



Burgundy reduces debt through Convertible Notes payout

Calgary, Alberta – Burgundy Diamond Mines Limited (ASX:BDM) (Burgundy or the Company) is pleased to report the Company has paid out its Convertible Notes totalling US\$23.6M, significantly reducing its debt position.

Kim Truter, Burgundy CEO and MD, commented, “We had several options for our Convertible Notes, and we believe this was the best way forward for the Company. We are pleased to take this major step in further strengthening our balance sheet. The fact we have opted to pay this out in cash highlights the strength and belief in our business and our optimism in the diamond market.

Last month we announced our renegotiated surety deal which freed up ~US\$114M in cash for 2024, and today we have significantly reduced our debt by successfully closing on our Convertible Notes. We have now secured our position as the number one producer in our peer group, not only on a carat production basis, but also on a debt to earnings multiple. In addition, two weeks ago we announced the likely extension of our highly cash accretive Misery operation, which is very positive for us as it allows Ekati to run longer with no major capital expenditure requirements over the next couple of years.

In late Q1-2025 we will be announcing our extended mine plan, which will mark another important milestone for the Company and will aim to solidify Ekati’s long term future. We are well on our way, and very happy with Burgundy’s progress.”

Michael O’Keeffe, Non-executive Chairman said, “Despite being a countercyclical acquisition, the tier-1 nature of the mine and infrastructure has generated ~A\$196M in EBITDA during the first 12 months of operations. This is providing flexibility to both de-lever the balance sheet and develop the resource base to extend mine life. The Ekati asset continues to outperform expectations, offering significant earnings leverage potential for shareholders as diamond prices turn higher.”

Convertible Notes summary

On the 16th of September 2021, Burgundy issued 35 million Convertible Notes paying a 6% coupon rate, convertible into ordinary shares at a fixed price of A\$0.264 (see ASX announcement released 25th of July 2021). On the 20th of September 2024, the payout of the Convertible Notes from the Company’s existing cash reserves was completed.

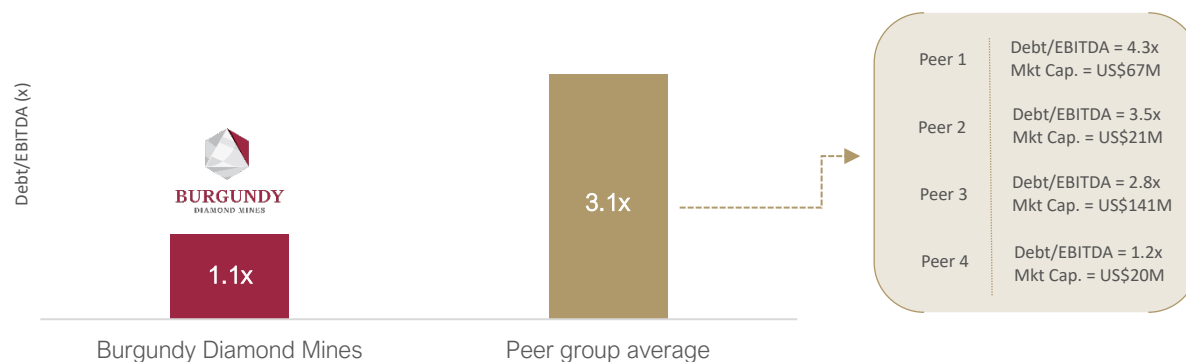
Noteholders’ number of debt units	Payout option	Noteholders’ cash received
34,950,000	99.86%	US\$23.6M

Notes: AS\$:US\$ spot conversion of 0.68 as of September 17th 2024. Actual Noteholders’ cash received may vary based on exchange rates and rounding effects. Funds received by Noteholders are subject to international processing times that may range from 2-5 business days after payment. 50,000 units were converted to shares in 2023.



Debt to earnings peer group analysis

Burgundy has the best debt to earnings ratio out of its peer group, consisting of four publicly traded diamond producers.



Notes: Peer group information was compiled from S&P Global Market Intelligence from the latest quarterly or half yearly information using an annualised EBITDA factor. The peer group average was calculated on a weighted market capitalisation as of 12th September 2024. Burgundy's multiple was modified from S&P Global Market Intelligence for the period ended 30th June 2024 to exclude the Convertible Note debt (total debt = US\$95.8M, including capital leases of US\$22M). Rounding effects and differences in exchange rates may vary results.

Outstanding debt

Burgundy has bolstered its balance sheet by reducing its debt, with a remaining balance of ~US\$74M due on June 30th 2026 (2L Loan)¹. Burgundy has carefully managed its cash, ensuring sufficient reserves to fund ongoing business requirements. The full cash payout of the Convertible Notes highlights Burgundy's confidence in the business and optimism in the diamond market.

Notes: (1) 2L loan only. Excludes capital leases of US\$22M. Total debt as of date equals US\$95.8M.

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 industry, including mining, production, cutting and polishing, and the sale of diamonds. By building a balanced portfolio of diamond projects in favourable jurisdictions, including the globally ranked Canadian mining asset, Ekati, and a diamond cutting and polishing facility in Perth, 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 was founded in Perth, Western Australia. The company is 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.