



BURGUNDY
DIAMOND MINES

2023 YEAR END RESULTS

BURGUNDY DIAMOND MINES (ASX: BDM)

27 MARCH 2024

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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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PRESENTERS



KIM TRUTER
Chief Executive Officer &
Managing Director



BRAD BAYLIS
Chief Financial Officer

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SUSTAINABILITY HIGHLIGHTS



SAFETY

- Revitalizing safety performance with primary focus on fatality prevention and critical controls
- LTIFR⁽¹⁾ (0.32 vs 0.16) and TRIFR⁽¹⁾ (0.96 vs 0.80) increased from the same period in 2022⁽²⁾.



ENVIRONMENT

- Primary focus incidents requiring external reporting.
- Received 10-year approval for renewal of Type A Water License for the Ekati mine.
- Final Point Lake permits received with mining scheduled to start in Q1 2024.



COMMUNITIES

- Significant contributions through Impact Benefit Agreement payments, Northern Spend, sponsorships, community donations and Northwest Territories wildfire response.
- Recognized with an ESG award for significant contribution and support during the 2023 Northwest Territories wildfires.

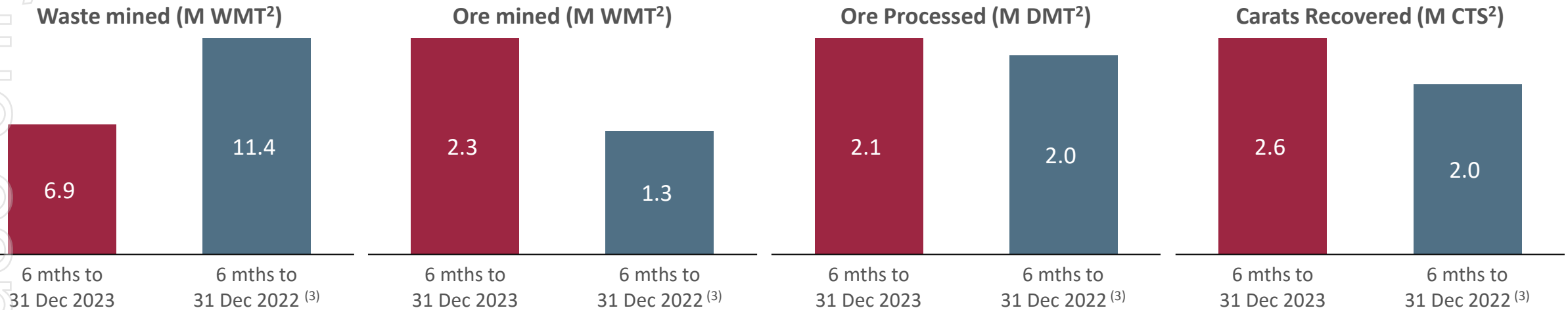


Ekati Emergency Response Team won first place in the Surface Mine Rescue event at the 2023 Northern Regional Mine Rescue Competition, hosted in Yellowknife, Northwest Territories (NWT).

⁽¹⁾ LTIFR (Lost time Injury Frequency Rate) and TRIFR (Total Reportable Injury Frequency Rate) are a non-IFRS metrics. These are calculated as the number of incidents x 200,000 ÷ exposure hours resulting in an industry standard ratio measuring injuries per 200,000 hours worked.

⁽²⁾ Values for July to December 2022 are prior to Burgundy's purchase of its interest in the Ekati mine.

FY2023 PERFORMANCE HIGHLIGHTS⁽¹⁾



REVENUE
\$257.5M from a total
of 2.6M Carats sold

EBITDA⁽⁴⁾
\$69.1M

**CASH FLOW FROM
OPERATING ACTIVITIES**
\$68.0M

NET DEBT⁽⁵⁾
\$39.3M

⁽¹⁾ 2023 Year end results reflect the 6-month period ended 31 December 2023. All currency values reflect US Dollars unless stated otherwise.

⁽²⁾ M WMT = Million Wet Metric Tonnes; M DMT = Million Dry Metric Tonnes; M CTS = Million Carats

⁽³⁾ Shown for comparative purposes. July to December 2022 was prior to Burgundy's purchase of its interest in the Ekati mine.

⁽⁴⁾ EBITDA is a non-IFRS metric and is calculated as Net income (Loss) plus Current Tax Expense (Recovery) plus Deferred Tax Expense (Recovery) plus Finance Expenses plus Depreciation and Amortisation.

⁽⁵⁾ Net debt is a non-IFRS metric and is calculated as Terms Loans plus Convertible Debt plus Promissory (Earn out) Notes plus Capital Leases less Cash and Cash Equivalents.

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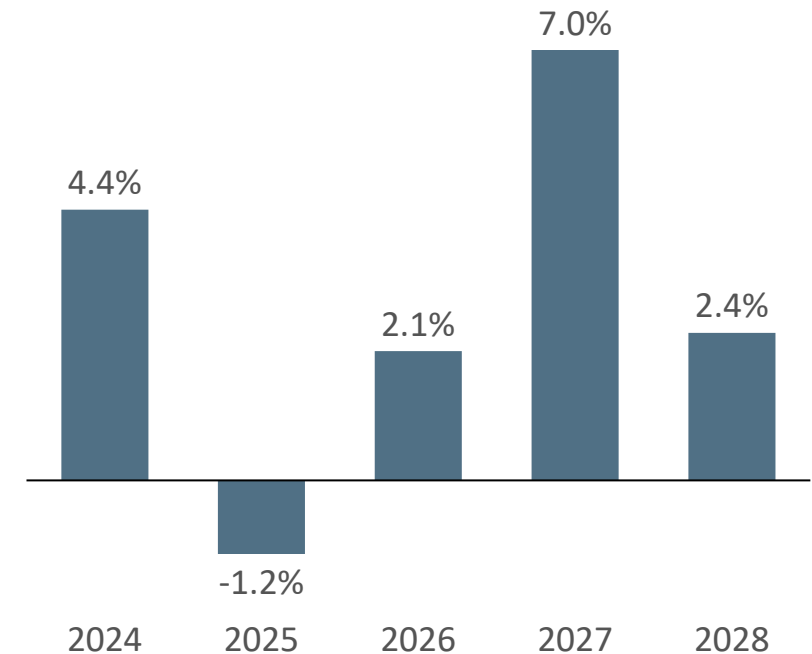
Operational and
Financial Results



MARKET OVERVIEW⁽¹⁾

- Looking back at 2023:
 - H1 2023 saw a 14% point drop in selling prices with a further 6% point drop in the second half of the year
 - Diamond industry has been in oversupply in the short-term following record demand in 2021 and 2022.
 - Global macro-economic factors continued to impact demand.
 - In Q4 2023, India implemented a buying hiatus which resulted in major miners stockpiling inventory.
- Looking forward at 2024:
 - G7 nations have produced a framework to further restrict the flow of Russian diamonds.
 - Global natural diamond production in 2024 is forecast at 117.5M carats, down 3.5M carats from 2023.
 - Better than expected holiday shopping season positive for both rough and polished sales
 - Improved macro-economics and Chinese demand would support higher prices particularly in H2 2024

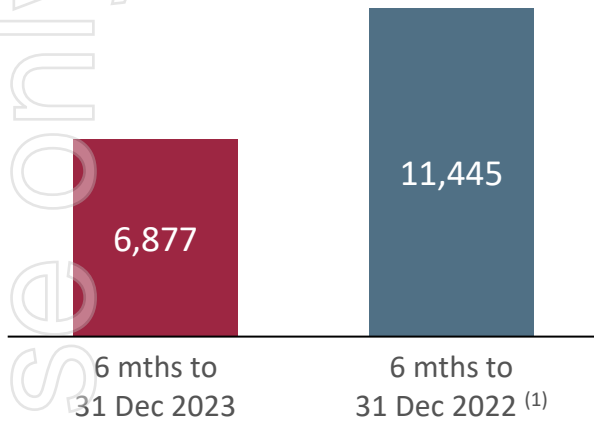
Forecast Real Rough Diamond Price Growth



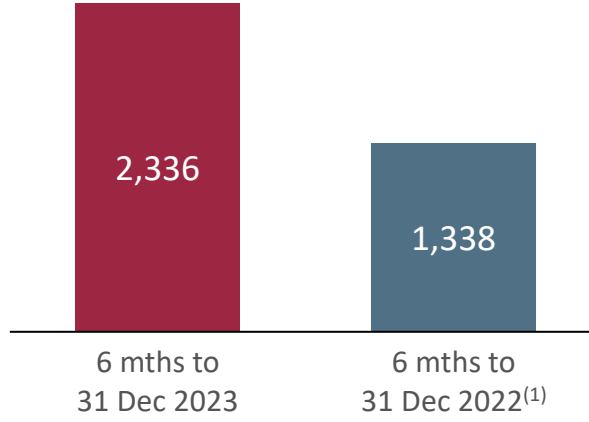
(1) Sources:
Zimnisky, P. (February 2024). State of the Diamond Market
Zimnisky, P. (2024). Factors Impacting Natural Diamond Supply in 2024 (gjepec.org/solitaire/factors-impacting-natural-diamond-supply-in-2024)
Zimnisky, P. (2024). Diamond Prices Poised for a Rebound in 2024 (gjepec.org/solitaire/diamond-prices-poised-for-a-rebound-in-2024)

FY2023 OPERATIONAL HIGHLIGHTS

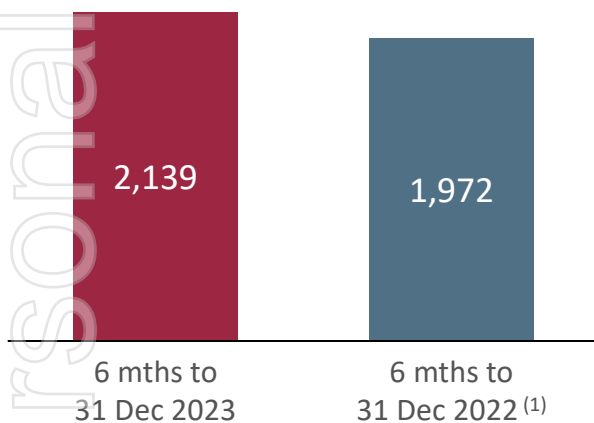
Waste mined (000 WMT)



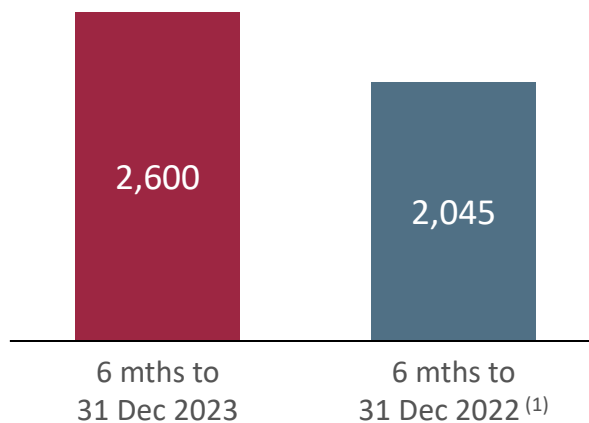
Ore mined (000 WMT)



Ore Processed (000 DMT)



Carats Recovered (000 CTS)



- Waste Tonnes mined down 40% over the same period in 2022 due to lower waste stripping requirements (strip ratio decline)
- Ore mined up 75% over the same period in 2022 due to improved in-pit ore access and improved productivity
- Ore processed up 8% from the same 6-month period in 2022.
- 12-month ore processed ending December 2023 was the highest since 2014.
- Carat recovery up 27% from the same period in 2022 due to both higher throughput and average grade.

⁽¹⁾ Shown for comparative purposes. July to December 2022 was prior to Burgundy's purchase of its interest in the Ekati mine

FY2023 FINANCIAL HIGHLIGHTS

		6 mths to 31 Dec 2023	12 mths to 30 Jun 2023
Carats Sold	M Carats	2,574.4	0.0
Revenue	\$M	257.5	3.5
Realised Price Per Carat⁽¹⁾	\$/Ct	100	26,415
Cash Cost per Carat⁽²⁾	\$/Ct	69	31,160
Cash Margin per Carat	\$/Ct	31	(4,744)
Cash Margin %	%	31%	(18%)
EBITDA⁽³⁾	\$M	69.1	(14.2)
Earnings (Loss) per Share	\$/Share	(0.05)	(5.09)
Capital Expenditure	\$M	13.5	1.0

- Revenue and costs for the 12-month period ended 30 June 2023 reflect only polished sales and related expenditure.
- Revenue for the 6-months ended include third party sales of both rough (\$257.4M) and polished diamonds (\$1.0M).
- Gross margin is up to 10.2% for the 6 months ended 31 December 2023 from -79.7% for the 12 months ended 30 June 2023.
- EBITDA margin is up to 26.8% for the 6 months ended 31 December 2023 from -410.3% for the 12 months ended 30 June 2023

⁽¹⁾ Realised price per carat is a non-IFRS metric and is calculated as total revenue divided by total carats sold.

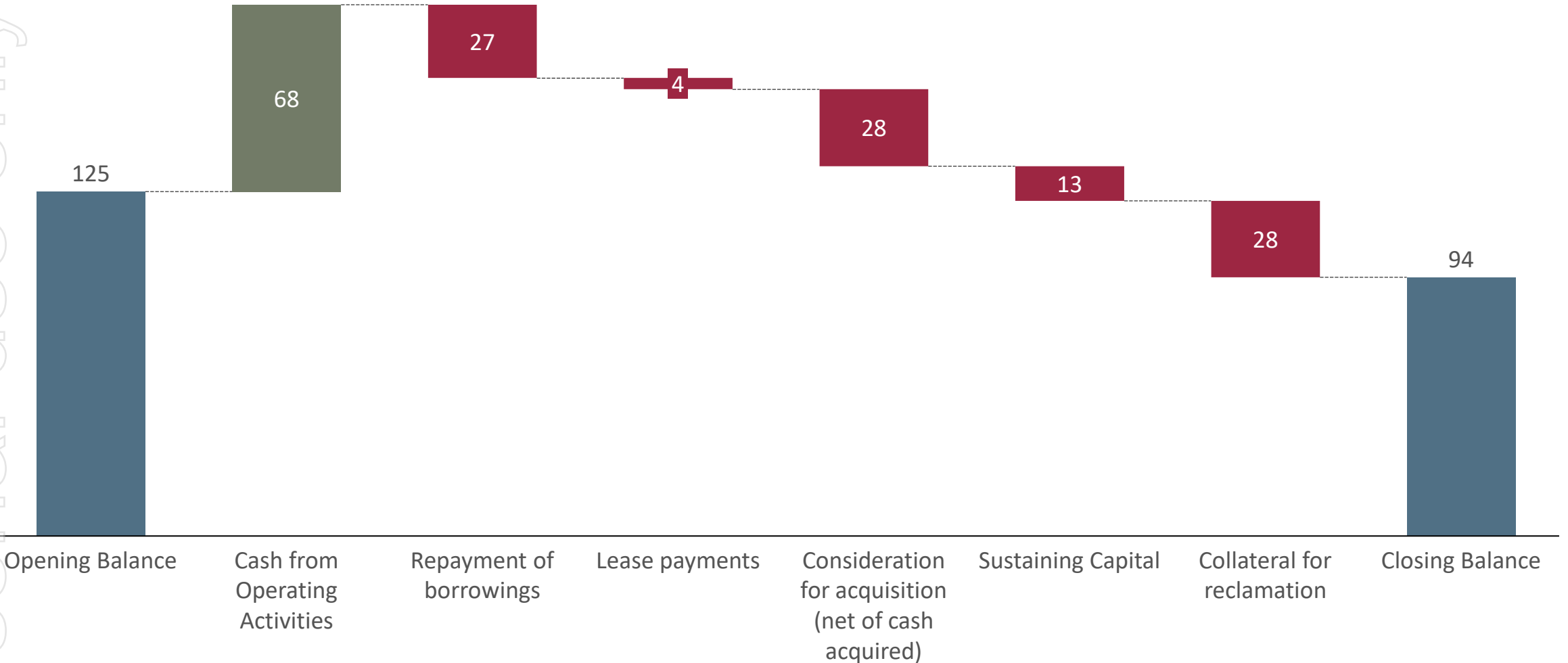
⁽²⁾ Cash Costs per carat is a non-IFRS metric and is calculated as Production cost of inventories included in Cost of Sales divided by total carats sold.

⁽³⁾ EBITDA is a non-IFRS metric and is calculated as Net income (Loss) plus Current Tax Expense (Recovery) plus Deferred Tax Expense (Recovery) plus Finance Expenses



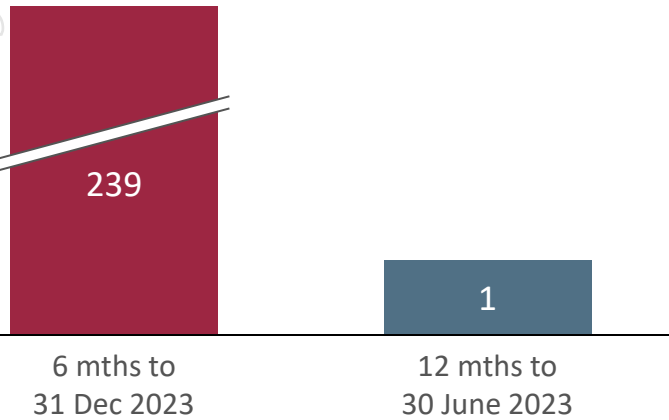
CHANGE IN CASH (FROM 30 JUNE TO 31 DECEMBER)

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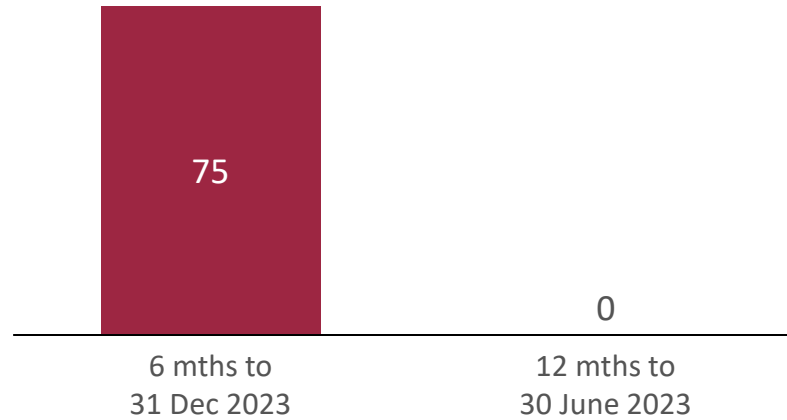


BALANCE SHEET AND LIQUIDITY (\$M)

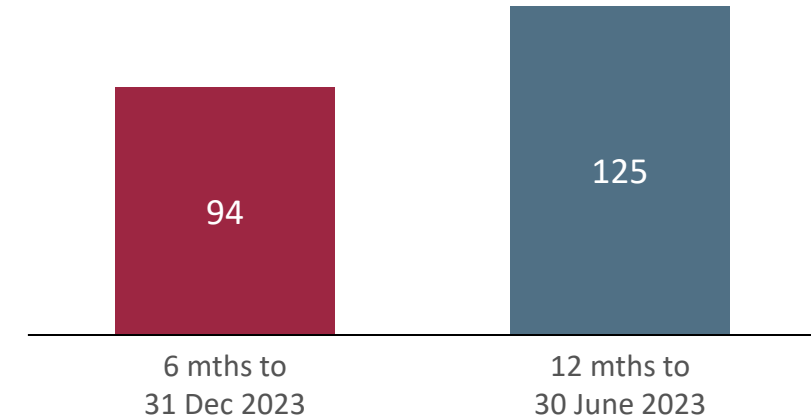
Property, Plant and Equipment



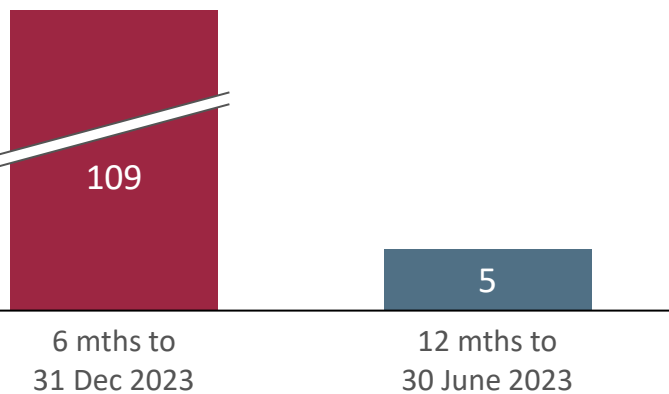
Other Non-Current Assets⁽¹⁾



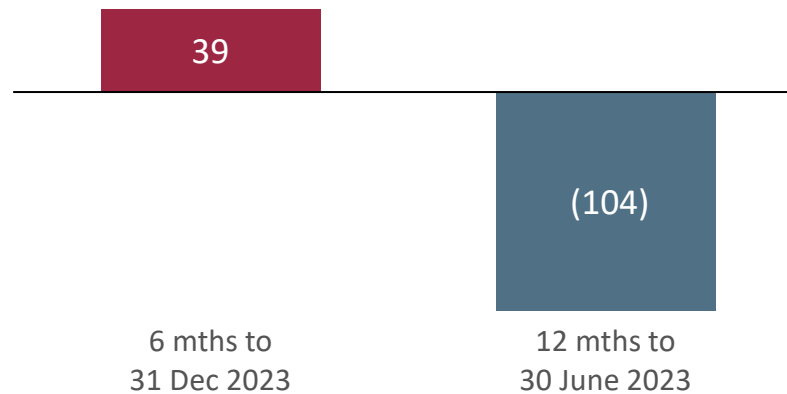
Cash and Cash Equivalents⁽²⁾



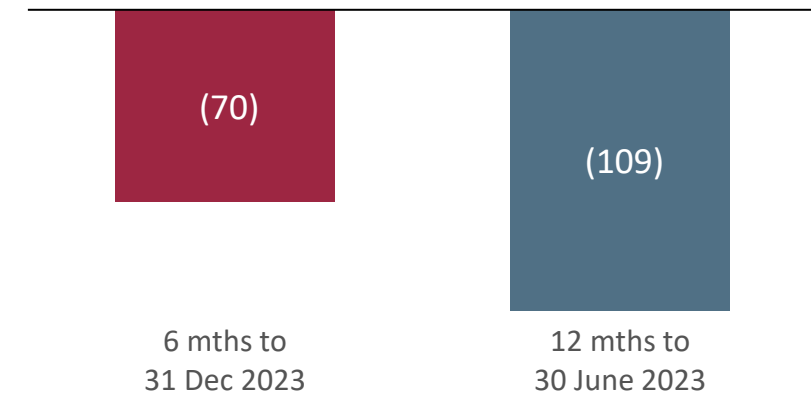
Diamond Inventories⁽³⁾



Net Debt⁽⁴⁾



Net Debt (Including Diamond Inventories)⁽⁵⁾



⁽¹⁾ Other non-current assets includes Sample diamonds (\$2.4M), Restricted cash associated with letter of credit (\$10.6M), and Reclamation deposits (\$61.6M)

⁽²⁾ Cash and Cash Equivalents for the period ended 30 June 2023 includes cash used for the acquisition of Burgundy's interest in the Ekati mine.

⁽³⁾ Diamond inventories are shown at the lower of cost and net realizable value

⁽⁴⁾ Net debt is a non-IFRS metric and is calculated as Terms Loans plus Convertible Debt plus Promissory (Earn out) Notes plus Capital Leases less Cash and Cash Equivalents.

⁽⁵⁾ Net debt (including Diamond Inventories) is a non-IFRS metric and is calculated as Net Debt less Diamond Inventories at the lower of cost and net realizable value.



02

Business Update

SURETY UPDATE

- **Legacy surety :**
 - Agreement in principle with surety providers to extend the term of cash collateralisation of closure liabilities over published mine life
 - Collateralisation payments are now scheduled to be completed in 2027.
 - **New Point Lake Arrangement :**
 - New surety bond for \$13.6M (CAD) for Phase 2 of the Point Lake development.
- Combined benefit of US\$130m in 2024**



SALES AND G7 SANCTIONS

- Sales conducted in January and February 2024 have seen some price stability.
- Rough diamond sale held on 26 March and a special and fancy stone sale is planned for late April.
- G7 sanctions on goods of Russian origin kicked off at the start of March.
- Burgundy has worked with regulators to ensure compliance with tracking requirements.
- Ekati goods with their Canadian provenance remain highly valued in the market.



POINT LAKE COMMISSIONING

- Phase 2 dewatering completed
- Open pit mining approval received
- Construction of the Waste Rock Storage Area pad has commenced.
- The first mining blast in early March.
- First ore expected in Q3 2024.



Point Lake was the first diamondiferous pipe discovered on the Ekati property and is the latest to be mined. It adds 24M carats to Ekati's Indicated resources.





SIGNIFICANT PROGRESS ON EKATI MINE LIFE EXTENSIONS

New mine plan set to be published by year end

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1

Point Lake:

- Pit optimisation study
- Pre-strip commenced in preparation for production by Q4 2024

2

Misery:

- Ore body at depth appears to be thicker than originally modelled⁽¹⁾
- Geotechnical and ore body extension drilling in Q2 2024

3

Sable underground:

- Underground portal location finalised, to be developed in August 2024
- RC drilling started in February to increase Sable Mineral Resources
- Geotechnical drilling to start Q1 2024
- Permit application (project description) to be submitted in March 2024

4

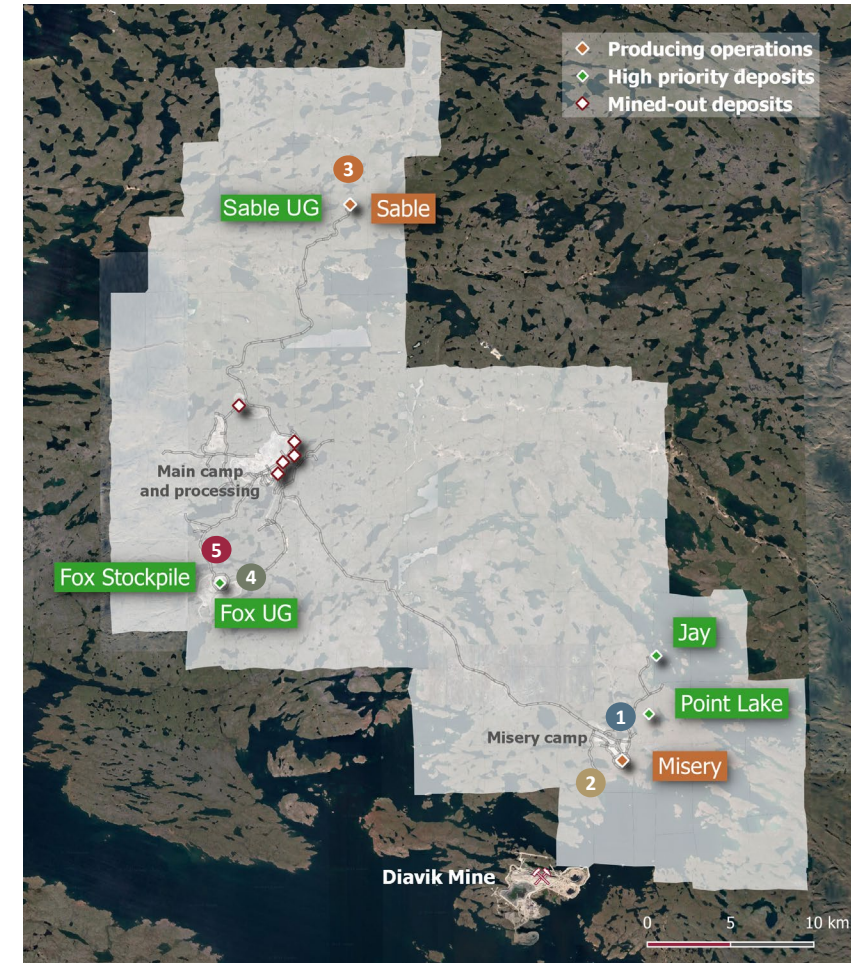
Fox underground:

- Preliminary work completed
- Existing prefeasibility study to be revised with new mining method and drilling data

5

Fox unprocessed stockpile:

- High value, mined, but unprocessed stockpile of fines
- Mineral Resource of 6.7 Mt containing ~1 Mcts at US\$278/ct⁽²⁾
- Processing test work completed to assess upgrading options



⁽¹⁾A series of cubex delineation holes were drilled in 2023 indicating a thicker pipe at depth than had been previously modelled.

⁽²⁾ Mineral Resource estimate as of December 31 2023 using a 0.5 mm bottom cut-off. The US\$/ct was determined using current market conditions and may vary. The US\$/ct estimate is based on previous production parcels from the Fox deposit. More details can be found in the ASX release "Ekati Diamond Mine Ore Reserves and Mineral Resources" dated 14th March 2023; recorded under "Stockpiles".

2024 FULL YEAR GUIDANCE

Ore Tonnes Mined	4.2 to 4.7 million tonnes
Total Tonnes Mined	14.7 to 15.7 million tonnes
Tonnes Processed	4.0 to 4.4 million tonnes
Carats Recovered	4.9 to 5.3 million carats
Carats Sold	4.9 to 5.3 million carats





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