

Letter to Shareholders

15 December 2023

Burgundy Diamond Mines Limited (ASX: BDM) (Burgundy or the Company) is providing this update in its letter to shareholders.

Re: Inform investors of the G7 nations ban on Russian diamond imports from January 2024 (to curb Russia's ability to fund its invasion of Ukraine) and the relevance to BDM

Dear shareholders,

On behalf of Burgundy Diamond Mines, I'm writing this letter to inform you of some recent developments which are relevant to our business and operations, both upstream and downstream, and the broader diamond industry.

As a result of the ongoing conflict in Europe, which has caused ongoing impacts to multiple markets and economies worldwide, on Wednesday 6 December 2023, the Group of Seven (G7) nations announced a ban on all imports of rough diamonds directly from Russia from 1 January 2024.

That ban will expand to include Russian diamonds that have been processed in third-party countries from 1 March 2024, with a full traceability system implemented by the start of September 2024.

It's important to note that Canada is the largest producer of diamonds of all G7 nations.

And therefore, by extension, Burgundy is the largest diamond producer in the G7 due to our world-class Ekati mining operations.

As you're aware, Burgundy's longstanding commitment to sustainably sourced, ethically produced natural diamonds is unwavering, with full traceability and provenance of the highest regard.

We have employed such practices since day one – and over a 25-year history at our Ekati Diamond Mine in Canada's Northern Territories. As a leading global diamond company, we are fully supportive of and committed to 100% conflict-free diamonds.



This commitment sets us apart from some other market players, with Burgundy product being consistently sought out as a preferred source for mid- and downstream participants seeking high-quality product for their end customers who are increasingly focused on sustainably sourced, ethically produced natural diamonds. The company also owns the proprietary diamond program and brand CanadaMark™ which works with Canadian producers and global customers to certify the product and verify source and authenticity.

We have full traceability and documented provenance of the products we produce directly right across the diamond value chain, from mine to design. We are fully compliant with Canadian Government diamond certification requirements, and we are focussed on maintaining our sustainable mining, environmental and community practices.

Beneficially, Canadian provenance is incredibly important and increasingly valuable – reaffirming the value and benefit of the traceability of diamonds.

As always, we welcome any feedback from our investors, and we will keep you informed as this situation continues to evolve.

Kind regards,

Kim Truter
Chief Executive Officer & Managing Director

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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 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.