



ASX Announcement

Collaborative Sales Agreement with Leading Paris Design Jeweller

8 December 2021

Burgundy Diamond Mines Limited (ASX: BDM; “Burgundy” or “the Company”) is pleased to announce the signing of a ground-breaking alliance agreement with leading Paris design jeweller **Bäumer Vendôme**.

Highlights

- Collaborative profit-sharing agreement whereby Burgundy supplies polished Fancy Diamonds under its unique ultra-luxury brand; Bäumer Vendôme designs, manufactures and sells high-end jewellery pieces featuring these stones;
- Exclusive arrangement over the stunning Argyle Stella™ pink diamond purchased in November 2021, with the details of this arrangement to be announced in early 2022;
- Highly innovative sale agreement over the Fancy Yellow diamonds purchased from Arctic Canadian Diamond Company in October 2021;
- Burgundy establishes French subsidiary company Burgundy Diamonds SARL at 19 Place Vendôme in Paris, which will house Burgundy’s ultra-luxury brand to be launched in 2022.

Bäumer Vendôme is the only independent jeweller on the Place Vendôme in Paris, located amongst the world’s leading ultra-luxury jewellery brands. The principal, Lorenz Bäumer was previously creative director for Louis Vuitton and for Chanel, and is recognised as one of the most influential jewellers of the 21st century. His passion and artistic flair and love of Fancy Colour diamonds will perfectly complement Burgundy’s transformative diamond sector strategies.

The sale agreement over the Fancy Yellow diamonds represents a major advance in Burgundy’s strategy to becoming an end-to-end diamond company. The agreement gives Burgundy access to a significant share of the margin generated by retail jewellery sale and will provide several multiples of value.

This model will be replicated with future sales of other diamonds through Bäumer Vendôme and several other jewellery houses who have shown great interest in Burgundy’s ongoing supply of polished Fancy Diamonds. This supply will come from in-house cutting and polishing of rough diamonds produced at Burgundy’s future mining operations as well as through purchase of third-party rough with impeccable provenance.

Burgundy Managing Director and CEO, Peter Ravenscroft, said *“We are excited to be forming this partnership with Bäumer Vendôme as a first entry into the ultra-luxury jewellery sector, enabling us to establish our emerging brand on the Place Vendôme, the epicentre of global luxury.*

“This form of collaborative agreement is unprecedented in the diamond industry and positions the Company ideally to extract value from the entire value chain: from exploration through mining operations, to cutting and polishing, jewellery design, manufacturing and retail sale.

“We continue to focus on developing the brand architecture that will enable us to establish similar arrangements with other leading jewellery houses in Paris, London, New York and elsewhere, and further expand our business in the Fancy Diamond sector”.

CEO Lorenz Bäumer added: *“We are thrilled to enter this partnership with Burgundy. Their extraordinary Fancy Colour diamonds represent a unique opportunity to create fantastic jewellery, and directly integrate*



the upstream value chain. Bäumer Vendôme is the first high jewellery brand to move towards the mining industry, showing again its innovative and pioneer spirit, very similar to the Burgundy culture”.

-Ends-

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 is focused on production and sale of polished Fancy Colour diamonds through a vertically integrated business model, with the vision to become the world's leading mid-cap 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.

In addition, Burgundy has acquired interests in three diamond projects since mid-2020:

- An option to acquire 100% ownership of the Ellendale and Blina projects (together the “Ellendale Diamond Project”) in the West Kimberley region of Western Australia. The acquisition includes all tenements pegged by Gibb River Diamonds Ltd (ASX: GIB) in 2019 over the historic Ellendale diamond mine, famed for its production of iconic yellow diamonds, as well as the highly prospective Blina alluvial diamond deposit to the north-west of the Ellendale properties. The transaction is in the form of an Option Agreement over two years, with a series of staged payments from Burgundy to Gibb River at Burgundy's election. Substantial review of the available data has been completed by Burgundy, and work programs are already underway including the fabrication of a state-of-the-art bulk sampling plant including advanced XRT recovery technology. Early works on site started in July 2021 with the preparation of roads, a camp site and a site for the bulk sampling plant.
- An earn-in agreement with North Arrow Minerals Inc. (TSX-V: NAR) over the Naujaat diamond project in Nunavut, Canada. The world class Naujaat project contains an exceptional population of uniquely coloured and rare high value stones. Burgundy has the option to earn-in to a 40% interest in the project by funding a C\$5.6 million preliminary 1,500 to 2,000 tonne bulk sampling program in 2021. Site activities started in June 2021, with sample collection completed in August 2021, processing of the sample currently underway in Saskatchewan and results expected early in 2022. Burgundy has also made a preliminary proposal to earn an additional 20% interest by funding a larger 10,000 tonne bulk sample pending positive results from the first phase.
- An Exploration Alliance Agreement in Botswana with Diamond Exploration Strategies Ltd (DES), a privately-owned company with an excellent management team. Burgundy is providing funding of US\$1.5 million over three years to finance exploration activities, earning 50% ownership of any



discoveries made, with potential to reach 90% ownership through further project funding. An extensive program evaluating some 15 separate target areas is underway.

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.

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