

Burgundy successfully renegotiates agreement in-principle to amend reclamation surety bonds payment schedule

Burgundy Diamond Mines Limited (ASX: BDM) (Burgundy or the Company) is pleased to provide an update regarding the terms and conditions of its reclamation surety bonds.

Burgundy is required to post securities with key government agencies to ensure reclamation is completed across its mining properties, as required by relevant legislation of Canada and the Northwest Territories. The security is provided in the form of either cash, letters of credit or surety bonds.

Burgundy has an agreement with Canadian surety providers whereby they provide surety bonds to the Government of the Northwest Territories to secure certain environmental obligations of Burgundy owed to the Government of the Northwest Territories in connection with the operation of the Ekati diamond mine. Bond values are reduced by each payment of cash collateral provided by the Company.

As of 31 December 2023, Burgundy maintained reclamation deposits of approximately US\$48 million, with additional cash collateralisation of surety bonds of approximately US\$157 million which are due in the second quarter of calendar 2024.

Burgundy has secured an agreement in-principle with the surety providers to extend the cash collateralisation schedule of the remaining obligation over four years, instead of full payment by the end of June 2024. The revised cash collateralisation schedule would see Burgundy make quarterly instalments of C\$14.5 million, concluding with a final payment of ~C\$9.7 million in Q3 2027. The revised payment schedule is consistent with the existing Ekati life of mine schedule and is subject to entry of long form documentation with the surety providers.

Burgundy CEO and Managing Director, Kim Truter welcomed the long-term partnership with the surety providers as the Company continues to build for the future.

"This is a clear win-win for all parties, ensuring future closure obligations are well funded, in line with our devoted focus on ESG priorities, in addition to providing further funding capacity to invest in growth options today and over the short- to medium-term. We look forward to working with the surety providers to finalise the long form documentation" Mr Truter said.

"This evolution supports the development of our exciting new conceptual life of mine plan for our cornerstone Ekati asset."

"Potential conceptual mine life extension options include the extension of Misery underground, moving underground at Sable, developing an underground mine at Fox, processing existing low-grade stockpile at Fox, optimising the Point Lake project, and implementing the underwater remote mining project if trials are successful."

"We remain positive and are encouraged by the robust optionality that Ekati provides for our future growth potential."



This announcement was authorised for release by Mr Kim Truter, Managing Director and CEO of Burgundy Diamond Mines Limited

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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 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.