

Funding Secured from Large Enterprise Tariff Loan Facility

Calgary, Alberta – Burgundy Diamond Mines Limited (ASX:BDM) (**Burgundy** or the **Company**) advises that its wholly owned subsidiary, Arctic Canadian Diamond Company Ltd. (**Arctic**) has secured an up to C\$115 million loan (**Loan Facility**) through Canada's Large Enterprise Tariff Loan (**LETL**) facility. The LETL facility is managed by the Canada Enterprise Emergency Funding Corporation (**CEEFC**), a subsidiary of Canada Development Investment Corporation (**CDEV**), and provides financial support to large Canadian enterprises impacted by actual and potential tariffs and countermeasures.

Chief Executive Officer and Director Jeremy King commented:

"I would like to thank CEEFC and the Government of Canada for their support of the northern diamond mining industry, which is an economic driver for many communities and thousands of people in the Northwest Territories. This loan 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.

I would also like to thank Burgundy's senior debt holders, environmental surety providers and trade creditors. Their support and forbearance have provided Burgundy and Ekati with the opportunity to restructure its balance sheet as required by the terms of the Loan Facility.

I acknowledge the support of the Government of the Northwest Territories and Tłı̨ch̨ Government, Łutsël K'é Dene First Nation, Yellowknives Dene First Nation, the North Slave Métis Alliance, Hamlet of Kugluktuk and the Kitikmeot Inuit Association. Their support has been critical to the long-term success of Ekati, and it is appreciated. Importantly, the Indigenous development corporations in the Northwest Territories namely the Tłı̨ch̨ Investment Corporation, Det'on Cho Corporation, Metcor Inc., and Denesoline Corporation Ltd. have actively endorsed Burgundy's participation in the LETL program.

Rough diamond markets continue to be highly challenging for Ekati, and the Loan Facility provides the opportunity to continue operations whilst working toward a significantly lower cost profile, with a focus on higher-value diamond deposits within the Ekati complex.

In the medium term, we are seeking to establish underground operations at our high-value previously mined Fox deposit which has a 12+ year mine life and represents the next chapter for Ekati."

LETL Financing Package

The Loan Facility comprises a C\$115M fully secured term loan ranking senior to all other debt of the Company. It 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 thereafter. Interest accrued in the first 2 years of the Loan Facility may be capitalised as payment-in-kind (**PIK**) interest.



Funds from the Loan Facility shall be utilised for various purposes including continued development of underground operations, re-activation of the Sable open pit operation, completion of the Fox wash plant, general working capital and costs of the financing.

The Loan Facility is supplemented by a Loan Program Agreement entered into between Arctic, the Company and CEEFC, pursuant to which Arctic has made certain commitments and granted certain rights required in connection with the LETL facility, including commitments designed to maintain and grow Arctic's ongoing contribution to the Canadian economy, as well as to confer CEEFC with a right to appoint a non-voting observer to the Board of the Company, amongst other things.

In consideration for providing the Loan Facility, the Company has also agreed to issue CEEFC 1,110,424,472 unlisted warrants, each exercisable into one fully-paid ordinary share in the Company (**Shares**) at an exercise price of A\$0.017 (1.7c) per warrant with 10 year expiry term (**Warrants**)¹ on the terms of a Warrant Agreement with CEEFC, 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
- 954,239,024 Warrants (**Tranche B Warrants**), the issue of which is subject to receipt of shareholder approval for ASX placement capacity purposes (**Shareholder Warrant Approval**) and any approvals required by FIRB.

CEEFC will also have customary rights to require the lodgement by the Company of a Canadian prospectus 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.

The Shareholder Warrant Approval will be sought at a general meeting of the Company's shareholders anticipated to occur in Q1 of 2026 (**Tranche B EGM**).

Further details as to the key terms of the Loan Facility, Loan Program Agreement, Warrant Agreement and Investor Rights Agreement are set out in the Appendix to this Announcement.

Related Restructuring

As a condition of the Loan Facility, the Company has undergone a significant financial restructuring including:

Existing Senior Debt:

- 100% subordination of existing senior debt to the Loan Facility.
- Extension of the senior debt maturity date from June 30, 2026, to 12 months after the date of maturity of the Loan Facility.
- PIK interest for next 4 years.
- Interest rate to match that of Loan Facility.

¹ As at the date of this Announcement, representing approximately 43% of the Company's total issued Share capital on a fully-diluted basis.



Environmental Surety Bonds:

- Surety bond providers have agreed to subordinate claims they have against the Company and Arctic to the obligations under the Loan Facility.
- Agreed bond reduction amount payments by Arctic have been extended past the maturity date of the Loan Facility.

Creditor Restructure: Arctic's trade credit position has also been improved through negotiated discounts to the outstanding amounts, supported by structured payment plans.

Operational Update

Operations continue at Misery underground. As part of restructuring the operations, the processing plant has been on campaign processing of 2 weeks on and 2 weeks off since August 2025.

Preparation has begun to (i) re-enter the Sable open pit to retrieve the remaining open pit ore at the bottom of the pit, and (ii) complete the Fox wash plant to upgrade six million tonnes of its low-grade stockpile originally mined in the 2000s. Both activities are aimed at delivering higher quality goods to the diamond market.

Operations at Point Lake open pit remain paused pending improvement in diamond prices for Point Lake product.

To improve cashflow timing, the Company has continued direct sales to midstream customers. It is anticipated that it will return to ordinary course auction and/or tender process in the new year.

The Company has made the difficult decision to close its Antwerp office. This transition will deliver significant cost savings while enabling the Company to leverage high-quality outsourced auction and tender services.

Resumption of Trading of Shares on ASX

Trading of the Company's securities on ASX was voluntarily suspended on 29 September 2025 for the purposes of, among other things, managing the Company's continuous disclosure obligations under ASX Listing Rule 3.1 pending finalisation of the Loan Facility and broader LETL funding package.

Since the Company's initial request for voluntary suspension on 29 of September 2025, the Company subsequently identified certain breaches of ASX Listing Rule 10.1 relating to the provision of \$24.9 million in short-term financing to the Company by the Choron Group settled by certain rough diamond inventories to Choron Group (**LR 10.1 Breach**), the circumstances of which are detailed in the Company's ASX announcement of 7 October 2025.

Following ongoing consultation with ASX, the Company proposes to remedy the LR 10.1 Breach by seeking shareholder approval of the arrangements subject of it pursuant to ASX Listing Rule 10.1, at the Tranche B EGM. ASX has confirmed the Company's securities will remain suspended subject to remediation of the LR 10.1 Breach. Further, at the time of remediation, the Company will need to demonstrate to ASX that its financial condition is adequate to warrant reinstatement in accordance with ASX Listing Rule 12.2.

-ENDS-

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About Burgundy Diamond Mines Limited

Burgundy Diamond Mines is a premier, independent, global-scale diamond company focused on capturing margins across the entire value chain from mining and production to the sale of diamonds. Burgundy's strategic approach involves building a balanced portfolio of diamond projects located in favourable jurisdictions, including the globally ranked Canadian mining asset Ekati. Burgundy's unique mine to market business model ensures total chain of custody and provides traceability along every step of the process, safeguarding the ethical production of the diamonds from mine to point of sale. Founded in Perth, Western Australia, Burgundy is led by a world-class management team and Board, combining global expertise with a commitment to sustainable and responsible diamond operations.

Caution regarding Forward Looking Information

This document contains forward looking statements concerning Burgundy Diamond Mines Limited. Forward looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements in this document are based on Burgundy's beliefs, opinions and estimates as of the dates the forward-looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions or estimates should change or to reflect other future developments.

The information in this announcement that relates to the production target for the Fox deposit was first released by the Company to ASX on 14 August 2025. The Company confirms that all material assumptions underpinning the production target continue to apply and have not materially changed.



Appendix – Summary of Transaction Documents

1. Key Terms of Loan Facility

The key terms of the Loan Facility are summarised below.

Borrower	Arctic Canadian Diamond Company Ltd. (Arctic or Borrower)
Guarantor	Burgundy Diamond Mines Limited (Burgundy)
Lender	Canada Enterprise Emergency Funding Corporation (CEEFC)
Facility Type	Canadian dollar denominated senior secured term loan facility provided under the (LETL) facility
Facility Amount	C\$115m total committed principal amount, available to be drawn in one or more non-revolving advance (no more than once per fiscal quarter), subject to satisfaction of conditions precedent to drawdown
Purpose	Use of the Loan Facility proceeds is limited to funding: <ul style="list-style-type: none"> • OpEx and ordinary course business obligations in accordance with past practices of the Borrower and as indicated in the Borrower's loan application and cash flow forecast; • CapEx that are associated with the cash flow forecasts and set out in the Borrower's annual business plan; and • Fox Mine feasibility study costs and such other costs approved by the Lender
Interest Rate	Interest on advances is calculated at the CORRA based Floating Rate plus a scheduled applicable margin of 200 bps which increases over time according to an agreed schedule. Interest is payable in 3-month Interest Periods and may be capitalised as PIK interest for the initial two years of the Loan Facility, subject to no default or event of default has occurred and is continuing.
Tenor	<ul style="list-style-type: none"> • The Closing Date of the Loan Facility is to occur by 17 December 2025. • Principal and accrued interest repayable upon the maturity date of 17 December 2032
Conditions Precedent	<ul style="list-style-type: none"> • Conditions precedent to drawdown include specific negotiated conditions relating to restructuring of the Company's balance sheet in addition to customary conditions precedent including no default, no breaches of the obligors' representations and warranties and the security documents remaining in good standing



Prepayment & Acceleration

Mandatory prepayments required upon the occurrence of specified monetisation events, including:

- mandatory repayment on the maturity date;
- quarterly cash-sweeps of all cash and cash-equivalents held by the loan parties (on an aggregate basis) in excess of an agreed amount, with effect on and from 1 January 2027;
- prepayment of all amounts outstanding under the Loan Facility if a financing package for the development of the Fox Mine has not been entered into by 31 December 2028; and
- pro-rata repayment of outstanding Loan Facility principal at any time the Borrower is required to repay principal amounts under its existing debt

The Borrower may voluntarily prepay outstanding amounts, subject to notice requirements and applicable costs. Any amounts prepaid or repaid may not be reborrowed.

Restrictive Covenants

Customary negative covenants, including, without limitation, that the Borrower must not:

- incur any additional debt other than permitted debt;
- create, incur or permit to exist any security interest over its assets other than permitted encumbrances;
- dispose of, sell, transfer, assign, convey, in one transaction or a series of transactions, all or any of its property or the property of its subsidiaries (taken as a whole) other than as permitted under the loan agreement;
- make any loans, advances or investments other than certain permitted investments satisfied by the issue of equity interests;
- enter into any amalgamation, merger, consolidation or corporate reconstruction without CEEFC's prior consent;
- change the nature of its business from that conducted at the date of the Loan Facility;
- enter into any transaction, contract, agreement or otherwise with, or for the benefit of any person not dealing at arm's length with the loan parties unless such transaction is on terms that are not less favourable to the applicable loan party than the terms would be of any substantially similar arm's length transaction;
- amend its constitutional documents in a manner that would be prejudicial to the interests of the lender;
- amend, replace, terminate or waive any provision of any material contract in a manner which is adverse to the lender;
- enter into any additional material contracts without the prior consent of the lender, other than additional material contracts that are contemplated in the annual business plan;
- make any payments with respect to any debt, surety bonds or royalty agreements other than as permitted in the loan agreement;
- enter into hedging arrangements other than certain permitted hedging transactions; or
- make or permit distributions other than as expressly permitted under the Loan Facility.

The covenant regime in the Loan Facility is supplemented by additional covenants set out in the Loan Program Agreement required in connection with the LETL facility

Events of Default

Loan Facility contains customary Events of Default for an agreement of its nature, including without limitation:

- failure to pay any principal, interest, fees or other amounts when due under the Loan Facility;



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	<ul style="list-style-type: none">• any representation or warranty made by an obligor proving to be incorrect when made or deemed repeated;• failure to comply with any covenant or obligation under the Loan Facility, subject to any applicable cure periods;• any obligor becoming insolvent, bankrupt or subject to analogous proceedings;• any cross-default under other material indebtedness of the obligors; and• any security document or guarantee ceasing to be in full force or enforceable
Representations & Warranties	<p>The obligors have given customary representations and warranties, including without limitation as to:</p> <ul style="list-style-type: none">• the loan parties due existence, title, authority and capacity;• the absence of any subsisting Event of Default or cross-default under material agreements;• compliance with applicable laws and the holding of all material licenses and permits;• the accuracy and completeness of information and financial statements provided to the lender
Security Package	<p>First-ranking security over all present and after acquired assets of the Borrower, together with a guarantee and first-ranking security over all present and after acquired assets of Burgundy</p>
Governing Law	<p>Province of Ontario</p>



2. Key Terms of Loan Program Agreement

The key terms of the Loan Program Agreement are summarised below.

Parties	Burgundy, Arctic and CEEFC
Purpose	In connection with the Loan Facility, the parties have entered into the Loan Program Agreement, imposing certain additional obligations and restrictions required by the LETL facility described further below
Board Observer Rights	CEEFC has been granted a right to appoint a non-voting observer to attend meetings of the Burgundy board and receive board materials, subject to confidentiality and material non-public information restrictions
Canadian Employment Levels	Arctic is obligated to maintain the number of employees, who are in active employment with Arctic and its subsidiaries in Canada, at levels which are at least equal to the number of full-time and part-time employees employed by Arctic as at the date of its LETL facility loan application
ESG and Climate Reporting	Arctic must provide ESG and climate-related reporting aligned with the Financial Stability Board's Task Force on Climate-related Financial Disclosures and Canadian governmental standards by 1 June of each year, for the duration of the Loan Facility
Distributions	For the duration of the Loan Facility, Burgundy is prohibited from making capital returns and other distributions on its equity interest, other than in connection with the Warrants or pursuant to a right that was granted to such holder prior to 20 March 2025
Economic Benefits to Canada	<p>Arctic has covenanted to deliver certain economic benefits to Canada, including:</p> <ul style="list-style-type: none">• maintaining its headquarters in Canada;• each fiscal year, ensuring the aggregate expenditure of Canadian based procurement of goods and services in the ordinary course of business by Arctic and Burgundy (on a consolidated basis) is at least 80% of the aggregate of all expenditures of Arctic and Burgundy; and• using commercially reasonable efforts to increase sales to Canadian markets <p>Liquidated damages are payable to CEEFC for the failure to comply with any of the abovementioned 'benefits to Canada' covenants, if unremedied for 15 days.</p>
Termination	The Loan Program Agreement will terminate upon full repayment and discharge of all obligations under the Loan Facility
Governing Law	Province of Ontario



3. Key Terms of Warrant Agreement

The key terms of Warrant Agreement are summarised below.

Issuer	Burgundy
Holder	CEEFC
Purpose	Burgundy has agreed to issue 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>1,110,424,472 Warrants issuable in two tranches, comprising:</p> <ul style="list-style-type: none"> 156,185,448 Tranche A Warrants issued on execution of the Warrant Agreement 954,239,024 Tranche B Warrants issued following satisfaction of required approvals, including shareholder approval of the Tranche B issue for the purposes of ASX Listing Rule 7.1 and any required FIRB approvals <p>Each Warrant is exercisable into one fully-paid ordinary share in the capital of Burgundy (Shares), 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	<ul style="list-style-type: none"> Exercise is by delivery of an exercise notice and payment of the aggregate Exercise Price, subject to permitted cashless exercise mechanics Exercise is restricted so that CEEFC cannot exercise Warrants in an amount that would result in it having 'voting power' in Burgundy in excess of 19.9% at any time
Cashless Exercise and Cash Settlement	<ul style="list-style-type: none"> CEEFC may elect a cashless exercise in certain circumstances, subject to compliance with ASX Listing Rules Burgundy may elect to cash-settle Warrants on exercise, subject to compliance with the ASX Listing Rules and the consent/election mechanics in the Warrant Agreement
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 Burgundy, in each case, subject to and in accordance with the applicable formulae in Chapter 6 of the ASX Listing Rules
Early Repayment Effects	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	Burgundy may repurchase or cancel Warrants in certain circumstances prior to the Expiry Date for their 'Fair Market Value', determined in accordance with the appraisal and valuation procedures set out in the Warrant Agreement. The corporate 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 ASX Listing Rules.
Governing Law	Australian law



4. Key Terms of Investor Rights Agreement

The key terms of Investor Rights Agreement are summarised below.

Parties	Burgundy and CEEFC
Purpose	<p>In connection with the Warrant Agreement, the parties have entered into an Investor Rights Agreement providing CEEFC with certain Canadian registration rights in respect of Warrants and Shares to facilitate secondary market distributions in Canada, comprising:</p> <ul style="list-style-type: none"> the 'Demand Registration Rights', entitling CEEFC to require the filing of a Canadian prospectus by Burgundy; and the 'Piggyback Registration Rights', entitling CEEFC to add its Registrable Securities to any planned Burgundy prospectus <p>The 'registration' rights are subject to compliance with applicable Australian law and the ASX Listing Rules</p>
Registrable Securities	Includes vested Warrants after expiry of repurchase rights, Shares issued or issuable on exercise or repurchase of Warrants, and shares issued as a result of corporate actions until sold or no longer outstanding
Entitlement Threshold and Frequency	<ul style="list-style-type: none"> CEEFC may require a Canadian prospectus if it holds at least 10% of the outstanding shares in Burgundy on a fully-diluted basis and is of the view that a public offering in Canada would materially improve the marketability or value of the Warrants or Shares No more than two Demand Registrations imposable in any 12-month period
Board Deferral Right	Burgundy may defer a Demand Registration for up to 90 days where filing would require disclosure of MNPI or interfere with a corporate transaction
Cooling-off Period	No Demand Registration is permitted within 120 days following completion of a prior prospectus offering, subject to certain exceptions
US Registration Rights	If Burgundy undertakes a US public offering, it must provide CEEFC with substantially equivalent US registration rights
Termination	Terminates when CEEFC no longer holds Registrable Securities
Governing Law	Province of Ontario, Canada and the federal laws of Canada