

Quarterly Activities Report

For the period ending 31 December 2024

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

US\$:A\$ FX rate of 1.61

CY-2024 operational and financial results (unaudited)

- Recovered carats for CY-2024 was 2% below guidance. CY-2024 operating guidance for ore tonnes mined and tonnes processed was achieved.
- Global rough diamond revenue per carat was down approximately 15-20% YoY (estimate), while Burgundy's CY-2024 rough diamond per carat was down ~10% YoY. CY-2024 carats sold guidance was achieved.
- EBITDA for CY-2024 was 6% below guidance, and CY-2024 revenue guidance was achieved.

Q4-2024 Ekati operational performance

- 0.97 million ore tonnes mined.
- 2.74 million waste tonnes mined.
- 0.98 million tonnes processed.
- 1.02 million carats recovered.

Q4-2024 Sales performance

- 1.10 million carats sold over two auction events and other sales channels.
- US\$92/ct achieved for total proceeds of US\$101 million (A\$162 million).

Q4-2024 Corporate

- Qualifying environmental trust established, with a total cash contribution of US\$58.7 million made in 2024 with refundable tax credit.
- The qualifying environmental trust tax credits can be applied to 2024 taxable income, carry back to tax period ended December 2023 or carry forward to future years.
- EBITDA of US\$20.5 million (A\$33.0 million).
- Cash of US\$25.1 million (A\$40.4 million).
- Diamond inventory valued US\$63.3 million (A\$101.9 million).
- Net Debt of US\$2.5 million (A\$4.0 million), including diamond inventories.
- The Company progressed non-dilutive working capital opportunities.

Q4-2024 Mine life extension work

- Burgundy is on track to release its first mine plan by the end of Q1-2025.
- Burgundy will release the longer-term mine plan in the second half of the year. This plan could extend the life of mine to the mid-2030s.



Burgundy Diamond Mines Limited (ASX: BDM) (Burgundy or the Company) is pleased to provide its quarterly activities report for the period ended 31 December 2024 (Q4-2024, December quarter).

Chief Executive Officer and Managing Director Commentary

“ During the quarter, Burgundy’s mining team unveiled the first ore from the Point Lake open pit, marking Ekati’s 10th operation over the twenty-six years. Burgundy looks forward to reporting on its progress next quarter, by which point the project will be entering ore production.

This period is typically cash intensive for Canadian Arctic mines, due to a four-month period in which most consumables are purchased and then trucked to site along the winter road, which is the reason for Burgundy’s lower cash position this quarter. Given the environmental trust account setup, and payments made during 2024, Burgundy now has a ~US\$27M tax benefit heading into 2025, which significantly reduces, if not eliminates the Company’s 2024 tax obligation.

The Company’s strategy has remained the same, including leveraging an asset with exceptional infrastructure and remaining Mineral Resources in one of the great diamond fields. 2025 will be important for the organisation, as the results of Burgundy’s mine life extension work come to fruition. ”

Ekati Operational Performance

Table 1.1: Key quarterly operating performance metrics.

	Units	Q4 2024	Q4 2023	% Variance
Waste tonnes mined	Mwmt	2.74	3.15	-13%
Ore tonnes mined	Mwmt	0.97	1.10	-12%
Tonnes processed	Mdmt	0.98	1.05	-7%
Carats recovered	Mcts	1.02	1.24	-17%
Carats sold	Mcts	1.10	1.79	-39%
Diamond inventories	Mcts	1.05	1.33	-21%
Carats recovered per tonne processed	C/t	1.05	1.18	-11%

Ekati has two active mines that contributed to the results in the December quarter. An open pit operation at Sable and an underground operation at Misery, with approximately 65% of the total ore processed generated from Sable during the period and 22% generated from Misery; the balance of the processed ore was from coarse ore rejects. During the December quarter the transition from Sable to the Point Lake open pit was largely completed.

Ore mined during the December quarter was 12% lower than the prior corresponding period, due to the transition from the Sable mine to the Point Lake open pit. Waste tonnes mined in the December quarter were 13% lower than the prior corresponding period, due to the lower waste stripping at Sable as operations draw to a close. Waste tonnes mined is expected to increase as waste stripping activities continue at the Point Lake operation.

Ore tonnes processed in the December quarter were 7% lower than the prior corresponding period. 1.02 million carats were recovered at a grade of 1.05 carats per tonne for the December quarter. This is down 17% and 11% respectively compared to the prior corresponding period, due to a lower grade ore blend.

For personal use only



Sales Performance

During the December quarter, 1.10 million carats were sold for total proceeds of US\$101 million with an average selling price of US\$92 per carat from two auctions and other sales events. This quarter's lower sales volume was a result of lower quality goods remaining unsold. These results compare to Q4-2023, where 1.79 million carats were sold (a higher-than-normal sales volume for the period due to sale of carry over inventory) for total proceeds of US\$166 million, with an average selling price of US\$93 per carat.

The Company's efforts to streamline the sales pipeline continue to reduce the remaining diamond inventory¹ valued at US\$63.3 million.

Notes: (1) Diamond inventory is valued at lower of cost or net realisable value, which is not necessarily indicative of its market value.



Figure 1 – Selection of fancy – fancy vivid yellow diamonds sold during the December quarter. 11.3 ct (left); 36.0 ct (middle); 14.8 ct (right).

Corporate

Table 1.2: Corporate and financial summary for the December quarter.

	<i>Units</i>	As at 31 December 2024 ³	As at 30 Sept. 2024 ⁴
Cash	<i>US\$M</i>	25.1	72.4
Diamond inventories ¹	<i>US\$M</i> <i>Mcarats</i>	63.3 1.1	73.2 1.1
Bank loans and Borrowings	<i>US\$M</i>	73.8	73.8
Earn-out promissory notes	<i>US\$M</i>	-	-
Capital leases	<i>US\$M</i>	17.1	21.1
Consolidated Net Cash/ (Debt) ²	<i>US\$M</i>	(65.8)	(22.5)
Consolidated Net Cash (Debt) including diamond inventories	<i>US\$M</i>	(2.5)	50.7

Notes: (1) Diamond inventory is valued at lower of cost or net realisable value, which is not necessarily indicative of its market value.

(2) Consolidated Net Cash comprises of cash less debt. Debt is defined as bank loans and borrowings, convertible notes, earn-out promissory notes and capital leases. (3) December closing balances are unaudited. (4) September closing balances are unaudited.

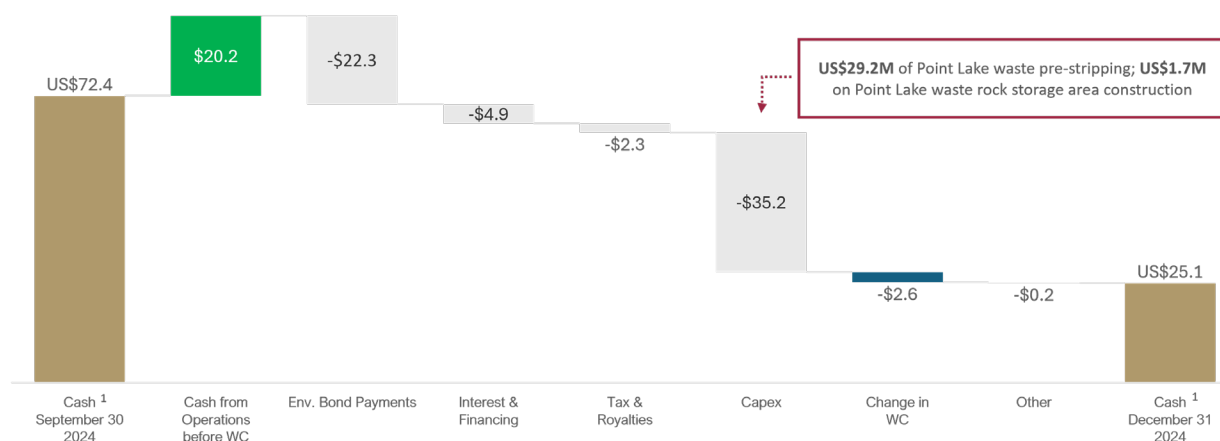
Cash Change over the Period

The US\$35.2M of capital expenditures included US\$29.2M for Point Lake waste pre-stripping and US\$1.7M of waste rock storage area construction capital.

For personal use only



Figure 2 – Cash change details from September 30th, 2024, to December 31st, 2024 (US\$M).



Notes: (1) Cash and cash equivalents.

Mine Life Extension Work

Drilling at the Misery Main ore body concluded during the quarter and activities transitioned to the Southwest extension to the Main (“deep”) ore body. As of date, the Southwest extension drilling is ~40% complete. Additionally, a bulk sample from the Southwest extension was completed and processed. The results from all activities at the Misery underground operation are being analysed for the purpose of Ore Reserve and Mineral Resource reporting.

During the quarter, the Point Lake open pit mining configuration was optimised resulting in a lower waste to ore stripping ratio, focussing on the main kimberlite within the three Point Lake ore bodies. The initial benches for the open pit have been developed, uncovering the top layer of ore. The revised mine plan for Point Lake results in less waste movement requirements in 2025.

On further assessment of the Sable underground kimberlite, it was determined the remaining drillholes were not required. The Sable underground drilling results (reverse circulation and drilling) are being analysed for Ore Reserve and Mineral Resource estimation. The Sable underground prefeasibility study is expected in H2-2025.

Updating the prefeasibility study for Fox underground project continues to progress and is expected to be finished in Q1-2025. The Fox high value stockpile project equipment purchased during the September quarter is scheduled for delivery to site in early 2025. Further analysis will determine the timing of project implementation.

The Company is on track to deliver its first Burgundy mine plan by the end of Q1-2025. Burgundy will release the longer-term mine plan in the second half of the year. This plan could extend the life of mine to the mid-2030s.

For personal use only



Figure 3 – Point Lake mine preparation for ore production in Q1-2025, showing the waste rock storage area (left) and the upper benches in the open pit (right).

CY-2024 Operational and Financial Guidance Results

CY-2024 carats recovered and EBITDA targets were missed. All remaining operational and financial guidance targets for CY-2024 were achieved.

Table 1.3: CY-2024 Operational guidance results

	Units	Operational guidance		2024 (actual)	Status
		CY-2024 low	CY-2024 high		
Waste tonnes mined	Mwmt	10.5	11	7.4	Exceeded
Ore tonnes mined	Mwmt	4.2	4.7	4.4	Achieved
Tonnes processed	Mdmt	4.0	4.4	4.1	Achieved
Carats sold	Mcts	4.9	5.3	4.9	Achieved
Carats recovered	Mcts	4.7	5.0	4.6	Missed

Notes: Mwmt = million wet metric tonnes; Mdmt = million dry metric tonnes; Mcts = million carats. Numbers are subject to the effects of rounding.

Table 1.4: CY-2024 Financial guidance results

	Financial guidance			2024 (actual)	Status
	CY-2024 low	CY-2024 high			
Revenue	US\$430M	US\$460M		US\$442M	Achieved
EBITDA	US\$100M	US\$120M		US\$94M	Missed

Notes: 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. Numbers are subject to the effects of rounding.

Q1-2025 Company Outlook

During the upcoming quarter, operations will focus on the Point Lake open pit entering full ore production. A bulk sample from Point Lake will occur to improve the understanding of the ore and its processing properties.

For personal use only



Preparation for a second Misery Southwest bulk sample will commence. The number of carats recovered from both bulk samples will provide significant grade and diamond quality information sufficient for Ore Reserve and Mineral Resource estimations.

The prefeasibility study for Sable underground will be progressed, and the prefeasibility study for Fox underground will be completed. The Company is on track to deliver its first Burgundy mine plan by the end of Q1-2025.

Three sales auction events will occur during the quarter and the Company's annual 2024 audited report is scheduled for release in Q1-2025.

To strengthen its balance sheet, the Company is considering non-dilutive working capital opportunities and expects to provide an update during Q1-2025.

With the ongoing work at the Point Lake open pit, the Company continues to work on operational guidance for CY-2025 and expects to provide this during Q1-2025.

Notes: The Company outlook for the upcoming quarter is an estimate. Actual activities and results scheduled or completed may vary.

Investor Conference Call

A fourth-quarter investor conference call will be held on Tuesday, 28th January 2025 at 5:00 pm MST (Canada/US) / Wednesday, January 29th at 11:00 am AEST (Australia).

Conference call registration link:

https://bellpotter.zoom.us/webinar/register/WN_hwXGsk9xRXSsAWDf8rs0cA

Other Projects

Naujaat Project (40% Burgundy Joint Venture)

No substantive activities occurred during the December quarter.

-ENDS-

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

Investor enquiries

investor@burgundydiamonds.com

Media enquiries

communications@burgundydiamonds.com

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

For personal use only



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.

For personal use only