

BURGUNDY DIAMOND MINES LIMITED

ACN 160 017 390

Notice of General Meeting

The General Meeting of the Company will be held at Unit 1, 1 Centro Avenue Subiaco WA 6008 on Thursday, 30 April 2026 at 9.00am (Perth time).

IMPORTANT NOTICE

The Directors (other than where they are subject to a voting restriction) unanimously recommend that Shareholders VOTE IN FAVOUR of the Resolutions set out in the Notice of General Meeting

The Notice of General Meeting, Explanatory Statement, Independent Expert's Report and Proxy Form should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

INDEPENDENT EXPERT'S REPORT

Shareholders should carefully consider the Independent Expert's Report prepared for the purpose of the Shareholder approval required under Resolution 3 and Resolution 4. The Independent Expert's Report opines on the fairness and reasonableness of the transactions the subject of Resolution 3 and Resolution 4 to non-associated Shareholders.

The Independent Expert has determined the transaction the subject of Resolution 3 to be, in respect to the non-associated Shareholders, was **not fair, but reasonable**.

The Independent Expert has determined the transaction the subject of Resolution 4 to be, in respect to the non-associated Shareholders, was **not fair, but reasonable**.

The Independent Expert's Report is located in Schedule 3 of this Notice of General Meeting. Shareholders may request a hard copy of the Independent Expert's Report at no cost to the holder by contacting the Company Secretary.

Shareholders are urged to attend or vote by lodging the Proxy Form attached to the Notice

Burgundy Diamond Mines Limited
ACN 160 017 390
(Company)

Notice of General Meeting

Notice is given that the General Meeting of Burgundy Diamond Mines Limited will be held at Unit 1, 1 Centro Avenue Subiaco WA 6008 on Thursday, 30 April 2026 at 9.00am (Perth time) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Wednesday, 29 April 2026 at 5.00pm (Perth time).

Terms and abbreviations used in the Notice are defined in Schedule 1.

Agenda

1 Resolutions

Resolution 1 – Ratification of prior issue of Tranche A Warrants to CEEFC

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

'That the prior issue of 156,185,448 Warrants to CEEFC with an exercise price of A\$0.017 per Warrant and expiring 17 December 2035 is approved under Listing Rule 7.4 and for all other purposes, on the terms and conditions set out in the Explanatory Memorandum.'

Resolution 2 – Approval to issue Tranche B Warrants to CEEFC

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

'That the issue of up to 1,499,293,862 Warrants to CEEFC with an exercise price of A\$0.017 per Warrant and expiring 17 December 2035 is approved under and for the purposes of Listing Rule 7.1 and for all other purposes, on the terms and conditions set out in the Explanatory Memorandum.'

Resolution 3 – Approval of Historical Product Sales with Choron and ratification of Listing Rule 10.1 breach

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

'That, for the purposes of Listing Rule 10.1, the requirements of ASX and for all other purposes, Shareholders ratify and approve the various sales by the Company in the amount of US\$50,632,174.27 made from 25 September 2024 to 10 September 2025 (inclusive) and any associated security granted in connection with any associated or non-associated loans provided by Choron to the Company, which have been determined to have been made in breach of Listing Rule 10.1, and ratify the Company's breach of Listing Rule 10.1, in the manner and on the terms set out in the Explanatory Statement.'

Independent Expert's Report: Shareholders should consider the Independent Expert's Report prepared by the Independent Expert and attached at Schedule 3 to this Notice for the purposes of the Shareholder approval required under Listing Rule 10.1. The Independent Expert's Report opines on the fairness and reasonableness of the Historical Product Sales.

The Independent Expert has determined that the Historical Product Sales (including grants of associated security) were not fair, but reasonable.

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Resolution 4 – Approval of proposed sale of products to Choron for a two year period and associated transaction security

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.1 and for all other purposes, Shareholders approve the sale of diamonds by the Company to Choron, a Related Party of the Company, that may be made during the period 2 years after the date of the Meeting, and any associated security granted in connection with any associated loan, advance or prepayment provided by Choron to the Company, in each case up to a maximum cumulative amount of US\$75 million, pursuant to the Framework Agreement to be entered into between the Company and Choron, in the manner and on the terms set out in the Explanatory Statement.”

Independent Expert’s Report: Shareholders should consider the Independent Expert’s Report prepared by the Independent Expert and attached at Schedule 3 to this Notice for the purposes of the Shareholder approval required under Listing Rule 10.1. The Independent Expert’s Report opines on the fairness and reasonableness of the Proposed Product Sales.

2 Voting exclusions

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

- (a) **Resolution 1:** by or on behalf of CEEFC and any of its associates;
- (b) **Resolution 2:** by or on behalf of CEEFC and any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of the Tranche B Warrants (except a benefit solely by reason of being a holder of Shares), and any of their respective associates; and
- (c) **Resolution 3 and Resolution 4:** by Choron and any other person who obtained or will obtain a material benefit as a result of the Historical Product Sales or Proposed Product Sales to Choron (except a benefit solely by reason of being a holder of Shares) or an ‘associate’ (as defined in the Listing Rules) of such person, including Mr Anshul Gandhi.

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

BY ORDER OF THE BOARD



**Brent Mierau
Company Secretary
Burgundy Diamond Mines Limited**

Dated: 1 April 2026

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Burgundy Diamond Mines Limited
ACN 160 017 390
(Company)

Explanatory Memorandum

1 Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Unit 1, 1 Centro Avenue Subiaco WA 6008 on Thursday, 30 April 2026 at 9.00am (Perth time).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes information about the following to assist Shareholders in deciding how to vote on the Resolutions:

Section 0	Resolution 1 – Ratification of prior issue of Tranche A Warrants to CEEFC
Section 4	Resolution 2 – Approval to issue Tranche B Warrants to CEEFC
Section 5	Resolution 3 – Approval of Historical Product Sales with Choron and ratification of Listing Rule 10.1 breach
Section 6	Resolution 4 – Approval of proposed sale of products to Choron for a two year period and associated transaction security
Schedule 1	Definitions
Schedule 2	Summary of terms and conditions of Warrants and Warrant Agreement
Schedule 3	Independent Expert's Report
Schedule 4	Summary of material terms of the Historical Product Sales
Schedule 5	Summary of terms and conditions of the Framework Agreement

A Proxy Form is located at the end of the Explanatory Memorandum.

2 Voting and attendance information

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Voting in person

To vote in person, attend the Meeting at the time, date and place set out above. You may still attend the Meeting and vote in person even if you have appointed a proxy. If you have previously submitted a Proxy Form, your attendance will not revoke your proxy appointment unless you actually vote at the Meeting for which the proxy is proposed to be used, in which case, the proxy's appointment is deemed to be revoked with respect to voting on that Resolution.

2.2 Voting by proxy

Shareholders are encouraged to vote by completing a Proxy Form.

Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

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Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form to the Notice of Meeting.

Proxy Forms can be lodged:

Online:	www.investor.automic.com.au
By email:	meetings@automicgroup.com.au
By mail:	Automic GPO Box 5193 Sydney NSW 2001
By fax:	1300 288 664 (Within Australia) +61 2 9698 5414 (Overseas)

2.3 Chair's voting intentions

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

Subject to the following paragraph, if the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on any of the Resolutions by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even if the Resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel of the Company.

3 Resolution 1 – Ratification of prior issue of Tranche A Warrants to CEEFC

3.1 General

On 17 December 2025, Burgundy Diamond Mines Limited (the **Company**) together with its operating subsidiary, Arctic Canadian Diamond Company Ltd. (**ACDC**), entered into an initial financing package with Canada Enterprise Emergency Funding Corporation (**CEEFC**) for the provision of ~C\$115 million in secured funding via a Large Enterprise Tariff Loan (**LETL**) from CEEFC (**Loan Facility**). The Government of Canada's LETL facility provides financial support to large Canadian enterprises impacted by actual and potential tariffs and countermeasures. The LETL facility is managed by CEEFC.

The Loan Facility has a maximum 7-year term, with interest at the 3-month 'Canadian Overnight Repo Rate Average' (**CORRA**) plus a margin of 200 bps for the first two years from closing, stepping up by 200 bps each year thereafter until reaching a cap of 1000bps. Interest accrued in the first 2 years of the Loan Facility may be capitalised as payment-in-kind (**PIK**) interest.

On 4 March 2026, the Loan Facility was amended and restated to increase CEEFC's aggregate commitment to ~C\$175 million by way of the inclusion of an additional ~C\$60 million loan tranche. In consideration for providing the Loan Facility, the Company agreed to issue CEEFC a total of 1,655,479,310 unlisted warrants (comprising an additional 545,054,838 unlisted warrants to the 1,110,424,472 unlisted warrants initially agreed in connection with the upsizing of the Loan Facility), each exercisable into one fully-paid ordinary share in the Company (**Share**) at an exercise price of A\$0.017 per warrant and expiring on 17 December 2035 (**Warrant**), pursuant to a warrant agreement entered into by the Company and CEEFC on 17 December 2025, as amended and restated on 4 March 2026 (**Warrant Agreement**) to implement the increase in the number of Tranche B Warrants to be issued.

Under the Warrant Agreement, the Warrants are to be issued to CEEFC in two tranches as set out below:

- (a) an aggregate of 156,185,448 Warrants, which were issued on 17 December 2025 (**Tranche A Warrants**); and
- (b) an aggregate of 1,499,293,862 Warrants, to be issued five business days from the date of this Shareholder approval, and will be issued within three months of the date of the Meeting (unless otherwise waived by ASX) (**Tranche B Warrants**).

The Tranche A Warrants were issued pursuant to the Company's 15% placement capacity in accordance with Listing Rule 7.1.

CEEFC has customary rights to require the lodgement by the Company of a Canadian prospectus in order to facilitate secondary market distributions in Canada of the Warrants and Shares issued on their exercise pursuant to the terms of an investor rights agreement between the Company and CEEFC.

A summary of the key terms and conditions of the Warrant Agreement are set out at Schedule 2.

Resolution 1 seeks the approval of Shareholders to ratify the issue of Warrants under and for the purposes of Listing Rule 7.4.

3.2 Listing Rules 7.1, 7.1A and 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. Shareholders approved this additional capacity at the Company's annual general meeting held on 27 May 2025.

The issue of Warrants does not fit within any of the exceptions to Listing Rules 7.1 and 7.1A and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the Company's combined 25% limit under Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under those Listing Rules for the 12-month period following the issue of the Warrants.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 1 seeks Shareholder approval for the issue of 156,185,448 Warrants to CEEFC under and for the purposes of Listing Rule 7.4.

If Resolution 1 is passed, the issue of the Tranche A Warrants will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the issue of the Tranche A Warrants.

In the event that Resolution 1 is not passed, the issue of the Tranche A Warrants to CEEFC will be included in the Company's combined 25% limit under Listing Rules 7.1 and 7.1A, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without

obtaining prior Shareholder approval over the 12-month period following the issue of those Warrants. Any decrease in the number of the Equity Securities available to issue without Shareholder approval could have an adverse impact on the Company's ability to raise capital in the future, which could in turn impact the Company's ability to continue as a going concern.

3.3 Specific information required by Listing Rule 7.5

Under and for the purposes of Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Tranche A Warrants:

- (a) the Warrants were issued to CEEFC for nil cash consideration. They were issued:
 - (i) as consideration for the provision of the Loan Facility, which is critical to the Company's ongoing financial viability as outlined in Section 3.1; and
 - (ii) in accordance with the Warrant Agreement;
- (b) a total of 156,185,448 Tranche A Warrants were issued on 17 December 2025 within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval;
- (c) each Warrant entitles CEEFC to acquire one Share in the capital of the Company at an exercise price of A\$0.017 and expires on 17 December 2035;
- (d) the material terms and conditions of the Warrants and Warrant Agreement are summarised in Schedule 2; and
- (e) a voting exclusion statement applies in respect of this Resolution as is set out in the Notice.

3.4 Board recommendation

Resolution 1 is an ordinary resolution.

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

Those Directors who hold Shares or control an entity that holds Shares (being Mr Michael O'Keeffe, Mr Jeremy King, Mr Marc Dorion and Mr Anshul Gandhi) intend to vote those Shares in favour of Resolution 1.

4 Resolution 2 – Approval to issue Tranche B Warrants to CEEFC

4.1 General

The background to the issue of the Warrants is contained in Section 3.1 above.

The Company does not currently have sufficient placement capacity under Listing Rules 7.1 and 7.1A to issue the Tranche B Warrants.

Resolution 2 seeks Shareholder approval for the issue of 1,499,293,862 Tranche B Warrants to CEEFC pursuant to the Warrant Agreement under and for the purposes of Listing Rule 7.1.

4.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is contained in Section 3.2 above.

The proposed issue of Tranche B Warrants to CEEFC does not fall within any of the exceptions to Listing Rules 7.1 and 7.1A and exceeds the Company's combined 25% limit in Listing Rules 7.1 and 7.1A. It therefore requires the approval of Shareholders under Listing Rule 7.1.

To this end, Resolution 2 seeks the required Shareholder approval for the issue of 1,499,293,862 Tranche B Warrants to CEEFC under and for the purposes of Listing Rule 7.1.

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Tranche B Warrants to CEEFC in accordance with the terms of the Warrant Agreement and in connection with the Loan Facility as set out in Section 3.1. In addition, the Tranche B Warrants will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of the Tranche B Warrants to CEEFC and the Company will be in default of the Loan Facility, resulting in all outstanding amounts under the Loan Facility being payable on demand. In addition, in those circumstances, the Loan Facility provides that the Company will pay to CEEFC a cash settlement amount upon being provided notice by CEEFC. The notice can be given at any time prior to 5.00pm (Sydney time) on 17 December 2035 (being the expiry date of the Warrants). The cash settlement amount payable is equal to the fair market value (as determined in good faith by the Board, acting reasonably and in consultation with an independent financial advisor of recognised standing appointed by the Company at its cost, and subject to approval by CEEFC) of the number of Shares that would have been issued upon exercise in full of the Tranche B Warrants, less the aggregate exercise price that would have been payable on such exercise. There is no guarantee the Company will be in a position to pay the cash settlement amount in the future. In those circumstances, the Company may not be able to continue as a going concern. The Company considers the issue of the Tranche B Warrants to be critical to its ongoing financial viability.

4.3 Specific information required by Listing Rule 7.3

Under and for the purposes of Listing Rule 7.3, the following information is provided in relation to the proposed issue of Tranche B Warrants:

- (a) the Warrants will be issued to CEEFC for nil cash consideration. They will be issued:
 - (i) as consideration for the provision of the Loan Facility, which is critical to the Company's ongoing financial viability as outlined in Section 3.1 above; and
 - (ii) in accordance with the Warrant Agreement;
- (b) up to 1,499,293,862 Tranche B Warrants are proposed to be issued to CEEFC;
- (c) each Warrant will entitle CEEFC to acquire one Share in the capital of the Company at an exercise price of A\$0.017 and expires on 17 December 2035;
- (d) the Warrants will be issued 5 business days from the date of this Shareholder approval, and will be issued within three months of the date of the Meeting (unless otherwise waived by ASX);
- (e) the material terms and conditions of the Warrants and Warrant Agreement are summarised in Schedule 2; and
- (f) a voting exclusion statement applies in respect of this Resolution as is set out in the Notice.

4.4 Board Recommendation

Resolution 2 is an ordinary resolution.

The Board unanimously recommends that Shareholders vote in favour of Resolution 2.

Those Directors who hold Shares or control an entity that holds Shares (being Mr Michael O'Keefe, Mr Jeremy King, Mr Marc Dorion and Mr Anshul Gandhi) intend to vote in favour of Resolution 2.

5 Resolution 3 – Approval of Historical Product Sales with Choron and ratification of Listing Rule 10.1 breach

5.1 Background

The Company has breached Listing Rule 10.1 by selling diamonds to Choron in the amount of US\$50,632,174.27 during the period 25 September 2024 to 10 September 2025 (inclusive) (**Relevant Period**) through auctions and various agreements entered between the Company's subsidiaries, Arctic Canadian Diamond Marketing NV (**ACDM**) and ACDC, and Choron and its subsidiaries (**Historical Product Sales**).

As identified in the table below, the Historical Product Sales included the entry into several direct sale agreements with Choron, the terms of which have been summarised at Schedule 4. The value of the diamond products subject of those agreements was determined by calculating the average of two separate independent valuations undertaken by experts nominated by Bonas, which has overseen these valuation processes for over a decade. Pursuant to the terms of those agreements, associated security over the Company's present and future diamond inventories was granted in favour of Choron, in the form of a pledge registered on the Belgian National Pledge Register, securing the maximum amount of €30,000,000 and constituting a deemed disposal in breach of Listing Rule 10.1. As of the date hereof, all security in favour of Choron has been released.

For the Historical Product Sales purchased via auction, the De Beers auction process, which is widely used and industry standard, was utilised by the Company. This auction process is competitive and no participant is afforded any advantage or disadvantage, whether a related party or unrelated party, to ensure a fair market clearing price is achieved. The process is summarised as follows:

- (a) prospective buyers are notified of an upcoming sale of rough diamonds in Antwerp and provided details of the number of carats available by the Company's head of sales and/or senior director of operations (generally by email). Currently, the Company has a book of approximately 100 active buyers. Bookings are then made for viewings of the diamond products;
- (b) viewings of the diamond products are undertaken by prospective buyers in secure rooms at the Company's Antwerp office;
- (c) bids for each parcel of diamond products are lodged by prospective buyers on a secure online system; and
- (d) the Company's head of sales (who, for completeness, is not related to Choron in any capacity), assesses the bids against the 'reserve' price for each parcel of diamond product. The 'reserve' price is generally determined via the Company's price book which effectively records the average price of diamond products sold. The price book is updated by the Company after each sale event.

The Company previously had a dedicated sales office in Antwerp which managed the auction process described above for over 25 years and Choron has purchased diamond products in this manner for approximately 20 years. Ten auction events were typically held each year to reflect production cycles. The Company recently closed the Antwerp sales office to reduce costs and now intends to carry out auctions with Bonas. Bonas is based in Antwerp and the leading auction house for diamond miners globally. Bonas carries out over 50 sales events each year and has a book of approximately 1,000 buyers of rough diamonds (approximately 300 of these buyers are currently active).

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For completeness, the Historical Product Sales also include a bilateral direct sale of two polished diamonds to Choron on 12 December 2024 (see the table below). This sale method differs to the typical auction or direct sale agreement methods undertaken by the Company given the nature of the product being sold (i.e., polished diamonds, which, unlike rough diamonds, are rarely sold through an auction process). Further, given the high value for each polished diamond, they were difficult to sell in the local Perth market and for this reason, they were shipped to Choron's Dubai office for further refinement. Following this refinement, several bids were received for the diamond products with Choron's offer being the highest. The valuation of these diamonds was based on the Company's price points for such products, which were updated monthly with reference to the Rapaport Index and general market conditions, and no independent valuation was carried out. Although the Rapaport Index is a pricing index for white manufactured stones and the relevant diamonds were coloured yellow, it was still used given the RapNet does not have a pricing index for coloured diamonds. An independent assessment by the Gemological Institute of America was also undertaken in respect of these diamonds. The Company has since closed its cutting, manufacturing and polishing facility in Perth from which these products originated. The Independent Expert's Report has concluded the price paid by Choron for the polished diamonds subject of the bilateral direct sale was equivalent to market value.

The relevant diamond products sold as part of the Historical Product Sales constituted assets of the Company at the relevant time, that were sold to Choron (a Related Party of the Company) without prior shareholder approval of the sale in accordance with Listing Rule 10.1.

Choron is a leading international diamond and jewellery group primarily focused on the sourcing, assortment and sale of rough diamonds, the manufacturing of rough diamonds, the sale of polished diamonds and the distribution of wholesale jewellery. Mr Anshul Gandhi, a director of the Company, is the sole shareholder of Choron and the sole shareholder of KAMA Capital Pte Ltd, which is a shareholder in the Company (holding 8.44% interest in the Company). As a result, Choron is a Related Party of the Company, and transactions with it are subject to compliance with Listing Rule 10.1.

Since the appointment of Mr Anshul Gandhi as a director of the Company on 1 August 2024, members of the Company's group have made the following sale of diamonds to entities associated with Choron, in breach of the Listing Rule 10.1 threshold, totalling US\$50,632,174.27:

DATE	PRODUCT TYPE	PURCHASER	AMOUNT (US\$)	PURCHASE MECHANISM
25/09/2024	Rough	Choron Diamonds DMCC	\$202,317.46	Auction
7/11/2024	Rough	Choron Belgium BV	\$361,686.76	Auction
12/12/2024	Polished	Choron Diamonds DMCC	\$345,481.62	Bilateral Direct Sale
12/12/2024	Rough	Choron Diamonds DMCC	\$130,885.34	Auction
26/03/2025	Rough	Choron BV	\$411,766.65	Auction
2/04/2025	Rough	Choron Diamonds DMCC	\$257,704.44	Auction
24/04/2025	Rough	Choron BV	\$272,101.14	Auction
24/04/2025	Rough	Choron Diamonds DMCC	\$1,727,408.84	Auction
26/05/2025	Rough	Choron Diamonds DMCC	\$289,164.89	Auction
24/06/2025	Rough	Choron BV	\$11,116,116.26	Direct Sale Agreement
26/06/2025	Rough	Choron BV	\$2,148,950.37	Direct Sale Agreement

26/06/2025	Rough	Choron BV	\$1,141,594.63	Direct Sale Agreement
18/07/2025	Rough	Choron BV	\$21,040,786.18	Direct Sale Agreement
28/08/2025	Rough	Choron BV	\$11,186,209.69	Direct Sale Agreement
TOTAL			\$50,632,174.27	

The Company's Equity Interests as shown in its annual report for the financial year ended 31 December 2024 is US\$44.4 million (lodged with ASX on 31 March 2025). As shown in the above table, the aggregate sales made by the Company to Choron during the Relevant Period, after Mr Anshul Gandhi's appointment as a Director, exceeded 5% of the Company's equity interests (being ~US\$2.2 million).

As a result, the Company has breached Listing Rule 10.1 and now seeks Shareholder approval to ratify and approve the Historical Product Sales and to ratify the Company's breach of Listing Rule 10.1 constituted by the Historical Product Sales (in each case, including the grant of associated security).

Resolution 3 is put to Shareholders for approval in order for the Company to comply with the Listing Rules.

The Board notes, however, that ASX may take further action in relation to the Company's breach of Listing Rule 10.1 regardless of whether Resolution 3 is approved by Shareholders. ASX has not indicated to the Company whether any such action will (or will not) be taken.

5.2 Reinstatement for quotation

The Company has been in voluntary suspension since 29 September 2025. ASX has advised that the suspension will remain in place until such time ASX is satisfied with the Company's financial condition and the Listing Rule 10.1 breach has been remedied to ASX's satisfaction. The Company will continue to work with ASX to achieve reinstatement.

5.3 Corporations Act requirements

Section 208(1) of the Corporations Act (set out in Chapter 2E) requires a public company to obtain the approval of its shareholders before providing a financial benefit to a Related Party of the company for the purposes of the Corporations Act (i.e., a Director), unless giving the financial benefit falls within a statutory exception. Any financial benefit approved by shareholders must be provided within 15 months of the approval.

Section 210 of the Corporations Act provides that one of the statutory exceptions to the requirement to obtain shareholder approval under section 208 of the Corporations Act is where the provision of the financial benefit is on terms that would be reasonable in the circumstances if the Company and the Related Party were dealing at arm's length (or on terms less favourable than arm's length).

For the reasons set out in Section 5.1 above, Mr Anshul Gandhi is a Related Party.

5.4 Listing Rule requirements

Listing Rule 10.1 provides that a listed company must not acquire or agree to acquire a substantial asset from, or dispose of or agree to dispose of a substantial asset to:

- (a) 10.1.1 a Related Party;
- (b) 10.1.2 a child entity;

- (c) 10.1.3 a person who is, or was at any time in the 6 months before the transaction, a substantial (10%+) holder in the company;
- (d) 10.1.4 an associate of a person mentioned in Listing Rules 10.1.1 – 10.1.3; or
- (e) 10.1.5 a person whose relationship to the company or a person referred to in Listing Rules 10.1.1 – 10.1.4 is such that, in ASX's opinion, the issue or agreement should be approved by shareholders,

unless it obtains the approval of its shareholders.

Listing Rule 10.2 provides that an asset is substantial if its value or the value of the consideration being paid or received by the entity for it is, or in ASX's opinion is, 5% or more of the company's Equity Interests set out in its last set of financial statements given to the ASX under the Listing Rules.

As outlined at Section 5.1 above, the total value of Historical Product Sales during the Relevant Period exceeded 5% of the Company's Equity Interests and, for the purposes of Listing Rule 10.1, the Historical Product Sales have constituted a disposal of a substantial asset by the Company.

Listing Rule 10.3 sets out a number of exceptions to the requirement for Shareholder approval under Listing Rule 10.1. None of the exceptions within Listing Rule 10.3 apply to the Historical Product Sales.

Accordingly, the Company seeks Shareholder approval to ratify and approve the Historical Product Sales and to ratify the Company's breach of Listing Rule 10.1 caused by the Historical Product Sales.

If Resolution 3 is approved, the Company will have retrospectively approved of the Historical Product Sales and, accordingly, will have ratified the Company's breach of Listing Rule 10.1.

If Resolution 3 is not approved, the Company's breach of Listing Rule 10.1 will not be ratified and effectively the Company will remain in a position whereby it has acted contrary to the Listing Rules. In this scenario, the Company may be subject to enforcement action by ASX for breaching the Listing Rules. It is also possible that the Company's business reputation and standing may be adversely affected. In circumstances where any enforcement action involves the unwinding of the Historical Product Sales, there is no guarantee the Company will be in a position to make cash payments. The Company will also be in default of the Loan Facility, resulting in all outstanding amounts under the Loan Facility being payable on demand. In those circumstances, the Company may not be able to continue as a going concern.

5.5 Information required under Listing Rule 10.5

Listing Rule 10.5 requires the following information to be provided to Shareholders in relation to Resolution 3 for the purposes of obtaining approval under Listing Rule 10.1.

(a) **Details of the person to whom the Company is disposing of the substantial asset**

As set out in Section 5.1 above, Choron is a diamond and jewellery group.

Mr Anshul Gandhi is the sole shareholder of Choron and the sole shareholder of KAMA Capital Pte Ltd, which is a shareholder in the Company (holding 8.44% voting power). On 23 July 2024, the Company announced that it had appointed Mr Anshul Gandhi to the Board. Accordingly, Mr Anshul Gandhi is a Related Party of the Company due to his position as a Director of the Company. Choron is also a Related Party of the Company given it is controlled by Mr Anshul Gandhi.

(b) **Category of Listing Rules 10.1.1 – 10.1.5 which the Company falls within and why**

As set out in Section 5.5(a) above, Choron is a Related Party of the Company.

Accordingly, Choron falls within category 10.1.1 of Listing Rule 10.1.

(c) **Details of the assets being disposed of**

As set out in Section 5.1 above, the assets of the Company sold to Choron during the Relevant Period were diamonds.

(d) **Consideration for the Historical Product Sales**

The Historical Product Sales are set out at Section 5.1 above. Choron paid a total of US\$50,632,174.27 for the sale of diamond products during the Relevant Period.

(e) **Use of funds**

Funds from sale of diamonds to Choron during the Relevant Period were applied to the Company's operating costs and expenses.

(f) **Timetable of the Historical product Sales**

As set out in Section 5.1 above, the Company is seeking retrospective approval and ratification of the Historical Product Sales during the Relevant Period as it is these dates that the Company was in breach of Listing Rule 10.1.

(g) **Summary of material terms of the Historical Product Sales**

A summary of the material terms of the agreements made in connection with the Historical Product Sales is set out at Schedule 4. Historical Product Sales made via auction were via a third party auction platform.

(h) **Voting exclusion statement**

A voting exclusion statement for Resolution 3 is included in the Notice preceding this Explanatory Statement.

(i) **Independent Expert's Report**

The Notice includes an Independent Expert's Report by the Independent Expert at Schedule 3. The Independent Expert has determined that the Historical Product Sales (including grants of associated security) were not fair, but reasonable.

The Independent Expert's conclusions should be read in context of the full Independent Expert's Report at Schedule 3.

5.6 Board comment on Independent Expert findings

The Independent Expert has determined that the Historical Product Sales (including grants of associated security) were 'not fair' on the basis that the value of the consideration received from Choron under the Historical Product Sales is less than the 'notional' market based consideration assessed by the Independent Expert.

The value of the consideration received from Choron identified in the Independent Expert's Report is US\$50,632,174.27 and the value of the 'notional' market based consideration assessed by the Independent Expert is US\$50,759,960, representing a ~0.25% difference.

The Board (excluding Mr Anshul Gandhi who has a material personal interest in the outcome of Resolution 3 and makes no comment) considers it important to note the Independent Expert's Report acknowledges that the minor difference between the value of the consideration received from Choron and the 'notional' market based consideration (~0.25%) is related only to the financing terms (i.e., the applicable interest rate) of the Historical Product Sales, as the fair market value of the diamond inventories are consistent on both sides of the comparison.

Notwithstanding its 'not fair' finding, the Independent Expert has found the Historical Product Sales (including grants of associated security) to nonetheless be 'reasonable' following an assessment of the advantages of approving Resolution 3 and the consequences of not approving Resolution 3, as outlined in the Independent Expert's Report and which mainly relate (but are not limited) to the security structure and financial position of the Company.

Significantly, the Independent Expert has determined that the position of non-associated Shareholders if the Historical Product Sales (including grants of associated security) are approved **is more advantageous** than the position of non-associated Shareholders if they are not approved.

The Board strongly urges Shareholders to carefully read the Independent Expert's Report to understand the scope of the report, the methodology of the valuation and the sources of information and assumptions made.

5.7 Board recommendation

The Board (excluding Mr Anshul Gandhi who has a material personal interest in the outcome of Resolution 3) considers that the approval and ratification of the Historical Product Sales is necessary to maintain the Company's compliance with the Listing Rules and for the Company's reinstatement on ASX, and is therefore in the best interest of the Company.

The Board (excluding Mr Anshul Gandhi who has a material personal interest in the outcome of Resolution 3) unanimously recommends that Shareholders vote in favour of Resolution 3. Those Directors who hold Shares or control an entity that holds Shares (being Mr Michael O'Keeffe, Mr Jeremy King and Mr Marc Dorion) intend to vote in favour of Resolution 3.

The Directors recommend that the Shareholders read the Independent Expert's Report at Schedule 3 in full.

6 Resolution 4 – Approval of proposed sale of products to Choron for a two year period and associated transaction security

6.1 Background

As set out in Section 5.4 above, the Company requires Shareholder approval if the disposal of Company assets to a Related Party of the Company exceeds 5% of the Company's Equity Interests at any relevant time.

The Company intends to continue to sell diamonds to Choron (a Related Party of the Company) by entering into a new agreement with Choron (**Framework Agreement**). The proposed Framework Agreement is consistent with the Company's process for direct sales of diamond products to other customers, however, the purchase price is to be determined by the average of the valuations provided by at least two independent experts. This additional safeguard ensures there is no value transfer to Choron.

Under the proposed Framework Agreement, subject to Shareholder approval of Resolution 4, the Company will have the ability to supply and sell diamonds for a period of 2 years following the date of Shareholder approval and up to a maximum cumulative amount of US\$75 million (**Proposed Product Sales**). The maximum cumulative amount of US\$75 million is not determinative nor indicative of the actual amount or volume of product sales that may be made to Choron, nor an estimation of the actual sales, but is set as a limit on the total amount of sales that may be made to Choron over a 2-year period as approved by Shareholders.

Pursuant to the terms of the Framework Agreement, where a transaction subject to the terms of the Framework Agreement occurs or is proposed to occur by way of an advance purchase or

prepayment by Choron, the Company (via ACDC) may grant Choron a security interest over its present and future diamond inventory and associated insurance policies, provided that the aggregate amount secured by all outstanding transaction security during the term of the Framework Agreement shall at all times not exceed US\$75 million, as approved by Shareholders.

A summary of the material terms of the proposed Framework Agreement is set out at Schedule 5.

As set out in Section 5.1 above, Choron is controlled by a sole shareholder, Mr Anshul Gandhi, who is also a Director of the Company and is therefore, a Related Party of the Company. Choron is also a Related Party of the Company given that it is controlled by a Director of the Company.

The total value of Proposed Product Sales at the prices determined by the Framework Agreement is anticipated to exceed 5% of the Company's Equity Interests and, for the purposes of Listing Rule 10.1, the Proposed Product Sales will constitute a disposal of a substantial asset by the Company.

As none of the exceptions within Listing Rule 10.3 apply to the Proposed Product Sales, the Company seeks Shareholder approval to approve the Proposed Product Sales.

6.2 Corporations Act requirements

An overview of the Corporations Act requirements is set out at Section 5.2 above.

As described in Section 5.1 above, Mr Anshul Gandhi is a Related Party of the Company by virtue of being a Director of the Company, and may obtain financial benefit from the Proposed Product Sales by reason of being the sole shareholder of Choron.

The Directors of the Company (other than Mr Anshul Gandhi) consider that Shareholder approval pursuant to section 208 of the Corporations Act is not required in respect of the Proposed Product Sales, on the basis that transactions with Choron are on arm's length terms within the exception set out in section 210 of the Corporations Act.

6.3 Listing Rules requirements

An overview of Listing Rule 10.1 is set out in Section 5.4 above.

The total value of the Proposed Product Sales under the Framework Agreement is anticipated to exceed 5% of the Company's Equity Interests at any relevant time and, for the purposes of Listing Rule 10.1, the Proposed Product Sales will constitute a disposal of a substantial asset by the Company.

As none of the exceptions within Listing Rule 10.3 apply to the Proposed Product Sales, the Company seeks Shareholder approval to approve the Proposed Product Sales.

If Resolution 4 is approved, the Company can proceed with the Proposed Product Sales under the Framework Agreement.

If Resolution 4 is not approved, the Company will not be able to proceed with the Proposed Product Sales, limiting the value of sales that may be made to Choron with the limit in Listing Rule 10.1. In these circumstances, the Company will not generate revenue from the Proposed Product Sales, and the Company will need to source other buyers for its diamonds.

6.4 Information required under Listing Rule 10.5

Listing Rule 10.5 requires that the following information be provided to Shareholders in relation to Resolution 4 for the purposes of obtaining approval under Listing Rule 10.1:

(a) Details of the person to whom the Company is disposing of the substantial asset

Under the Proposed Product Sales, the Company will dispose of a substantial asset to Choron.

The details of Choron are set out at Section 5.1 above.

(b) **Category of Listing Rules 10.1.1 – 10.1.5 which the Company falls within and why**

As set out in Section 5.5(a) above, Choron is a Related Party of the Company.

Accordingly, Choron falls within category 10.1.1 of Listing Rule 10.1.

(c) **Details of the assets being disposed of**

As set out in Section 5.1 above, the assets of the Company to be sold to Choron under the Framework Agreement will be diamonds.

(d) **Consideration for the Proposed Product Sales**

The Company will provide diamonds under the Framework Agreement for a purchase price which is to be determined by the average of the values provided by at least two independent experts (unless the sale is made as part of an auction or tender process).

The maximum consideration payable under the Proposed Product Sales will be US\$75 million over a 2-year period following Shareholder approval of Resolution 4.

(e) **Use of funds**

Funds from the Proposed Product Sales will be applied to the Company's operating costs and expenses.

(f) **Timetable of the Proposed Product Sales**

As set out in Section 5.1 above, the Proposed Product Sales will form part of the Company's general operating revenue and it is anticipated those funds will be applied to the Company's costs and expenses of operation and to general working capital during the relevant period.

(g) **Summary of material terms of the Framework Agreement**

A summary of the material terms of the Framework Agreement is set out at Schedule 5.

(h) **Voting exclusion statement**

A voting exclusion statement for Resolution 4 is included in the Notice preceding this Explanatory Statement.

(i) **Independent Expert's Report**

The Notice includes an Independent Expert's Report set out at Schedule 3. The Independent Expert has determined that the Proposed Product Sales are not fair, but reasonable. The Proposed Product Sales were found to be 'not fair' on the basis that the consideration to be received under the Proposed Product Sales is equal to or less than market based consideration. The Independent Expert's Report outlines the advantages of approving Resolution 4 and consequences of not approving Resolution 4, mainly (but not limited to) the Company's security structure and the Company's ability to continue as a going concern if it is unable to generate revenue through the Proposed Product Sales. The Independent Expert's conclusions should be read in context of the full Independent Expert's Report at Schedule 3.

6.5 Disclosure of Sales

If Resolution 4 is approved, the Proposed Product Sales that may be made to Choron over the 2 year period up to a cumulative maximum amount of US\$75 million as approved by Shareholders will be reported by the Company each quarter in its quarterly activities reports given to ASX for the purposes of Listing Rule 4.7C, including the amount of sales for the relevant quarter and the total cumulative amount of sales under the Framework Agreement to the end of the quarter.

Any sale proposed to be made to Choron in excess of the maximum amount of US\$75 million would be subject to further Shareholder approval in accordance with the requirements of Listing

Rule 10.1 (for completeness, the Company would be in breach of Listing Rule 10.1 if sales are made in excess of the maximum amount without prior Shareholder approval).

6.6 Directors Recommendation

The Board (excluding Mr Anshul Gandhi who has a material personal interest in the outcome of Resolution 4) considers that the approval of the Proposed Product Sales is in the best interest of the Company and unanimously recommend Shareholders vote in favour of Resolution 4.

The Directors recommend that the Shareholders read the Independent Expert's Report at Schedule 3 in full.

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Schedule 1

Definitions

In the Notice, words importing the singular include the plural and vice versa.

A\$ means Australian Dollars.

ACDC means Arctic Canadian Diamond Company Ltd.

ACDM means Arctic Canadian Diamond Marketing NV.

ASX means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Board means the board of Directors.

Bonas means Bonas Couzyn (Antwerp) NV.

C\$ means Canadian Dollars.

CEEFC means Canada Enterprise Emergency Funding Corporation.

Chair means the person appointed to chair the Meeting of the Company convened by the Notice.

Choron means Choron Holdings Pte Ltd (Singapore company number 202023224M) and its subsidiaries.

Clause means a clause in the Company's Constitution.

Company means Burgundy Diamond Mines Limited (ACN 160 017 390), and where the context requires, its subsidiaries.

Constitution means the constitution of the Company as at the date of the Meeting.

Corporations Act means the *Corporations Act 2001* (Cth).

CORRA means Canadian Overnight Repo Rate Average.

Director means a director of the Company.

Equity Securities has the meaning given to that term in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Framework Agreement has the meaning given in Section 6.1.

Historical Product Sales has the meaning given in Section 5.1.

Independent Expert means BDO Corporate Finance Australia Pty Ltd (ACN 124 031 045).

Independent Expert's Report means the report of the Independent Expert at Schedule 3.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

LETL means Large Enterprise Tariff Loan.

Listing Rules means the listing rules of ASX.

Loan Facility has the meaning given in Section 3.1.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means this notice of Meeting.

PIK means payment-in-kind.

Proposed Product Sales has the meaning given in Section 6.1.

Proxy Form means the proxy form attached to the Notice.

Related Party has the meaning given in the Corporations Act.

Relevant Period has the meaning given in Section 5.1.

Resolution means a resolution referred to in the Notice.

Schedule means a schedule to the Notice.

Section means a section of the Explanatory Memorandum.

Secured Inventories has the meaning given in Schedule 4.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the holder of a Share.

Tranche A Warrants has the meaning given in Section 3.1.

Tranche B Warrants has the meaning given in Section 3.1.

US\$ means US Dollars.

Warrant has the meaning given in Section 3.1.

Warrant Agreement has the meaning given in Section 3.1.

Schedule 2

Summary of terms and conditions of Warrants and Warrant Agreement

The key terms of the Warrants and Warrant Agreement are summarised below:

Issuer	The Company
Holder	CEEFC
Purpose	The Company has agreed to issue unlisted Warrants to CEEFC as consideration for advancing the Loan Facility, which are to be issued in accordance with the Warrant Agreement.
Number of Warrants	<p>1,655,479,310 Warrants issuable in two tranches, comprising:</p> <p>(a) 156,185,448 Tranche A Warrants issued on execution of the Warrant Agreement; and</p> <p>(b) 1,499,293,862 Tranche B Warrants issued following satisfaction of required approvals, including shareholder approval of the Tranche B issue for the purposes of Listing Rule 7.1 and any required Foreign Investment Review Board approval.</p> <p>Each Warrant is exercisable into one Share, subject to the terms of the Warrant Agreement.</p>
Exercise Price	A\$0.017 per Warrant.
Exercise Period / Expiry Date	The Warrants are exercisable until 5.00pm (Sydney time) on 17 December 2035, unless earlier cancelled.
Exercise Mechanics and Limitation on Exercise	<p>Exercise is by delivery of an exercise notice and payment of the aggregate Exercise Price, subject to permitted cashless exercise mechanics.</p> <p>Exercise is restricted so that CEEFC cannot exercise Warrants in an amount that would result in it having 'voting power' in the Company in excess of 19.9% at any time.</p>
Cashless Exercise and Cash Settlement	<p>CEEFC may elect a cashless exercise in certain circumstances, subject to compliance with Listing Rules.</p> <p>The Company may elect to cash-settle Warrants on exercise, subject to compliance with the Listing Rules and the consent/election mechanics in the Warrant Agreement.</p>
Adjustments	The terms of the Warrants provide for corresponding adjustments to the Shares issuable upon exercise of the Warrants and/or the Exercise Price payable in the event of any reorganisations, bonus issues or pro rata issues undertaken by the Company, in each case, subject to and in accordance with the applicable formulae in Chapter 6 of the Listing Rules.

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Early Repayment Effect	Half of all vested Warrants will be cancelled in the event the Loan Facility is repaid within 1 year of its establishment.
Repurchase / Cancellation Rights	The Company may repurchase or cancel Warrants in certain circumstances prior to the expiry date for their 'Fair Market Value', determined in accordance with market appropriate appraisal and valuation procedures. The repurchase right is a one-time right if the loan repayment date occurs on or before 17 December 2032, with Fair Market Value payable in cash or in Shares valued at Fair Market Value per Share, in each case subject to the Listing Rules.
Governing Law	Western Australia

Schedule 3

Independent Expert's Report

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Burgundy Diamond Mines Limited

Independent Expert's Report

Opinion: Not fair but reasonable

27 March 2026

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FINANCIAL SERVICES GUIDE

Dated: 27 March 2026

This Financial Services Guide (FSG) helps you decide whether to use any of the financial services offered by BDO Corporate Finance Australia Pty Ltd (BDO Corporate Finance, we, us, our).

The FSG includes information about:

- Who we are and how we can be contacted
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No: 247420
- Remuneration that we and/or our staff and any associates receive in connection with the financial services
- Any relevant associations or relationships we have
- Our complaints handling procedures and how you may access them.

FINANCIAL SERVICES WE ARE LICENSED TO PROVIDE

We hold an Australian Financial Services Licence which authorises us to provide financial product advice to retail and wholesale clients about securities and certain derivatives (limited to old law securities, options contracts, and warrants). We can also arrange for customers to deal in securities, in some circumstances. Whilst we are authorised to provide personal and general advice to retail and wholesale clients, we only provide *general* advice to retail clients.

Any general advice we provide is provided on our own behalf, as a financial services licensee.

GENERAL FINANCIAL PRODUCT ADVICE

Our general advice is typically included in written reports. In those reports, we provide general financial product advice that is prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of the general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

FEES, COMMISSIONS AND OTHER BENEFITS THAT WE MAY RECEIVE

We charge fees for providing reports. These fees are negotiated and agreed to with the person who engages us to provide the report. Fees will be agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. In this instance, the Company has agreed to pay us \$30,000 for preparing the Report.

Except for the fees referred to above, neither BDO Corporate Finance, nor any of its directors, employees, or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of general advice.

All our employees receive a salary. Our employees are eligible for bonuses based on overall company performance but not directly in connection with any engagement for the provision of a report.

REFERRALS

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

ASSOCIATIONS AND RELATIONSHIPS

BDO Corporate Finance is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The general financial product advice in our report is provided by BDO Corporate Finance and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting, and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

COMPLAINTS RESOLUTION

We are committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the [BDO Complaints Policy](#) available on our website.

BDO Corporate Finance is a member of AFCA (Member Number 11843). Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to the Australian Financial Complaints Authority (AFCA) using the below contact details:

Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001
Email: info@afca.org.au
Phone: 1800 931 678
Fax: (03) 9613 6399
Interpreter service: 131 450
Website: <http://www.afca.org.au>

COMPENSATION ARRANGEMENTS

BDO Corporate Finance and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDO Corporate Finance or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDO Corporate Finance satisfy the requirements of section 912B of the Corporations Act 2001.

CONTACT DETAILS

You may provide us with instructions using the details set out at the top of this FSG or by emailing - cf.ecp@bdo.com.au

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Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation Methodologies

Appendix 3 - Analysis of Financing Facilities

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27 March 2026

The Directors
Burgundy Diamond Mines Limited
Level 25, 108 St. Georges Terrace
Perth WA 6000

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 7 October 2025, Burgundy Diamond Mines Limited ('**Burgundy** or '**the Company**') announced its intention to seek shareholder ratification and approval for the recent sales of rough diamonds to Choron Holdings Pte Ltd and its subsidiaries ('**Choron Group**' or '**Choron**') (which total ~US\$50.6 million) ('**Recent Transactions**'), executed via auction, bilateral direct sale or through a series of Short-Term Advance Diamond Purchase Agreements ('**STADPAs**') between Choron and Burgundy subsidiaries, Arctic Canadian Diamond Marketing NV ('**ACDM**') and Arctic Canadian Diamond Company Ltd ('**ACDC**') (ACDM and ACDC together being the **Burgundy Parties**).

Burgundy is also seeking shareholder approval for the potential sale of up to US\$75 million worth of rough diamonds to Choron during a 2-year period following receipt of such shareholder approval ('**Proposed Transactions**').

The STADPAs provided for the grant by Choron of lines of credit to ACDM in the form of respective prepayment facilities, under which, Choron made cash payments to ACDM to purchase specified quantities of rough diamonds (in carats) extracted from the Ekati Mine in advance of the delivery and settlement of the contracted quantities. The prepayment amounts were subject to, among other things, an accruing prepayment fee and any shortfall between the aggregate value of the prepayments (plus the prepayment fee) and the determined value of all delivered quantities of diamonds was payable by the Burgundy Parties to Choron following the settlement of all deliveries.

The Burgundy Parties' obligations in connection with the STADPAs and the Proposed Transactions were, and will be, secured by a security interest over Burgundy's diamond inventories ('**Secured Inventories**') granted in favor of Choron ('**Security Transactions**').

The Recent Transactions, Proposed Transactions and Security Transactions are collectively referred to as '**the Transactions**'.

Mr Anshul Gandhi is a director of Burgundy and the sole shareholder of Choron, making Choron a related party of Burgundy. As such, the diamond sales and associated grants of security over the Secured Inventories pursuant to the Transactions constitute the disposal or agreement to dispose of a substantial asset to a related party, for which Burgundy shareholder approval is required in accordance with Australian Securities Exchange ('**ASX**') Listing Rule 10.1.

Further details of the Transactions are set out in Section 4 of this Report.

All figures in our Report are quoted in Australian dollars ('AUD', 'A\$' or '\$'), US dollars ('US\$') or Canadian dollars ('C\$') unless otherwise stated.

2. Summary and opinion

2.1 Requirement for the report

The directors of Burgundy have requested that BDO Corporate Finance Australia Pty Ltd ('BDO') prepare an independent expert's report ('our Report') to express an opinion as to whether the Transactions are fair and reasonable to the shareholders of Burgundy ('Shareholders') not associated with Choron ('Non-associated Shareholders').

Our Report is prepared pursuant to ASX Listing Rule 10.1 and is to be included in the Notice of General Meeting for Burgundy to assist Non-associated Shareholders in their decision whether to approve the Transactions.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guide 111 'Content of expert reports' ('RG 111') and Regulatory Guide 112 'Independence of experts' ('RG 112').

In arriving at our opinion, we have assessed the terms of the Transactions as outlined in the body of this Report. We have considered the following:

- how the fair value of consideration paid by Choron under the Recent Transactions compares to the notional market consideration assessed as a benchmark, noting the benchmarking relates only to the financing terms (i.e. the applicable interest rate) and the fair market value of the diamond inventories remain consistent on both sides of the comparison;
- how the fair value of consideration to be paid by Choron under the Proposed Transactions compare to the notional market consideration assessed as a benchmark, noting the benchmarking relates only to the financing terms (i.e. the applicable interest rate) and the fair market value of the diamond inventories remain consistent on both sides of the comparison;
- how the value of the proceeds of the sale of assets secured by the Secured Inventories, that would be provided to Choron in the event of default, compare to the value of the liabilities that would be settled for the Security Transactions;
- the likelihood of an alternative offer being made to Burgundy;
- other factors which we consider to be relevant to the Non-associated Shareholders in their assessment of the Transactions; and
- the position of Non-associated Shareholders should the Transactions not proceed.

2.3 Opinion

Recent Transactions

We have considered the terms of the Recent Transactions as outlined in the body of this Report and have concluded that, in the absence of an alternative offer, the Recent Transactions are not fair but reasonable to Non-associated Shareholders.

Proposed Transactions

We have considered the terms of the Proposed Transactions as outlined in the body of this Report and have concluded that, in the absence of an alternative offer, the Proposed Transactions are not fair but reasonable to Non-associated Shareholders.

Security Transactions

We have considered the terms of the Security Transactions as outlined in the body of this Report and have concluded that the Security Transactions are fair and reasonable to Non-associated Shareholders.

2.4 Fairness

Recent Transactions

In Section 13.1, we determined that the consideration received under the Recent Transactions was less than our assessed market based consideration for sales under the STADPAs and equivalent to market value for sales under auction and for the bilateral direct sale, as outlined in the table below.

Recent Transactions	Ref	Choron consideration \$US	Notional market based consideration \$US
Auction	10.1	3,653,036	3,653,036
STADPAs	10.3	46,633,657	46,761,443
Subtotal		50,286,693	50,414,479
Bilateral Direct Sale	10.2	345,482	345,482
Total		50,632,174	50,759,960

Source: BDO analysis

Therefore, in the absence of any other relevant information the Recent Transactions are not fair for Shareholders.

We note the minor difference in the value between the Choron consideration and the market based consideration relates only to the financing terms (i.e. the applicable interest rate) and the fair market value of the diamond inventories remain consistent on both sides of the comparison for the auctions and STADPAs.

We also note that despite the there being no independent valuation for the bilateral direct sale, the documents provided and the competing arm's length offers, detailed in Section 10.2, provide comfort that the market value of the polished diamonds was equivalent to the price paid by Choron.

Proposed Transactions

In Section 13.2, we determined that the consideration to be received under the Proposed Transactions was equal to or less favourable when compared to our assessed market-based consideration under all available scenarios, as outlined in the table below.

Scenario	Consequence	Fairness
Proposed Transactions		
Auctions	Diamond sales under Auctions equals fair market value	Fair
Direct sale agreement	Diamond sales under Direct sales agreement equals fair market value	Fair
Advanced purchase agreements	Funding terms less favourable than assessed market-based funding terms	Not fair
Overall fairness assessment		Not fair

Source: BDO analysis

Therefore, in the absence of any other relevant information, and an alternate offer, the Proposed Transactions are not fair for Shareholders.

Security Transactions

In Section 13.3, we determined that the value of the proceeds of the sale of the secured assets that would be provided to Choron under the terms of the Security Transactions in the event of a default, is equal to or less than the value of the liabilities that would be settled. Therefore, in the absence of any other relevant information, this indicates that the Security Transactions are fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in Section 13 of this Report, in terms of the following:

- advantages and disadvantages of the Transactions; and
- other considerations, including the position of Shareholders if the Transactions are not approved and the consequences of not approving the Transactions.

In our opinion, the position of Non-associated Shareholders if the Transactions are approved is more advantageous than the position if the Transactions are not approved. Accordingly, in the absence of any other relevant information and/or an alternate proposal we consider that the Transactions are reasonable for Non-associated Shareholders.

The respective advantages and disadvantages considered are summarised below:

Recent Transactions

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
14.1	No restrictive debt covenants	14.2	Exclusivity restricts flexibility of diamond sales
14.1	Ability to transact with Choron strengthened demand for Burgundy’s diamond inventory		
14.1	STADPAs provided immediate liquidity support through subdued market conditions		
14.1	Independent valuation reduces price risk		
14.1	Value differential between Choron consideration and market based consideration is immaterial		

Proposed Transactions

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
14.1	Ability to transact with Choron strengthened demand for Burgundy's diamond inventory	14.2	Exclusivity restricts flexibility of diamond sales
14.1	Immediate liquidity support		
14.1	Independent valuation reduces price risk		
14.1	No restrictive debt covenants		

Security Transactions

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
14.1	The Security Transactions are fair	14.2	Burgundy will grant Choron security over the Company's parcel of diamond inventory
14.1	The Security Transactions support the Company's debt funding		

Other key matters we have considered include:

Section	Description
14.3	Alternative proposal
14.4	Consequences of not approving the Transactions

3. Scope of the Report

3.1 Purpose of the Report

Recent Transactions and Proposed Transactions

ASX Listing Rule 10.1

ASX Listing Rule 10.1 requires that a listed entity must obtain shareholder approval before it acquires or disposes of, or agrees to acquire or dispose of, a substantial asset when the consideration to be paid for the asset or the value of the asset being disposed constitutes more than 5% of the equity interest of that entity as set out in the latest accounts given to the ASX under its Listing Rules. Listing Rule 10.1 applies where the vendor or acquirer of the relevant assets is a related party or person of influence of the listed entity as defined under the ASX Listing Rules.

We note that the value of the diamond inventories sold to Choron, since Choron has been a related party of Burgundy, under the Recent Transactions totals US\$50,632,174.27, net of associated interest costs. Burgundy's equity interest as presented in their annual report for the financial year ended 31 December 2024 is US\$44.4 million. In aggregate, the sales made by Burgundy to Choron whilst Anshul Gandhi was a related party exceeded the 5% of the equity interest thresholds.

Following on from the Recent Transactions, Burgundy is seeking shareholder approval to continue to sell diamond inventories to Choron under the Proposed Transactions for total sales up to US\$75 million. Based on the reviewed accounts as at 30 June 2025 the value of the maximum diamond inventories to be sold to Choron is above 5% of the equity interest of Burgundy.

Listing Rule 10.5.10 requires the Notice of Meeting for shareholders' approval to be accompanied by a report by an independent expert expressing their opinion as to whether the transaction is fair and reasonable to the shareholders whose votes are not to be disregarded.

Accordingly, an independent experts' report is required for the Recent Transactions and Proposed Transactions. Under RG 111 the report should provide an opinion by the expert stating whether the terms and conditions in relation to the Recent Transactions and Proposed Transactions are fair and reasonable to Non-associated Shareholders of Burgundy.

Security Transaction

ASX Listing Rule 10.1

By entering into the Security Transaction, the Company is deemed to have disposed of a substantial asset, being the security interest granted to Choron in respect of the Secured Inventories. Based on the Company's annual report for the financial year ended 31 December 2024, the value of the asset that was disposed was greater than 5% of the equity interest of Burgundy.

Accordingly, an independent experts' report is required for the Security Transaction under ASX Listing Rule 10.1. Under RG 111 the report should provide an opinion by the expert stating whether the terms and conditions in relation thereto are fair and reasonable to non-associated Shareholders of Burgundy.

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act define the meaning of 'fair and reasonable'. In determining whether the Transactions are fair and reasonable, we have had regard to the views expressed by ASIC in RG 111 which provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

This regulatory guide suggests that, where an expert assesses whether a related party transaction is ‘fair and reasonable’ for the purposes of ASX Listing Rule 10.1 this should not be applied as a composite test— that is, there should be a separate assessment of whether the transaction is ‘fair’ and ‘reasonable’, as in a control transaction. An expert should not assess whether the transaction is ‘fair and reasonable’ based simply on a consideration of the advantages and disadvantages of the proposal.

We do not consider any of the Transactions to be a control transaction. As such, we have used RG 111 as a guide for our analysis but have considered the Transactions as if they were not control transactions.

3.3 Adopted basis of evaluation

RG 111 states that a proposed related party transaction is ‘fair’ if the value of the financial benefit to be provided by the entity to the persons in a position of influence, is equal to or less than the value of the consideration being provided to the entity. This comparison should be made assuming a knowledgeable and willing, but not anxious buyer and a knowledgeable and willing, but not anxious, seller acting at arm’s length.

Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being ‘not fair’ the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any alternate options.

Having regard to the above, BDO has completed this comparison as follows:

- A benchmarking exercise between the consideration paid by Choron under the Recent Transactions and the assessed notional market-based consideration (fairness - see Section 13 ‘Are the Transactions fair?’)
- A benchmarking exercise between the consideration to be paid by Choron under the Proposed Transactions and the assessed notional market-based consideration (fairness - see Section 13 ‘Are the Transactions fair?’)
- A comparison between how the value of the assets secured by the Security Interest held by Choron, compares to the value of the liabilities that would be settled under the Security Transactions (fairness - see Section 13 ‘Are the Transactions fair?’), and
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the relevant resolutions, after reference to the value derived above (reasonableness - see Section 14 ‘Are the Transactions reasonable?’).

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 ‘Valuation Services’ (‘APES 225’).

A Valuation Engagement is defined by APES 225 as follows:

‘an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Member is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Member at that time.’

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Transactions

4.1 Recent Transactions

The Recent Transactions involve a series of rough diamond sales via auction, bilateral direct sale and STADPAs entered into between Burgundy, through its subsidiaries ACDC and ACDM (the Burgundy Parties), and Choron during the period from September 2024 to September 2025.

Sales made via auction were through a third party auction platform.

Sales made via bilateral direct sale relate to two polished diamonds that were difficult to sell in the Australian domestic market. For this reason, the polished diamonds were shipped to Choron's Dubai office for further refinement. Subsequently, Choron received several bids for the diamonds and offered Burgundy a superior offer to the other available bids which was accepted by Burgundy ('**Bilateral Direct Sale**'). The STADPAs were in a standard form and provided for the granting by Choron of lines of credit in the form of short term prepayment facilities that were settled through the sale of rough diamonds mined from Burgundy's Ekati mine. The STADPAs provided Burgundy with immediate liquidity to support ongoing operations in advance of the delivery of the contracted quantities.

Key commercial features included:

- Cash prepayments were made by Choron prior to the delivery of diamond parcels in the designated delivery cycle and for the contract weight (in carats), enabling Burgundy to access funds ahead of production and shipment. This mechanism allowed Burgundy to bridge timing gaps between mining operations and revenue generation from diamond sales.
- All prepayments accrued interest in the form of a contingently payable 'prepayment fee' on the outstanding prepayment amount from the date of the prepayment to the termination date at the applicable rate of 15% per annum for each agreement, calculated daily, until the termination date of the respective agreement, payable in certain circumstances.
- Each agreement granted Choron security over all present and future diamond inventory and related insurance policies, registered in the Belgian National Pledge Register for a maximum secured amount of EUR 30 million. Choron was designated as the loss payee under relevant insurance policies. Conditions precedent included registration of security interests in Belgium and Canada and confirmation of insurance arrangements.
- Settlement values were determined using independent valuation reports completed by Berdj Anastassian ('**Anastassian**') from Bonas Couzyn NV and GSVS DMCC ('**Independent Diamond Valuers**') to support the fair market values of the production parcels delivered under each of the STADPAs. The agreements specified that the Base Price of the relevant diamond parcels would be calculated as the average of two independent expert valuations, with a dispute resolution mechanism involving a third valuation if discrepancies exceeded agreed threshold of more than 5% between the independent valuations performed.
- Following the settlement of all purchases, to the extent that the Base Price of all diamond parcels delivered was less than the aggregate value of all prepayments paid by Choron plus the accrued prepayment fee, the Burgundy Parties were required to make a cash payment equal to the shortfall to Choron.
- If, at any time during the term of the STADPA, the Base Price of the delivered diamond parcels to date was higher than the aggregate value of the prepayments paid (plus the then accrued prepayment fee), then a 'credit amount' accrued on the value of that difference on the same

terms and rate (15%) as the prepayment fee and, to the extent the value of all delivered diamond parcels (plus any accrued credit amounts) exceeded the value of all paid prepayments (plus any accrued prepayment fees) following settlement of the final contracted quantities, Choron was required to pay ACDM the cash value of that difference.

- The STADPAs granted Choron exclusive rights to purchase diamond parcels from designated production cycles during the term of each STADPA. This exclusivity provided Choron certainty of supply while limiting Burgundy's ability to market these parcels to other buyers during the agreement period.
- Each STADPA contained specific conditions precedent that had to be satisfied before the agreements became effective and prepayments were advanced. These conditions were designed to ensure legal enforceability and mitigate operational risk before any diamonds were delivered or prepayments were made. The key requirements included the following:
 - Board approvals: Formal approval by the boards of Burgundy and its subsidiaries for entry into the agreements.
 - Registration of Security Interests: Completion of security registrations in both Belgium and Canada, granting Choron security over Burgundy's diamond inventory from designated production cycles during the term of each STADPA and related insurance rights.
 - Insurance Arrangements: Confirmation that Choron was designated as the loss payee under all relevant insurance policies covering the pledged diamond inventory.
 - Compliance Documentation: delivery of executed agreements and supporting documentation evidencing satisfaction of all regulatory and contractual requirements prior to the shipment of diamond parcels.
- The historical sale of diamonds between Burgundy and Choron that are required to be approved as part of the Recent Transactions are detailed in the table below:

Date	Product type	Purchase	Purchase mechanism	Amount (US\$)
Post appointment of Mr Anshul Gandhi				
25-Sep-24	Rough	Choron Diamonds DMCC	Auction	\$202,317
07-Nov-24	Rough	Choron Belgium BV	Auction	\$361,687
12-Dec-24	Polished	Choron Diamonds DMCC	Bilateral Direct Sale	\$345,482
12-Dec-24	Rough	Choron Diamonds DMCC	Auction	\$130,885
26-Mar-25	Rough	Choron BV	Auction	\$411,767
02-Apr-25	Rough	Choron Diamonds DMCC	Auction	\$257,704
24-Apr-25	Rough	Choron Diamonds DMCC and Choron BV	Auction	\$1,999,510
26-May-25	Rough	Choron Diamonds DMCC	Auction	\$289,165
24-Jun-25	Rough	Choron BV	Direct Sale Agreement	\$11,116,116
26-Jun-25	Rough	Choron BV	Direct Sale Agreement	\$2,148,950
26-Jun-25	Rough	Choron BV	Direct Sale Agreement	\$1,141,595
18-Jul-25	Rough	Choron BV	Direct Sale Agreement	\$21,040,786
28-Aug-25	Rough	Choron BV	Direct Sale Agreement	\$11,186,210
Total sales in breach of Listing Rule 10.1				\$50,632,174

Source: Notice of Meeting

- The table above details sales of diamonds from Burgundy to the Choron Group following the appointment of Mr Anshul Gandhi as a Director of Burgundy. As noted in Section 2 of this Report,

Mr Anshul Gandhi's appointment as a Director of Burgundy on 1 August 2024 resulted in Choron becoming a related party to Burgundy.

Auction Sales

Burgundy typically conducts around ten auction events per year. Auctions are scheduled events conducted at Choron's sales office in Antwerp. Following completion of a production cycle at the Ekati mine, rough diamonds are transported to India for sorting into various categories. Once sorted, the diamonds are shipped to Antwerp and presented for viewing over approximately one week.

During the viewing period, numerous prospective buyers are invited to inspect the diamond parcels at Burgundy's secure office in Antwerp, where currently Burgundy have an active book of approximately 100 active buyers. After the viewings conclude, a competitive bidding process commences for each lot of diamonds. Bids are submitted via Choron's secure online portal, Tradeslot Pty Ltd ('Tradeslot'), and subsequently reviewed and approved by Burgundy prior to finalisation. This process ensures transparency and competitive pricing for Burgundy's diamond sales.

Burgundy's head of sales assesses the bids against the reserve price for each parcel of diamond product. The reserve price is generally determined via Burgundy's price book which records the average price of diamond products sold, where the price book is updated by Burgundy following each auction.

Tradeslot provides the technical infrastructure for administering events, managing approved buyer access, and hosting sealed-bid tenders or auction sales in a secure, cloud-based environment. Through Tradeslot's administration, bidding, and reporting modules, Burgundy configures each sale event, uploads parcel information, and enables buyers to submit bids confidentially during the scheduled auction or tender window. Upon completion, the system generates detailed reports summarising bid outcomes and sales performance, supporting Burgundy's internal reconciliation and commercial decision-making. The platform is further supported by ongoing hosting, maintenance, and application support services.

Bilateral Direct Sale

Burgundy completed a Bilateral Direct Sale of polished diamonds to Choron on 12 December 2024 with a total invoice value of US\$345,481.62.

The parcel of diamonds consisted of two polished diamonds held at the Perth manufacturing and polishing facility, which has since been closed.

Given the high value for each diamond, they were difficult to sell in the local Perth market. For this reason, the polished diamonds were shipped to Choron's Dubai office for further refinement. Subsequently, Choron received several bids for the diamonds and offered Burgundy a superior offer to the other available bids which was accepted by Burgundy.

We were provided with supporting documents for this transaction, including:

- Burgundy's tax invoice specifying the carat weight and characteristics of the diamonds
- Indicative pricing for the two polished diamonds used to calculate the insured value used in the shipping of the diamonds to Choron's office in Dubai
- the shipment documentation confirming the same parcel numbers and indicative pricing of the diamonds
- the Dubai Customs Declaration recording the import of the diamonds and the associated cost, insurance and freight ('CIF') value

- The competing bids for the diamonds offered at around the time that Choron purchased the diamonds from Burgundy

These documents collectively provide consistent documentation including parcel identification, carat weight and indicative values of the diamonds used for insurance purposes, which provide traceability and verification of the diamonds details despite there being no independent valuation available for reliance.

Proposed Transactions via Framework Agreement

In addition to the Recent Transactions, Burgundy and Choron have entered into a Framework Agreement that establishes the overarching terms under which rough diamonds and polished diamonds produced from the Ekati mine may be sold to Choron, or members of the Choron Group, on an ongoing basis. The Framework Agreement operates as a master sales arrangement for a two-year period and permits transactions up to an aggregate value of US\$75 million.

Individual sales under this arrangement are implemented through transaction confirmations, which set out the specific terms for each delivery, including the number of carats to be supplied, the applicable purchase price, delivery location and timing, and whether any advance payments will be made. All transactions must occur on arm's-length terms, and unless the sale forms part of an auction or tender process, pricing must be supported by valuations for two independent diamond experts, with the average of their assessments forming the purchase price. The seller remains responsible for securing all required export and import licenses and authorisations for each shipment, and title transfers in accordance with the terms set out for the relevant transaction. The Framework Agreement is therefore intended to provide a consistent contractual structure for all future transactions, whether via advance purchase agreements, direct sales or auctions.

In the case of an advanced purchase agreement, similar to the STADPAs used in the Recent Transactions, the Framework Agreement expressly permits the parties to agree to the charging of interest at rates to be determined at the relevant time (as may be agreed pursuant to the terms of any future transaction under the Framework Agreement), provided that the rates of any such interest cannot exceed a maximum rate capped at 3-month BBSW plus a 10% margin.

5. Profile of Burgundy

5.1 History

Burgundy Diamond Mines Limited is an ASX listed company with their head office based in Perth, Western Australia ('WA') and operations located in Canada, focused on the mining, production, and sale of ethically sourced diamonds. The company's flagship asset is its 100% owned Ekati Diamond Mine ('Ekati') located in the Lac de Gras region of the Northwest Territories of Canada. As well as this, Burgundy holds a 40% interest in the Naujaat Diamond Mine located in Nanavut, Canada.

Burgundy's Canadian subsidiary ACDC owns 100% of Ekati Diamond Mine, which consists of the Core Zone ('Core Zone'), including the primary mining operations and other kimberlite pipes, as well as the Buffer Zone ('Buffer Zone'), an adjacent area hosting kimberlite pipes having both development and exploration potential. Burgundy's Belgian subsidiary ACDM was a marketing business responsible for management of the supply chain, sorting, preparation, marketing and sales of rough diamonds from Ekati Diamond Mine. It is noted that in December 2025, ACDM was liquidated and subsequently, Ekati sells diamonds to third parties in Belgium through outsourced auctions and tender processes.

As at the date of this Report, the current board of directors of Burgundy comprises:

- Jeremy King - Chief Executive Officer and Director
- Michael O'Keeffe - Non-Executive Chair
- Marc Dorion - Non-Executive Director
- Trey Jackson - Non-Executive Director
- Anshul Gandhi - Non-Executive Director

5.2 Ekati Project

Ekati is located approximately 300 kilometres ('km') northeast of Yellowknife and 200km south of the Arctic Circle in the Northwest Territories of Canada and comprises 121 mining leases totalling an area of approximately 113,469 hectares ('ha') with two active mining operations, being Point Lake open pit and the Misery Underground mine.

Ekati is Canada's first surface and underground diamond mine, commencing production in 1998 following extensive exploration and development. Ekati operated continuously until March 2020, when Ekati was placed into care and maintenance due to the COVID-19 pandemic and disruptions in the global diamond trade. In April 2020, the previous owner of Ekati, Dominion Diamond Mines, filed for insolvency protection under the Companies' Creditors Arrangement Act following financial strain caused by the COVID-19 Pandemic and market disruptions. In February 2021 ACDC acquired Ekati with associated assets and liabilities from Dominion Diamond Mines and recommenced operations. In March 2023 Burgundy acquired ACDC and continued operations at Ekati.

Ekati is divided into two zones, the Core Zone and Buffer Zone. The Core Zone comprises Ekati's two active mining operations, namely the Sable open pit operations ('Sable') and the Misery underground operations ('Misery'), and including the Pigeon Open Pit in which ACDC has most recently mined and completed in April 2022. The Buffer Zone also hosts other kimberlite pipes having both exploration and development potential including the Lynx Open Pit. In addition to current operations, Burgundy's long term mine plan includes development of Fox Pipe, located within the Ekati tenure in the Lac de Gras region, expected to commence underground development in mid 2026, and the Point Lake Pipe, situated approximately 2km from Misery where bulk sample testing was conducted in May 2025 and remains a potential future source for diamonds.

The Sable open pit is situated approximately 17km north-northeast of the Ekati main camp. Following a two-year construction period, Sable has been operational since 2018, with full production achieved in 2019. Sable is a 60,000 tonne per day ('tpd') operation providing 10,500 tpd of kimberlite ore feed to the plant.

Misery underground is a continuation of the Misery open pit, which is now fully depleted. Misery ramped up to full production in 2021.

Infrastructure at Ekati includes a 763-person accommodation camp, power plant, processing plant, bulk sampling plant, warehouse complex, bulk lubrication facility and various ancillary buildings. Positioned within the sub-arctic climate, mine production is impacted by severe weather events which typically occur at least two to three times a year.

The Ekati Diamond Mine is accessed via an annually constructed ice road as part of a joint venture with the nearby diamond mines known as Diavik, solely owned and operated by Rio Tinto Limited, and Gahcho Kué, a joint venture between Mountain Province Diamonds Inc. (49% interest) and mine operator, De Beers Canada, Inc. (51% interest). Each mine equally bears the cost of construction, maintenance, operation and closure of the road.

Ekati is subject to private royalties which are due to Dr. Stewart Blusson. The Core Zone and Buffer Zone private royalties are based on 2.0% and 2.3% of gross proceeds of sales and adjusted for private market value of diamond inventory, respectively.

In addition, ACDC pays royalties to the Government of Northwest Territories based on a sliding scale. All mines in the Northwest Territories located on Crown land are subject to a royalty payment ('**Crown Royalties**'). The Crown Royalties are calculated on the value of the output of the mine for each financial year, and are equal to the lesser of:

- 13% of the value of the output of the mine; and
- an amount calculated based on a sliding scale of royalty rates dependent upon the value of output of the mine, ranging from 5% for the value of output between CAD\$10,000 and CAD\$5 million and 14% for value of output greater than CAD\$45 million.

Life of Mine Plan

In July 2025, Burgundy provided an updated Life of Mine ('**LOM**') plan for Ekati for the years 2025 to 2040, including the updated Mineral Resource Estimate ('**MRE**') for the Misery update MRE and Ore Reserve Estimates for the Fox Pipe, located within Ekati, and results of recent bulk sample trial from the Point Lake Pipe, situated approximately 2km from the Misery underground operation.

The Misery main pipe geological and resource models have been updated by SRK Consulting Canada Inc. ('**SRK**'). The new update has resulted in an increase in the Inferred Resources of 0.5 metric tons ('**Mt**') and 0.2 Mct and a decrease in Indicated Resources due to mining activities and updated grade data of 0.2 t and 0.9 Mct.

5.3 Naujaat Diamond Mine

The Naujaat Diamond Project ('**Naujaat**') is located 9km northeast of the hamlet of Naujaat, Melville Peninsula, Nunavut and represents the largest undeveloped diamond property in Canada that is not currently under the control of a major mining company. Burgundy Diamond Mines Limited holds a 40% interest in Naujaat located on the Melville Peninsula, Nunavut, Canada.

Naujaat comprises 10,742 ha of contiguous mineral leases and claims owned 100% by North Arrow Minerals Incorporated ('**North Arrow Minerals**') where a total of eight kimberlite pipes have been identified as

well various associated kimberlite dykes, with the Q1-4 kimberlite being the largest and most diamondiferous of these bodies.

In 2020, Burgundy entered into an Option Agreement with North Arrow Minerals over Naujaat, including a right to earn a 40% interest in the project in return for funding of C\$5.6 million for a preliminary sample of 2,000 tonnes ('t').

Burgundy officially earned 40% interest in Naujaat in February 2023 following confirmation of the presence of diamonds. As well as the current 40% interest, Burgundy has an optional letter of intent with North Arrow Minerals to earn an additional 20% in the project through a Phase Two Earn-in Option Agreement.

5.4 Valuations

Burgundy produces rough diamonds at the Ekati Diamond Mine, where the diamonds are sorted and valued before being sold through auctions or allocations to manufacturers for cutting and polishing through Burgundy's sales office in Antwerp, Belgium. Burgundy currently sorts rough diamonds into approximately 12,000 different categories or price points, where diamonds are combined into customer parcels based on customer preference.

Burgundy maximises the value of the run-of-mine rough diamonds produced at Ekati through sorting techniques that assess each stone's quality and colour. Individual diamonds are assessed on the basis of their shape, clarity and colour using standardised methodologies and reference to benchmark samples for consistency over time. Each diamond is cleaned and sorted by carat weight and individually inspected and assessed by diamond sorting specialists using handheld and head mounted loupes, together with modern technology when appropriate.

5.5 Diamond Sales

Prior to ACDM's liquidation in December 2025, Burgundy, through its subsidiary ACDM, marketed its Ekati rough diamonds through proprietary auctions in Antwerp and selectively via tenders for larger stones. In 2025, Burgundy discontinued its Perth, WA, polishing operation in favour of strategic partnerships with luxury brands and manufacturers, while maintaining Antwerp as its sales hub. Burgundy also sells to exclusive jewellers through brand partnerships, supplying unique fancy gemstones for high-end jewellery pieces and custom jewellery designs.

As at the date of this Report, Burgundy sells diamonds extracted from the Ekati Diamond mine to the third parties in Belgium via an outsourced auction and tender process.

5.6 Recent Corporate Events

Financing Update

On 19 December 2025, Burgundy announced that its wholly owned subsidiary, ACDC, secured up to C\$115 million loan ('**Loan Facility**') through the LETL facility managed by the Canada Enterprise Emergency Funding Corporation ('**CEEFC**'). The LETL facility was established to provide financial support to large Canadian enterprises impacted by actual and potential tariffs and countermeasures. As explained in the Company's announcement of 19 December 2025, "the Loan Facility is critical to assisting Burgundy and Ekati as it attempts to navigate rough diamond markets impacted by the current 50% US tariff on imports from India, where 90% of rough diamonds globally are cut and polished".

The Loan Facility comprises C\$115 million fully secured term loan senior to all other debt of the Company. It has a maximum seven year term, with interest at the three-month Canadian Overnight Repo Rate Average plus a margin of 200 basis points for the first two years from closing, stepping up thereafter.

Interest accrued in the first two years of the Loan Facility may be capitalised as a payment-in-kind interest.

This funding is considered critical to maintain operations at the Ekati Diamond Mine amid global diamond price declines and the imposition of a 50% tariff on Indian imports by the United States. Funds will be used for purposes including continued development of underground operations, re-activation of the Sable open pit operation, completion of the Fox was plant, general working capital and costs of the financing.

In consideration for providing the Loan Facility, Burgundy agreed to issue CEEFC 1,655,479,310 unlisted warrants, each exercisable into one fully-paid ordinary share in the Company at an exercise price of A\$0.017 per warrant with a ten year expiry term ('Warrants'), comprising:

- 156,185,448 Warrants ('Tranche A Warrants') to be issued to CEEFC in reliance of the Company's existing placement capacity under ASX Listing Rule 7.1; and
- 1,499,293,862 Warrants ('Tranche B Warrants'), the issue of which is subject to receipt of shareholder approval for ASX placement capacity purposes and any approvals required by the Foreign Investment Review Board ('FIRB').

We refer to the further details of the Loan Facility and associated transaction documents set out in the accompanying Notice of Meeting and Explanatory Memorandum and detailed in Burgundy's 19 December 2025 ASX announcement.

On 9 March 2026, Burgundy announced that ACDC had secured an additional expansion of up to C\$60 million under on the existing Loan Facility by CEEFC. This expansion supplements the original C\$115 million facility obtained in December 2025 and increases the total potential funding available. The terms and conditions of the Loan Facility remain consistent with those disclosed in Burgundy's ASX announcement on 19 December 2025.

Convertible Note Payout

In September 2021, Burgundy issued 35 million Convertible Notes to various sophisticated and high net worth investors. Each note had a face value of A\$1.00, with a 3-year term to maturity and 6% coupon rate and convertible into ordinary share at a fixed price of A\$0.264.

On 20 September 2024 the payout of the Convertible Notes from the Company's existing cash reserves was complete. Burgundy paid out Convertible Notes totalling US\$23.2 million, reducing their debt position.

Surety Bonds Agreement

In August 2024, Burgundy successfully renegotiated its cash collateralisation schedule for surety bonds associated with Ekati's reclamation obligations. The revised schedule aligns with the Life of Mine plan and extends payments over four years, with quarterly instalments of approximately US\$11 million and a final payment of US\$7 million in Q3 2027. This agreement provides improved liquidity management compared to the previous requirement for full payment in Q2 2024.

5.7 Historical Statements of Financial Position

Statements of Financial Position	Reviewed as at 30-Jun-25 US\$000	Audited as at 31-Dec-24* US\$000	Audited as at 31-Dec-23 US\$000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	217,632	135,594	238,518
Other non-current assets	99,114	92,521	74,941
TOTAL NON-CURRENT ASSETS	316,746	228,115	313,459
CURRENT ASSETS			
Tax receivable	9,872	11,221	-
Inventory and supplies	146,846	186,049	244,931
Other current assets	4,854	5,081	4,262
Trade and other receivables	4,163	6,178	9,907
Cash and cash equivalents	7,200	25,142	94,426
TOTAL CURRENT ASSETS	172,935	233,671	353,526
TOTAL ASSETS	489,681	461,786	666,985
EQUITY			
Contributed equity	200,607	200,607	200,607
Reserves	8,400	7,862	6,796
Accumulated losses	(193,518)	(164,023)	(49,171)
TOTAL EQUITY	15,489	44,446	158,232
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans and borrowings	-	73,834	73,834
Provision for make good	65	65	64
Deferred income	164	211	-
Royalty provision	34,387	36,536	-
Lease obligations	4,695	7,603	16,468
Employee benefit plans	2,942	3,566	3,828
Reclamation provisions	245,783	229,224	236,204
Deferred tax liabilities	301	55	22,202
Contingent consideration	-	-	7,111
Consideration payable	-	-	25,935
TOTAL NON-CURRENT LIABILITIES	288,337	351,094	385,646
CURRENT LIABILITIES			
Trade and other payables	69,973	50,388	54,017
Loans and borrowings	77,927	-	22,304
Deferred income	94	94	-
Royalty provision	4,298	4,298	-
Lease obligations	8,208	9,463	9,644
Employee benefits plans	1,629	2,003	354
Fuel offtake liability	23,726	-	-
Current portion of consideration payable	-	-	10,844
Tax payable	-	-	25,944
TOTAL CURRENT LIABILITIES	185,855	66,246	123,107
TOTAL LIABILITIES	474,192	417,340	508,753
TOTAL EQUITY AND LIABILITIES	489,681	461,786	666,985

*Note: It was identified that a royalty agreement associated with the future production of diamonds was incorrectly recognised as a financial liability at the date of acquisition. Certain line items have been restated as at 31 December 2024 in relation to this.

Source: Burgundy's audited financial statements for the years ended 31 December 2023 and 31 December 2024 and reviewed financial statements for the half year ended 30 June 2025.

Commentary on Historical Statements of Financial Position

- Property, plant and equipment decreased from US\$238.5 million as at 31 December 2023 to US\$135.6 million as at 31 December 2024. Indicators for impairment were documented as the market capitalisation of Burgundy declined by US\$110.2 million representing a 58% decline from the prior period and the price per carat realised in the Rough Diamond cash generating unit ('CGU') decreased by 10%. This resulted in an impairment charge of US\$151 million.
- Property, plant and equipment increased to US\$217.6 million as at 30 June 2025 due to a purchase of property, plant and equipment for US\$83.3 million. The increase in property, plant and equipment is primarily to stripping activities for Point Lake Open Pit of US\$73 million.
- Inventory and supplies decreased from US\$244.9 million as at 31 December 2023 to US\$186.0 million as at 31 December 2024, primarily driven by decreases in the carrying value of Burgundy's rough diamond inventories, including a decrease of US\$32.6 million in work in progress and US\$13.8 million in finished goods. Inventory and supplies decreased to US\$146.8 million as at 30 June 2025 primarily due to a decrease of US\$24.9 million in work in progress on rough diamonds and a US\$15.6 million decrease in inventory supplies, driven by a lower market value of diamonds and lower carats recovered.
- Royalty provisions decreased from US\$36.5 million as at 31 December 2024 to US\$34.4 million as at 30 June 2025 due to ongoing royalty payments. The royalty provisions relate to obligations under a royalty agreement associated with the Ekati Core tenements, which were initially misclassified at acquisition and subsequently amended at 30 June 2025, and restated as at 31 December 2024. The provision represents the fair value of contractual royalty obligations that unwind over the expected life of mine and are recognised as a reduction to cost of sales when incurred.
- Fuel offtake liability of US\$23.7 million as at 30 June 2025 resulted from Burgundy entering into a fuel offtake agreement with a subsidiary of Macquarie Bank in February 2025 for US\$39.2 million in financing which is secured by fuel inventory. Under this agreement, Burgundy has made payments of US\$15.2 million to Macquarie Bank for fuel consumption during the period ended 30 June 2025.
- The current portion of loans and borrowings increased from nil as at 31 December 2024 to US\$77.9 million as at 30 June 2025. This movement reflects the reclassification of loans outstanding, which had a maturity date of 30 June 2026. As at 30 June 2025, the loan was due within twelve months, resulting in a reclassification from non-current to current. The remainder of the balance comprises of approximately US\$4.1 million relating to outstanding amounts under the STADPAs.

5.8 Historical Statements of Profit or Loss and Other Comprehensive Income

Statements of Profit or Loss and Other Comprehensive Income	Reviewed for the half-year ended 30-Jun-25 US\$000	Audited for the year ended 31-Dec-24 US\$000	Audited for the year ended 31-Dec-23 US\$000
Revenue	125,165	442,117	257,484
Cost of sales	(134,698)	(370,605)	(231,146)
Gross profit	(9,533)	71,512	26,338
Other income	908	9,046	7,532
Selling and distribution expenses	(2,974)	(6,031)	(3,709)
General and administrative expenses	(7,270)	(23,158)	(10,460)
Impairment of property, plant and equipment	-	(151,621)	-
Other expenses	(3,046)	(9,731)	(2,049)
Operating profit/(loss)	(21,915)	(109,983)	17,652
Finance expenses	(8,910)	(27,416)	(14,155)
Finance income	1,674	6,509	2,685
Net finance costs	(7,236)	(20,907)	(11,470)
Fair value adjustment on consideration payable	-	676	5,764
Foreign exchange loss	(24)	(2,854)	(864)
Loss before income tax	(29,175)	(133,068)	11,082
Current tax recovery (expense)	(320)	13,645	(14,951)
Deferred tax recovery	-	22,166	3,193
Tax recovery (expense)	(320)	35,811	(11,758)
Net loss	(29,495)	(97,257)	(676)
Other comprehensive income			
Re-measurement of defined benefit obligation	468	36	(505)
Total comprehensive loss for the year, net of tax	(29,027)	(97,221)	(1,181)

Source: Burgundy's audited financial statements for the years ended 31 December 2023 and 31 December 2024 and reviewed financial statements for the half year ended 30 June 2025.

Commentary on Historical Statements of Profit or Loss and Other Comprehensive Income

- Revenue for the half-year ended 30 June 2025 of US\$125.2 million was comprised of rough diamond sales and polished diamond sales, noting a decrease due to lower carats recovered during the period, a change in ore blend, and the introduction of tariffs. Additionally, in July 2025, Burgundy announced a temporary suspension of open pit mining at Point Lake due to depressed diamond prices which led to the Point Lake operations to be sub-economic.
- The net loss incurred during the period is a result of lower sales during the period and higher open pit mining costs, in addition, diamond inventories were written down by US\$7.8 million during the period, of which US\$6.2 million relates to rough diamond and US\$1.6 million relates to polished diamond inventories.
- An impairment expense of US\$151.6 million was recognised for the year ended 31 December 2024, refer to commentary in Section 5.7 relating to impairment of property, plant and equipment.

5.9 Recent cash flow position

- For the quarter ended 30 September 2025, Burgundy reported a closing cash balance of A\$6.4 million (US\$4.2 million based on an exchange rate of 0.65 at 30 September 2025). Operating activities generated net cash inflows of A\$14.7 million (US\$9.6 million), supported by receipts

from customers of A\$63.3 million (US\$41.1 million), primarily driven by the sale of rough and polished diamonds from Ekati.

- Investing activities resulted in a net outflow of A\$2.2 million (US\$1.4 million), reflecting additions to property, plant, and equipment, including sustaining capital at Ekati.
- Financing activities recorded a substantial net outflow of A\$20.4 million (US\$13.3 million), driven by repayments of borrowings totalling A\$13.3 million (US\$8.6 million) and inventory financing costs of A\$6.4 million (US\$4.2 million).
- The decline in cash reserves and ongoing financing outflows highlight Burgundy's weakened liquidity position. With limited cash on hand and no unused financing facilities available, the recently secured Loan Facility will assist in sustaining operations and meeting Burgundy's short-term obligations.

5.10 Capital structure

The share structure of Burgundy as at 31 December 2025 is outlined below:

	Number
Total ordinary shares on issue	1,421,701,987
Top 20 shareholders	954,307,989
Top 20 shareholders - % of shares on issue	67.12%

Source: Burgundy's share registry information

The range of shares held in Burgundy as at 31 December 2025 is as follows:

Range of shares held	No. of ordinary shareholders	No. of ordinary shares	Percentage of issued shares (%)
1 - 1,000	63	3,932	0.00%
1,001 - 5,000	284	897,140	0.06%
5,001 - 10,000	221	1,836,459	0.13%
10,001 - 100,000	786	31,858,014	2.24%
100,001 - and over	574	1,387,106,442	97.57%
TOTAL	1,928	1,421,701,987	100.00%

Source: Burgundy's holding range report

The ordinary shares held by the most significant shareholders as at 31 December 2025 are detailed below:

Name	No. of ordinary shares	Percentage of issued shares (%)
Arctic Canadian Diamond Holding LLC	129,230,769	9.09%
Subtotal	129,230,769	9.09%
Others	1,292,471,218	90.91%
Total ordinary shares on Issue	1,421,701,987	100.00%

Source: Burgundy's top holder report

6. Profile of Choron Group

6.1 History

Choron Group is a private diamond company based in Antwerp, Belgium. Founded in 1985 by Rajesh Gandhi, the company started as a trading platform for rough and polished diamonds sourced from Antwerp and India. In the 1990s, Choron established direct partnerships with major mining firms, expanding its reach globally with new offices. In 2025, Choron acquired AMC Diamonds, creating AMC Choron Group, a vertically integrated business managing sourcing, manufacturing, and distribution.

6.2 Rough Diamonds

Choron accesses significant volumes of rough diamonds through its long-term relationships with top mining companies including De Beers, Burgundy, Lucara, Okavango, Petra and also sources through tenders and auctions. The Antwerp headquarters hosts a specialist team that sorts and customises diamond parcels for clients. All sourcing adheres to the Kimberley Process Certification Scheme, with strict internal controls to ensure ethical standards.

6.3 Diamond Manufacturing

With manufacturing facilities in Antwerp, Belgium, and Stellenbosch, Choron uses advanced technology and skilled artisans to cut, polish, and grade diamonds. Processes include laser cutting, and all polished stones are graded to international standards such as the Gemological Institute of America ('GIA') and other recognised certification bodies.

6.4 Polished Diamonds

Choron supplies finished diamonds to global luxury brands and jewellery makers. The company verifies diamonds using in-house instruments and external laboratories when needed, requiring certification for stones over 0.30 carats from recognized grading bodies such as GIA, HRD Antwerp, or International Gemological Institute ('IGI').

7. Economic analysis

Burgundy is primarily exposed to the risks and opportunities of the Canadian and Australian markets through their operations. As such, we have presented an analysis on the Canadian and Australian economies to the extent that they relate to considerations for our assessment.

7.1 Canada

Overview

At its December 2025 meeting, the Bank of Canada ('the Bank') maintained its target for the overnight rate at 2.25%, alongside the Bank Rate at 2.50% and the deposit rate at 2.20%. This decision follows four rate cuts earlier in the year and signals that the Bank considers policy to be near neutral. This emphasised that rates are likely to remain steady for an extended period, barring a significant deterioration in the outlook.

Headline inflation remains close to target at 2.2% in October 2025, down from 2.4% in September, while the Bank's preferred core measures of CPI median and CPI trimmed, stood at approximately 2.7%, indicating that underlying price pressures remain slightly above target. Shelter costs continue to contribute to inflation but are gradually moderating. The Bank expects inflation to remain close to its 2% target over the medium term, although risks persist due to elevated wage growth and supply-side constraints.

Economic activity showed unexpected resilience in Q3, with GDP growing at an annualised 2.6%, driven largely by volatile trade flows, while domestic demand was flat. The Bank anticipates weaker growth in Q4 and a subdued outlook for 2026 as structural trade adjustments weigh on investment and consumption.

Labour market conditions have improved slightly. Unemployment fell to 6.5% in November, down from 7% mid-year, supported by an increase in jobs in the services industry. Wage growth is moderating, reducing inflationary pressure but highlighting uneven recovery across sectors.

The Canadian dollar remains under pressure, trading around 0.71 USD, reflecting ongoing investor concerns about trade tensions and the relative strength of the U.S. economy. Despite these headwinds, inflation expectations remain anchored, and the Bank continues to project a gradual return to stable growth and price conditions over the next two years.

Economic Outlook

Canada's economic outlook remains subdued, with growth expected to stay below trend and inflation hovering near the 2% target amid persistent trade-related risks and structural challenges. In terms of economic growth, growth is projected to be 1.0% in 2026 and 1.5 - 1.6% in 2027 with slow growth projected attributable to the weakness in the labour market hindering household spending. Inflation is expected to hover around the 2% target over the next 3 years, as cost pressures from tariffs offset weak demand. Elevated uncertainty around US Trade policy and the upcoming Canada-United States-Mexico Agreement review could further disrupt trade and investment adding to uncertainty surrounding the future.

Source: www.bankofcanada.ca Monetary Policy Report December 2025 and prior periods.

7.2 Australia

At its December 2025 Monetary Policy Decision meeting, the Reserve Bank of Australia ('RBA') decided to leave the cash rate unchanged at 3.60%. As at the date of our Report, the last change to the cash rate was in August 2025 when it was reduced by 25 basis points, marking a cumulative easing of 75 basis points since the beginning of the year. The August 2025 decision reflected the RBA's assessment that inflationary pressures have continued to moderate from their 2022 peak, with tighter policy settings over recent years helping to bring demand and supply conditions closer into balance.

Inflation data for the quarter ending 30 September shows that recent inflation has increased, with the trimmed mean inflation being 1.0% over the quarter and 3.0% over the year, up from 2.7% over the year in the preceding June quarter. This increase was materially higher than expected by the RBA at the time of the August 2025 Statement on Monetary Policy. Over the 12 months to September 2025, the consumer price index ('CPI') rose 3.2%, marginally above the RBA's 2-3% target range. The main driver for price rises over the quarter was the expected cessation of electricity rebates in states across Australia.

Labour market conditions have softened modestly but remain relatively tight. The growth in employment slowed slightly with the unemployment rate increasing to 4.5% in September from 4.3% in August 2025, after increasing from 4.1% in May 2025 to 4.3% in June 2025. Broader measures of labour underutilisation remain low, with business surveys reporting that labour availability constrains activity in some sectors. Wage growth has eased from its peak, but persistently weak productivity growth has contributed to elevated unit labour cost growth.

Economic activity continues to recover, however, the outlook for domestic economic activity and inflation is uncertain as a result of domestic and international developments. The RBA states that consumption and investment have driven growth in domestic private demand and could increase the demand for labour and add to capacity pressures. This would make it easier for businesses to pass on the relevant cost increases to consumers. Overall, financial conditions have eased since the beginning of the year, with the effects of earlier interest rate cuts yet to completely flow through to demand, prices and wages. Gross Domestic Product expanded by 1.8% in the year to June 2025, up from a 1.3% increase for the year ended December 2024, driven by household and government consumption and mining exports.

Financial markets have been volatile throughout 2025. Australian equities performed strongly at the start of the year, supported by resilient corporate earnings, favourable economic data, and firm commodity prices, mirroring movements in the United States ('US') market. However, on 2 April 2025, the announcement of significant US tariffs on major trading partners, including Australia, China, and Europe, triggered sharp global equity market declines. While both US and Australian equity markets subsequently rebounded and surpassed February highs following progress in trade negotiations, volatility and investor uncertainty remain elevated.

Outlook

The RBA notes that global economic uncertainty remains high, although recent clarification around the scope of US tariffs and policy responses has reduced the likelihood of the most adverse outcomes. Nonetheless, trade policy developments are expected to weigh on global activity, with the risk that households and firms defer spending and investment decisions until the international outlook stabilises.

Other key uncertainties include the lagged impact of recent monetary policy easing, the responsiveness of firms' pricing and wage decisions to evolving demand and supply conditions, and the ongoing implications of weak productivity growth for unit labour costs.

The RBA has reiterated that its policy priorities remain price stability and full employment. Recent data suggests some risks to inflation have tilted to the upside, but it will take more time to determine the

persistence of inflationary pressures. The RBA's judgement is that underlying inflation will rise above the target in coming quarters before returning to below the target in 2027. The RBA has emphasised that it remains cautious and stands prepared to respond decisively should international developments materially affect the outlook for the Australian economy.

Source: www.rba.gov.au Statement by the Monetary Policy Board: Monetary Policy Decision dated 9 December 2025 and prior periods, the Australian Bureau of Statistics, Australian Financial Review.

7.3 Tariffs on Diamonds

In April 2025, the US imposed tariffs on imports from Canada, including diamonds as part of a broader trade policy shift. These measures, introduced a 10% duty on rough and polished diamonds and a higher 27% levy on cut and polished stones, significantly disrupting trade dynamics. For Canada, the tariffs have decreased export competitiveness and compressed margins for diamond producers, leading to weaker trade flows and more uncertainty around future investment in the sector.

The imposition of tariffs on diamond imports from India has had a material impact on global trade flows and pricing structures. In particular, the US introduced a 50% tariff on diamond imports from India, increasing transaction costs for suppliers and buyers in the US, one of the world's largest consumer markets for polished diamonds. Given 90% of the world's diamonds are cut and polished in India before being exported to key markets such as the US, these tariffs have disrupted established global supply chains and raised costs throughout the value chain. For producers, such measures decrease margins by forcing price adjustments or reducing competitiveness in tariff affected markets. On the demand side, higher tariffs may dampen consumer purchasing power and shift trade toward jurisdictions with lower barriers. Over time, persistent tariff regimes could incentivise beneficiation and local processing in producing countries, while reducing liquidity and transparency in international diamond exchanges.

8. Industry analysis

Burgundy is an ASX-listed company focused on diamond production. As such, we have presented an analysis of the global diamond mining industry on the basis that it will form part of the considerations for our overall assessment.

Overview

The global diamond industry is a mature sector characterised by cyclical demand, high capital intensity, and significant exposure to consumer sentiment. Natural diamond production peaked at approximately 175 million carats ('Mct') in 2005-2006 but has since declined to around 121 Mct in 2023. This reduction reflects depletion of high-grade deposits, increased competition from synthetic diamonds, and geopolitical factors such as sanctions on Russian diamonds.

Synthetic diamond production has grown rapidly, from less than 1 Mct a decade ago to an estimated 30 Mct in 2025, representing annual growth of more than 5%. Lab-grown diamonds ('LGD') are marketed aggressively to younger consumers and are indistinguishable from natural stones to the end user, creating a structural challenge for natural diamond producers. These factors have contributed to a decline of more than 21% in natural diamond prices over the past ten years.

The natural diamond market is dominated by a small number of producers, including De Beers, Alrosa, and Rio Tinto. These companies face declining reserves and increasing environmental, social and governance ('ESG') scrutiny. In contrast, LGDs producers benefit from lower production costs and scalability, enabling them to compete aggressively on price and supply certainty.

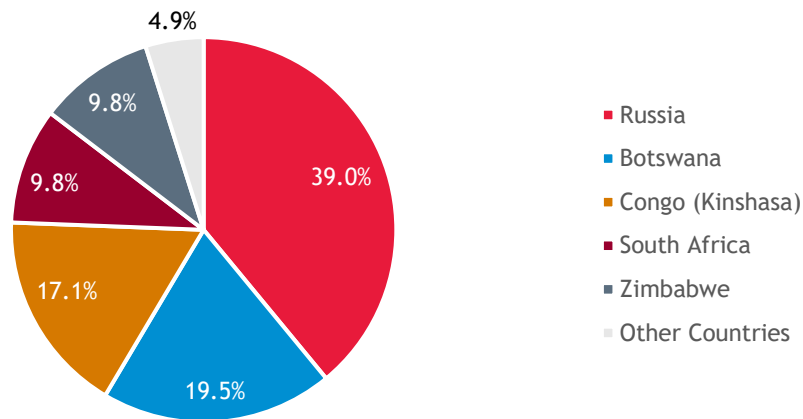
Global demand for diamonds remains concentrated in the jewellery sector, which accounts for approximately 85% of total diamond consumption. Industrial demand is stable, but LGDs have captured a significant share of both industrial and gem markets.

On the supply side, production is concentrated in a small number of locations, including Russia, Botswana, Canada, and Angola. Several of these locations present elevated sovereign risk, which has implications for project financing and operational continuity.

Diamond production and reserves

According to data released by the United States Geological Survey ('USGS'), Russia was the leading producer of diamonds in 2024, contributing approximately 16 tonnes of diamonds, equating to 39.0% of global diamond production.

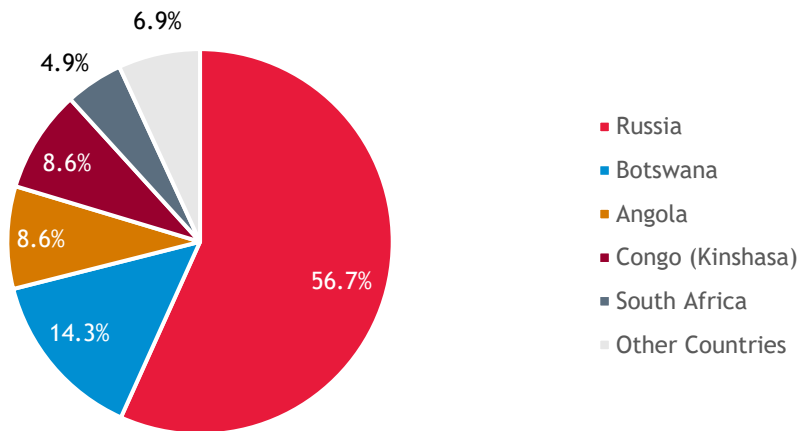
Global Diamond Production 2024



Source: U.S Geological Survey, January 2025

*excluding undisclosed United States production data

Global Diamond Reserves 2024



Source: U.S Geological Survey, January 2025

*excluding undisclosed United States production

Global diamond exploration budgets peaked in the early 2010s but have since experienced a steady decline driven by lower returns on investment, a growing market of LGDs and rising producer costs associated with deeper open-pit and underground mining operations. These structural challenges have contributed to a more conservative outlook for the natural diamond supply, with analysts forecasting annual production to remain within a range of approximately 100 to 115 million carats over the medium term. Exploration remains highly concentrated in specific regions, with Africa accounting for 47% of global spending and Canada representing 15%.

Diamond Pricing

We have relied on pricing information from industry expert Paul Zimnisky (Zimnisky, 2026), and the Zimnisky Global Rough Diamond Price Index ('Index'). The Index was created to consolidate reliable natural rough diamond price information and publish the current price change of natural rough diamonds on a weekly basis in the form of an index. The Index incorporates price data from rough diamond transactions in the primary market and the secondary market. Based on the Index, natural diamond prices have fallen by approximately 20% over the past decade and by approximately 15% over the past five years, driven by oversupply and the growing substitution effect of LGDs. Price pressure has been most pronounced in commercial quality goods, where lab-grown alternatives sell at discounts of 50%-75%. Despite this, premium pricing persists for stones such as Type IIa and rare coloured diamonds, which remain in strong demand among high net-worth buyers.

Recent data indicates rough prices stabilised in late 2024 following supply restrictions by major producers, although recovery depends on US consumer spending and an improvement in China's economy, meanwhile, LGDs have seen dramatic price erosion. This widening gap reinforces substitution trends and continues to reshape consumer expectations, particularly in the bridal segment.

Production Costs and Prices

LGD production costs currently range between US\$800 and US\$2,000 per carat, having fallen by 70%-80% since 2020 due to technological improvements and increased competition. In comparison, a one-carat

natural diamond typically costs US\$4,000 to US\$9,000, with retail prices for lab-grown stones often as low as 10% of comparable natural diamonds.

Although chemically and physically identical, natural diamonds retain higher resale values due to rarity and tradition, though this margin is narrowing as lab-grown stones become indistinguishable. Branding initiatives and supply chain transparency by leading manufacturers, combined with growing environmental and ethical concerns, have accelerated consumer acceptance of lab-grown diamonds.

Synthetic diamond production is forecast to exceed 30 million carats in 2025, up from less than 1 million a decade ago. The global synthetic diamond market is valued at US\$27 billion to US\$28 billion in 2025 and projected to reach US\$44.8 billion by 2035, reflecting a CAGR of 5.1 percent (FMI, 2025). India alone exported 15.3 million carats of polished lab-grown diamonds in FY 2024-25, nearly double the previous year, underscoring rapid growth and global adoption.

Lab-Grown Diamonds

LGDs represent one of the most significant structural shifts in the global diamond industry. Advances in chemical vapour deposition ('CVD') and high-pressure high-temperature ('HPHT') technologies have enabled the production of gem-quality synthetic diamonds that are visually and chemically indistinguishable from natural stones. These developments have lowered production costs and reduced barriers to entry, resulting in rapid growth in LGD supply.

Global LGD production is estimated to exceed 30 million carats in 2025, compared to less than 1 million carats a decade ago, with annual growth rates exceeding 5%. Five major producers account for approximately 70% of global LGD output, primarily concentrated in China and India. LGDs are marketed aggressively to younger consumers, leveraging sustainability narratives and price advantages, with retail prices typically 50-70% lower than natural diamonds.

The rise of LGDs has had a profound impact on natural diamond pricing and demand. While premium pricing persists for exceptional natural stones, particularly Type IIa and coloured diamonds, the broader market has experienced downward pressure across most size categories. LGDs have also captured a significant share of industrial diamond applications, further eroding demand for natural stones.

From an ESG perspective, LGDs are positioned as an environmentally and ethically superior alternative to mined diamonds, appealing to consumers concerned about the social and environmental footprint of mining. This positioning has accelerated adoption in key markets such as North America and Europe.

Trade Policy and Geopolitical Factors

In 2025, the US Government introduced new trade tariffs on diamond import as part of broader economic policy changes. These included a standard 10% duty on all diamond imports and much higher rates, up to 50%, on polished diamonds from India, which is the world's largest cutting and polishing centre.

These tariffs disrupted global supply chains, increased costs for US retailers, and created uncertainty around diamond prices. As a result, Indian exports to the US decreased, leading to factory closures and job losses in major diamond hubs. To remain competitive, certain manufacturers changed their shift towards LGDs, which are cheaper to produce and becoming increasingly popular with consumers.

This policy change reinforced existing challenges for natural diamond producers, such as growing competition from LGDs and geopolitical risks. Although the legality of these tariffs is still being contested, the situation highlights the vulnerability of the diamond industry and how policy changes impact international processing and distribution chains.

9. Valuation approach adopted

9.1 Recent Transactions

As detailed in Section 3.3, in performing our assessment of whether the Recent Transactions are fair and reasonable to Shareholders for the purpose of ASX Listing Rule 10.1, we have compared the consideration received from the Recent Transactions with Choron to our assessed market-based consideration.

In determining this we have had consideration of:

- The auction sales process utilised by Burgundy;
- The sale process for the Bilateral Direct Sale;
- How the terms of the STADPAs compare to assessed market rates; and
- Whether the interest charged on cash advances represents an arm's length market rate of interest.

9.2 Proposed Transactions

As detailed in Section 3.3, in performing our assessment of whether the Proposed Transactions are fair and reasonable to Shareholders for the purpose of ASX Listing Rule 10.1, we have compared the terms of the Proposed Transactions with Choron to comparable market-based sales mechanisms that are available to Burgundy.

9.3 Security Transactions

For the purpose of assessing whether the Security Transactions are fair for Shareholders for the purpose of ASX Listing Rule 10.1, we have compared the value of the security provided to the liabilities to be settled. We have undertaken this analysis by observing the various scenarios that may arise in comparing the security to be provided with the liabilities to be settled. Therefore, we do not consider it necessary or appropriate to value the Company or its assets.

10. Recent Transactions

Between April and September 2025, Burgundy, through its subsidiaries ACDC and ACDM, sold diamonds to Choron through auctions and a series of STADPAs. We outline below our analysis concluding on the fairness of the Recent Transactions to Shareholders.

10.1 Auctions

As detailed in Section 4.1, we consider that Burgundy's sales of diamonds to Choron via auction are completed on a standardised, open-market platform, that does not favour Choron to pay less than any other willing and able market participant. The platform allows for true price discovery by the market. Therefore, we consider the auction prices paid by Choron to be, at the time, the highest available price available to Burgundy, equal to fair market value.

Burgundy's alternative option would be to endeavour to sell the diamonds in an alternative manner to replicate the market price discovered through the auction process. We consider the sales of diamonds to Choron via auction to be fair to Shareholders.

10.2 Bilateral Sale Agreement

As detailed in Section 4.1, Burgundy completed a Bilateral Direct Sale of polished diamonds to Choron on 12 December 2024 with a total invoice value of US\$345,481.62.

The parcel of diamonds consisted of two polished diamonds held at the Perth manufacturing and polishing facility, which has since been closed.

Given the high value for each diamond, they were difficult to sell in the local Perth market. For this reason, the polished diamonds were shipped to Choron's Dubai office for further refinement. Subsequently, Choron received several bids for the diamonds and offered Burgundy a superior offer to the other available bids which was accepted by Burgundy.

We were provided with supporting documents for this transaction, including:

- Burgundy's tax invoice specifying the carat weight and characteristics of the diamonds
- Indicative pricing for the two polished diamonds used to calculate the insured value used in the shipping of the diamonds to Choron's office in Dubai
- the shipment documentation confirming the same parcel numbers and indicative pricing of the diamonds
- the Dubai Customs Declaration recording the import of the diamonds and the associated cost, insurance and freight ('CIF') value
- The competing bids for the diamonds offered at around the time that Choron purchased the diamonds from Burgundy

These documents collectively provide consistent documentation including parcel identification, carat weight and indicative values of the diamonds used for insurance purposes, which provide traceability and verification of the diamonds details despite the there being no independent valuation available for reliance. Based on the documentation provided we have sufficient reasonable grounds to conclude that the price paid by Choron represents the market value of these polished diamonds.

10.3 Short-term Advance Diamond Purchase Agreement Terms

The key terms of the STADPAs are set out below:

- Prepayment funding whereby Choron advanced funds to Burgundy prior to delivery of diamond parcels. Interest on prepayment funding accrues at 15% per annum until outstanding loan amounts are settled by delivery of diamonds;
- Delivery of diamond parcels from the Ekati production cycles to Choron at agreed times under the agreements;
- Independent valuations where the purchase price was determined by averaging two independent valuations; and
- Burgundy granted Choron a pledge over diamond inventory and insurance rights, registered in Belgium for a maximum secured amount of EUR 30 million.

The STADPAs consist of prepayments of secured loan funding and subsequent settlement using independently valued diamonds to settle the outstanding loan amounts. Therefore, we outline our assessment of the fairness of the STADPAs in two parts,

- Valuation of the diamonds adopted under the STADPAs; and
- Terms of the prepayment financing adopted under the STADPAs.

10.3.1. STADPA diamond valuations

To ensure consistent and accurate pricing, each STADPA mandated independent valuations of the diamond parcels by two qualified valuers by Bonas Couzyn NV, being GSVS DMCC and Berdj Anastassian. The base price for settlement was calculated by the average of these valuations, or a third party valuation if discrepancies exceeded 5% for each STADPA. The use of the independent valuations mitigates related-party risk and ensures transparency.

Burgundy's alternative options to sell diamonds would seek to sell the diamonds by auction or on the open market at fair market value.

Given that the STADPAs incorporate a robust process to transparently and independently adopt fair market value to each parcel of diamonds, we consider this to be equal to the sale price available to Burgundy on the open market.

10.3.2. STADPA debt financing terms

Each STADPA provided Burgundy with upfront funding prior to delivery of diamond parcels, addressing immediate liquidity needs during a period of operational and marketing challenges.

The terms of the financing elements of the STADPAs are outlined below:

- Interest on prepayment funding accrues at 15% per annum until outstanding loan amounts are settled by delivery of diamonds
- Loans are secured against the parcel of diamonds named in each specific STADPA.

We analysed financing facilities on terms comparable to the STADPAs to determine a fair market rate of interest to apply to a similar market-based financing facility. Details of our findings are outlined in Appendix 3.

We found that comparable financing facilities accrue interest in the range of approximately 8% to 10% per annum. Given the complexities around diamond inventory valuations, we consider an interest rate at the high end of the assessed range, at 10% per annum to represent fair market value. We have incorporated

our market based findings into our calculations of how the total value of consideration paid by Choron compares to a notional market rate of the consideration for the assets sold to Choron, being the diamond parcels and interest payments.

The details for each STADPA are detailed below:

- May 2025 Agreement (31 May 2025)
 - Choron advanced USD 18.5 million on 6 June 2025 for exclusive rights to approximately 281,815.65 carats from Production Cycle 2505. The agreement specified that Burgundy would deliver the full parcel by 9 June 2025, with settlement based on independent valuations.
 - Burgundy eventually delivered the full parcel of diamonds of 318,253 carats between 22 June 2025 and 26 June 2025 for a total independent valuation of \$14.54 million.
 - Interest accrued totalling \$136,000, leaving an outstanding loan amount of \$4.09 million.
- June 2025 Agreement (30 June 2025)
 - Choron advanced USD 21 million, partially offset by a prior balance of USD 4.09 million, resulting in a net payment of USD 16.91 million on 2 July 2025 for approximately 412,786 carats from Cycle 2506. Delivery was scheduled for the week of 7 July 2025.
 - Burgundy eventually delivered the parcel of diamonds of 419,724 carats on 18 July 2025 for a total independent valuation of \$21.18 million.
 - Interest accrued totalling \$141,483, requiring Choron to pay a true up amount of approximately \$40,000.
- July 2025 Agreement (24 July 2025)
 - Choron advanced USD 8 million (Tranche One) on 28 July 2025 and had the option to advance an additional USD 3 million (Tranche Two) for approximately 272,700 carats from Cycle 2507. Delivery was scheduled in two tranches, being 182,700 carats and 90,000 carats respectively.
 - Burgundy eventually delivered the parcel of diamonds of 281,254 carats on 28 August 2025 for a total independent valuation of \$11.29 million.
 - Interest accrued totalling \$103,333.
 - Tranche Two totalled \$3.19 million and was paid to Burgundy in instalments on 29 August 2025 and 4 September 2025 to settle outstanding balance owing to Burgundy.

Delivery of Diamond Parcels

The STADPAs required Burgundy to deliver all diamonds identified in its systems as part of the relevant production cycle, ensuring transparency and completeness. Delivery occurred at Bonas Couzyn NV's Antwerp offices under independent supervision.

The structure aligned with Burgundy's production schedule and mitigated operational risk specifying delivery timeliness and conditions precedent, including board approvals and security registrations.

- Cycle 2505: Delivery made 22 June 2025 and 26 June 2025;
- Cycle 2506: Delivery made on 18 July 2025; and
- Cycle 2507: Delivery made on 28 August 2025.

Independent Valuations

To ensure consistent and accurate pricing, each STADPA mandated independent valuations of the diamond parcels by two qualified valuers by Bonas Couzyn NV, being GSVS DMCC and Berdj Anastassian. The base price for settlement was calculated by the average of these valuations, or a third party valuation if discrepancies exceeded 5% for each STADPA. The use of the independent valuations mitigates related-party risk and ensures transparency.

10.3.3. STADPA valuation summary

We outline below a summary of the consideration received from Choron under the STADPAs and a corresponding notional market based valuation of the consideration for the assets, being the parcels of diamonds and any accrued interest.

Date	Details	Carats	Independent diamond valuation	Interest accrued	Resultant consideration received
Recent Transactions under STADPA interest rate of 15% per annum					
22-Jun-25	Cycle 2505	234,418	\$11,116,116	\$0	\$11,116,116
26-Jun-25	Cycle 2505	46,890	\$2,148,950	\$0	\$2,148,950
26-Jun-25	Cycle 2505	36,945	\$1,277,182	\$135,640	\$1,141,594
18-Jul-25	Cycle 2506	419,724	\$21,181,394	\$141,483	\$21,040,786
28-Aug-25	Cycle 2507	281,254	\$11,289,543	\$103,333	\$11,186,210
Total			\$47,013,185	\$380,457	\$46,633,657
Recent Transactions via notional comparable interest rate of 10% per annum					
22-Jun-25	Cycle 2505	234,418	\$11,116,116	\$0	\$11,116,116
26-Jun-25	Cycle 2505	46,890	\$2,148,950	\$0	\$2,148,950
26-Jun-25	Cycle 2505	36,945	\$1,277,182	\$90,518	\$1,186,664
18-Jul-25	Cycle 2506	419,724	\$21,181,394	\$93,133	\$21,088,261
28-Aug-25	Cycle 2507	281,254	\$11,289,543	\$68,092	\$11,221,451
Total			\$47,013,185	\$251,743	\$46,761,443

Source: BDO analysis

We note the following from the table above:

- The delivery dates and number of carats delivered vary from the dates and carats outlined in each of the STADPA agreements.
- The independent diamond valuations are those mandated under each STADPA.
- The interest accrued is based on specific dates that the funding was received and subsequently settled.
- Interest accrued under Cycle 2505 is paid in one lump sum, rather than split between the three tranches outlined in the table above.
- The resultant consideration received consists of consideration received by Burgundy following the deduction of any interest charged as part of the STADPA agreements.
- We note some immaterial differences due to rounding of calculations.

10.4 Recent Transactions valuation summary

We outline below a summary of the consideration received from Choron under the Recent Transactions and how it compares to our assessed notional market valuation of the consideration under the Recent Transactions.

Recent Transactions	Ref	Choron consideration \$US	Notional market based consideration \$US
Auction	10.1	3,653,036	3,653,036
STADPAs	10.3	46,633,657	46,761,443
Subtotal		50,286,693	50,414,479
Bilateral Direct Sale	10.2	345,482	345,482
Total		50,632,174	50,759,960

Source: BDO analysis

With regards to the above Recent Transactions, we note the following:

- the consideration received by Burgundy from Choron under the STADPAs is lower than our assessed notional market based valuation of the consideration;
- There was no independent valuation completed for the Bilateral Direct Sale, however we have received sufficient evidence to be able to conclude that the consideration received by Burgundy from Choron under the Bilateral Direct Sale represents market value.

Given the above, we consider the terms of the Recent Transactions to be not fair.

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11. Proposed Transactions

Burgundy and Choron have entered into a Framework Agreement that establishes the overarching terms under which rough diamonds and polished diamonds produced from the Ekati mine may be sold to Choron, or members of the Choron Group, on an ongoing basis. The Framework Agreement operates as a master sales arrangement for a two-year period and permits transactions up to an aggregate value of US\$75 million.

Individual sales under this arrangement are implemented through transaction confirmations, which set out the specific terms for each delivery, including the number of carats to be supplied, the applicable purchase price, delivery location and timing, and whether any advance payments will be made. All transactions must occur on arm's-length terms, and unless the sale forms part of an auction or tender process, pricing must be supported by valuations from two independent diamond experts, with the average of their assessments forming the purchase price. The seller remains responsible for securing all required export and import licenses and authorisations for each shipment, and title transfers in accordance with the terms set out for the relevant transaction. The Framework Agreement is therefore intended to provide a consistent contractual structure for all future transactions, whether via advance purchase agreements, direct sales or auctions.

In the case of an advanced purchase agreement, similar to the terms of the STADPAs used in the Recent Transactions, the Framework Agreement expressly permits the parties to agree to the charging of interest at rates to be determined at the relevant time (as may be agreed pursuant to the terms of any future transaction under the Framework Agreement), provided that the rates of any such interest cannot exceed a maximum rate capped at 3-month BBSW plus a 10% margin.

11.1 Auctions

As outlined in Section 10, we consider that Burgundy's sales of diamonds to Choron via auction are completed on a standardised, open-market platform, that does not favour Choron to pay less than any other willing and able market participant. The platform allows for true price discovery by the market. Therefore, we consider the auction prices paid by Choron to be, at the time, the highest available price available to Burgundy, equal to fair market value.

Burgundy's alternative option would be to endeavour to sell the diamonds in an alternative manner to replicate the market price discovered through the auction process. We consider the sales of diamonds to Choron via auction to be fair to Shareholders.

11.2 Direct sale agreements

The Framework Agreement states that all transactions must occur on arm's-length terms, and unless the sale forms part of an auction or tender process, pricing must be supported by valuations from two independent diamond experts, with the average of their assessments forming the purchase price.

Given the direct sale agreements incorporate a robust process to transparently and independently adopt fair market value to each parcel of diamonds, we consider this is equal to the sale price available to Burgundy on the open market. Therefore, we consider the diamond valuation adopted under the direct sale agreements to be fair to Shareholders.

11.3 Advanced purchase agreements

An advanced purchase agreement would be utilised to provide Burgundy with upfront funding prior to delivery of diamond parcels, addressing immediate liquidity needs during a period of operational and marketing challenges.

Interest on prepayment funding cannot exceed a maximum rate capped at 3-month BBSW plus a 10% margin. The interest rate will be determined at the time the advanced purchase agreement is entered into. Interest will accrue on outstanding loan amounts until settled by delivery of diamonds.

As outlined in Section 10.3.2. and Appendix 3, we analysed financing facilities on terms comparable to the advanced purchase agreement terms included in the Framework Agreement to determine a notional market rate of interest to apply to a similar market-based financing facility. We consider that comparable financing facilities accrue interest in the range of approximately 8% to 10% per annum. Given the complexities around diamond inventory valuations, we consider adopting an interest rate at the high end of the assessed range, at 10% per annum.

We have analysed current BBSW rates as at the date of this Report and determined that the maximum interest rate that could be adopted under an advanced purchase agreement is approximately 13.8%.

The maximum interest rate that could currently be adopted under an advanced purchase agreement of 13.8% is higher than our assessed notional market rate of interest for a comparable prepayment funding facility of 10%. Therefore, we consider the terms of the advanced purchase agreement is not fair to Non-associated Shareholders of Burgundy.

11.4 Proposed Transactions fairness summary

We outline below a summary of our fairness opinion of the available scenarios under the Proposed Transactions:

Scenario	Consequence	Fairness
Proposed Transactions		
Auctions	Diamond sales under Auctions equals fair market value	Fair
Direct sale agreement	Diamond sales under Direct sales agreement equals fair market value	Fair
Advanced purchase agreements	Funding terms less favourable than assessed market-based funding terms	Not fair
Overall fairness assessment		Not fair

Source: BDO analysis

Given that not all available scenarios to transact under the Framework Agreement are fair, we must conclude that the Proposed Transactions are not fair.

12. Security Transactions

12.1 Value of the security to be provided

Burgundy provided Choron with a first ranking security interest over the parcel of diamonds the subject of each STADPA. Burgundy will also provide Choron with security over the parcel of diamonds the subject of each agreement under the Proposed Transactions. In the event of default, Choron would only be entitled to recover an amount limited to the outstanding debt amount, rather than the entire proceeds arising from the sale of the secured assets, being the parcel of diamonds that was the subject of the STADPA or Proposed Transaction in question.

Therefore, we do not need to consider the value of the Company or its assets for this purpose, as Choron will not receive an amount more than the value of the liabilities to be settled, in the event of default whereby Choron demands payment of the outstanding amount. As such, we consider the value of the security to be provided to be less than, or equal to, the value of the liabilities to be settled.

12.2 Value of the liabilities to be settled

In the event of default, Choron may, at any time, declare that the outstanding debt amount is immediately due and payable. Choron would therefore be entitled to seek repayment for the outstanding debt amount, via the sale of the secured assets, being the parcel of diamonds the subject of each STADPA or Proposed Transaction. The nominal value of the outstanding debt amount represents the value of the liabilities to be settled.

13. Are the Transactions fair?

13.1 Recent Transactions

The consideration received under the Recent Transactions and our assessed market based consideration are compared below:

Recent Transactions	Ref	Choron consideration \$US	Notional market based consideration \$US
Auction	10.1	3,653,036	3,653,036
STADPAs	10.3	46,633,657	46,761,443
Subtotal		50,286,693	50,414,479
Bilateral Direct Sale	10.2	345,482	345,482
Total		50,632,174	50,759,960

Source: BDO analysis

The above valuations of consideration indicate that, in the absence of any other relevant information, the Recent Transactions are not fair for Shareholders.

We note the minor difference in the value between the Choron consideration and the market based consideration relates only to the financing terms (i.e. the applicable interest rate) and the fair market value of the diamond inventories remain consistent on both sides of the comparison.

We also note that despite there being no independent valuation available to substantiate market value for the Bilateral Direct Sale, the documents provided, detailed in Section 10.2, provide comfort that the highest bid represents the market value of the polished diamonds, which was the price paid by Choron.

13.2 Proposed Transactions

As outlined in Section 11, the consideration to be received under the Proposed Transactions is equal to or less than our assessed market-based consideration, under all available scenarios, as outlined in the table below.

Scenario	Consequence	Fairness
Proposed Transactions		
Auctions	Diamond sales under Auctions equals fair market value	Fair
Direct sale agreement	Diamond sales under Direct sales agreement equals fair market value	Fair
Advanced purchase agreements	Funding terms less favourable than assessed market-based funding terms	Not fair
Overall fairness assessment		Not fair

Source: BDO analysis

Therefore, in the absence of any other relevant information the Proposed Transactions are not fair for Shareholders.

13.3 Security Transactions

As outlined in Section 12, the Security Transactions are fair if the value of the security to be provided is equal to, or less than, the liabilities to be settled. We have considered the various scenarios which could occur in the event of default by Burgundy, which are outlined below.

In the scenario where the value of the security to be provided is greater than, or equal to the liabilities to be settled, Choron would only be entitled to recover an amount limited to the outstanding debt amount, being amounts that are payable and owing but otherwise remain unpaid.

Furthermore, in the scenario where the value of the security to be provided is less than the liabilities to be settled, the proceeds arising from the sale of the security would be provided to Choron as settlement for the liabilities to be settled.

These scenarios can be summarised as follows:

Scenario	Consequence	Fairness
Security to be Provided > Liabilities to be Settled	Security to be Provided = Liabilities to be Settled	Fair
Security to be Provided = Liabilities to be Settled	Security to be Provided = Liabilities to be Settled	Fair
Security to be Provided < Liabilities to be Settled	Security to be Provided < Liabilities to be Settled	Fair

Source: BDO analysis

Based on the above, the value of the security to be provided is equal to, or less than, the value of the liabilities to be settled in all scenarios. This means that the value of the financial benefit provided by Burgundy to Choron, will always be equal to, or less than the value of the consideration being provided to Choron. Accordingly, in the event of default, Choron will only be entitled to an amount equal to, or less than the amount owing. Therefore, we consider the Security Transactions to be fair for Shareholders.

14. Are the Transactions reasonable?

14.1 Advantages of approving the Transactions

Recent Transactions

We have considered the following advantages in our assessment of whether the Recent Transactions are reasonable.

Advantage	Description
No restrictive debt covenants	Unlike many debt facilities, the Recent Transactions were not subject to debt covenants. Debt covenants are restrictions that lenders put on lending agreements to limit the actions of the borrower. Common covenants, require borrowers to achieve a threshold for particular financial ratios. Some covenants can also limit how the borrower conducts their business (limits buying and selling of assets etc.). The Recent Transactions allowed the Company to access prepayment funding, but without having any restrictive debt covenants in place.
Ability to transact with Choron strengthened demand for Burgundy’s diamond inventory	The Recent Transactions provided Burgundy with an additional committed purchaser for both rough and polished diamonds, enhancing overall demand for Burgundy’s products. By securing Choron as an ongoing customer in addition to auctions and other sales channels, the Recent Transactions broadened Burgundy’s buyer base and increase competitive tension for its inventory. This supported Burgundy’s ability to achieve strong pricing outcomes, reduced reliance on any single sales mechanisms and provides greater certainty that diamond parcels can be placed efficiently even in periods of subdued global market demand.
STADPAs provided immediate liquidity support through subdued market conditions	<p>The STADPAs provided Burgundy with access to significant and immediate funds through the prepayments (refer to Section 4 for arrangement details) that improved short-term cash flows and enabled continued operations of the Ekati mine.</p> <p>As mentioned in Section 8 of the Report, the global diamond market has remained subdued over recent years, characterised by declining pricing, reduced buying activity from major industry participants and extended sales cycles across the industry. Burgundy has been affected by the subdued global diamond conditions, with slower turnover of diamond inventory and decreased demand, placing pressure on the Company’s liquidity position, increasing the importance of the prepayment funding provided under the STADPAs.</p> <p>Without the prepayment funding from the STADPAs, Burgundy would have faced liquidity constrains, potentially leading to delays in operations, as it would have been required to sell the diamonds via alternative means, likely an auction process, with longer lead time to receipt of funds.</p>
Independent valuation reduces price risk	STADPAs incorporate third-party valuations that confirm the fair market value of the diamond parcels at delivery, mitigating the risk of under-pricing and overpayment. This mechanism provides shareholders with confidence that the transaction terms reflect prevailing market conditions.

Advantage	Description
Value differential between Choron consideration and market based consideration is immaterial	<p>The Recent Transactions are not fair for Shareholders, as the consideration received from Choron under the STADPAs is less than our assessed market based consideration. However, we note the value differential between the Choron consideration and the market based consideration is immaterial and relates only to the financing terms (i.e. the applicable interest rate) for a short-term financing facility. The fair market value of the diamond inventories remain consistent on both sides of the comparison.</p> <p>We consider the arguments for the advantages noted above, together with the consequences of not approving, outlined in Section 14.4, outweigh the minor discrepancy in value calculated in the fairness assessment.</p>

Proposed Transactions

We have considered the following advantages in our assessment of whether the Recent Transactions are reasonable.

Advantage	Description
Ability to transact with Choron strengthened demand for Burgundy's diamond inventory	The Framework Agreement provides Burgundy with an additional committed purchaser for both rough and polished diamonds, enhancing overall demand for Burgundy. By securing Choron as an ongoing customer in addition to auctions and other sales channels, the Proposed Transactions broaden Burgundy's buyer base and increase competitive tension for its inventory. This supports Burgundy's ability to achieve strong pricing outcomes, reduces reliance on any single sales mechanism and provides greater certainty that diamond parcels can be placed efficiently even in periods of subdued global market demand.
Immediate liquidity support	The advanced purchase agreements provide Burgundy with ability to drawdown on prepayment funding (refer to section 4 for arrangement details) that will improve short-term cash flows and enable continued operations of the Ekati mine. Without the option of the advanced purchase agreements, Burgundy may face liquidity constraints, potentially leading to delays in operations.
Independent valuation reduces price risk	Agreements incorporate third-party valuations that confirm the fair market value of the diamond parcels at delivery, mitigating the risk of under-pricing and overpayment. This mechanism provides shareholders with confidence that the transaction terms reflect prevailing market conditions rather than subjective pricing or related-party pricing.
No restrictive debt covenants	Unlike many debt facilities, the advanced purchase agreements are not subject to debt covenants. Debt covenants are restrictions that lenders put on lending agreements to limit the actions of the borrower. Common covenants, require borrowers to achieve a threshold for particular financial ratios. Some covenants can also limit how the borrower conducts their business (limits buying and selling of

Advantage	Description
	assets etc.). The Proposed Transactions allow the Company to access prepayment funding, but without having any restrictive debt covenants in place.

Security Transactions

We have considered the following advantages in our assessment of whether the Security Transactions are reasonable.

Advantage	Description
The Security Transactions are fair	As set out in section 13, the Security Transactions are fair. RG 111.12 states that an offer is reasonable if it is fair.
The Security Transactions support the Company's debt funding	The provision of security enables the Company to obtain the prepayment funding that it requires to operate through suppressed market conditions. If Burgundy seeks alternate funding through bank debt, it is more likely that there will be a requirement to furnish adequate collateral to secure the bank debt. Therefore, the provision of security for debt funding purposes is not unusual.

14.2 Disadvantages of approving the Transactions

Recent Transactions

We have considered the following disadvantages in our assessment of whether the Recent Transactions is reasonable.

Disadvantage	Description
Exclusivity restricts flexibility of diamond sales	Under the agreements, Choron has exclusive rights to Burgundy's production for specified cycles, which prevents Burgundy from selling these parcels to other buyers during the specified term. Although the agreements provide certain offtakes, it potentially limits Burgundy's ability to capitalise on alternative market opportunities and negotiate better terms with other purchasers.

Proposed Transactions

We have considered the following advantages in our assessment of whether the Proposed Transactions is reasonable.

Disadvantage	Description
Exclusivity restricts flexibility of diamond sales	Under the agreements, Choron has exclusive rights to Burgundy's production for specified cycles, which prevents Burgundy from selling these parcels to other buyers during the specified term. Although the agreements provide certain offtakes, it potentially limits Burgundy's ability to capitalise on alternative market opportunities and negotiate better terms with other purchasers.

Security Transactions

We have considered the following advantages in our assessment of whether the Security Transactions are reasonable.

Disadvantage	Description
Burgundy will grant Choron security over the Company's parcel of diamond inventory	If there is an event of default by the Company, Choron may enforce its security, and require Burgundy to sell/transfer the secured assets in order to repay the monies outstanding."

14.3 Alternative proposal

We are unaware of any alternative proposal that might offer the Shareholders of Burgundy a premium over the value resulting from the Transactions.

14.4 Consequences of not approving the Transactions

Consequences

If the Recent Transactions are not approved by Shareholders, as stated in the Notice of Meeting, the Company's breach of Listing Rule 10.1 will not be ratified and effectively the Company will remain in a position whereby it has acted contrary to the Listing Rules. In this scenario, the Company may be subject to enforcement action by ASX for breaching the Listing Rules. It is also possible that the Company's business reputation and standing may be adversely affected. In circumstances where any enforcement action involves the unwinding of the Recent Transactions, there is no guarantee the Company will be in a position to make cash payments. The Company will also be in default of the Loan Facility, resulting in all outstanding amounts under the Loan Facility being payable on demand. In those circumstances, the Company may not be able to continue as a going concern.

If the Proposed Transactions are not approved, as stated in the Notice of Meeting, the Company will not be able to proceed with the Proposed Transactions, limiting the value of sales that may be made to Choron with the limit in Listing Rule 10.1. In these circumstances, the Company will not generate revenue from the Proposed Transactions, and the Company will need to source other buyers for its diamonds.

Potential impact on share price

Given that Burgundy has been suspended from trading since prior to the announcement of the Transactions, we are unable to analyse price movements as a result of the Transactions.

15. Conclusion

We have considered the terms of the Recent Transactions as outlined in the body of this Report and have concluded that the Recent Transactions are not fair but reasonable to Shareholders.

We have considered the terms of the Proposed Transactions as outlined in the body of this Report and have concluded that, in the absence of an alternative offer, the Proposed Transactions are not fair but reasonable to Non-associated Shareholders.

We have considered the terms of the Security Transactions as outlined in the body of this Report and have concluded that the Security Transactions are fair and reasonable to Non-associated Shareholders.

16. Sources of information

This report has been based on the following information:

- Draft Notice of Meeting on or about the date of this report
- Audited financial statements of Burgundy Diamond Mines Limited for the years ended 31 December 2024 and 31 December 2025
- Independent Valuation Reports of Burgundy Diamond Mines Limited 's diamonds performed by GSVS DMCC and Bonas Couzyn NV
- US Geological Survey
- Reserve Bank of Australia
- Bank of Canada
- IBISWorld
- S&P Capital IQ
- Share registry information
- Announcements made by Burgundy Diamonds Mines Limited available through the ASX
- Discussions with Directors and Management of Burgundy Diamond Mines Limited
- Information provided by Burgundy Diamond Mines Limited in relation to the Bilateral Direct Sale including the tax invoice, shipping documentation, Dubai Customs Declaration and competing third-party offers.

17. Independence

BDO Corporate Finance Australia Pty Ltd is entitled to receive a fee of \$30,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance Australia Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance Australia Pty Ltd has been indemnified by Burgundy in respect of any claim arising from BDO Corporate Finance Australia Pty Ltd's reliance on information provided by Burgundy, including the non-provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance Australia Pty Ltd has considered its independence with respect to Burgundy, Choron and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance Australia Pty Ltd's opinion it is independent of Burgundy, Choron, and their respective associates.

A draft of this report was provided to Burgundy and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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18. Qualifications

BDO Corporate Finance Australia Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance Australia Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance Australia Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 35 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 750 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Natural Resources & Energy Leader for BDO and a former Chairman of BDO in Western Australia.

Adam Myers is a Fellow of Chartered Accountants Australia & New Zealand and a member of the Joint Ore Reserves Committee. Adam's career spans over 25 years in the audit and corporate finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

19. Disclaimers and consents

This report has been prepared at the request of Burgundy for inclusion in the Notice of Meeting which will be sent to all Burgundy shareholders. Burgundy engaged BDO Corporate Finance Australia Pty Ltd to prepare an independent expert's report to consider whether each of the Transactions is fair and reasonable to Shareholders.

BDO Corporate Finance Australia Pty Ltd hereby consents to this report accompanying the above Notice of Meeting. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement, or letter without the prior written consent of BDO Corporate Finance Australia Pty Ltd.

BDO Corporate Finance Australia Pty Ltd takes no responsibility for the contents of the Notice of Meeting other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance Australia Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Choron. BDO Corporate Finance Australia Pty Ltd provides no warranty as to the adequacy, effectiveness, or completeness of the due diligence process.

The opinion of BDO Corporate Finance Australia Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

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With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Transactions, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the shareholders of Burgundy, or any other party.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

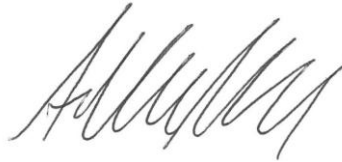
The terms of this engagement are such that BDO Corporate Finance Australia Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and the date of the meeting.

Yours faithfully

BDO CORPORATE FINANCE AUSTRALIA PTY LTD



Sherif Andrawes
Director



Adam Myers
Director

Appendix 1 - Glossary of Terms

Reference	Definition
\$	Australian dollars
A\$	Australian dollars
ABS	Australian Bureau of Statistics
ACDC	Arctic Canadian Diamond Company Ltd
ACDM	Arctic Canadian Diamond Marketing NV
AFCA	Australian Financial Complaints Authority
Anastassian	Berdj Anastassian from Bonas Couzyn NV
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AUD	Australian dollars
BBSW	Bank Bill Swap rate
BDO	BDO Corporate Finance Australia Pty Ltd
Bilateral Direct Sale	The sale of two polished diamonds that were shipped to Choron's Dubai office for further refinement. Subsequently, Choron provided a superior offer to the other available bids which was accepted by Burgundy.
Bonas	Bonas Couzyn (Antwerp) NV
Buffer Zone	Buffer Zone located at the Ekati Diamond Project
Burgundy	Burgundy Diamond Mines Limited
Burgundy Parties	Burgundy Diamond Mines Limited and subsidiaries ACDM and ACDC
C\$	Canadian Dollars
CIF	Value of asset including associated cost, insurance and freight
CEEFC	Canada Enterprise Emergency Funding Corporation
CGU	Cash generating unit

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Reference	Definition
Choron	Choron Holdings Pte Ltd
Choron Group	Choron Holdings Pte Ltd and its subsidiaries
Core Zone	Core Zone located at the Ekati Diamond Project
CPI	Consumer price index
Crown Royalties	Royalty payments made to the Government of Northwest Territories
CVD	Chemical vapour deposition
DCF	Discounted Future Cash Flows
Ekati	Ekati Diamond Mine
ESG	Environmental, social and governance
FIRB	Foreign Investment Review Board
FME	Future Maintainable Earnings
FSG	Financial Services Guide
GDP	Gross Domestic Product
GIA	Gemological Institute of America
ha	Hectare
HPHT	High-pressure high-temperature
IGI	International Gemological Institute
Independent Diamond Valuers	Berdj Anastassian from Bonas Couzyn NV and GSVS DMCC
Index	Zimnisky Global Rough Diamond Price Index
km	Kilometres
LGD	Lab-grown diamonds
LETL	Large Enterprise Tariff Loan
Loan Facility	On 17 December 2025, Burgundy together with its operating subsidiaries, entered into a financing package with CEEFC for the provision of approximately C\$115 million in secured funding via Large LETL from CEEFC
LOM	Life of Mine

Reference	Definition
Mct	Million carats
Misery	The Misery underground operations
MRE	Mineral Resource Estimate
Mt	Metric ton
Naujaat	Naujaat Diamond Mine
NAV	Net Asset Value
Non-associated Shareholders	Shareholders of Burgundy Diamond Mines not associated with Choron Holdings Pte Ltd
North Arrow Minerals	North Arrow Minerals Inc.
our Report	This Independent Expert's Report prepared by BDO
Proposed Transactions	The Proposed Transaction where Burgundy will have the ability to sell diamonds to Choron for a period of two years following the date of Shareholder approval
RBA	Reserve Bank of Australia
Recent Transactions	The recent sales of rough diamonds to Choron
RG 111	Content of expert reports (October 2020)
RG 112	Independence of experts (March 2011)
Sable	The Sable open pit operations
Secured Inventories	The security over Burgundy's diamond inventories in relation to the Proposed Transactions
Security Transactions	The Burgundy Parties obligations in connection with the STADPAs the Proposed Transaction
Shareholders	Shareholders of Burgundy Diamond Mines Limited
SRK	SRK Consulting Canada Inc.
STADPA	Short-Term Advanced Diamond Purchase Agreements
t	Tonnes
The Act	The Corporations Act 2001 Cth
the Bank	Bank of Canada
the Company	Burgundy Diamond Mines Limited
the Transactions	The Recent Transactions, Proposed Transactions and Security Transactions

Reference	Definition
tpd	Tonnes per day
Tradeslot	Tradeslot Pty Ltd
Tranche A Warrants	156,185,448 Warrants, which were issued on 17 December 2025
Tranche B Warrants	1,499,293,862 Warrants, to be issued five business days from the date of the last to be received of this Shareholder approval or FIRB approval, and will be issued within three months of the date of the Meeting
US	United States
US\$	US dollars
USGS	United States Geological Survey
WA	Western Australia
Warrants	Warrant agreement entered into by Burgundy and CEEFC on 17 December 2025

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Appendix 2 - Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 *Quoted market price basis*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 *Capitalisation of future maintainable earnings*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax or earnings before interest, tax, depreciation and amortisation. The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 Discounted future cash flows

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start-up phase, or experience irregular cash flows.

5 Market-based assessment

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

Appendix 3 - Analysis of Financing Facilities

We provide a benchmark analysis of Burgundy's cost of debt for a prepayment funding facility with terms comparable to the STADPAs and Framework Agreement. The purpose of the following analysis is to determine whether the interest rate is commercially supportable in the context of the specific structure of the STADPAs, the Framework Agreement and Burgundy's overall risk profile. Prepayment funding arrangements are inherently different from conventional bank loans or corporate debt facilities. They typically offer short-term liquidity secured over inventory or a company's product rather than over broader project or corporate assets. They also include repayment through commodity delivery rather than standard amortisation. As a result, these structures generally attract higher pricing to reflect the nature of the collateral, counterparty exposure and the level of risk associated with commodity market volatility and operating conditions.

In order to evaluate the cost of debt for a comparable prepayment funding facility, we reviewed publicly disclosed prepayment and commodity-secured financing arrangements adopted by other mining companies. The companies selected for comparison were identified on the basis that they operate within the diamond, precious metals or base metals sector and face similar commodity price volatility and operational risk, or because they have financing arrangements with similarities to the STADPAs. We note publicly available information on Western diamond producers with comparable financing structures is limited, so for the purpose of our analysis, the peer group displayed in the table below was expanded to include resources companies that have utilised prepayment or offtake financing.

The table presented below includes an outline for each comparable financing arrangement, containing the key terms of the arrangement and the range of interest rates as at the date of the announcement of the Transactions. We consider the comparable prepayment funding facilities outlined in the table above provide an assessed cost of debt in the range of 8.00% to 10.00%, which we have adopted in our Report.

Company name	Description	Secured	Interest rate	Assessed Range	
				Low	High
Mountain Province Diamonds Inc. (TSX:MPVD)	Secured term loan credit facility between Mountain Province Diamonds Inc. and Dunebridge Worldwide Ltd, entered into as part of a financing package to support Mountain Province Diamonds Inc. operations and liquidity position. We note Dunebridge Worldwide Ltd is a related party of Mountain Province Diamonds Inc., impairing our reliance on this as a direct comparable for a market based interest rate.	Yes	14.00%	14.0%	14.0%
Vast Resources plc (AIM:VAST)	Secured offtake-linked financing arrangement with Mercuria Energy Trading SA, structured as a prepayment facility linked to copper and zinc concentrate production from Romanian operations. The facility is secured by charges over operating subsidiaries and related assets, with repayment intended to be met from future commodity sales, surplus cashflows	Yes	11.5%-20.0%	11.5%	20.0%

Company name	Description	Secured	Interest rate	Assessed Range	
				Low	High
	or refinancing. Vast Resources plc also secured short term finance from A&T Investments, backed by first-lien security over a real estate asset in Romania owned by an existing shareholder.				
Develop Global Limited (ASX:DVP)	Offtake-linked loan and prepayment facility with Trafigura, supporting development of the Woodlawn copper-zinc project. The facility is secured against project assets and future concentrate sales, with repayment structured through product deliveries under long-term offtake agreements.	Yes	3 month SOFR + 2% (if drawn down in US\$); or 3 month BBSY + 2% (if drawn down in A\$)	6.6%	6.9%
Boab Metals Limited (ASX:BML)	Binding offtake and prepayment agreement with Trafigura for lead-silver concentrate from the Sorby Hills project. The facility provides upfront funding for project development, with repayment through future concentrate deliveries under agreed pricing and volume terms.	Yes	3-month SOFR + 5%	8.9%	8.9%
Silver Storm Mining (TSXV:SVRS)	Prepayment and metal purchase financing arrangement providing upfront funding secured against future silver production. The facility effectively operates as metal stream/prepayment with repayment satisfied through physical delivery of product rather than cash amortisation.	Yes	1 Month SOFR + 4.75%	8.8%	8.8%
CSN Mining (BOVESPA:CSNA3)	Commodity trader-backed prepayment financing arrangement supporting working capital and operational requirements. Facility is secured against future production and export contracts, with repayment linked directly to commodity offtake.	Yes	7.5%	7.5%	7.5%
AIC Mines Limited (ASX:A1M)	US\$40 million prepayment facility with Trafigura, linked to a long-term copper concentrate offtake agreement from the Eloise mine. Funds were applied to processing plant expansion and growth capital, with repayment made via concentrate deliveries.	Yes	3 month SOFR + 3%	6.9%	6.9%
EQ Resources Limited (ASX:EQR)	EUR 15 million prepayment facility entered into with Traxys, secured against future tungsten concentrate production. The facility provides refinancing and working capital support, with repayment through product deliveries under a multi-year offtake agreement.	Yes	1 month EUR EURIBOR + 5.5%	7.4%	7.4%
			Mean	9.0%	10.1%
			Median	8.2%	8.2%

Source: BDO Analysis and S&P Capital IQ

To determine the range of interest rates available under each comparable facility, we calculated the relevant benchmark reference rate as at the date of Burgundy's announcement and added the stated margin.

Refer to the business descriptions for the Peer Group in the table below.

Company name	Business description
Mountain Province Diamonds Inc. (TSX:MPVD)	Mountain Province Diamonds Inc. focuses on the mining and marketing of rough diamonds worldwide. The company holds a 49% interest in the Gahcho Kué mine located in Northwest Territories, Canada; and 100% of the mineral rights of the Kennady North located in the Northwest Territories, Canada. The company was formerly known as Mountain Province Mining Inc. and changed its name to Mountain Province Diamonds Inc. in October 2000. Mountain Province Diamonds Inc. was incorporated in 1986 and is headquartered in Toronto, Canada.
Vast Resources plc (AIM:VAST)	Vast Resources plc engages in the exploration and development of mineral projects in Southern Africa, Europe, and Central Asia. The company explores for copper, zinc, silver, gold, and diamond deposits; as well as non-ferrous concentrate and other metals. The company was formerly known as African Consolidated Resources Plc and changed its name to Vast Resources plc in December 2014. Vast Resources plc was incorporated in 2005 and is headquartered in Maidstone, the United Kingdom.
Develop Global Limited (ASX:DVP)	Develop Global Limited, together with its subsidiaries, engages in the exploration and development of mineral resource properties in Australia. It primarily explores for copper, zinc, lead, silver, gold, and lithium deposits. The company holds interest in the Sulphur Springs project that includes Sulphur Springs and Kangaroo Caves deposits and tenements; the Woodlawn Zinc-Copper Project is located at Lachlan Fold belt in New South Wales; and the Pioneer Dome Lithium Project covering approximately an area of 389 square kilometre located in the south of Kalgoorlie and north of the Esperance port. It also provides underground mining services. The company was formerly known as Venturix Resources Limited and changed its name to Develop Global Limited in October 2021. Develop Global Limited was incorporated in 2006 and is headquartered in West Leederville, Australia.
Boab Metals Limited (ASX:BML)	Boab Metals Limited engages in the exploration and development of mineral tenements in Australia. It primarily explores for zinc, silver, cobalt, copper, and lead deposits. It holds 75% interest in its flagship property, the Sorby Hills project located in the Kimberley Region of Western Australia. The company was formerly known as Pacifico Minerals Limited and changed its name to Boab Metals Limited in January 2021. Boab Metals Limited was incorporated in 2003 and is based in West Perth, Australia.
Silver Storm Mining Ltd. (TSXV:SVRS)	Silver Storm Mining Ltd. engages in the acquisition, exploration, and development of mineral properties in Mexico. It primarily explores for silver, zinc, copper, lead, and gold deposits. The company has an option to acquire a 100% interest in the La Parrilla Silver Mine Project consists of 40 contiguous mining concessions covering an area of 38,128 hectares located in San Jose de La Parrilla, Durango, Mexico. It also holds a 100% interest in the San Diego property that consists of 4 mining concessions covering an area of 91.65 hectares located in the municipality of Cuencame, Durango State, Mexico. The company was formerly known as Golden Tag Resources Ltd. and changed its name to Silver Storm Mining Ltd. in November 2023. Silver Storm Mining Ltd. was incorporated in 1980 and is headquartered in Toronto, Canada.
Companhia Siderúrgica Nacional (BOVSPA:CSNA3)	Companhia Siderúrgica Nacional operates as an integrated steel producer in Brazil and Latin America. The company operates through five segments: Steel Industry, Mining, Logistics, Energy, and Cement. The company offers flat steel products, such as hot and cold rolled, galvanized, galvalume, pre-painted, and metal sheets products; coil, sheets, and derivatives; tiles and derivatives, pipes, and profiles; long steel products; food and chemical packaging solutions; and carbochemical products. The company also provides steel cutting services; produces and sells cement; operates railways; and generates electric power from its hydroelectric power plants. In addition, the company explores for iron ore reserves at Casa de Pedra and Engenho mines located in the city of Congonhas; as well as produces tin. Companhia Siderúrgica Nacional was founded in 1941 and is headquartered in São Paulo, Brazil.
AIC Mines Limited (ASX:A1M)	AIC Mines Limited engages in the exploration, development, and production of mines in Australia. The company operates through Mining, and Exploration and Corporate segments. It explores for gold, copper, silver, and zinc deposits. AIC Mines Limited was incorporated in 1993 and is based in Subiaco, Australia.

Company name**Business description**

EQ Resources Limited
(ASX:EQR)

EQ Resources Limited explores for and produces tungsten and mineral resources in Australia. The company also explores for gold deposits. Its flagship property is the Mt Carbine project comprising ML 4867 covering an area of approximately 358.5 hectares, as well as ML 4919 covering an area of 7.891 hectares located in Far North Queensland. The company was formerly known as Speciality Metals International Limited and changed its name to EQ Resources Limited in December 2020. The company was incorporated in 2005 and is based in Mount Carbine, Australia.

Source: BDO Analysis and S&P Capital IQ

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Schedule 4

Summary of material terms of the Historical Product Sales

The key terms of the Historical Product Sales are summarised below.

1 Short-term Advance Diamond Purchase Agreement dated 31 May 2025 (*May Agreement*)

Purchaser	Choron BV
Seller	Arctic Canadian Diamond Marketing NV
Seller Guarantor	Arctic Canadian Diamond Company Ltd (<i>Burgundy</i>)
Purpose	<p>The Seller has agreed to sell, and the Purchaser has agreed to purchase, natural diamond stones extracted from the Ekati diamond mine located in the Lac de Gras region of the Northwest Territories of Canada (<i>Burgundy Mine</i>) (<i>Burgundy Rough Diamonds</i>), in consideration for the Prepayment payable in advance of the delivery and settlement of the contracted Delivery.</p>
Prepayment	<p>The Purchaser agrees to pay the prepayment of US\$18,500,000 (<i>Prepayment</i>) to the Seller during the week of 2 June 2025, subject to Burgundy and Seller first obtaining a waiver prior to 2 June 2025 from their existing secured lenders permitting the security interest over the Secured Inventories.</p> <p>The amount of the Prepayment paid by the Purchaser to the Seller in advance is reduced, by the amount of the determined Base Price of the Burgundy Rough Diamonds subject of the Delivery, upon subsequent delivery and settlement of the purchase.</p> <p>The outstanding aggregate value of all Prepayments paid by the Purchaser, after deducting the aggregate value of the Base Price of all Deliveries actually delivered and settled at the relevant time, is the Outstanding Prepayment Amount, which may be negative if the aggregate value of the Base Prices of Deliveries exceeds the aggregate value of all paid Prepayments.</p> <p>The Prepayment is non-refundable except in specified default or force majeure scenarios, in which case the Outstanding Prepayment Amount must be repaid to the Purchaser.</p>
Delivery	<p>The shipment of Burgundy Rough Diamonds made by the Seller to the Purchaser during the week of 9 June 2025 and which comprises of:</p> <ul style="list-style-type: none">(a) 281,815.65 carats; and(b) any Burgundy Rough Diamonds which have been recovered, extracted or produced from the Burgundy Mine prior to 6 April 2025 (<i>Cut Off Date</i>).

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The Seller may elect (but is not obligated) to sell and deliver any Burgundy Rough Diamonds recovered, extracted, or produced before the Cut-Off Date, provided they form part of the Delivery.

Prepayment Fee and Prepayment Credit

Where the Outstanding Prepayment Amount is a positive amount, interest payable by the Seller accrues on the Outstanding Prepayment Amount daily at the applicable rate of 15% (**Prepayment Fee**).

Where the Outstanding Prepayment Amount is a negative amount, a credit payable by the Purchaser accrues on the Outstanding Prepayment Amount daily at the applicable rate of 15% (**Prepayment Credit**).

Valuation and Base Price

The valuation of the Delivery must take place on, or as soon as reasonably practicable after, Delivery and in any event no later than the fifth business day following Delivery.

The Seller shall procure Bonas Couzyn (Antwerp) NV (the **Expert**) to obtain two separate and independent valuations of the market value of the Burgundy Rough Diamonds subject of the Delivery, from non-affiliated valuers in accordance with industry standards and practices. All valuations must be made on one or more generally accepted valuation methods for rough diamonds. A copy of these valuations must be provided to the Expert.

The **Base Price** of the Delivery shall be determined as the average between the two valuations (expressed in US\$) procured by the Expert. In the case that the valuation is a **Disputed Valuation** (i.e., where there is a discrepancy of more than 5% between each of the valuations delivered by the Expert), the Expert shall procure a third valuation which is binding on the Parties as the Base Price (expressed in US\$).

Netting and Settlement of Outstanding Prepayment Amount

Collection by the Purchaser of the Burgundy Rough Diamonds subject of the Delivery shall occur upon the determination of the Base Price.

On determination of the Base Price, the Base Price is netted against the Outstanding Prepayment Amount (including any Prepayment Fee or Prepayment Credit accrued at such time):

- (a) If, on 18 June 2025 (**Determination Date**), the Outstanding Prepayment Amount is lower than zero the Purchaser must pay the absolute value of the difference between zero and the negative Outstanding Prepayment Amount (in cash) to the Seller within five business days following the Determination Date, by way of the remaining purchase price for the Delivery.
 - (b) If the Outstanding Prepayment Amount is higher than zero, the Seller must repay the difference between the positive Outstanding Prepayment Amount and zero (in cash) to the
-

	Purchaser within five business days following the Determination Date.
Use of Funds	<p>The Seller and Burgundy must use the proceeds (directly or indirectly) of the Prepayment only for the purpose of:</p> <p>(a) paying outstanding invoices and amounts due by Burgundy; or</p> <p>(b) paying outstanding amounts owed by the Seller to suppliers or employees in respect of its operations pursuant to agreements that were entered into in the ordinary course of business and on arm's length terms.</p>
Restrictions on Sales to Third Parties	<p>Prior to the Termination Date (i.e., the date falling after 18 July 2025 on which the Outstanding Prepayment Amounts equals zero), Burgundy is prohibited from selling any Burgundy Rough Diamonds to any person except the Seller.</p> <p>Similarly, the Seller is restricted from selling any Burgundy Rough Diamonds to any person other than the Purchaser.</p>
Title, interest and Security Interest	<p>The Parties confirm their intention that each sale under the May Agreement is a true sale and not a security arrangement.</p> <p>The Purchaser shall acquire full title and interest in the purchased diamonds and, following purchase, has no further obligations to the Seller or Burgundy regarding them. The Purchaser is free to cut, polish, or otherwise dispose of the diamonds as it wishes.</p> <p>To secure Burgundy's and the Seller's obligations, the Seller grants to the Purchaser a security interest in the form of a pledge over all its present and future diamond inventories and all insurance policies relating to such diamonds (Secured Inventories). The pledge is to be registered in the Belgian National Pledge register to secure a maximum amount of EUR 30,000,000.</p>
Burgundy Guarantee	<p>The Seller and Burgundy represent and confirm that prior to the execution date, they have established valid and enforceable agreements under which all run-of-mine production from the Burgundy Mine is sold by Burgundy to the Seller.</p> <p>Burgundy guarantees to the Purchasers the performance of the Seller's obligation under the May Agreement.</p>
Taxes	<p>The Seller is solely responsible for all taxes payable in respect of the production or extraction of the Burgundy Rough Diamonds.</p> <p>All amounts expressed as payable under the May Agreement are exclusive of any applicable value added tax or sales tax.</p>
No Set-Off	<p>Except where expressly permitted in the May Agreement, all payments under the May Agreement shall be made:</p> <p>(a) without set-off, counterclaim, or condition, and</p>

-
- (b) free and clear of, and without deduction for or on account of, any present or future taxes.

If any payment is required by law or regulation to be subject to taxes, such payment must be increased so that the Party receiving payment receives a net amount equal to the full amount that would have been received had there been no tax deduction.

Representations and undertakings

The May Agreement contains representations, warranties and undertakings from the Parties which are customary for an agreement of this nature, including but not limited to, valid incorporation, authority to transact, no current or pending litigation, disputes or claims against either Party, no insolvency proceedings against either Party.

Force Majeure

A Party's obligations will be suspended in an event of Force Majeure.

Events of Default

The Purchaser has the right to demand immediate repayment of any Outstanding Prepayment Amount if an Event of Default has occurred. An **Events of Default** includes:

- (a) the Seller failing to deliver to the Purchaser;
 - (b) breach of obligations under the May Agreement;
 - (c) misrepresentation by Burgundy or the Seller;
 - (d) insolvency proceedings;
 - (e) non-payment by Seller or Burgundy;
 - (f) Burgundy or Seller are in breach of any sanctions or export control laws; or
 - (g) change in control occurs in relation to the Seller and/or Burgundy.
-

Costs and Expenses

The Seller is responsibility for costs and expenses, including legal fees and valuation expenses of the Purchaser.

Governing Law

Antwerp, Belgium

NOTE:

This agreement covered Historical Product Sales dated 24 June 2025 and 26 June 2025.

2 Short-term Advance Diamond Purchase Agreement dated 30 June 2025 (*June Agreement*)

The terms of the June Agreement are substantially on the same terms as the May Agreement. The table below sets out clauses that have material differences to the May Agreement:

Prepayment	The Purchaser agrees to make pay the prepayment of USD \$21,000,000 during the week of 30 June 2025.
Delivery	Burgundy Rough Diamonds are shipped by the Seller to the Purchaser during the week of 7 July 2025 comprising: <ul style="list-style-type: none">(a) 412,786 carats; and(b) any Burgundy Rough Diamonds which have been recovered, extracted or produced from the Burgundy Mine prior to the Cut-Off Date and which the Seller decides to sell and deliver to the Purchaser in accordance with the June Agreement. The Cut Off Date means 21 June 2025.
NOTE:	This agreement covered Historical Product Sales dated 18 July 2025.

3 Short-term Advance Diamond Purchase Agreement dated 24 July 2025 (*July Agreement*)

The terms of the July Agreement are substantially on the same terms as the May Agreement. The table below sets out clauses that have material differences to the May Agreement:

Prepayment	The Purchaser agrees to pay the prepayment of US\$8,000,000 (Prepayment 1) during the week of 21 July 2025. In addition to Prepayment 1, the Purchaser may (in its sole discretion) pay a prepayment to the Seller of US\$3,000,000 or such higher amount as agreed by the Parties (Prepayment 2) during the week of 4 August 2025. If the Purchaser decides to make Prepayment 2, Prepayment 1 and Prepayment 2 are aggregated and treated as a single transaction for the purposes of the July Agreement.
Delivery	Burgundy Rough Diamonds are delivered by the Seller to the Purchaser in two Tranches (being 'Tranche 1' and 'Tranche 2'), and any other Burgundy Rough Diamonds delivered by the Seller to the Purchaser pursuant to the July Agreement.

Tranche 1 means the shipment of Burgundy Rough Diamonds made by the Seller to the Purchaser during the week of 28 July 2025 which comprises 182,7000 carats.

Tranche 2 means the shipment of Burgundy Rough Diamonds to be made by the Seller to the Purchaser during the week of 11 August 2025 which comprises 90,000 carats.

Conditions precedent

The Purchaser is not required to make Prepayment 1 available to the Seller until it has received evidence from the Seller that:

- (a) the board of directors of the Seller and Burgundy have approved the terms of the July Agreement;
 - (b) the Purchaser has been designated as the loss payee under all insurance policies covering the Burgundy Rought Diamonds;
and
 - (c) the security interests under the July Agreement have been duly perfected in Belgium and Canada.
-

NOTE:

This agreement covered Historical Product Sales dated 28 August 2025.

Schedule 5

Summary of terms and conditions of the Framework Agreement

Purchaser	Choron BV
Seller	Arctic Canadian Diamond Company Ltd
Purpose	<p>The Seller has agreed to sell, and the Purchaser has agreed to purchase, Burgundy Rough Diamonds extracted from the Burgundy Mine pursuant to Transaction Confirmations issued under the master terms of the Framework Agreement.</p> <p>Each such Transaction Confirmation is required to specify:</p> <ul style="list-style-type: none"> (a) the contracted quantity (in carats); (b) the Purchase Price payable; (c) whether payment of the Purchase Price will be payable in advance of delivery; (d) the location and date for delivery and settlement of title; (e) if applicable, details of any Transaction Security and the relevant amount secured; and (f) if applicable, details of the terms of any chargeable Interest (subject to compliance with the Maximum Rate). <p>All sales and purchases of Burgundy Rough Diamonds between the Seller and Purchaser during the Term shall be governed by the Framework Agreement.</p> <p>To the extent consent is required in respect of a transaction under a finance document to which the Seller is a party, such consent must be obtained.</p>
Term	<p>The earlier of (Term):</p> <ul style="list-style-type: none"> (a) two years from the date of the Framework Agreement; (b) the date being six months after the Seller and the Purchaser (including all of the Purchaser's affiliates) cease to be related parties; and (c) the early termination of the Framework Agreement due to an Event of Default, in accordance with its terms.
Exclusivity and Maximum Value	<p>All sales of Burgundy Rough Diamonds made between the Seller and the Purchaser during the Term shall be governed by the Framework Agreement (including those not documented by a Transaction Confirmation), provided that the maximum value of all such transactions must not exceed US\$75,000,000 (Maximum Value).</p> <p>Such transactions entered into between the Seller and Purchaser may take the form of any advance purchase agreement, an outright sale and purchase of Burgundy Diamonds, a sale and purchase</p>

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	following an auction sale or tender process or any other form of sale of Burgundy Diamonds.
Purchase price	<p>The Parties must appoint at least two independent experts in order to determine the value and purchase price of the Burgundy Rough Diamonds sold during the Term, unless the sale is made as part of an auction or tender process.</p> <p>The purchase price of Burgundy Rough Diamonds is the average of the values provided by the independent experts.</p>
Arm's length terms	All sales of Burgundy Rough Diamonds between the Seller and the Purchase are entered into on arm's length terms and each party represents that the terms of the sale or transaction is fair, reasonable and reflective of an arm's length transaction.
Conditions precedent	<p>Prior to the first delivery under the Framework Agreement:</p> <ul style="list-style-type: none"> (a) the Seller must deliver evidence to the Purchaser that both the shareholders of the Seller and the board of the Seller have approved the terms of the Framework Agreement; and (b) the Purchaser must deliver evidence to the Seller that the board of the Seller has approved the terms of the Framework Agreement.
Representations and warranties	The Framework Agreement contains representations, warranties and undertakings from the parties which are customary for an agreement of this nature.
Events of Default	<p>The parties may terminate the Framework Agreement by notice if an unremedied Event of Default is continuing.</p> <p>Events of Default include:</p> <ul style="list-style-type: none"> (a) a party breaches the Framework Agreement which is capable of remedy and fails to remedy such breach within 10 days; (b) a representation or statement made or deemed to be made by a party under the Framework Agreement or a Transaction Confirmation is incorrect or misleading, in any material respect, at the time it is made; (c) an insolvency style event occurs in relation to a party (including that a party become insolvent or that insolvency proceedings are commenced by a party or creditor); (d) a party fails to pay an amount payable under the Framework Agreement or a Transaction Confirmation on the date payment is due; or (e) a party (including in the case of the Purchaser, its affiliates) is in breach of any sanctions or export control laws, is otherwise a targeted party under any sanctions or export control laws or the continued dealing by the parties under the Framework

Agreement or a Transaction Confirmation would risk another party being in breach of sanctions or export control laws.

Transaction Security Where a transaction subject to the terms of the Framework Agreement occurs or is proposed to occur by way of an advance purchase or prepayment, the Seller may grant the Purchaser a security interest in all its rights, title and interest in and to the Burgundy Rough Diamonds and in any present and future diamond stones owned by it and all insurance policies relating to those diamond stones, provided that at all times the aggregate amount secured by all outstanding transaction security during the Term does not exceed the Maximum Value and any consents to such grant under any finance documents to which the Seller is a party is first obtained.

Maximum Rate A transaction subject to the terms of the Framework Agreement (including any advance purchase or prepayment arrangement) may contain terms providing for the charging of interest payable by the Seller, provided that such interest shall not exceed a maximum rate calculated as the prevailing Bank Bill Swap Rate for a 3-month tenor plus a margin of 10%.

Import and export licenses The Seller is responsible for all consents in relation to import and export licences required for the delivery of Burgundy Rough Diamonds.

Third-party rights The Purchaser enters into the Framework Agreement for itself, and to the extent necessary, also for the benefit of the Purchaser's affiliates.

Governing Law Antwerp, Belgium.
