

ASX Release: 31 July 2023

ASX: BDM

Shares on issue: 1.416m

Market Capitalisation: A\$346.9m

(@ A\$0.245)

Board of Directors

Non-Executive Chairman

Michael O'Keefe

Non-Executive Director

Marc Dorian

Managing Director & CEO

Kim Truter

Substantial Shareholders

Brigade Capital Management, LP and
Polen Capital Management: 10.6%

Arctic Canadian Diamond Holding LLC:
9.1%

Choron Group: 8.5%

Schroder Investment Management Ltd:
6.5%

Enquiries

+61 8 6313 3945

Info@burgundy-diamonds.com

Brad Baylis

Brad.Baylis@burgundy-diamonds.com

Quarterly Activities Report

For the quarter ended June 30, 2023

31 July 2023



BURGUNDY
DIAMOND MINES

Highlights

- Shareholder approval received for the acquisition of Ekati Diamond Mine and 100% shares of Arctic Companies
- Successful placement of US\$150 million (~A\$231 million) to acquire 100% shares of Arctic Companies¹
- Additional ~US\$2.5 million (~A\$3.7 million) raised from existing shareholders via Share Purchase Plan
- Sale of 56 carats of polished diamonds for ~US\$2.5 million from Burgundy's cutting and polishing facility in Perth
- Appointment of Brad Baylis as the Chief Financial Officer and Company Secretary
- Post-quarter end (1 July 2023) completion of Ekati Diamond Mine and 100% of the outstanding shares of the Arctic Companies acquisition and reinstatement of share trading on ASX

As noted above, the Company completed the acquisition of the Ekati Diamond Mine (**Ekati**) on July 1, 2023 (post-quarter end).² During the June quarter Ekati was owned and operated by the previous owner. Post-completion, the Company has reviewed operational data received and is pleased to report the following in respect of Ekati.

Ekati Operational and Financial Highlights

- 6.7 million total tonnes mined, 27% increase relative to Q1 2023
- 1.2 million ore tonnes mined, 14% increase relative to Q1 2023
- 1.1 million ore tonnes treated, 16% increase relative to Q1 2023
- 1.36 million carats recovered, 15% increase relative to Q1 2023
- Commissioning of new fleet completed in the June quarter (2 x 793s Haul Trucks, 1 x 992 Loader, 1 x D10 Dozer, 1 x 6020 Excavator, and 1 x 374 Excavator)
- 1.34 million carats sold during the June quarter, up 68% from Q1 2023
- Ending carat inventory of 1.26 million carats
- Unaudited cash and carat inventory (at cost) of US\$195 million

Burgundy Diamond Mines Limited (ASX: BDM) (Burgundy or the Company) is pleased to provide its quarterly activities report for the quarter ended 30 June 2023 (June quarter).

Importantly, the Company would like to recognise all new and existing shareholders for their continued support of Burgundy with the successful acquisition of Ekati and 100% of the outstanding shares of the Arctic Companies.

¹ The placement consisted of an underwritten component of ~A\$193.4 million (~US\$125.7 million) and a debt repayment component of ~\$37 million (~US\$25 million).

² Completed via the acquisition of 100% of the common shares of Arctic Canadian Diamond Company Limited (**ACDC**) and 100% of the shares of Arctic Canadian Diamond Marketing NV (**ACDM**) (the **Arctic Companies**) from Arctic Canadian Diamond Holding LLC (**ACDH**). ACDC is the 100% owner of all businesses, assets and other interests comprising the Ekati Diamond Mine 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.

Ekati Operational Performance

Mining activities undertaken by the previous owners of Ekati for the June quarter including the mining of the Sable open pit and Misery underground, with ~75% of the ore mined coming from the Sable open pit.

Two major planned outages were completed during the June quarter. The first was a 6-day full plant outage during May which was completed safely but over-ran by 15 hours due to an issue with the scrubbers. The second was a 14-day reclaim outage in June which was completed safely but over-ran by three days as Ekati management opted to repair a concrete wall in the hopper area since production was not being lost.

The commissioning of several new pieces of equipment to the mining fleet including two 793s Haul Trucks, one 992 Loader, one D10 Dozer, one 6020 Excavator, and one 374 Excavator was also completed during the June quarter. This investment to the fleet bolsters the mine's ability to deliver on plan.

Key Ekati operating performance metrics are included in the table below.

	<i>Units</i>	Q2 2023	Q1 2023	% Variance
Total tonnes mined	<i>Wmt</i>	6.68	5.25	27%
Ore tonnes mined	<i>Wmt</i>	1.20	1.05	14%
Tonnes processed	<i>Dmt</i>	1.11	0.96	16%
Carats recovered	<i>mCts</i>	1.36	1.18	15%
Carats sold	<i>mCts</i>	1.34	0.80	68%
Rough diamond inventories	<i>mCts</i>	1.26	1.36	
Carats recovered per tonne processed	<i>C/t</i>	1.23	1.23	

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

"We are pleased to have concluded the transformational purchase of Ekati on 1 July 2023. Based on the information we have since becoming the owners of Ekati, the mine performance over the first half of 2023 has been strong but there are many improvement opportunities that have been identified over the first month of owning the asset. The focus in the coming months will shift to operational improvements, mine output and mine life additions, reconfiguration of the mine closure security arrangements and shortening the mine to market diamond pipeline."

"Further, we are also pleased that one of the premier diamond houses, Choron Group, has become a strategic shareholder in Burgundy Diamond Mines. In the coming months we look forward to working together to seek opportunities to collaborate on initiatives beyond the mine gate."

"I would like to acknowledge and thank all existing and new shareholders for their ongoing support."

Cutting and Polishing (Perth operations)

During the June quarter, 56 carats of cut and polished diamonds were sold for ~US\$2.5 million from Burgundy's cutting and polishing facility in Perth.

Other Projects

Naujaat Project

No substantive activities occurred during the June quarter.

Botswana Exploration Alliance

As noted in the Company's prospectus dated 7 June 2023, the Botswana Exploration Alliance was discontinued on 8 June 2023.

Ellensdale

Reclamation activities occurred during the quarter to fulfill obligations with expected completion in August.

Corporate

During the June quarter the Burgundy shareholders approved the purchase of Ekati and 100% of the outstanding shares of the Arctic Companies in an extraordinary shareholder meeting on 26 June 2023.

In addition the Company successfully completed a capital raise of US\$150 million (~A\$231 million)¹ to complete the purchase of Ekati and 100% of the outstanding shares of the Arctic Companies. The Company also raised ~US\$2.5 million (~A\$3.7 million) under a Share Purchase Plan that was offered to existing shareholders in Australia and New Zealand.

The Company also announced the appointment of Brad Baylis as the incoming Chief Financial Officer and Company Secretary and would like to thank David Edwards for all his contributions to Burgundy.

With the Company's acquisition of Ekati now complete, ASX has re-classified the Company as a mining producing entity for the purposes of the ASX Listing Rules. Accordingly, the Company is no longer required to file an Appendix 5B (Quarterly Cash Flow Report) with its quarterly activities reports.

-ENDS-

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

Further Information:

Kim Truter
Managing Director & CEO
Burgundy Diamond Mines Ltd
info@burgundy-diamonds.com
+61 8 6313 3945

Investors and Media
Citadel-MAGNUS
Russell Quinn
rquinn@citadelmagnus.com
+61 403 322 097

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.