

ASX Announcement

Burgundy's Maison Mazerea brand strategy secures sales agreements

3 August 2022

Burgundy Diamond Mines Limited (ASX: BDM) ("Burgundy" or "the Company") is pleased to provide an update on the progress of the sales strategy driven by its ultra-luxury diamond brand, Maison Mazerea.

Further Sales Agreements

Having been launched in Paris in July, the successful establishment of the Maison Mazerea brand provides the platform and market positioning to commence sales of an extensive inventory of high-value Fancy Colour diamonds cut and polished by Burgundy over the past six months.

Further to the previously announced collaborative sales and profit-sharing agreement with Bäumer Vendôme in Paris, (see announcement dated 8 December 2021), the Company is pleased to announce it has now entered into a two-stage agreement with Solid Gold Diamonds, one of Australia's leading independent jewellers headquartered in Burgundy's hometown of Perth, Western Australia.

Stage one is an initial agreement regarding bridal jewellery, which will start in August presenting uniquely-cut Maison Mazerea branded diamonds in Solid Gold's engagement and bridal jewellery designs, with a profit-sharing agreement on all sales. Stage two will see close collaboration between Burgundy and Solid Gold on the design and production of an exclusive fine jewellery collection featuring larger and higher value Maison Mazerea diamonds, with sales commencing at a debut of the collection in October.

Building on the international impetus of the Paris launch in July and the high level of interest shown, a second launch event is being planned for Perth in September. This will introduce the Maison Mazerea brand to select Australian investors and customers and showcase some of the remarkable stones in the fine jewellery collection.

Separately, collaborative arrangements with the Princess Grace Foundation and its Grace de Monaco luxury brand will culminate in an exclusive launch event in New York in November, with sales of fine jewellery via private invitation-only viewings. In addition, Burgundy continues to progress the development of similar agreements with other international jewellers and luxury watchmakers, with ongoing sales events accelerating through 2023.

Production Outlook

The Company is targeting 1,200 carats of polished diamonds per year utilising its current Perth-based cutting and polishing facilities, with expansion plans underway to double this capacity. Supply of rough diamonds will include continued purchase of third-party rough and anticipated production building from Ellendale operations in 2023.

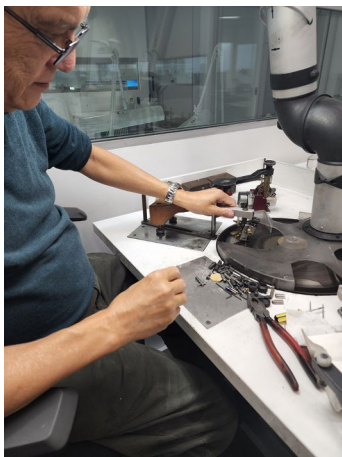
Wholesale prices of polished stones will be in the range of US\$5,000 to US\$50,000 per carat, depending on various factors such as Colour, Clarity, Cut and Carat weight, with the average expected to be at the lower end of the range. Compounding the potential earning capacity are the significant multiples of price mark-ups into retail jewellery, which Burgundy will share via its profit-sharing agreements with partner jewellers.

Burgundy Managing Director Peter Ravenscroft said, *"These exciting sales and profit-sharing agreements are a result of our successful launch of Maison Mazerea in line with our vertically integrated business model and strategy to be a world-leading, end-to-end diamond company. With today's announcements and our*

expected runway for growth, our strategy is now demonstrating its true potential. As we continue to leverage these new and existing jewellery sales and profit-sharing agreements through our collaborative alliances, our shareholders will continue to benefit from the greater margins generated throughout the value chain.”



Rough Fancy Yellow diamonds purchased in late 2021



Cutting and polishing in Burgundy's Perth facilities



Spectacular 7.45 carat polished stone with a unique heritage cut of the Maison Mazerea brand

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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 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 with a view to establish a significant position in the high-value niche sector of Fancy Colour diamonds. Burgundy is now launching the exclusive diamond brand of Maison Mazerea, producing extraordinary cuts of the most exquisite natural Fancy Colour diamonds, and bringing the concept of Haute Diamanterie to exceptional jewellery.

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.