



BURGUNDY
DIAMOND MINES

Investor Presentation

Burgundy's path to becoming the world's leading mid-cap diamond company.

Burgundy Diamond Mines Limited
ASX: BDM

Managing Director:
Peter Ravenscroft



- Fancy orange and yellow diamonds recovered from Burgundy's Naujaat project

Forward Looking Statements



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Certain information contained herein regarding Burgundy Diamond Mines Ltd, including management's assessment of future plans and operations, may constitute forward-looking statements under applicable securities law and necessarily involve risks, including but not limited to risks associated with mining exploration, operating costs, production costs, volatility of share prices, currency fluctuations, imprecision of resource and reserve estimates, environmental risks and ability to access sufficient capital from internal and external sources.

As a consequence, actual results may differ materially from those anticipated in any forward-looking statements. Plans, intentions or expectations disclosed in any forward-looking statements or information should not be read as guarantees of future results or events, and will not necessarily be accurate indications of whether or when or by which such results or events will be achieved.

Except as required by law, Burgundy Diamond Mines Ltd expressly disclaim any intention and undertake no obligation to update any forward-looking statements or information as conditions change.

Burgundy Diamond Mines



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An emerging diamond company with a compelling growth strategy



Opportunity

\$12 billion/year sector
under sustained stress

- Industry facing significant supply shortfall over next ten years, with severe under-investment in project development
- The diamond cycle is currently at a very attractive position for project acquisitions



People

>100 years of experience
in management team

- Burgundy management brings deep global industry knowledge and technical expertise in diamonds
- Board with a demonstrated track record in realising value from resource projects and diamond operations



Strategy

Innovative approach

- Identify and acquire a portfolio of interests in incomplete evaluation programs on world class discoveries at a low entry cost
- Unlock the latent value from these projects through disciplined project-level funding and technical expertise
- Complement portfolio with longer term exploration and near-term cash-flow opportunities



Burgundy Diamonds Corporate



Strong established base in ASX listing

ASX: **BDM**

| | |
|---------------------------------|--------|
| Issued Shares | 259m |
| Options Unlisted, Escrowed | 20m |
| Market Capitalisation | A\$96m |
| Net Cash | A\$10m |
| Enterprise Value | A\$86m |
| Management & Director Ownership | 18.8% |

Numbers as of March 1, 2021

History and Background

- Innovate diamond strategy established in existing ASX shell company EHR Resources Ltd in November 2019
- Peter Ravenscroft joined board in December 2019 and appointed CEO and Managing Director in March 2020
- Acquisition of 3 diamond projects in H1 2020:
 - Nanuk Diamond exploration project in Quebec, Canada
 - Earn-in investment in Naujaat Diamond project in Nunavut, Canada
 - Exploration alliance in Botswana with leading private company Diamond Exploration Strategies Ltd
- Successful capital raising of A\$10.6 million July 2020
- Formation of industry-leading management team September 2020
- Appointment of diamond industry leader Kim Truter as Non-Executive Director I September 2021
- Continued evaluation of range of M&A opportunities
- **Rapid value growth from market capitalisation of ~A\$3m in November 2019 to ~A\$95m today**

Vision: to become the world's leading mid-cap diamond company

Board and Management

Demonstrated track record in realising value



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Stephen Dennis
Non-Executive Chairman



Michael O'Keeffe
Non-Executive Director



Kim Truter
Non-Executive Director



Marc Dorion
Non-Executive Director



Jeremy King
Non-Executive Director

Peter Ravenscroft - Managing Director



- 40 years of experience in the international mining industry, with specific knowledge of diamonds
- Large company experience in senior executive roles in Rio Tinto and Cleveland Cliffs, technical roles in De Beers
- Expertise in exploration, resource development, mine planning, project development and M&A

Sean Whiteford - VP Business Development



- Over 25 years of mineral exploration and operational experience, including 15 years in diamonds
- 13 years with Rio Tinto in various corporate, operational and geological technical roles in Australia, Canada and the USA and various executive positions with Cliffs Natural Resources
- Expertise in exploration, operations, commercial evaluation and M&A

George Read - VP Exploration



- Diamond exploration geologist with over 36 years of international experience, including 12 years with De Beers involved in diamond exploration projects in South Africa, Botswana, Namibia, Zimbabwe, Tanzania, Mali, Brazil, Greenland, USA and across Canada
- Led the technical team responsible for the exploration and evaluation of the Star – Orion South Diamond Project in Saskatchewan

Why Diamonds?

An industry needing significant investment over next 10 years



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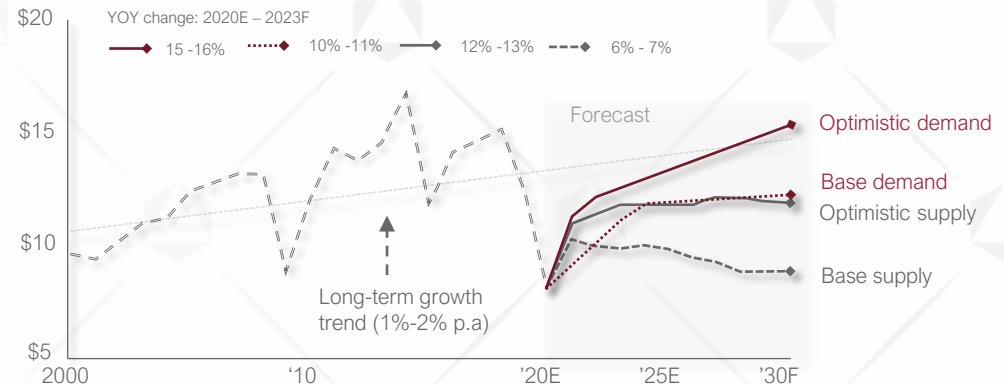
Industry Outlook

- Significant forecast supply shortfall due to very limited exploration funding since 2010
- 2019 global production of 142 million carats for total revenue of ~US\$12 billion
- Supply shortfall in 2030 varying between 20% and 35% of world demand
- Need for additional 35-75 million carats per year from future mine projects
- Current project pipeline forecast to add only 10-20 million carats by 2030



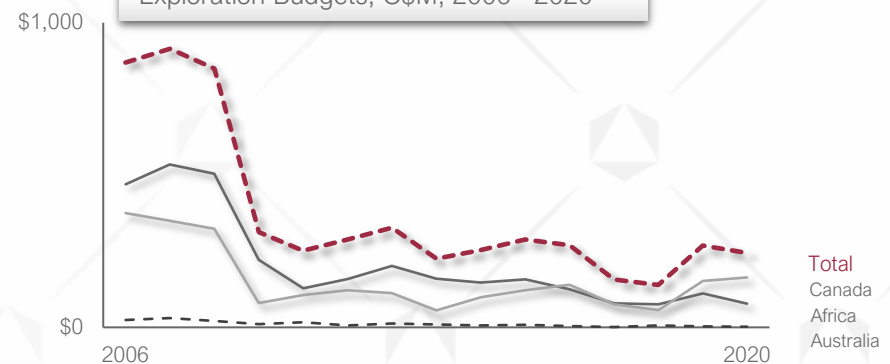
3x increase in exploration spend required **now** to meet forecast industry demand

Rough natural diamond supply & demand, \$ billions



Source: *The Global Diamond Industry 2020-21*, Bain & Company

Exploration Budgets, C\$M, 2006 - 2020



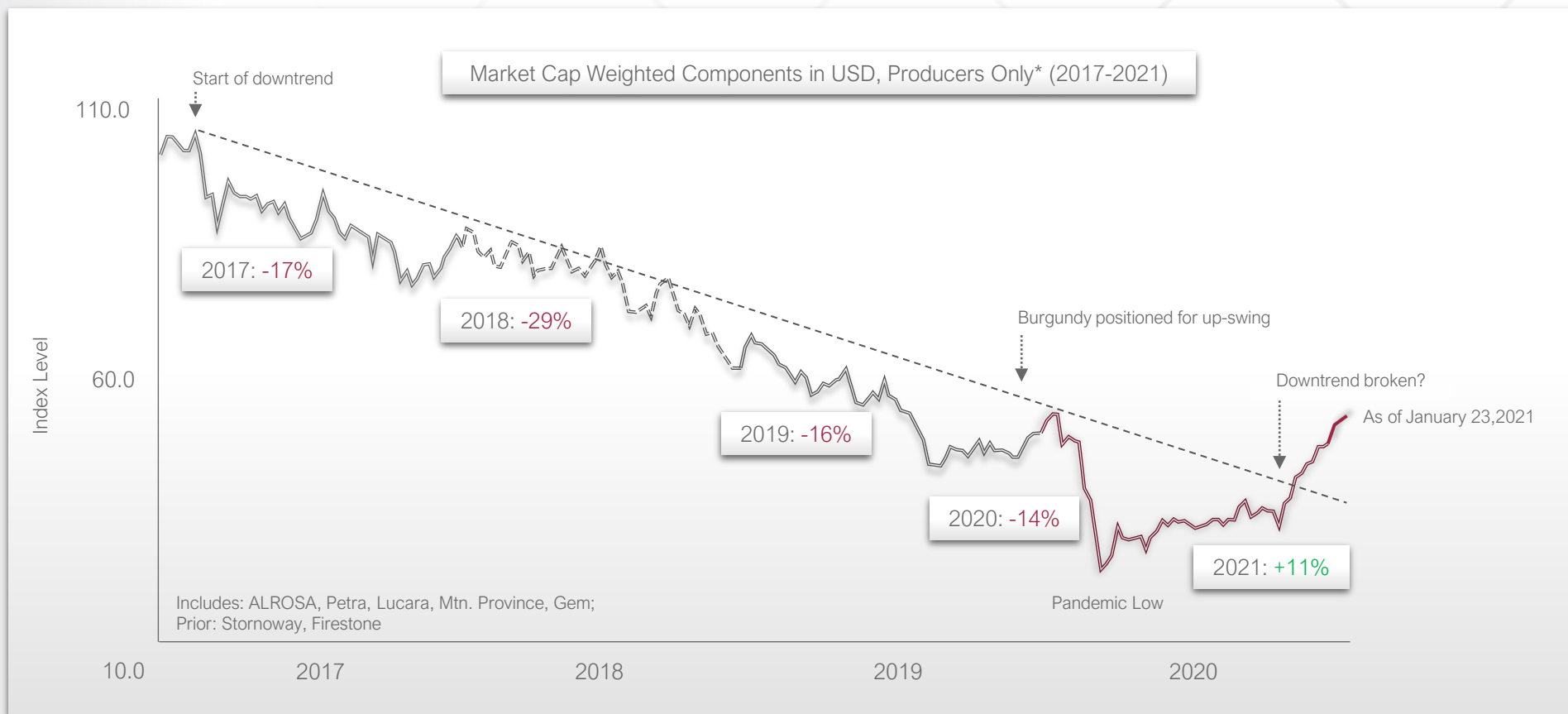
Source: S&P Global Market Intelligence

Indication of Market Upswing



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4-year downtrend has been broken



Source: Paul Zimnisky estimates and analysis, January 2021

Disciplined Strategy Execution

Managing risk through a diverse portfolio of hand-picked assets

Portfolio Focus

Project Style

- Target deposits with high value diamonds
- Larger sized stones, coloured stones, higher qualities

Location

- Traditional diamond elephant country (Canada, Botswana, Australia)
- Focus on low-risk jurisdictions

Scale

- Mid-tier deposits that are not in focus for majors
- Potential district scale for future value generation

Portfolio Objectives

Core Strategic Focus

- Advanced exploration projects
- Incubation funding of stalled projects
- JV partnerships with select owners
- Control ownership of asset

Long Term Project Pipeline

- Earlier stage generative exploration
- Green/brown fields projects in areas of unresolved opportunities
- Project generator model with leading diamond explorers

Funding of Strategy

- Potential early cash flow
- Small low CAPEX/OPEX development opportunities
- Continual monitoring of distressed current operations
- Equity positions or partnerships



Project Overview

- Global presence
- Stable jurisdictions
- Partnerships with leading diamond explorers

Naujaat Diamond Project



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Advanced stage exploration and development

Potential high-value project

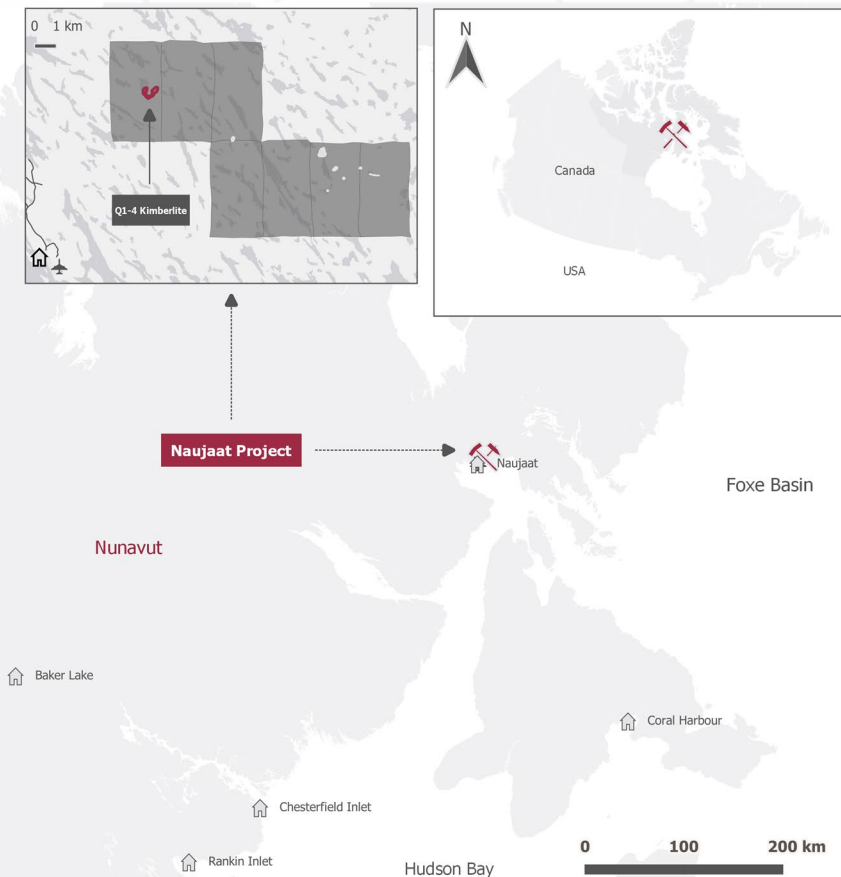
- Largest undeveloped diamond property in Canada not under control of a major mining company
- Discovered by BHP in early 2000s, not developed due to perceived low price of contained diamonds
- Subsequent work has shown value potential of contribution from exceptional population of uniquely coloured **Fancy Vivid Orange-Yellow stones**

Deal structure

- Earn-in structure with North Arrow Minerals (TSXV:NAR), seen as leading diamond exploration company in Canada (highly respected Board and Management)
- Burgundy funds Phase 1 bulk sample for C\$5.6 million to earn 40% of project: these funds were committed after July 2020 capital raise, and deal is now unconditional
- LOI in place for Phase 2, where Burgundy can earn additional 20% by funding 10,000 tonne bulk sample

Planned work program

- 2020: fuel and other supplies were mobilised to site on Q3 sealift
- 2021: extract 2,000 tonne bulk sample; recover diamonds; assess size and quality distribution
- 2022: commit to Phase 2 - 10,000 tonne bulk sample for Scoping Study/PFS level of definition



Exploration Alliance in Botswana

Early-stage exploration with ground-breaking targeting technology



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Generative program to build longer term project pipeline

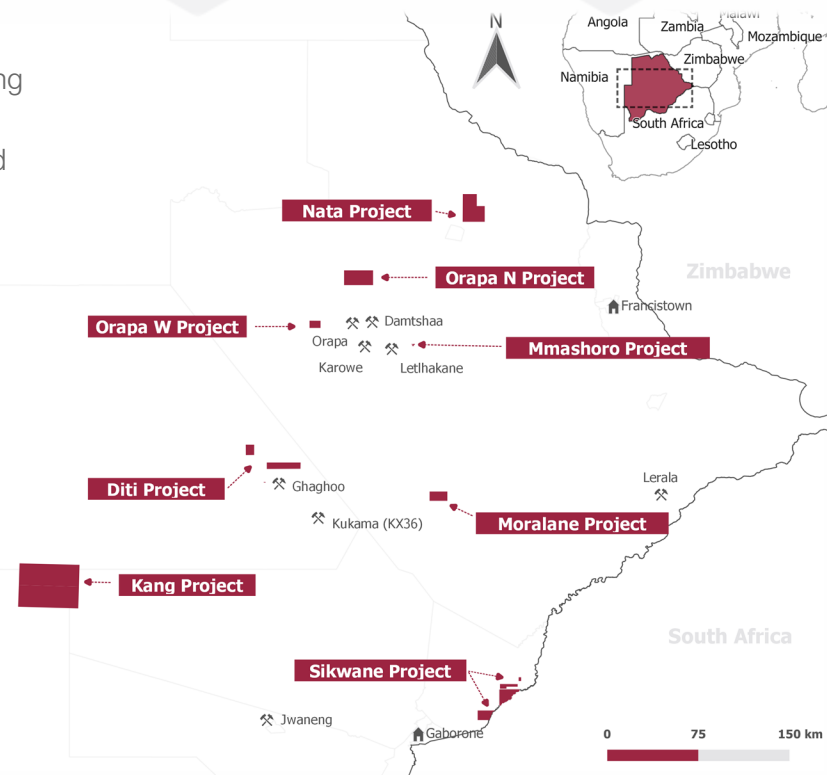
- Turn-key entry into Botswana, one of the world's leading diamond countries
- Considered most stable mining jurisdiction in Africa – government participation in mining projects with full participative funding
- Historical exploration by De Beers and others has left many unanswered questions and unresolved opportunities

Alliance with Diamond Exploration Strategies Ltd

- Low-cost “project generator” model with highly-experienced local team (all ex De Beers exploration executives) in privately owned company
- Burgundy funds US\$1.5 million over three years, option to extend
- Targets/discoveries accepted by joint technical committee as designated projects become 50% owned by Burgundy
- Burgundy can sole-fund to Scoping Study to reach 70%, or Feasibility Study to attain 90% ownership
- Alliance expanded in early 2021 to include earn-in deal with Botswana Diamonds plc

Potential high-value projects

- Partner currently has **seven project areas under 100% title** – 3,372 km²
- Drill-ready targets to be advanced early in H1 2021
- Applications in process for additional four additional target areas with compelling potential

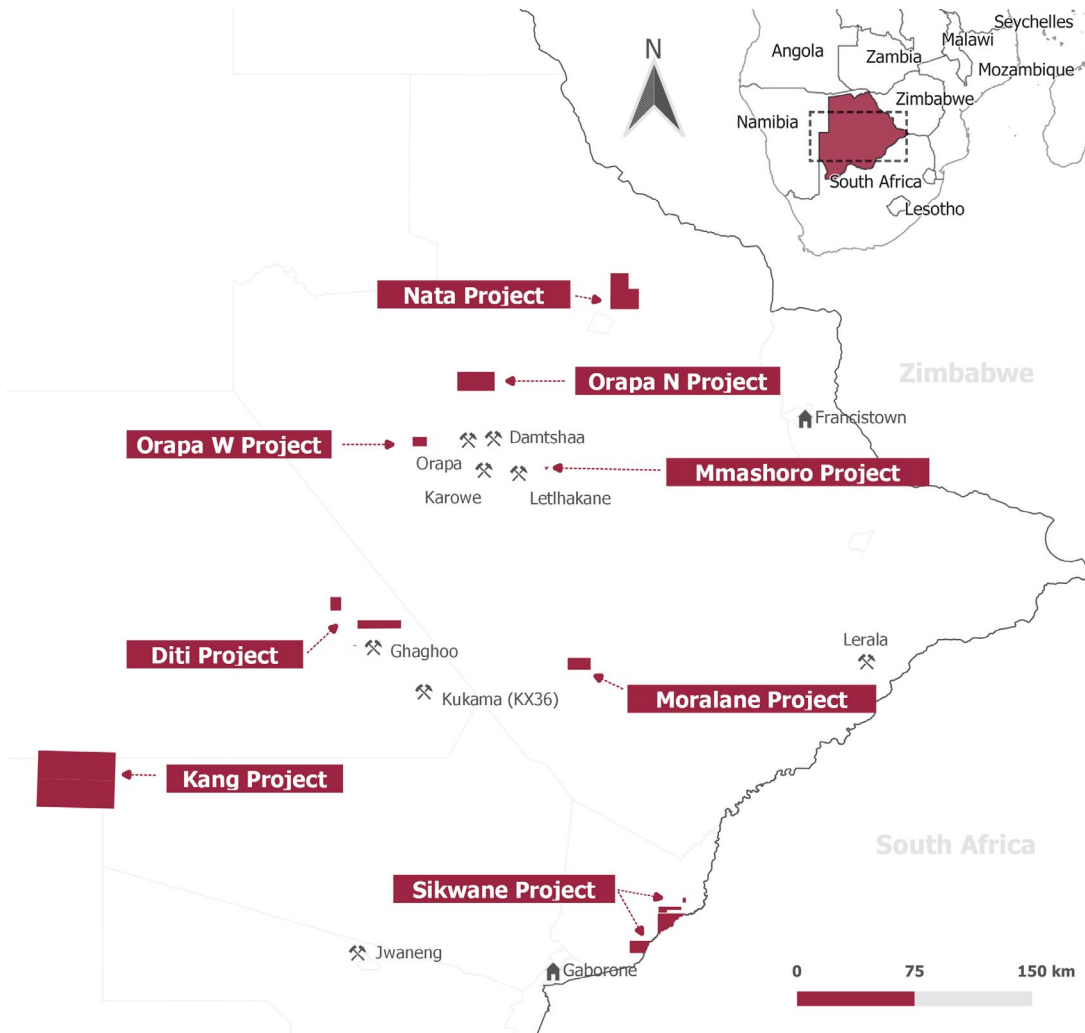


Botswana Exploration Strategy



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Rapid assessment, low-cost targeting



Focused targeting

- Burgundy partner - Diamexstrat (ex-De Beers team) - provides unique skills through artificial intelligence and in-house knowledge
- **No nonsense approach** through quick identification of economic potential of the project
- Provides exciting pipeline for BDM
- Economic projects in Botswana can be brought into production within 3-5 years from discovery at a low cost
- Extremely high reward for capital

Investment Summary



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Counter-cyclical investment with significant upside

Attractive diamond sector fundamentals

- A high growth commodity sector with forecast significant supply shortfall in next ten years

Unresolved opportunities awaiting harvest

- Diamond project evaluation more complex than other minerals
- Historical funding models impatient and inappropriate
- Premature curtailment commonly results in under-estimation of project value

Proven management team

- Many decades of large-company diamond project experience
- Industry leading expertise on advanced valuation methods
- Backed by board with exceptional track record in value creation

Well developed strategy

- New source of investment capital to diamond sector
- Asset ownership of leading diamond projects via creative transactions
- Building of diverse portfolio providing risk-balanced pure-play diamond investment vehicle
- Formation of powerful new player in diamond industry

Building the world's leading mid-cap diamond company



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Burgundy Diamond Mines Limited

ASX: BDM

ABN: 33 160 017 390

www.burgundy-diamonds.com

Contact

P: +61 8 6313 3945

info@burgundy-diamonds.com

Level 25

South32 Tower

108 St Georges Terrace

Perth WA 6000

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Transforming the Diamond Industry

