

ASX Announcement

Burgundy provides update on conceptual mine-life enhancement

11 September 2023

Burgundy Diamond Mines Limited (ASX: BDM) (*Burgundy or the Company*) is pleased to provide this update as the Company maintains its focus on growth through operational optimisation at the Ekati Diamond Mine in Canada's Northwest Territories.

Burgundy continues to make significant progress on multiple fronts since acquiring Ekati in July 2023. During Burgundy's transaction due diligence period, a number of areas of improvement and strategic opportunities were identified, in particular potential mine-life enhancement and extension opportunities.

A conceptual mine-life enhancement review has been completed identifying four key mining opportunities with potential to significantly complement the existing mine plan. The enhancement options identified below are conceptual at this point, and are subject to additional engineering studies, feasibility reviews and regulatory approvals before entering the mine plan¹.

1. Misery underground extension

The Misery underground operation is scheduled to end in 2025. Recent drilling has confirmed that the kimberlite pipe is thicker at depth than previously modelled². Burgundy is examining the viability of adding additional underground mining levels. In order to progress the opportunity, a geotechnical drill program will be completed in early 2024 followed by engineering, detailed mine design and an application for the extension of current permits. Any additional mine life is to be determined.

2. Evaluating alternatives for the expansion of Point Lake beyond the existing footprint

Point Lake is scheduled to begin production in 2025 as an open pit mine. The current open pit footprint is constrained by limitations of the waste storage facility and permit. The current design contemplates extracting only a quarter of the larger open pit opportunity. Burgundy is looking to add optionality to its mine plan by evaluating the viability of a larger open pit footprint and associated waste storage facility. If advanced, this will require new permitting approval. Any additional mine life is to be determined.

3. Sable underground opportunity

The current Sable open pit is scheduled to end in late 2024. Burgundy has commenced evaluation of an underground operation using the sub-level retreat mining method that is successfully employed at Misery underground. The Company has conceptually identified that a Sable underground operation could be achieved in the second half of 2026³, should the project

¹ None of the conceptual plans outlined in this announcement meet JORC 2012 requirements for reporting Mineral Resources.

² A series of Cubex hole definition programs have been completed internally. The results of this program have indicated the Misery pipe is thicker at depth than initially modelled. The increase in pipe thickness has not been independently verified or quantified.

³ A high-level project scheduling exercise has determined a conceptual production start date estimated on the basis of internal analysis of similar Ekati development projects currently in production. The analysis includes environmental and notice of intent requirements, geotechnical and diamond data analysis, mine design, equipment availability and portal and ramp development.

pass geotechnical, economic and regulatory requirements. Any additional mine life is to be determined.

4. Fox underground opportunity

Burgundy has commenced evaluation of a potential underground operation at Fox using a double-ramp configuration and a sub-level retreat mining method similar to that successfully deployed at the Misery underground operation. The Company believes the operation could be in production in the second half of 2028⁴, should the project pass geotechnical, economic and regulatory requirements. Any additional mine life is to be determined.

Commenting on the progress, Burgundy Chief Executive Officer, Kim Truter, said that the conceptual work serves as a great foundation for the additional engineering, economic and regulatory requirements that lie ahead, and reinforces the strategic rationale in acquiring the tier one Ekati asset.

“Our preliminary review of the Ekati resource has increased our optimism that credible, low capital mine enhancement options exist to extend the Ekati mine life economically. We look forward to completing formal reviews to confirm the feasibility of our conceptual plans.”

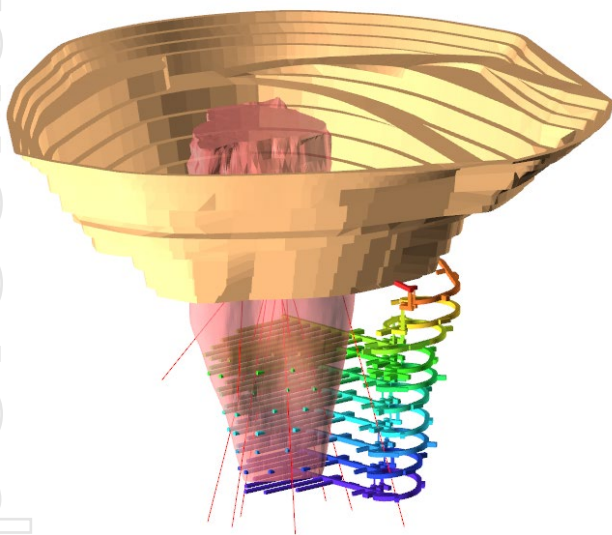


Figure 1 – **Conceptual** mine design for Sable underground using a sub-level retreat mining method (scale bar not available for isometric view).

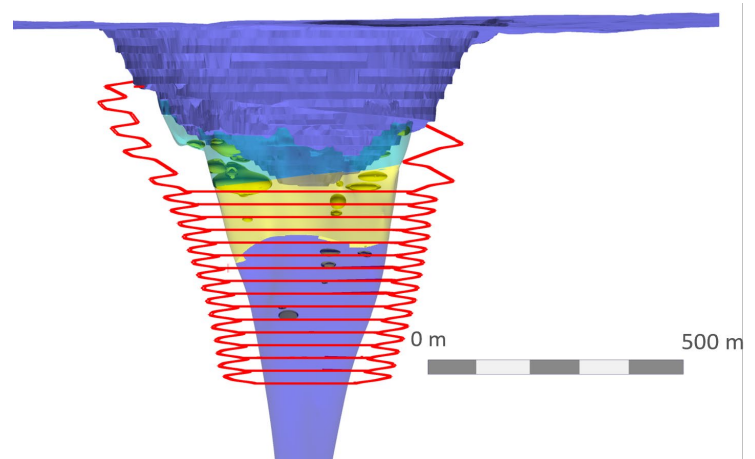


Figure 2 - **Conceptual** mine design for Fox underground using a double ramp sub-level retreat mining method.

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This announcement was authorised for release on the ASX by the Board of Burgundy Diamond Mines Ltd.

Further Information:

Kim Truter
Chief Executive Officer
Burgundy Diamond Mines Ltd
info@burgundydiamonds.com
+61 8 6313 3945

Investors and Media
Citadel-MAGNUS
Russell Quinn
rquinn@citadelmagnus.com
+61 403 322 097

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About Burgundy Diamond Mines Limited

Burgundy Diamond Mines is a premier global diamond company that proudly produces and delivers ethically sourced diamonds from its world-renowned Ekati Diamond Mine in Canada's Northwest Territories to market. Burgundy's unique end-to-end business model with total chain of custody provides unquestionable diamond origin and traceability along every step of the process, providing the ability to safeguard the ethical production of its diamonds from mining to marketing and discovery to design. Burgundy is part of CanadaMark™, a program that assures manufacturers, retailers and customers, that Burgundy Diamonds are sustainably produced and support ethical investment in Canadian Northern Indigenous communities. Burgundy Diamond Mines Limited is listed on the Australian Stock Exchange (ASX:BDM).

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.