



BURGUNDY
DIAMOND MINES

Q3 2023 RESULTS CONFERENCE CALL

NOVEMBER 2, 2023

BURGUNDY DIAMOND MINES LIMITED

ASX: BDM

BURGUNDYDIAMONDS.COM





ABOUT US

A reliable producer of premium rough diamonds to the global luxury market.

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.

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Ore Reserves and Mineral Resources Reporting

The information in this announcement with respect to Mineral Resources and Ore Reserves for the Ekati Diamond Mine were released by the Company on 7 June 2023 (Prospectus). The Company confirms it is not aware of any new information or data that materially affects the information included in the Prospectus and, in the case of estimates of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

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BURGUNDY

DIAMOND MINES

Q3 Highlights (All currency figures in US Dollars unless otherwise stated)

- Revenue of \$91.2 million, up 13% on the prior corresponding period (Q3 2022: \$80.9 million)
- Average realised price of \$116 per carat up 29% on the prior corresponding period (Q3 2022: \$90 per carat)
- Carats recovered of 1.4 million, up 36% on the prior corresponding period (Q3 2022: 1.0 million)
- Average grade of 1.26, up 24% on the prior corresponding period (Q3 2022: 1.02)
- Carats sold of 0.79 million, down 13% on the prior corresponding period (Q3 2022: 0.90 million) in line with previously announced September sales performance as the next auction sale event completed post quarter-end.
- Total tonnes mined of 5.0 million tonnes, down 22% on the prior corresponding period (Q3 2022: 6.4 million tonnes) due in part to lower waste stripping requirements.
- Tonnes processed of 1.1 million tonnes, up 10% on the prior corresponding period (Q3 2022: 1.0 million)
- Adjusted EBITDA of \$21.1 million
- Cash of \$45.5 million, rough diamond inventory of 156.9 million, and net debt (excluding rough diamond inventory) of 89.1 million to end the quarter.
- Successful completion of the transformational acquisition of Ekati Diamond Mine (Ekati)



Q3 SALES UPDATE

Three months ended 30 September 2023

(All currency figures in US Dollars unless otherwise stated)

	Q3 2023	Q3 2022	Variance
Carats Sold	784,681	900,579	-13%
Revenue	\$91.2	\$80.9	13%
Realised price per carat	\$116	\$90	29%
Cash cost per carat	\$66.9	\$47.7 ¹	40%
Cash margin per carat	\$49.4	\$42.3	17%
Cash margin %	43%	47%	-9%

- Three auctions held during the quarter (including one for special stones)
- Four auctions planned for the next quarter (including one for special stones)

Note 1: Q3 2022 Cash cost per carat lower due to high waste capitalization due to catch-up of waste stripping during Q2 & Q3 2022 which flows into PP&E and unwinds as depreciation when strip ratio above average life of mine strip ratio.



DIAMOND MARKET

- Soft market at present due to :
 - Retreat from post-covid high point
 - Over supply by major producers (Russia)
 - Some lab-grown encroachment
 - Rough inventory build-up

- Market actions :
 - Rough sale suspensions by major producers
 - India voluntary import ban
 - G7 Sanctions implementation in early 2024
 - Increased focus on provenance

- The quality of the Ekati product and Canadian provenance remain highly valued in the market

- Diamond market fundamentals remain sound

Global Diamond Supply/Demand Forecast					
Nominal Global Rough Diamond Supply					
	Natural (newly mined)		MM + Rec.	Total Nominal Supply	
	Carats (M)	USD Bil	USD Bil	USD Bil	Nominal Growth ¹
2023	120	\$17.2	\$1.5	\$18.8	4.0%
2024	121	\$17.2	\$1.7	\$19.0	0.8%
2025	129	\$18.6	\$2.0	\$20.6	8.4%
2026	120	\$17.9	\$2.2	\$20.1	-2.2%
2027	119	\$18.2	\$2.2	\$20.3	1.1%
2028	121	\$21.1	\$2.2	\$21.1	3.5%

Nominal Global Polished Diamond End-Consumer Demand					
All figures in USD Bil	Jewelry		Diamond Content		
	Jewelry ²	Diamond Jewelry	Diamond	Nominal Growth	
2023	\$280	\$81	\$26.8	-8.4%	
2024	\$295	\$84	\$27.7	3.5%	
2025	\$311	\$88	\$29.0	4.5%	
2026	\$324	\$91	\$30.0	3.5%	
2027	\$339	\$94	\$31.0	3.5%	
2028	\$354	\$97	\$32.1	3.5%	

Implied Real Natural Rough Diamond Price Growth				
	Model	Other Demand Growth Scenarios		
	Based on Above	-10%	Flat	+10%
2023	-12.5%	-14%	-4%	6%
2024	2.7%	-11%	-1%	9%
2025	-3.9%	-18%	-8%	2%
2026	5.7%	-8%	2%	12%
2027	2.3%	-11%	-1%	9%
2028	0.0%	-14%	-3%	7%

¹Column includes growth from man-made and recycled diamonds, see next page for more information
²Global jewelry demand excluding watches, lowest-end "fashion jewelry" and precious metal bullion
 **Supply and demand growth figures all nominal, but price growth figures all real (ex. inflation)

Q3 OPERATIONS UPDATE

Three months ended 30 September 2023

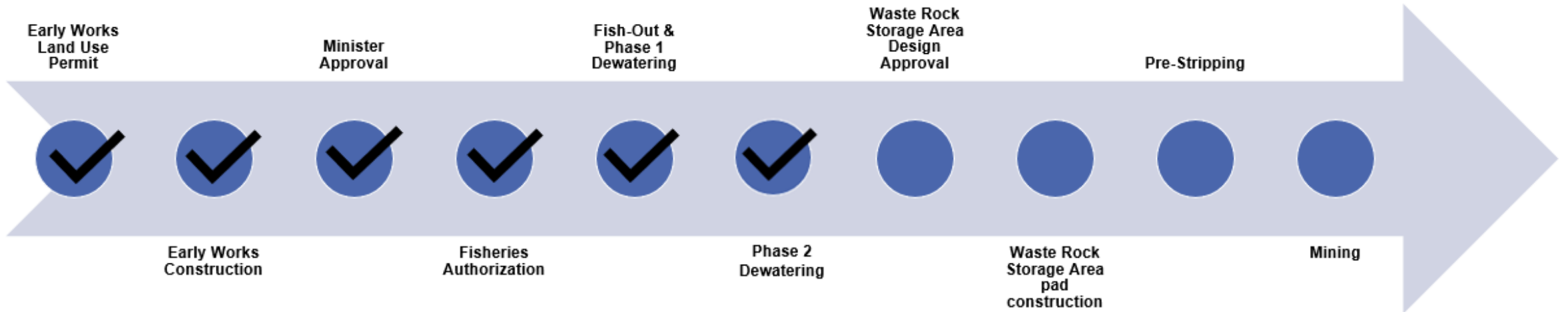
	Units	Q3 2023	Q3 2022	Variance
Total tonnes mined	Wmt	4.97	6.40	-22%
Ore tonnes mined	Wmt	1.24	0.47	164%
Tonnes processed	Dmt	1.09	0.99	10%
Carats recovered	mCts	1.37	1.01	36%
Grade	C/t	1.26	1.02	24%
Rough diamond inventories	mCts	1.89	1.17	62%



POINT LAKE PROJECT UPDATE

Progress during Q3 2023

- Phase 2 dewatering completed
 - 92% of water volume pumped out
 - Barge/pump retrieval in progress
- Open pit mining approval received
- WRSA approval expected in early Q4



Q3 FINANCIAL UPDATE

Three months ended 30 September 2023

(All currency figures in US Dollars unless otherwise stated)

	As at 30 September 2023	As at 30 June 2023 Pro forma
Cash	45.5	68.5
Diamond inventories	156.9	129.3
Bank loans and Borrowings	73.8	73.8
Other Obligations (capital leases and notes)	60.8	63.3
Consolidated Net Debt(Cash)	89.1	69.0
Consolidated Net Debt(Cash) including diamond inventories	(67.8)	(60.7)

Note: The proforma figures represent Burgundy Diamond Mines Ltd. consolidated with Arctic Canadian Diamond Company Ltd and Arctic Canadian Diamond Marketing NV ("Arctic entities") assuming the acquisition of Arctic entities was completed on June 30, 2023.



CORPORATE STRATEGY

Strategy underpinned by three achievable objectives

<p>1 Ekati operations <i>During Burgundy's due diligence period, several areas of improvement were identified</i></p>	<ul style="list-style-type: none">✓ Mine life additions – multiple conventional open pit and underground options are being explored to support significant mine life extension✓ Operational improvements – various opportunities have been identified to improve efficiency and reduce costs✓ Long-term partnerships aligning to the life of mine
<p>2 Downstream <i>Leverage vertical integration model</i></p>	<ul style="list-style-type: none">✓ Maximise margins through the Company's internal sorting, cutting and polishing facilities✓ Opportunities to optimise the rough diamond inventory cycle✓ Various innovative opportunities being explored to enhance diamond sale processes
<p>3 M&A <i>Identify new opportunities</i></p>	<ul style="list-style-type: none">✓ Ekati is the foundational asset in Burgundy's aim to become a multi-mine, tier 1 producer and a meaningful player in the global diamond industry

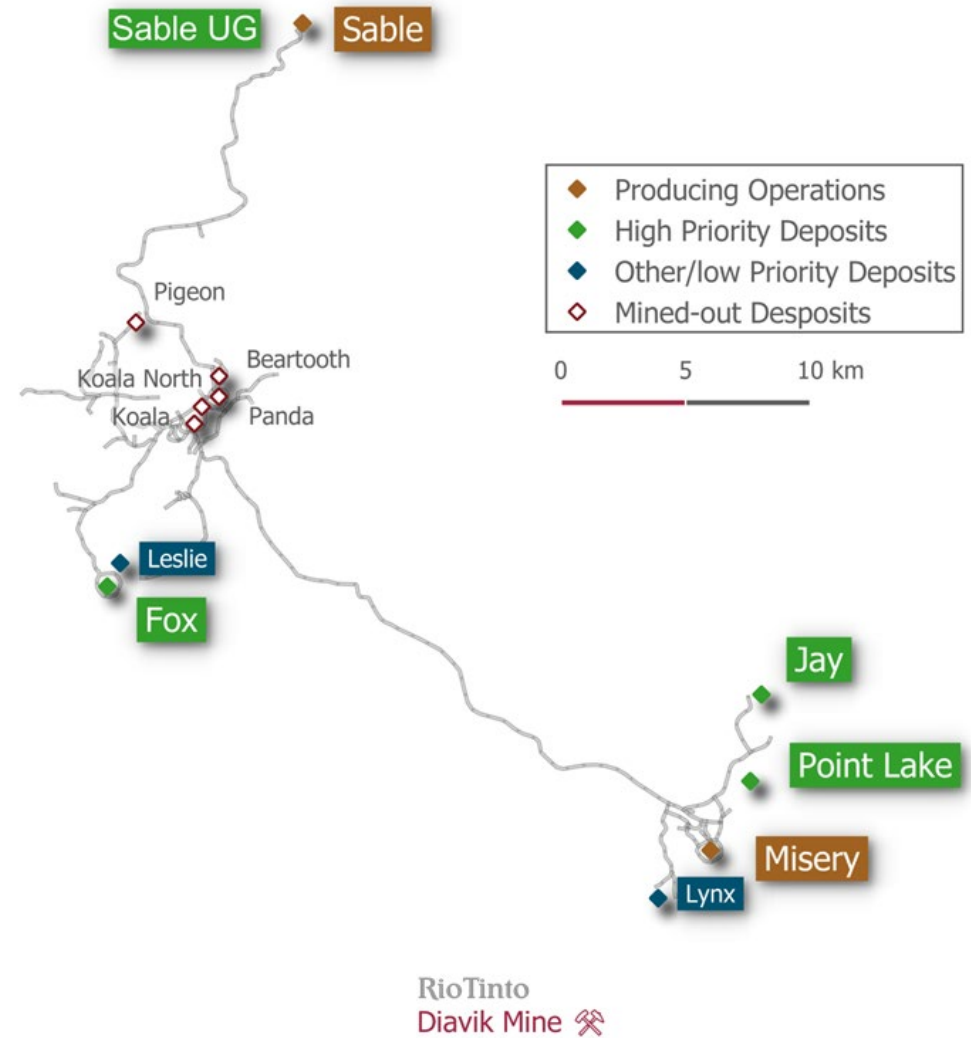


CONCEPTUAL MINE LIFE ADDITIONS

CLEAR OPPORTUNITIES FOR ENHANCEMENT AND EXTENSION

Enhanced Life of Mine 2025-2036

- 1 Misery Underground continuation at depth beyond 2025.
- 2 Potential expansion of the Point Lake open pit.
- 3 Sable Underground operation following the open pit completion.
- 4 Fox Underground operation below the existing open pit.
- 5 Fox Stockpile



EKATI OPERATIONAL IMPROVEMENTS INITIATED

Business Improvement

- ❑ People
 - Labour efficiency
 - Leadership capability improvement
 - Time wastage
 - Rosters and flights
- ❑ Inventory
 - Rough diamond sale pipeline (potential to release US\$30 to US\$50m)
 - Supplies (fuel, explosives, other consumables)
 - Working capital efficiency
- ❑ Fixed and mobile assets
 - Mine Fleet Optimization (equipment park-up, timing of Point Lake start-up etc.)
 - Mine Site reconfiguration (camp, building rationalization)
 - Energy usage
- ❑ Initiative Tracking System
 - Tried and tested tracking framework installed
 - Workforce rollout underway
 - 115 Ideas generated by workforce over the last 6 weeks.





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