- Commencement of cutting and polishing first Fancy Colour diamonds.
- **Landmark collaborative sales agreement with Paris jewellery house.**



Exploration and development activities

- Commenced exploration program in Botswana.
- Funding commitment provided for Naujaat project to earn 40%.
- Completion of Naujaat bulk sampling extraction and start of diamond recovery.



Expansion of project portfolio

- Expanded exploration portfolio in Botswana through earn-in agreement between DES and Botswana Diamonds plc.
- Acquired Ellendale Diamond Project in Western Australia.
- Continually evaluating new opportunities.



# Evolution of Strategy

*Identifying opportunities across the value chain*



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## A Fully Integrated Diamond Business focused on Fancy Diamonds

### Exploration & project development

- Unique model, breakthrough strategy.
- Potential success already evident.

### Production of Rough

- Focus on high-value > 1 carat diamonds.
- Niche operations, small footprint, advanced technology.



### Purchase of Third-Party Rough and Polished

- Select purchases of Fancy Colour diamonds from global producers

### Cutting and Polishing

- Specialised expertise and facilities in Western Australia.
- Processing of select third party rough, as well as own production.

### Sales and Marketing

- Sale of polished Fancy Colour diamonds.
- Branding and certification.
- Innovative sales agreements with selected jewelers.

Encapsulated in a world-leading Fancy Diamond ultra-luxury brand

*Strategy has extended downstream to accelerate cashflow generation and to capture further significant opportunities across the value chain.*



# Why Extend Downstream?

*Capturing incremental value*



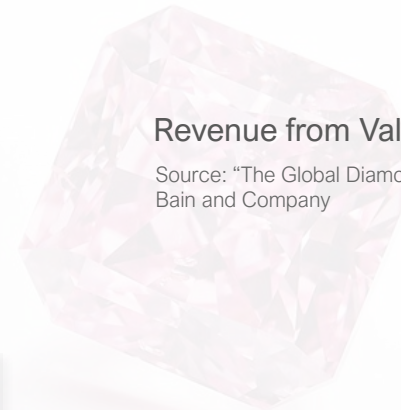
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## Why extend the focus downstream?

- Typically, revenue from **rough diamond sales** represents only 30-40% of the value of a polished stone.
- 60-70% comes from cutting/polishing and sale of polished.
- Burgundy **aims to capture 100%** of this value, and further extend into value sharing on jewellery manufacture/sale.

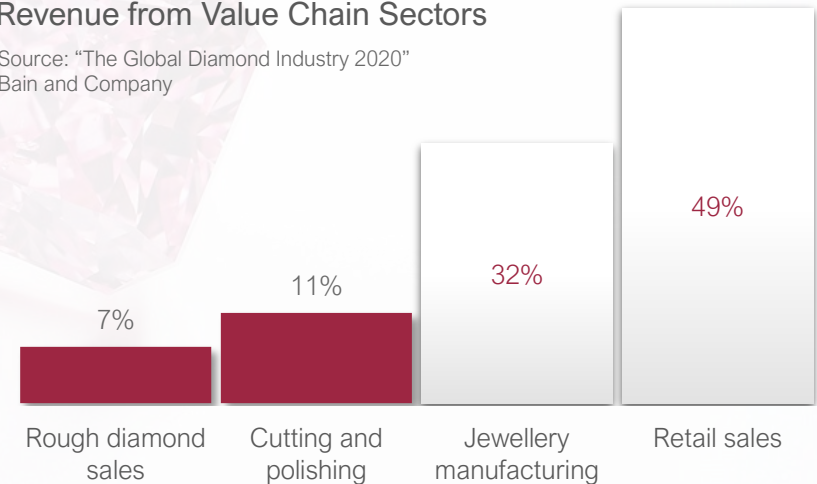
Burgundy is positioning itself as the world's leading **producer of polished Fancy Colour diamonds**.

Production of rough from Burgundy mines, and exploration/ development of new mines will become supporting components of the overall business.



## Revenue from Value Chain Sectors

Source: "The Global Diamond Industry 2020"  
Bain and Company



# Downstream Activities

*Capturing incremental value*



## Purchase of Third Party Rough

- Initial purchase of Fancy Yellows from Arctic Canadian Diamond Company.
- Further purchases from global producers in pipeline.

## BDM Mining Operations + Third Party Purchases

### Cutting & Polishing

- Secure facilities in Perth.
- Specialised equipment.
- Experienced team from previous Fancy Colour polishing.
- Potential expansion of in-house capability offshore.

### Marketing

- Assessing multiple innovative channels to market.
- Focus on select jewelry houses, collectors and investors.

### Branding

- Development of ultra luxury brand.
- Brand development underway with **leading experts in Paris**.
- Visionary strategies for maximising enduring value of Burgundy diamonds.



### Focus on Fancy Colour diamonds:

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

# Bäumer Vendôme Collaboration

Accessing value from jewellery design, manufacturing, and retail sales

BÄUMER  
PLACE VENDÔME



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## Elements of Strategic Alliance agreement

- Framework for collaboration on complementary marketing and public relations activities
- Exclusivity for the first 12 months of the Agreement including arrangements for Argyle Stella™
- Leasing arrangements giving Burgundy access to prestigious premises at 19 Place Vendôme
- Commercial framework for individual transactions over separate parcels of diamonds.



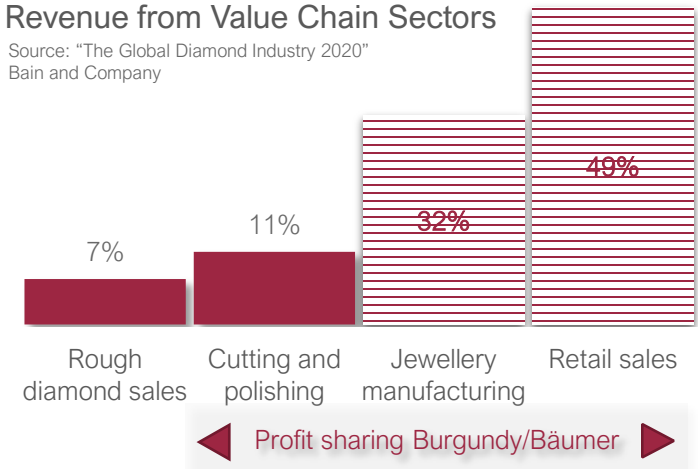
## Sales agreement over Fancy Yellow diamonds

- Burgundy provides polished stones from rough purchased from Arctic Canadian Diamond Company
- Bäumer designs, manufactures and sells high-end *Haute Joaillerie* jewellery pieces incorporating Burgundy stones
- Burgundy/Bäumer share in proceeds on agreed profit-share terms



## Revenue from Value Chain Sectors

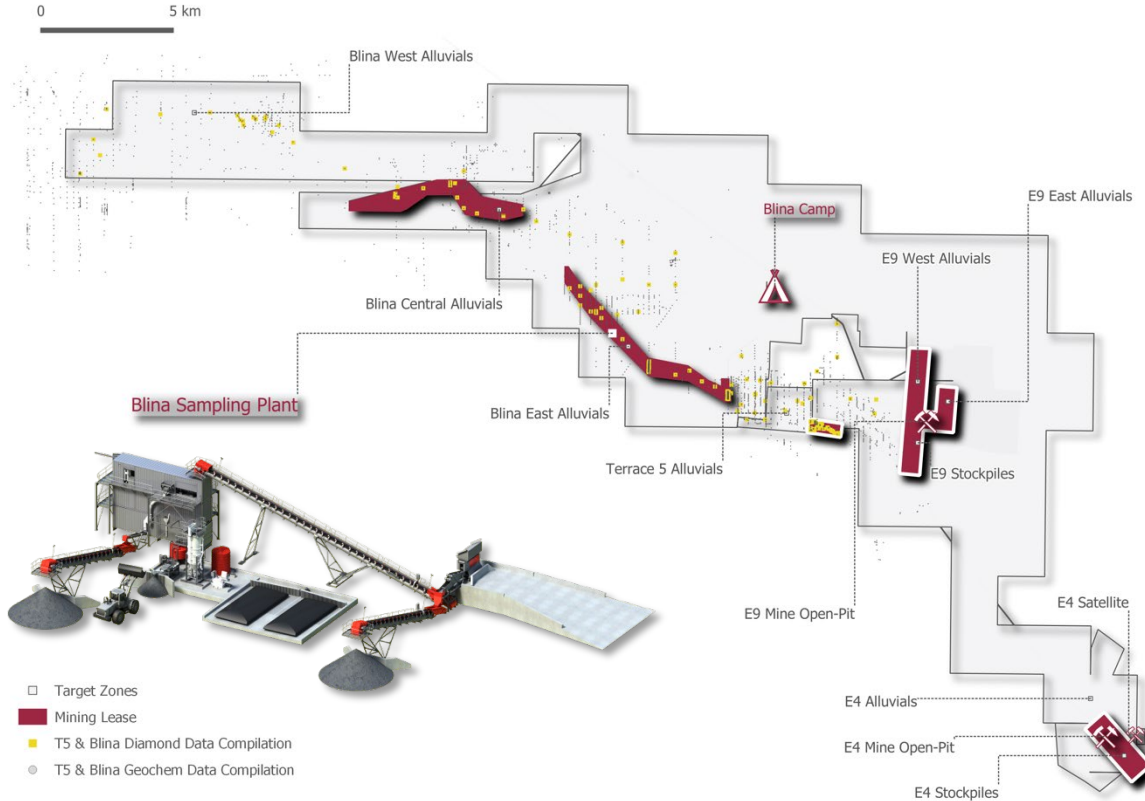
Source: "The Global Diamond Industry 2020"  
Bain and Company





# Ellendale Diamond Project

Near-term cashflow from operational restart



## Strategic Objectives

- Near-term producing asset with Fancy Yellow stones located in Australia.

## Status

- Focus on Blina during ongoing Native Title negotiations on MLAs.
- Geological assessment of historic data and ongoing BDM field programs (trenching and pitting).
- Construction of 16-man camp and rehabilitation of road infrastructure.
- Mobile pilot plant construction complete – arriving in Australia in February 2022.

## Outlook FY22

- Blina bulk sampling plant commissioning and execution of large bulk sampling program.
- Construction of production plant.
- Targeted start of production in Q4 2022.



# Naujaat Project

*Accelerating towards development of new source of Fancy Colour diamonds*



## Strategic Objectives

- Develop advanced stage project located in Nunavut, Canada with **Fancy Vivid Orangey Yellow** diamonds.

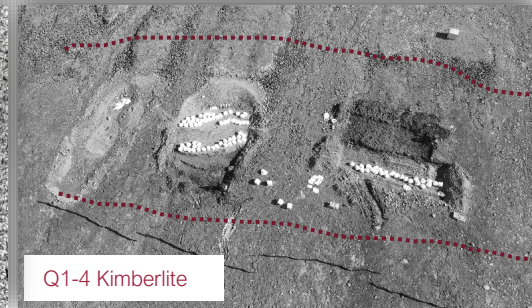
## Status

- Completion of a 2,000-ton bulk sampling program in August 2021 – ahead of schedule.
- Samples are currently being processed in Saskatchewan.
- Burgundy personnel have visited processing facility twice to monitor progress.
- Results scheduled for early 2022 which will be the basis for BDM's decision to enter the next option agreement.

## In Progress



## Complete





# Botswana Alliance

*Building the pipeline for future supply*



## Strategic Objectives

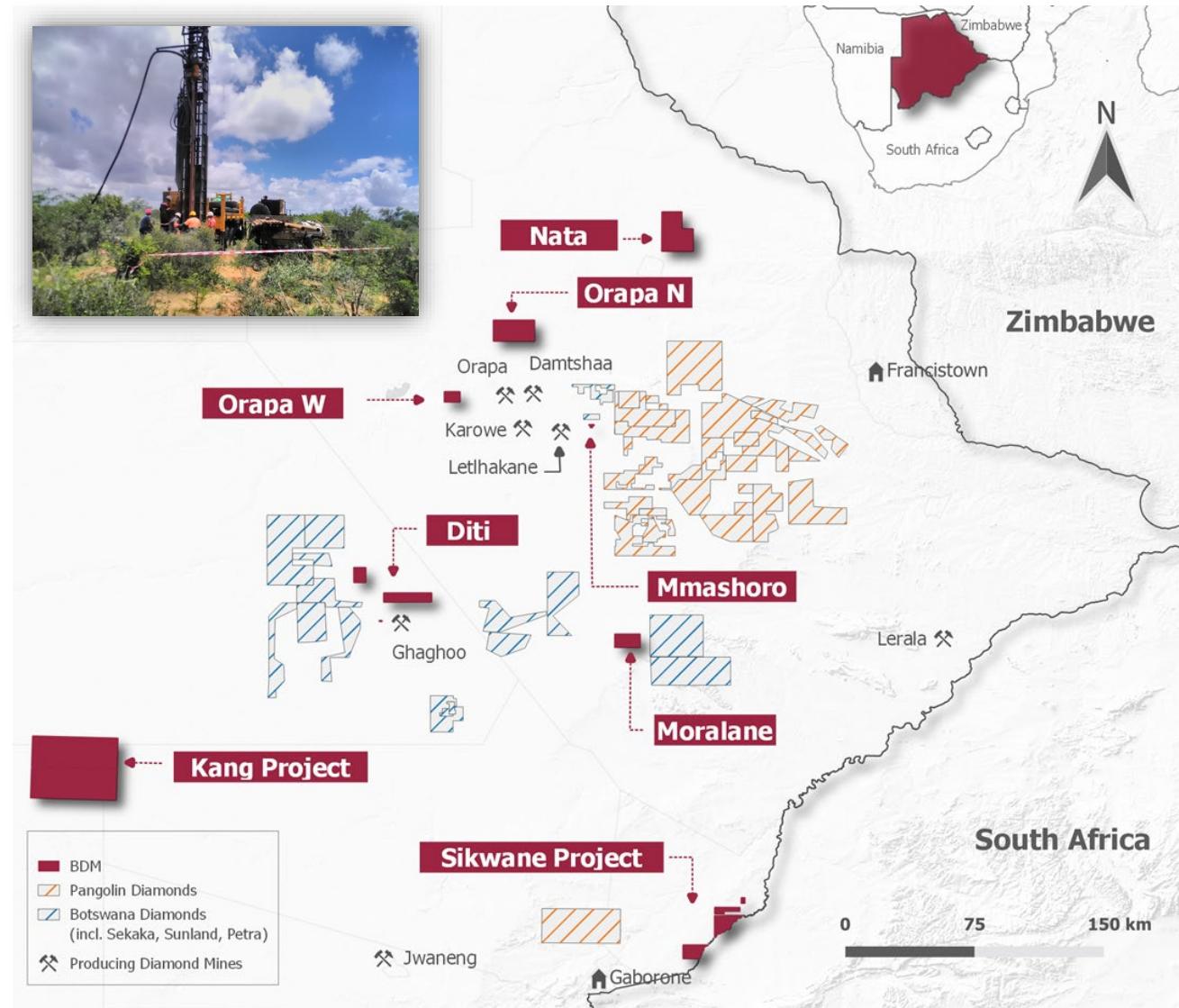
- Develop grassroots projects rapidly, at low cost, to feed BDM pipeline of large & exceptional diamonds.
- Botswana is bull elephant country.

## Status

- 15 target program commenced in March (ground geophysics, surface sampling and drilling).
- No discoveries yet, however there are still a wide range of targets to test.

## Outlook FY22

- Continued evaluation of targets and additional tenement acquisitions.



# Outlook

Reaching cashflow in FY2022



## Sales and Marketing

- Launch of visionary ultra luxury Fancy Colour diamond Brand.
- Initial sales of Burgundy polished product.

\*\*\* CASHFLOW IN 2022 \*\*\*

## Cutting and Polishing

- Polished product from 3<sup>rd</sup> party rough already purchased.
- Additional purchases of rough in preparation for in-house production.

## Production of Rough

- Targeted start of production at Blina in Q4 2022.

\*\*\* INCREMENTAL CASHFLOW IN 2022 \*\*\*

## Exploration and Project Development

- **Ellendale** Diamond Project:
  - Geological work, bulk sampling, resource estimation and studies at **Blina**.
  - Fast-tracked construction of first production plant module.
- Bulk sampling results from **Naujaat** will define population of Fancy Colour stones and determine next steps.
- Continued evaluation of extensive project portfolio in **Botswana**.



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