

Quarterly Activities Report

For the period ending 30 September 2024

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

US\$:A\$ FX rate of 1.45

Ekati operational performance

- 100 millionth carat recovered at Ekati after 26 years of production.
- 0.80 million ore tonnes mined.
- 1.80 million waste tonnes mined (waste stripping at the Point Lake open pit mine has commenced).
- 1.12 million tonnes processed.
- 1.24 million carats recovered.
- Operational guidance for 2024 carats recovered revised to 4.7 - 5.0 million carats.

Sales performance

- 1.42 million carats sold over three sales events.
- US\$83/ct achieved for total proceeds of US\$118 million (A\$171 million).
- Multiple sales channels and strategies introduced outside of Burgundy's propriety auction process.

Corporate

- EBITDA of US\$21.8 million (A\$31.5 million).
- US\$23.2 million in debt repaid, significantly improving the Company's debt obligations.
- **Cash of US\$72.4 million (A\$105.0 million), up US\$15.5 million from Q2-2024.**
- Diamond inventory valued US\$73.2 million (A\$106.1 million).
- Net Cash of US\$50.7 million (A\$73.5 million), including diamond inventories.
- Financial guidance for 2024 revenue revised to US\$430 - US\$460 million.

Mine life extension work

- Point Lake open pit preparation is nearing completion, ore production will commence Q1-2025.
- Misery Main ore body extension drilling is complete, proving larger size. Production is expected to continue past 2026.
- Misery Southwest extension drilling has commenced for maiden Mineral Resource declaration.
- Sable underground prefeasibility study is 40% complete. Decision made to reschedule the project start date due to positive Misery mine extension results.
- Fox underground updated prefeasibility study is in progress.
- Fox high value stockpile project progressing – long lead equipment purchase underway.

Burgundy Diamond Mines Limited (ASX: BDM) (Burgundy or the Company) is pleased to provide its quarterly activities report for the period ended 30 September 2024 (Q3-2024, September quarter).

Chief Executive Officer and Managing Director Commentary

"We achieved another strategic objective for the Company this quarter by repaying our Convertible Note debt of ~US\$23 million. The decision to repay this in cash shows Burgundy's confidence in the



business. Over the quarter, even with the debt repayment, our cash position closed at ~US\$72 million, up ~US\$16 million from the June quarter. Our net debt (excluding diamond inventories) now sits at ~US\$23 million, so the Company is in a strong position to meet its commitments. Last month we announced our positive mine extension drilling results from the Misery mine. Given the likely extension of Misery, no major capital expenditure is anticipated in 2025.

Burgundy's operational performance for the quarter achieved increased quarterly tonnes processed compared to the prior corresponding period. Ore production during the quarter was lower, as operations started the transition from the Sable mine to Point Lake open pit. Moreover, the Company had active mine life extension drilling programmes disrupting production, however the 2024 ore mined guidance remains on track.

The Point Lake open pit mine is starting to take shape, and we are preparing to launch - what will be - Ekati's 10th new mining project early next year. A special milestone for Ekati this quarter was the recovery of the operation's 100 millionth carat after twenty-six years of production, which is a significant milestone. As published, Ekati has 140 million carats remaining in Indicated Mineral Resources (see ASX announcement dated 2nd May 2024) which demonstrates Ekati's tier one status.

The Company is looking forward to the next quarter and building on progress covering mine extension work, sale and marketing strategies, and cost reduction initiatives. The upcoming festive season is normally a good quarter for the diamond industry. ”

Kim Truter, Chief Executive Officer & Managing Director

Ekati Operational Performance

Table 1.1: Key quarterly operating performance metrics.

	Units	Q3 2024	Q3 2023	% Variance
Waste tonnes mined	Mwmt	1.80	3.73	-52%
Ore tonnes mined	Mwmt	0.80	1.24	-35%
Tonnes processed	Mdmt	1.12	1.09	3%
Carats recovered	Mcts	1.24	1.37	-9%
Carats sold	Mcts	1.42	0.79	80%
Diamond inventories	Mcts	1.14	1.89	-40%
Carats recovered per tonne processed	C/t	1.10	1.25	-12%

Ekati has two active mines that contributed to the results in the September quarter. An open pit operation at Sable and an underground operation at Misery, with approximately 71% of the total ore processed generated from Sable during the period.

Ore mined during the September quarter was 35% lower than the prior corresponding period, due to operations transitioning from the Sable mine to the Point Lake open pit, and activity around the Company's mine life extension drilling programmes. Waste tonnes mined in the September quarter were lower than the prior corresponding period, due to the lower waste stripping requirement in Sable open pit.



Tonnes processed in the September quarter were 3% higher than the prior corresponding period. 1.24 million carats were recovered at a grade of 1.10 carats per tonne for the September quarter. This is down 9% and 12% respectively compared to the prior corresponding period, due to a slightly lower grade ore blend.

Sales Performance

During the September quarter, 1.42 million carats were sold for total proceeds of US\$118 million (up 29% from the prior corresponding period), with an average selling price of US\$83 per carat. These results compare to Q3-2023, where 0.79 million carats were sold for total proceeds of US\$91 million, with an average selling price of US\$116 per carat.

During the September quarter, the Company concluded three sale events. Despite a soft diamond market, the Ekati product continued to generate strong buyer interest and high sell-through rates (carats sold up 80% from the prior corresponding period). Burgundy has successfully introduced multiple sales channels, complimenting the Company's propriety auction process.

The remaining diamond inventory, valued at US\$73 million¹, consists of product that is not yet ready for sale but continues to progress through the normal production process managed by the Company.

Notes: (1) Diamond inventory is valued at lower of cost or net realisable value, which is not necessarily indicative of its market value.

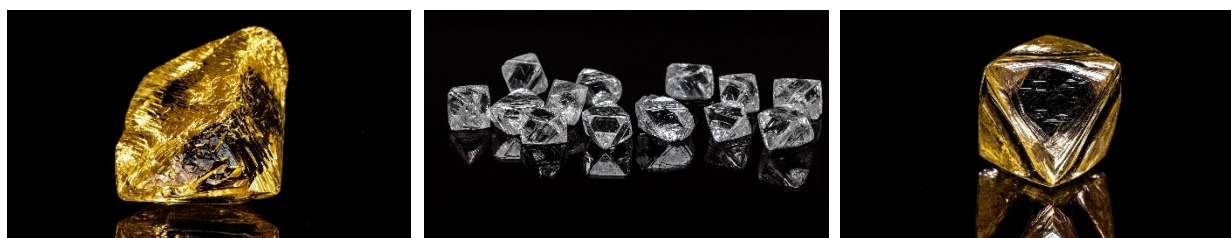


Figure 1 – Selection of diamonds recovered during the September quarter. 36.0 carat fancy vivid yellow carat (left); 80.3 carat parcel (5-10 carat Z high white stones) (middle); 11.3 carat fancy yellow (right).

Corporate

Table 1.2: Corporate and financial summary for the September quarter.

	Units	As at 30 September 2024 ³	As at 30 June 2024 ⁴
Cash	US\$M	72.4	56.9
Diamond inventories ¹	US\$M	73.2	100.0
	Mcarats	1.1	1.3
Bank loans and Borrowings	US\$M	73.8	73.8
Convertible Notes	US\$M	-	22.9
Earn-out promissory notes	US\$M	-	-
Capital leases	US\$M	21.1	23.4
Consolidated Net Cash/ (Debt) ²	US\$M	(22.5)	(63.2)
Consolidated Net Cash including diamond inventories	US\$M	50.7	36.9

Notes: (1) Diamond inventory is valued at lower of cost or net realisable value, which is not necessarily indicative of its market value.

(2) 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. (3) September closing balances are unaudited. (4) June closing balances are unaudited.



Cash Change over the Period

The Company ended the September quarter with a cash and cash equivalent balance of US\$72.4M (up US\$15.5M from the June quarter). The major cash movements included the Convertible Note debt repayment of US\$23.2M and US\$36.5M capital expenditure, which was mostly capitalised waste stripping at Point Lake (US\$24.2M) and the purchase of two new road haul trains (US\$2.4M). Change in working capital was primarily due to US\$50.9M arising from change in inventory, US\$3.4M change in receivables due to a GST refund received during the quarter, and US\$2.0M due to change in trade and other payable. Exploration expenditure for the quarter totalled US\$3.4M. The Company did not make any payments related to the environmental bonds during the quarter pending the establishment of an environmental trust account with tax deduction advantages.



Figure 2 – Cash change details from June 30th, 2024, to September 30th, 2024 (US\$M).

Notes: (1) Cash and cash equivalents.

Mine Life Extension Work

Misery mine extension drilling of the Main body intercepted a larger ore body, allowing Burgundy to continue production past the initial 2026 date. Drilling of the Misery Southwest extension to the Main ore body has commenced, which is an additional extension target for the Misery mine. A preliminary optimised open pit for Point Lake has been completed, which is scheduled for ore production in Q1-2025.

The Sable underground reverse circulation drilling sample collected in Q1-2024 has been fully processed with results pending, while the delineation drilling is ongoing. The Sable underground prefeasibility study continues to progress and is now ~40% complete.

Given the success at the Misery mine, the Company has rescheduled the development of the Sable underground operation (including the planned portal development in 2024) to a later date, which has improved Burgundy's forecasted cash flow in the near term.

Updating the prefeasibility study for Fox underground project, containing 16.5 million carats in Indicated Resources, is in progress and is expected to be finished in Q1-2025. The Fox high value stockpile project has progressed, and long lead equipment purchase orders have been placed.



The Company is on track to deliver updated mine plans commencing Q1-2025.

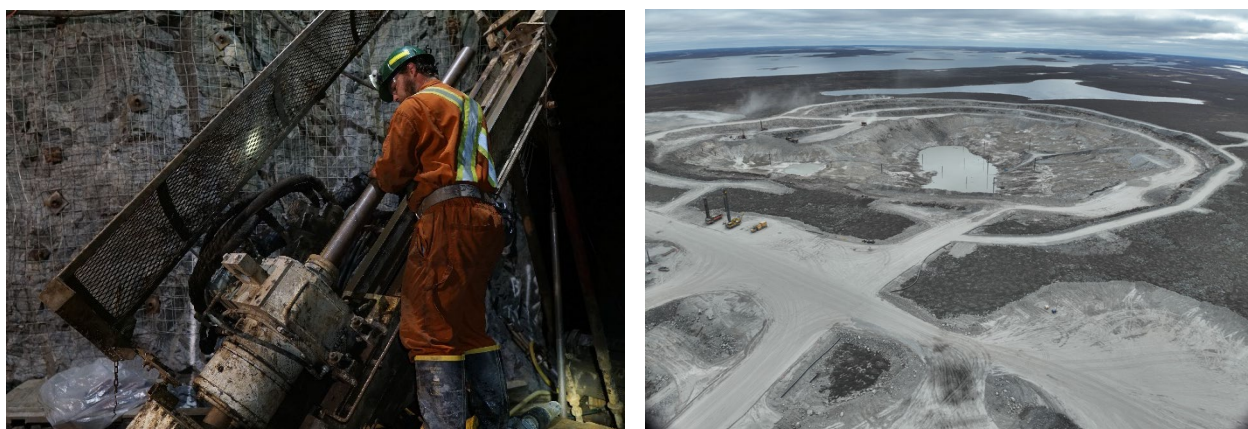


Figure 3 – Misery underground mine extension drilling targeting the Main ore body (left); Point Lake open pit mine preparation for production in early 2025.

Operational and Financial Guidance for 2024

During the September quarter, the diamond market softened, which adversely affected sale prices. A slightly lower grade blend processed during the quarter caused a lower carat recovery. As a result, the Company's annual guidance for carats recovered and revenue has been revised.

Table 1.3: Operational guidance

	Units	CY-2023 ¹	Operational guidance		YTD	Status
			CY-2024 low	CY-2024 high		
Waste tonnes mined	Mwmt	16.6	10.5	11.0	4.7	Lower
Ore tonnes mined	Mwmt	4.6	4.2	4.7	3.4	On track
Tonnes processed	Mdmt	4.2	4.0	4.4	3.2	On track
Carats sold	Mcts	4.7	4.9	5.3	3.8	On track
Carats recovered (previous)	Mcts	5.1	4.9	5.3	3.6	Revised
Carats recovered* (revised)	Mcts	5.1	4.7	5.0	3.6	On track

Notes: *Revised annual guidance and target. Mwmt = million wet metric tonnes; Mdmt = million dry metric tonnes; Mcts = million carats. (1) Restated to include operating metrics pre-closing of the Ekati acquisition.

Table 1.4: Financial guidance

	CY-2023 ¹	Financial guidance		YTD	Status
		CY-2024 low	CY-2024 high		
Revenue (previous)	US\$471M	US\$460M	US\$500M	US\$341M	Revised
Revenue* (revised)	US\$471M	US\$430M	US\$460M	US\$341M	On track
EBITDA	US\$123M	US\$100M	US\$120M	US\$73M	On track



Notes: EBITDA is a non-IFRS metric and is calculated as net income (loss) plus current tax expense (recovery) plus deferred tax expense (recovery) plus finance expenses plus depreciation and amortisation. *Revised annual guidance and target. (1) Restated to include operating metrics pre-closing of the Ekati acquisition.

Q4-2024 Company Outlook

During the upcoming quarter, Sable open pit mining will largely be completed as the remaining ore in the bottom of the open pit is extracted. Activities at Point Lake will continue at pace, as dewatering has been completed, and the upper open pit benches are established. Waste stripping will ramp-up, with ore production commencing in Q1-2025. Two bulk sampling activities are planned for the quarter to improve ore body knowledge, one at Point Lake, and one at the Misery Southwest extension target.

It is anticipated that the proportion of Misery ore in the blend will increase this quarter (compared to Q3-2024), which will favourably increase carats recovered due to the higher-grade material.

Prefeasibility studies for Sable underground and Fox underground will be progressed, and the drilling activities targeting Misery Southwest extension will continue.

Two sales auction events will occur during the quarter. The second auction is a larger than normal event, including carry over inventory and product brought forward in the cycle. The last quarter of the year is typically strong from a sales perspective, as retailers take stock for end of year sale events.

The cash balance of the Company will reduce as winter road and environmental bond payments are made during the quarter.

Notes: The Company outlook for the upcoming quarter is an estimate. Actual activities and results scheduled or completed may vary.

Investor Conference Call

A third-quarter investor conference call will be held on Monday, 28th October 2024 at 5:30 pm MST (Canada/US) / Tuesday, October 29th at 10:30 am AEST (Australia).

Conference call registration link:

https://bellpotter.zoom.us/webinar/register/WN_zGhRDIK1Rw25WXE9mzq1NQ

Other Projects

Naujaat Project (40% Burgundy Joint Venture)

No substantive activities occurred during the September 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. The Company has no ownership in the project.

-ENDS-

This announcement was authorised for release by the Board of Burgundy Diamond Mines Limited.

**Investor enquiries**

investor@burgundydiamonds.com

Media enquiries

communications@burgundydiamonds.com

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.