



Highlights

- Significant advancement of the innovative strategy to become a vertically integrated, end-to-end diamond company.
- Further purchases of rough Fancy Colour diamond parcels from Arctic Canadian Diamond Company Ltd and from historical Ellendale Mine production with initial cashflow from polished sales anticipated during this calendar year.
- Continued cutting and polishing of parcels of rough Fancy Colour diamonds at specialised facilities in Perth, Western Australia, currently operating at full capacity.
- Completed the second payment of the option agreement to secure 100% of the Ellendale Diamond Project in Western Australia.
- Engaged the services of leading global creative agency, Mazarine Group in New York to drive the launch of the ultra-luxury diamond brand in Paris in July.
- Exploration projects worldwide continue to progress towards production:
 - **Canada:** Processing of the bulk sample shipped from the Naujaat Diamond Project continued during the quarter with positive results released on 26 April 2022;
 - **Australia:** Site program preparations underway at Ellendale including installation and commissioning of bulk sample plant following the re-opening of the WA border; and
 - **Botswana:** Drilling programs planned on two kimberlite targets with continued assessment of two alluvial targets following geophysical work.

Management Comment

Burgundy Diamond Mines Ltd (ASX: BDM) ("Burgundy" or "the Company") is pleased to provide its quarterly activities and cashflow report for the quarter ended 31 March 2022 ("March quarter").

Burgundy Managing Director, Peter Ravenscroft said the Company's innovative strategy of becoming a vertically integrated, end-to-end diamond company gathered pace over the March quarter with some key developments, activities and appointments.

"The March quarter was a busy and exciting period for Burgundy, with important progress made across the full spectrum of our exploration and development operations, cutting and polishing facilities, and sales and marketing activities, as we approach the launch of our ultra-luxury diamond brand," Mr Ravenscroft said.

"We are very excited to be on the cusp of revealing our ultra-luxury brand to the diamond world in Paris in July. Engaging Mazarine Group in New York to drive the launch and support subsequent events and activities worldwide is a key milestone for our business."

"Our Naujaat and Ellendale projects are advancing at pace, with targeted drilling planned at our highly prospective ground in Botswana. Further, our specialised facility in Perth is operating at full capacity, cutting and polishing parcels of Fancy Colour diamonds, with initial cashflow from sales anticipated during this calendar year."

"We will shortly be sending our first shipment of polished diamonds to Paris to capitalise on our ground-breaking collaborative sales agreement with Bäumer Vendôme, announced in the December quarter." (see [Announcement](#) dated 8 December 2021).

Burgundy's vertically integrated model of mining and buying rough stones, cutting and polishing, then selling through an ultra-luxury retail brand via collaborative sales agreements will see the Company capturing full margins across the entire diamond value chain.



Operations Update

Ellendale Diamond Project

In March, Burgundy made the second payment of the option agreement to secure 100% of the Ellendale Diamond Project in Western Australia.

Developing the Project remains a core part of the Company's strategy of securing sources of Fancy Colour rough diamonds to feed into the broader business of cutting, polishing and selling diamonds through profit-sharing agreements with the world's leading design jewellers via an ultra-luxury diamond brand.

Site activity restarted following the end of the wet season, with fauna clearance surveys prior to starting road sheeting and installation of a 16-person camp to support operations through 2022.

A state-of-the-art bulk sample plant was shipped to Perth from South Africa during the March quarter and will be transported to site for installation and commissioning by the end of the June quarter.

Bulk sample processing will be undertaken as soon as practicable with first commercial production of diamonds expected before the end of 2022.

Exploration activities planned for the next three to six months include trenching, pitting and drilling programs, updated resource models and the completion of a Scoping Study to define development options for both Blina and Ellendale projects.

Exploration Update

Naujaat Project

Processing of a 2,000-tonne bulk sample completed at site in 2021 continues at the laboratory in Saskatchewan with initial results expected to be completed in April, and the remainder to follow by June 2022. To date, the results produced have been very promising and will be completed and collated before making definitive conclusions on the potential value of the target population of Fancy Colour diamonds.

Botswana Exploration Alliance

The Company's multi-target program across some of the most prospective ground in Botswana continues with the assessment of two alluvial targets following geophysical work performed earlier in the March quarter. Drilling programs are planned on two kimberlite targets in the current June quarter.

Cutting and Polishing Update

Burgundy's cutting and polishing facilities in Perth continue to operate at high capacity, polishing third-party rough diamonds purchased in 2021 and 2022. Most recently the Company purchased approximately 350 carats of rough 2-5 carat stones produced from the former Ellendale Mine and around 150 carats of Fancy Yellow rough diamonds purchased from Arctic Canadian Diamond Company Ltd. The initial cashflow from sales of polished stones is anticipated during this calendar year. Further selective purchases of rough diamonds are also planned for the remainder of 2022.

The Company has now invested around \$6 million in rough diamond purchases and is expecting to generate multiples of value from the sale of these diamonds through collaborative agreements with selected jewelers.

Sales and Marketing Update

Branding

Burgundy is finalising plans for the launch of its ultra-luxury diamond brand in Paris in July, followed by further global launch events later in the year, to be driven by leading global creative agency, Mazarine Group in New York.

Brand architecture is being completed with the support of key advisors in Paris, and Mazarine is providing direction on brand identity and image, creative work, digital marketing and communications, promotional events, public relations and social media services.

Collaborative sales agreements

Burgundy continues to work closely with Bäumer Vendôme in Paris on polishing profiles and designs of jewellery pieces, to be completed by July.

Discussions about similar sales arrangements with other high-end design jewellers are in progress.

Additional Information

The following table sets out the information as required by ASX Listing Rule 5.3.3 namely:

1. Mining tenements held at the end of the Quarter and their location;
2. Mining tenements disposed during the Quarter and location;
3. Beneficial percentage interests held in farm-in or farm-out agreements at end of Quarter; and
4. Beneficial percentage interests held in farm-in or farm-out agreements acquired or disposed of during the Quarter.

Agreement	Project	Location	Area	Holder	% at start of quarter	% at end of quarter
Farm-in	La Victoria Project	Peru	~80 km ²	Eloro Resources Limited	18%	18%
Acquisition	Nanuk Diamonds	Quebec, Canada	274 km ²	Nanuk Diamonds Inc.	100%	100%

The following table sets out the information as required by ASX Listing Rule 5.3.5 regarding payments to related parties of the entity and their associates:

Related Party	Amount	Description
Directors	\$148,500	Director salaries and fees
Michael O'Keefe – Director	\$73,972	Convertible note interest

-ENDS-

This ASX 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 Diamond Mines is focused on the mining, production and sale of polished Fancy Colour diamonds through a vertically integrated business model, with the vision to become the world's leading end-to-end 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.

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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Burgundy Diamond Mines Limited

ABN

33 160 017 390

Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(2,319)	(9,505)
	(b) development	(592)	(11,765)
	(c) production	-	-
	(d) staff costs	(613)	(1,606)
	(e) administration and corporate costs	(99)	(419)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	2
1.5	Interest and other costs of finance paid	(518)	(1,042)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (GST)	1,051	1,051
1.9	Net cash from / (used in) operating activities	(3,089)	(23,284)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(72)	(311)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Option fee to GIB)	-	-
2.6	Net cash from / (used in) investing activities	(72)	(311)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	15,195
3.2	Proceeds from issue of convertible debt securities	-	35,000
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(9)	(1,287)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(9)	48,908

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	30,160	1,694
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,089)	(23,284)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(72)	(311)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(9)	48,908

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(18)	(35)
4.6	Cash and cash equivalents at end of period	26,972	26,972

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	26,972	30,160
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	26,972	30,160

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(222)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(3,089)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(3,089)
8.4	Cash and cash equivalents at quarter end (item 4.6)	26,972
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	26,972
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	8.73
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A.	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Date: 29 April 2022

Authorised by: Board of Burgundy Diamond Mines Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.