



**BURGUNDY**  
DIAMOND MINES

## Corporate presentation

August 2023  
Burgundy Diamond Mines Limited  
ASX: BDM

[Burgundy-diamonds.com](https://www.burgundy-diamonds.com)

**Premier integrated end-to-end diamond company**



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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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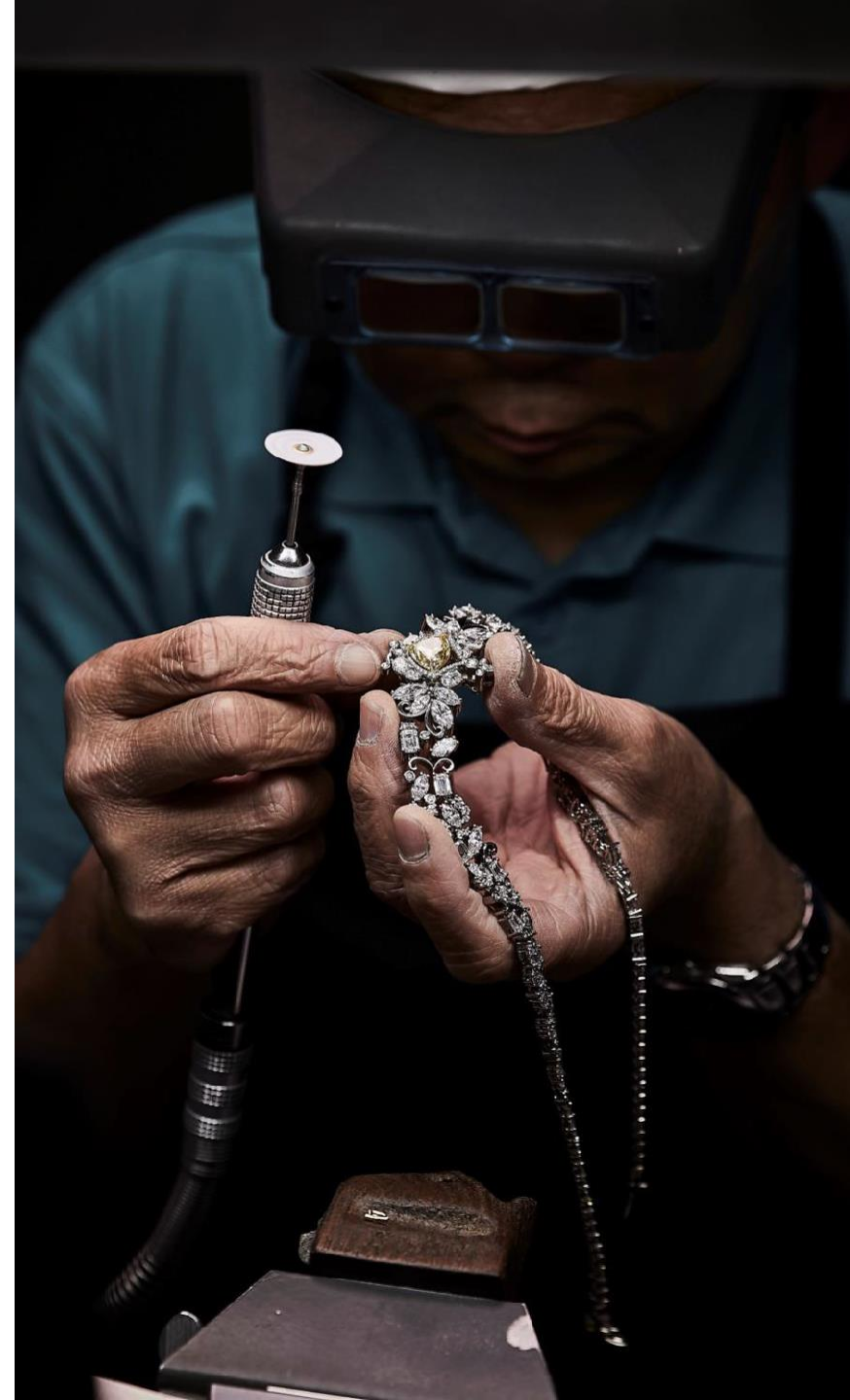
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# Investment highlights



Ekati is a globally significant, tier 1 asset in a low-risk jurisdiction



Ekati has a long history of production with exceptional operational and financial metrics



Ekati's Mineral Resource of ~148 Mcts underpins viable conventional mine life extension opportunities



Vertically integrated through the diamond value chain leveraging decades of diamond experience



Highly experienced board and management team is spearheading the implementation of operational changes and executing Burgundy's strategic plan



# Section 1: Corporate overview



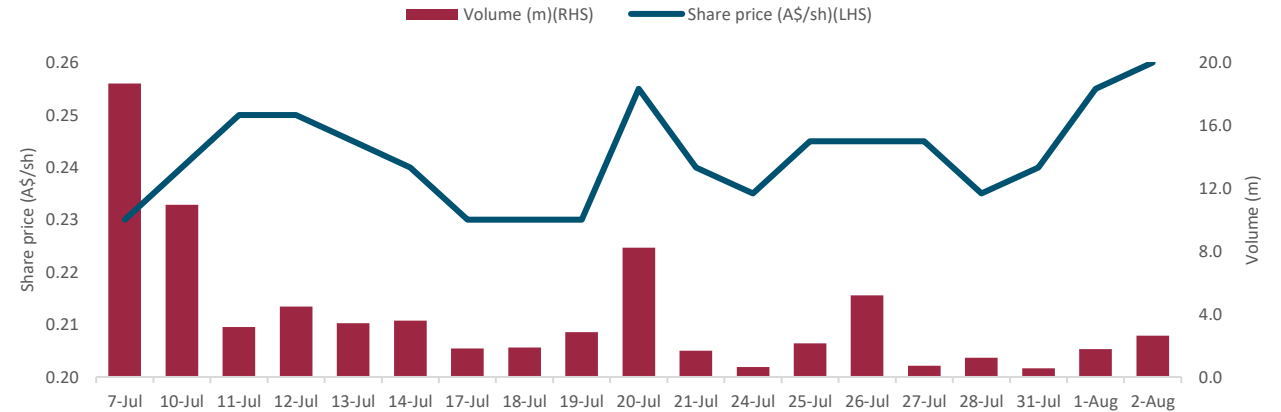
# Corporate overview

Burgundy is a resources company focused on the mining, production, cutting, polishing and sale of diamonds

## Company overview

- Burgundy Diamond Mines (**Burgundy** or **the Company**) is focused on the mining, production, cutting, polishing and sale of diamonds
- Burgundy is positioning to be a sector leader
- Our portfolio of diamond projects, in combination with our cutting and polishing facility in Perth and sales capabilities in Antwerp, supports Burgundy's vertically integrated business model
- Burgundy recently acquired the Ekati Diamond Mine (**Ekati**) located in Canada's Northwest Territories from Arctic Canadian Diamond Holding LLC for ~US\$136 million
  - top 10 diamond producer globally<sup>1</sup>
  - 177 kimberlite pipes identified to date (11 mined with exploration on-going)
  - Ore Reserves of 26.1 Mcts<sup>2</sup> and Mineral Resources of 147.6 Mcts<sup>2</sup>
  - 3rd largest diamond endowment globally based on Mineral Resources<sup>3</sup>
  - 2022 revenue of US\$494 million and adjusted EBITDA<sup>4</sup> of ~US\$200 million (implied margin of ~40%)

## Share price performance<sup>5</sup> (since re-compliance listing)



| Capitalisation table            |             |            | Substantial shareholders            |  | %O/S  |
|---------------------------------|-------------|------------|-------------------------------------|--|-------|
| Share price (2-Aug-23)          | A\$/sh      | 0.26       | Brigade Capital and Polen Capital   |  | 10.6% |
| Shares outstanding <sup>5</sup> | #m          | 1,416      | Arctic Canadian Diamond Holding LLC |  | 9.1%  |
| <b>Market capitalisation</b>    | <b>A\$m</b> | <b>368</b> | Choron Group                        |  | 8.5%  |
| Cash <sup>6</sup>               | A\$m        | 132        | Schroder Investment Mgmt Ltd        |  | 6.5%  |
| Debt <sup>7</sup>               | A\$m        | 186        |                                     |  |       |
| <b>Net debt / (cash)</b>        | <b>A\$m</b> | <b>54</b>  |                                     |  |       |
| <b>Enterprise value</b>         | <b>A\$m</b> | <b>422</b> |                                     |  |       |

**Notes:** (1) Based on the 2021 production volume of peers (see Appendix). 2022 production volume has been used for Ekati because this represents the first full year of production since the recommencement of operations in February 2021. (2) As at 31 December 2022 (includes Fox Underground). (3) Measured and Indicated Resources only. See slide 14 and Appendix for more details. (4) EBITDA is defined as net profit after tax before the deduction of interest expense and finance income, taxes, depreciation and amortisation. Adjusted EBITDA is defined as EBITDA adding back unrealised foreign exchange losses, a fair value adjustment on consideration payable for future royalty distributions and asset impairments. (5) Market data as at 2-Aug-23. (6) Unaudited as at 31-Jul-23, excludes carat inventory. (7) Includes Burgundy's convertible note balance of ~A\$30m (audited as at 31-Dec-22), assumed debt of Arctic Canadian Diamond Company following the Ekati acquisition of ~US\$74m / ~A\$112m (unaudited as at 31-Jul-23) and capital leases of ~US\$29m / ~A\$44m (unaudited as at 31-Jul-23). Converted at AUD-USD FX rate of 0.6574.



# Board and management

A seasoned board and management team, equipped with expertise to enhance operational performance

## Management



**Kim Truter** | Chief Executive Officer and Managing Director

35 years of mining experience in both surface and underground operations and large-scale project development across multiple geographies. Previous positions include CEO De Beers Canada and COO Rio Tinto Diamonds



**Brad Baylis** | Chief Financial Officer

Broad experience in corporate and operational finance, including more than 26 years of leadership and resource development. Previous CFO positions include Air Tindi, De Beers Canada, Riversdale Resources, in addition to 20 years at Shell in other roles



**Eric Ingle** | VP Corporate Development

30 years of progressive experience primarily in energy and mining oriented organisations. Previous executive and consultative engagements include De Beers Canada, Suncor Energy, Anglo American, Peregrine Diamonds, Cenovus Energy, Husky Energy, Petro-Canada and LNG Canada



**Jeremy Taylor** | VP Technical

40 years' international mining experience, of which 25 years has been in the diamond industry including positions at Gem Diamonds, Rio Tinto Diamonds, De Beers Consolidated Mines and Debswana Diamond Mining Company. Prior to joining Burgundy, Jeremy was the Chief Operating Officer at Letseng Diamonds



**Ryan Clarke** | VP Operations

22 years of mining, management and technical experience covering projects that span across five continents, including roles at Golder Associates Ltd, BHP Billiton, Canadian Natural Resources Ltd. and Rio Tinto

## Board



**Kim Truter** | Chief Executive Officer and Managing Director

35 years of mining experience in both surface and underground operations and large-scale project development across multiple geographies. Previous positions include CEO De Beers Canada and COO Rio Tinto Diamonds



**Michael O'Keeffe** | Executive Chairman and major shareholder

Mining magnate with a wealth of successful mining M&A. He is an Executive Chairman of Champion Iron Ltd and previously Executive Chairman of Riversdale Mining Ltd



**Marc Dorion** | Non-executive Director

Partner at law firm McCarthy Tétrault, where he supervises the natural resources group in Québec. His practice focuses on the development, financing, construction and operation of major projects in the natural resources, energy, infrastructure and industrial sectors

*Burgundy continues global recruitment for the appropriate Board representation and composition with relevant skills, experience and expertise*



# Corporate strategy

Strategy underpinned by **three achievable objectives**

|                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1 Ekati operations</b><br><i>During Burgundy's due diligence period, several areas of improvement were identified</i> | <ul style="list-style-type: none"><li>✓ Mine life additions – multiple conventional open pit and underground options are being explored to support significant mine life extension</li><li>✓ Operational improvements – various opportunities have been identified to improve efficiency and reduce costs</li><li>✓ Re-configuring surety arrangement to improve cash flow</li></ul> |
| <b>2 Downstream</b><br><i>Leverage vertical integration model</i>                                                        | <ul style="list-style-type: none"><li>✓ Maximise margins through the Company's internal sorting, cutting and polishing facilities</li><li>✓ Opportunities to optimise the rough diamond inventory cycle</li><li>✓ Various innovative opportunities being explored to enhance diamond sale processes</li></ul>                                                                        |
| <b>3 M&amp;A</b><br><i>Identify new opportunities</i>                                                                    | <ul style="list-style-type: none"><li>✓ Ekati is the foundational asset in Burgundy's aim to become a multi-mine, tier 1 producer and a meaningful player in the global diamond industry</li></ul>                                                                                                                                                                                   |



## Section 2: Burgundy's business model



# Vertically integrated business model

Burgundy can generate substantial added value downstream from only a **handful of special diamonds**

Vertically integrated business model

Diamond value chain



Ekati delivers significant rough diamond production including **highly sought-after fancy-coloured stones** (mainly yellow) that can be cut and polished in Burgundy's commercial facilities in Perth and sold to customers, allowing Burgundy to capture margins along the diamond value chain



# Section 3: Overview of Ekati Diamond Mine



# Canada's premier diamond mine

Ekati is a globally significant, tier 1 asset in a low-risk jurisdiction

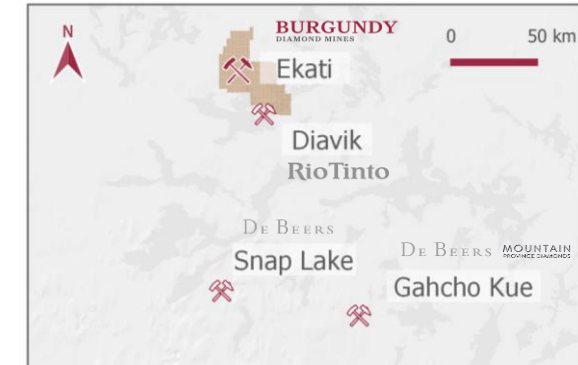
## Mine overview

- Ekati is Canada's first surface and underground diamond mine
- Located near Lac de Gras, ~300 kilometers northeast of Yellowknife and ~200 kilometers south of the Arctic Circle in the Northwest Territories of Canada
  - mining lease block comprises 121 mining leases, covering an area of ~113k hectares
  - mining activities are conducted year-round
  - discovered 177 kimberlite pipes to date<sup>1</sup>



## History of Ekati

- **1981:** Exploration and development work commenced
- **October 1998:** Ekati delivers first rough diamond production under BHP Billiton (**BHP**) ownership
- **April 2013:** Following a decision to divest several 'non-core' assets and focus on its large iron ore, petroleum, and coal operations, BHP sells Ekati to Dominion Diamonds ULC (**Dominion**) for US\$553m<sup>2</sup>
- **November 2017:** The Washington Companies (**Washington**), a group of privately held North American mining industrial and transportation businesses, acquires Ekati as part of a ~US\$1.2bn acquisition of Dominion
- **March 2020:** Ekati is placed into care and maintenance in response to the COVID-19 pandemic and major disruptions in the global diamond trade
- **April 2020:** Dominion files for insolvency protection under the Companies' Creditors Arrangement Act
- **February 2021:** ACDC acquires Ekati with associated assets and liabilities from Dominion and mining operations recommence at Ekati
- **March 2023:** Burgundy announces the proposed acquisition of the Arctic Companies
- **July 2023:** Burgundy acquires the Arctic Companies and becomes operator of Ekati



**Notes:** (1) On the historical claim block (2) Including purchase price adjustments of US\$53m.

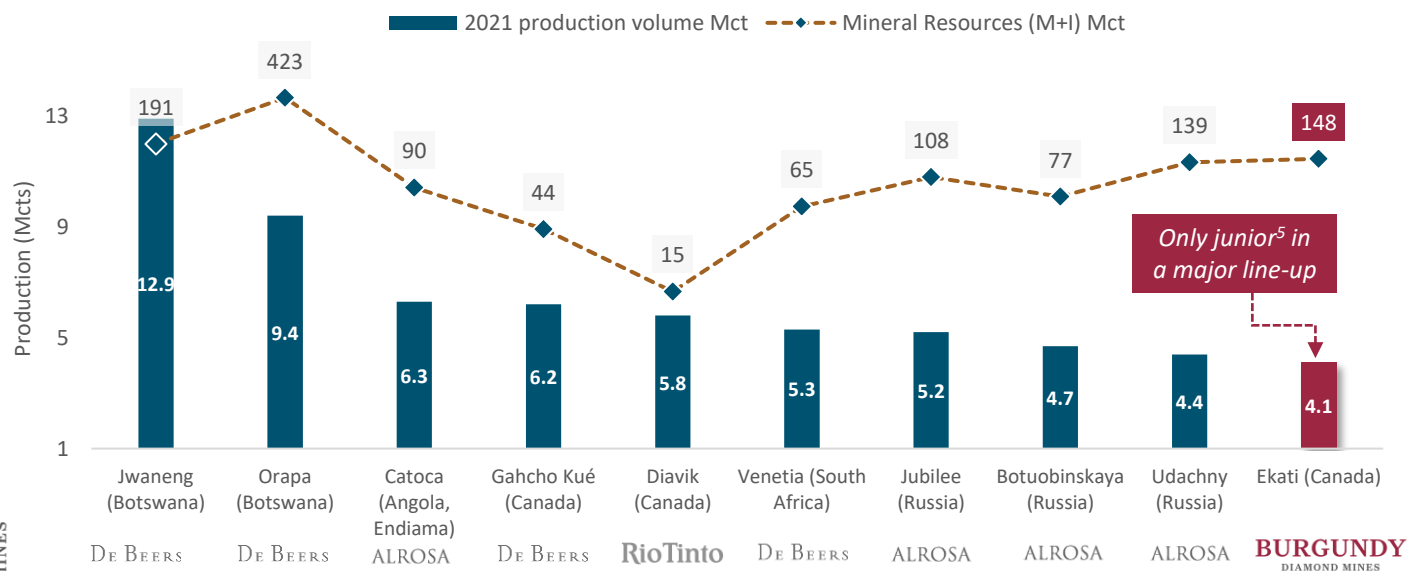


# Tier 1 asset of global significance

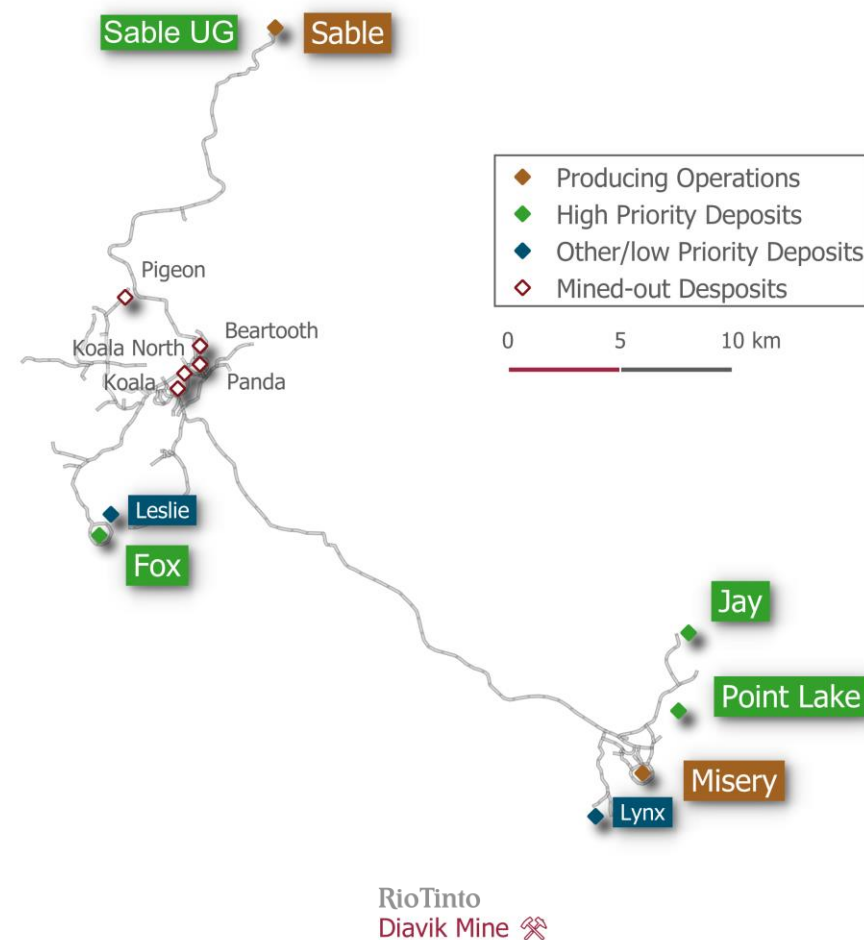
## Asset highlights

- ✓ Top 10 diamond mine globally based on production carats recovered in 2022
- ✓ Top 3 diamond mine globally based on Mineral Resources<sup>1</sup>
- ✓ In 2022, 4.2 Mcts were sold from Ekati, delivering US\$494m in revenue and US\$200m in adjusted EBITDA<sup>2</sup>
- ✓ First and longest running diamond mine in Canada with viable mine life extension options

## Global rank (2021 production volume<sup>3</sup> and Mineral Resources<sup>4</sup>)



## Ekati mining deposits



**Notes:** (1) Measured and Indicated Resources only. (2) EBITDA is defined as net profit after tax before the deduction of interest expense and finance income, taxes, depreciation and amortisation. Adjusted EBITDA is defined as EBITDA adding back unrealised foreign exchange losses, a fair value adjustment on consideration payable for future royalty distributions and asset impairments. (3) 2022 production volume has been used for Ekati because this represents the first full year of production since the recommencement of operations in February 2021. (4) The Mineral Resource (inclusive of Proven and Probable Ore Reserves) profiles of each mine is based on the latest publicly available information and Paul Zimmisky research. Orapa (2021), Jwaneng (2021), Catoca (2017), Udachny (2018), Ekati (2022), Venetia (2021), Jubilee (2018), Botuobinskaya (2018), Gahcho Kué (2021), Diavik (2021). See Appendix for more details. (5) Mountain Province (also a junior) have a 49% non-operating interest in Gahcho Kue.

# Access and infrastructure

Ekati is supported by a **robust infrastructure framework**

## **Access** – winter ice road

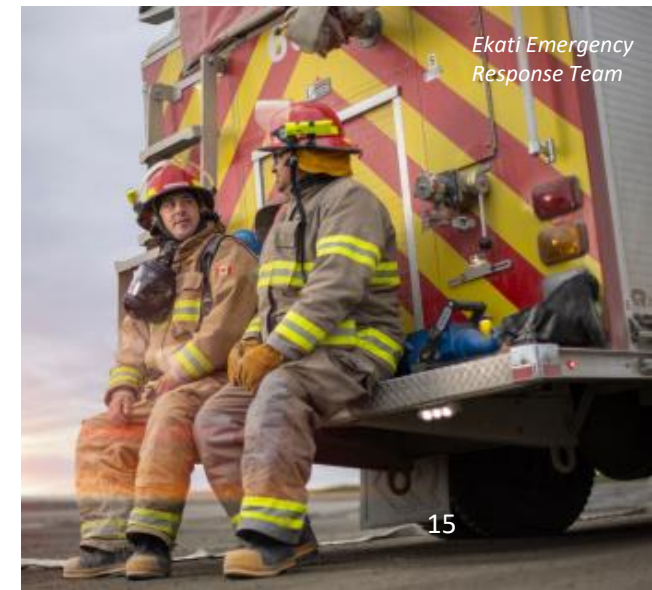
- Road access to Ekati is by winter ice road that is seasonal in nature
- The ice road is ~475km long, constructed largely (~86%) across lakes and connects from the permanent all-weather road to the main Ekati complex via the Misery haulage road
- Open ~8 weeks per year, from February until the end of March
- Fuel, large equipment and heavy consumables are freighted to site on the winter road

## **Access** – air transport

- Ekati has an all-weather gravel airstrip that is 1,950m long
- Airport equipped with runway lighting and approach system, navigational aids, radio transmitters and weather observation equipment
- General and light freight, fresh produce, and equipment is flown to the site year-round

## **Infrastructure**

- Primary facilities at Ekati include:
  - main accommodation complex consisting of 763 sleeping rooms, dining, kitchen, first aid station, emergency response / mine rescue stations and maintenance shops;
  - power plant;
  - processing plant and bulk sampling plant; and
  - truckshop / warehouse complex



# Ore Reserves and Mineral Resources

Ekati's mine life and extension options are underpinned by **Ore Reserves of ~26 Mcts** and **Mineral Resources of ~148 Mcts<sup>1</sup>**

## Ore Reserves – December 31, 2022

| Kimberlite Pipes    |             | Probable Ore Reserves |             |                   |
|---------------------|-------------|-----------------------|-------------|-------------------|
| Project / operation | Type        | Tonnes (millions)     | Grade (cpt) | Carats (millions) |
| Sable               | Open Pit    | 6.1                   | 0.8         | 4.7               |
| Point Lake          | Open Pit    | 9.7                   | 0.6         | 5.6               |
| Misery Underground  | Underground | 1.6                   | 3.3         | 5.4               |
| Fox Underground     | Underground | 31.0                  | 0.3         | 10.3              |
| Stockpiles          | -           | 0.2                   | 0.8         | 0.1               |
| Total Ore Reserves  |             | 48.5                  | 0.5         | 26.1              |

## Mineral Resources – December 31, 2022

| Kimberlite Pipes        |             | Measured Resources |      |     | Indicated Resources |      |       | Inferred Resources |      |      |
|-------------------------|-------------|--------------------|------|-----|---------------------|------|-------|--------------------|------|------|
| Pipe Name               | Type        | Mt                 | Ct/t | Mct | Mt                  | Ct/t | Mct   | Mt                 | Ct/t | Mct  |
| Sable                   | Open Pit    | -                  | -    | -   | 10.2                | 1.0  | 9.9   | 0.3                | 1.0  | 0.3  |
| Point Lake              | Open Pit    | -                  | -    | -   | 31.8                | 0.8  | 24.0  | 9.1                | 0.8  | 6.9  |
| Phoenix                 | Open Pit    | -                  | -    | -   | -                   | -    | -     | 1.8                | 1.4  | 2.5  |
| Challenge               | Open Pit    | -                  | -    | -   | -                   | -    | -     | 2.4                | 1.3  | 3.1  |
| Leslie                  | Open Pit    | -                  | -    | -   | -                   | -    | -     | 50.8               | 0.3  | 16.3 |
| Misery Main             | Underground | -                  | -    | -   | 1.3                 | 5.0  | 6.8   | 1.0                | 5.6  | 5.8  |
| Fox                     | Underground | -                  | -    | -   | 45.6                | 0.4  | 16.5  | 5.1                | 0.4  | 2.2  |
| Stockpile               | Open Pit    | -                  | -    | -   | 0.2                 | 1.2  | 0.2   | 6.7                | 0.2  | 1.0  |
| Jay                     | Open Pit    | -                  | -    | -   | 48.1                | 1.9  | 89.8  | 4.2                | 2.1  | 8.7  |
| Lynx                    | Open Pit    | -                  | -    | -   | 0.5                 | 0.8  | 0.4   | 0.2                | 0.8  | 0.2  |
| Total Mineral Resources |             | -                  | -    | -   | 137.7               | 1.1  | 147.6 | 81.7               | 0.6  | 47.0 |

Source: Ore Reserve and Mineral Resource estimate (JORC-compliant), as at 31 December 2022. Refer to Prospectus lodged with ASX on 7 June 2023 for further information.

Notes: (1) Measured and Indicated only. The Mineral Resource is inclusive of Proven and Probable Ore Reserves.

# Section 4: Operational update



# Strong operational performance

Ekati has **recovered 9.6 million carats** since operations were restarted in February 2021

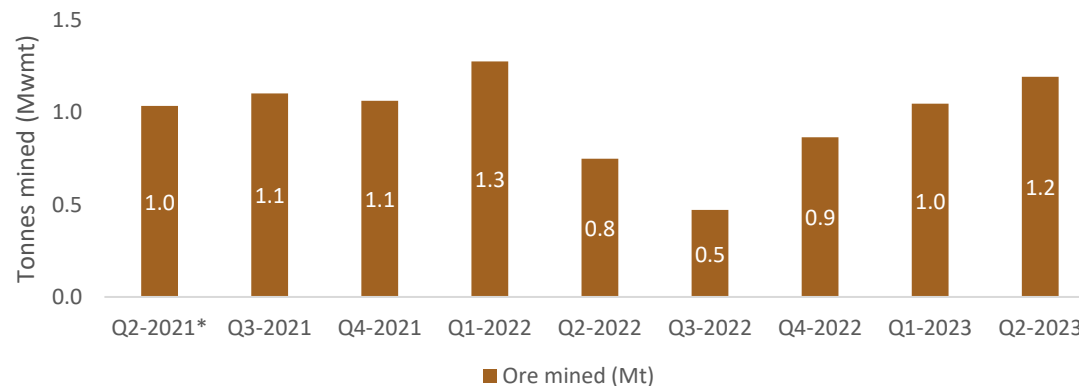
## Commentary

- Ekati operated continuously until March 2020, when COVID-19 prompted the previous owner Dominion to temporarily suspend operations
- Following a 10-week phased restart program, Ekati recommenced operations in February 2021 (**Mine Restart**)
- There are two active mining operations at Ekati, including Sable Open Pit and Misery Underground operations
- Since the Mine Restart in February 2021 until the end of Q2-2023, Ekati has:
  - mined 46.1 Mwmt waste and 8.8 Mwmt ore, processed 9.3 Mdmt, recovered 9.6 Mcts

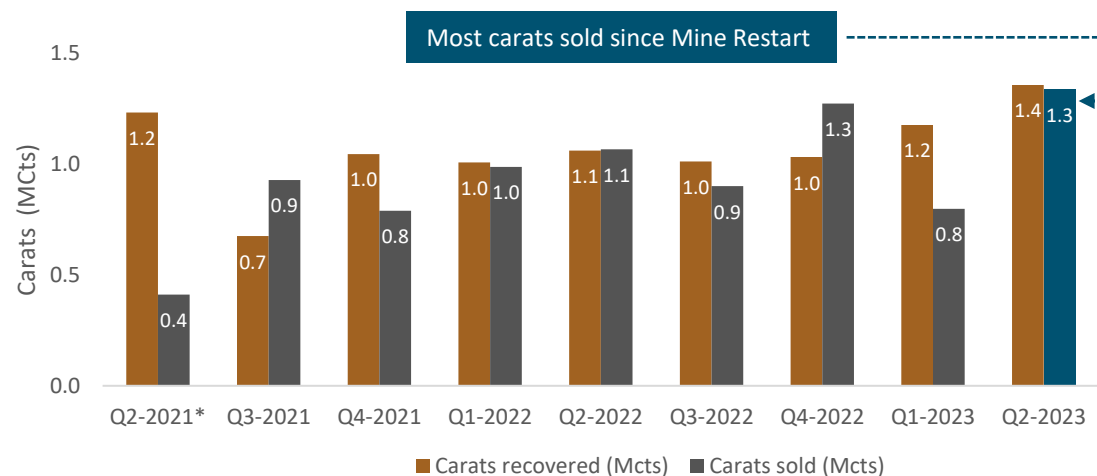
**2023 H2 review:** tracking well ahead of schedule for 2023

|                    |        | Q1-2023 | Q2-2023 | Variance <sup>1</sup> |
|--------------------|--------|---------|---------|-----------------------|
| Ore mined          | [Mwmt] | 1.0     | 1.2     | 14%                   |
| Total tonnes mined | [Mwmt] | 5.2     | 6.7     | 27%                   |
| Processed          | [Mdmt] | 1.0     | 1.1     | 16%                   |
| Carats Recovered   | [Mcts] | 1.2     | 1.4     | 15%                   |
| Carats Sold        | [Mcts] | 0.8     | 1.3     | 68%                   |

## Ore mined (Mwmt)



## Carats recovered (Mcts) and carats sold (Mcts)



**Notes: (1)** The variance calculation based on the figures set out in this table may differ due to rounding.

\*For the period 3-Feb-21 to 30-Jun-21 in accordance with the Mine Restart.



# Section 5: Mine life additions



# Adding to a robust mine plan

Sable Open Pit and Misery Underground to deliver most of the production at Ekati until 2025 when Point Lake becomes active

## Base mine plan

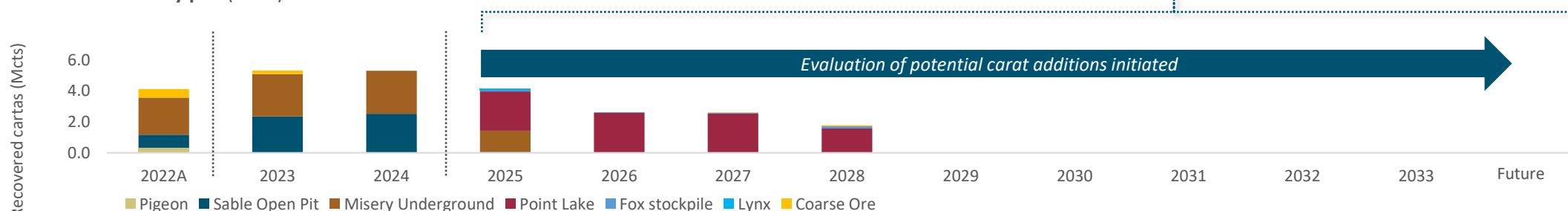
- Ekati's current mine plan is underpinned by Ore Reserves of 15.8 Mcts<sup>1</sup>
- Two active mining operations at Ekati being the Sable Open Pit and Misery Underground operations
  - Sable Open Pit is a 60,000 ton per day (tpd) operation (using conventional truck and shovel)
  - Misery Underground operation utilises a sublevel retreat mining method at a nominal mining rate of 3,000 tpd
- Point Lake open pit development is underway (dewatering followed by pre-stripping) to deliver ore by 2025

## Future additions to the base mine plan

- Four conventional mine life extension options are currently under investigation:
  - Misery Underground continuation at depth
  - Sable Underground following open pit completion
  - Expand Point Lake open pit beyond existing footprint
  - Fox Underground option below the existing open pit
- Since acquiring Ekati, Burgundy has initiated work to evaluate these mine extension options, comprising:
  - conceptual studies, optimisation and cost reduction strategies; and
  - geotechnical and resource drill program planning
- Burgundy is also examining ways for underwater remote mining technology to extend mine life

|                          | Point Lake | Sable UG | Fox UG | Jay |
|--------------------------|------------|----------|--------|-----|
| Ore Reserves (Mcts)      | 5.6        | -        | ~10    | -   |
| Mineral Resources (Mcts) | ~24        | TBD      | ~17    | ~90 |

## Recovered carats by pit<sup>2</sup> (Mcts)



Notes: (1) As at 31 December 2022 (excluding Fox Underground). (2) Forecast from 1 January 2023 based on Ekati's 2023 base mine plan.

# Technology generated exploration

Re-exploring a highly endowed kimberlite field with a novel and successful approach

## Commentary

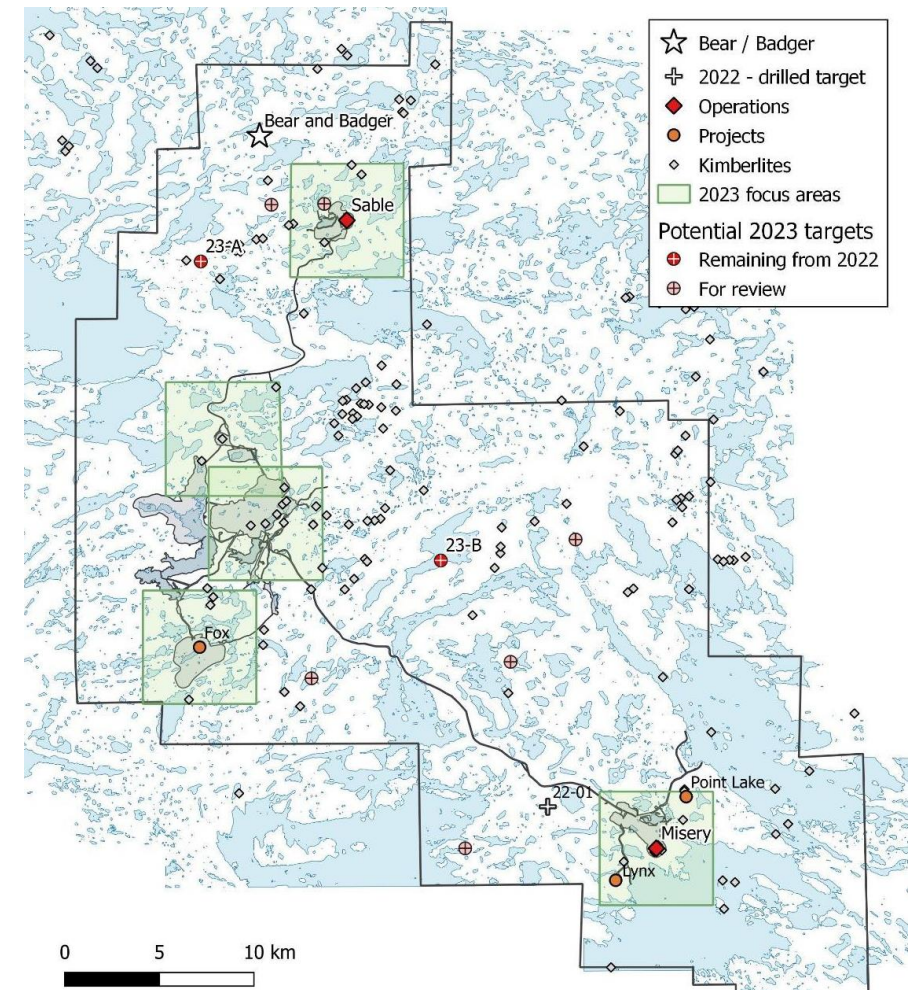
Although Ekati has a sufficient level of existing Mineral Resources and Ore Reserves on the property, a number of compelling exploration targets have been generated through **deep machine learning**

Exploration review was completed in Q2-2022 based on the results from deep machine learning:

- 11 drill targets were identified and five were prioritised;
- helicopter supported exploration drilling of prioritised targets were completed in Q3-2022 and two of three targets drilled were confirmed as kimberlite pipes ('Badger' and 'Bear'); and
- follow up delineation drilling on the Bear kimberlite confirmed a similar pipe infill to known economic deposits and reasonable size potential

Additional prioritised targets are **being tested summer 2023**.

Ekati property mapped with planned drilling



# Appendix



# Peer comparison information

Production, Mineral Resources and Ore Reserves of peers

2021 production volume, Mineral Resources<sup>1</sup> and Ore Reserves table

| Project                |                    |                 | 2021 production volume, Mineral Resources and Ore Reserves |                                            |                    | References                                                              |
|------------------------|--------------------|-----------------|------------------------------------------------------------|--------------------------------------------|--------------------|-------------------------------------------------------------------------|
| Company                | Project            | Location        | 2021 production volume (Mct)                               | Mineral Resources (M+I) <sup>1</sup> (Mct) | Ore Reserves (Mct) | Information source                                                      |
| De Beers               | Jwaneng            | Botswana        | 12.9                                                       | 191                                        | 139                | Anglo American 2021 Annual Report                                       |
| De Beers               | Orapa              | Botswana        | 9.4                                                        | 423                                        | 151                | Anglo American 2021 Annual Report                                       |
| ALROSA                 | Catoca             | Angola, Endiama | 6.3                                                        | 90                                         | Undisclosed        | Catoca Annual Report 2021 and Paul Zimnisky                             |
| De Beers               | Gahcho Kue         | Canada          | 6.2                                                        | 44                                         | 41                 | Anglo American 2021 Annual Report                                       |
| Rio Tinto              | Diavik             | Canada          | 5.8                                                        | 15                                         | 12                 | Rio Tinto Annual Report 2021                                            |
| De Beers               | Venetia            | South Africa    | 5.3                                                        | 65                                         | 65                 | Anglo American 2021 Annual Report                                       |
| ALROSA                 | Jubilee            | Russia          | 5.2                                                        | 108                                        | 105                | ALROSA Q4 2021 Trading update                                           |
| ALROSA                 | Botuobinskaya      | Russia          | 4.7                                                        | 77                                         | 76                 | ALROSA Q4 2021 Trading update                                           |
| ALROSA                 | Udachny            | Russia          | 4.4                                                        | 139                                        | 128                | ALROSA Q4 2021 Trading update                                           |
| Burgundy Diamond Mines | Ekati <sup>2</sup> | Canada          | 4.1                                                        | 148                                        | 26                 | ASX Announcement: Ekati Diamond Mine Ore Reserves and Mineral Resources |

Notes: (1) Mineral Resources are inclusive of Proven and Probable Ore Reserves. (2) 2022 production volume has been used for Ekati because this represents the first full year of production since the recommencement of operations in February 2021.



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