



BURGUNDY
DIAMOND MINES



Investor Presentation

May 2022

Burgundy Diamond Mines Limited
ASX: BDM

Managing Director: Peter Ravenscroft

Developing The World's Leading End-To-End Diamond Company | Burgundy-diamonds.com

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Outlook



Corporate Snapshot

Strong established base in ASX listing

ASX:BDM

| | |
|---------------------------------|---------|
| Issued Shares ¹ | 342m |
| Options Unlisted ¹ | 23m |
| Market Capitalisation | A\$60m |
| Convertible notes | A\$35m |
| Cash at hand | >A\$25m |
| Management & Director Ownership | 13% |

Numbers as of May 26, 2022

1. 5m issued shares and 2.5m options subject to Escrow

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.

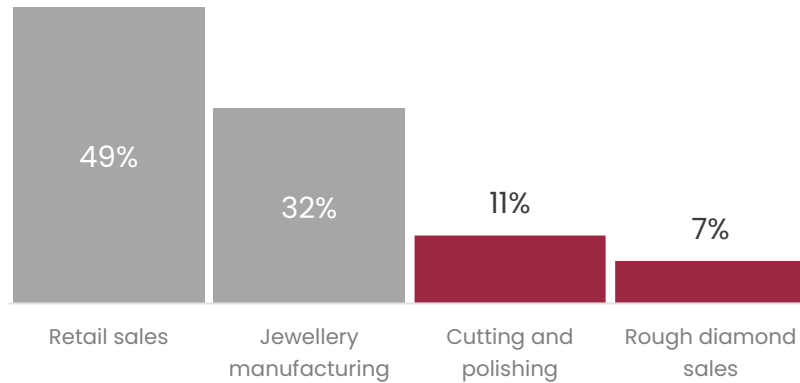
Developing The World's Leading End-To-End Diamond Company

- An emerging, fast-growing diamond company with an innovative strategy
- World-class management team and board
- Focus on **Fancy Colour diamonds**
- Building an **end-to-end business** from exploration through to polished diamond production and sales
- Operational diamond production by end of **2022**
- **In-house cutting and polishing** by world-leading craftsmen
- Sales via collaborative **agreements with high-end international jewellers**
- About to launch **unique ultra-luxury brand**



Capturing margins across the full value chain

Revenue from Value Chain Sectors



Why extend the focus downstream?

- Typically, diamond miners extract only a small part of revenue/margin from the ultimate value of a polished stone or jewellery piece
- The bulk of the margin comes from cutting/polishing and sales of jewellery
- Burgundy to capture up to 100% of this value, delivering superior investor returns

Burgundy is positioning itself as the world's leading end-to-end producer of polished Fancy Colour diamonds, also participating in jewellery profits.

Rough diamonds will be produced from Burgundy mines augmented by purchase of third-party rough from select producers.

A Fully Integrated Diamond Business focused on Fancy Diamonds

Exploration & project development

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

Purchase & Production of Rough

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

Cutting & Polishing

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

Sales & Marketing

- Sale of polished Fancy Colour diamonds.
- Branding and certification.
- Profit-sharing on finished jewellery.

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



Company Strategy

| CORPORATE OBJECTIVE | | Develop and deliver the world's leading end-to-end diamond company | | |
|---------------------|---|---|---|------------------|
| STRATEGIC THEMES | Expand sales of polished Fancy Diamonds | Grow supply of rough Fancy Diamonds | Manage internal capability to match pull-push strategy | |
| KEY INITIATIVES | <p>Ultra-luxury brand development and launch</p> <p>Profit-share from collaborative jewellery sales partnerships</p> <p>Develop and expand other routes to market</p> | <p>Purchase third-party rough diamonds – offtake agreements, auctions and tenders</p> <p>Develop in-house production – Ellendale, Naujaat</p> <p>Develop future supply from exploration and M&A</p> | <p>Expand cutting and polishing capability</p> <p>Ensure sufficient sales and marketing capacity</p> <p>Innovative ESG approach, especially end-to-end diamond traceability</p> <p>Streamline operations and project delivery</p> | |
| UNDERPINNED BY | | Great People | Best Practice Processes | Powerful Culture |

Sales & Marketing



Sales & Marketing

Maximising margin through a different approach

Collaborative sales agreements

- Partnership established with Paris-based jeweller Bäumer Vendôme
- Innovative profit-sharing model on sales of finished jewellery pieces
- Similar partnerships with other jewellers in late stage of development
- Global reach, without establishing Burgundy-owned retail network

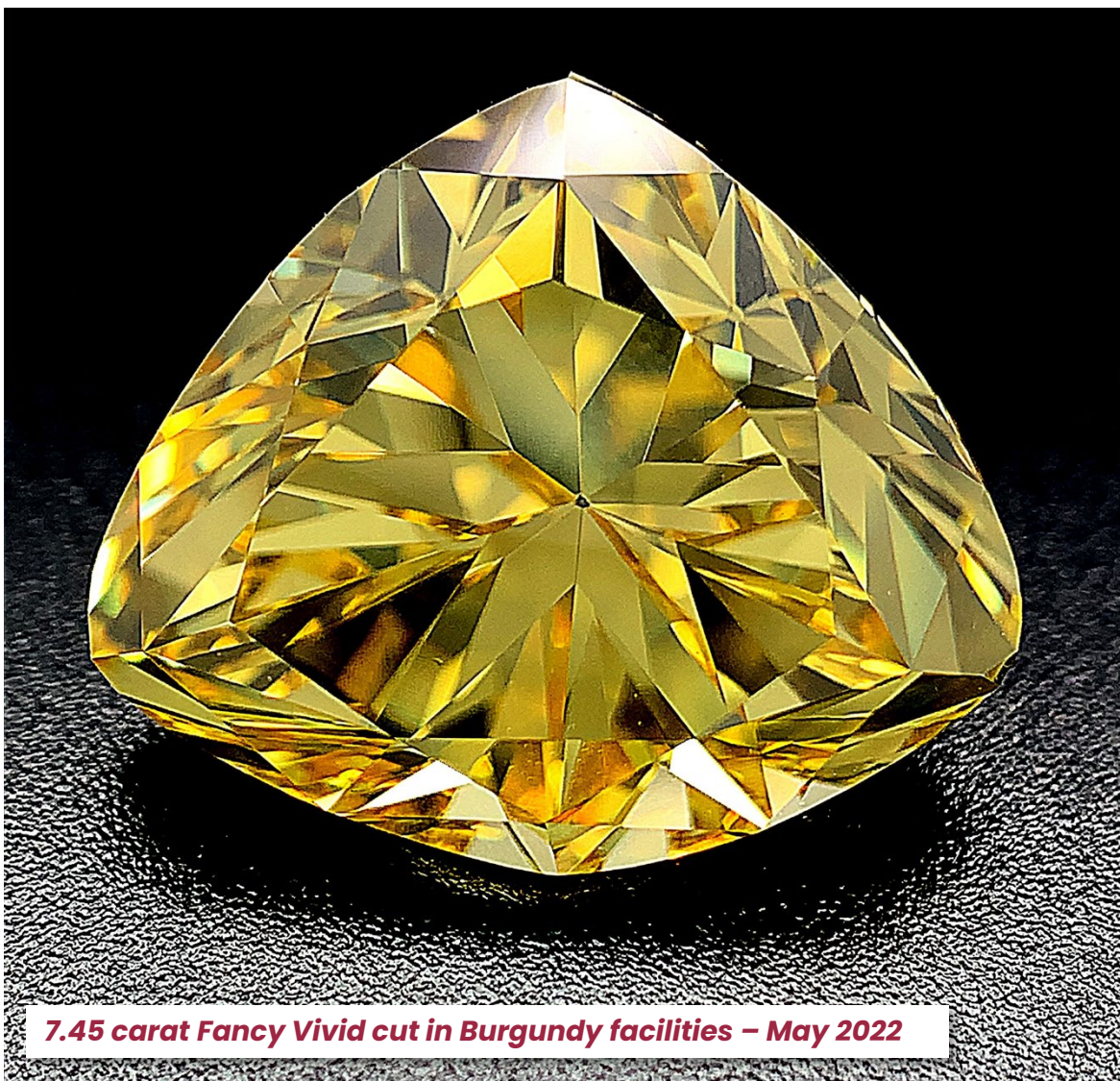
Branding

- Burgundy's ultra-luxury diamond brand to be launched in Paris in July
- Premium pricing through focused marketing of highly desirable brand at the pinnacle of luxury pyramid
- Certified complete chain of custody over diamonds from source to sale – no intermediaries, no change of ownership, total traceability
- Ground-breaking ESG approach providing substantial value to local communities through contribution from end jewellery customer



Cutting & Polishing





Cutting & Polishing

Unlocking access to the full value chain

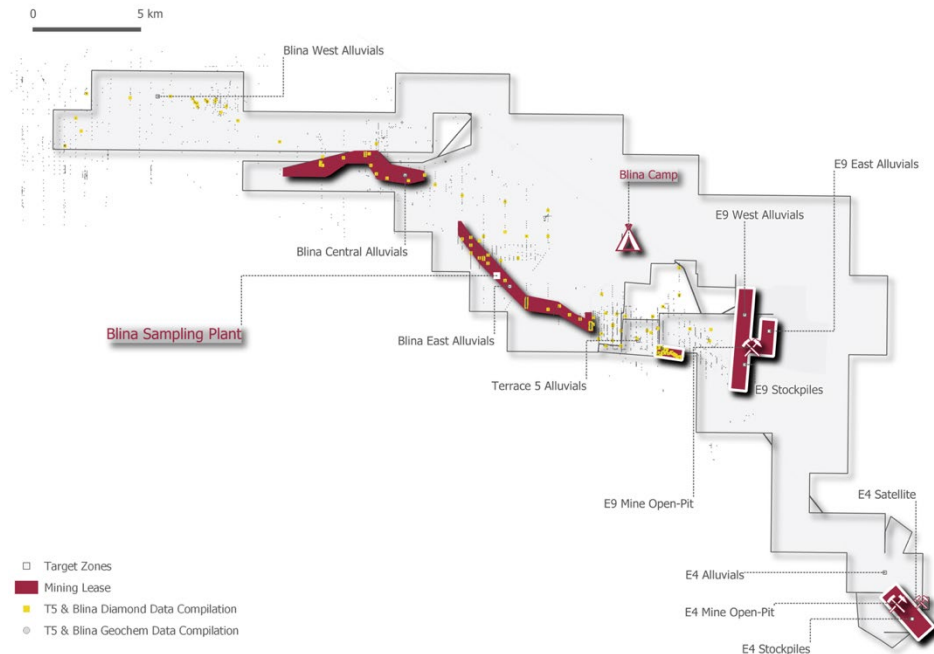
- Burgundy owns Australia's only cutting and polishing facility, based in Perth
- Master craftsmen with world-leading capability for high-quality, high-value coloured diamonds
- Delivering unique cuts and faceting to maximise natural beauty and rarity value
- Perth facilities currently operating at full capacity, with expansion opportunities being considered
- Having in-house cutting and polishing allows for elimination of any intermediaries and is the key to controlling the end-to-end value chain

Exploration & Project Development



Ellendale Diamond Project

Near-term cashflow from operational restart



Plan of Project Area:

- *Blina alluvial deposits to north-west [granted Mining Lease]*
- *Former Ellendale mine (E9 and E4) to west and south-west [Mining Lease Applications]*

Strategic Objectives

- Near-term producing asset with Fancy Yellow diamonds located in Australia

Status

- Focus on Blina during ongoing Native Title negotiations on MLAs
- Bulk sampling program to start Q3 2022
- Site preparation underway (camp in place, sample plant site and ROM pad being prepared)
- Containerised XRT process plant to be shipped to site in June 2022

Outlook 2022

- Geological trenching/pitting program
- Commissioning and ramp-up of sample plant
- Initial small-scale production in Q4 2022
- Incremental expansion steps from 2023

Operational site activities – May 2022



Other Projects

Potential new sources of Fancy Colour diamonds

Very positive results from 2021 Bulk Sampling Program at Naujaat



Naujaat Project

- Advanced stage project located in Nunavut, Canada with **Fancy Vivid Orange Yellow diamonds**
- Significant established resource located close to tide-water and local infrastructure
- 2,000-tonne bulk sample program completed in 2021
- Very promising results from first 70% of sample:
 - higher proportion (~20%) of Fancy Colour stones than expected
 - ~90% being predominantly rare Orange colour
- Remaining 30% of sample processing to complete in June

Botswana Alliance

- Progress on testing of large number of targets

Future Projects

- Assessing a range of potential projects globally



Outlook

Reaching cashflow in 2022



Sales & Marketing

- Launch of visionary ultra-luxury Fancy Colour diamond Brand
- Initial sales of Burgundy polished product by end 2022

Cutting & Polishing

- Polished product from 3rd party rough diamonds already purchased
- Additional purchases of rough diamonds in preparation for in-house production

Production of Rough

- Targeted start of small-scale production at Ellendale Diamond Project in Q4 2022

Exploration & Project Development

- Bulk sampling results from **Naujaat** will define population of Fancy Colour stones and determine next steps
- Continued evaluation of future sources of Fancy Colour diamonds





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