



**BURGUNDY**  
DIAMOND MINES

# Investor Presentation

October 2022

Burgundy Diamond Mines Limited  
ASX: BDM

Managing Director: Peter Ravenscroft



# Disclaimer

This presentation has been prepared by Burgundy Diamond Mines Limited (Company). By reading this disclaimer you agree to be bound by it.

## **Not an offer or financial product advice**

The Presentation does not constitute an offer, invitation or solicitation with respect to the purchase or sale of any security in the Company nor does it constitute financial product advice. The Presentation is not a prospectus, product disclosure statement, pathfinder for the purposes of the *Corporations Act 2001* (Cth) or other offer document under any law. The Presentation has not been filed, registered or approved by regulatory authorities in any jurisdiction. The distribution of this document outside Australia may be restricted by law. Any recipient of this document outside Australia must seek advice on and observe any such restrictions. Any non compliance with these restrictions may contravene applicable securities laws.

The Presentation is not intended to be relied upon as advice or a recommendation to investors and does not take into account the investment objectives, financial situation, taxation situation or needs of any particular investor. An investor must make its own assessment of the Company and conduct its own investigations and analysis. Investors should assess their own individual financial circumstances and consider talking to a financial adviser, professional adviser or consultant before making any investment decision.

## **Information purposes only**

The Presentation is for information purposes only. It provides an overview of the Company but may not contain all information necessary to make an investment decision. The Presentation is of a general nature and does not purport to be complete or verified by the Company or any other person. Neither the Company nor the Lead Managers have any responsibility or obligation to inform you of any matter arising or coming to their notice, after the date of the Presentation, which may affect any matter referred to in the Presentation. The information in the Presentation is subject to change without notice. The information in this presentation is, or is based upon, information that has been released to the Australian Securities Exchange (ASX). This Presentation should be read in conjunction with BDM's other periodic and continuous disclosure announcements lodged with ASX, which are available at [www.asx.com.au](http://www.asx.com.au).

## **No guarantee, representation or warranty**

While reasonable care has been taken in relation to the preparation of the Presentation, neither the Company or their respective directors, officers, employees, the Lead Managers, contractors, agents, or advisers nor any other person (Limited Party) guarantees or makes any representations or warranties, express or implied, as to or takes responsibility for, the accuracy, reliability, completeness or fairness of the information, opinions, forecasts, reports, estimates and conclusions contained in the Presentation. No Limited Party represents or warrants that the Presentation is complete or that it contains all information about the Company that a prospective investor or purchaser may require.

To the maximum extent permitted by law, each Limited Party expressly disclaims any and all liability, including, without limitation, any liability arising out of fault or negligence, for any loss arising from the use of or reliance on information contained in the Presentation including representations or warranties or in relation to the accuracy or completeness of the information, statements, opinions, forecasts, reports or other matters, express or implied, contained in, arising out or derived from, or for omissions from the Presentation including, without limitation, any financial information, any estimates or projections and any other financial information derived therefrom.

## **Forward-looking statements**

The Presentation includes forward-looking statements and comments about future events, including the Company's expectations about the performance of its businesses. Forward-looking words such as "expect", "should", "could", "may", "predict", "plan", "will", "believe", "forecast", "estimate", "target" or other similar expressions are intended to identify forward-looking statements. Such statements involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company and which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements. Forward-looking statements are provided as a general guide only, and should not be relied on as an indication or guarantee of future performance. Given these uncertainties, recipients are cautioned to not place undue reliance on any forward-looking statement. Subject to any continuing obligations under applicable law, the Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements in the Presentation to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statement is based.

No Limited Party or any other person makes any representation, or gives any assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in the Presentation will occur.

## **Past performance**

Past performance is not indicative of future performance and no guarantee of future returns is implied or given.



# Outline

**01.**

**Company  
Overview**

**Corporate  
Snapshot**

**04.**

**Sales &  
Marketing**

**Ultra-luxury  
brand: Maison  
Mazerea**

**Cutting &  
Polishing**

**02.**

**Capturing  
significant value  
uplift at every  
stage**

**05.**

**Update on  
Exploration &  
Development  
Projects**

**03.**

**Company  
Strategy**

**06.**

**Outlook**



# Company Overview

A luxury goods company with a mining heritage



- An emerging, fast-growing diamond company with an innovative strategy
- Focus on high-value **Fancy Colour diamonds**
- Building a **vertically integrated business** from exploration through to polished diamond production and sales
- Unique capability of **in-house cutting and polishing** by world-leading master craftsmen
- Sales via **collaborative agreements** with high-end international jewellers
- Successful launch of **niche ultra-luxury diamond brand Maison Mazerea**



# Corporate Snapshot

ASX:BDM

Issued Shares	342m
Options Unlisted <sup>1</sup>	27m
Market Capitalisation	A\$68m
Convertible notes	A\$35m
Cash at hand	A\$9.4m
Inventories of rough and polished diamonds	~A\$15m
Management & Director Ownership	13%

Numbers as of October 13, 2022.

1. 12.5m options subject to Escrow

**Note significant value in inventory of rough and polished diamonds**

## Key People:

A world-class leadership group

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

### **Michael O’Keeffe** – Non-executive director and major shareholder

- 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** – Chair

- 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** – Managing Director and CEO

- One of leading global 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.

# Capturing significant value uplift at every stage

More than 90% of margin in the diamond industry comes from cutting and polishing, and jewellery sales

## Value uplift business model



### Rough diamonds

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

**A\$10,000 – 20,000 per carat**



### Cutting & Polishing

- Current cutting and polishing capacity of 1,200 carats per year
- Potential to double capacity to 2,400 carats per year with zero capex

**20–50% value uplift to polished**



### Collaborative Sales Agreements

- Maison Mazerea-branded fancy colour diamonds feature in finished pieces of exclusive jewellery
- Burgundy secures a significant share (>50%) of retail jewellery profits
- Agreements in place with Paris-based jeweller Bäumer Vendôme and Perth-based jeweller Solid Gold Diamonds

**approx. 2–5x retail mark-up on rough diamond prices**



# Company Strategy

<b>CORPORATE OBJECTIVE</b>		<b>Develop and deliver the world's leading end-to-end diamond company</b>		
<b>STRATEGIC THEMES</b>	<b>Grow sales of polished Fancy Diamonds</b>	<b>Grow supply of rough Fancy Diamonds</b>	<b>Grow internal capability</b>	
<b>KEY INITIATIVES</b>	<ul style="list-style-type: none"> <li>Ultra-luxury brand launched: Maison Mazerea</li> <li>Profit-share from collaborative jewellery sales partnerships</li> <li>Develop and expand other routes to market</li> </ul>	<ul style="list-style-type: none"> <li>Purchase third-party rough diamonds – offtake agreements, auctions and tenders</li> <li>Develop in-house production – Ellendale, Naujaat</li> <li>Develop future supply from exploration and M&amp;A</li> </ul>	<ul style="list-style-type: none"> <li>Expand cutting and polishing capability</li> <li>Ensure sufficient sales and marketing capacity</li> <li>Innovative ESG approach, especially end-to-end diamond traceability</li> <li>Streamline operations and project delivery</li> </ul>	
<b>UNDERPINNED BY</b>		<b>Great People</b>	<b>Best Practice Processes</b>	<b>Innovative Market-Driven Culture</b>

# Sales & Marketing





# Sales & Marketing

## Maximising margin through a different approach

### Collaborative sales agreements

- Innovative profit-sharing model on sales of finished jewellery pieces
- Partnerships established with Paris-based jeweller Bäumer Vendôme and with Perth-based jeweller Solid Gold Diamonds
- Similar partnerships with other jewellers in late stage of development
- First retail diamond jewellery sales made with Solid Gold in Q1 FY23
- Global reach, without establishing Burgundy-owned retail network

### Branding

- Burgundy's ultra-luxury diamond brand, Maison Mazerea, 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

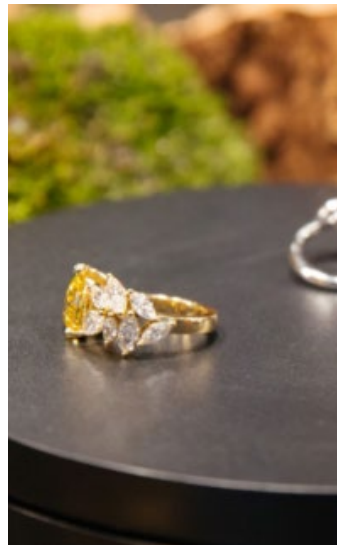


# Maison Mazerea

the world's first Haute Diamanterie Maison

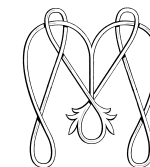
## Ultra-luxury diamond brand

- Finest quality large Fancy Colour diamonds
- Cut and polished by hand using unique heritage facets to maximise colour and beauty of each individual stone
- Certified with unimpeachable provenance and total in-house chain of custody

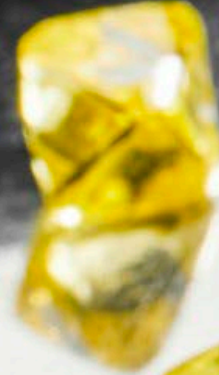


MAISON MAZERIA

HAUTE  
DIAMANTERIE



# Cutting & Polishing

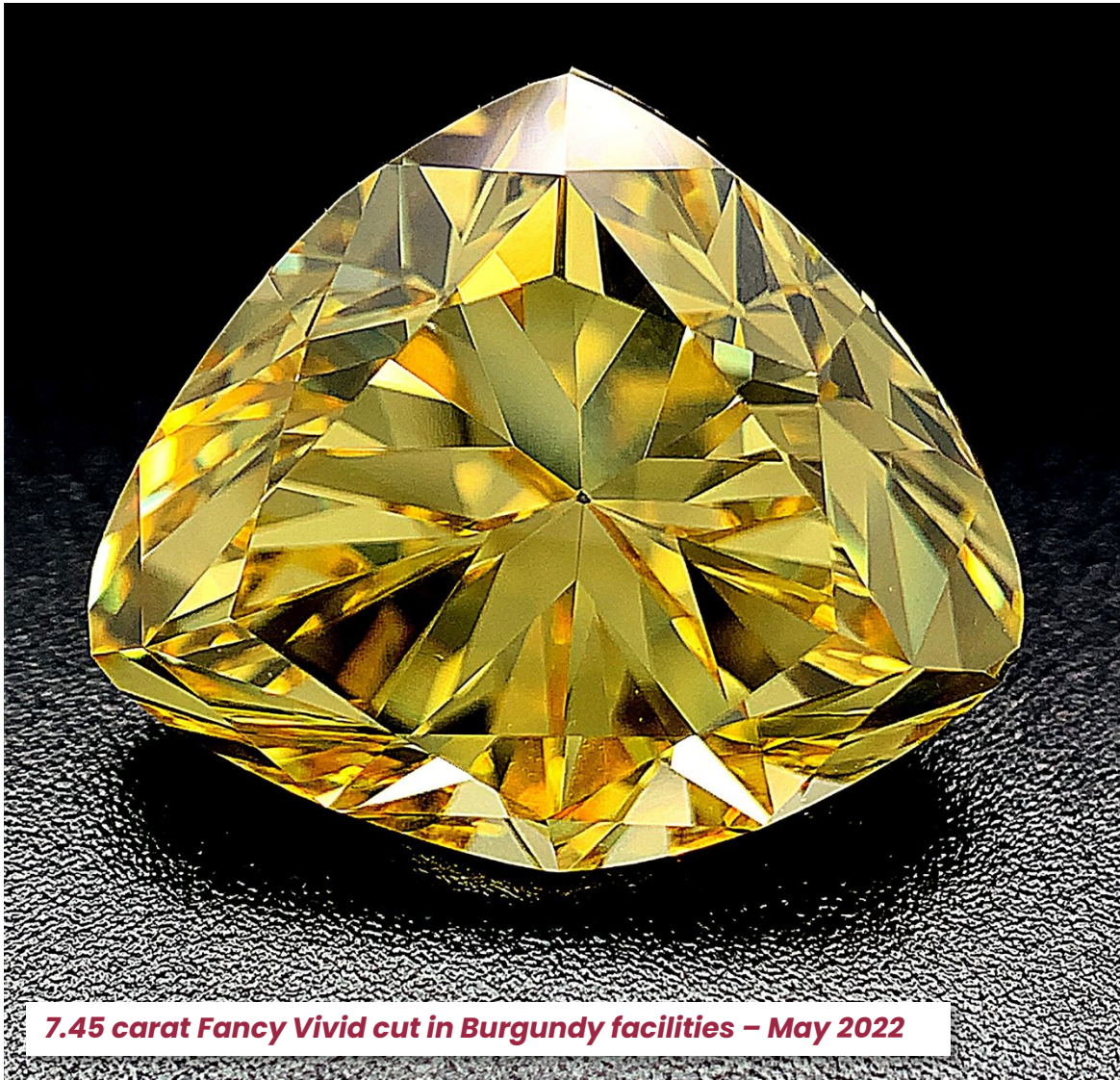


# Cutting & Polishing

## 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



**7.45 carat Fancy Vivid cut in Burgundy facilities – May 2022**

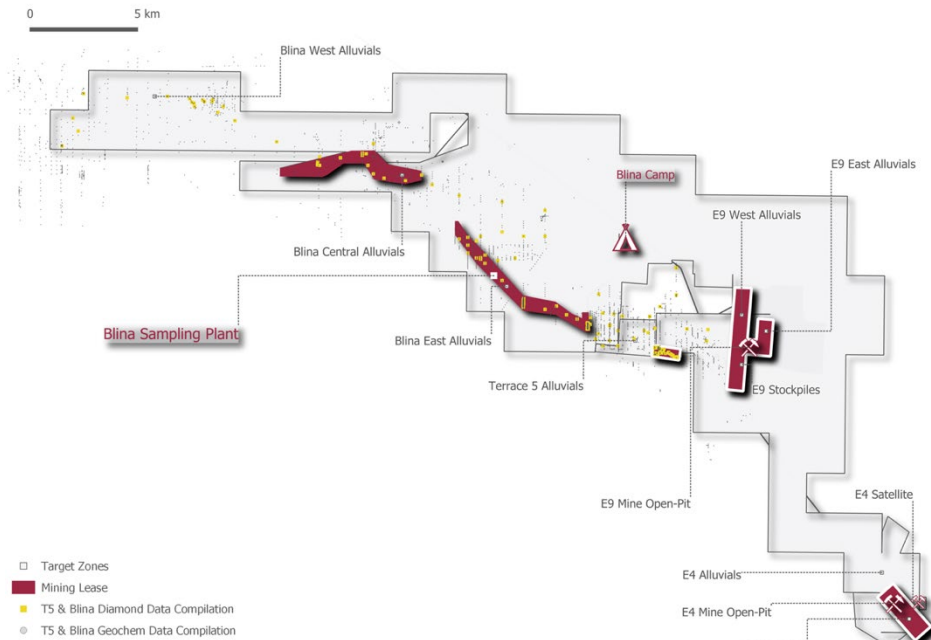


# Exploration & Project Development



# 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 started Q3 2022
- Containerised XRT process plant commissioned in August/September 2022
- First yellow diamond recovered in Q3 2022

### Outlook 2022/23

- Operational ramp-up of sample plant
- Initial small-scale production in Q4 2022
- Incremental expansion steps from 2023

### Operational site activities – Blina project



# 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 2021/22
- Very promising results:
  - higher proportion (~20%) of Fancy Colour stones than expected
  - ~90% being predominantly rare Orange colour
- Valuation of diamonds being completed

### **Botswana Alliance**

- Progress on testing of large number of targets

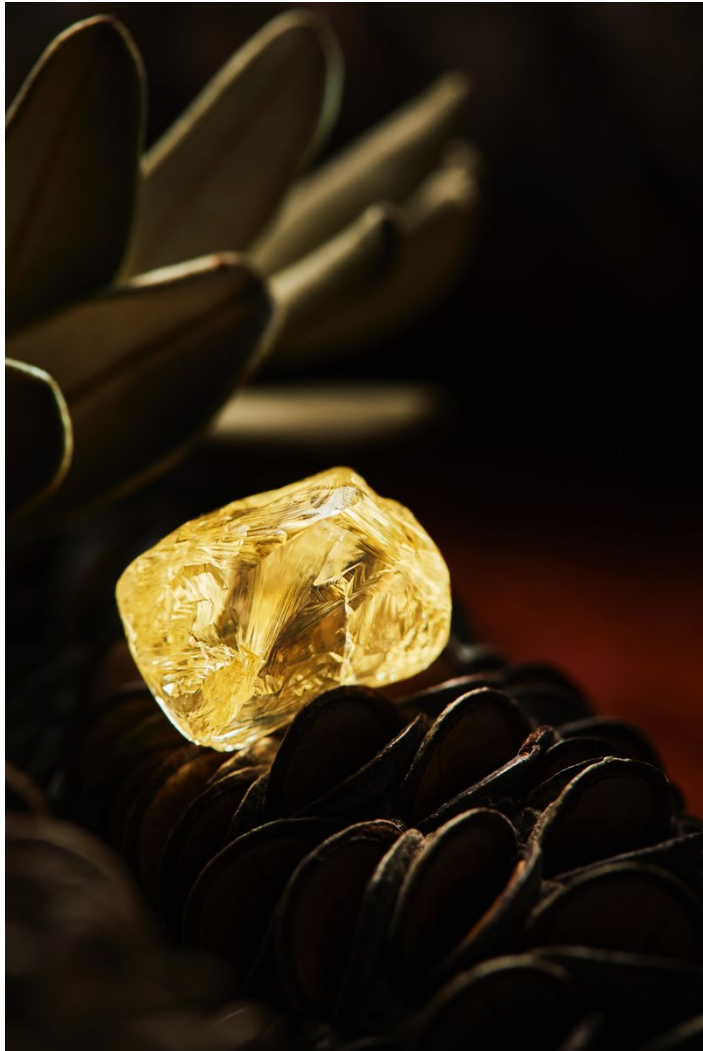
### **Future Projects**

- Assessing a range of potential projects globally



# Outlook

Generating cashflow in 2022



## Sales & Marketing

- Leveraging the visionary ultra-luxury Fancy Colour diamond brand, Maison Mazerea
- Ongoing sales of Burgundy polished product with design jewellery partners worldwide

## Cutting & Polishing

- Polished product from 3<sup>rd</sup> 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

- Valuation of bulk sampling results from **Naujaat** will determine next steps
- Continued evaluation of future sources of Fancy Colour diamonds





# BURGUNDY

DIAMOND MINES

## **Burgundy Diamond Mines Limited**

ASX: BDM

ABN: 33 160 017 390

[www.burgundy-diamonds.com](http://www.burgundy-diamonds.com)

### **Contact**

P: +61 8 6313 3945

[info@burgundy-diamonds.com](mailto:info@burgundy-diamonds.com)

Level 25  
South32 Tower  
108 St Georges Terrace  
Perth WA 6000  
AUSTRALIA

