

Quarterly Activities Report

For the period ending 30 June 2024

Highlights (All currency figures in U.S. Dollars, unless otherwise stated)

US\$:A\$ FX rate of 1.50

Operational performance

- 1.26 million ore tonnes mined.
- 1.33 million waste tonnes mined (lower waste mining requirements).
- 1.01 million tonnes processed (annual plant maintenance during the quarter).
- 1.22 million carats recovered.

Sales performance

- 1.03 million carats sold over three sales events, including one fancy sale.
- US\$103/ct achieved for total proceeds of US\$106 million.

Mine life extension work

- Sable underground delineation drilling is 45% complete; prefeasibility study is 30% complete.
- High wall rock scaling complete in preparation for Sable underground portal development.
- Fox underground updated prefeasibility study is 30% complete.
- Point Lake open pit preparation progressing well, scheduled for production in early 2025.
- Misery underground mine extension drilling program is 10% complete.

Corporate

- EBITDA of US\$26 million (A\$39 million).
- Cash of US\$57 million (A\$85 million).
- Diamond inventory valued US\$100 million (A\$150 million).
- Net Cash of US\$37 million (A\$55 million), including diamond inventories.

Burgundy Diamond Mines Limited (ASX: BDM) (Burgundy or the Company) is pleased to provide its quarterly activities report for the period ended 30 June 2024 (Q2-2024, June quarter).

Ekati Operational Performance

Key operating performance metrics are included in the table below.

| | <i>Units</i> | Q2 2024 | Q2 2023 | % Variance |
|--------------------------------------|--------------|------------|------------|---------------|
| Waste tonnes mined | <i>Mwmt</i> | 1.33 | 5.48 | -76% |
| Ore tonnes mined | <i>Mwmt</i> | 1.26 | 1.20 | 6% |
| Tonnes processed | <i>Mdmt</i> | 1.01 | 1.11 | -9% |
| Carats recovered | <i>Mcts</i> | 1.22 | 1.36 | -10% |
| Carats sold | <i>Mcts</i> | 1.03 | 1.34 | -23% |
| Diamond inventories | <i>Mcts</i> | 1.32 | 1.26 | 5% |
| Carats recovered per tonne processed | <i>C/t</i> | 1.21 | 1.23 | -2% |



Ekati has two active mines that contributed to the results in the June quarter. An open pit operation at Sable and an underground operation at Misery, with approximately 75% of the total ore processed generated from Sable during the period. Waste tonnes mined in the June quarter were lower than the prior corresponding period in 2023, due to the lower waste strip requirement in Sable open pit.

Tonnes processed in the June quarter were 9% lower than the prior corresponding period in 2023, largely due to more maintenance required during our annual processing plant shutdown period. Carats recovered of 1.22 million carats for the June quarter were down 10% compared to the prior corresponding period in 2023, in line with the decrease in processed tonnes.



Figure 1 - Sable underground delineation and geotechnical drilling program for mine life extension evaluation



Figure 2 – Point Lake open pit mine preparation for production in early 2025

Sales Performance

During the June quarter, 1,030,488 carats were sold for total proceeds of US\$106 million, with an average selling price of US\$103 per carat. These results compare to Q2-2023, where 1,338,942 carats were sold for total proceeds of US\$145 million, with an average selling price of US\$108 per carat.

Despite broad softening in the polished diamond market, Ekati product has continued to generate strong buyer interest and high sell-through rates. The quality of the Ekati product and Canadian provenance remain highly valued in the market, supporting the Company's sales events in line with its vertically integrated business model, which is focused on capturing margins across the full diamond value chain.

In the June quarter, the Company concluded three sale events, including one fancy sale. The remaining rough diamond inventory consists of product that is not yet ready for sale but continues to progress through the normal production process managed by the Company.



Figure 3 – Selection of diamonds sold during the June quarter. 11.02 carat (left); 23.25 carat (middle); 52.13 carat (right). Sales amount for the three diamonds totalled ~US\$1.85M



Corporate

Corporate and financial summary 30 June 2024

| | Units | As at 30 June 2024 ² | As at 31 March 2024 ³ |
|---|---------|---------------------------------|----------------------------------|
| Cash | US\$M | 56.9 | 82.5 |
| Diamond inventories | US\$M | 100.0 | 107.8 |
| | Mcarats | 1.3 | 1.1 |
| Bank loans and Borrowings | US\$M | 73.8 | 73.8 |
| Convertible Notes | US\$M | 22.9 | 21.8 |
| Earn-out promissory notes | US\$M | - | 7.2 |
| Capital leases | US\$M | 23.4 | 23.4 |
| Consolidated Net Cash/ (Debt) ¹ | US\$M | (63.2) | (43.7) |
| Consolidated Net Cash including diamond inventories | US\$M | 36.9 | 64.1 |

Notes:

1. Consolidated Net Cash comprises of cash less debt. Debt is defined as bank loans and borrowings, convertible notes, earn-out promissory notes and capital leases.
2. June closing balances are unaudited.
3. March closing balances are unaudited.

Cash Change Over The Period

Cash of US\$56.9M was negatively impacted due to an annual, lump sum tax payment of US\$25M in June 2024 related to 2023 taxable income. Of the US\$21M capital expenditures incurred over the June quarter, ~US\$10M was spent on development capital for Point Lake, including ~US\$8M on open pit stripping and ~US\$2M on waste rock storage area construction, in preparation for production in early 2025.

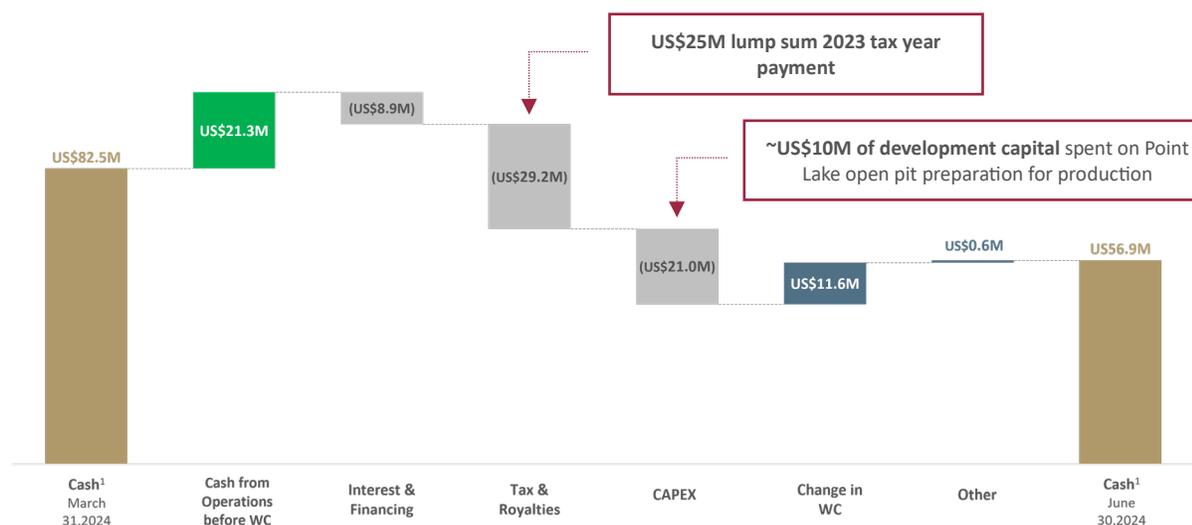


Figure 4 – Cash change details from March 31, 2024 to June 30, 2024

Notes:

1. Cash and cash equivalents.



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

“We had another busy quarter across the business. At Ekati, we successfully completed our major annual plant shutdown – a process that involves over 200 people and 6,500 hours of maintenance completed in less than a week. We were able to install two new X-ray sorting machines, which feeds into our larger Ekati transformation goals. A major focus of ours - and a big opportunity - is lowering the Ekati cost base, and as a result, increasing our profit margin. Something we identified since taking control of Ekati was the high amount of granitic waste entering our processing plant, mostly coming from the Misery underground operation. In simple terms, by reducing this, we would effectively be increasing our processed grade and production revenue, whilst significantly lowering the cost of maintaining our infrastructure. It’s a big prize we are going after, and we have already seen an improvement as focus has increased on this and many other opportunities.

There is a lot of technical work going on behind the scenes to meet our mine life extension goals. We have two active drilling programs at our Sable and Misery mines that are progressing well with encouraging preliminary observations. We also have our Fox underground prefeasibility study underway – the benefit of this mine extension opportunity is that we do not require any additional drilling or sampling work, as it is already an Indicated Mineral Resource boasting ~17 million high quality carats. We are merely taking the data we have and updating it with a lower cost mining method. Our future Point Lake open pit operation is getting closer to the finish line with our final dewatering phase underway and all permits received. It is exciting to be launching Ekati’s tenth mine – a landmark achievement which represents the prospective nature of our land holdings. We look forward to providing more information on the timing of the various extension projects, and what our shareholders can expect over the next six to twelve months.

In terms of the diamond market, prices continue to be suppressed due to inventory built up in the middle part of the supply chain (traders and manufacturers predominantly in India). Based on discussions with experts in the field, we believe it is just a matter of time before we start to see the diamond price move upwards as the supply demand equation tightens. We are also very enthused to see De Beers’ intention for a renewed marketing campaign – the first time in 30 years. It is unquestionable that diamond marketing has always led to bullish periods for our sector.”

Other Projects

Naujaat Project

No substantive activities occurred during the June quarter.

Ellendale

Reclamation of the Ellendale project was completed in August 2023. The Company continues to monitor and report on the project as required by Federal and State Government agencies and other stakeholders in Australia. A rehabilitation review will be conducted next quarter.

Investor Conference Call

A second-quarter investor conference call will be held on Monday, 29th July 2024 at 6:30 pm MST (Canada/US) / Tuesday, July 30th at 10:30 am AEST (Australia).

Conference call registration link:

https://bellpotter.zoom.us/webinar/register/WN_VDmKp4_9QN-vRbxWcKrtxA



-ENDS-

This announcement was authorised for release by the Board 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 industry, including mining, production, cutting and polishing, and the sale of diamonds. By building a balanced portfolio of diamond projects in favourable jurisdictions, including the globally ranked Canadian mining asset, Ekati, and a diamond cutting and polishing facility in Perth, 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 was founded in Perth, Western Australia. The company is 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.