



**BURGUNDY**  
DIAMOND MINES

# 2023 YEAR END RESULTS

BURGUNDY DIAMOND MINES (ASX: BDM)

27 MARCH 2024





# IMPORTANT NOTICE AND DISCLAIMER

This Presentation is given on behalf of Burgundy Diamond Mines Limited (ASX: BDM) (ABN 33 160 017 390) (Burgundy or Company). By accepting, accessing or reviewing this Presentation, you acknowledge and agree to the terms set out in this Important Notice and Disclaimer.

## **Information in this Presentation and Disclaimer**

This Presentation has been provided to you solely to convey information about Burgundy. This Presentation is for information purposes only is not a recommendation or advice in relation to Burgundy or any product or service offered by Burgundy or any of its subsidiaries. The information in the Presentation is of a general nature only, does not purport to be complete and is not intended to be relied upon as advice to investors or potential investors in evaluating a possible investment in Burgundy. It has been prepared by Burgundy with due care, but other than as required by law, no representation or warranty, express or implied, is provided in relation to the accuracy, fairness or completeness of the information, opinions and conclusions contained in this Presentation. To the maximum extent permitted by law, none of Burgundy and its related bodies corporate, or their respective directors, employees or agents, nor any other person accepts liability for any loss arising from the use of this Presentation or its contents or otherwise arising in connection with it, including, without limitation, any liability from fault or negligence. In particular, no representation or warranty, express or implied, is given as to the accuracy, completeness or correctness, likelihood of achievement of reasonableness of any forecasts, prospects, statements or returns contained in this Presentation. Such forecasts, prospects, statements or returns are by their nature subject to significant uncertainties and contingencies. Actual future events may vary from those included in this Presentation.

Statements in this Presentation are made only as of the date of this Presentation, unless otherwise stated, and the information in this Presentation remains subject to change without notice. None of Burgundy, its representatives or advisers is responsible for updating, or undertakes to update, this Presentation. Items depicted in photographs and diagrams are not assets of Burgundy, unless stated.

This Presentation should be read in conjunction with Burgundy's other periodic and continuous disclosure information lodged with the ASX, which are available at [www.asx.com.au](http://www.asx.com.au) and on Burgundy's investor relations centre accessible via <https://www.burgundydiamonds.com/investors/asx-announcements>

## **Not financial product advice or offer**

This document is based on information available to the Company at the time of preparation from sources believed to be reliable, and it remains subject to the qualifications in this document. This document is not, and should not be construed as, a recommendation by the Company or any of its related bodies corporate (as that term is defined in the Corporations Act), affiliates or associated entities or any of their respective officers, directors, employees, partners, contractors, consultants, agents or advisers or any other party referred to in this document to you to invest in the Company.

This Presentation has been prepared without accounting for any person's individual objectives, financial or tax situation or any particular needs. Readers should consider the appropriateness of the information having regard to their own objectives, financial and tax situation and needs, make their own enquiries and investigations regarding all information in this Presentation including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of Burgundy and the impact that different future outcomes may have on Burgundy, and seek legal and taxation advice appropriate for their jurisdiction.

## **No offer or advertisement**

This Presentation does not constitute an invitation, recommendation, advertisement or offer to apply for shares and does not contain any application form for shares. Neither this Presentation nor anything contained in it shall form the basis of any contract or commitment and it is not intended to induce any person to engage in, or refrain from engaging in, any transaction.

This Presentation has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. The distribution of this Presentation in the United States and elsewhere outside Australia may be restricted by law. Persons who come into possession of this Presentation should observe any such restrictions as any non-compliance could contravene applicable securities laws.

## **Past performance**

Past performance information, including past share price information, given in this Presentation is given for illustrative purposes only and should not be relied upon as an indication of future performance.

## **Future performance**

Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements reflect expectations as at the date of this Presentation. However, they are not guarantees or predictions of future performance or events or statements of fact. They involve known and unknown risks, uncertainties and other factors, many of which are beyond Burgundy's control, and which may cause actual results to differ materially from anticipated results, performance or achievements expressed or implied by the forward-looking statements contained in this Presentation.

Other than as required by law, although they believe there is a reasonable basis for any forward-looking statements, neither Burgundy nor any other person (including any director, officer or employee of Burgundy or any related body corporate) gives any representation, assurance or guarantee (express or implied) as to the accuracy or completeness of each forward-looking statement or that the occurrence of any event, results, performance or achievement will actually occur. Except as required by applicable laws or regulations, Burgundy does not undertake to publicly update or review any forward-looking statements, whether as a result of new information or future events.



# IMPORTANT NOTICE AND DISCLAIMER

## **Financial information**

Certain financial data included in this Presentation is 'non IFRS financial information' and "non-GAAP" financial measures under Regulation G of the U.S. Securities Exchange Act of 1934, as amended. These measures are used internally by management to assess the performance of the business and make decisions on the allocation of resources and are included in this Presentation to provide greater understanding of the underlying financial performance of the Burgundy's operations.

When reviewing business performance, this non-IFRS/non-GAAP information should be used in addition to, and not as a replacement of, measures prepared in accordance with IFRS. Readers are cautioned not to place undue reliance on any non-IFRS/non-GAAP financial information and ratios included in this Presentation. The non-IFRS/non-GAAP information has not been subject to audit or review by Burgundy's external auditor.

The non-IFRS/non-GAAP measures do not have any standard definition under IFRS and may be calculated differently by other companies.

## **Market share information**

All market share information in this Presentation is based on management estimates and internally available information, unless otherwise indicated.

## **Reliance on third party information**

The views expressed in this Presentation contain information that has been derived or sourced from publicly available sources or third parties (such as market and industry data). Such information has not been independently verified by Burgundy nor have those third parties or industry or general publications authorised or approved the publication of this Presentation. No representation or warranty is made as to the accuracy, completeness or reliability of such information. This Presentation should not be relied upon as a recommendation or forecast by Burgundy.

## **Ore Reserves and Mineral Resources Reporting**

The information in this announcement with respect to Mineral Resources and Ore Reserves for the Ekati Diamond Mine were released by the Company on 7 June 2023 (Prospectus). The Company confirms it is not aware of any new information or data that materially affects the information included in the Prospectus and, in the case of estimates of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

## **Data, photographs and diagrams**

Photographs and diagrams used in this Presentation that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Presentation or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Presentation are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this document.

## **Currency**

All amounts in this Presentation are in US dollars unless otherwise stated.

## **Effect of rounding**

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

PRESENTERS



**KIM TRUTER**

Chief Executive Officer &  
Managing Director



**BRAD BAYLIS**

Chief Financial Officer

# SUSTAINABILITY HIGHLIGHTS



## SAFETY

- Revitalizing safety performance with primary focus on fatality prevention and critical controls
- LTIFR<sup>(1)</sup> (0.32 vs 0.16) and TRIFR<sup>(1)</sup> (0.96 vs 0.80) increased from the same period in 2022<sup>(2)</sup>.



## ENVIRONMENT

- Primary focus incidents requiring external reporting.
- Received 10-year approval for renewal of Type A Water License for the Ekati mine.
- Final Point Lake permits received with mining scheduled to start in Q1 2024.



## COMMUNITIES

- Significant contributions through Impact Benefit Agreement payments, Northern Spend, sponsorships, community donations and Northwest Territories wildfire response.
- Recognized with an ESG award for significant contribution and support during the 2023 Northwest Territories wildfires.

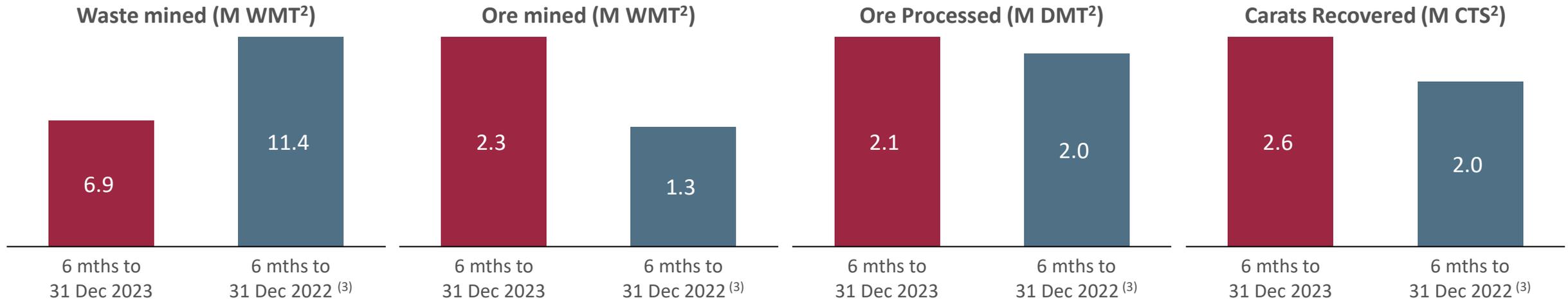


**Ekati Emergency Response Team won first place in the Surface Mine Rescue event at the 2023 Northern Regional Mine Rescue Competition, hosted in Yellowknife, Northwest Territories (NWT).**

<sup>(1)</sup> LTIFR (Lost time Injury Frequency Rate) and TRIFR (Total Reportable Injury Frequency Rate) are a non-IFRS metrics. These are calculated as the number of incidents x 200,000 ÷ exposure hours resulting in an industry standard ratio measuring injuries per 200,000 hours worked.

<sup>(2)</sup> Values for July to December 2022 are prior to Burgundy's purchase of its interest in the Ekati mine.

# FY2023 PERFORMANCE HIGHLIGHTS<sup>(1)</sup>



**REVENUE**  
\$257.5M from a total  
of 2.6M Carats sold

**EBITDA<sup>(4)</sup>**  
\$69.1M

**CASH FLOW FROM  
OPERATING ACTIVITIES**  
\$68.0M

**NET DEBT<sup>(5)</sup>**  
\$39.3M

<sup>(1)</sup> 2023 Year end results reflect the 6-month period ended 31 December 2023. All currency values reflect US Dollars unless stated otherwise.

<sup>(2)</sup> M WMT = Million Wet Metric Tonnes; M DMT = Million Dry Metric Tonnes; M CTS = Million Carats

<sup>(3)</sup> Shown for comparative purposes. July to December 2022 was prior to Burgundy's purchase of its interest in the Ekati mine.

<sup>(4)</sup> EBITDA is a non-IFRS metric and is calculated as Net income (Loss) plus Current Tax Expense (Recovery) plus Deferred Tax Expense (Recovery) plus Finance Expenses plus Depreciation and Amortisation.

<sup>(5)</sup> Net debt is a non-IFRS metric and is calculated as Terms Loans plus Convertible Debt plus Promissory (Earn out) Notes plus Capital Leases less Cash and Cash Equivalents.



01

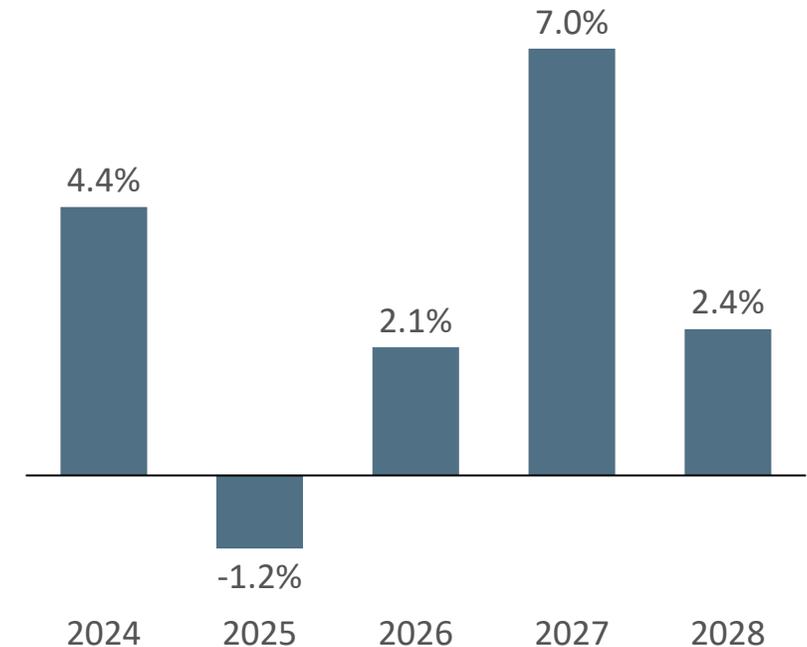
Operational and  
Financial Results



# MARKET OVERVIEW<sup>(1)</sup>

- Looking back at 2023:
  - H1 2023 saw a 14% point drop in selling prices with a further 6% point drop in the second half of the year
  - Diamond industry has been in oversupply in the short-term following record demand in 2021 and 2022.
  - Global macro-economic factors continued to impact demand.
  - In Q4 2023, India implemented a buying hiatus which resulted in major miners stockpiling inventory.
- Looking forward at 2024:
  - G7 nations have produced a framework to further restrict the flow of Russian diamonds.
  - Global natural diamond production in 2024 is forecast at 117.5M carats, down 3.5M carats from 2023.
  - Better than expected holiday shopping season positive for both rough and polished sales
  - Improved macro-economics and Chinese demand would support higher prices particularly in H2 2024

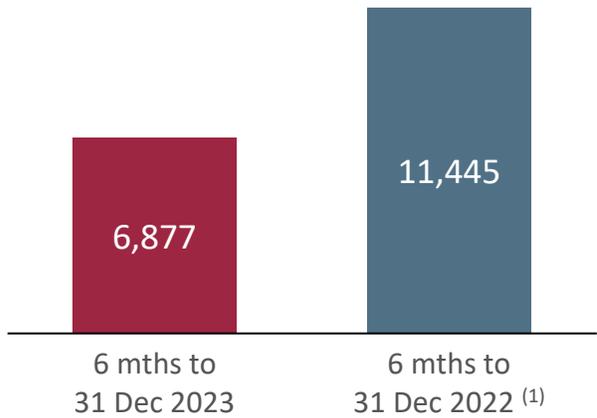
Forecast Real Rough Diamond Price Growth



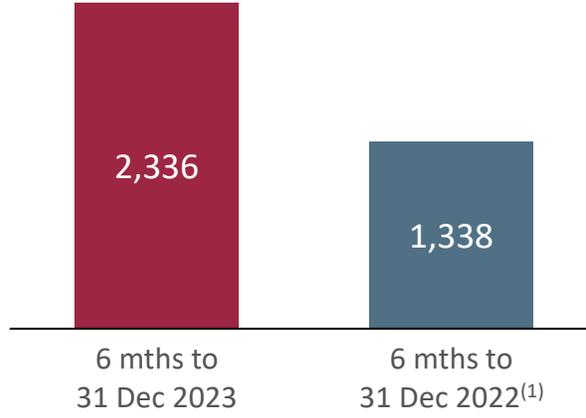
(1) Sources:  
Zimnisky, P. (February 2024). State of the Diamond Market  
Zimnisky, P. (2024). Factors Impacting Natural Diamond Supply in 2024 ([gjepec.org/solitaire/factors-impacting-natural-diamond-supply-in-2024](https://gjepec.org/solitaire/factors-impacting-natural-diamond-supply-in-2024))  
Zimnisky, P. (2024). Diamond Prices Poised for a Rebound in 2024 ([gjepec.org/solitaire/diamond-prices-poised-for-a-rebound-in-2024](https://gjepec.org/solitaire/diamond-prices-poised-for-a-rebound-in-2024))

# FY2023 OPERATIONAL HIGHLIGHTS

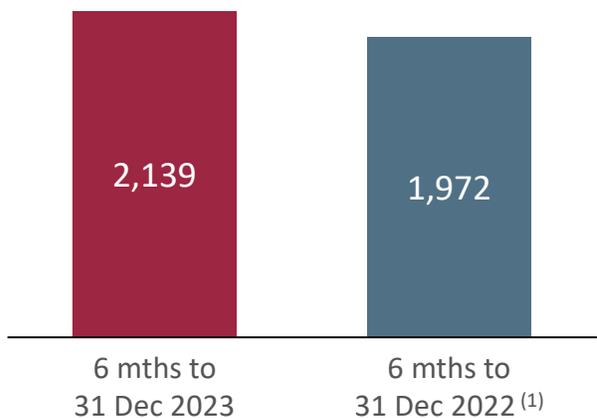
**Waste mined (000 WMT)**



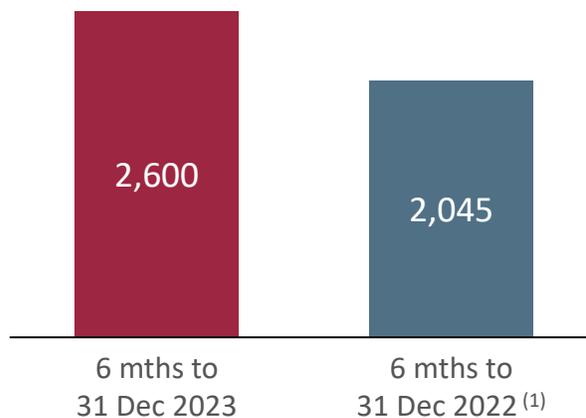
**Ore mined (000 WMT)**



**Ore Processed (000 DMT)**



**Carats Recovered (000 CTS)**



- Waste Tonnes mined down 40% over the same period in 2022 due to lower waste stripping requirements (strip ratio decline)
- Ore mined up 75% over the same period in 2022 due to improved in-pit ore access and improved productivity
- Ore processed up 8% from the same 6-month period in 2022.
- 12-month ore processed ending December 2023 was the highest since 2014.
- Carat recovery up 27% from the same period in 2022 due to both higher throughput and average grade.

<sup>(1)</sup> Shown for comparative purposes. July to December 2022 was prior to Burgundy's purchase of its interest in the Ekati mine

## FY2023 FINANCIAL HIGHLIGHTS

		6 mths to 31 Dec 2023	12 mths to 30 Jun 2023
<b>Carats Sold</b>	M Carats	2,574.4	0.0
<b>Revenue</b>	\$M	257.5	3.5
<b>Realised Price Per Carat<sup>(1)</sup></b>	\$/Ct	100	26,415
<b>Cash Cost per Carat<sup>(2)</sup></b>	\$/Ct	69	31,160
<b>Cash Margin per Carat</b>	\$/Ct	31	(4,744)
<b>Cash Margin %</b>	%	31%	(18%)
<b>EBITDA<sup>(3)</sup></b>	\$M	69.1	(14.2)
<b>Earnings (Loss) per Share</b>	\$/Share	(0.05)	(5.09)
<b>Capital Expenditure</b>	\$M	13.5	1.0

- Revenue and costs for the 12-month period ended 30 June 2023 reflect only polished sales and related expenditure.
- Revenue for the 6-months ended include third party sales of both rough (\$257.4M) and polished diamonds (\$1.0M).
- Gross margin is up to 10.2% for the 6 months ended 31 December 2023 from -79.7% for the 12 months ended 30 June 2023.
- EBITDA margin is up to 26.8% for the 6 months ended 31 December 2023 from -410.3% for the 12 months ended 30 June 2023

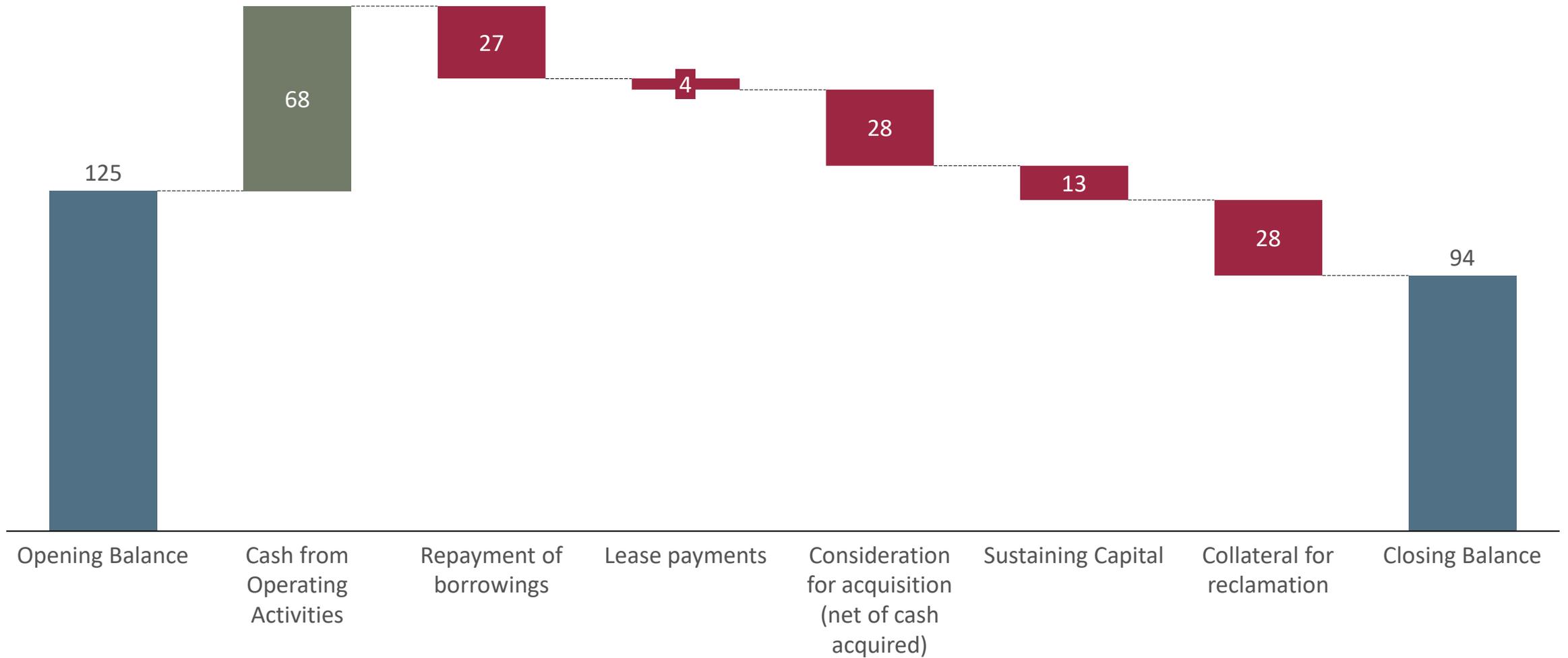
<sup>(1)</sup> Realised price per carat is a non-IFRS metric and is calculated as total revenue divided by total carats sold.

<sup>(2)</sup> Cash Costs per carat is a non-IFRS metric and is calculated as Production cost of inventories included in Cost of Sales divided by total carats sold.

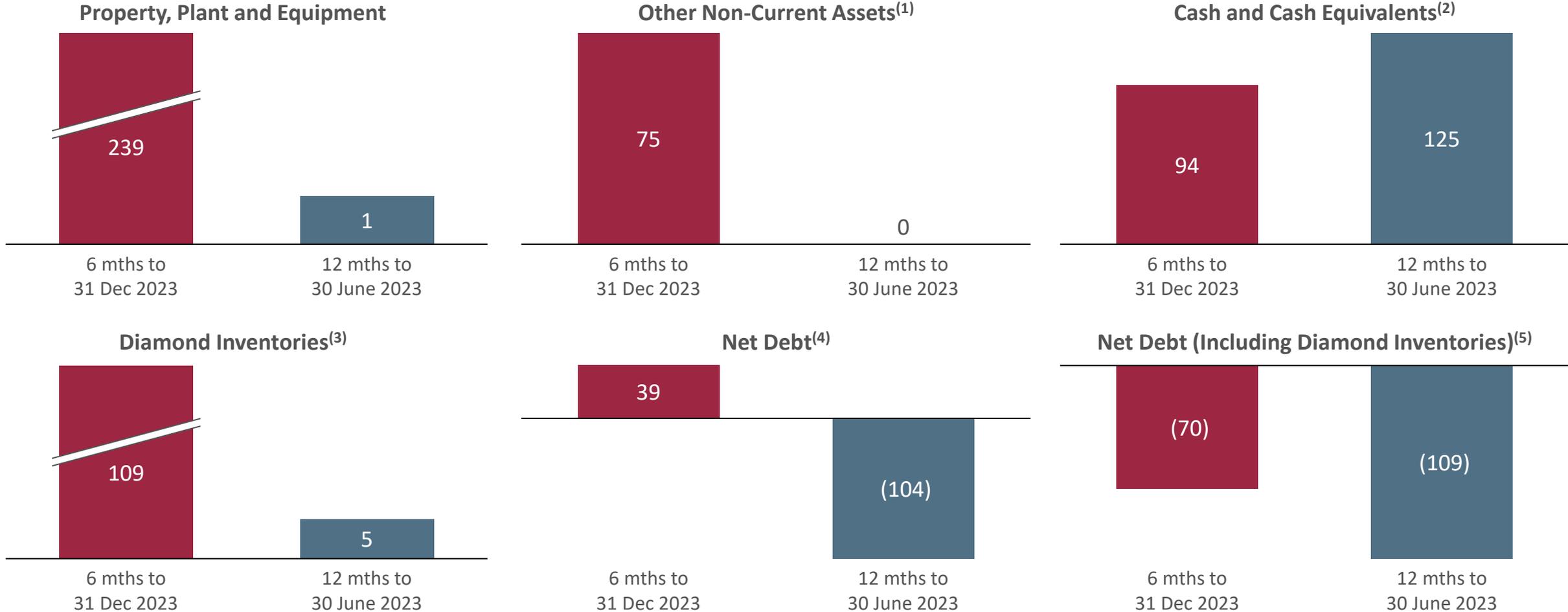
<sup>(3)</sup> EBITDA is a non-IFRS metric and is calculated as Net income (Loss) plus Current Tax Expense (Recovery) plus Deferred Tax Expense (Recovery) plus Finance Expenses



## CHANGE IN CASH (FROM 30 JUNE TO 31 DECEMBER)



# BALANCE SHEET AND LIQUIDITY (\$M)



<sup>(1)</sup> Other non-current assets includes Sample diamonds (\$2.4M), Restricted cash associated with letter of credit (\$10.6M), and Reclamation deposits (\$61.6M)

<sup>(2)</sup> Cash and Cash Equivalents for the period ended 30 June 2023 includes cash used for the acquisition of Burgundy's interest in the Ekati mine.

<sup>(3)</sup> Diamond inventories are shown at the lower of cost and net realizable value

<sup>(4)</sup> Net debt is a non-IFRS metric and is calculated as Terms Loans plus Convertible Debt plus Promissory (Earn out) Notes plus Capital Leases less Cash and Cash Equivalents.

<sup>(5)</sup> Net debt (including Diamond Inventories) is a non-IFRS metric and is calculated as Net Debt less Diamond Inventories at the lower of cost and net realizable value.



02

Business Update

# SURETY UPDATE

- **Legacy surety :**
  - Agreement in principle with surety providers to extend the term of cash collateralisation of closure liabilities over published mine life
  - Collateralisation payments are now scheduled to be completed in 2027.
- **New Point Lake Arrangement :**
  - New surety bond for \$13.6M (CAD) for Phase 2 of the Point Lake development.
- **Combined benefit of US\$130m in 2024**



## SALES AND G7 SANCTIONS

- Sales conducted in January and February 2024 have seen some price stability.
- Rough diamond sale held on 26 March and a special and fancy stone sale is planned for late April.
- G7 sanctions on goods of Russian origin kicked off at the start of March.
- Burgundy has worked with regulators to ensure compliance with tracking requirements.
- Ekati goods with their Canadian provenance remain highly valued in the market.



## POINT LAKE COMMISSIONING

- Phase 2 dewatering completed
- Open pit mining approval received
- Construction of the Waste Rock Storage Area pad has commenced.
- The first mining blast in early March.
- First ore expected in Q3 2024.



**Point Lake was the first diamondiferous pipe discovered on the Ekati property and is the latest to be mined. It adds 24M carats to Ekati's Indicated resources.**

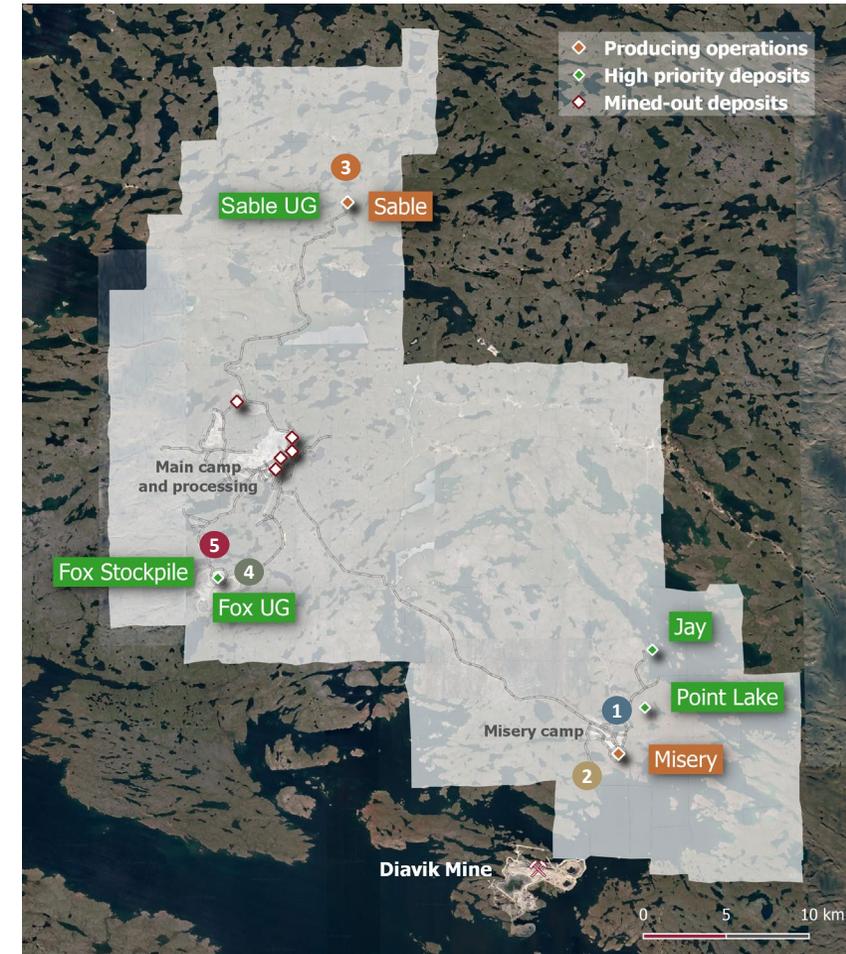




# SIGNIFICANT PROGRESS ON EKATI MINE LIFE EXTENSIONS

New mine plan set to be published by year end

- 1 Point Lake:**
  - Pit optimisation study
  - Pre-strip commenced in preparation for production by Q4 2024
- 2 Misery:**
  - Ore body at depth appears to be thicker than originally modelled<sup>(1)</sup>
  - Geotechnical and ore body extension drilling in Q2 2024
- 3 Sable underground:**
  - Underground portal location finalised, to be developed in August 2024
  - RC drilling started in February to increase Sable Mineral Resources
  - Geotechnical drilling to start Q1 2024
  - Permit application (project description) to be submitted in March 2024
- 4 Fox underground:**
  - Preliminary work completed
  - Existing prefeasibility study to be revised with new mining method and drilling data
- 5 Fox unprocessed stockpile:**
  - High value, mined, but unprocessed stockpile of fines
  - Mineral Resource of 6.7 Mt containing ~1 Mcts at US\$278/ct<sup>(2)</sup>
  - Processing test work completed to assess upgrading options



<sup>(1)</sup>A series of cubex delineation holes were drilled in 2023 indicating a thicker pipe at depth than had been previously modelled.

<sup>(2)</sup> Mineral Resource estimate as of December 31 2023 using a 0.5 mm bottom cut-off. The US\$/ct was determined using current market conditions and may vary. The US\$/ct estimate is based on previous production parcels from the Fox deposit. More details can be found in the ASX release "Ekati Diamond Mine Ore Reserves and Mineral Resources" dated 14<sup>th</sup> March 2023; recorded under "Stockpiles".



## 2024 FULL YEAR GUIDANCE

Ore Tonnes Mined	4.2 to 4.7 million tonnes
Total Tonnes Mined	14.7 to 15.7 million tonnes
Tonnes Processed	4.0 to 4.4 million tonnes
Carats Recovered	4.9 to 5.3 million carats
Carats Sold	4.9 to 5.3 million carats





**BURGUNDY**  
DIAMOND MINES

..... For more information, please contact:  
..... Brad Baylis, CFO or  
..... Andrew Petch, Senior Manager Strategic Planning  
..... [info@burgundydiamonds.com](mailto:info@burgundydiamonds.com)

