

Letter to Shareholders

9 January 2024

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

Re: New Year letter to shareholders from CEO and Managing Director Kim Truter

Dear shareholders,

As Chief Executive Officer and Managing Director of Burgundy Diamond Mines, it's my pleasure to write this letter to you as we reflect on 2023 and look ahead on what 2024 will deliver for our company and all our stakeholders.

To say that 2023 was transformative for our business and for our people is an understatement. It was a foundational year for Burgundy as we evolved from a modest-sized exploration company into a globally significant diamond producer. Burgundy is now the world's leading publicly listed end-to-end diamond company, and the biggest diamond producer in Canada and the Group of Seven nations (G7) worldwide.

We completed the acquisition of Arctic Canadian Diamond Company on 1 July 2023, and we successfully integrated the Burgundy teams throughout Canada, Belgium and Australia. We have continued to enhance our operations and improve the performance across all business units, centred primarily on our Ekati Diamond Mine in Canada's Northwest Territories and our selling activities in Antwerp, Belgium. Our manufacturing facilities in Perth, Australia also produced some of the finest polished fancy-coloured diamonds from our very own supply in Canada, ensuring ethical and sustainable provenance throughout.

I have been pleased to see the entire Burgundy team integrate and engage as one unified organisation under one global brand. Our people have been unwavering in their commitment and professionalism throughout what has been an immense period of change and growth. I would like to thank our people for their endurance and expertise and commitment.

I would also like to say a sincere thank you to our shareholders for supporting our business and endorsing our refined corporate strategy, to enhance our growth trajectory as a truly vertically integrated, end to end global diamond company.



It was terrific to have some key investors, customers and stakeholders attend a site visit at Ekati mine in November last year, giving them first-hand experience and insight into our world class operations. The feedback from those who attended was extremely positive, in line with the effort and energy of our teams on site.

Our stakeholders – including the government, communities, and contractors, are vital to the ongoing success of our business and I thank them all for their continued support.

Importantly, we are working hard to continuously improve and evolve our operations, while maintaining safety as our top priority amid seeking to extend our life of mine at the Ekati operation as well as looking at other growth opportunities.

A landmark of 25 years of production crossing a milestone of more 95 million carats produced at Ekati in this timeframe. This is a terrific achievement and a testament to the quality of this asset, which still contains one of the largest undeveloped diamond resources in the world.

We improved and stabilised mining production and consistently achieved mine planning targets each month in 2023, helping us to achieve the highest tonnage processed in the plant since 2013.

And we developed an exciting new conceptual life of mine plan for Ekati, that will potentially extend operations towards 2040. This will be achieved through the extension of Misery underground, moving underground at Sable, developing an underground mine at Fox, processing an existing low-grade stockpile at Fox, optimising the Point Lake project, and implementing the underwater remote mining project if trials are successful.

During 2023, we also made the strategic decision to pull back from the Ellendale asset in Western Australia, where we have completed our rehabilitation obligations on site.

Meanwhile, we maintained the option on the Naujaat project in Nunavut, Canada, in which Burgundy holds a 40% stake.

I'm excited at what the future holds for all of us, with some terrific initiatives in planning and development to help us to continue producing the world's finest diamonds for many years to come.

We recently announced significant diamond sales of approximately US\$170 million for Q4 calendar year 2023, which clearly demonstrates the strength of the Ekati asset performance, the value of Canadian provenance and how well our proprietary company auction process is managed in Belgium. Furthermore, we sold all available rough diamond inventory in Q4, except for some special stones that are consolidated for special auctions at specified times throughout the year.



I, along with our executive leadership team, are pleased that the global diamond market is also showing resilience and greater opportunities over the short to medium terms thanks, in part, to the responsible actions taken by the industry to manage the supply chain and the support we have received from our existing and new customers. As such, we are very confident in the strength of the natural diamond industry fundamentals where long-term demand is expected to outstrip supply.

2024 will see us build on our success as we strengthen the long-term production plan at Ekati, further enhance our sales efforts and continue to advance value accretive growth opportunities to cement our position as the leading end to end listed diamond company.

Thank you again for your support of Burgundy and I wish you and yours a happy, safe and prosperous new year.

Yours Sincerely

Kim Truter
Chief Executive Officer & Managing Director

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Investor Enquires

Kim Truter
Managing Director & CEO
Burgundy Diamond Mines Ltd
info@burgundydiamonds.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.