

20 October 2023

Dear Shareholders,

2023 ANNUAL GENERAL MEETING

Burgundy Diamond Mines Limited (the **Company**) will be holding its annual general meeting at 9.30am (Sydney time) on Tuesday, 21 November 2023 at Allens, Level 28, Deutsche Bank Place, Corner Hunter & Phillip Streets, Sydney, NSW 2000 (**Meeting**).

In accordance with the Corporations Act, the Company will not be sending hard copies of the Notice of Meeting to shareholders unless a shareholder has previously requested a hard copy. The Notice of Meeting can be viewed and downloaded from the company's website at <https://burgundydiamonds.com/asx-announcements/>.

If you have nominated an email address and have elected to receive electronic communications from the Company, you will also receive an email to your nominated email address with a link to an electronic copy of the Notice of Meeting and Explanatory Statement.

The Company strongly encourages Shareholders to lodge a directed proxy form prior to the meeting. Questions should also be submitted in advance of the Meeting as this will provide management with the best opportunity to prepare for the Meeting, for example by preparing answers in advance to Shareholders questions. However, votes and questions may also be submitted during the Meeting.

To be valid, your Proxy Form (and any power of attorney under which it is signed) must be received at one of the addresses given below no later than 48 hours before the commencement of the Meeting.

Any Proxy Form received after that time will not be valid.

By online voting: <https://investor.automic.com.au/#/loginsah>

By email: meetings@automicgroup.com.au

By fax: +61 2 8583 3040

By post: Automic Group
GPO Box 5193
Sydney NSW 2001

If you are unable to access the Notice of Meeting and Explanatory Statement online please contact the Company Secretary, Brad Baylis, via email at Brad.Baylis@burgundydiamonds.com.

The Company will notify Shareholders via the Company's website at www.burgundydiamonds.com and the Company's ASX Announcement Platform at asx.com.au (ASX:BDM) if changing circumstances impact the planning or arrangements for the Meeting.

This announcement is authorised for market release by the Board.

Sincerely,



Brad Baylis
Company Secretary

For personal use only

BURGUNDY DIAMOND MINES LTD

ACN 160 017 390

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 9.30am (Sydney time)

DATE: Tuesday, 21 November 2023

PLACE: Allens, Level 28, Deutsche Bank Place, Corner Hunter & Phillip Streets,
Sydney, NSW 2000

The business of the Meeting affects your shareholding and your vote is important.

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7pm (Sydney time) on Friday, 17 November 2023.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2023 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2023.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – APPROVAL OF 7.1A MANDATE

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

4. RESOLUTION 3 – APPOINTMENT OF AUDITORS OF BURGUNDY DIAMOND MINES

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

"To appoint KPMG as the auditor of the Company."

5. RESOLUTION 4 – REMUNERATION OF AUDITORS

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

"To authorise the Audit Committee to determine the auditor's remuneration."

6. RESOLUTION 5 – RE-ELECTION OF MICHAEL O'KEEFFE

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 13.3 of the Constitution and for all other purposes, Mr Michael O'Keefe, retires by rotation, and being eligible, is re-elected as a Director."

7. RESOLUTION 6 – ISSUE OF OPTIONS – MR KIM TRUTER

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

"that, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to grant 10,000,000 Options to Mr Kim Truter or his nominee, on the terms and conditions set out in the Explanatory Statement (including Appendix 3)."

Voting Exclusion:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Kim Truter (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, this does not apply to a vote cast in favour of a Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairman to vote on the Resolution as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
- (ii) the holder votes on the Resolution in accordance with the directions given by the beneficiary to the holder to vote that way.

Further, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (d) the proxy is either:
- (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (e) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (f) the proxy is the Chairman; and
- (g) the appointment expressly authorises the Chairman to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Dated: 20 October 2023

By order of the Board



Brad Baylis
Chief Financial Officer & Company Secretary

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Should you wish to discuss the matters in this Notice please do not hesitate to contact the Company on +61 8 6313 3945.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2023 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.burgundydiamonds.com.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Meeting.

3. RESOLUTION 2 – APPROVAL OF 7.1A MANDATE

3.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$255.81 million (based on the number of Shares on issue and the closing price of Shares on the ASX on 16 October 2023).

Resolution 2 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 2 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 2 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

3.2 Technical information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 2:

(a) **Period for which the 7.1A Mandate is valid**

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the

nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) **Minimum price**

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued for cash consideration at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 3.2(b)(i), the date on which the Equity Securities are issued.

(c) **Use of funds raised under the 7.1A Mandate**

The Company may use funds raised from issues of Equity Securities under the 7.1A Mandate for:

- (i) the acquisition of new resources, assets and investments (including expenses associated with such an acquisition);
- (ii) continued expenditure on the Company's current assets/or projects (funds would then be used for project, feasibility studies and ongoing project administration);
- (iii) the development of the Company's current business; and
- (iv) corporate costs and general working capital.

(d) **Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 2 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue or proposed to be issued as at 16 October 2023.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Dilution		
			Issue Price		
			\$0.09	\$0.18	\$0.27
			50% decrease	Issue Price	50% increase
		Funds Raised			
Current	1,421,205,230 Shares	142,120,523 Shares	\$12,790,847	\$25,581,694	\$38,372,541
50% increase	2,131,807,845 Shares	213,180,785 Shares	\$19,186,271	\$38,372,541	\$57,558,812
100% increase	2,842,410,460 Shares	284,241,046 Shares	\$25,581,694	\$51,163,388	\$76,745,082

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 1,421,205,230 Shares on issue as at the date of this Notice.
2. The issue price set out above is the closing market price of the Shares on the ASX on 16 October 2023 (being \$0.18).
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous issuances under Listing Rule 7.1A**

The Company has not issued any Equity Securities under Listing Rule 7.1A.2 in the twelve months preceding the date of the Meeting.

3.3 Voting Exclusion Statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

4. RESOLUTION 3 – APPOINTMENT OF AUDITORS OF BURGUNDY DIAMOND MINES

Following the acquisition of ACDC and ACDM by the Company on 1 July 2023, and the Company's reinstatement to quotation on 6 July 2023, the Ekati mine, which is owned by ACDC, has become the Company's main undertaking.

KPMG is the legacy auditor of ACDC and ACDM, and as such, the Company has chosen to appoint KPMG as its auditor going forward.

In accordance with Australian law, the Company has received notice from a shareholder nominating KPMG as the new auditor of the Company, and a copy of the notice is contained in Appendix 1 to this notice of meeting. KPMG has given its written consent to act as auditor, subject to shareholder approval and the Australian Securities and Investment Commission's consent to the resignation of RSM.

5. RESOLUTION 4 – REMUNERATION OF AUDITORS

In accordance with good corporate governance practice, shareholders of the Company are asked to authorise the Audit Committee to determine the auditors' remuneration.

6. RESOLUTION 5 – RE-ELECTION OF MICHAEL O'KEEFFE

6.1 General

Clause 13.3 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of three, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of three years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 13.3 of the Constitution is eligible for re-election. Accordingly, Mr Michael O'Keeffe (who has served as a Director since 15 June 2017 and was last re-elected on 18 November 2020) retires by rotation and being eligible, offers himself for re-election.

6.2 Qualifications

Mr O'Keeffe is well known within the resources industry world-wide. He is currently the Executive Chairman of Champion Iron Limited (ASX: CIA), an iron ore exploration and development company with properties located in Canada. Mr O'Keeffe was also the Managing Director of Glencore Australia Limited from 1995 to 2004, and was Executive Chairman of Riversdale Mining Limited prior to that company being acquired by Rio Tinto PLC in 2-11.

6.3 Independence

Mr O'Keeffe is not considered to be an independent director due to his previous substantial shareholding in the Company.

6.4 Board recommendation

The Board supports the re-election of Mr O'Keeffe and recommends that Shareholders vote in favour of this Resolution.

Mr O'Keeffe does not make any recommendations in relation to his own re-election.

7. RESOLUTION 6 – ISSUE OF OPTIONS – MR KIM TRUTER

7.1 Background

The Company has agreed, subject to obtaining Shareholder approval, to grant a total of 10,000,000 Options to Mr Kim Truter, a Director, or his nominee.

The Options will otherwise be issued to Mr Truter or his nominee on the terms and conditions set out in Appendix 3.

As disclosed in the prospectus dated 7 June 2023, as part of Mr Truter's remuneration arrangements, he will be issued certain equity incentives (subject to shareholder approval).

The number and exercise price of Options to be granted to Mr Truter, subject to Shareholder approval, has been determined based upon a consideration of:

- (a) Mr Truter's remuneration arrangements viewed as a whole;
- (b) the extensive experience and reputation of Mr Truter within the resources industry; and
- (c) the Directors' wish to ensure that the remuneration offered is competitive with market standards or/and practice. The Directors have considered the proposed number of Options to be granted and will ensure that Mr Truter's overall remuneration is in line with market practice.

Resolution 6 seeks Shareholder approval for the grant of the Options to Mr Truter (or his nominee).

7.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Options constitutes giving a financial benefit and Mr Truter is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Truter who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Options because the Options constitute reasonable remuneration payable to Mr Truter.

7.3 Listing Rule 10.11

Listing Rule 10.11 provides that, unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to, amongst other categories, a related party, unless it obtains the prior approval of its shareholders.

As the issue of the Options to Mr Truter (or his nominee) falls within Listing Rule 10.11 and does not fall within any of the exceptions in Listing Rule 10.12, Shareholder approval pursuant to Listing Rule 10.11 is required.

Resolution 6 seeks the required Shareholder approval for the issue of the Options under and for the purposes of Listing Rule 10.11.

7.4 Technical information required by Listing Rule 14.1A

If Resolution 6 is passed, the Company will be able to proceed with the grant of the Options to Mr Truter (or his nominee) within 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Options (because approval is being obtained under Listing Rule 10.11), the grant of the Options will not use up any of the Company's 10% or 15% annual placement capacities.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the Options to Mr Truter.

7.5 6.5 Technical information required by Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 6:

- (a) the Options are proposed to be issued to Mr Truter (or his nominee);
- (b) Mr Truter falls within the category set out in Listing Rule 10.11.1 by virtue of being a Director of the Company;
- (c) a maximum of 10,000,000 Options are proposed to be issued;
- (d) the Options will be issued on the terms and conditions set out in Appendix 3;
- (e) the Options will be issued within 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (f) the issue price of the Options will be nil, accordingly no funds will be raised from the issue. However, any funds raised upon the exercise of the Options will be used for working capital. The Company will not receive any other consideration in respect of the issue of the Options;
- (g) the purpose of the issue of the Options is to provide an incentive component in the remuneration package for Mr Truter to motivate and reward his performance as a Director and to provide cost effective remuneration to Mr Truter, enabling the Company to spend a greater proportion of its cash reserves on its operations that it would if alternative cash forms of remuneration were given to Mr Truter;
- (h) the current total remuneration package for Mr Truter is C\$800,000 per annum;
- (i) the Options are being issued to Mr Truter under his remuneration arrangements. The material terms of his remuneration arrangements are set out in Appendix 2.

As well as setting out Mr Truter's expected duties as the chief executive officer, as provided by the Corporations Act and ASX Listing Rules, the employment contract provides for the cash remuneration, as set out above, and the issue of the Options; and

- (j) a voting exclusion statement is included in Resolution 6 of this Notice.

7.6 Board recommendation

The Board (other than Mr Truter) recommends that Shareholders vote in favour of this Resolution.

For personal use only

GLOSSARY

\$ means Australian dollars.

7.1A Mandate has the meaning given in Section 3.1.

ACDC means the Arctic Canadian Diamond Company Ltd.

ACDM means the Arctic Canadian Diamond Marketing N.V.

Associated Body Corporate means an associated entity of the Company, where the associated entity is a body corporate (as that term is used in Division 1A of Part 7.12 of the Corporations Act).

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Chairman means the Chairman of the Company.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Burgundy Diamond Mines Limited (ACN 160 017 390).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

KPMG means KPMG Australia Pty Limited (ABN 47 008 644 728).

Listing Rules means the Listing Rules of ASX.

Meeting means the meeting convened by the Notice.

Notice means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2022.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Spill Meeting has the meaning given to it in section 2.2.

Spill Resolution has the meaning given to it in section 2.2

Variable A means "A" as set out in the formula in Listing Rule 7.1A.2.

1. **APPENDIX 1 – NOMINATION OF KPMG AS AUDITOR OF BURGUNDY DIAMOND MINES LTD**

Burgundy Diamond Mines Ltd
Level 25, South 32 Tower,
108 St Georges Terrace,
PERTH, WA, AUSTRALIA, 6000

16 October 2023

Nomination of KPMG as auditor of Burgundy Diamond Mines Ltd

In accordance with section 328B of the Australian Corporations Act 2001, I, Michael O'Keeffe, nominate KPMG for appointment as the auditor of Burgundy Diamond Mines Ltd at Burgundy Diamond Mines Ltd's next annual general meeting scheduled to be held on 21 November 2023, or any postponement or adjournment of that annual general meeting.

Yours sincerely,



Michael O'Keeffe
Shareholder

2. APPENDIX 2 – MR KIM TRUTER'S REMUNERATION KEY TERMS

Item	Description
Fixed remuneration	C\$800,000
Short term incentive	Target short term incentive payment annually of 100% of salary Short term incentive payment payout range of 0% - 200% of target
Options	Subject to Shareholder approval of Resolution 6. Refer to Appendix 3 for terms and conditions of the Options.
Ongoing equity incentives	Subject to implementation of a new employee share plan, it is intended Mr Truter will be eligible for further grants of Options and Shares. Such grants will be determined at the sole discretion of the Board from time to time and be subject always to prior Shareholder approval under the Listing Rules, and if required, Corporations Act.
Notice periods	Mr Truter may resign upon provision of at least six weeks written notice.
Termination payment without cause/good reason	The Company may terminate Mr Truter's employment without cause by providing at least 24 months written notice. Subject to any applicable limits in the Corporations Act, the Company may pay a severance amount equal to 24 months' salary in lieu of notice. Vested equity-based incentives will be exercisable for a period of 90 days or to their original term, whichever comes first and unvested awards will expire upon termination.
Termination payment for cause	The Company may at any time terminate Mr Truter for just cause. In such an event, Mr Truter will be entitled to annual salary up until the notified final day of employment, upon that date any unexercised instruments will be forfeited, and no further compensation will be due.
Change in control	In the event of a change in control of the Company, all outstanding unvested equity incentives will vest immediately.

3. APPENDIX 3 – TERMS AND CONDITIONS OF OPTIONS

Options	<p>5,000,000 unquoted options with an exercise price of A\$0.30 each, expiring two years after issue and vesting on 1 July 2024 (being 12 months after completion of the acquisition of ACDC and ACDM);</p> <p>3,000,000 unquoted options with an exercise price of A\$0.30 each, expiring two years after issue and vesting upon Company carat production of greater than 3,000,000 carats in FY2026; and</p> <p>2,000,000 unquoted options with an exercise price of A\$0.30 each, expiring two years after issue and vesting upon the Company carat production of greater than 3,000,000 carats in FY2027.</p>
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- 1 No monies will be payable for the issue of the Options.
- 2 Subject to conditions 11 and 12 below, each Option shall carry the right in favour of the option holder to subscribe for one fully paid ordinary share in the capital of the Company (**Share**).
- 3 Subject to condition 10 below, the exercise price for each Option shall be \$0.30 (**Exercise Price**).
- 4 Subject to condition 10 below, the Exercise Price of the Options shall be payable in full on exercise of the Options.
- 5 Options shall be exercisable by the delivery to the registered office on the Company of a notice in writing stating the intention of the option holder to:
 - (a) exercise all or a specified number of Options; and
 - (b) pay the Exercise Price in full for the exercise of each Option.The notice must be accompanied by a cheque made payable to the Company for the exercise price for the Options. An exercise of only some Options shall not affect the rights of the option holder to the balance of the Options held by him.
- 6 The Company shall allot the resultant Shares and deliver the holding statement within five business days of the exercise of the Option.
- 7 Subject to the requirements of the *Corporations Act 2001* (Cth), the Options shall be transferable but will not be listed on the Australian Securities Exchange (**ASX**).
- 8 Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with existing Shares in all respects.
- 9 The Company shall not apply for official quotation of the Options.
- 10 In the case of any entitlements issue (other than a bonus issue) the Exercise Price of the Option shall be reduced according to the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N + 1}$$

O' = the new exercise price of the Option.

O = the old exercise price of the Option.

E = the number of underlying securities into which one Option is exercisable.

P = the average market price per Share (weighted by reference to volume) of the underlying securities during the five trading days ending on the day before the ex-rights date or ex-entitlements date.

S = the subscription price for a security under the pro-rata issue.

D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).

N = the number of securities with rights or entitlements that must be held to receive a rights to one new security.

- 11 In the case of a bonus issue the number of Shares over which the Option is exercisable shall be increased by the number of Shares which the option holder would have received if the Option had been exercised before the record date for the bonus issue. The Company shall notify the ASX of the adjustments in accordance with the Listing Rules.
- 12 In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, the number of the Options or the exercise price of the Options or both shall be reconstructed (as appropriate) in accordance with the Listing Rules.
- 13 The Options will not give any right to participate in dividends or in new issues of capital offered to shareholders during the currency of the Options until Shares are allotted pursuant to the exercise of the relevant Options in accordance with these terms and conditions.



Your proxy voting instruction must be received by **09.30am (AEDT) on Sunday, 19 November 2023**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBSITE:

<https://automicgroup.com.au/>

PHONE:

1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

