

ASX Announcement

Successful Placement bookbuild supports transformational Ekati acquisition and despatch of Notice of Meeting

24 May 2023

Burgundy Diamond Mines Limited (ASX:BDM) (*Burgundy or the Company*) is pleased to announce the completion of the bookbuild in relation to a conditional placement to raise US\$150 million (~A\$231 million)¹ (*Placement*) to acquire 100% of the common shares of Arctic Canadian Diamond Company Limited (ACDC) and 100% of the shares of Arctic Canadian Diamond Marketing NV (ACDM) (together with ACDC, the *Arctic Companies*) from Arctic Canadian Diamond Holding LLC (*Arctic Shareholder or the Vendor*).

ACDC is the 100% owner of all businesses, assets and other interests comprising the Ekati Diamond Mine (*Ekati*) located in Canada's Northwest Territories. ACDM is the marketing business responsible for management of the supply chain, sorting, preparation, marketing and sales of rough diamonds from Ekati.

The Placement was split between a proposed fully underwritten component (*Underwritten Placement*)² and a debt forgiveness component to partially repay outstanding debt of ACDC (*Vendor Placement*) (refer to ASX announcement on 18 April 2023).

The Underwritten Placement received firm commitments of ~US\$126 million (~A\$193 million)¹ from the proposed issue of ~773 million new ordinary shares at a fixed price of A\$0.25 per New Share (*Offer Price*). The Underwritten Placement was strongly supported by new and existing institutional and high net worth investors, including Executive Chairman Michael O'Keeffe, who has committed to subscribe for A\$10 million (subject to shareholder approval).

Under the Vendor Placement, ~150 million new ordinary shares are proposed to be issued to existing lenders (being shareholders of the Vendor) at the Offer Price to partially repay ~US\$24 million (~A\$37 million)¹ of outstanding debt of ACDC.

In addition, Burgundy is offering existing shareholders the opportunity to participate in a non-underwritten share purchase plan (*SPP*) to raise up to ~US\$7 million (~A\$10 million)¹. The terms of the SPP will be contained in the Prospectus.

Commenting on the successful completion of the Placement bookbuild, Burgundy Chief Executive Officer, Kim Truter said the commitments from new and existing investors supported Burgundy's acquisition of Ekati and the goal to stabilise production, extend mine life and grow the business.

"This is an exciting point in time for our Company, and for our shareholders, as we complete our vertical integration," Mr Truter said.

"Ekati is a tier 1 asset: the 10th largest rough diamond producer with the 3rd largest mineral endowment in a tier 1 jurisdiction, next to the biggest diamond market being the USA."

"We are confident that this transaction will create significant value for all stakeholders as we become one of the largest listed diamond companies in the world with a strong balance sheet, well positioned for sustainable growth."

¹ All AUD references assume AUD-USD FX of 0.65.

² Subject to execution of an underwriting agreement, anticipated immediately prior to lodgement of the Prospectus.

Completion of the Placement is subject to a shareholder vote to be held at an Extraordinary General Meeting, which will take place on Friday, 23 June 2023.

The Notice of Meeting for the Extraordinary General Meeting is being despatched today and contains all the relevant information to enable shareholders to vote on the proposed transaction. The Board of Burgundy fully supports the transaction and encourages shareholders to vote in favour of all transaction resolutions.

Indicative transaction timetable

Despatch Notice of Meeting	Wednesday, 24 May 2023
Lodge Prospectus with ASIC	Wednesday, 7 June 2023
Offer period commences	Wednesday, 14 June 2023
Extraordinary General Meeting of shareholders to approve the Proposed Acquisition, Placement and Scrip Consideration	Friday, 23 June 2023
Offer period closes	Monday, 26 June 2023
Issue of shares under the Placement and Share Purchase Plan	Wednesday, 28 June 2023
Expected completion under the SPA	Saturday, 1 July 2023
Re-commencement of normal settlement and trading of Burgundy shares	By Friday, 7 July 2023

This timetable is indicative only and may change without notice to or consultation with you.

-ENDS-

This announcement was authorised for release on the ASX by the Board of Burgundy Diamond Mines Ltd.

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About Burgundy Diamond Mines Limited

Burgundy Diamond Mines is focused on the mining, production and sale of polished Fancy Colour diamonds through a vertically integrated business model, with the vision to become the world's leading end-to-end diamond company.

In mid-2021, Burgundy acquired capability and facilities for the cutting and polishing of rough diamonds in Perth, Western Australia. This capability will be used for cutting and polishing of Burgundy's own production from future mining operations, as well as rough diamonds from third party producers.

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.
