

Quarterly Activities Report

For the period ending 31 December 2023

Highlights (All currency figures in U.S. Dollars, unless otherwise stated)

- Revenue of \$166 million, up 37% on the prior corresponding period (Q4 2022: \$121 million)
- Average realised price of \$93 per carat down 2% on the prior corresponding period (Q4 2022: \$95 per carat)
- Carats recovered of 1.2 million, up 19% on the prior corresponding period (Q4 2022: 1.0 million)
- Average grade of 1.17, up 12% on the prior corresponding period (Q4 2023: 1.05)
- Carats sold of 1.8 million, up 41% on the prior corresponding period (Q4 2022: 1.3 million) in line with previously announced December sales performance.
- Total tonnes mined of 4.3 million tonnes, down 33% on the prior corresponding period (Q4 2022: 6.4 million tonnes) due to lower waste stripping requirements.
- Tonnes processed of 1.1 million tonnes, up 6% on the prior corresponding period (Q4 2022: 1.0 million)
- Unaudited EBITDA of \$60 million for the December quarter.
- Strong Balance Sheet and Inventory:
 - Cash of \$94 million, up 107% from the prior period (Q3 2023: \$46 million)
 - Rough diamond inventory of \$121 million, down 23% from the prior period (Q3 2023: \$157 million)
 - Net debt (excluding rough diamond inventory) of \$35 million, down 60% from the prior period (Q3 2023: \$89 million)

Burgundy Diamond Mines Limited (ASX: BDM) (Burgundy or the Company) is pleased to provide its quarterly activities report for the period ended 31 December 2023 (**December quarter**).

Burgundy recognises both long-term and new shareholders for their ongoing support as the Company continues to successfully execute its corporate and operational strategies. The transformational acquisition



of the Ekati Diamond Mine (**Ekati**) and 100% of the outstanding shares of the Arctic group of companies has delivered a positive and exciting period for Burgundy with increased revenue, diamond sales, tonnes processed and carats recovered at Ekati.

Sales Performance

During the December quarter, 1,789,503 carats were sold for total proceeds of \$166 million, with an average selling price of \$93 per carat. These results compare to Q4 2022 where 1,273,725 carats were sold for total proceeds of \$121 million, with an average selling price of \$95 per carat.

Total revenue for Q4 CY23 was slightly lower than previously reported December quarter sales of \$170 million due to some amounts not being paid by customers prior to quarter close, however all outstanding funds were received in early January.

Despite some market softening in the sales of cut and polished diamonds, and the resulting decline in demand for rough diamonds, Ekati product has continued to generate strong buyer interest and high sell-through rates. The quality of the Ekati product and Canadian provenance remain highly valued in the market, supporting the Company's sales events in line with its vertically integrated business model to capture margins across the full diamond value chain.

The increased focus on provenance and traceability is highlighted by the ongoing efforts of the G7 sanctions to restrict the flow of Russian diamonds, which should further restrict the supply of natural diamonds to the market, ultimately leading to increased prices.

The Company completed four auction sale events in the December quarter including one for special stones. During the December quarter the company sold all available rough diamond inventory except for the special stones that are consolidated for those special auctions held at specified times throughout the year. The remaining rough diamond inventory consists of product that is not yet ready for sale but continues to progress through the normal production process managed by the Company.

Ekati Operational Performance

Ekati has two active operations that contributed to the results in the December quarter, an open pit operation at Sable and an underground operation at Misery with approximately 75% of the total ore mined generated from Sable during the period. Total tonnes mined in the December quarter was lower than the prior corresponding period in 2022 due to the lower waste strip requirement in the Sable pit.

Ore processed in the December quarter was 6% higher than the prior corresponding and carats recovered were also higher than the prior corresponding period in 2022 primarily due to an improved feed mix to the process plant. Process plant throughput for the year ended December 2023 was the highest achieved during a 12-month period since 2013.

Carats recovered of 1.2 million carats for the December quarter, were up 19% as compared to the same period in 2022, in line with the Re-compliance Prospectus released in June 2023.

Further positive news with the dewatering and final mining permits received for the Point Lake project during the December quarter. Point Lake is now ready for the next phase of development which is expected to start in late Q1 CY24 with full production expected to commence in Q4 CY24.



Key operating performance metrics are included in the table below.

	<i>Units</i>	Q4 2023	Q4 2022	% Variance
Total tonnes mined	<i>mWmt</i>	4.25	6.38	(33%)
Ore tonnes mined	<i>mWmt</i>	1.10	0.87	26%
Tonnes processed	<i>mDmt</i>	1.05	0.99	6%
Carats recovered	<i>mCts</i>	1.23	1.03	19%
Carats sold	<i>mCts</i>	1.79	1.27	41%
Rough diamond inventories	<i>mCts</i>	1.33	0.93	43%
Carats recovered per tonne processed	<i>C/t</i>	1.17	1.05	12%

Burgundy Diamond Mines Chief Executive Officer & Managing Director, Kim Truter said:

“The final quarter of the year has again been a busy one particularly in our rough sales area as we focussed on improving customer engagement, reviewing our sorting processes and inventory pipeline and examining ways to enhance our sales channels. This work will largely come to fruition in the first half of the year when we plan to crystallise several decisions which will enhance our rough diamond sales process for our customers and accelerate movement of product through our diamond inventory pipeline which will free up cash.”

“The global diamond market has been resilient and increasingly favourable of our highly sought after Ekati product and Canadian provenance. Each of our four auctions during the December quarter were over subscribed due to significant customer demand and their loyalty to Burgundy. This has put us in a strong position with a healthy cash balance to fund the upcoming winter road resupply and to commence the important work activities to extend the mine life at Ekati.”

“Work continued at pace on extending the mine life as a top priority. The Point Lake project has been optimised in terms of pit size and mine sequencing and it is on track to commence pre-stripping later in the year. Mine design work for Sable underground has continued, including finalising the portal position and timing (intended for August 2024). The permit application process for the Sable underground has commenced and community engagement has ramped up. Samples of the historical Fox stockpile material have been examined to inform processing options and this is already looking very favourable. Production from the Misery underground operation continues to exceed target and all indications are that production from Misery will continue for at least the next three years and possibly longer. All this information continues to inform and strengthen the long term mine plan as we seek to extend the mine life which is very exciting for all stakeholders including our talented teams on the ground and valued shareholders worldwide”

“During the quarter we recovered several very special white and fancy yellow diamonds, the largest of which was 75 carats. These special stones remain highly sought after and attract strong interest from our international customers as well as luxury brands”

“Production performance has generally exceeded targets evidenced by quarter on quarter performance comparisons. The process plant in particular has performed exceptionally well, with the highest annual performance since 2013. This is testament to our focus on reliable, consistent performance and strong disciplined operational leadership. Our teams have done an exceptional job during the quarter and as a result Ekati produced over 5 million for the year of the best diamonds on the planet”

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Cutting and Polishing (Perth operations)

The experienced artisans at Burgundy's sophisticated cutting and polishing facilities – the only cutting and polishing facility of this calibre in Australia - continue to deliver world class fancy coloured and white diamonds for global markets. Sales of \$0.9 million worth of cut and polished diamonds occurred during the quarter and an additional 310 carats of fancy diamonds were cut and polished which will be available for sale in the first half of 2024. Also, during the December quarter a review of the facility was completed which identified several opportunities to further enhance equipment and processes.

Other Projects

Naujaat Project

No substantive activities occurred during the December quarter.

Ellensdale

Reclamation of the Ellensdale project was completed in August. The Company has commenced the ongoing monitoring and reporting as required by Federal and State Government agencies and other stakeholders in Australia.

Corporate

Corporate and financial summary 31st December 2023

	<i>Units</i>	As at 31 December 2023²	As at 30 September 2023
Cash	<i>US\$m</i>	94.4	45.5
Diamond inventories	<i>US\$m</i>	120.6	156.9
	<i>mcarats</i>	1.3	1.9
Bank loans and Borrowings	<i>US\$m</i>	73.8	73.8
Convertible Notes	<i>US\$m</i>	22.3	20.6
Earn-out promissory notes	<i>US\$m</i>	7.1	13.2
Capital leases	<i>US\$m</i>	26.3	27.0
Consolidated Net Debt/(Cash) ¹	<i>US\$m</i>	35.1	89.1
Consolidated Net Debt/(Cash) including diamond inventories	<i>US\$m</i>	(85.5)	(67.8)

Notes:

1. Consolidated Net Debt comprises of bank loans and borrowings, convertible notes, earn-out promissory notes and capital leases less cash.
2. December closing balances are unaudited

Investor Webinar

Webinar presentation for institutional investors and analysts on Monday January 29th at 4:30pm PST (Canada/US) / Tuesday January 30th at 11:30am AEDT (Australia).

Please click the link below to join the webinar:

<https://us06web.zoom.us/j/87225748047?pwd=GITJ9Mqkej9y5bFKtqxfWs61IB0dCA.719I6NFOP22wAK60>

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Passcode: 187142

Webinar ID: 872 2574 8047

Passcode: 187142

International numbers available: <https://us06web.zoom.us/j/kjBYzCfVu>

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This announcement was authorised for release by the Board of Burgundy Diamond Mines Limited.

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About Burgundy Diamond Mines Limited

Burgundy Diamond Mines is a premier independent global scale diamond company focused on capturing the end-to-end value of its unique vertically integrated business model.

Burgundy's innovative strategy is focused on capturing margins along the full value chain of the diamond market, inclusive of mining, production, cutting and polishing, and sale of diamonds. By building a balanced portfolio of the world's best diamond projects in favourable jurisdictions, including the globally ranked Canadian mining asset Ekati, a world class diamond cutting and polishing facility in Perth, and high value diamond brands including Maison Mazerea and Canadamark, Burgundy has unlocked access to the full diamond value chain.

This end-to-end business model with total chain of custody provides traceability along every step of the process, with Burgundy able to safeguard the ethical production of the diamonds from mining to marketing and discovery to design.

Burgundy is founded in Perth, Western Australia and led by a world-class management team and Board.

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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