Burgundy Diamond Mines Limited

ACN 160 017 390

Prospectus

For offers of:

(a) up to 773,478,466 Shares at an issue price of A$0.25 per Share to raise ~A$193.4 million (~US$125.7 million) (before costs) (***Underwritten Placement***); and
(b) up to 40,000,000 Shares to Eligible Shareholders at an issue price of A$0.25 per Share to raise up to A$10 million (~US$7 million) (before costs) (***SPP Offer***),

(the Underwritten Placement and SPP Offer together being, the ***Offer***).

The Underwritten Placement is fully underwritten by Bell Potter Securities Limited, Aitken Mount Capital Partners and Euroz Hartleys Limited. The SPP Offer is not underwritten.

This Prospectus also contains the Cleansing Offer (detailed in Section 7.18).

This Prospectus is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the Listing Rules and to satisfy the ASX requirements for re-admission to the Official List following a change in nature and scale of the Company's activities.

This is an important document and requires your immediate attention. It should be read in its entirety. Please consult your professional adviser(s) if you have any questions about this document.

Not for release to US wire services or distribution in the United States except to Institutional Investors by Bell Potter

Contents

Important Information

Prospectus

This Prospectus is dated 7 June 2023 and was lodged with ASIC on that date. Neither ASIC nor ASX (or any of their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Within seven days of the date of this Prospectus, the Company will make an application to ASX for the Shares offered pursuant to this Prospectus to be admitted for quotation on ASX.

Shares will not be issued pursuant to this Prospectus later than 13 months after the date of this Prospectus.

Persons wishing to apply for Shares pursuant to the Offer must do so using the applicable Application Form attached to or accompanying this Prospectus. Before applying for Shares potential investors should carefully read this Prospectus so that they can make an informed assessment of:

- the rights and liabilities attaching to the Shares;
- the assets and liabilities of the Company; and
- the Company's financial position and performance, profits and losses, and prospects.

Investors should carefully consider these factors in light of their own personal financial and taxation circumstances.

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied upon as having been authorised by the Company or the Directors in relation to the Offer.

Risks

Before deciding to invest in the Company, potential investors should read the entire Prospectus and, in particular, in considering the prospects of the Company, potential investors should consider the risk factors that could affect the financial performance and assets of the Company. Investors should carefully consider these factors in light of their personal circumstances (including financial and taxation issues). Please refer to Section 5 for details relating to risk factors. Persons considering applying for Shares pursuant to this Prospectus should obtain professional advice from an accountant, stockbroker, lawyer or other adviser before deciding whether to invest.

Forward-Looking Statements

This Prospectus contains forward-looking statements which incorporate an element of uncertainty or risk, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These statements are based on an evaluation of current economic and operating conditions, as well as assumptions regarding future events. These events, as at the date of this Prospectus, are expected to take place, but there is no guarantee that such will occur as anticipated or at all given that many of the events are outside the Company's control.

Accordingly, the Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur. Further, the Company may not update or revise any forward-looking statement if events subsequently occur or information subsequently becomes available that affects the original forward-looking statement.

Re-compliance with Chapters 1 and 2 of the Listing Rules

The Acquisition will constitute a significant change to the nature and scale of the Company's activities. Pursuant to Listing Rule 11.1.3, the Company must re-comply with the admission requirements of Chapters 1 and 2 of the Listing Rules, as if applying for admission to the Official List. Accordingly, this Prospectus is issued for the purpose of satisfying Chapters 1 and 2 of the Listing Rules, as well as for the purpose of raising funds under the Offer.

ASIC Instrument on Share Purchase Plans

In certain circumstances a listed company may undertake a share purchase plan in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (***ASIC Instrument***). The ASIC Instrument allows a share purchase plan to be conducted without the use of a prospectus.

The ASIC Instrument only applies to the offer of securities under a share purchase plan where a company's securities have not been suspended from quotation on ASX for more than a total of five days during the shorter of:

(a) the period during which the class was quoted; and
(b) the period of 12 months before the day on which the offer is made.

As the Company's securities were suspended from quotation for more than five days in the previous 12 months, the Company is unable to rely on the relief granted by the ASIC Instrument and, therefore, is undertaking the share purchase plan (by virtue of the SPP Offer) under this Prospectus.

Conditional Offer

The Offer contained in this Prospectus is conditional on certain events occurring. If these events do not occur, the Offer will not proceed and investors will be refunded their Application Monies without interest. Please refer to Section 7.2.2 for further details on the conditions attaching to the Offer.

No forecast financial information

After considering ASIC Regulatory Guide 170, the Directors believe that reliable financial forecasts for the Company cannot be prepared on the basis that the Merged Group's operations are inherently uncertain. Accordingly, financial forecasts have not been included in this Prospectus.

Electronic Prospectus

Only persons in Australia may receive the electronic version of this Prospectus. If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please contact the Company at info@burgundy-diamonds.com and the Company will send you, at no cost, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the Company's ASX page at www2.asx.com.au/markets/company/bdm.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Photographs and diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus may not be drawn to scale.

Industry Report

The Company engaged Paul Zimnisky to prepare an industry report (***Industry Report***) that provides an independent review of the diamond industry, including: an overview of the supply chain and regulatory framework; an analysis of recent supply, demand and pricing themes; an overview of the diamond mining industry in Australia and Canada specifically; and, commentary on the emergence of man-made diamond jewellery.

The Industry Report is dated 21 February2023 and reflects the information available to Paul Zimnisky as of that date. It has not been updated for information arising after that date, including subsequent supply and demand conditions and government policy changes.

The Company has not independently verified, and cannot give any assurances as to the accuracy and completeness of, the market and industry data contained in this Prospectus that has been extracted or derived from the Industry Report. Accordingly, the accuracy and completeness of such information is not guaranteed. There is no assurance that any of the forecasts or projections contained in the Industry Report which are referred to in this Prospectus will be achieved.

The Industry Report includes or is otherwise based on information Paul Zimnisky obtained from: (a) forecasts from Paul Zimnisky's proprietary datasets; contract data; industry reports; (b) publicly available information; and other information publicly released by corporations and government departments. Paul Zimnisky has not independently verified or audited this information or any information provided by or on behalf of the Company. Accordingly, the accuracy and completeness of such information is not guaranteed. The information from the Industry Report has been accurately reproduced and, as far as the Company is aware, no facts have been omitted that would render the information provided inaccurate or misleading.

Investors should note that market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. There is no assurance that any of the forecasts contained in reports and research of third parties which are referred to in this Prospectus will be achieved. In addition, none of the Company, the Directors or the Joint Lead Managers can assure you as to the accuracy or the reliability of the underlying assumptions used to estimate such industry data and third party market data. Forecasts and estimates involve risks and uncertainties and are subject to change based on various factors, including the risk factors in Section 5.

Competent Persons Statements

The information in this Prospectus that relates to Mineral Resources and Ore Reserves for the Ekati mine is based on, and fairly represents, information and supporting documentation prepared by Jon Carlson, P.Geo. Mr Carlson is employed as the Head of Exploration and Project Development for the Ekati operation with Arctic Canadian Diamond Company Ltd. Mr Carlson is a Professional Geologist member of the Association of Professional Engineers, Geologists and Geophysicists of the Northwest Territories (#L833). Mr Carlson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Carlson consents to the inclusion of the matters based on his information in the form and context in which it appears in this Prospectus and has not withdrawn his consent before lodgement of this Prospectus with ASIC.

No investment advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Shares under this Prospectus to determine whether it meets your objectives, financial situation and needs.

No cooling off rights

Cooling-off rights do not apply to an investment in Shares issued under the Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

JORC Code

It is a requirement of the ASX Listing Rules that the reporting of ore reserves and mineral resources in Australia comply with the Joint Ore Reserves Committee's Australasian Code for Reporting of Mineral Resources and Ore Reserves (***JORC Code***). Investors outside Australia should note that while ore reserve and mineral resource estimates of the Company in this document comply with the JORC Code (such JORC Code-compliant ore reserves and mineral resources being "Ore Reserves" and "Mineral Resources" respectively), they may not comply with the relevant guidelines in other countries and, in particular, do not comply with (i) National Instrument 43-101 (Standards of Disclosure for Mineral Projects) of the Canadian Securities Administrators (the "Canadian NI 43-101 Standards"); or (ii) (Item 1300 of Regulation S-K, which governs disclosures of mineral reserves in registration statements filed with the US Securities and Exchange Commission.

Information contained in this Prospectus describing mineral deposits may not be comparable to similar information made public by companies subject to the reporting and disclosure requirements of Canadian or US securities laws. You should not assume that quantities reported as "resources" will be converted to reserves under the JORC Code or any other reporting regime, or that the Company will be able to legally and economically extract any such resources.

Foreign Offer Restrictions

This Prospectus does not constitute an offer of Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia except to the extent permitted by the relevant applicable foreign securities laws. See section 7.9 for further information on foreign offer restrictions.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

Miscellaneous

All references to “$”, “A$”, “AUD”, “dollar” and “cents” are references to Australian currency unless otherwise stated. All references to time relate to the time in Sydney, New South Wales unless otherwise stated.

Unless otherwise stated, the exchange rate used to convert AUD to USD is 0.65.

A number of terms and abbreviations used in this Prospectus have defined meanings which appear in Schedule 1.

KEY OFFER DETAILS

Key Statistics

	Minimum Subscription	Maximum Subscription
Offer price per Share	A$0.25	A$0.25
Existing Shares on issue	348,844,195	348,844,195
Consideration Shares	129,230,769	129,230,769
Debt Repayment Shares	149,598,457	149,598,457
Underwritten Placement	773,478,466	773,478,466
SPP Offer	-	40,000,000
Gross proceeds of the Offer	~A$193.4 million	~A$203.4 million
Total Shares on issue post-listing (undiluted)[1]	**1,401,151,887**	**1,441,151,887**
Options currently on issue[2]	19,532,548	19,532,548
Convertible Notes currently on issue[3]	35,000,000	35,000,000
Total Shares on issue post-listing (fully diluted)[1]	**1,553,260,193**	**1,593,260,193**

Notes:

1. Please refer to Section 7.4 for further details relating to the proposed capital structure of the Company.
2. Comprising:
   (a) 2,500,000 unquoted Options exercisable at $0.12 on or before 31 July 2023;
   (b) 2,500,000 unquoted Options exercisable at $0.12 on or before 31 August 2023;
   (c) 2,500,000 unquoted Options exercisable at $0.12 on or before 30 September 2023;
   (d) 10,000,000 unquoted Options exercisable at $0.36 on or before 23 Sept 2024; and
   (e) 2,032,548 unquoted Options exercisable at $0.00 on or before 30 August 2027
3. Convertible Notes which are not redeemed can be converted into Shares in the Company at a conversion price of A$0.264 (***Conversion Price***). The face value of each Convertible Note, which is $1.00, is divided by the Conversion Price to produce the amount of fully paid ordinary shares in the Company to be issued on conversion of the relevant Convertible Notes. As such, as at 6 June 2023, the maximum amount of shares which could be issued by the Company, if all holders of Convertible Notes elect to convert those Convertible Notes into Shares, is approximately 132,575,758 Shares.

Indicative Timeline

Event	Date
Record Date for the SPP Offer	7.00pm Tuesday, 23 May 2023
Lodgement of this Prospectus with ASIC	Wednesday, 7 June 2023
Opening Date for the Offer	Wednesday, 14 June 2023
Extraordinary General Meeting held to approve the Acquisition and related Resolutions	Friday, 23 June 2023
Closing Date for the Offer	Monday, 26 June 2023
Issue of Shares under the Offer	Wednesday, 28 June 2023
Dispatch of holding statements	Thursday, 29 June 2023
Completion of the Acquisition Closing date of the Cleansing Offer	Saturday, 1 July 2023
Expected date for Shares to be reinstated to trading on ASX	Friday, 7 July 2023

Note: The dates shown above are indicative only and may vary subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, the Company and the Joint Lead Managers reserve the right to vary the Opening Date and the Closing Date without prior notice, which may have a consequential effect on the other dates. Applicants are therefore encouraged to lodge their Application Form(s) as soon as possible after the Opening Date if they wish to participate in the Offer. The Company also reserves the right not to proceed with the Offer at any time before the issue of Shares to Applicants.

Letter from the Chairman

Dear Investor

It is with great pleasure that I invite you to become a shareholder of Burgundy Diamond Mines Limited (***Company***).

Burgundy has recently entered into a share purchase agreement (***SPA***) with Arctic Canadian Diamond Holding LLC *(**Arctic Shareholder** or **the Vendor**)*, the shareholder of Arctic Canadian Diamond Company Ltd (***ACDC***) and Arctic Canadian Diamond Marketing N.V. (***ACDM***) (together, the ***Arctic Companies***), whereby the Company will, on the satisfaction of various conditions precedent, acquire 100% of the issued capital in the Arctic Companies (***Acquisition***).

ACDC owns and operates 100% of the Ekati diamond mine (***Ekati***). Ekati consists of the core zone of primary mining operations and other kimberlite pipes (***Core Zone***) and a buffer zone which is adjacent to the Core Zone hosting kimberlite pipes having both development and exploration potential (***Buffer Zone***). ACDC also has a controlling interest in a non-material project, being a 78.4% of the mineral claims of the Lac de Gras property (***Lac de Gras Property***) through a joint venture (***Lac De Gras Joint Venture***). Both Ekati and the Lac de Gras Property are in the Northwest Territories of Canada. ACDM undertakes sales and marketing activities on behalf of ACDC.

Renowned for its premium gem-quality diamonds, Ekati is Canada's first surface and underground diamond mine. Ekati commenced production in October 1998 and operated continuously until March 2020 when the mine was suspended in response to the COVID-19 pandemic. Since production restarted in February 2021, Ekati has recovered 7.1 million carats and sold 6.4 million carats.

In 2022, the Arctic Companies delivered revenue of US$494 million and adjusted EBITDA[1] of US$200 million.

The total purchase price in relation to the Acquisition is US$136 million (~A$209 million)[2], comprised of:

- US$21 million (~A$32 million) in Burgundy ordinary shares, issued to the Arctic Shareholder at the same issue price as the Underwritten Placement (***Consideration Shares***)[3];
- a deferred payment of US$15 million (~A$23 million) in cash in December 2023 to the Arctic Shareholder (***Deferred Payment***); and
- repayment by Burgundy of the majority of outstanding debt of ACDC of ~US$100 million (~A$154 million) using a combination of cash and scrip (***Debt Repayment***)[4].

Certain lenders to ACDC (who are existing shareholders of the Arctic Shareholder) (the ***Lenders***), have agreed with the Company that following the Debt Repayment, the remaining outstanding debt will be governed by the existing 2L credit agreement (as amended pursuant to the SPA) (***2L Amendment***), expected to be ~US$70 million (~A$108 million) (***2L Amendment Amount***). Burgundy will assume the 2L Amendment Amount at closing and provide a working capital contribution equal to proceeds raised under the Underwritten Placement, less the Debt Repayment, the Company's transaction costs in respect of the Underwritten Placement and the Deferred Payment (***Working Capital Contribution***).

In addition, Burgundy has also agreed to a potential earn-out payment to the Arctic Shareholder of US$7.5 million in cash in the first quarter of 2024 if 2023 EBITDA[5] of the Arctic Companies equals or exceeds US$200 million and US$7.5 million in cash in the first quarter of 2025 if 2024 EBITDA[5] of the Arctic Companies equals or exceeds US$200 million.

To fund the Acquisition, the Company is seeking to raise US$150 million (~A$231 million) via a conditional placement at A$0.25 per Share (***Placement***), with the following components:

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[1] EBITDA is defined as net profit after tax before the deduction of interest expense and finance income, taxes, depreciation and amortisation. Adjusted EBITDA is defined as EBITDA adding back unrealised foreign exchange losses, a fair value adjustment on consideration payable for future royalty distributions and asset impairments.
[2] All AUD references assume AUD-USD FX of 0.65
[3] The Consideration Shares and the Debt Repayment Shares will be subject to a 12-month voluntary escrow.
[4] The Debt Repayment amount has been calculated based on an outstanding debt balance as at 31 May 2023. The Debt Repayment will be adjusted to reflect accrued outstanding debt at the time of completion (noting that the amount to be repaid via scrip will not change). Existing debt is in three tiers – 1L, 2L and 3L. The Debt Repayment will close out the 1L and 3L existing debt and be used to repay a portion of the 2L existing debt, with the remainder of the 2L comprised of the 2L Amendment Amount.
[5] EBITDA to be calculated in accordance with the SPA.

- a fully underwritten component to raise ~US$125.7 million (~A$193.4 million) (***Underwritten Placement***); and
- a scrip component of the Debt Repayment to the Lenders (or their nominees) for ~US$24 million (~A$37 million) (***Debt Repayment Issue***).

The Placement remains subject to a shareholder vote to be held at a General Meeting, currently expected to take place on Friday, 23 June 2023. Following the successful completion of the Acquisition and the Offer, upon re-admission of the Company of the Official List the Company will become the largest ASX-listed diamond producer.

The Acquisition is transformational for Burgundy and in line with its vision to become a leading end-to-end diamond company via a vertically integrated business model. Ekati delivers significant rough diamond production including highly sought-after fancy-coloured diamonds that can be cut and polished in Burgundy’s commercial facilities in Perth and sold to end-customers, allowing Burgundy to capture margins along the diamond value chain. The Company will continue to actively assess M&A opportunities to build out a balanced portfolio of diamond projects in tier-1 jurisdictions.

An investment in the Company is subject to certain risks, a non-exhaustive list of which is set out in Section 5. It is recommended that you consider the terms of the Offer contained in this Prospectus carefully and in its entirety. If you are in any doubt as to the contents of this Prospectus, you should consult your professional legal, tax or financial adviser as appropriate.

On behalf of the Board of the Company, I recommend this opportunity to you and look forward to welcoming you as a security holder.

Yours sincerely

Mr Michael O'Keeffe
Executive Chairman
Burgundy Diamond Mines Limited

Section 1

Investment Overview

1.1 Investment Overview

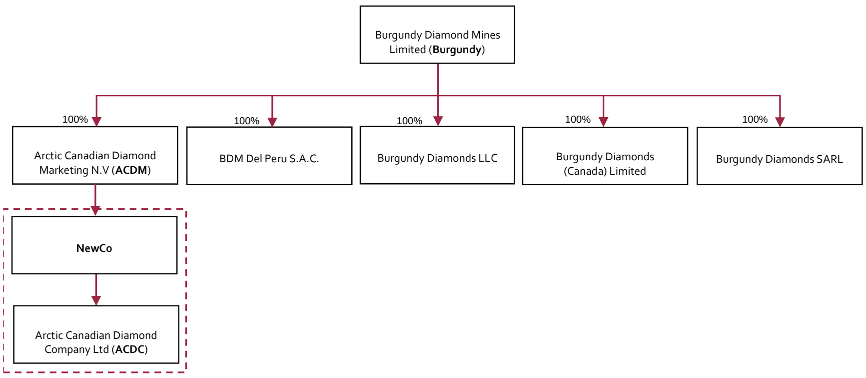
This Section is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Shares offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Shares.

Topic	Summary	More information
INTRODUCTION		
Who is the Company and what does it do?	Burgundy Diamond Mines Limited (***Burgundy*** or the ***Company***) was incorporated in 2012 and is based in Perth, Australia. Burgundy is focused on the mining, production, cutting, polishing and sale of fancy coloured diamonds. Burgundy's business strategy is focused on capturing upside along the value chain of the diamond market. By building a portfolio of diamond projects and operating a cutting and polishing facility in Perth, Burgundy's operating model is vertically integrated.	Section 3.1
What is the Acquisition?	On 14 March 2023, Burgundy announced that it had entered into a share purchase agreement (***SPA***) with Arctic Canadian Diamond Holding LLC (***Arctic Shareholder***) whereby the Company will, on satisfaction of various conditions precedent (refer to Section 7.1), acquire 100% of the issued capital in Arctic Canadian Diamond Company Ltd (***ACDC***) and Arctic Canadian Diamond Marketing N.V (***ACDM***) (together, the ***Arctic Companies***) (***Acquisition***).	Sections 3.2 and 7.1
What is the consideration payable for the Acquisition?	The total purchase price in relation to the Acquisition is US$136 million (~A$209 million)[1], comprised of: • US$21 million (~A$32 million) in Burgundy ordinary shares, issued to the Arctic Shareholder at the same issue price as the Underwritten Placement (***Consideration Shares***)[2]; • a deferred payment of US$15 million (~A$23 million) in cash in December 2023 to the Arctic Shareholder (***Deferred Payment***); and • repayment by Burgundy of the majority of outstanding debt of ACDC of ~US$100 million (~A$154 million) using a combination of cash and scrip (***Debt Repayment***)[3]. Certain lenders to ACDC (who are existing shareholders of the Arctic Shareholder) (the ***Lenders***), have agreed with the Company that following the Debt Repayment, the remaining outstanding debt will be governed by the existing 2L credit agreement (as amended pursuant to the SPA) (***2L Amendment***), expected to be ~US$70 million (~A$108 million) (***2L Amendment Amount***). Burgundy will assume the 2L Amendment Amount at closing and provide a working capital contribution equal to proceeds raised under the Underwritten Placement, less the Debt Repayment, the Company's transaction costs in respect of the Underwritten Placement and the Deferred Payment (***Working Capital Contribution***).	Section 7.1

[1] All AUD references assume AUD-USD FX of 0.65

[2] The Consideration Shares and the Debt Repayment Shares will be subject to a 12-month voluntary escrow.

[3] The Debt Repayment amount has been calculated based on an outstanding debt balance as at 31 May 2023. The Debt Repayment will be adjusted to reflect accrued outstanding debt at the time of completion (noting that the amount to be repaid via scrip will not change). Existing debt is in three tiers – 1L, 2L and 3L. The Debt Repayment will close out the 1L and 3L existing debt and be used to repay a portion of the 2L existing debt, with the remainder of the 2L comprised of the 2L Amendment Amount.

Topic	Summary	More information
	In addition, Burgundy has also agreed to a potential earn-out payment to the Arctic Shareholder of US$7.5 million in cash in the first quarter of 2024 if 2023 EBITDA[4] of the Arctic Companies equals or exceeds US$200 million and US$7.5 million in cash in the first quarter of 2025 if 2024 EBITDA[5] of the Arctic Companies equals or exceeds US$200 million.	
What will the corporate structure of the Company be on completion of the Acquisition?		Section 3.3.7
Who are the Arctic Companies?	ACDC is a Canadian mining company owned by the Arctic Shareholder and one of the largest producers and suppliers of premium rough diamond assortments to the global market. It owns and operates the Ekati Diamond Mine (***Ekati***) in the Northwest Territories, Canada. The Arctic Shareholder also owns ACDM, which is a marketing business with a sales office in Antwerp, Belgium that sells rough diamonds to manufacturers for cutting and polishing.	Section 3.3
What is the Ekati mine?	Ekati is Canada's first surface and underground diamond mine, with production at the mine having commenced in October 1998 following extensive exploration and development work dating back to 1981. The mine is at a mature stage for exploration, having discovered more than 175 kimberlite occurrences on the historical claim block to date. Ekati operated continuously until March 2020, when COVID-19 prompted previous owners Dominion to temporarily suspend operations. Following a 10-week phased restart program, Ekati recommenced operations in February 2021 (***Mine Restart***). There are two active mining operations at Ekati, including the Sable Open Pit and Misery Underground operations. Since the Mine Restart in February 2021 until the end of 2022, Ekati has: • mined 36.4Mwmt waste and 6.6Mwmt ore; • recovered 7.1Mcts; and • sold 6.4Mcts. The current mine-life of Ekati, including the addition of a new open pit development at Point Lake, runs to 2028. Exploration and project evaluation activities are ongoing, including the development of innovative mining techniques that could be used to extract the deeper resources from the Sable Open Pit, Fox Open Pit and Point Lake Open	Sections 3.2 and 3.3

[4] EBITDA to be calculated in accordance with the SPA.

Topic	Summary	More information
	Pit. If successful, the mining of these deeper portions of existing orebodies would extend the life of Ekati.	
What is the Company's strategy?	The Acquisition of the Arctic Companies is in line with Burgundy's vision to become a leading end-to-end diamond company via a vertically integrated business model. Ekati delivers significant rough diamond production including highly sought-after fancy coloured diamonds (mainly yellow) that can be cut and polished in Burgundy's commercial facilities in Perth and sold to end-customers, allowing Burgundy to capture margins along the diamond value chain. Following the Acquisition, Burgundy's strategy will be focused on: • optimising Ekati's current mine performance and extending mine life through, among other things, underwater remote mining, assessment of the Fox Underground and Jay opportunities, and systematic exploration using newly applied machine learning (artificial intelligence) technology; • capturing incremental margins along the diamond value chain by cutting and polishing coloured Ekati diamonds at Burgundy's commercial facilities in Perth and leveraging collaborative sales agreements with international jewellers; and • actively assessing M&A opportunities to build out a balanced portfolio of diamond projects in tier-1 jurisdictions.	Section 3.3.8
Why is the Company required to re-comply with Chapters 1 & 2 of the Listing Rules?	The Acquisition will constitute a significant change to the nature and scale of the Company's activities. Pursuant to Listing Rule 11.1.3, the Company must re-comply with the admission requirements of Chapters 1 and 2 of the Listing Rules, as if applying for admission to the Official List. Accordingly, this Prospectus is issued for the purpose of satisfying Chapters 1 and 2 of the Listing Rules, as well as for the purpose of raising funds under the Offer. The Company's Shares are currently suspended from trading on ASX and will not be reinstated unless ASX is satisfied the Company has met the requirements of Chapters 1 and 2 of the Listing Rules and the Company obtains approval of Shareholders at the Extraordinary General Meeting for all resolutions required to implement the Acquisition.	Section 7.1.2
WHAT IS THE OFFER?		
What is the Offer?	The Company is offering up to 813,478,466 Shares at an Offer Price of A$0.25 per Share to raise up to ~A$203.4 million (~US$132.2 million) (before costs) under the Underwritten Placement and SPP Offer as follows: • up to 773,478,466 Shares pursuant to the Underwritten Placement; and • up to 40,000,000 Shares to Eligible Shareholders pursuant to the SPP Offer. The Underwritten Placement is comprised of the Institutional Offer and the JLM Retail Client Offer: • (***Institutional Offer***) an offer to Institutional Investors; and	Sections 7.2 and 8.2

Topic	Summary	More information
	• (***JLM Retail Client Offer***) an offer to Australian and New Zealand resident retail clients of the Joint Lead Managers who have received a firm allocation of Shares from the Joint Lead Managers (***Retail Clients***). The Underwritten Placement is fully underwritten by the Joint Lead Managers. The SPP Offer is not underwritten. The Shares to be issued under the Offer are of the same class and will rank equally in all respects with the existing Shares in the Company. The rights and liabilities attaching to the Shares are further described in Section 8.2. This Prospectus also contains the Cleansing Offer (see Section 7.18).	
Who is eligible to participate in the Offer?	The Offer is not open to the general public. Only Institutional Investors and Retail Clients invited by the Joint Lead Managers may participate in the Underwritten Placement. In respect of the SPP Offer, only Eligible Shareholders may participate.	Sections 7.6 and 7.7
Who is an Eligible Shareholder under the SPP Offer?	'Eligible Shareholders' for the purpose of the SPP Offer are Shareholders: • who were registered holders of Shares on the Record Date; and • whose registered address was in Australia or New Zealand.	Section 7.7.1
I am an Eligible Shareholder. How much can I invest in the SPP Offer?	If you are an Eligible Shareholder and wish to participate in the SPP Offer you may apply for Shares in the amount of A$2,000, A$5,000, A$10,000, A$15,000. A$20,000. A$25,000 or A$30,000. Should the Company scale-back applications, the balance of any application monies that are not applied to acquire Shares under the SPP Offer will be refunded to you, without interest.	Section 7.7
What are the conditions of the Offer?	The Offer under this Prospectus is conditional upon the following events occurring: • the Company obtaining approval of Shareholders at the Extraordinary General Meeting for all resolutions required to implement the Acquisition (refer to Section 7.1.3); • the Company raising the Minimum Subscription under the Offer; • the Directors being satisfied that each of the conditions under the SPA to allow completion of the Acquisition will be satisfied or waived; and • ASX providing the Company with a list of conditions on terms acceptable to the Company (acting reasonably) which, when satisfied, will result in Reinstatement.	Sections 7.1.3 and 7.2.6.
Is there a minimum subscription?	The minimum amount to be raised under the Offer is A$193,369,616.50 (773,478,466 Shares) (the ***Minimum Subscription***), which is the amount the Joint Lead Managers have agreed to underwrite under the Underwriting Agreement.	Section 7.2.4

Topic	Summary	More information
What is the proposed capital structure of the Merged Group?	Assuming the SPP Offer is fully subscribed, the proposed pro forma capital structure of the Company on Reinstatement is as follows:	Section 7.4

Description	Shares	% Shares
Existing Shares on issue	348,844,195	24.2%
Consideration Shares	129,230,769	9.0%
Debt Repayment Shares	149,598,457	10.4%
Underwritten Placement	773,478,466	53.7%
SPP Offer	40,000,000	2.8%
Total	1,441,151,887	100.0%

Options and Convertible Notes	Number of Options and Convertible Notes
Existing Options	19,532,548
Convertible Notes	35,000,000

SUMMARY OF KEY RISKS AND KEY DEPENDENCIES

Prospective investors should be aware that subscribing for Shares in the Company involves a number of risks. The risk factors set out in Section 5, and other general risks applicable to all investments in listed securities, may affect the value of the Shares in the future. The below provides a summary of some of the key risks which apply to an investment in the Company and investors should refer to Section 5 for a more detailed summary of the risks applicable to an investment in the Company. The risks below assume completion of the Acquisition, and that the Arctic Companies will become wholly owned subsidiaries of the Company.

Topic	Summary	More information
Re-Quotation of Shares on ASX	The Acquisition constitutes a significant change in the nature and scale of the Company's activities and consequently the Company is required by the ASX to re-comply with Chapters 1 and 2 of the Listing Rules as if it were seeking admission to the Official List. There is a risk that the Company may not be able to meet ASX's requirements for re-quotation of its Shares on the ASX. Should this occur, the Shares will likely remain in suspension and will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Following the Acquisition, Shareholders will be prevented	Section 5.2.1

Topic	Summary	More information
	from trading their Shares until such time as the Company is able to re-comply with the Listing Rules.	
Dilution Risk	As detailed in Section 7.4, the Company currently has ~349 million shares on issue. On completion of the Acquisition (and assuming the SPP Offer is fully subscribed): • the existing Shareholders will retain approximately 27.0% of the Company's issued share capital on an undiluted basis and 24.4% of the Company's issued share capital on a fully diluted basis; • the Arctic Shareholder will hold approximately 9.0% of the Company's issued share capital on an undiluted basis and 8.1% of the Company's issued share capital on a fully diluted basis; • the Lenders will hold approximately 10.4% of the Company's issued share capital on an undiluted basis and 9.4% of the Company's issued share capital on a fully diluted basis; and • the investors under the Offer will hold approximately 53.7% of the Company's issued share capital on an undiluted basis and 48.5% of the Company's issued share capital on a fully diluted basis. There is a risk that the interests of Shareholders will be further diluted as a result of future capital raisings that may be required in order to fund future activities of the Company.	Section 5.2.2
Completion, counterparty and contractual risk	Burgundy has agreed to acquire 100% of the issued capital of each of the Arctic Companies subject to the fulfilment of certain conditions precedent. There is a risk that the conditions precedent for completion of the Acquisition will not be fulfilled and, in turn, that Completion will not occur. The ability of the Company to achieve its stated objectives will depend on the performance by the Arctic Shareholder of its obligations under the SPA. If the Arctic Shareholder or any other counterparty defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly and without any certainty of a favourable outcome.	Section 5.2.3
Reliance on information provided	The Company undertook a due diligence investigation process in respect of the Acquisition and was provided with the opportunity to review detailed information provided by or on behalf of the Arctic Shareholder. The Company has not been able to verify the accuracy, reliability or completeness of all the information that was provided to it against independent data. There is no assurance that the due diligence undertaken was conclusive. If any of the information that was provided is incomplete, inaccurate or misleading, the benefits expected to be derived from the Acquisition may not be delivered, or may not be delivered in the time period anticipated. The information reviewed by the Company includes forward looking information. Whilst the Company has been able to review and assess some of the foundations for the forward looking information relating to the Arctic Companies, forward looking information can be unreliable and is based on assumptions that	Section 5.2.4

Topic	Summary	More information
	may prove to be incorrect or may change in the future, outside of the control of the Company.	
Mine life extension	Post-Acquisition, the Company's Ore Reserves will reduce as they are depleted through mining operations, and the Company's continuing operations and financial performance depend on its ability to replace and increase ACDC's current levels of Ore Reserves. As described in Section 3.3.2.12, the Company is currently exploring options to potentially extend the mine life of Ekati beyond the current life of mine plan through developing the Fox pipe Ore Reserve (not currently in the mine plan), upgrading the Jay deposit Mineral Resource to Ore Reserve, underwater remote mining below open pit extents and for known kimberlite pipes that may otherwise be uneconomic, and by discovering additional kimberlite pipes by systematic exploration using newly applied machine learning (artificial intelligence) technology. Whilst ACDC has already begun to utilise artificial intelligence for mining exploration, there can be no assurance that this will lead to the discovery of new kimberlite pipes that are economically viable. Similarly, there can be no guarantee that underwater remote mining will lead to the recovery of kimberlite that is economically viable. Accordingly, there is no assurance that these measures will enable the Company to extend the mine life beyond the current life of mine plan which will impact the long-term financial viability of Ekati.	Section 5.3.1
Operational and production risks	The operations of the Company may be affected by various factors, including difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, destruction caused by fire, pit wall failure, open or underground pit flooding, unanticipated problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, labour shortages or strike action, industrial disputes and unexpected shortages of consumables and parts. Due to the nature of the operational risks listed above, no assurances can be given that the Company can mitigate all such risks nor that it will achieve commercial viability through the successful continued exploration or mining of Ekati. Furthermore, increases in the costs of consumables, spare parts, plant and equipment may impact the operating and financial performance of the Company.	Section 5.3.2
Exploration and development risks	Mineral exploration and development are high-risk undertakings. There can be no assurance that the exploration, development and operation of Ekati, or any other exploration properties that may be acquired in the future will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be commercially exploited and result in actual production or profit. The future exploration and development activities of the Company may be affected by a range of factors including variations in grade and other geological conditions, unexpected problems associated with required water retention dikes, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, labour disputes, Aboriginal and First Nations processes, changing government regulations, variations in grade and other geological differences, water quality, surface and underground conditions, risks relating to the physical security of the	Section 5.3.3

Topic	Summary	More information
	diamonds, force majeure risks, natural disasters and many other factors beyond the control of the Company. The Company's success will also depend upon the Company having access to sufficient development capital, being able to maintain title to the mining leases and any other projects which may arise in the future, and obtaining all required approvals for its activities. In the event that development programs are unsuccessful this could lead to a diminution in the value of the Company's projects, a reduction in the cash reserves of the Company and possible relinquishment of part or all of its mining operations.	
Cash flow and liquidity	Post-Acquisition, the Company's liquidity requirements will fluctuate from quarter to quarter and year to year depending on, among other factors, the seasonality of production at the Company's mineral properties; the seasonality of mine operating expenses; exploration expenses; capital expenditure programs; the number of rough diamond sales events conducted during the quarter, and the volume, size and quality distribution of rough diamonds delivered from the Company's mineral properties and sold by the Company in each quarter. The Company's principal working capital needs include development and exploration capital, capital expenditures, investments in inventory, prepaid expenses and other current assets, and accounts payable, income taxes payable and surety cash collateralisation. There can be no assurance that the Company will be able to meet each or all of its liquidity requirements. A failure by the Company to meet its liquidity requirements or obtain the requisite financing as and when needed for future activities could result in the Company failing to meet its planned development objectives, or in the Company being in default of a contractual obligation, each of which could have a material adverse effect on the Company's business prospects or financial condition.	Section 5.3.8
Ore Reserve and Mineral Resource estimates	The Company reports Ore Reserve and Mineral Resource estimates in accordance with the JORC Code 2012. Ore Reserve and Mineral Resource statements are modelled estimates which may vary from actual values. Mineral Resource estimates are determined by applying a number of material assumptions and may be affected by a number of modifying factors, including diamond valuation and price assumptions, changes to geological interpretations, changes to the assumptions used to estimate the diamond carat content (grade), conceptual mining methods, geotechnical, mining and process plant recovery assumptions, diamond parcel sizes for the kimberlite pipes that are not in production or planned for production, and the effect of different sample-support sizes. Ore Reserve estimates take into consideration diamond price assumptions, grade model assumptions, mining method designs, geotechnical mining and process plant recovery assumptions, practical control of dilution, mining recovery, changes to capital and operating cost estimates and variations to permitting, operating or social license regime assumptions as well as overall diamond market movement, foreign exchange and other external economic factors. In addition, the quantity, average size, and/or value, of the diamonds ultimately recovered from mining operations may differ from sampling or modelled data. There can be no assurance that diamonds recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale.	Section 5.3.9

<table>
<tr><th>Topic</th><th>Summary</th><th>More information</th></tr>
<tr><td colspan="3">DIRECTORS, RELATED PARTY INTERESTS AND SUBSTANTIAL HOLDERS</td></tr>
<tr><td>Who are the Directors?</td><td>As at the Prospectus Date, the Board comprises:
(a) Mr Michael O'Keeffe – Executive Chairman;
(b) Mr Kim Truter – Chief Executive Officer and Managing Director; and
(c) Mr Marc Dorion – Non-Executive Director.
Profiles of each of the Directors are set out in Section 6.1.
No changes to the Board are contemplated as a result of the Acquisition.</td><td>Section 6.1</td></tr>
<tr><td>What interests do Directors have in the Shares and other securities of the Company?</td><td>Set out in the table below are details of the anticipated relevant interests of the Directors (and their respective related entities) in the Shares and other securities of the Company upon Reinstatement:
<table>
<tr><th>Name</th><th>Shares</th><th>% Shares</th><th>Options</th><th>Convertible Notes</th></tr>
<tr><td>Mr Michael O'Keeffe[1]</td><td>67,903,535</td><td>4.7%</td><td>-</td><td>5,000,000</td></tr>
<tr><td>Mr Kim Truter</td><td>-</td><td>-</td><td>2,500,000</td><td>-</td></tr>
<tr><td>Mr Marc Dorion</td><td>12,541,667</td><td>0.9%</td><td>-</td><td>-</td></tr>
</table>
Notes:
1. As at the Prospectus Date, Michael O'Keeffe intends to subscribe for up to 40,000,000 Shares under the Underwritten Placement subject to Shareholder approval at the Extraordinary General Meeting.</td><td>Section 6.5.1</td></tr>
<tr><td>What benefits are being paid to the Directors?</td><td>The current Directors' annual fees are:
(a) Mr Michael O'Keeffe: $55,000 per annum (plus superannuation);
(b) Mr Kim Truter: $400,000 per annum; and
(c) Mr Marc Dorion: $60,775 per annum.
Post-Acquisition, it is intended that Mr Truter enter into a new agreement with the Company with the following material terms:
<table>
<tr><td>Fixed remuneration</td><td>C$800,000</td></tr>
<tr><td>Short term incentive</td><td>• Target short term incentive payment annually of 100% of salary
• Short term incentive payment payout range of 0% - 200% of target</td></tr>
</table></td><td>Section 6.5.2</td></tr>
</table>

Topic	Summary		More information
	Initial equity incentive	Subject to prior Shareholder approval (at the next annual general meeting or earlier if another Shareholder meeting is held): • 5,000,000 unquoted options with an exercise price of A$0.30 each, expiring two years after issue and vesting 12 months after Completion; • 3,000,000 unquoted options with an exercise price of A$0.30 each, expiring two years after issue and vesting upon Merged Group carat production of greater than 3,000,000 carats in FY2026; and • 2,000,000 unquoted options with an exercise price of A$0.30 each, expiring two years after issue and vesting upon Merged Group carat production of greater than 3,000,000 carats in FY2027.	
	Ongoing equity incentives	Subject to implementation of a new employee share plan, it is intended Mr Truter will be eligible for further grants of Options and Shares. Such grants will be determined at the sole discretion of the Board from time to time and be subject always to prior Shareholder approval under the Listing Rules, and if required, Corporations Act.	
	Notice period	Mr Truter may resign upon provision of at least six weeks written notice.	
	Termination payment – without cause/good reason	The Company may terminate Mr Truter's employment without cause by providing at least 12 months written notice. Subject to any applicable limits in the Corporations Act, the Company may pay a severance amount equal to 12 months' salary in lieu of notice. Vested equity-based incentives will be exercisable for a period of 90 days or to their original term, whichever comes first and unvested awards will expire upon termination.	
	Termination payment – for cause	The Company may at any time terminate Mr Truter for just cause. In such an event, Mr Truter will be entitled to annual salary up until the notified final day of employment, upon that date any unexercised instruments will be forfeited, and no further compensation will be due.	
	Change in control	In the event of a change in control of the Company Mr Truter will receive 12 months' salary and 12 months of the most recently-paid short term incentive (or the target annual incentive amount if no incentive has yet been paid for the prior year's performance). Additionally, all outstanding unvested equity incentives will vest immediately.	

<table>
<tr><th>Topic</th><th>Summary</th><th>More information</th></tr>
<tr><td></td><td>Directors may also be paid or reimbursed for travel and other expenses properly incurred by the Director in attending and returning from any meeting of the Board, a Committee, a general meeting of the Company or otherwise in connection with the business of the Company and the Director’s role (including any special responsibilities, from time to time). A Director may also be paid special or additional fees, as may be determined by the Board, to compensate the Director for special or additional exertions for the benefit of the Company.</td><td></td></tr>
<tr><td>Who will be the substantial holders of the Company?</td><td>At the Prospectus Date, the following Shareholders hold a relevant interest in 5% or more of the Shares on issue.
<table>
<tr><th>Name</th><th>Shares</th><th>% Shares</th></tr>
<tr><td>Michael O'Keeffe</td><td>27,903,535</td><td>8.1%</td></tr>
</table>
Based on the information known as at Prospectus Date, upon Reinstatement, the following persons will have a relevant interest in 5% or more of the Shares on issue.
<table>
<tr><th>Name</th><th>Shares</th><th>% Shares</th></tr>
<tr><td>Arctic Canadian Diamond Holding LLC</td><td>129,230,769</td><td>9.0%</td></tr>
<tr><td>Lenders</td><td>149,598,457</td><td>10.4%</td></tr>
<tr><td>Choron Group</td><td>120,000,000</td><td>8.3%</td></tr>
<tr><td>Schroder Investment Management Australia Limited</td><td>92,000,000</td><td>6.4%</td></tr>
</table></td><td>Section 8.6</td></tr>
<tr><td colspan="3">FINANCIAL INFORMATION</td></tr>
<tr><td>How have the Company and the Arctic Companies performed over the past three years?</td><td>RSM Corporate Australia Pty Ltd has prepared an Independent Limited Assurance Report in respect of the Historical Financial Information of the Company and Pro Forma Historical Financial Information of the Company following the Offer and the Acquisition.

A copy of this report, which includes an explanation of the scope and limitations of the Investigating Accountant’s work, is set out in Schedule 2.

A summary of the financial history of the Company and the Arctic Companies is set out in Section 4.</td><td>Section 4 and Schedule 2</td></tr>
<tr><td>Will the Merged Group have sufficient funds for its activities?</td><td>The Board is satisfied that, upon completion of the Offer, the Company will have sufficient working capital to meet its stated objectives.</td><td>Section 7.3</td></tr>
</table>

<table>
<tr><th>Topic</th><th>Summary</th><th>More information</th></tr>
<tr><td>What is the proposed use of funds raised under the Offer?</td><td>Post-Acquisition the Company intends to use the funds raised under the Underwritten Placement, together with the Company's and Arctic Companies' existing cash reserves as follows. Additional funds raised under the SPP Offer (A$10 million (~US$7 million)) will be allocated to working capital below, such that the maximum amount of working capital will be A$91 million (~US$59 million).
<table>
<tr><th>Source of funds</th><th>US$m</th><th>A$m</th></tr>
<tr><td>Underwritten Placement</td><td>126</td><td>193</td></tr>
<tr><td>Debt Repayment Issue</td><td>24</td><td>37</td></tr>
<tr><td>Burgundy cash on balance sheet*</td><td>2</td><td>3</td></tr>
<tr><td>Arctic Companies cash on balance sheet*</td><td>22</td><td>34</td></tr>
<tr><td>Total</td><td>174</td><td>267</td></tr>
</table>
* Cash reserves as at 30 April 2023.
<table>
<tr><th>Use of proceeds</th><th>US$m</th><th>A$m</th></tr>
<tr><td>Debt Repayment (cash component)</td><td>76</td><td>116</td></tr>
<tr><td>Debt Repayment (scrip component)</td><td>24</td><td>37</td></tr>
<tr><td>Deferred Payment to Vendor*</td><td>15</td><td>23</td></tr>
<tr><td>Transaction costs</td><td>6</td><td>10</td></tr>
<tr><td>Working capital</td><td>53</td><td>81</td></tr>
<tr><td>Total</td><td>174</td><td>267</td></tr>
</table>
* Payable in December 2023</td><td>Section 7.3</td></tr>
</table>

<table>
<tr><th>Topic</th><th>Summary</th><th>More information</th></tr>
<tr><td colspan="3">ADDITIONAL INFORMATION</td></tr>
<tr><td>What are the key dates of the Offer?</td><td>The key dates of the Offer are set out below:
<table>
<tr><th>Event</th><th>Date</th></tr>
<tr><td>Lodgement of this Prospectus with ASIC</td><td>Wednesday, 7 June 2023</td></tr>
<tr><td>Opening Date for the Offer</td><td>Wednesday, 14 June 2023</td></tr>
<tr><td>Extraordinary General Meeting held to approve the Acquisition and related Resolutions</td><td>Friday, 23 June 2023</td></tr>
<tr><td>Closing Date for the Offer</td><td>Monday, 26 June 2023</td></tr>
<tr><td>Issue of Shares under the Offer</td><td>Wednesday, 28 June 2023</td></tr>
<tr><td>Dispatch of holding statements</td><td>Thursday, 29 June 2023</td></tr>
<tr><td>Completion of the Acquisition
Closing date of the Cleansing Offer</td><td>Saturday, 1 July 2023</td></tr>
<tr><td>Expected date for Shares to be reinstated to trading on ASX</td><td>By Friday, 7 July 2023</td></tr>
</table>
The key dates are indicative only. Burgundy and the Joint Lead Managers reserve the right to vary any and all of the times and dates without notice.</td><td>Page vi</td></tr>
<tr><td>What rights and liabilities attach to the Shares on issue post-Acquisition?</td><td>Shares issued under the Offer will rank equally with all existing Shares on issue.

The rights and liabilities attaching to the Shares are described in Section 8.2.</td><td>Section 8.2</td></tr>
<tr><td>How do I apply for Shares under the Offer?</td><td>Applications for Shares under the Offer must be made on the Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Shares under the Offer should refer to Sections 7.5 to 7.7 for further details and instructions.

The Offer is not open to the general public.</td><td>Sections 7.2 and 7.5 to 7.7</td></tr>
<tr><td>Who are the lead managers and/or underwriters to the</td><td>The Company has appointed Aitken Mount Capital Partners, Bell Potter Securities and Euroz Hartleys as joint lead managers and underwriters in respect of the Underwritten Placement on the terms summarised in Section 8.1.1 (Joint Lead Managers).</td><td>Section 8.1.1</td></tr>
</table>

Topic	Summary	More information
Underwritten Placement?	The Underwritten Placement is fully underwritten. The SPP Offer is not underwritten.	
What was the allocation policy for the Underwritten Placement?	In respect of the Underwritten Placement, the Company announced to ASX on 24 May 2023 that it received firm commitments of ~US$126 million (~A$193 million) from the proposed issue of ~773 million Shares at the Offer Price from new and existing institutional and high net worth investors. Allocations for the Underwritten Placement were determined by agreement between the Company and the Joint Lead Managers. Allocations were influenced (and not constrained by): • timeliness of the bid; • the Company's desire for an informed and active trading market following completion; • the Company's desire to establish a wide spread of institutional shareholders; • the size and type of funds under management; and • the likelihood they would be a long-term shareholder.	Section 7.2.2
Will any Shares be subject to escrow?	Subject to the Company's Shares being reinstated to trading on the ASX, it is not expected that Shares in the Company will be classified by ASX as restricted securities. Pursuant to the SPA: • the Company and the Arctic Shareholder have agreed that the Consideration Shares will be voluntarily escrowed for a period of 12 months following Completion; and • the Company and the Lenders have agreed that the Debt Repayment Shares will be voluntarily escrowed for a period of 12 months following Completion. The Company's free float at the time of Reinstatement will be not less than 20%.	Section 7.12
When will I receive confirmation that my application has been successful?	The Company participates in CHESS. All trading on the ASX in existing Shares is, and in new Shares will be, settled through CHESS. Holding statements (similar to bank statements) will be sent to Shareholders as soon as practicable after allotment.	Section 7.13
What is the Company's dividend policy?	Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.	Section 8.7

Topic	Summary	More information
How can I find out more about this Prospectus or the Offer?	Questions relating to the Offer and the completion of an Application Form can be directed to the Company on +61 8 6313 3945 or info@burgundy-diamonds.com. Eligible Shareholders who have questions relating to the SPP Offer can contact Automic on: 1300 441 597 (within Australia) +61 2 8072 1465 (outside Australia).	Section 7.19

Section 2

Industry Overview

2.1 Forward

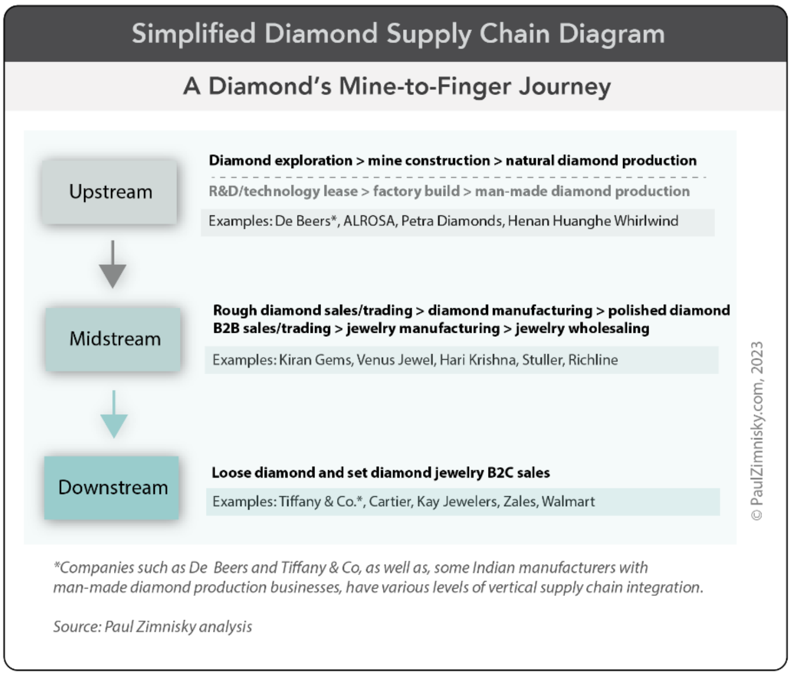
This Section 2 intends to provide a brief independent review of the diamond industry, including: an overview of the supply chain and regulatory framework; an analysis of recent supply, demand and pricing themes; an overview of the diamond mining industry in Australia and Canada specifically; and, commentary on the emergence of man-made diamond jewellery.

2.2 Overview of the Diamond Industry

2.2.1 The Diamond Supply Chain

The diamond supply chain includes a number of distinct segments: the "upstream," "midstream" and "downstream" (see Figure 2.1 below).

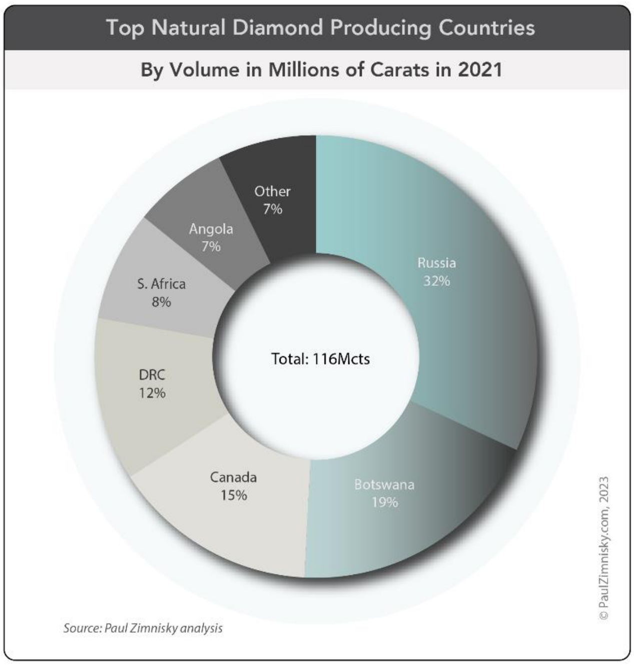
Figure 2.1 – Diamond Supply Chain



2.2.1.1 The Upstream

The upstream segment of the industry encompasses the rough diamond producers which includes diamond miners and man-made diamond producers.

Figure 2.2 – Top Natural Diamond Producing Countries (Mcts)

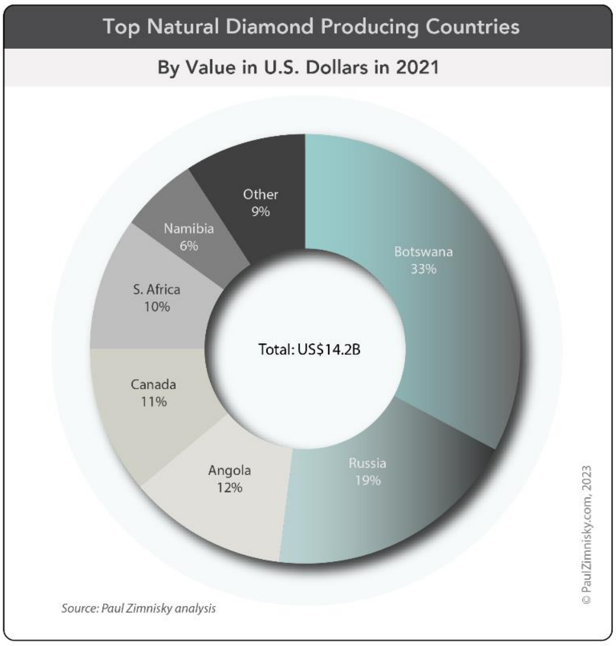


In 2021, global natural rough diamond production was 116 million carats according to Paul Zimnisky estimates. Notably, this compares to as much as 152 million carats as recently as 2017 (see Figure 2.4). By nation, Russia (32%), Botswana (19%) and Canada (15%) were the top three producers by volume in 2021 and Botswana (33%), Russia (19%) and Angola (12%) were the top three producers by value (see Figures 2.2 and 2.3).

De Beers, gross of its various government joint ventures, and ALROSA are the world's two largest production companies by volume. Combined they accounted for an estimated 56% of total global supply in 2021.

It is worth noting that by quality, it is estimated that on average approximately 40% of mined diamonds are of gem-quality, i.e. fit for use as jewellery, 20% are of near-gem quality, i.e. sometimes fit for use as jewellery, and the balance is considered industrial-quality, or not fit for use as jewellery.

Figure 2.3 – Top Natural Diamond Producing Countries (USD)



That said, it estimated that over 95% of the value generated by diamond miners is from stones that are used for jewellery.

Regarding man-made diamonds, according to Paul Zimnisky estimates, in 2021 between six and eight million carats of man-made diamonds were produced for use as jewellery. The leading producers of man-made diamonds (for use in jewellery) by nation are China and India, which combined were estimated to account for over two-thirds of global production in 2021.

Further, it is estimated that over 10 billion carats of industrial-quality "synthetic" diamonds were produced in 2021. These are diamonds that are typically used for abrasive applications like mining and construction tools (Refer to Section 2.7 for further details on man-made diamonds).

2.2.1.2 The Midstream

The midstream segment of the industry is composed of diamond manufacturers, i.e. cutters and polishers, jewellery manufacturers and traders and wholesalers of rough and polished diamonds.

The large majority of diamond manufacturing takes place in India and the primary diamond trading hubs are located in Belgium, China, the United States, India, the United Arab Emirates and Israel.

2.2.1.3 The Downstream

The downstream segment of the industry includes jewellers and other diamond retailers. In 2021, global diamond jewellery demand marked a new record of approximately US$88 billion according to Paul Zimnisky estimates. This compares to an estimated US$65 billion in 2020 and US$75 billion in 2019.

Global diamond jewellery demand is estimated to have grown at a compounded low to mid-single digit rate over the last two decades. Historically, diamond jewellery demand has correlated with global GDP growth. By nation, the United States (52%), China (14%) and India (7%) were the top three consumer markets for diamond jewellery in 2021.

Notable diamond retailers include LVMH, the world's largest luxury conglomerate and parent of Tiffany & Co, Signet Jewellers, the largest diamond retailer in the United States, Richemont, the parent of Cartier and Van Cleef & Arpels, and Chow Tai Fook, the largest corporate jeweller in Greater China.

2.3 Regulatory framework

The global diamond industry is regulated by an organisational framework that includes the Kimberly Process (**KP**), the Responsible Jewellery Council (***RJC***) and the World Jewellery Confederation (***CIBJO***).

2.3.1 The Kimberly Process

The KP, established in 2003 by a United Nations General Assembly Resolution, is a certification scheme that aims to prevent the mining and sale of "conflict diamonds." Conflict diamonds are specifically diamonds that have been mined in a war zone and sold to finance an insurgency.

The KP involves the certification of diamond shipments by the government of the country of origin, ensuring that the diamonds have been mined in compliance with certain standards and that the proceeds from the sale of the diamonds are not used to fund armed conflict.

The KP currently has 59 members, representing 85 countries, who are responsible for stemming an estimated 99%-plus of the global production of conflict diamonds.

2.3.2 The Responsible Jewellery Council

The RJC is an international non-profit organisation established to reinforce consumer confidence in the jewellery industry. Established in 2005, RJC's standards enable companies, from mining to retail, to integrate responsible business practices into their management systems and daily operations.

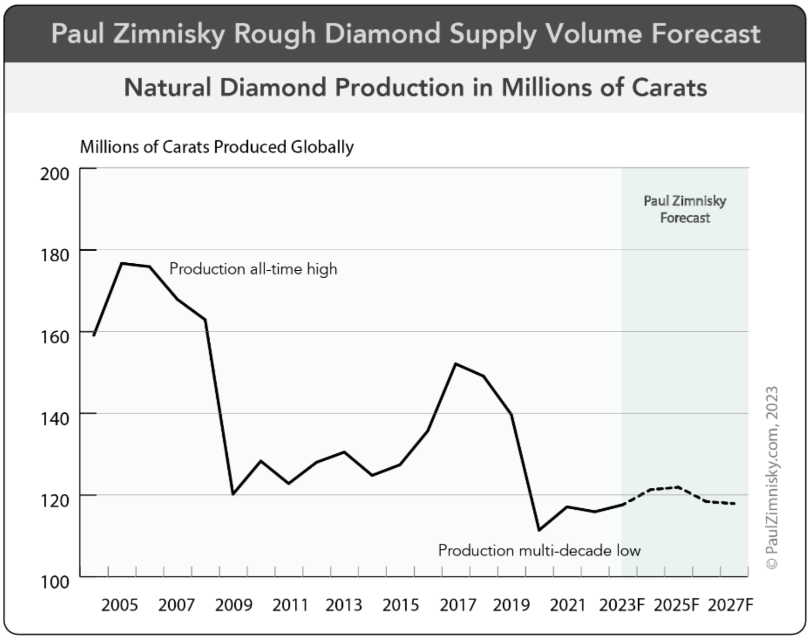
There are two standards available to RJC members: the RJC Code of Practices (enabling ethical, social human rights and environmental practices); and the RJC Chain of Custody (enabling fully traceable and responsibly sourced practices).

2.3.3 The World Jewellery Confederation

CIBJO was established in 1926 and restructured in 1961 to represent individuals and companies across the diamond, gemstone, jewellery and precious metal sectors. The organisation serves to protect the trust of consumers and those relying on the jewellery industry by regulating and establishing standards within the trade.

2.4 Recent Global Diamond Supply, Demand and Pricing Themes

Figure 2.4 – Natural Diamond Production in Millions of Carats



2.4.1 Global Natural Diamond Supply

According to Paul Zimnisky estimates, the global supply of rough natural diamonds has fallen to multi-decade lows in recent years (see Figure 2.4 above) due in part to:

- Legacy mine closures and depletion of aging mines resulting in the reduction of an estimated 30 million carats of annual supply over the last five years;
- United States sanctions targeting the trade of Russian origin diamonds implemented in 2022 due to the conflict in Ukraine (specifically, restrictions on primary-market investment in Russian producer ALROSA, restrictions on the direct importation of Russian origin diamonds and restrictions limiting the ability of United States entities to conduct business with ALROSA; further, many prominent Western downstream companies have pledged to "self-sanction" and not source any new diamonds of Russian origin); and
- COVID-19 and lingering impacts from the pandemic which in 2020 led to the lowest annual output of diamond supply since the 1990s, i.e. in 2020 production fell to an estimated 112 million carats.

Figure 2.5 – Notable Diamond Mine Closures / Near-term Closures

Notable Diamond Mine Closures /Potential Near-term Closures

Over the Last Decade Five Mines of Significance Have Closed

Mine	Operator	Closure (Est.)*	Approx. Supply pa
Snap Lake	De Beers	2015	1.2Mcts
Voorspoed	De Beers	2018	650Kcts
Komsomolskaya	ALROSA	2019	350Kcts
Victor	De Beers	2019	650Kcts
Argyle	Rio Tinto	2020	15.0Mcts
Koffiefontein	Petra Diamonds	2023E	50Kcts
Diavik	Rio Tinto	2025E	6.5Mcts
Almazy-Anabara	ALROSA	2026E	5.5Mcts
Zarnitsa	ALROSA	2028E	750Kcts

**Estimated closure dates strictly based on Paul Zimnisky's analysis of resource statements or company commentary. "Mcts" is millions of carats, "Kcts" is thousands of carats, "pa" is per annum.*

Looking ahead, Paul Zimnisky forecasts that production will remain within a range of 115 and 125 million carats per year through at least 2027 (which compares to as much as 152 million carats as recently as 2017) due in part to:

- Further legacy mine closures anticipated within the coming years including Koffiefontein, Diavik, Almazy-Anabara, Zarnitsa (see Figure 2.5);
- Few sources of new production as the Luaxe mine in Angola remains the only anticipated new major source of natural diamonds this decade; and
- Continued disruption in the supply of Russian origin diamonds due to the aforementioned sanctions.

It is worth noting, that while global diamond exploration and development is estimated to remain at historically low levels, the sanctions on Russian origin diamonds could serve as a catalyst to stimulate investment in new projects outside of Russia, i.e. given the potential for supply and demand imbalances of non-Russian origin diamonds in the coming years. For context, it is estimated that Russia supplies as much as one-third of global natural diamond supply while the West-plus-Japan consumes almost three-quarters of supply.

2.4.2 Global Diamond Demand

Several global themes have underscored the recent demand profile for diamonds that culminated in a record-year for the industry in 2021.

2.4.2.1 COVID-19 Pandemic and Economic Stimulus

According to Paul Zimnisky estimates, 2021 marked a record year for global diamond jewellery demand with sales reaching US$88 billion. This followed a recession for the industry in 2020 that coincided with the onset of the COVID-19 pandemic.

The performance in 2021 was driven by a series of positive factors for the industry including:

- Record economic stimulus (in 2020 and 2021) related to pandemic relief efforts in key markets, especially the United States, which led to increased spending power of consumers which in turn boosted demand for luxury items like diamond jewellery;
- Global pandemic-related lockdowns and travel restrictions, which benefited the diamond industry as it faced less competition from "experiential" consumer discretionary items such as travel and

dining out, i.e. in lieu of service-related luxury, consumers spent disposable income on material luxury, including diamond jewellery; and

- A boost in demand for bridal diamond jewellery in 2021 due to pent-up demand following 2020 (the first and most severe year of the pandemic) when engagements and weddings were postponed.

2.4.2.2 Growth in China

Paul Zimnisky estimates that Greater China (which includes Mainland China, Hong Kong, Macau and Taiwan) is the diamond industry's fastest-growing, large-end-consumer market due in part to factors including:

- Chinese consumers adopting the tradition of giving diamond engagement rings within the last three decades;
- China's rapidly growing middle class with a penchant for luxury; and
- The notable rapid opening of new jewellery stores in China as major Chinese jewellers expand in underserved "lower-tiered" but fast-growing cities across the country.

It is worth noting, most recently the market for diamonds in Greater China has stagnated following intermittent pandemic-related lockdowns in the region in 2022.

That said, major jewellers in China, including Chow Tai Fook, have continued to aggressively open new stores as part of a medium and longer-term expansion strategy.

2.4.2.3 Re-initiation of Generic Diamond Marketing

Following a decade-long hiatus, the Natural Diamond Council (***NDC***), formally the Diamond Producers Association, re-initiated "category" diamond marketing in 2015 in an effort to re-establish the general promotion of natural diamonds.

The NDC is a global organisation funded predominately by prominent upstream industry participants "to advance the integrity of the modern diamond jewellery industry and inspire, educate and protect the consumer." It can be argued that historically, generic diamond marketing has been paramount to the generation of demand for diamond jewellery. For example, De Beers' "A Diamond is Forever" campaign, which launched in 1948, helped to establish diamonds as a symbol of eternal love and commitment across major consumer markets including the United States, Europe and Asia.

The NDC is primarily targeting its efforts at the bridal and "self-purchase" diamond jewellery categories in markets including the United States, China and India. Notably, in March 2022, ALROSA, a key financial contributor to the organisation, suspended its membership in the NDC which could result in a funding gap for the organisation.

2.4.2.4 Growth in "Self-Purchase" Diamonds

The concept of "self-purchase" diamonds, i.e. consumers buying diamonds for themselves, is estimated to be the fastest growing segment of the diamond jewellery market according to Paul Zimnisky.

This trend is being driven by factors including the increased financial independence of women and a shift in societal norms around gift-giving. Jewellers and luxury brands globally are curating marketing strategies to appeal to the "self-purchase" segment of the market.

As it relates to the diamond industry specifically, this trend is influencing the design and style of jewellery with more emphasis on versatile, everyday-wear items such as stud earrings, pendants, and stackable rings. It is estimated that the "self-purchase" category now represents as much as one-third of the diamond jewellery market.

2.4.3 Natural Diamond Prices

According to Paul Zimnisky's Global Rough Diamond Price Index (***Index***) (a consolidated proxy for natural rough diamond prices, more information here: www.roughdiamondindex.com), natural rough diamond prices fell by approximately 5% in 2022, despite hitting a new all-time high earlier in the year.

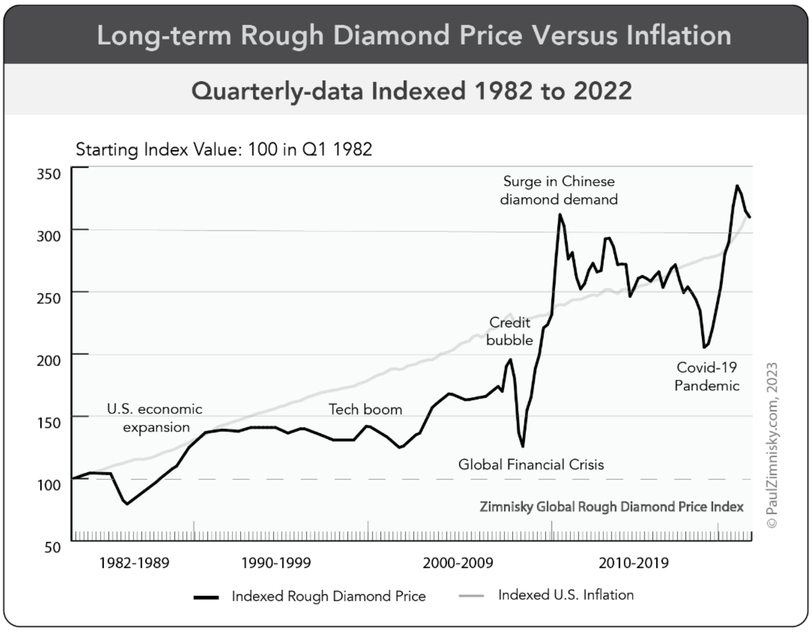
The performance followed a 34% jump in prices in 2021, driven by the favourable supply and demand fundamentals outlined above. Over the last ten years, consolidated rough diamond prices are up approximately 15% according to the Index.

With diamond supply expected to remain tight in the short and medium term, incremental demand could be supportive of a continued positive price trend for natural diamonds, however, several risk factors to future performance exist across time horizons, including (but not limited to):

- Insufficient or ineffective marketing leading to loss of relevancy and/or demand for natural diamonds;
- Changes in consumer appetite for diamonds and/or changes in traditions of giving diamonds as a gift;
- Man-made diamonds cannibalising demand for natural diamonds; and
- A significant natural diamond discovery, or another supply catalyst, that leads to an oversupplied market.

Relevant to today's macroeconomic climate, natural rough diamonds, while volatile, have arguably performed satisfactory relative to United States inflation according to Paul Zimnisky's analysis (see Figure 2.6).

Figure 2.6 – Long-term Rough Diamond Price vs Inflation

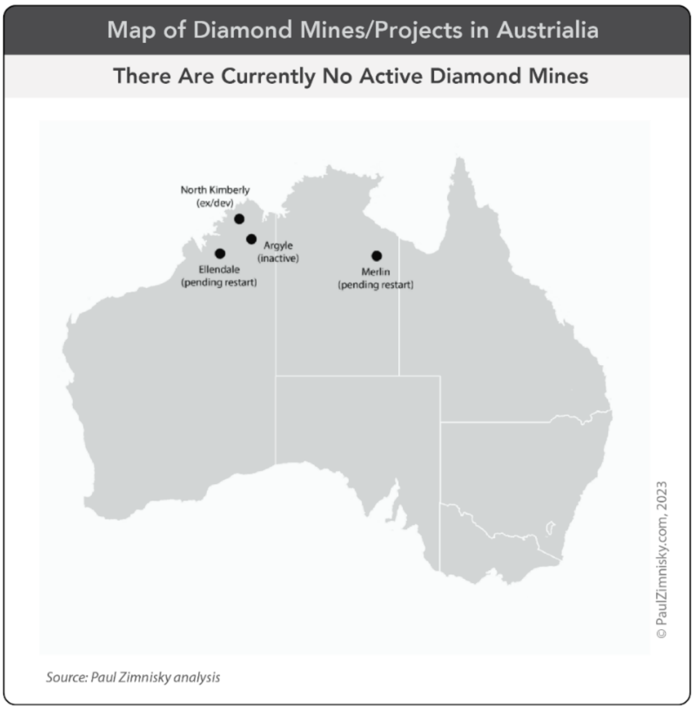


2.5 Overview of the Australian Diamond Mining Industry

2.5.1 History and Overview

Diamonds were first discovered in Australia in the late-19th century, however, they were mostly found in small quantities alluvially deposited, i.e. in loose soil or sediment that had been transported by water. It wasn't until the late-1970s that a major contained diamond deposit was discovered in Australia.

Figure 2.7 – Australian Diamond Mine Projects



This eventually led to the country's first diamond mine, Argyle, which commenced commercial production in the mid-1980s. Argyle, which is situated in Western Australia (see Figure 2.7), is considered one of the most notable diamond mines in the history, as it accounted for as much as 40% of global diamond supply by volume during its peak years.

Argyle is also known for having produced upwards of 90% of the world's recovered supply of fancy-coloured pink, violet and red diamonds. These diamonds have historically sold for significant premiums over colourless diamonds. In late-2020, Argyle's operator Rio Tinto discontinued operations due to depletion.

The Ellendale mine, also located in Western Australia, is notable due to its historical disproportionate production of fancy-coloured yellow diamonds which have been used by prominent jewellery brands including Tiffany & Co.

2.5.2 Investment and Production Outlook

With the closure of Argyle in 2020, there are currently no active diamond mines in Australia. The Merlin mine in the Northern Territory is being prepared for production by the Lucapa Diamond Company following its acquisition of the mine in 2022.

2.6 Overview of the Canadian Diamond Mining Industry

2.6.1 History and Overview

In the late-1980s, Canadian exploration company Dia Met Minerals discovered significant diamond indicator minerals in the Lac de Gras region of Canada's Northwest Territories.

Dia Met Minerals subsequently partnered with BHP Billiton in the early-1990s to jointly explore for diamond-bearing kimberlites in the area. The efforts led to the discovery of what later became the Ekati Diamond Mine – Canada's first surface and underground diamond mine.

Figure 2.8 – Canadian Diamond Mine Projects

Since the discovery of Ekati, other commercial-scale diamond deposits have been discovered across multiple Canadian provinces including: The Northwest Territories, Ontario, Quebec, Saskatchewan, and Nunavut. These discoveries led to the development of several diamond mines in Canada, making it one of the largest diamond-producing countries in the world (see Figure 2.8).

Canada's Ekati, Diavik and Gahcho Kué mines all rank as top-10 mines globally in terms of production volume. Ekati and Diavik now have a multidecade track record of production while Gahcho Kué is considered the "world's largest new diamond mine" following its commencement of commercial production in 2016. As discussed in Section 3.3, Ekati is currently operated by ACDC, Diavik is operated by Rio Tinto and Gahcho Kué is operated by De Beers as part of a joint venture with Mountain Province Diamonds.

2.6.2 Investment and Production Outlook

Canada is currently the third largest diamond producing nation in the world by volume, following Russia and Botswana (see Figure 2.2). That said, the country's production is forecast to fall over the next decade as key mines, including Diavik, approach the later stages of their production lives. Notwithstanding, Canada remains one of the most prospective and actively explored regions for diamonds in the world.

Outside of brownfield work in the areas around the major mines noted above, there is active greenfield diamond exploration and development work currently being conducted by a number of public and private companies in Canada.

2.7 Man-made Diamonds

Man-made diamonds, also known as lab-grown or lab-created diamonds, are a rapidly growing segment of the jewellery industry. Over the past decade, man-made diamond jewellery has become much more mainstream and is now being distributed by select jewellers, specialty retailers, and department stores worldwide. In 2022, Paul Zimnisky estimates that man-made diamond jewellery sales exceeded US$10 billion for the first time. For context, sales were estimated at approximately US$9 billion in 2021 and US$7 billion in 2020 –up from under US$1 billion in 2016.

In contrast with natural diamonds, man-made diamonds are a manufactured product, therefore supply is theoretically unlimited. It is estimated that over two-thirds of man-made diamonds produced for use as jewellery are made in China and India. China in particular has a long history of supplying abrasive-quality synthetic diamonds, i.e. in the billions of carats annually, and has recently shifted more of its production efforts towards jewellery application.

Recent improvements in production technology as well as growth in production capacity has led to marginally lower production costs and much more pricing competition amongst producers. Consequently, the price of generic man-made diamonds for use in jewellery has decreased in an almost a linear trajectory over the last decade, with prices in aggregate are down as much as 75% since 2016 according to Paul Zimnisky estimates.

According to Paul Zimnisky observations and anecdotes, consumers that are choosing a man-made diamond over a natural diamond are primarily doing so because of the much lower relative price point, i.e. a man-made diamond can cost as much as 85% less than an equivalent natural diamond.

In the medium and longer-terms, it is expected that continued pricing pressure as well as product positioning and marketing by the larger diamond and jewellery industry will lead to greater product differentiation between natural and man-made diamonds.

Lastly, it is important to note that while professional equipment is required, man-made diamonds can be distinguished with certainty from natural diamonds. Accordingly, as the man-made diamond jewellery market grows, the industry is adapting to ensure that consumers are well-informed about the origin and authenticity of the diamond they are buying.

2.8 About Paul Zimnisky

Paul Zimnisky, CFA is a leading global diamond industry analyst based in the New York City metro area specialising in global diamond supply/demand fundamentals and the companies operating within the industry. His research and analysis on the diamond industry, which includes natural as well as man-made diamonds, is used by financial institutions, management consulting firms, private and public corporations, governments, intergovernmental organisations and universities.

He publishes a leading subscription-based diamond industry research report called State of the Diamond Market, a proprietary rough diamond price index called the Zimnisky Global Rough Diamond Price Index and has a regular podcast called the Paul Zimnisky Diamond Analytics Podcast.

Paul is a regular contributor to industry-leading trade journals and he is often interviewed and quoted by prominent media outlets including: The New York Times, The Wall Street Journal, Reuters, The Financial Times, Bloomberg, The Economist, Vogue, The Globe and Mail, Agence France-Presse, The Times of India, The South China Morning Post, Xinhua and China Daily.

Section 3

Business Overview

3.1 Overview of the Company

Burgundy Diamond Mines Limited (***Burgundy*** or the ***Company***) was incorporated in 2012[1] and is based in Perth, Australia.

Burgundy is focused on the mining, production, cutting, polishing and sale of fancy coloured diamonds. Burgundy's business strategy is focused on capturing upside along the value chain of the diamond market. By building a portfolio of diamond projects and operating a cutting and polishing facility in Perth, Burgundy's operating model is vertically integrated.

3.1.1 History of Burgundy

Formally known as EHR Resources Limited, the Company changed its name to Burgundy Diamond Mines Limited on 20 November 2020 to reflect its transition from a resource explorer with a single gold / silver project to a developer of a portfolio of diamond projects.

Since the transition began, Burgundy has invested in two key projects:

- Botswana Exploration Alliance; and
- the Naujaat Diamond Project.

In June 2020, the Company entered into an exploration alliance agreement in Botswana with Diamond Exploration Strategies Ltd (***Botswana Exploration Alliance***). Under the terms of the Botswana Exploration Alliance, Burgundy agreed to provide funding of up to US$1.5 million over three years to finance exploration activities in Botswana, earning 50% ownership of any promising discoveries made, in which the Joint Technical Committee select as a designated project. In addition to this, Burgundy has an option to increase ownership to 70% by completing a scoping study and to 90% by completing a feasibility study. This option will expire on 8 June 2023.

In June 2020, the Company entered into an option agreement with North Arrow Minerals Inc (TSXV:NAR) (***North Arrow Minerals***) to earn a 40% earn-in interest in the Naujaat Diamond Project (***Naujaat***), located in the Nunavut territory of Canada. The agreement provided the Company with the option to earn a 40% interest in Naujaat for providing CAD$5.6 million to fund a preliminary bulk sample of 1,500 – 2,000 tonnes (Phase 1), with the funding being committed by the Company in August 2020. Phase 1 of the option agreement was deemed complete in February 2023, thus Burgundy now has a vested 40% ownership of Naujaat under the terms of the option agreement with North Arrow Minerals.

In addition to the above, on 24 March 2021, the Company announced the signing of an option deed with Gibb River Diamonds Ltd (ASX:GIB) to acquire 100% ownership of the Ellendale and Blina projects (together the ***Ellendale Diamond Project***) in the West Kimberley region of Western Australia. The option deed, structured over two years, involved a series of staged payments from Burgundy to Gibb River at Burgundy's election. As announced on 20 March 2023, the Company has decided not to exercise the option to acquire the Ellendale Diamond Project.

In July 2022, the Company launched its own luxury diamond brand, Maison Mazerea. The launch of the Maison Mazerea brand has assisted in progressing the Company's strategy to become a world leading end-to-end fancy coloured diamond company.

On 19 December 2022, the Company's securities were suspended from official quotation on the ASX and have since remained in suspension. On 14 March 2023, the Company announced the Acquisition of the Arctic Companies. Further details of the Acquisition are set out in Sections 3.2 and 7.1.

3.1.1.1 Botswana Exploration Alliance

The Company has conducted a multi-target program across prospective ground with the assessment of various primary and secondary diamond targets in Botswana (refer to Figure 3.1). As noted in the Company's annual report released to ASX on 15 September 2022, there were no positive discoveries reported during the 2021/22 financial year and the Company was assessing its options for the final year of the agreement. The Botswana Exploration Alliance will expire on 8 June 2023, and the Company will discontinue the Botswana Exploration Alliance.

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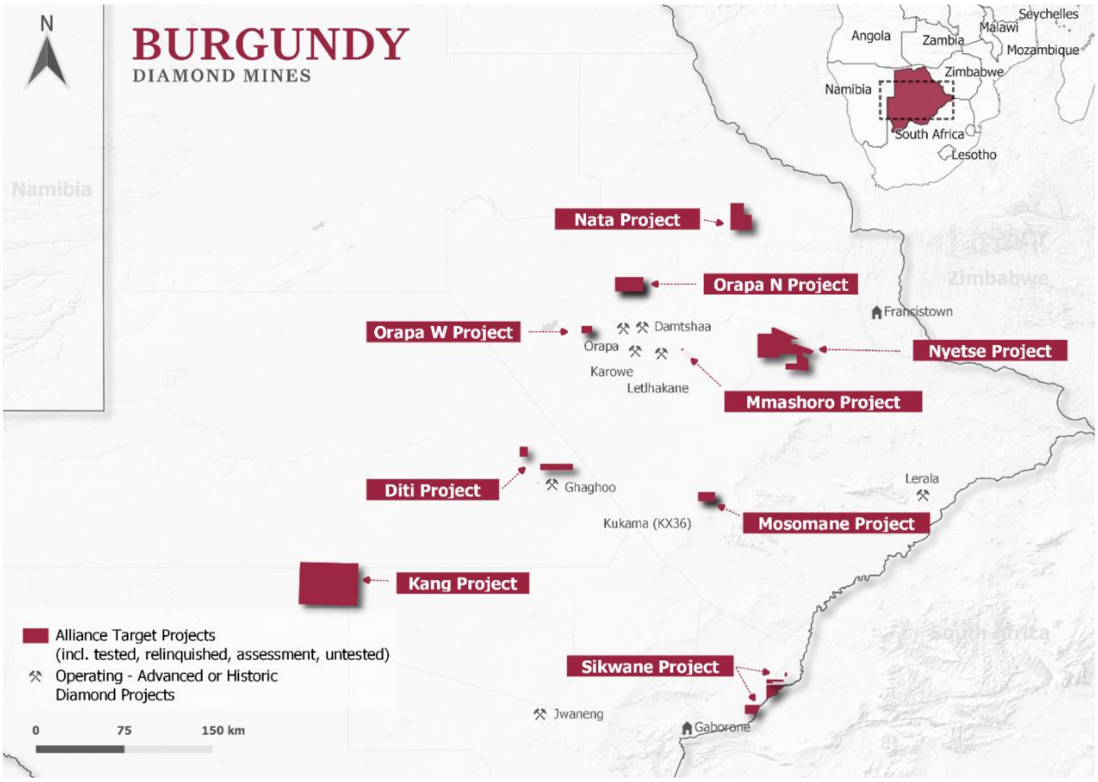
[1] The Company was incorporated in 2012 as Cott Oil and Gas Limited and focussed on early-stage oil and gas exploration. In June 2017, the Company changed its name to EHR Resources Limited and was re-admitted to the ASX, with a focus on mineral resource projects.

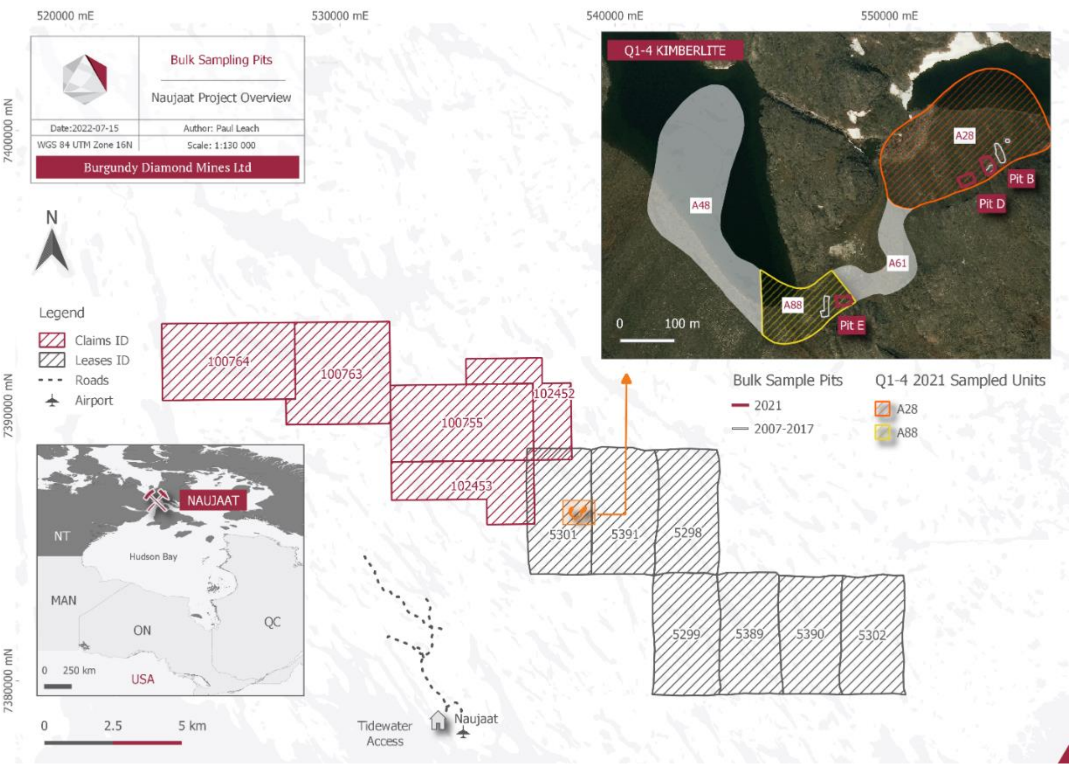
Figure 3.1 – Botswana Targets including tested, relinquished, assessment and untested projects



3.1.1.2 **Naujaat Diamond Project**

The Company has progressed an earn-in agreement with North Arrow Minerals over the Naujaat project, located in the Nunavut territory of Canada. Naujaat contains a population of rare fancy coloured and potentially high value diamonds.

Figure 3.2– Naujaat location



Site activities at Naujaat commenced in June 2021 with the mobilisation of field crews to site to commence the bulk sampling program in July 2021. The collection of approximately 2,000 tonnes was completed in August 2021 representing the high end of the anticipated tonnage from the bulk sampling program. The bulk sample was loaded onto a sealift in September 2021 and shipped south to Saskatchewan via Montreal. Processing and diamond recovery started in Q4 2021.

During April 2022, diamond recovery was completed for 70% of the 2,000 tonne bulk sample and confirmed the presence of potentially high value fancy coloured diamonds. Diamond recovery for the remaining 30% of the bulk sample was completed in July 2022, reconfirming the presence of potentially high value fancy coloured diamonds.

Of the fancy coloured rough diamonds recovered during the 2021 bulk sample, approximately 90% were characterised by the processing laboratory as yellow to orange in colour. The valuation of these diamonds is currently being assessed by the Company.

As noted above, as the bulk sampling program is now complete, Burgundy has assumed a 40% ownership of the Naujaat Diamond Project under the terms of the June 2020 earn-in option agreement with North Arrow Minerals.

3.1.2 Cutting and polishing

In June 2021, the Company:

- secured a lease for a purpose-built, high-security facility specifically designed for downstream diamond operations, located in Perth, Western Australia;
- came to an agreement to purchase specialised equipment for the valuing, cutting, polishing, grading, secure storage and sale of high-value diamonds; and
- initiated a process to recruit a team of specialists to support the move to downstream operations.

The high-security facility, specialised equipment and team of specialists acquired by the Company previously belonged to a diamond operation producing highly renowned pink diamonds.

Since June 2021, the Company has successfully developed the facility into Australia’s only commercial diamond cutting and polishing facility, supporting a more vertically integrated business model. The facility allows the Company to cut, polish, value and grade diamonds from its own potential mine operations, as well as rough diamonds from third party producers.

During Q1 2022, the Company purchased approximately 350 carats of rough 2-5 carat stones produced from the Ellendale Diamond Mine and approximately 150 carats of yellow fancy colour rough diamonds from ACDC. The rough diamonds were sent to the Company’s facility in Perth to be cut and polished, then sold to jewellers. Further selective purchases of rough diamonds are planned for 2023.

The Company’s capacity at its cutting and polishing facility doubled during the December 2022 quarter with two master craftsmen joining the team. The current cutting and polishing capacity of the facility is 2,500 – 3,000 (rough) carats per year.

3.2 Acquisition and investment highlights

3.2.1 Acquisition

On 14 March 2023, Burgundy announced that it had entered into a SPA with Arctic Shareholder whereby the Company will, on satisfaction of various conditions precedent (refer to Section 7.1), acquire 100% of the issued capital in ACDC and ACDM (together, the ***Arctic Companies***) (***Acquisition***).

ACDC owns and operates Ekati in the Northwest Territories, Canada, whilst ACDM is a marketing business with a sales office in Antwerp, Belgium that sells rough diamonds to manufacturers for cutting and polishing.

3.2.2 Investment highlights

Burgundy believes the Acquisition is compelling for several reasons:

3.2.2.1 Global demand and supply trends support favourable pricing outlook for rough diamonds

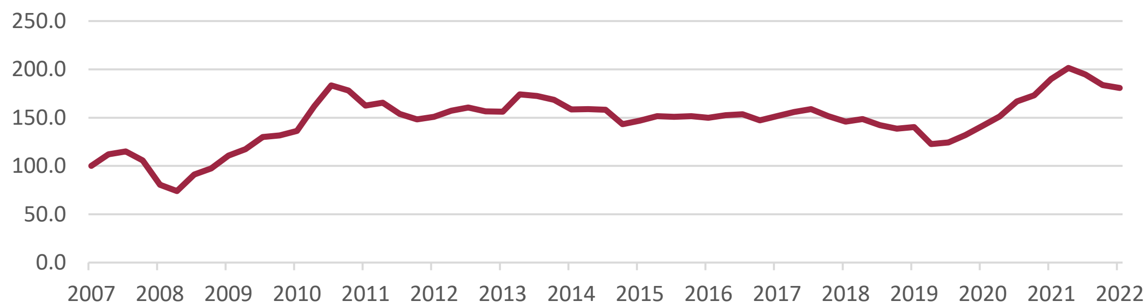
As noted in Section 2.4, future diamond supply is likely to be curtailed because of:

- United States sanctions targeting the trade of Russian origin diamonds due to the conflict in Ukraine;
- multiple legacy diamond mines (i.e. Diavik, Almazy-Anabara, Zarnitsa, Koffiefontein) are expected to reach depletion in the next five years; and
- very few sources of new production coming online (Luaxe mine in Angola remains the only new major primary source of rough diamonds expected this decade).

Meanwhile, future demand for diamonds is likely to remain strong, underpinned by the following themes:

- China is the fastest growing (large) consumer market buoyed by:
  1. new generations of Chinese consumers adopting the tradition of giving diamond engagement rings within the last three decades;
  2. a rapidly growing middle-consumer class with a penchant for luxury; and
  3. accelerating pace of new jewellery store openings in Mainland China.
- re-initiation of generic diamond marketing (the promotion of diamonds as a ‘category’, rather than a specific brand); and
- growth in ‘self-purchase’ diamonds driven by increasing financial independence and empowerment of women, and a shift in societal norms around gift-giving.

Figure 3.3 – Historical global rough diamond price index[2]



3.2.2.2 Transformational acquisition delivering a globally significant asset in a tier-1 jurisdiction with production and earnings

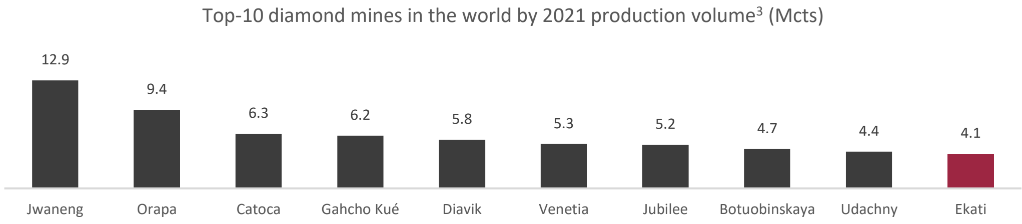
Post Completion of the Acquisition, the Company will have invested in two projects (see Figure 3.4 below). The Acquisition of Ekati will elevate Burgundy from developer to producer status.

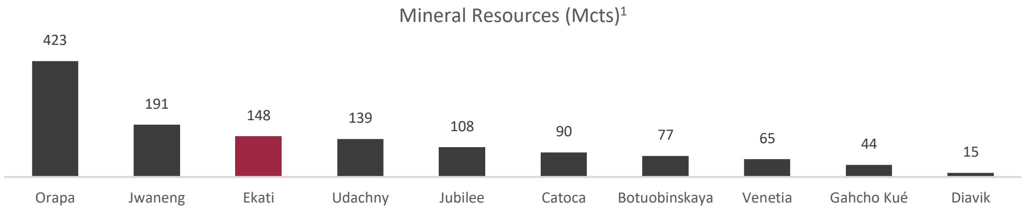
Figure 3.4 – Burgundy’s portfolio of assets (on Completion of the Acquisition)

Asset	Location	Status	
Naujaat Diamond Project (40%)	Canada (Naujaat)	Development	
Ekati Diamond Mine (100%)	Canada (Northwest Territories)	Producing	

[2] Zimnisky Global Rough Diamond Price Index. State of the Diamond Market – Independent Monthly Diamond Industry Data and Analysis, January 2023 (Paul Zimnisky).

Globally significant[3,4]





Tier-1 jurisdiction

Ekati is located in the Northwest Territories of Canada; a tier-1, mining-friendly jurisdiction

Production

In 2022, Ekati recovered 4.1Mcts and sold 4.2Mcts at an average price of US$117/ct

Earnings

In 2022, the Arctic Companies delivered adjusted EBITDA of US$200m and cash flow from operations of US$192m

[3] Based on data provided by Paul Zimnisky Research based on 2021 production volumes. However, 2022 production volume has been used for Ekati as this represents the first full year of production since the Mine Restart in February 2021.

[4] Paul Zimnisky Research. The Mineral Resource (Measured and Indicated only) profiles of each mine is based on the latest publicly available information. Orapa (2021), Jwaneng (2021), Catoca (2017), Udachny (2018), Ekati (2022), Venetia (2021), Jubilee (2018), Botuobinskaya (2018), Gahcho Kué (2021), Diavik (2021). Gahcho Kue Resource does not include "Kennady" assets. These are resources owned exclusively by (De Beers' JV partner in the mine) Mountain Province.

3.2.2.3 **Exceptional operational and financial metrics**

Key operational metrics at Ekati and financial metrics at the Arctic Companies for 2022 are shown below.

Figure 3.5 – 2022 key operational metrics of Ekati and financial metrics of the Arctic Companies

** EBITDA is defined as earnings/losses before interest expense and finance income, taxes, depreciation and amortisation. Adjusted EBITDA is defined as EBITDA adding back unrealised foreign exchange losses, a fair value adjustment on consideration payable for future royalty distributions and asset impairments.*
***Operating costs include cost of sales, selling and distribution expenses, general and administrative expenses and other expenses.*

A summary of the key operational metrics for Ekati for the first quarter of CY23 is set out below.

		Jan	Feb	Mar	1Q CY23
Ore mined	*kWMT*	250	439	359	1,048
Waste mined	*kWMT*	1,665	1,166	1,367	4,198
Total Tonnes mined	***kWMT***	1,915	1,605	1,726	5,246
Carats recovered	*Kcts*	372	416	390	1,178
Carats sold	*Kcts*	214	220	364	798

3.2.2.4 Ekati's current mine life plan is robust, with innovative extension options

As noted in Section 3.3.2.11, Ekati's current mine plan is underpinned by Ore Reserves of 15.8Mcts, supporting a mine life to 2028. Sable Open Pit and Misery Underground projects are expected to deliver most of the production until 2025 when Point Lake ore becomes the dominant process plant feed source.

The Company is currently exploring three innovative options to extend Ekati's mine-life including:

(i) Underwater remote mining (*URM*) (see Section 3.3.2.12.1);

URM technology is being developed at Ekati to recover diamonds from the bottom of previously mined pits that will be filled with water. URM involves extracting kimberlite from flooded open pits with an underwater continuous mining crawler.

(ii) Systematic exploration using newly applied machine learning (artificial intelligence) technology (see Section 3.3.2.12.2)

Ekati has recently been explored with the application of new technology including high resolution airborne magnetic surveying using remote controlled unmanned aerial vehicles, remote boat bathymetry and new geophysical data processing methods such as electromagnetic inversions. Artificial intelligence / deep machine learning, which can lead to discovery of more subtle geophysical kimberlites is also now being utilised at Ekati.

(iii) Development of the Fox Underground and / or Jay projects (see Section 3.3.2.12.3)

Refer to Section 3.3.2.12.3 for further information.

3.2.2.5 Burgundy has a highly experienced Board and Management team ready to execute

As noted in Section 6.1, the Company's existing Board and Management team have extensive industry experience, particularly in the mining industry in both Canada and Australia. The existing Board will continue in their roles following Completion of the Acquisition and will oversee the acquisition and consolidation process.

3.3 Overview of the Arctic Companies

3.3.1 Introduction to the Arctic Companies

ACDC is a Canadian mining company and one of the largest producers and suppliers of premium rough diamond assortments to the global market. It is the 100% owner of all businesses, assets and other interests comprising Ekati. In addition to its mining and exploration operations, ACDC's sister company owns a marketing business with a sales office in Antwerp, Belgium (***ACDM***) which sells rough diamonds to manufacturers for cutting and polishing.

The single shareholder of the Arctic Companies is the Arctic Shareholder, a limited liability company owned and managed by DDJ Capital Management (***DDJ***), Brigade Capital Management, LP (***Brigade***) and Western Asset Management Company, LLC (***Western Asset***). DDJ is a privately held asset manager that specialises in investments within the leveraged credit markets. In February 2022, DDJ was acquired by Polen Capital Management (***Polen***), a global investment management firm advising approximately US$80 billion in assets. Brigade is a global asset management firm with approximately US$30 billion under management that utilises a multi-strategy, multi-asset class approach to investing across the credit universe. Western Asset is a leading global fixed-income manager focusing on long-term fundamental value.

ACDC was formed in 2020 following the collapse of Dominion Diamonds ULC (***Dominion***), Ekati's previous owner, during the COVID-19 pandemic. In April 2020, Dominion sought bankruptcy protection, citing major disruptions to the global diamond trade. In December 2020, The Alberta Court of Queen's Bench approved the sale of substantially all of Dominion's assets, excluding its joint venture agreement and liabilities relating to the Diavik Diamond Mine (***Diavik***), to ACDC.

Burgundy Chief Executive Officer and Executive Director Mr Kim Truter is one of five directors of ACDC. As noted above, the single shareholder of ACDC is the Arctic Shareholder, with whom Mr Truter has no association.

ASX has confirmed it will not exercise its discretion under Listing Rule 10.1.5 to apply Listing Rule 10.1 to the Transaction.

3.3.2 Ekati mine

3.3.2.1 Overview

Ekati, named after the Tilcho word meaning 'fat lake', is renowned for its premium gem-quality diamonds. Ekati is Canada's first surface and underground diamond mine, with production at the mine having commenced in October 1998 following extensive exploration and development work dating back to 1981. The mine is at a mature stage for exploration, having discovered more than 175 kimberlite occurrences on the historical claim block to date. Ekati operated continuously until March 2020, when COVID-19 prompted previous owners Dominion to temporarily suspend operations. Following a 10-week phased restart program, Ekati recommenced operations in February 2021 (***Mine Restart***). There are two active mining operations at Ekati, including the Sable Open Pit and Misery Underground operations (see Section 3.3.2.11.1 for more details).

Ekati is located near Lac de Gras, approximately 1,870 km north-east of Vancouver, 300 kilometres northeast of Yellowknife and 200 kilometres south of the Arctic Circle in the Northwest Territories of Canada. The mining lease block comprises 121 mining leases, covering an area of approximately 113,469 hectares. Despite its location in the Canadian sub-arctic, mining activities are conducted year-round.

The current mine-life of Ekati, including the addition of a new open pit development at Point Lake, runs to 2028. Exploration and project evaluation activities are ongoing, including the development of innovative mining techniques that could be used to extract the deeper resources from the Sable Open Pit, Fox Open Pit and Point Lake Open Pit. If successful, the mining of these deeper portions of existing orebodies would extend the life of Ekati.

Figure 3.6 – Ekati property overview

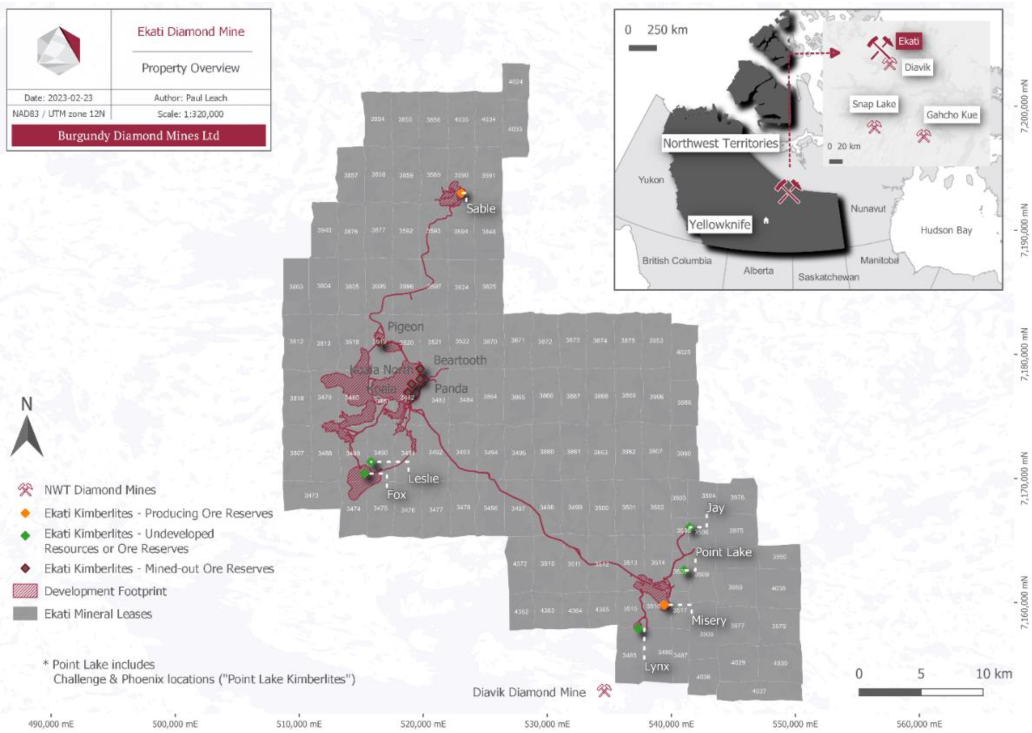


Figure 3.7 – Aerial view of Ekati

Figure 3.8 – Ekati mine camp site

3.3.2.2 History of Ekati

The timeline below summarises Ekati's ownership and operating history since exploration and development work commenced 1998:

- **1981**: Exploration and development work commenced
- **October 1998:** Ekati delivers first rough diamond production under BHP Billiton (***BHP***) ownership
- **April 2013:** Following a decision to divest several 'non-core' assets and focus on its large iron ore, petroleum, and coal operations, BHP sells Ekati to Dominion for US$553m
- **November 2017:** The Washington Companies (***Washington***), a group of privately held North American mining industrial and transportation businesses, acquires Ekati as part of a US$1.2 billion acquisition of Dominion
- **March 2020:** Ekati is placed into care and maintenance in response to the COVID-19 pandemic and major disruptions in the global diamond trade
- **April 2020:** Dominion files for insolvency protection under the Companies' Creditors Arrangement Act
- **February 2021:** ACDC acquires Ekati with associated assets and liabilities from Dominion and mining operations recommence at Ekati
- **March 2023:** Burgundy announces the acquisition of the Arctic Companies

3.3.2.3 Accessibility

3.3.2.3.1 Winter Road

Road access to Ekati is by a winter ice road (***Winter Road***) that is seasonal in nature. The Winter Road is approximately 475km long, is constructed largely (approximately 86%) across lakes and connects from the permanent all-weather road east of Yellowknife to the main Ekati complex via the Misery haulage road. Typically open approximately 8 weeks from 1 February until the end of March, the Winter Road is constructed each year as part of a joint venture between the Ekati, Diavik and Gahcho Kué mines. Prevailing ice conditions can reduce or extend the operational period of the Winter Road. The Winter Road is shared by other industrial users (i.e. exploration companies), and is open to the public, providing access for hunters and tourists. Each mine shares the cost of construction, maintenance, operation and closure of the Winter Road.

Fuel, large equipment and heavy consumables are freighted to site on the Winter Road. Ekati freight for the 2023 Winter Road is estimated at approximately 1,700 truckloads. Critical to achieving the mine plans are the logistics of planning and expediting the delivery of freight required for a full year of operation over the Winter Road in a period of approximately two months. Three seasonal maintenance / staging camps are located along the Winter Road with the most northerly being located at the Lac de Gras camp, which is located on the south-eastern shore of Lac de Gras.

Figure 3.9 – Vehicle on the Winter Road

Figure 3.10 – Misery haulage road

3.3.2.3.2 Air transport

Ekati has an all-weather gravel airstrip that is 1,950 metres long with an aircraft control building. The airport is equipped with runway lighting and approach system, navigational aids, radio transmitters and weather observation equipment.

Outside of winter road season, general and light freight, fresh produce, and equipment is flown to the site year-round, with one ATR and five Electra freighters per week visiting site. On occasion, when high value, large dimension spares are required but not held in immediate stock, a Hercules C130 is chartered to fly such components to site. These production-critical flights are infrequent and amount to one or two every two to five years.

Air transport is used year-round for transport of all personnel to and from the site as well as light or perishable supplies, and, as required, emergency freight.

3.3.2.4 Infrastructure

The buildings and infrastructure facilities at Ekati include all buildings (mobile and permanent), pipelines, pump stations, electrical systems, quarry site, camp pads and laydowns, ore storage pads, roads, culverts and bridges, airstrip, helipad, and mobile equipment.

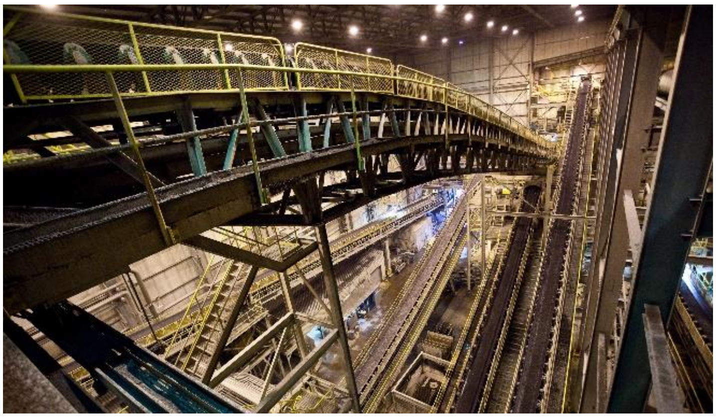
The primary facilities at Ekati include:

- main accommodations complex that consists of 763 sleeping accommodation rooms, dining, kitchen, and recreation areas, first aid station, emergency response / mine rescue stations and maintenance shops. A sewage treatment plant, water treatment facility and incinerator room adjoin the main accommodations building;
- power plant;
- processing plant;
- bulk sampling plant;
- truckshop / offices / warehouse complex that provides for heavy and light vehicle maintenance, heated warehouse storage, change rooms, an environmental laboratory and administration offices; and
- bulk lubrication facility situated adjacent to the truckshop and holds bulk lubricant and glycol.

Ancillary buildings located within the Ekati main camp area include:

- ammonium nitrate storage facility with a capacity of 16,500 tonnes;
- emulsion plant;
- waste management building (waste to be sent off site is prepared for transport at this building);
- site maintenance shed and sprung facility (used for shipping and receiving, during winter road operations and for aircraft freight);
- airport building (the control point for all Ekati flight operations including fixed wing and helicopter); and
- core logging facility (building with core logging area and work offices to support advanced exploration and mine operation geological activities).

Figure 3.11 – Inside the processing plant



3.3.2.5 Climate

Ekati is located in the Canadian sub-arctic that experiences cold winter conditions for most of the year, with day-time temperatures consistently above freezing for approximately four months of the year. The mean annual temperature at the mine site is -10°C and the warmest average monthly temperature is 14°C in July. The coldest average monthly temperature is -28°C in January with extremes reaching -50°C.

The site is generally windy (average velocities of ~20km/hr on typical days) while average precipitation is 345mm, consisting of relatively equal amounts of rain and snow. Available daylight ranges from a minimum of four hours per day in December to a maximum of 22 hours per day in June. Ekati operates 24 hours per day year-round, except during white-out conditions.

Ekati uses a level-system for designating severity of weather events. Production is impacted by level two and level three weather events. Level two events typically happen two to three times per annum (lasting up to 24 hours) and level three events occur once every five years. The annual mine plan is developed so that Q1 reflects daily planned tonnage lower than the remainder of the year to reflect reduced productivity of the equipment fleet.

3.3.2.6 Communities and wildlife

The closest community to Ekati is Wekweètí, located approximately 180km southeast of the Ekati site. Yellowknife, the capital city of the Northwest Territories, is approximately 300km southwest of Ekati and the nearest large city to Yellowknife is Edmonton, located due south via an 18-hour drive or accessed by several daily flights offered by four commercial airlines.

The site is within the continuous permafrost zone, in this area, the layer of permanently frozen subsoil and rock is generally ~300m deep and overlain by a 1– 3m active layer that thaws during summer. Approximately one-third of Ekati is covered by oligotrophic water bodies (a body of water which is poor in dissolved nutrients and usually rich in dissolved oxygen). The low terrain has resulted in a diffuse drainage pattern, and streams typically meander in braided channels through extensive boulder fields between lakes and ponds.

Ekati is predominantly a wildlife habitat, with human use for hunting and fishing. The Bathurst caribou herd migrates through the area to access spring calving and winter forage grounds. Grizzly bears, wolves, foxes, wolverines and small mammals are also present at various times of the year.

3.3.2.7 Royalty

Ekati property is 100% owned by ACDC and is no longer subject to joint venture agreements. The Core Zone and Buffer Zone Joint Venture agreements were previously terminated and have been superseded by Private Royalties which are due to Dr. Stewart Blusson (negotiated in exchange for his minority joint venture interest in the Core Zone and Buffer Zone) (***Private Royalties***). In addition to the Private Royalties, ACDC pays royalty tax to the Government of the Northwest Territories (***GNWT***) based on a sliding scale.

The Core Zone Private Royalty is based on 2% of gross proceeds of sales and adjusted for market value of diamond inventory. The Buffer Zone Private Royalty is based on 2.3% of gross proceeds of sales and adjusted for market value of diamond inventory.

All mines in the Northwest Territories located on Crown land are subject to a royalty payment (***Crown Royalties***). Currently, Crown Royalties are calculated on the value of the output of the mine for each financial year, and are equal to the lesser of:

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

3.3.2.8 Impact and Benefit Agreements

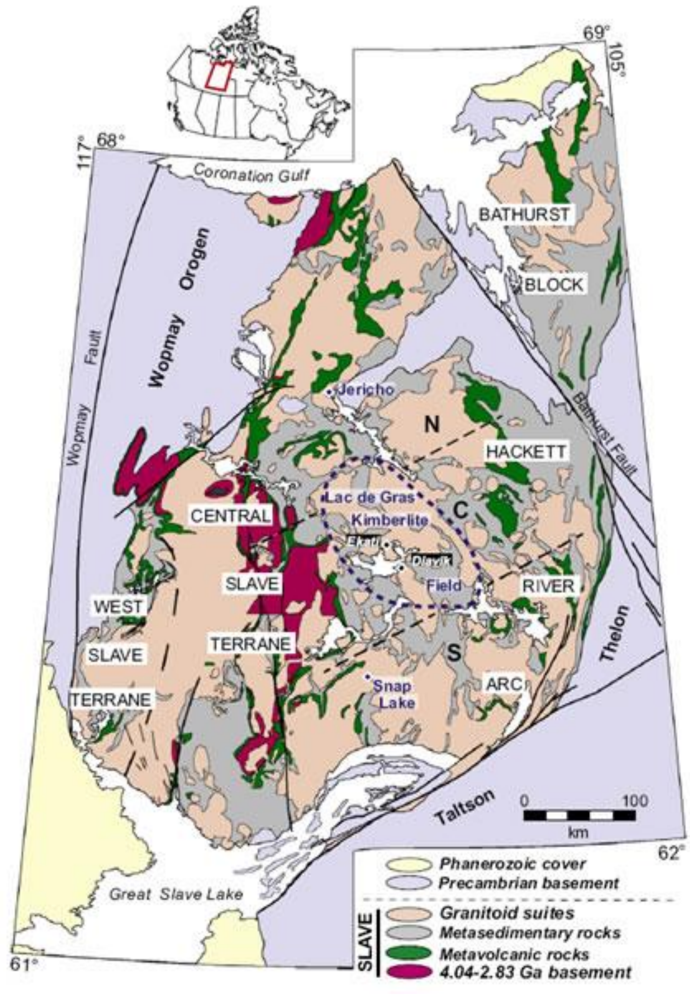
Impact and Benefit Agreements (***IBAs***) were concluded with four Aboriginal communities – Tlicho, Akaitcho Treaty 8, North Slave Mètis and the Inuit of Kugluktuk – who were impacted by the mine's operations prior to the commencement of mining. The IBAs establish requirements for funding, training, preferential hiring, business opportunities and communications. Whilst the exact terms of the IBAs are confidential in nature, they are considered not too dissimilar to other agreements of this type that have been negotiated with Aboriginal groups in Canada. The IBAs extend over the current life-of-mine at Ekati.

3.3.2.9 Geology

3.3.2.9.1 Regional geology

Ekati is located in the Slave Structural Province, one of several Archean cratons that form the nucleus of the North American continent. The province is a granite-greenstone terrane that grew around a pre-3 Ga nucleus. The rock types within the province can be assigned to three groups: metasedimentary schists, migmatites, and syn- and post-tectonic intrusive complexes. The metasediments are fine-grained with a high proportion of sheet silicates and are typically foliated. The granitoids that intrude the metasediments include tonalites, granodiorites, and post-tectonic granites. The granodiorites are generally white to grey in colour, medium to coarse-grained, and weakly foliated to massive. The migmatites in the western part of the project area are a result of melting of metasediments due to widespread granite intrusion and associated heat input. The western part of Ekati is dominated by migmatites which reflect melting of metasediments due to widespread granite intrusion and associated heat input.

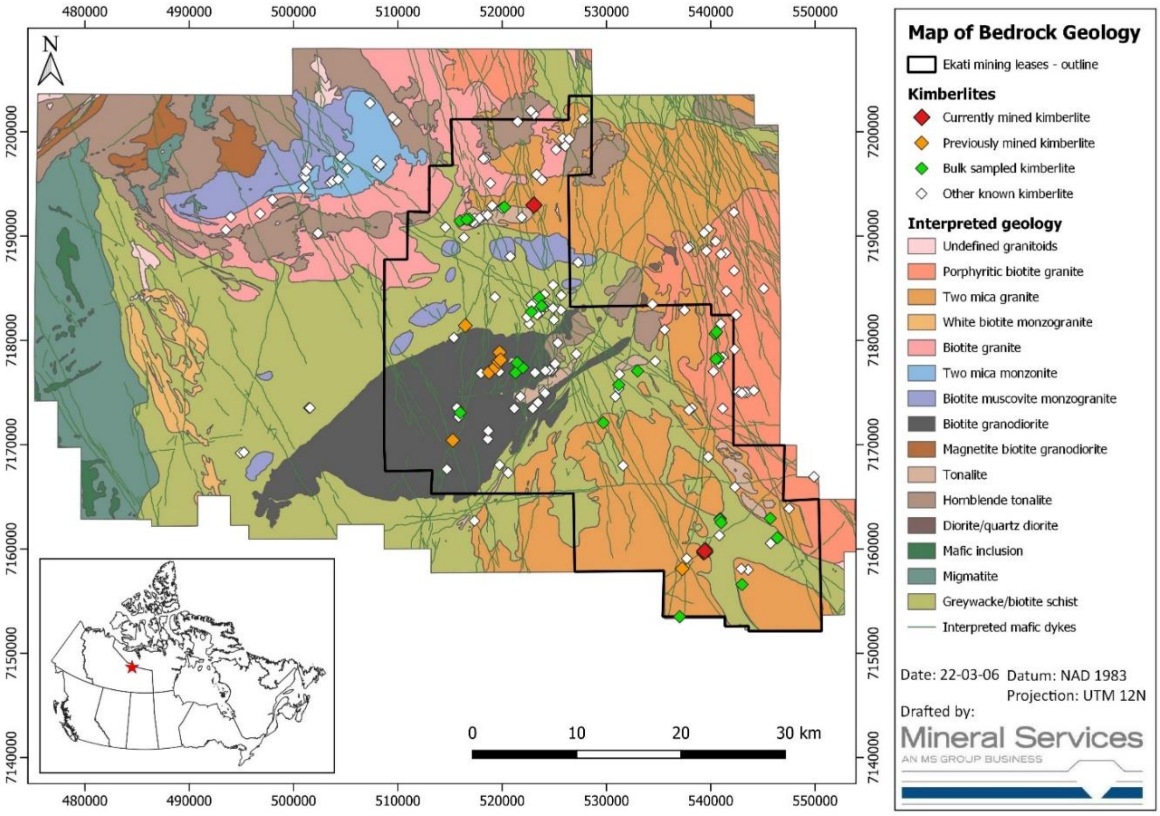
Figure 3.12 – Geological map of the Slave craton



3.3.2.9.2 Local geology

To date, more than 175 kimberlite intrusions have been located across the original Ekati property. These form part of the Lac de Gras kimberlite field, located in the Archean central Slave Structural Province. The kimberlites intrude both granitoids and metasediments and define several linear trends associated with dykes and lineaments. There is no dominant or unique structure association of the kimberlites. A bedrock geology map of Ekati is provided as Figure 3.13, including the locations of the known kimberlite occurrences.

Figure 3.13 – Ekati property region bedrock geology map



The Ekati kimberlites are of Late Cretaceous to Paleogene age (45 to 75 million years ago) and mostly form steep-sided pipe-shaped bodies occupied primarily by fragmental, volcaniclastic deposits and less commonly by coherent, magmatic material. These pipe-shaped bodies typically extend to project depths of 400 – 600m below land surface. Kimberlite distribution is controlled by fault zones, fault intersections and dyke swarms.

Economic mineralisation is mostly limited to olivine-rich resedimented volcaniclastic and primary volcaniclastic types. Approximately 15% of the 127 known kimberlites on the current Ekati mining leases are of economic interest or have exploration potential. Diamond grades are highly variable, with estimated average grades for kimberlites that have been bulk sampled ranging from less than 0.05 carats per tonne to more than 4 carats per tonne.

3.3.2.10 Ore Reserves and Mineral Resources

3.3.2.10.1 Ore Reserves

Ore Reserve estimates for the Ekati are based on material classed as indicated Mineral Resources with dilution and mining / processing recovery factors applied. Depletion has been included in the estimates. Factors which may affect the Ore Reserve estimates include diamond price and valuation assumptions, changes to the assumptions used to estimate diamond carat content, horizontal block cave designs, open pit designs, geotechnical, mining and process plant recovery assumptions, appropriate dilution control being able to be maintained, changes to capital and operating cost estimate and variations to the permitting, operating or social licence regime assumptions.

All Mineral Resources converted to Ore Reserves have undergone pre-feasibility and/or feasibility studies following Canadian Institute of Mining (***CIM***) guidelines.

Table 3.1 – Ore Reserves table (31 December 2022, 100% basis)

Ekati	Probable Ore Reserves		
Project / operation	**Tonnes** (millions)	**Grade** (cpt)	**Carats** (millions)
Sable Open Pit	6.1	0.8	4.7
Point Lake Open Pit	9.7	0.6	5.6
Misery Underground	1.6	3.3	5.4
Fox Underground	31.0	0.3	10.3
Run of Mine Stockpiles	0.2	0.8	0.1
Total Ore Reserves	**48.5**	**0.5**	**26.1**

Notes to Ore Reserves table:

1. Ore Reserves have an effective date of 31 December 2022 and were prepared by certified professional geologists and mining engineers employed by ACDC.
2. All Ekati Ore Reserves are classified as Probable. Tonnes are expressed as dry metric tonnes. Grade is in carats per tonne (***cpt***). Carat estimate includes process plant recovery.
3. Ore Reserves are reported on a 100% basis.
4. Ore Reserve carats are reported according to 2020 Ekati process plant configuration (1.2 mm slot de-grit screens with final recovery using a 1.0 mm screen circular aperture cut-off).
5. Ore Reserves that are mined or will be mined using open pit methods include Sable Open Pit and Point Lake. Sable Open Pit designs assumed dilution of 6% waste and mining recovery of 98% diluted material. The Point Lake Open Pit design assumes dilution of 2% waste and mining recovery of 98% diluted material.
6. Ore Reserves that are mined or will be mined using underground methods include Misery Underground and Fox Underground. The underground design for Misery Underground is based on sublevel retreat with 25 m levels assuming an overall dilution of 12% waste and overall mining recovery of 94% of diluted material. Conceptual designs for Fox Underground are based on inclined cave mining method.
7. Stockpiles are minor run-of-mine stockpiles (sourced from open pit and underground operations) that are available to maintain blending to the process plant.
8. Tables may not sum as totals have been rounded.

3.3.2.10.2 Mineral Resources

The Mineral Resources have reasonable potential to be mined but do not have mining losses and/or dilution applied and as such they represent in situ values. Mineral Resource classification involves geological, mining, processing and economic constraints, and the Mineral Resources have been defined within a conceptual stope design or a conceptual open pit shell. Depletion has been included in the estimates. No measured Mineral Resources are reported. The Company cautions that Mineral Resources that are not Ore Reserves do not have demonstrated economic viability.

Factors which may affect the Mineral Resource estimates include diamond valuation assumptions, diamond grade estimation, geological modelling, geotechnical assumptions, and mining methods.

Table 3.2 – Mineral Resources table (31 December 2022, 100% basis)

Kimberlite pipes		**Measured Resources**			**Indicated Resources**			**Inferred Resources**		
Pipe Name	Type	Mt	Ct/t	Mct	Mt	Ct/t	Mct	Mt	Ct/t	Mct
Sable	Open pit	-	-	-	10.2	1.0	9.9	0.3	1.0	0.3
Point Lake	Open pit	-	-	-	31.8	0.8	24.0	9.1	0.8	6.9
Phoenix	Open pit	-	-	-	-	-	-	1.8	1.4	2.5
Challenge	Open pit	-	-	-	-	-	-	2.4	1.3	3.1
Leslie	Open pit	-	-	-	-	-	-	50.8	0.3	16.3
Misery Main	Underground	-	-	-	1.3	5.0	6.8	1.0	5.6	5.8

Kimberlite pipes		Measured Resources			Indicated Resources			Inferred Resources		
Pipe Name	Type	Mt	Ct/t	Mct	Mt	Ct/t	Mct	Mt	Ct/t	Mct
Fox	Underground	-	-	-	45.6	0.4	16.5	5.1	0.4	2.2
Stockpile	Open pit	-	-	-	0.2	1.2	0.2	6.7	0.2	1.0
Jay	Open pit	-	-	-	48.1	1.9	89.8	4.2	2.1	8.7
Lynx	Open pit	-	-	-	0.5	0.8	0.4	0.2	0.8	0.2
Total Mineral Resources		**-**	**-**	**-**	**137.7**	**1.1**	**147.6**	**81.7**	**0.6**	**47.0**

Notes to Mineral Resources table:

1. Mineral Resources have an effective date of 31 December 2022 and were prepared by certified professional geologists and mining engineers employed by ACDC.
2. Ekati Mineral Resources are classified as Indicated and Inferred (no Measured category). Tonnes are expressed as dry metric tonnes. Grade is in carats per tonne (***cpt***).
3. Mineral Resources are reported on a 100% basis.
4. Mineral Resources are reported inclusive of Ore Reserves. Mineral Resources that are not Ore Reserves do not have demonstrated economic viability.
5. Mineral Resources are reported at +0.5 mm (based upon diamonds that would be recovered by the Ekati Bulk Sample Plant using 0.5 mm width slot de-grit screens and retained on a 1.0 mm circular aperture screen).
6. Mineral Resources have been classified considering drill hole spacing, volume and moisture models, grade, internal geology and diamond valuation, mineral tenure, processing characteristics and geotechnical and hydrogeological factors.
7. Mineral Resources amenable to open pit mining methods include Sable Open Pit, Leslie, Lynx, Point Lake, Phoenix and Challenge. Conceptual pit designs for open cut Mineral Resources (Sable Open Pit, Leslie, Jay and Lynx) were completed using Whittle shell analysis.
8. Mineral Resources amenable to underground mining methods include Misery Main and Fox. Underground design for Misery Main is based on sublevel retreat method and underground design for Fox is based on inclined cave mining.
9. Stockpiles are located near the Fox open pit and were mined from the uppermost portion of the Fox open pit operation. Minor run of mine stockpiles (open pit and underground) are maintained and are available for blending of kimberlite sources at the process plant.
10. Tables may not sum as totals have been rounded.

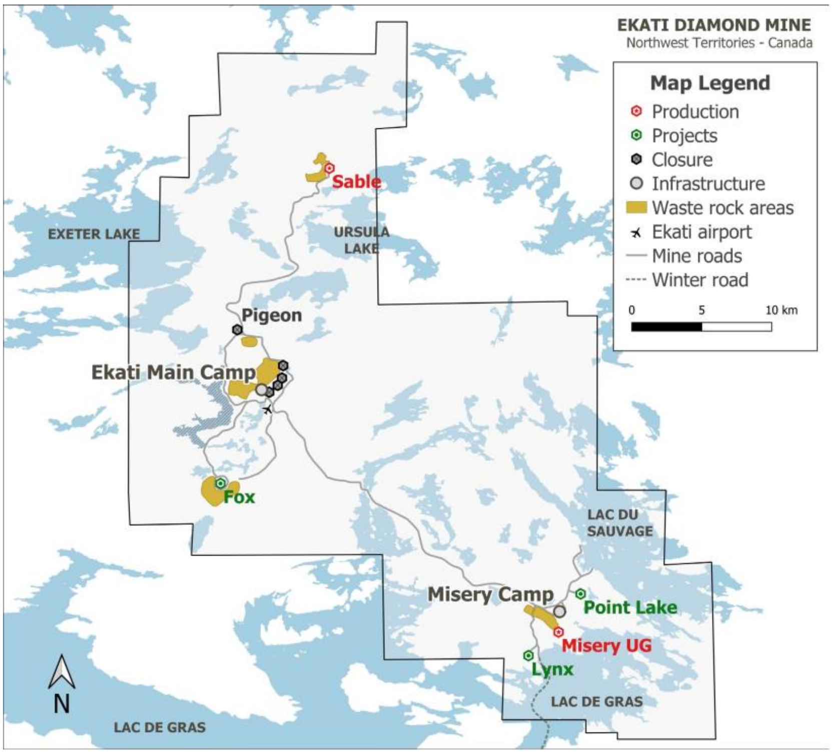
JORC Table 1 summarised in Schedule 4 provides additional information on the measures taken by Ekati's operating team to ensure appropriate database integrity, geological interpretation and estimation modelling techniques are employed to define and quantify Mineral Resources.

3.3.2.11 Current operations and life-of-mine plan

3.3.2.11.1 Current operations

Historically, mining at Ekati has included open pit and underground mining methods. Currently, there are two active mining operations at Ekati including the Sable Open Pit and Misery Underground operations.

Figure 3.14 – Ekati property overview



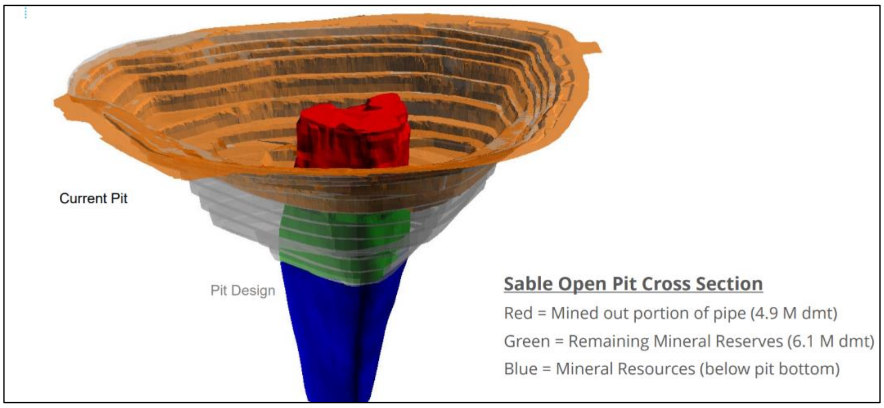
3.3.2.11.1.1 Sable Open Pit

The Sable Open Pit is situated approximately 17 kilometres north-northeast of the Ekati Main Camp. Following a two year construction period, the pit has been operational since 2018 with full production achieved in 2019.The Sable Open Pit is a 60,000 tonne per day (***tpd***) operation providing 10,500 tpd of kimberlite ore feed to the plant. It is a conventional truck and shovel operation utilising CAT 6060 and 6030 shovels and 793 and 777 haul trucks.

A conceptual layout plan for the operation is included in Figure 3.16. The Sable Open Pit has been designed to maximise the use of existing infrastructure to reduce the environmental footprint.

Figure 3.15 – Equipment working at the Sable Open Pit

Figure 3.16 – Plan view of Sable Open Pit (31 December 2022)



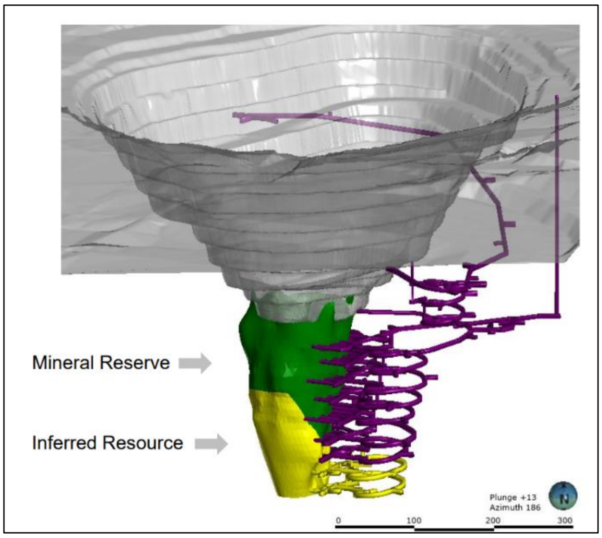
3.3.2.11.1.2 Misery Underground

Misery Underground is a continuation of Misery Open Pit which is fully depleted and yielded approximately 20.7 million recovered carats. The Misery Underground operation, which ramped up in 2021, utilises a sublevel retreat mining method at a nominal mining rate of 3,000 tpd providing 2,750 tpd of ore to the process plant. Ore and waste are hauled from the underground utilising AD30 haul trucks and two ramp portals to the surface of the previously operating Misery Open Pit. Ore is further hauled to surface utilizing CAT 740 haul trucks.

All ore from both Sable Open Pit and Misery Underground is transported to the process plant utilising a fleet of dual-powered road trains at a nominal rate of 13,000 tpd. Ore haulage is supplemented by the CAT 777 fleet as required.

Figure 3.17 – Misery Underground operations

Figure 3.18 – Cross Section Showing Misery Underground Ore Reserves and Development (31 December 2022)



3.3.2.11.1.3 Mine Restart

Since the Mine Restart in February 2021 until the end of 2022, Ekati has:

- mined 36.4Mwmt waste and 6.6Mwmt ore;
- recovered 7.1Mcts; and
- sold 6.4Mcts.

Figure 3.19 – Waste and ore mined (Mwmt)

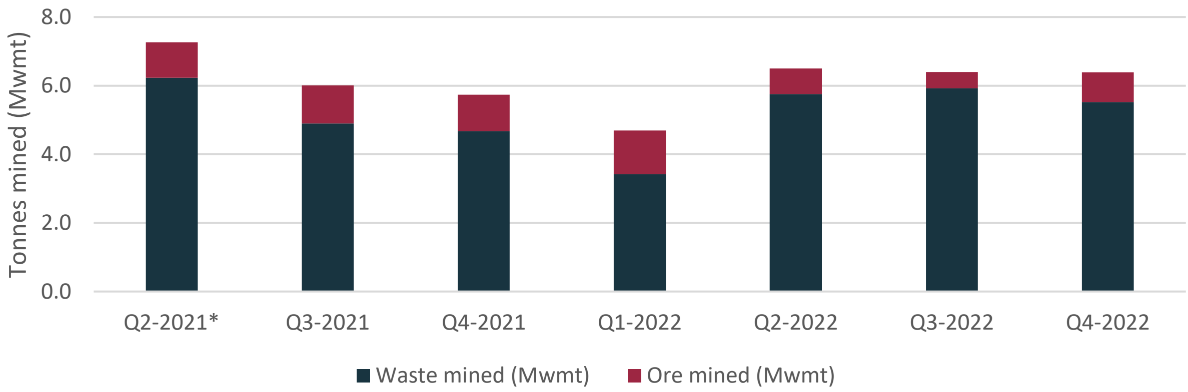
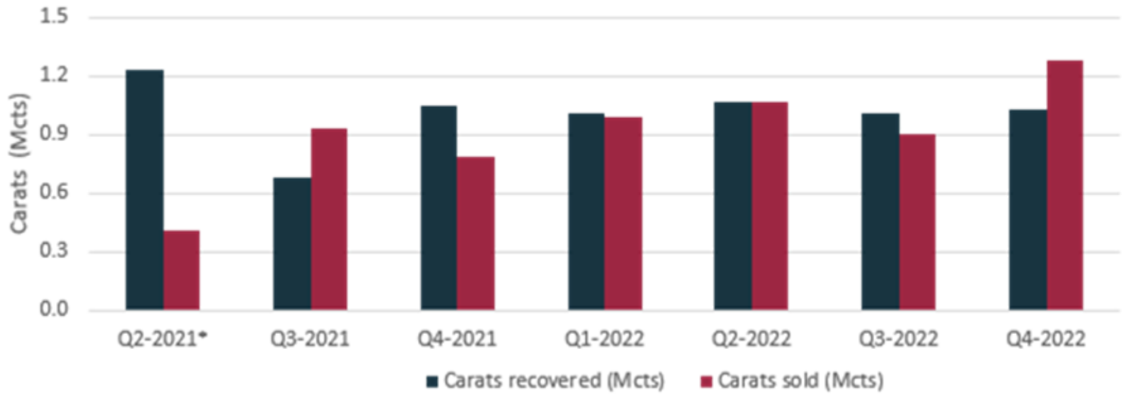


Figure 3.20 – Carats recovered (Mct) **and carats sold** (Mcts)



*For the period 3 February 2021 to 30 June 2021, in accordance with the Mine Restart.

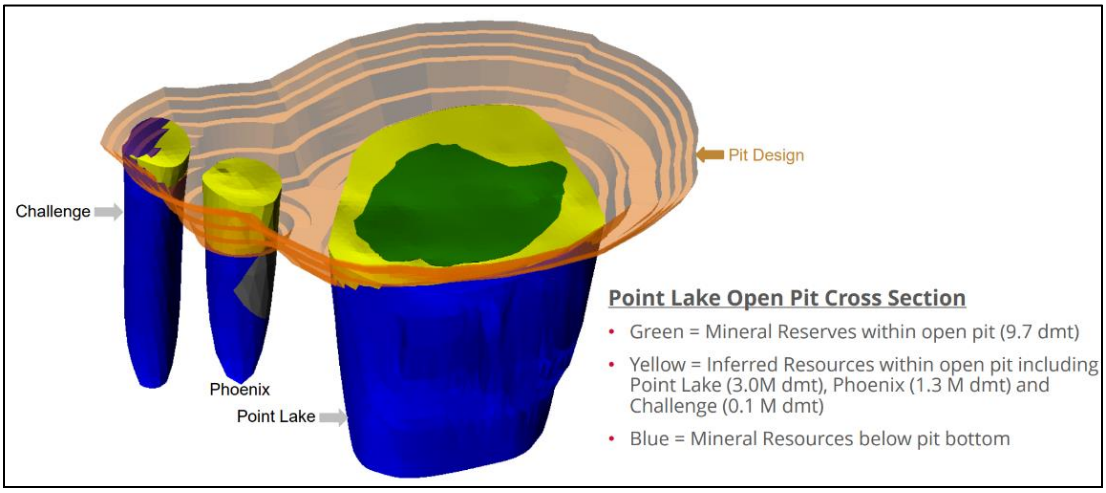
3.3.2.11.2 Life-of-mine plan

Ekati's current mine plan is underpinned by Ore Reserves of 15.8Mcts, supporting a mine life to 2028. Sable Open Pit and Misery Underground are expected to deliver most of the production until 2025 when Point Lake ore becomes the dominant process plant feed source. Point Lake is expected to provide the gateway to the future of Ekati by keeping the mine running while future projects are prepared.

Point Lake is permitted and is nearing hand off to mine operations. Project development work slated for 2023 includes final dewatering of Point Lake, final road construction and surfacing and construction of waste rock storage area pads. The other key development project to sustain mine-life, underwater remote mining, targets exploitation of mineral resources below completed open pits. It is described in more detail in Section 3.3.2.12.1.

Point Lake open pit comprises Ore Reserves from the Point Lake pipe (69%) and Inferred Mineral Resources (31%) from the Point Lake, Phoenix and Challenge pipes and these are shown in Figure 3.21.

Figure 3.21 – Point Lake open pit with Point Lake, Phoenix and Challenge pipes



The table below summarises the remaining LOM plan for Ekati showing production from Sable pit and Misery Underground continues until 2025. Mining at Point Lake commences in 2025 and continues up to 2029. Estimated carat contributions from the various sources are shown in Figure 3.24.

Table 3.3 – LOM plan compared against available Reserves and stockpiles as of December 2022

	2023	2024	2025	2026	2027	2028	2029	Total (T)	Reserves + Stockpiles (R)	Inferred (I)	% Diff. (I/T)
Sable											
Dry ore tonnes (M)	2.917	3.409	0.085					**6.411**	6.274	0.137	-2.1%
Recoverable carats (M)	2.343	2.540	0.062					**4.946**	4.853	0.092	-1.9%
Recovered grade	0.80	0.75	0.73					**0.771**	0.774	-0.003	0.3%
Misery Underground											
Dry ore tonnes (M)	0.860	0.884	0.446					**2.191**	1.624	0.566	-25.9%
Recoverable carats (M)	2.730	2.747	1.391					**6.868**	5.385	1.483	-21.6%
Recovered grade	3.17	3.11	3.12					**3.13**	3.31	-0.18	5.7%
Point Lake											
Dry ore tonnes (M)			3.167	3.928	4.015	2.960	**0.09**	**14.080**	9.667	4.413	-31.3%
Recoverable carats (M)			2.537	2.572	2.556	1.578	**0.04**	**9.248**	5.612	3.636	-39.3%
Recovered grade			0.80	0.65	0.64	0.53	**0.41**	**0.66**	0.58	0.080	-11.6%

Within the table there are variable amounts of Inferred Resources contained in the LOM plan, totalling ~22%. This ranges from negligible amounts of ore tonnes in Sable pit (2.1%), to relatively large amounts in Misery underground (25.9%) and Point Lake open pit (31.3%). In accordance with Listing Rule 5.16.4, there is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources of that the production target itself will be realised. The Company confirms that the use of inferred resources is not the determining factor for Ekati's financial viability. The Mineral Resources and Ore Reserves underpinning the forecast production in the LOM plan have been prepared by a Competent Person in accordance with the JORC Code.

Production profiles for Misery and Point Lake showing the proportions of Reserves and Inferred Resources are set out below.

With respect to Point Lake, ~63% of inferred mineral resources underpin production during the first year of operation. The inferred material is within the Point Lake open pit reserves-only pit design as part of material to be removed to access Ore Reserves. For the Point Lake open pit two financial evaluations were completed. One (PFS) treated Inferred Resources as waste and resulted in positive NPV and the second was in the form of a preliminary economic assessment and included inferred in the ore mined leading to a higher NPV. Financial viability is therefore not dependent on the inclusion of the Inferred Resource.

Figure 3.22 – Production profiles for Misery

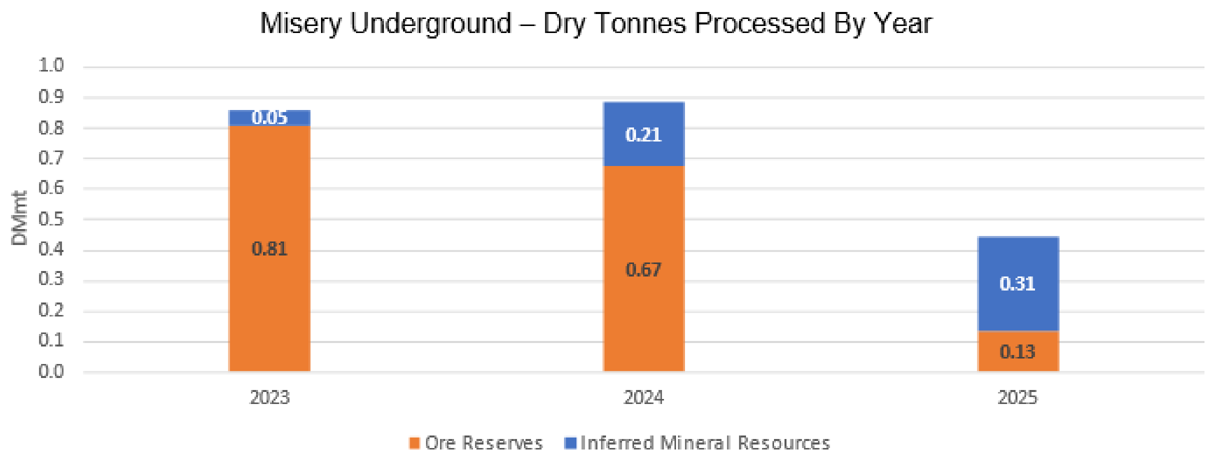


Figure 3.23 – Production profile for Point Lake

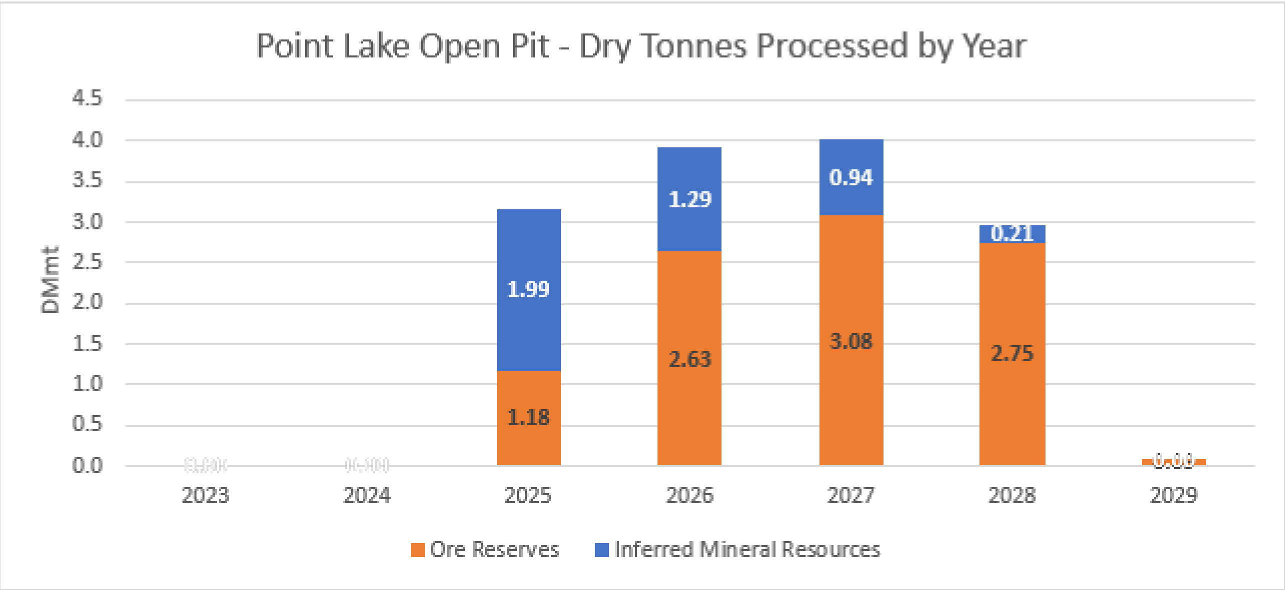
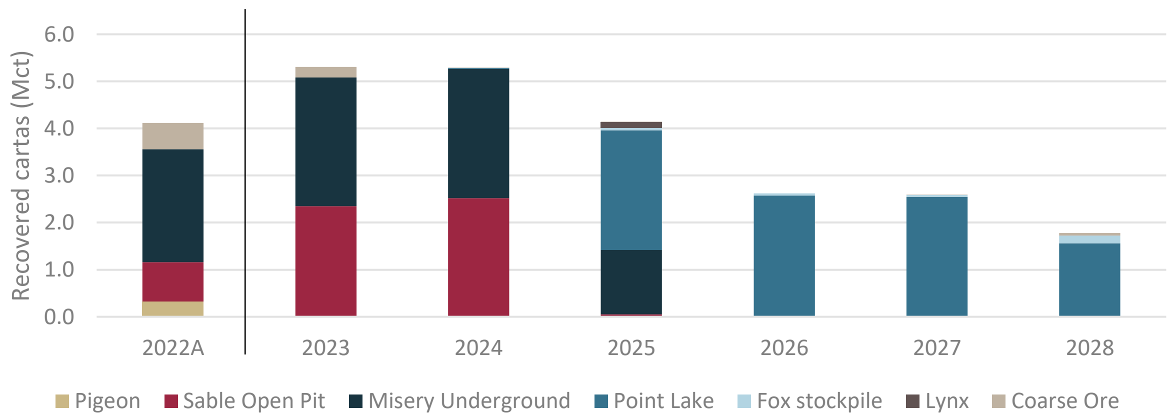


Figure 3.24 – Forecast recovered carats by deposit (Mcts)



For further details in respect of the Sable Open Pit, Misery Underground, Point Lake, Fox and Lynx, refer to the Independent Technical Assessment Report in Schedule 4.

Capital and operating cost estimates for the LOM for Ekati are summarised in the tables below:

Table 3.4 – Ekati capital forecast (US$ millions)

Capital item	Total	2023	2024	2025	2026	2027	2028
Corporate	1.284	1.163	0.013	0.013	0.032	0.063	0
Antwerp	0.303	0.084	0.061	0.013	0.072	0.073	0
Ekati	156.3	33.0	36.3	29.5	25.4	20.2	11.9
Total Sustaining Capital	**157.9**	**34.2**	**36.3**	**29.6**	**25.6**	**20.3**	**11.9**
Point Lake	7.9	5.0	2.9	0	0	0	0
URM	31.4	9.4	13.9	8.1	0	0	0
Misery Underground	6.2	4.8	1.3	0	0	0	0
Total Development Capital	**45.5**	**19.3**	**18.1**	**8.1**	**0**	**0**	**0**
TOTAL SUSTAINING AND DEVELOPMENT	**203.4**	**53.5**	**54.5**	**37.6**	**25.6**	**20.3**	**11.9**
Production stripping	125.9	12.2	90.7	23.1	0	0	0
TOTAL CAPEX	**329.3**	**65.7**	**145.2**	**60.7**	**25.6**	**20.3**	**11.9**

Figure 3.25 – Ekati Operating Costs (Budget and Actual) (US$ millions)

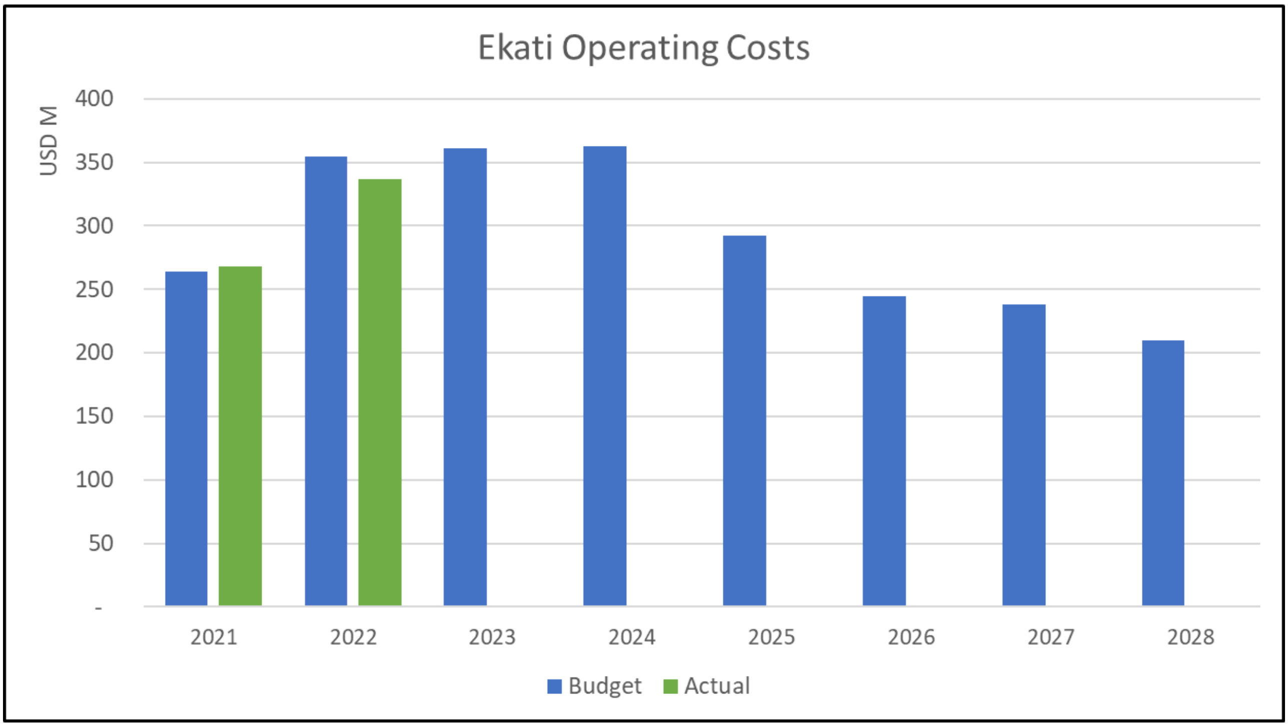


Table 3.6 – Ekati itemised operating costs (budget and actual) for 2021 to 2028 (US$ millions)

BUDGET	2021	2022	2023	2024	2025	2026	2027	2028
Open Pit Mining	81.4	121.0	123.8	118.7	83.2	63.1	58.4	38.8
Underground Mining	35.2	41.5	37.4	32.3	12.7	-	-	-
Processing	41.0	49.5	50.1	54.4	50.7	50.0	49.6	46.4
Support Services	106.4	142.9	149.6	157.0	146.0	131.8	130.1	124.7
Total Cost (budget)	**264.1**	**354.9**	**361.0**	**362.5**	**292.5**	**244.9**	**238.2**	**209.9**
ACTUAL	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
Open Pit Mining	100.4	118.5	-	-	-	-	-	-
Underground Mining	35.0	43.1	-	-	-	-	-	-
Processing	34.8	47.3	-	-	-	-	-	-
Support Services	97.9	128.1	-	-	-	-	-	-

Total Cost (actual)	**268.1**	**337.0**	**-**	**-**	**-**	**-**	**-**	**-**

The following notes are relevant for the cost items in Table 3.6 above:

(a) Open pit mining costs include costs associated with mining open pit waste and ore as well as maintenance costs of mobile equipment. Reduced costs from 2024 onward are a result of lower waste stripping.

(b) Underground mining costs include costs associated with mining ore and waste as well as maintenance of mobile equipment all based on contracted rates with an outsourced supplier.

(c) Processing costs include direct processing costs as well as maintenance associated with the process plant.

(d) Support services include:

   (i) diamond sorting

   (ii) power supply to the full site (and is not charged to open pit mining, underground mining or processing)

   (iii) mine technical services (including survey, geology and mine planning)

   (iv) site services (including ore long haul to the process plant and site road maintenance)

   (v) supply chain and logistics (including camp and catering, freight, warehousing, winter road and procurement)

   (vi) health and safety

   (vii) environment

   (viii) site-based information technology

   (ix) insurance and property taxes

   (x) security

Unit operating costs (budget and actual) expressed in in S/t is shown in Table 3.7.

Table 3.7 – Ekati unit operating costs (budget and actual)

BUDGET	**Units**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
Open Pit Mining	$/t OP mined	3.01	4.03	5.96	7.03	6.63	8.78	11.09	23.51
Underground Mining	$/t UG mined	42.65	37.57	42.09	32.06	24.89	-	-	-
Processing	$/t Processed	10.28	11.53	11.88	12.68	11.77	11.60	11.49	10.76
ACTUAL		**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**

Open Pit Mining	$/t OP mined	5.48	5.19	-	-	-	-	-	-
Underground Mining	$/t UG mined	50.72	37.26	-	-	-	-	-	-
Processing	$/t Processed	10.34	12.34	-	-	-	-	-	-

Open pit $/t in both 2021 and 2022 were impacted by COVID isolation and lower than planned equipment availability which impacted production levels and increased mobile equipment maintenance costs. Costs from 2023 and beyond are planned based on the lower achieved equipment availability evidenced by the closer alignment of budget costs with actuals achieved in 2021 and 2022.

3.3.2.12 Mine-life extension opportunities

The Company is currently exploring three innovative options to extend Ekati's mine life including:

1. Underwater remote mining (see Section 3.3.2.12.1)
2. Systematic exploration using newly applied machine learning (artificial intelligence) technology (see Section 3.3.2.12.2); and
3. Development of the Fox Underground and/or Jay projects (see Section 3.3.2.12.3).

3.3.2.12.1 Underwater remote mining (*URM*)

URM technology is being developed at Ekati to recover diamonds outside of the winter months from the bottom of previously mined pits that will be filled with water. URM involves extracting kimberlite from flooded open pits with an underwater continuous mining crawler. The crawler is remote-operated and powered through a suspended umbilical cord and equipped with underwater control and positioning equipment. It has four independent tracks and a centrally located drum cutter that directly excavates the ore in small layers like a surface miner. The kimberlite is then hydraulically pumped to the surface to the dewatering plant and transported to the main processing plant for diamond recovery.

URM is a cost-efficient mining method that has minimal environmental impact as it is designed to operate in flooded open pits and is mining kimberlite only. The kimberlite cuttings produced by the crawler are pumped to the surface and passed through a dewatering plant positioned alongside the flooded pit. Fine material is removed together with the water in this process, increasing the diamond content of the kimberlite in proportion to the volume of fine material removed. With lower tonnages of higher-grade ore transported to the processing plant, there is an additional saving on transportation costs.

Netherlands-based IHC Mining (part of Royal IHC) has developed a three-part URM system for Ekati that involves a submersible mining crawler, a floating platform for launch and recovery of the mining crawler, and a dewatering plant for removing fines and dewatering the ore. It Is estimated that the crawler can operate at water depths of up to 400 metres.

The URM system has been fully engineered and the floating (launch and recovery) platform has been constructed, completed harbor assessment testing and taken apart and readied for shipping to Canada. The mining crawler, which is being built and assembled at Royal IHC's facilities in the United Kingdom, is scheduled for commissioning by the end of 2023. The de-watering plant and slurry lines have engineered drawings and are slated for construction in 2024. It is currently planned for the crawler to be trialled in the Lynx pit, along with the surface components of the underwater mining system, in mid-2025. It is expected that the URM system will extract more than 150,000 tonnes of indicated resource from Lynx (nominal production capacity from a single crawler is estimated at 500 tonnes per hour).

The main purpose of the Lynx trial is to de-risk the system. The individual components have been used in many other applications, but the system has not been used specifically for kimberlite mining to date. Assuming successful deployment of the URM system at Lynx, much larger mineral resources could be targeted at Point Lake and Sable Open Pit flooded open pits.

Figure 3.26 – URM mining crawler

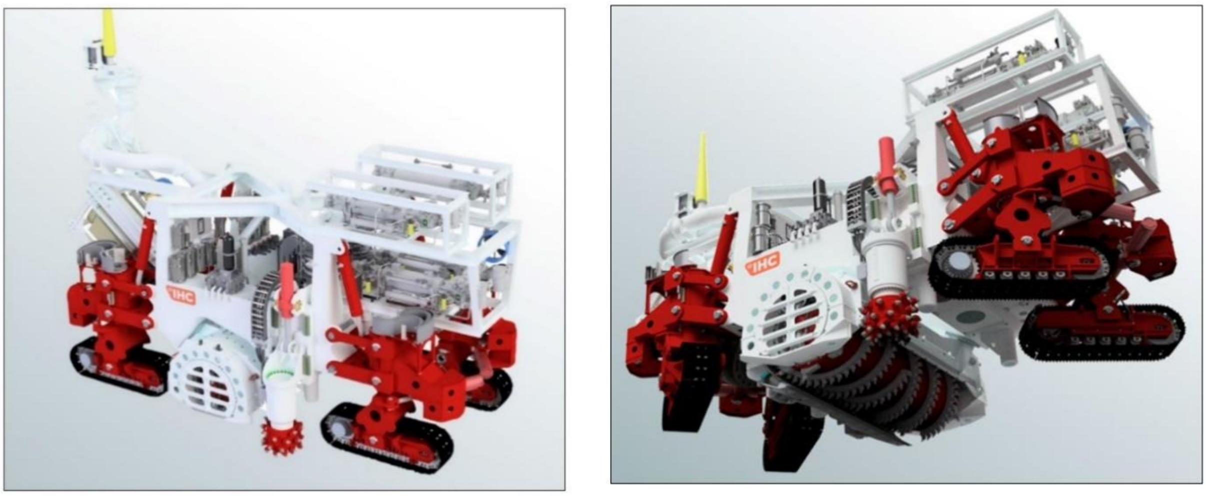
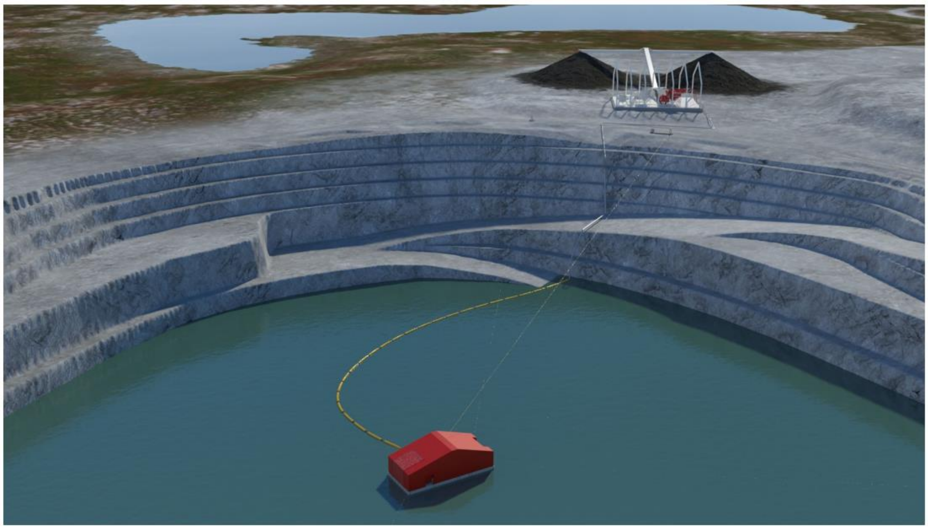


Figure 3.27 – Complete platform undergoing harbour assessment testing in the Netherlands (November 2022)

Figure 3.28– Concept view of URM operation



3.3.2.12.2 Technology-led, systematic exploration program

Ekati has a long history of exploration. Since 1990, more than 15,000 till samples have been taken, multiple airborne integrated geophysical surveys have been flown and approximately 400 targets have been drill-tested with 177 kimberlites discovered to date. More recently, Ekati has been explored with the application of new technology including high resolution airborne magnetic surveying using remote controlled unmanned aerial vehicles, remote boat bathymetry and new geophysical data processing methods such as electromagnetic inversions. Artificial intelligence / deep machine learning, which can lead to discovery of more subtle geophysical kimberlites is also now being utilised at Ekati.

A property-wide exploration review was completed in the second quarter of 2022 based on the results from deep machine learning initiative carried out during 2021. Eleven drill targets were identified and five were prioritised using electromagnetic inversions and detailed geophysical analysis. Helicopter supported exploration drilling of prioritised targets was completed in the third quarter of 2022 and two of three targets that were drilled were confirmed as kimberlite pipes – named ‘Badger’ (***Badger***) and ‘Bear’ (***Bear***) pipes – located approximately 6 kilometres northwest of the Sable Open Pit pipe. Follow up delineation drilling on the Bear kimberlite confirmed a similar pipe infill to known economic deposits and reasonable size potential.

Additional machine learning work is underway along with geophysical data processing to develop targets for drill testing in summer 2023. It is anticipated that there will be four to six drill targets ready for helicopter supported core drilling. The new discoveries would then be evaluated for diamond potential (microdiamonds and mineral chemistry) and if prospective would be slated for large scale bulk sample programs in future programs.

Figure 3.29 – Ekati property map with planned core drillhole

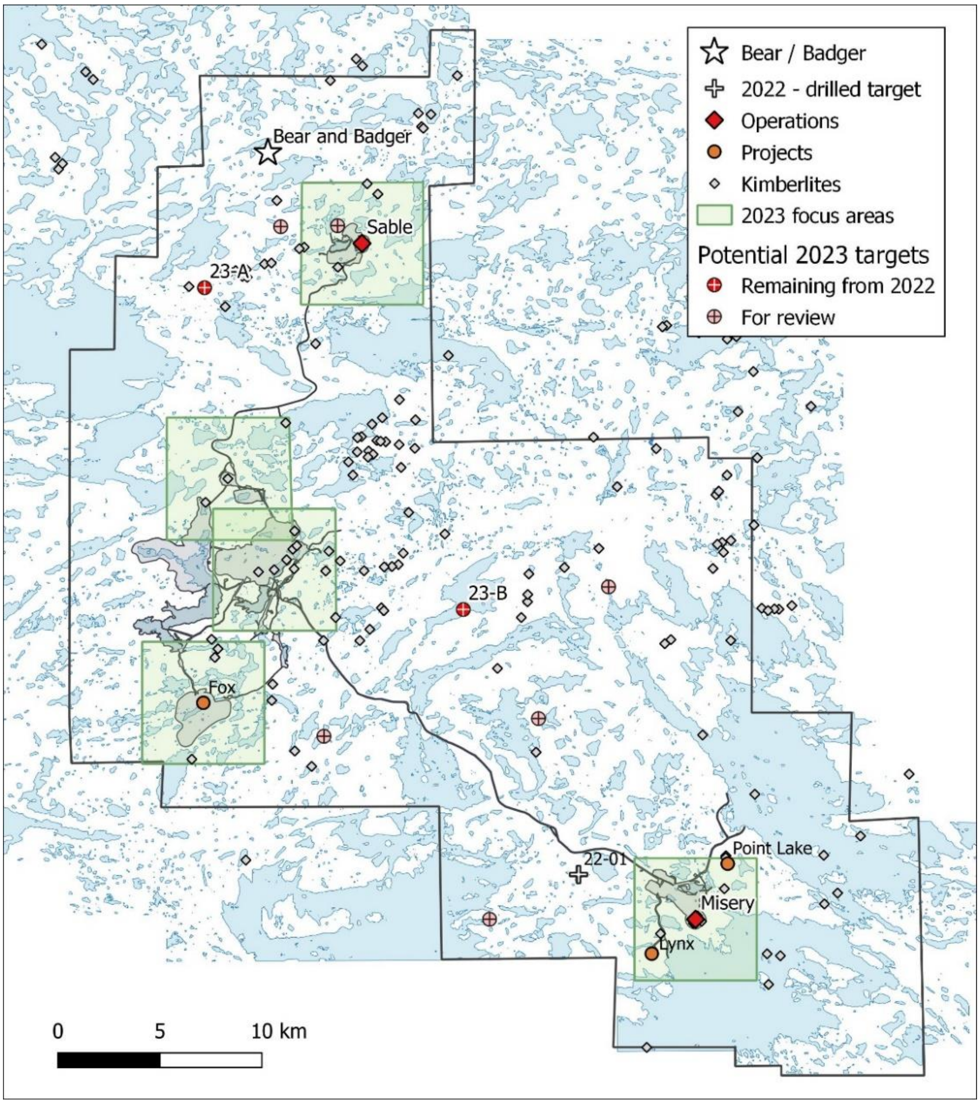


Figure 3.30 – Kimberlite drill core from the Bear kimberlite pipe

3.3.2.12.3 Development of Fox Underground and Jay deposit

Fox Underground is an undeveloped future project located approximately 7 kilometres southwest of Ekati's processing plant. In 2018, a prefeasibility study on the development of the underground operation was completed. The study found that over a nine-year production period, Fox Underground (incline cave) could provide approximately 31.3Mt of kimberlite and recover approximately 10Mcts.

The Jay deposit is another undeveloped future project. Located approximately 30 kilometres northeast of Ekati's processing plant within a large lake (Lac du Sauvage), Jay is the largest undeveloped pipe at Ekati and likely one of the largest undeveloped kimberlites in the world (Indicated Resource of approximately 90Mcts). Development of Jay will presumably require construction of a containment dike with subsequent dewatering prior to the start of mining activities. Permits are not in place for Jay, however the large Mineral Resource and high grades could extend the life of Ekati considerably, if developed.

Post Completion of the Acquisition, Burgundy has no immediate plans to commence the development of Fox Underground and Jay deposit but remains interested in exploring the feasibility of these projects.

Figure 3.31 – Isometric View of Conceptual Incline Cave Layout for Fox Underground Mine

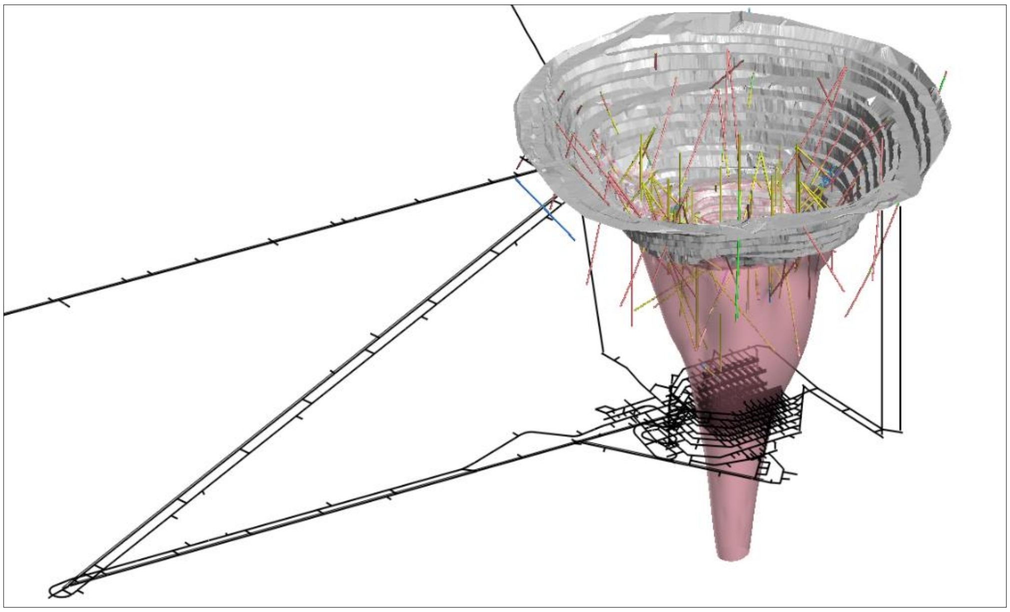
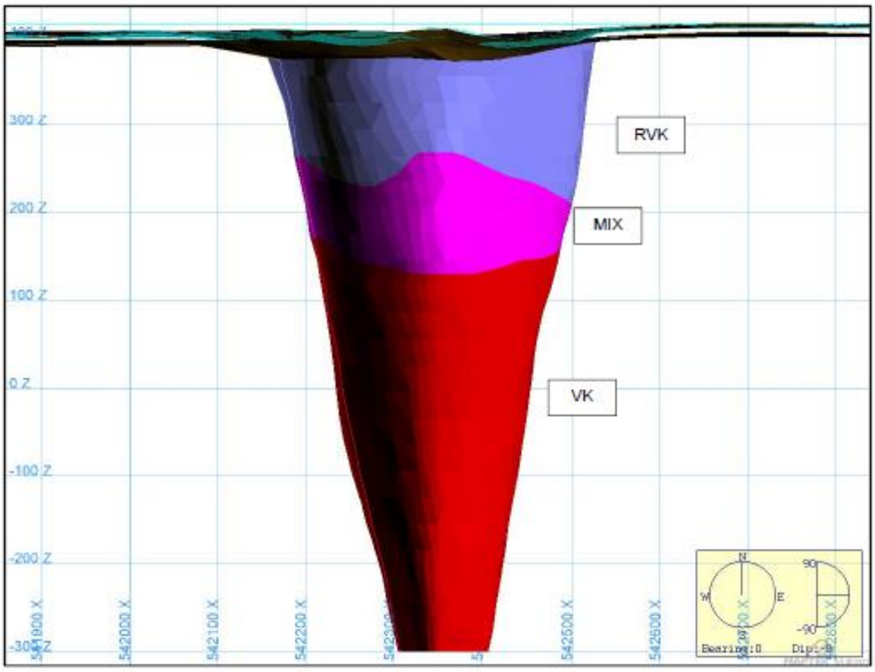


Figure 3.32 – Jay pipe geological domains with overburden and water level



3.3.3 Supply chain, sorting, sales preparation and marketing

After the rough diamonds are sorted and valued, ACDC sells the diamonds directly to manufacturers for cutting and polishing through its sister marketing company ACDM, which has a sales office in Antwerp, Belgium.

3.3.3.1 Supply chain, sorting and sales preparation

ACDC maximises the value of the run-of-mine rough diamonds it produces at Ekati through sorting techniques that accurately assess each stone's quality – and therefore its value – among thousands of seemingly near-identical stones. ACDC currently sorts rough diamonds into approximately 18,000 different categories or price points.

Recovered diamonds undergo an initial size sort at the mine site. Stones less than four or five carats (depending on overall cycle production) are riffled to hold back 5% for the GNWT's valuation and the balance is early shipped to a third party, Worldwide Diamond Sorting Pvt. Ltd (***WDS***) in Visakhapatnam, India for sorting.

The larger stones and the 5% holdbacks are held until the GNWT valuation is complete (10 per year). All stones over 10.8 carats are shipped directly to Antwerp for sorting, all other stones are shipped to WDS for sorting. Once sorted into parcels based on ACDC specifications, WDS ships the sorted parcels to the Antwerp sales office.

In Antwerp, parcels are mixed to prepare for sale. Customer viewing appointments are pre-booked over seven to ten days depending on volume and mix. Once viewings are complete, an online platform is used to auction the goods. At the close of the auction, winners are notified, invoices are then prepared and sent. Customers have five days to pay for the parcels they won.

3.3.3.2 Marketing

ACDC marketing is currently limited. ACDC belongs to the Natural Diamond Council and its fees support natural diamond marketing campaigns. ACDC has a few customers who continue to use its 'CANADAMARK' brand but have not invested meaningfully in direct advertising since the assets were acquired from Dominion out of bankruptcy.

3.3.4 2022 operating and financial performance summary of the Arctic Companies

In 2022, the Arctic Companies delivered revenue of US$494m and adjusted EBITDA[5] of US$200m (implied adjusted EBITDA[5] margin of ~40%). During this period, 4.1Mcts were recovered and 4.2Mcts were sold for an average price of ~US$117/ct and the total operating cost / carat sold was ~US$84/ct.

For more information on the financial performance of the Arctic Companies, refer to Section 4.

3.3.5 Sustainability

ACDC is committed to mining in the safest and most environmentally responsible manner at Ekati. The Long Lake Containment Facility (***LLCF***) is the primary containment area for processed kimberlite (***PK***) storage after the extraction of diamonds from kimberlite ore. The facility has been in operation since 1998 and is the main repository of PK from open pit and underground mines at Ekati. The overall reclamation goal for the LLCF is the design and construction of a long-term cover that will physically stabilise the PK, with a landscape that will be safe for human and wildlife use. The proposed final closure design for the LLCF includes the following components:

- Vegetation and rock cover system to physically stabilise the PK:
    - vegetation is planned to be the main stabilisation component of the PK;
    - rock placement is intended to promote a localised environment for vegetation growth and provide larger-scale wind and water erosion protection;
- Water drainage channels convey surface water flow through the containment cells and into settling ponds.

ACDC also uses environmental DNA (***eDNA***) analysis to confirm the presence or absence of fish in waterbodies at Ekati. This method is less invasive, scientifically defensible, and more efficient. ACDC will continue to use eDNA sampling when appropriate and consider different and innovative sampling methods at Ekati to reduce stress to organisms and the environment.

3.3.6 Health and Safety

ACDC places a strong emphasis on safety in all its operations and is committed to creating a culture of safety, responsibility, and caring among its employees and contractors. ACDC's health and safety team provides standards, processes, and systems to help ensure compliance and stewardship across ACDC's operations. Its focus on safety includes reporting and addressing safety hazards and near-miss events to improve safety performance.

One of the key metrics that ACDC uses to measure safety achievements is the All-Injury Frequency Rate (***AIFR***), which includes lost-time injuries, restricted work duties, and medical treatment cases. ACDC continues to work on improving safety performance by rolling out new safety programs to develop a safety culture that promotes the prevention of hazards, near-misses, and safety incidents, and taking the necessary steps to eliminate the potential for safety incidents in the future. The overall objective for ACDC is to continue significantly reducing AIFR going forward.

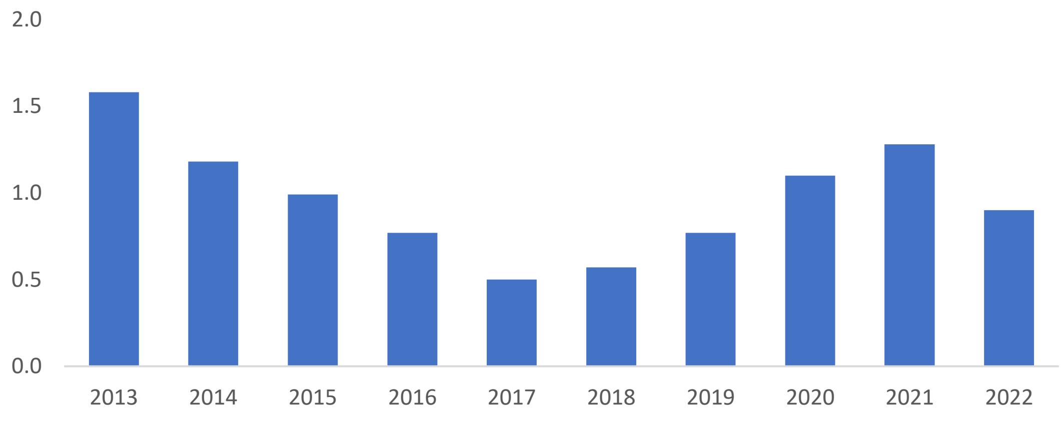
ACDC also places a strong emphasis on the mental and physical well-being of its employees, recognising that supporting overall well-being results in a resilient workforce and thriving workplace. It offers support through the LifeWorks Employee & Family Assistance Program (***Lifeworks***), which includes a wide range of resources, such as counselling for employees and their families, stress management and work-life balance practices. ACDC aims to ensure that its workers feel psychologically safe in the workplace, and that all employees are aware that resources such as LifeWorks are accessible for support.

[5] EBITDA is defined as earnings/losses before interest expense and finance income, taxes, depreciation and amortisation. Adjusted EBITDA is defined as EBITDA adding back unrealised foreign exchange losses, a fair value adjustment on consideration payable for future royalty distributions and asset impairments.

A component of culture within ACDC's workforce relates to communication. ACDC places importance on open communication with not only its leadership team but its operational workforce. ACDC holds quarterly townhall meetings for the whole workforce and holds formal quarterly leadership meetings at site.

ACDC records and reports all significant injuries and lost time incidents. Details of all recordable incidents are contained in ACDC's 'First Priority and Cority' databases and is reported in the 'Health and Safety Business Plan Review'. The AIFR results since 2013 have been set out in Figure 3.33 below. Since exploration and development work commenced in 1981, there have been no fatalities at Ekati.

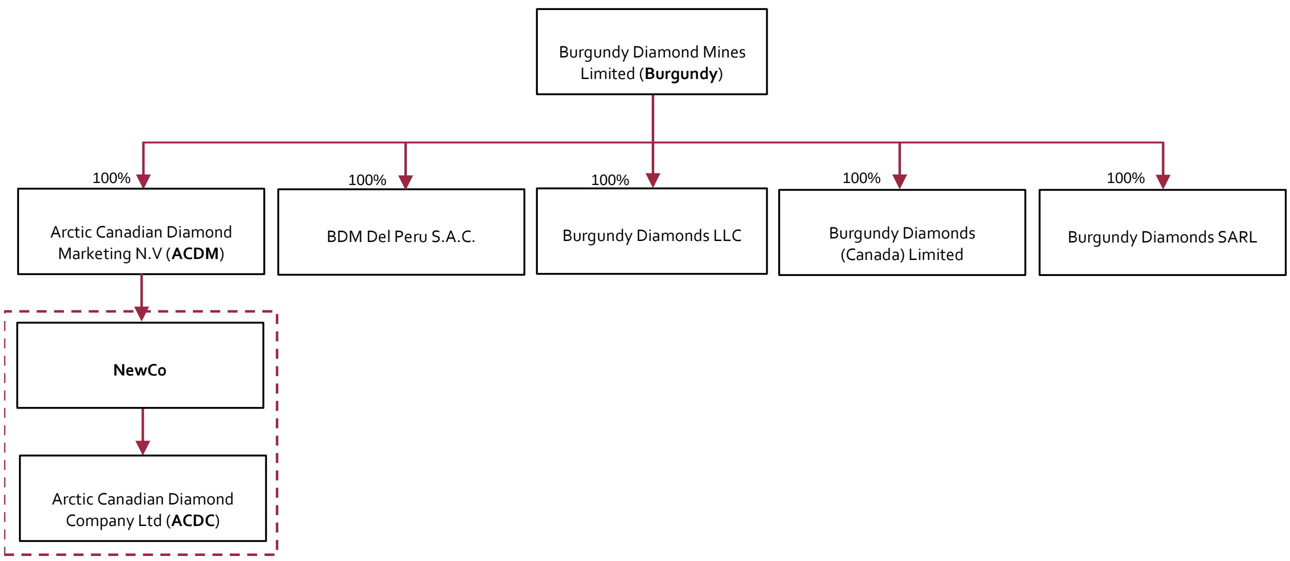
Figure 3.33 – AIFR results since 2013



3.3.7 Corporate structure post-Completion

On Completion of the Acquisition, the corporate structure of the Company will be as follows:

Figure 3.34 – Corporate structure post-Completion



The Acquisition will be structured as follows:

(i) the Company will acquire 100% of the issued and outstanding shares of ACDM;

(ii) the Company's recently incorporated wholly owned Canadian subsidiary (***NewCo***) will be acquired by ACDM;

(iii) NewCo will acquire 100% of the issued and outstanding shares of ACDC; and

(iv) NewCo will amalgamate with ACDC at or following closing.

3.3.8 Combined business and strategy

3.3.8.1 Vertical integration

The Acquisition is in line with Burgundy's vision to become a leading end-to-end diamond company via a vertically integrated business model. Ekati delivers significant rough diamond production including highly sought-after fancy coloured diamonds (mainly yellow) that can be cut and polished in Burgundy's commercial facilities in Perth and sold to end-customers, allowing Burgundy to capture margins along the diamond value chain.

1. Production

Rough diamonds produced from Burgundy mines (including those from Ekati) will be amplified by the purchase of third party rough diamonds from select producers globally.

2. Cutting and polishing

Burgundy currently has cutting and polishing capacity of 2,500 – 3,000 rough carats per year utilising the facilities and people acquired from a previous diamond operation based in Perth. The focus is on using world-class skills to cut and polish fancy coloured diamonds for sale as high-end polished diamonds and in luxury jewellery.

The majority of rough diamonds that Burgundy will produce will be sold to third parties who will cut, polish and on-sell themselves. Burgundy will only utilise their facilities in Perth for select diamonds, where they can see significant value uplift.

3. Diamond sales

Collaborative sales agreements are in place with Paris-based jeweller Bäumer Vendôme. New sales channels with major international jewellers are being put in place. A small portion of cut and polished diamonds are sold directly to end-customers.

In addition, Burgundy's current relationship with Choron Holdings Pte Ltd and its global subsidiaries (collectively, ***Choron Group***) has the potential to strengthen its vertical integration strategy. Choron Group is a leading international diamond and jewellery house focused on the sourcing, assortment, sale and manufacturing of rough diamonds, sale of polished diamonds and distribution of wholesale jewellery. Upon Reinstatement, the principals of the Choron Group will have a relevant interest of 8.3% in the Company. Burgundy and Choron Group are currently assessing ways in which they can meaningfully collaborate to support Burgundy's marketing effort and enhance the value of its downstream operations.

3.3.8.2 Strategy of the Company post-Acquisition

Following the Acquisition, Burgundy's strategy will be focused on:

- optimising Ekati's current mine performance and extending mine life through, among other things, underwater remote mining, assessment of the Fox Underground and Jay opportunities, and systematic exploration using newly applied machine learning (artificial intelligence) technology;
- capturing incremental margins along the diamond value chain by cutting and polishing coloured Ekati diamonds at Burgundy's commercial facilities in Perth and leveraging collaborative sales agreements with international jewellers; and
- actively assessing M&A opportunities to build out a balanced portfolio of diamond projects in tier-1 jurisdictions.

Section 4

Financial Information

4.1 Introduction

The financial information in this Section 4 consists of:

(a) the historical consolidated statement of comprehensive income and statement of cash flows of the Company for the year ended 30 June 2021, the year ended 30 June 2022 and the six months ended 31 December 2022;

(b) the historical combined statement of comprehensive income and statement of cash flows of the Arctic Companies for the year ended 31 December 2021 and the year ended 31 December 2022;

(c) the historical consolidated statement of financial position of the Company as at 31 December 2022; and

(d) the historical combined statement of financial position of the Arctic Companies as at 31 December 2022;

(together, the ***Historical Financial Information***) and

(e) the pro forma consolidated statement of financial position of the Company as at 31 December 2022, including pro forma adjustments applied to the Historical Financial Information of the Company to illustrate the events and transactions related to the Offer and the Acquisition (***Pro Forma Historical Financial Information***),

(collectively referred to as the ***Financial Information***).

In addition, this Section 4 summarises:

(a) the basis of preparation and presentation of the Financial Information (see Section 4.2);

(b) information regarding certain non-IFRS financial measures (see Section 4.3);

(c) the pro forma adjustments to the statutory historical statement of financial position (see Section 4.8);

(d) information regarding the contractual obligations, commitments and contingent liabilities of the Company and the Arctic Companies (see Section 4.9); and

(e) a description of the Company's significant accounting policies (see Section 4.10).

The Company has a 30 June financial year end and presents its financial reports in Australian dollars. The Arctic Companies have a 31 December financial year end and present their financial reports in US dollars. In this Section 4, the statements of comprehensive income and cash flows and the pro forma statement of financial position are presented in both Australian dollars and US dollars.

Unless otherwise noted, all amounts disclosed in this Section 4 are rounded to the nearest thousand dollars. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in figures or tables contained in this Prospectus are due to rounding.

The Directors are responsible for the preparation and presentation of the Financial Information in this Prospectus.

The information presented in this Section 4 should be read in conjunction with the Independent Limited Assurance Report contained in Schedule 2, the risk factors detailed in Section 5 and other information included in this Prospectus.

4.2 Basis of preparation and presentation of the Financial Information

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the underlying historical financial performance, cash flow and financial position of the Company and the Arctic Companies, and the impact of the Offer and the Acquisition on the consolidated financial position of the Company.

The Statutory Historical Financial Information of the Company has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards adopted by the Australian Accounting Standards Board (***AASB***), which are consistent with International Financial Reporting Standards (***IFRS***) issued by the International Accounting Standards Board (***IASB***) and the accounting policies adopted by the Company (as detailed in Section 4.10).

The Statutory Historical Financial Information of the Arctic Companies has been extracted from the combined financial statements for the years ended 31 December 2021 and 31 December 2022, which combine the financial statements of ACDC and ACDM, and has been prepared in accordance with the recognition and measurement principles of IFRS.

The Pro Forma Statement of Financial Position is derived from the Statutory Historical Financial Information of the Company and the Arctic Companies and includes pro forma adjustments for certain subsequent events and transactions associated with the Offer and the Acquisition (as detailed in Section 4.8.2) as if those events and transactions had occurred at 31 December 2022.

The Financial Information is presented in an abbreviated form and does not include all the presentations and disclosures, statements or comparative information required by Australian Accounting Standards and other mandatory reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The Financial Information has been reviewed by RSM Corporate Australia Pty Ltd in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*. RSM Corporate Australia Pty Ltd has prepared an Independent Limited Assurance Report in respect of the Financial Information. A copy of this report, which includes an explanation of the scope and limitations of the Investigating Accountant's work, is attached at Schedule 2.

The Historical Financial Information has been extracted from:

- the general purpose financial statements of the Company for the years ended 30 June 2021 and 30 June 2022, which were audited by RSM Australia Partners in accordance with applicable Australian Auditing Standards and the Corporations Act , and on which RSM Australia Partners issued an unmodified audit opinion;
- the general purpose interim financial statements of the Company for the six months ended 31 December 2022, which were reviewed by RSM Australia Partners in accordance with Australian Auditing Standards applicable to review engagements, and on which RSM Australia Partners issued an unmodified review conclusion; and
- the combined financial statements of the Arctic Companies for the years ended 31 December 2021 and 31 December 2022, which were subject to audit by KPMG LLP (***KPMG Canada***) in accordance with Canadian generally accepted auditing standards and on which KPMG Canada issued an unmodified audit opinion.

The review report issued by RSM Australia Partners on the interim financial statements of the Company for the six months ended 31 December 2022 includes an emphasis of matter related to a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. The Directors are of the view that, following receipt of the proceeds of the Underwritten Placement and completion of the Acquisition, the Company will have sufficient funds to pursue the operations of the Merged Group and continue as a going concern.

The Pro Forma Financial Information in Section 4.8 has been prepared for the purpose of inclusion in this Prospectus. It has been derived from the Statutory Historical Financial Information of the Company and the Arctic Companies and adjusted for the effects of the Offer and the Acquisition. In addition to the Acquisition, the Pro Forma Financial Information under the:

- minimum subscription scenario includes the proceeds of the Underwritten Placement; and
- maximum subscription scenario includes the proceeds of the Underwritten Placement and SPP Offer, on the assumption that the SPP Offer is fully subscribed.

In preparing the Financial Information, the Company's accounting policies have been consistently applied throughout the periods presented.

Investors should note that past results are not a guarantee of future performance.

4.3 Explanation of certain non-IFRS financial measures

To assist in the evaluation of the performance of the Company and the Arctic Companies, certain measures are used to report on the companies that are not recognised under Australian Accounting Standards or IFRS. These measures are collectively referred in this Section 4 and under Regulatory Guide 230 *Disclosing Non-IFRS Financial Information* published by ASIC as "non-IFRS financial measures". The principal non-IFRS financial measures that are referred to in this Prospectus are as follows:

- **EBITDA** is earnings/(losses) before finance income and interest expense, taxation, depreciation and amortisation. Management uses EBITDA to evaluate the operating performance of the business without the non-cash impact of depreciation, amortisation and before interest and taxation; and

- **Adjusted EBITDA** is EBITDA after adjusting for unrealised foreign exchange gains and losses, asset impairment writedowns, and fair value adjustments on liabilities for consideration payable in the form of future royalty payments.

Although the Directors believe that these measures provide useful information about the financial performance of the Company and the Arctic Companies, they should be considered as supplements to the measures in the statements of comprehensive income, cash flow and financial position that have been presented in accordance with Australian Accounting Standards and IFRS and not as a replacement for them.

These non-IFRS financial measures have been applied on a consistent basis to the Company and the Arctic Companies in the presentation of the Financial Information. However, as they are not based on Australian Accounting Standards or IFRS, they do not have standard definitions, and the way in which the Company calculates these measures may differ from similarly titled measures used by other companies. Investors and readers of this Prospectus should therefore not place undue reliance on these non-IFRS financial measures.

4.4 Statement of Comprehensive Income of Burgundy Diamond Mines Limited

Table 4.1 below details the consolidated Statement of Comprehensive Income of the Company for the years ended 30 June 2021 and 30 June 2022 and for the six months ended 31 December 2022.

Table 4.1 -Statement of Comprehensive Income of the Company

	Year ended 30-Jun-21	Year ended 30-Jun-22	Six months ended 31-Dec-22	Year ended 30-Jun-21 Audited	Year ended 30-Jun-22 Audited	Six months ended 31-Dec-22 Reviewed
	US$000s	US$000s	US$000s	A$000s	A$000s	A$000s
Revenue	-	-	218	-	-	325
Other revenue	47	4	23	63	5	34
Change in inventories	-	-	(47)	-	-	(70)
Raw materials and consumables used	-	-	(46)	-	-	(69)
Corporate and administrative expenses	(535)	(425)	(485)	(716)	(585)	(723)
Employee benefits expenses	(628)	(1,813)	(1,032)	(842)	(2,497)	(1,538)
Exploration expenditure expense	(7,426)	(7,024)	(2,043)	(9,945)	(9,677)	(3,047)
Sales and marketing expenses	-	(1,690)	(1,094)	-	(2,328)	(1,632)
Share-based payment expense	(335)	(601)	(466)	(449)	(828)	(694)
Depreciation expense	-	(134)	(330)	-	(184)	(492)
Foreign currency losses	(172)	(273)	(34)	(230)	(376)	(51)
Finance costs	-	(2,351)	(1,522)	-	(3,239)	(2,270)
Loss before income tax expense	**(9,049)**	**(14,306)**	**(6,858)**	**(12,118)**	**(19,710)**	**(10,228)**
Income tax expense	-	-	-	-	-	-
Loss after income tax expense	**(9,049)**	**(14,306)**	**(6,858)**	**(12,118)**	**(19,710)**	**(10,228)**
Other comprehensive loss						
Items that may be reclassified to profit or loss:						
Exchange differences on translation of foreign operations	(5)	(3)	7	(6)	(4)	11
Total comprehensive loss for the year	**(9,054)**	**(14,309)**	**(6,851)**	**(12,124)**	**(19,714)**	**(10,217)**

The Statement of Comprehensive Income of the Company has been translated into US dollars using the average exchange rate for each period, as follows:

Year ended 30 June 2021	A$1.00 : US$0.7468
Year ended 30 June 2022	A$1.00 : US$0.7258
Six months ended 31 December 2022	A$1.00 : US$0.6705

4.5 Consolidated Statement of Cash Flows of Burgundy Diamond Mines Limited

Table 4.2 below details the consolidated Statement of Cash Flows of the Company for the years ended 30 June 2021 and 30 June 2022 and for the six months ended 31 December 2022.

Table 4.2 – Statement of Cash Flows of the Company

	Year ended 30-Jun-21 US$000s	Year ended 30-Jun-22 US$000s	Six months ended 31-Dec-22 US$000s	Year ended 30-Jun-21 Audited A$000s	Year ended 30-Jun-22 Audited A$000s	Six months ended 31-Dec-22 Reviewed A$000s
Cash flows from operating activities						
Receipts from customers	-	-	125	-	-	186
Payments to suppliers and employees	(1,178)	(11,718)	(6,181)	(1,578)	(16,145)	(9,218)
Payments for exploration and evaluation	(6,389)	(5,697)	(2,809)	(8,556)	(7,849)	(4,189)
Interest paid	-	(1,161)	(706)	-	(1,600)	(1,053)
Interest received	10	4	23	13	5	34
Net cash used in operating activities	**(7,557)**	**(18,573)**	**(9,548)**	**(10,120)**	**(25,589)**	**(14,240)**
Cash flows from investing activities						
Payments for property, plant and equipment	(6)	(2,354)	(1,099)	(8)	(3,243)	(1,639)
Net cash used in investing activities	**(6)**	**(2,354)**	**(1,099)**	**(8)**	**(3,243)**	**(1,639)**
Cash flows from financing activities						
Proceeds from issue of shares	5,856	11,029	-	7,842	15,195	-
Proceeds from borrowings	-	25,404	-	-	35,000	-
Transaction costs	(266)	(934)	-	(357)	(1,287)	-
Principal elements of lease payments	-	(57)	(62)	-	(78)	(93)
Payment of bank guarantees	-	(133)	-	-	(183)	-
Net cash from financing activities	**5,590**	**35,310**	**(62)**	**7,485**	**48,647**	**(93)**
Net increase/(decrease) in cash and cash equivalents	(1,973)	14,383	(10,709)	(2,642)	19,816	(15,972)
Cash and cash equivalents at the beginning of the period	3,243	1,230	14,420	4,343	1,694	21,507
Effect of exchange rate changes on cash and cash equivalents	(5)	(2)	14	(6)	(3)	22
Cash and cash equivalents at the end of the period	**1,265**	**15,610**	**3,726**	**1,694**	**21,507**	**5,557**

The Statement of Cash Flows of the Company has been translated into US dollars using the average exchange rate for each period, as follows:

Year ended 30 June 2021	A$1.00 : US$0.7468
Year ended 30 June 2022	A$1.00 : US$0.7258
Six months ended 31 December 2022	A$1.00 : US$0.6705

4.6 Statement of Comprehensive Income of the Arctic Companies

Table 4.3 below details the combined Statement of Comprehensive Income of the Arctic Companies for the years ended 31 December 2021 and 31 December 2022.

Table 4.3 – Statement of Comprehensive Income of the Arctic Companies

	Year ended 31-Dec-21 Audited US$000s	Year ended 31-Dec-22 Audited US$000s	Year ended 31-Dec-21 A$000s	Year ended 31-Dec-22 A$000s
Revenue	295,724	493,845	393,538	710,873
Cost of sales	(222,909)	(325,160)	(296,639)	(468,057)
Gross margin	**72,815**	**168,685**	**96,899**	**242,816**
Selling and distribution expenses	(4,623)	(5,225)	(6,152)	(7,521)
General and administrative expenses	(19,867)	(18,682)	(26,438)	(26,892)
Other expenses	(2,150)	(6,082)	(2,861)	(8,755)
Other income	16,511	191	21,972	275
Operating profit	**62,686**	**138,887**	**83,420**	**199,923**
Finance expenses	(29,661)	(33,882)	(39,472)	(48,772)
Finance income	11,664	3,132	15,522	4,508
Fair value adjustment on consideration payable	(1,318)	(13,047)	(1,754)	(18,781)
Foreign exchange gain (loss)	(408)	897	(543)	1,291
Net finance costs	**(19,723)**	**(42,900)**	**(26,247)**	**(61,753)**
Profit before income taxes	**42,963**	**95,987**	**57,173**	**138,170**
Current income tax expense	(29,575)	(18,360)	(39,357)	(26,429)
Current income tax recovery	5,676	(2,730)	7,553	(3,930)
Income taxes	**(23,899)**	**(21,090)**	**(31,804)**	**(30,358)**
Net profit	**19,064**	**74,897**	**25,370**	**107,812**
Add back:				
Finance income	(11,664)	(3,132)	(15,522)	(4,508)
Interest expense	29,661	33,882	39,472	48,772
Income taxes	23,899	21,090	31,804	30,358
Depreciation & amortisation	36,534	57,040	48,618	82,107
EBITDA	**97,494**	**183,777**	**129,741**	**264,541**
Adjustments:				
Unrealised foreign exchange (gains)/losses	592	286	-	412
Asset impairment writedowns	-	2,437	-	3,508
Fair value adjustment on consideration payable	1,318	13,047	1,754	18,781
Adjusted EBITDA	**99,404**	**199,547**	**131,495**	**287,241**

The Arctic Companies present their financial statements in US dollars. The combined Statement of Comprehensive Income for the Arctic Companies for the year ended 31 December 2021 and the year ended 31 December 2022 has been translated into Australian dollars at the rate of A$1.00 : US$0.7514 and A$1.00 : US$0.6947, being the average exchange rates over the respective periods.

4.7 Combined Statement of Cash Flows of the Arctic Companies

Table 4.4 below details the combined Statement of Cash Flows of the Arctic Companies for the years ended 31 December 2021 and 31 December 2022.

Table 4.4 – Statement of Cash Flows of the Arctic Companies

	Year ended 31-Dec-21 Audited US$000s	Year ended 31-Dec-22 Audited US$000s	Year ended 31-Dec-22 A$000s	Year ended 31-Dec-22 A$000s
Operating cash flows				
Net profit	19,064	74,897	25,370	107,812
Adjustments for:				
Depreciation and amortisation	36,534	57,040	48,618	82,107
Deferred income tax recovery	(5,676)	2,730	(7,553)	3,930
Current income tax expense	29,575	18,360	39,357	26,429
Finance expenses	29,661	33,882	39,472	48,772
Other non-cash items	(4,106)	(261)	(5,464)	(376)
Fair value adjustment on consideration payable	1,318	13,047	1,754	18,781
Royalties paid	-	(5,006)	-	(7,206)
Unrealised foreign exchange (gain)/loss	592	286	788	412
Defined benefit plan contributions	(3,010)	(1,703)	(4,006)	(2,451)
Impairment of assets	-	2,437	-	3,508
Interest paid	(10,123)	(9,191)	(13,471)	(13,230)
Income taxes paid	(16,598)	(25,218)	(22,088)	(36,300)
Change in non-cash operating working capital				
Accounts receivable	(1,150)	(31)	(1,530)	(45)
Inventory and supplies	(27,530)	6,032	(36,636)	8,683
Other current assets	(408)	3,824	(543)	5,505
Trade and other payables	(12,839)	20,336	(17,086)	29,273
Employee benefit plans	974	483	1,296	695
Net cash from operating activities	**36,278**	**191,944**	**48,277**	**276,297**
Financing cash flows				
Proceeds from loans and borrowings	85,000	-	113,115	-
Repayment of term loan	(8,094)	(61,906)	(10,771)	(89,112)
Contribution from minority interest partner	2,381	-	3,169	-
Payment to minority interest partner	(717)	-	(954)	-
Contribution from parent	4,646	27,300	6,183	39,297
Dividend distribution	-	(34,000)	-	(48,942)
Lease payments	(8,183)	(7,989)	(10,890)	(11,500)
Net cash from/(used in) financing activities	**75,033**	**(76,595)**	**99,851**	**(110,256)**
Investing cash flows				
Purchase of property, plant and equipment	(67,894)	(109,495)	(90,351)	(157,614)
Acquisition of business	43,823	-	58,318	-
Restricted cash	-	(10,956)	-	(15,771)
Collateral for reclamation surety bonds	-	(12,454)	-	(17,927)
Reclamation security deposits	-	(2,995)	-	(4,311)
Net cash used in investing activities	**(24,071)**	**(135,900)**	**(32,033)**	**(195,623)**
Net increase/(decrease) in cash and cash equivalents	**87,240**	**(20,551)**	**116,096**	**(29,582)**
Cash and cash equivalents at the beginning of the period	-	87,286	-	125,645
Effect of exchange rate changes on cash and cash equivalents	46	(131)	61	(189)
Cash and cash equivalents at the end of the period	**87,286**	**66,604**	**116,157**	**95,874**

The Arctic Companies present their financial statements in US dollars. The Statement of Cash Flows of the Arctic Companies for the year ended 31 December 2021 and the year ended 31 December 2022 has been translated into Australian dollars at the rate of A$1.00 : US$0.7514 and A$1.00 : US$0.6947, being the average exchange rate over the respective periods.

4.8 Historical and Pro Forma Statements of Financial Position

Table 4.5 below details the Historical Statement of Financial Position of the Company and the Arctic Companies as at 31 December 2022, extracted from their respective financial statements, and the Pro Forma Statement of Financial Position of the Company as at that date.

Table 4.5 – Historical and Pro Forma Statements of Financial Position

	BDM	Arctic	Subsequent events	Placement	Pro forma adjustments (Min)	Pro forma (Min)	Pro forma (Min)	Pro forma adjustments (Max)	Pro forma (Max)	Pro forma (Max)
	Reviewed	Companies	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	31-Dec-22	31-Dec-22	31-Dec-22	31-Dec-22	31-Dec-22	31-Dec-22	31-Dec-22	31-Dec-22	31-Dec-22	31-Dec-22
	A$000	A$000	A$000	A$000	A$000	A$000	US$000	A$000	A$000	US$000
Assets										
Current assets										
Cash and cash equivalents	5,557	97,760	6,678	184,201	(111,831)	182,365	124,246	(101,831)	192,365	131,059
Trade and other receivables	566	11,961	-		-	12,527	8,535	-	12,527	8,535
Inventories	16,653	298,337	-		-	314,990	214,603	-	314,990	214,603
Other current assets	-	7,653	-		-	7,653	5,214	-	7,653	5,214
Total current assets	**22,776**	**415,711**	**6,678**	**184,201**	**(111,831)**	**517,535**	**352,597**	**(101,831)**	**527,535**	**359,410**
Non current assets										
Property, plant and equipment	4,432	407,104	-	-	(31,042)	380,494	259,231	(31,042)	380,494	259,231
Right-of-use assets	740	37,433	-	-	-	38,173	26,007	-	38,173	26,007
Employee benefit plans	-	2,369	-	-	-	2,369	1,614	-	2,369	1,614
Other non-current assets	-	39,157	37,355	-	-	76,513	52,128	-	76,513	52,128
Total non current assets	**5,172**	**486,063**	**37,355**	**-**	**(31,042)**	**497,548**	**338,980**	**(31,042)**	**497,548**	**338,980**
Total assets	**27,948**	**901,775**	**44,033**	**184,201**	**(142,873)**	**1,015,084**	**691,577**	**(132,873)**	**1,025,084**	**698,390**
Liabilities										
Current liabilities										
Trade and other payables	1,181	66,943	-	-	-	68,124	46,413	-	68,124	46,413
Lease liabilities	145	-	-	-	-	145	99	-	145	99
Employee benefits	165	-	-	-	-	165	112	-	165	112
Loans and other borrowings	-	-	54,732	-	(54,732)	0	0	(54,732)	0	0
Consideration payable	-	21,842	-	-	22,017	43,859	29,881	22,017	43,859	29,881
Lease obligations	-	14,195	-	-	-	14,195	9,671	-	14,195	9,671
Reclamation provisions	-	663	-	-	-	663	452	-	663	452
Income taxes payable	-	27,067	-	-	-	27,067	18,441	-	27,067	18,441
Total current liabilities	**1,491**	**130,710**	**54,732**	**-**	**(32,715)**	**154,218**	**105,069**	**(32,715)**	**154,218**	**105,069**
Non current liabilities										
Loans and other borrowings	30,018	187,128	-	-	(83,876)	133,269	90,796	(83,876)	133,269	90,796
Lease liabilities	544	8,961	-	-	-	9,505	6,476	-	9,505	6,476
Provisions	95	-	-	-	-	95	65	-	95	65
Consideration payable	-	51,742	-	-	22,017	73,759	50,252	22,017	73,759	50,252
Employee benefit plans	-	1,171	-	-	-	1,171	798	-	1,171	798
Reclamation provisions	-	340,173	-	-	-	340,173	231,760	-	340,173	231,760
Deferred income tax liabilities	-	74,505	-	-	-	74,505	50,760	-	74,505	50,760
Total non current liabilities	**30,657**	**663,680**	**-**	**-**	**(61,859)**	**632,477**	**430,907**	**(61,859)**	**632,477**	**430,907**
Total liabilities	**32,148**	**794,390**	**54,732**	**-**	**(94,574)**	**786,696**	**535,976**	**(94,574)**	**786,696**	**535,976**
Net assets	**(4,200)**	**107,384**	**(10,699)**	**184,201**	**(48,299)**	**228,388**	**155,601**	**(38,299)**	**238,388**	**162,414**
Equity										
Share capital	41,121	90,590	-	184,201	(23,335)	292,578	199,333	(13,335)	302,578	206,146
Reserves	11,012	-	-	-	-	11,012	7,503	-	11,012	7,503
Retained profits/(Accumulated losses)	(56,334)	17,290	(10,698)	-	(25,460)	(75,202)	(51,235)	(25,460)	(75,202)	(51,235)
Non controlling interest	-	(496)	-	-	496	-	-	496	-	-
Total equity	**(4,200)**	**107,384**	**(10,698)**	**184,201**	**(48,299)**	**228,388**	**155,601**	**(38,299)**	**238,388**	**162,414**

4.8.1 Historical Statement of Financial Position

The Historical Statement of Financial Position of the Company detailed above has been extracted without adjustment from the reviewed financial statements of the Company for the six months ended 31 December 2022.

The Historical Statement of Financial Position of the Arctic Companies detailed above has been extracted without adjustment from the financial statements of the Arctic Companies for the year ended 31 December 2022 which were subject to audit and translated into Australian dollars at the rate A$1.00 : US$0.6813, being the exchange rate as at 31 December 2022.

4.8.2 Pro Forma Historical Statement of Financial Position

The Pro Forma Statement of Financial Position as at 31 December 2022 has been compiled by:

(a) extracting the consolidated historical statement of financial position of the Company from its reviewed financial statements for the six months ended 31 December 2022;

(b) extracting the combined historical statement of financial position of the Arctic Companies as at 31 December 2022 from their financial statements for the year ended 31 December 2022 which were subject to audit; and

(c) reflecting pro forma adjustments to illustrate the impact of the following transactions which are proposed to occur in connection with the Underwritten Placement, the SPP Offer and the Acquisition, as if those events and transactions had occurred on 31 December 2022.

As a result, the Pro Forma Historical Statement of Financial Position is provided for illustrative purposes only and is not indicative of the financial position of the Merged Group on completion of the Offer and the Acquisition or at any future date. The actual cash position of the Company and the Arctic Companies as at 30 April 2023 and the intended use of the proceeds of the Offer, are set out in Section 7.3.

Subsequent events and pro forma adjustments relating to transactions denominated in US dollars have been translated into Australian dollars at the rate of A$1.00 : US$0.6813. Amounts denominated in Canadian dollars have been translated into Australian dollars at the rate A$1.00 : C$0.9123.

The Pro Forma Statement of Financial Position under the Minimum Subscription scenario includes the proceeds of the Underwritten Placement and does not include any proceeds from the SPP Offer. The Pro Forma Statement of Financial Position under the Maximum Subscription scenario includes the proceeds of the Underwritten Placement and assumes that the SPP Offer is fully subscribed.

The following pro forma adjustments have been made in relation to events subsequent to 31 December 2022:

(i) in February 2023, ACDC received a loan of US$30 million (A$44.0 million) (***new 1L Debt***) from a syndicate of investment funds represented by Brigade and Polen, bearing interest at 12% per annum and with a maturity date of 31 December 2023;

(ii) in February 2023, ACDC made a payment of C$34.1 million (A$37.4 million) to the GNWT pursuant to its obligations to cash collateralise its surety bonds (see Section 4.9); and

(iii) accrued interest of US$7.3 million (A$10.8 million) on ACDC's existing loans for the period 1 January to 31 May 2023.

The following pro forma adjustments have been made in relation to events which are expected to occur immediately before or following completion of the Offer and Acquisition:

(iv) completion of the Underwritten Placement to raise gross proceeds of A$193.4 million through the issue of 773,478,466 fully paid ordinary shares in the Company at an issue price of A$0.25 per Share;

(v) the payment of transaction costs associated with the Underwritten Placement and Acquisition estimated to be A$9.2 million;

(vi) the acquisition of the entire issued share capital of ACDC and ACDM for consideration comprising:

(a) the issue of 129,230,769 fully paid ordinary shares in the Company at an issue price of A$0.25 per share, with an aggregate issue price of A$32.3 million (Consideration Shares);

(b) deferred cash consideration of US$15.0 million (A$22.0 million), payable on 31 December 2023; and

(c) contingent cash consideration in the form of an earnout, comprising US$7.5 million (A$11.0 million) payable in the first quarter of 2024 and US$7.5 million (A$11.0 million) payable in the first quarter of 2025, subject to the Arctic Companies achieving EBITDA of US$200 million in the years ending 31 December 2023 and 31 December 2024 respectively;

(vii) the repayment of US$75.7 million (A$111.1 million) of the existing debt of the Arctic Companies, including early repayment penalties of US$5.6 million (A$8.2 million);

(viii) the conversion of US$24.3 million (A$35.7 million) of the existing debt of the Arctic Companies into 149,598,457 fully paid ordinary shares of the Company at an issue price of A$0.25 per share (Debt Repayment Shares);

(ix) additional costs of US$0.5 million (A$0.7 million) related to the Offer and the Acquisition; and

(x) proceeds of between nil (***Minimum Subscription***) and A$10.0 million (***Maximum Subscription***) from the SPP Offer (see Section 7.6).

4.9 Contractual obligations, commitments and contingent liabilities

The Company had no material commitments or contingent liabilities at 31 December 2022.

As at 31 December 2022, ACDC had commitments that require the following minimum future payments set out in Table 4.6, which are not accrued in the statement of financial position.

Table 4.6 – ACDC's contractual obligations

Contractual obligations	Less than 1 year US$000s	Years 2 and 3 US$000s	Years 4 and 5 US$000s	After 5 years US$000s	Total US$000s
Participation agreements commitments (note (a))	3,498	6,995	6,995	24,519	42,007
Environmental agreements commitments (note (b))	140,221	76,055	1,300	4,686	222,262
Surface and mineral licences	1,025	2,050	1,498	5,689	10,262
Equipment leases	3,129	9,388	6,259	-	18,776
Purchase commitments	82,482	15,022	-	-	97,504
Total contractual obligations (US$000s)	**230,355**	**109,510**	**16,052**	**34,894**	**390,811**
Total contractual obligations (A$000s)	**338,111**	**160,737**	**23,561**	**51,217**	**573,625**

a) ACDC has signed participation agreements with various Aboriginal communities. Contractual obligations under these agreements amounted to US$42.0 million as at 31 December 2022 and are expected to contribute to the social, economic and cultural well-being of these communities.

b) To meet the requirements under environmental and other agreements, ACDC has posted surety bonds and provided letters of credit for reclamation obligations for the Ekati Diamond Mine. These letters of credit are fully cash collateralised (see Section 8.1.3). ACDC is also required to make additional payments to cash collateralise the surety bonds. The total outstanding surety bonds as at 31 December 2022 amounted to C$263.2 million. Payments are to be made in six equal quarterly instalments of C$43.8 million commencing in the first calendar quarter of 2023 through to the second quarter of 2024 to fully cash collateralise the surety bonds, subject to maintaining at all times minimum cash on hand of at least US$15.0 million.

In February 2023, ACDC made a reduced quarterly payment of C$34.1 million in order to maintain a minimum cash balance of US$15.0 million cash on hand. No quarterly payment was made in May 2023 in order to maintain the minimum cash balance.

4.10 Significant Accounting Policies

The principal accounting policies adopted in the preparation of the Financial Information are detailed below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.10.1 Basis of Preparation

Basis of measurement

The consolidated financial statements have been prepared on a going concern basis in accordance with the historical cost convention, unless otherwise stated.

Significant judgements and estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Section 4.10.27.

4.10.2 New, revised or amended standards and interpretations adopted by the Company

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

4.10.3 Principles of Consolidation

The Company's consolidated financial information incorporates the assets and liabilities of all subsidiaries of Burgundy as at the balance sheet date and the results of all subsidiaries for the period covered. The Company and its subsidiaries together are referred to in this Financial Information section as the Consolidated Entity (***Consolidated Entity***).

Subsidiaries are all entities (including special purpose entities) over which the Consolidated Entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Consolidated Entity controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Consolidated Entity companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

The acquisition method of accounting is used to account for business combinations by the Consolidated Entity, whereby all identifiable assets and liabilities are recorded at their fair value as at the date of acquisition. Any excess purchase price over the aggregate fair value of identifiable net assets is recorded as goodwill. Acquisition-related costs are expensed in the period in which they are incurred and included in the statement of comprehensive income.

A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

The Acquisition has been accounted for in the pro forma statement of net assets using the acquisition method of accounting. In accordance with AASB 3 *Business Combinations*, the Company is identified as the acquirer of ACDC and ACDM. As the fair value of the consideration for the Acquisition is less than the net carrying value of the assets and liabilities of the Arctic Companies as at 31 December 2022, the excess amount has provisionally been allocated against the carrying value of mineral properties. Following the Acquisition, the Company will undertake a purchase price allocation and record the acquired assets and liabilities at their fair value as at the acquisition date.

The financial information of the Arctic Companies presented in this Section 4 and elsewhere in this Prospectus comprises the combined financial information for ACDC and ACDM. All intercompany balances, income and expenses, and unrealised gains and losses resulting from intercompany transactions between ACDC and ACDM are eliminated in full in the Arctic Companies combined financial information.

4.10.4 Foreign Currency Translation

Functional and presentation currency

Items included in the financial statements of each of the Consolidated Entity's entities are measured using the currency of the primary economic environment in which the entity operates (***Functional Currency***). The consolidated financial information is presented in Australian dollars, which is the functional and presentation currency of Burgundy. The financial statements of the Arctic Companies are presented in US dollars, which is the functional currency of the Arctic Companies. The Financial Information in this Section 4 is presented in both Australian dollars and US dollars.

Transactions and balances

Foreign currency transactions are translated into the Functional Currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Consolidated entity companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position account presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of profit or loss and other comprehensive income account are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

4.10.5 Revenue recognition

The Company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Consolidated Entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Consolidated Entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

The Consolidated Entity is principally engaged in the sale of diamonds. Diamond sales to customers generally include one performance obligation. Revenue from contracts with customers is recognised at a point in time when control of the diamonds is transferred to the customer and the selling price is known, generally on delivery of the diamonds. Sales revenue is recognised at the fair value of the consideration received.

Interest income

Interest income is recognised when the Consolidated Entity gains control of the right to receive the interest payment.

4.10.6 Income tax

Current tax

The current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using the applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (or assets) are therefore measured at the amounts expected to be paid to (or recovered from) the relevant taxation authority.

Deferred tax

The deferred tax expense reflects movements in deferred tax asset and deferred tax liability balances during the reporting period as well as unused tax losses.

Current and deferred income tax expense (or income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Set-off of current and deferred tax assets and liabilities

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets and liabilities are expected to be recovered or settled.

4.10.7 Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is expensed at the end of the reporting period unless it relates to a project that the Company has determined to be economically viable, in which case it is carried forward to the extent that it is expected to be recouped through the successful development of the area, or by its sale. A mineral resource is considered to be economically viable when it is expected that the technical feasibility and commercial viability of extracting the mineral resource can be demonstrated and the future economic benefits are probable.

Capitalised exploration and evaluation expenditures are recorded as a component of property, plant and equipment. Recognised exploration and evaluation assets are assessed for impairment when specific facts and circumstances suggest that the carrying amount may exceed their recoverable amount.

Once development is sanctioned, any capitalised exploration and evaluation costs are tested for impairment and reclassified to mineral property assets within property, plant and equipment. All subsequent development expenditure is capitalised, net of any proceeds from pre-production sales.

Accumulated exploration and evaluation costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

4.10.8 Current and Non-Current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

4.10.9 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities in the statement of financial position.

4.10.10 Restricted cash

Cash which is subject to legal or contractual restrictions on its use is classified separately as restricted cash.

4.10.11 Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables of the Company are generally due for settlement within 30 days. The Arctic Companies’ sales policy requires receipt of cash prior to delivery of rough diamonds to customers.

The Consolidated Entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

4.10.12 Inventories

Inventories are recorded at the lower of cost and net realisable value.

The cost of the Consolidated Entity's inventory of rough and polished diamonds is determined on a 'first in, first out' basis. Cost comprises direct materials and delivery costs, direct labour, import duties and other taxes, and an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

The cost of rough diamond inventory, supply inventory and stockpile ore inventory are determined on a weighted average cost basis. The cost of items that are not ordinarily interchangeable, and goods or services produced and segregated for specific projects, are assigned by using a specific identification of their individual costs.

Stockpiled ore represents coarse ore that has been extracted from the mine and is stored for future processing. The value of stockpiled ore is based on the costs incurred (including depreciation and amortisation) in bringing the ore to the stockpile.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

4.10.13 Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment losses.

The initial cost of an asset comprises its purchase price and/or construction cost, any costs directly attributable to bringing the asset into operation including stripping costs incurred in open pit development before production commences, the initial estimate of the site restoration obligation and borrowing costs (for qualifying assets).

Mining costs associated with stripping activities in an open pit mine are expensed unless the stripping activity can be shown to represent a betterment to the mineral property, in which case the stripping costs would be capitalised and included in deferred mineral property costs within mining assets.

When the benefit from the stripping activity is realised in the current period, the stripping costs are accounted for as the cost of inventory. When the benefit is improved access to ore in future periods, the costs are recognised as a mineral property asset if improved access to the ore body is probable, the component of the ore body can be accurately identified, and the cost associated with improving the access can be reliably measured. If these conditions are not met, the costs are expensed to the statement of profit or loss.

Expenditure on major maintenance refits or repairs comprises the cost of replacement assets or parts of assets and overhaul costs. When an asset, or part of an asset that was separately depreciated, is replaced and it is probable that future economic benefits associated with the new asset will flow to the Consolidated Entity through an extended life, the expenditure is capitalised. All other repair and maintenance costs are expensed as incurred.

Assets under construction are not depreciated until they are ready for their intended use.

The unit-of-production method is applied for property, plant and equipment associated with a producing mine, including capitalised stripping costs. Depending on the asset, depreciation is based on either tonnes of material processed or carats of diamonds recovered during the period relative to the estimated proven and probable ore reserves of the ore deposit being mined, or to the total ore deposit.

Depreciation on other assets is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Company

Computer equipment	3 years
Polishing equipment	4 – 10 years
Motor vehicles	3 years

The Arctic Companies

Buildings	up to 15 years
Machinery and mobile equipment	2 – 15 years
Computer equipment and software	3 – 6 years
Furniture, fixture and equipment	2 – 10 years
Leasehold and building improvements	up to 15 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Consolidated Entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

4.10.14 Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Consolidated Entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Consolidated Entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

4.10.15 Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Consolidated Entity has transferred substantially all of the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either (a) held for trading, where they are acquired for the purpose of selling in the short term with an intention of making a profit or (b) designated as such upon initial recognition where permitted. Fair value movements for these financial assets are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Consolidated Entity intends to hold for the foreseeable future and has irrevocably elected to classify as such upon initial recognition.

4.10.16 Impairment of assets

Impairment of financial assets

The Consolidated Entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Consolidated Entity's assessment at the end of each reporting period as to whether the credit risk of the financial instrument has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument, discounted at the original effective interest rate.

For financial instruments mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Impairment of other assets

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which they have separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that have suffered impairment are reviewed for possible reversal of the impairment at the end of the reporting period.

4.10.17 Trade and other payables

Trade payables and other payables represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the reporting period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

4.10.18 Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Consolidated Entity's incremental borrowing rate.

Lease payments comprise fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

4.10.19 Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro rata payments in certain circumstances. The entire amount is presented as current since the Consolidated Entity does not have an unconditional right to defer settlement and expects all employees to take the full amount of accrued leave within 12 months.

Other long-term employee benefits

The liabilities for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Defined benefit pension plans

The liability recognised in the statement of financial position with respect to defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation.

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis including discount rate, life expectancy and expected return on plan assets. The assumptions are reviewed each year and are adjusted where necessary to reflect changes in fund experience and actuarial recommendations.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs are recognised immediately in income. Gains and losses arising on the settlement of a defined benefit plan are recognised when the settlement occurs.

4.10.20 Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Convertible notes

The component of convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of convertible notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option and is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

4.10.21 Provisions

Provisions are recognised when the Consolidated Entity has a present (legal or constructive) obligation as a result of a past event, it is probable the Consolidated Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

A provision is made to record the present value of the cost to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

4.10.22 Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the Company reacquires its own equity instruments, for example as a result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

4.10.23 Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to directors, management and other employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using an appropriate valuation model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying an appropriate valuation model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- During the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period;

- From the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided that all other conditions are satisfied.

If equity-settled awards are modified as a minimum an expense is recognised as if the modification had not been made. An additional expense is recognised over the remaining vesting period for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Consolidated Entity or the employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or the employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, they are treated as if they vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the new award is treated as if it were a modification of the cancelled award.

4.10.24 Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests.

For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

4.10.25 Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

4.10.26 Goods and Services Tax (GST) and similar taxes

Revenues, expenses and assets are recognised net of the amount of GST (or similar tax in overseas jurisdictions), unless the GST (or similar tax) incurred is not recoverable from the tax authority in the relevant jurisdiction. In these circumstances, the GST or similar tax case is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST (or similar tax) receivable or payable. The net amount of GST or similar taxes recoverable from, or payable to, the tax authority is included as a current asset or current liability in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST (or similar tax) components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, which are presented as operating cash flows.

4.10.27 Critical accounting estimates, judgements and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events Management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have as significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Net realisable value of inventories

The key assumptions which require the use of Management judgement are the variables affecting costs recognised in bringing the inventory to its location and condition for sale, estimated costs to sell and the expected selling price. These key assumptions are reviewed at least annually.

Share-based payments

The Consolidated Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an appropriate valuation model, taking into account the terms and conditions upon which the instruments were granted.

Estimation of useful lives of assets

The Consolidated Entity determines the estimates useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

4.11 Other notes to the Financial Information

4.11.1 Cash and cash equivalents

Table 4.7 – Cash and cash equivalents

	Note	Pro forma Unaudited 31-Dec-22 A$000	Pro forma Unaudited 31-Dec-22 US$000
BDM cash and cash equivalents as at 31 December 2022		5,557	3,786
Arctic Companies cash and cash equivalents as at 31 December 2022		97,760	66,604
Subsequent events are summarised as follows:			
Drawdown of 1L debt facility	4.8.2(i)	44,033	30,000
Surety payment - reclamation deposits	4.8.2(ii)	(37,355)	(25,450)
		6,678	4,550
Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:			
Proceeds from the Underwritten Placement pursuant to the Prospectus	4.8.2(iv)	193,370	131,743
Transaction fees associated with the Offer and Acquisition	4.8.2(v)	(9,168)	(6,246)
Repayment of borrowings	4.8.2(vii)	(111,097)	(75,690)
Other costs of the Offer and Acquisition	4.8.2(ix)	(734)	(500)
		72,370	49,306
Pro forma cash and cash equivalents (Minimum subscription)		**182,365**	**124,246**
Proceeds of SPP Offer		10,000	6,813
Pro forma cash and cash equivalents (Maximum subscription)		**192,365**	**131,059**

4.11.2 Inventories

Table 4.8 – Inventories

	BDM Reviewed 31-Dec-22 A$000	Arctic Companies 31-Dec-22 A$000	Subsequent events Unaudited 31-Dec-22 A$000	Pro forma adjustments Unaudited 31-Dec-22 A$000	Pro forma Unaudited 31-Dec-22 A$000	Pro forma Unaudited 31-Dec-22 US$000
Rough diamonds - work in progress	-	70,229	-	-	70,229	47,847
Rough diamonds - finished goods	16,653	32,017	-	-	48,670	33,159
Polished diamonds	-	-	-	-	-	-
Supplies inventory	-	191,251	-	-	191,251	130,299
Stockpile ore	-	4,841	-	-	4,841	3,298
	16,653	**298,337**	**-**	**-**	**314,990**	**214,603**

4.11.3 Property, plant and equipment

Table 4.9 – Property, plant and equipment

	BDM Reviewed 31-Dec-22 A$000	Arctic Companies 31-Dec-22 A$000	Subsequent events Unaudited 31-Dec-22 A$000	Pro forma adjustments Unaudited 31-Dec-22 A$000	Pro forma Unaudited 31-Dec-22 A$000	Pro forma Unaudited 31-Dec-22 US$000
Mineral properties	-	106,024	-	(31,042)	74,982	51,085
Land and buildings	-	110,979	-	-	110,979	75,610
Equipment and leaseholds	4,432	150,716	-	-	155,148	105,703
Furniture, equipment and other	-	1,239	-	-	1,239	844
Assets under construction	-	38,146	-	-	38,146	25,989
	4,432	**407,104**	**-**	**(31,042)**	**380,494**	**259,231**

The net book value of the Arctic Companies mineral properties at 31 December 2022 includes capitalised stripping and mine development costs.

A pro forma adjustment has been recorded against the carrying value of mineral properties in connection with the accounting for the Acquisition. This amount represents the excess of the value of the net tangible assets of the Arctic Companies over the acquisition consideration. The actual amount and allocation of this writedown will be determined post-Acquisition based on an assessment of the fair value of the assets and liabilities of the Arctic Companies acquired as at the Completion Date.

4.11.4 Other non-current assets

Table 4.10 – Other non-current assets

	BDM Reviewed 31-Dec-22 A$000	Arctic Companies 31-Dec-22 A$000	Subsequent events Unaudited 31-Dec-22 A$000	Pro forma adjustments Unaudited 31-Dec-22 A$000	Pro forma Unaudited 31-Dec-22 A$000	Pro forma Unaudited 31-Dec-22 US$000
Sample diamonds	-	3,360	-	-	3,360	2,289
Restricted cash	-	15,246	-	-	15,246	10,387
Reclamation deposits	-	19,632	37,355	-	56,987	38,825
Other	-	920	-	-	920	627
	-	**39,157**	**37,355**	**-**	**76,513**	**52,128**

ACDC is required to post security with government agencies to ensure reclamation is completed on its mining properties as required by applicable legislation and regulations of Canada and the Northwest Territories. The security provided is in the form of cash, letters of credit or surety bonds.

Restricted cash at 31 December 2022 comprised C$14.2 million (US$10.4 million) held by financial institutions as collateral for letters of credit. These letters of credit were held by government agencies as security for ACDC's reclamation obligations.

Reclamation deposits at 31 December 2022 comprised cash collateral of US$10.7 million for reclamation surety bonds and US$2.6 million of reclamation security deposits.

ACDC has an agreement with surety providers whereby it provides cash collateral over time up to 100% of the face amount of the surety bond, with the bond value being reduced by the amount of the payments made. During the year ended 31 December 2022 ACDC made payments of C$16.0 million to government agencies and the surety bond value was reduced accordingly. The remaining surety bond commitment as at 31 December 2022 was C$263.2 million.

In February 2023, ACDC made a further payment of C$34.1 million (A$37.4 million) to the GNWT pursuant to its obligations to cash collateralise its surety bonds. As noted in Section 4.9, ACDC did not make a payment in May 2023.

4.11.5 Consideration payable

Table 4.11 Consideration payable

	BDM Reviewed 31-Dec-22 A$000	Arctic Companies 31-Dec-22 A$000	Subsequent events Unaudited 31-Dec-22 A$000	Pro forma adjustments Unaudited 31-Dec-22 A$000	Pro forma Unaudited 31-Dec-22 A$000	Pro forma Unaudited 31-Dec-22 US$000
Current						
Fair value of future royalties	-	21,842	-	-	21,842	14,881
Deferred consideration for Acquisition	-	-	-	22,017	22,017	15,000
	-	**21,842**	**-**	**22,017**	**43,859**	**29,881**
Non-current						
Fair value of future royalties	-	51,742	-	-	51,742	35,252
Earnout consideration for Acquisition	-	-	-	22,017	22,017	15,000
	-	**51,742**	**-**	**22,017**	**73,759**	**50,252**

The Arctic Companies consideration payable

Consideration payable by the Arctic Companies relates to the purchase of the 11.1% minority interests in the Core Zone joint venture, which were bought out by ACDC on 1 October 2021. The consideration payable is calculated as the present value of future royalty payments expected to be made as diamonds are produced from the Core Zone. These royalty payments are calculated by multiplying a specified royalty percentage to the value of diamonds produced and are payable in cash within 30 days of the end of each calendar quarter.

The fair value of the consideration payable is remeasured at each reporting date, with any changes in fair value recognised in profit or loss. The fair value of the future expected royalty payments was measured using a discounted cash flow valuation model, using a discount rate of 10.0%.

During the year ended 31 December 2022 US$2.6 million of royalty payments was offset against an outstanding receivable and a further US$5.0 million was paid in cash.

Pro forma adjustments

The pro forma adjustments comprise the deferred consideration (current) and earnout consideration (non-current) payable in connection with the Acquisition (see paragraph 4.8.2 (vi)).

The Directors have assumed that the full amount of the contingent cash consideration will be payable, on the basis that it is considered probable that the target EBITDA of US$200 million will be achieved in both the year ending 31 December 2023 and the year ending 31 December 2024.

4.11.6 Loans and other borrowings

Table 4.12 – Loans and other borrowings

	Notes	BDM Reviewed 31-Dec-22 A$000	Arctic Companies 31-Dec-22 A$000	Subsequent events Unaudited 31-Dec-22 A$000	Pro forma adjustments Unaudited 31-Dec-22 A$000	Pro forma Unaudited 31-Dec-22 A$000	Pro forma Unaudited 31-Dec-22 US$000
Current							
Borrowings as at 31 December 2022		-	-	-	-	-	-
Drawdown of 1L debt facility	4.8.2(i)	-	-	44,033	-	44,033	30,000
Interest on existing debt	4.8.2(iii)	-	-	10,699	-	10,699	7,289
Repayment of borrowings	4.8.2(vii)	-	-	-	(54,732)	(54,732)	(37,289)
		-	**-**	**54,732**	**(54,732)**	**-**	**-**
Non-Current							
Borrowings as at 31 December 2022		30,018	187,128	-	-	217,146	147,941
Repayment of borrowings	4.8.2(vii)	-	-	-	(56,365)	(56,365)	(38,402)
Debt for equity conversion	4.8.2(viii)	-	-	-	(35,680)	(35,680)	(24,309)
Penalty interest on early repayment	4.8.2(vii)	-	-	-	8,170	8,170	5,566
		30,018	**187,128**	**-**	**(83,876)**	**133,269**	**90,796**

The pro forma borrowings of the Merged Group are summarised in Table 4.13 below.

Table 4.13 – Pro forma borrowings of the Merged Group

	Maturity	Interest Rate	31-Dec-22 A$000	31-Dec-22 US$000
2nd Lien Credit Agreement ("2L Loan")	2027	PIK 12.5% + 5%	176,853	120,490
3rd Lien Credit Agreement ("3L Loan")	2030	Pik 14.0%	10,274	7,000
BDM borrowings	2024	6%	30,018	20,451
Total Loans and Borrowings			**217,146**	**147,941**
Subsequent events				
Drawdown of 1L debt facility			44,033	30,000
Interest on 2L and 3L debt			10,698	7,289
			271,877	**185,230**
Pro forma adjustments				
Penalty interest on early repayment			8,170	5,566
Repayment of borrowings			(111,097)	(75,690)
Debt to equity conversion			(35,680)	(24,309)
Pro forma Loans and Borrowings			**133,269**	**90,796**

1L Loan - the Arctic Companies

The 1L Loan was drawn down in February 2023 and has a principal amount of US$30 million and a maturity date of 31 December 2023. This loan bears interest at the rate of 12% per annum.

2L Loan - the Arctic Companies

The 2L Loan has a principal amount of US$95 million and a maturity date of 31 December 2027. It bears an interest rate of 5% per annum, payable in arrears on the last day of each quarter, and 12.5% per annum Payment in Kind ("PIK") interest added to the outstanding principal amount payable on maturity date. This loan will be partly paid down out of the proceeds of the Underwritten Placement, following completion of the Acquisition.

3L Loan - the Arctic Companies

The 3L Loan had an original principal amount of US$8.5 million and a maturity date of 31 December 2030. It bears an interest rate of 14% per annum PIK interest added to the outstanding principal amount payable on the maturity date. In November 2021 the 3L Loan balance was reduced by US$3.5 million by way of debt forgiveness. As at 31 December 2022, the outstanding balance on the 3L Loan was US$7.0 million, which included US$0.9 million of PIK interest.

BDM Convertible Notes

On 16 September 2021, BDM issued 35,000,000 6% convertible notes for A$35 million. The notes are convertible into ordinary shares of the Company, at the option of the holder, or repayable on 16 September 2024. If a Noteholder elects to convert all or part of its convertible notes, the minimum number of notes that may be converted is 250,000. The number of shares that will be issued on conversion is equivalent to the principal amount of notes converted, divided by the fixed conversion price of A$0.264 per share.

4.11.7 Reclamation provisions

The Arctic Companies' reclamation provisions relate to future costs of environmental remediation and site restoration of a mining site. These obligations will be settled between 2023 and 2067.

As at 31 December 2022 the total undiscounted amount of the future cash flows required to settle these obligations was estimated to be C$489.1 million. These cash flows have been discounted using the risk-free rate of 3.28%. An inflation rate of 2.09% was applied to the provision.

The reclamation provision as at 31 December 2022 is summarised in Table 4.14 below.

Table 4.14 – Reclamation provision

	ACDG Audited 31-Dec-22 A$000	ACDG Audited 31-Dec-22 US$000
Balance at beginning of year	429,875	292,874
Revisions of previous estimates	(76,464)	(52,095)
Accretion of provision	9,199	6,267
Foreign exchange revaluation	(21,773)	(14,834)
Balance at end of year	**340,837**	**232,212**
Less: current portion	(663)	(452)
Non-current portion	**340,173**	**231,760**

4.11.8 Issued share capital

Table 4.15 – Issued share capital

	Note	Pro forma Unaudited 31-Dec-22 No of shares	Pro forma Unaudited 31-Dec-22 A$000	Pro forma Unaudited 31-Dec-22 US$000
BDM Share Capital as at 31 December 2022		346,344,195	41,121	28,016
Arctic Companies Share Capital as at 31 December 2022			90,590	61,719
Elimination of Arctic Companies share capital			(90,590)	(61,719)
Subsequent events are summarised as follows:				
Shares issued under BDM Employee Incentive Scheme		2,500,000	-	-
		2,500,000	-	-
Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:				
Proceeds from the Underwritten Placement	6.8.2(iv)	773,478,466	193,370	131,743
Transaction fees associated with the Offer and Acquisition	6.8.2(v)	-	(9,168)	(6,246)
Scrip consideration for the Arctic Companies	6.8.2(vi)	129,230,769	32,308	22,011
Repayment of borrowings - debt to equity conversion	6.8.2(vii)	149,598,457	35,681	24,310
Other cash costs associated with the Offer and Acquisition	6.8.2(ix)	-	(734)	(500)
		1,052,307,692	251,456	171,317
Pro forma issued share capital (Minimum Subcription)		**1,401,151,887**	**292,578**	**199,333**
Proceeds of SPP Offer		40,000,000	10,000	6,813
Pro forma cash and cash equivalents (Maximum subscription)		**1,441,151,887**	**302,578**	**206,146**

4.11.9 Accumulated losses

Table 4.16 Accumulated losses

	Note	Pro forma Unaudited 31-Dec-22 A$000	Pro forma Unaudited 31-Dec-22 US$000
Accumulated Losses		(75,202)	-
BDM accumulated losses as at 31 December 2022		(56,334)	(38,380)
Arctic Companies retained profits as at 31 December 2022		17,290	11,780
Elimination of Arctic Companies retained profits		(17,290)	(11,780)
Subsequent events are summarised as follows:			
Interest on existing debt	6.8.2(iii)	(10,698)	(7,289)
		(10,698)	(7,289)
Adjustments arising in the preparation of the pro forma statement of financial position are summarised as follows:			
Penalty interest on early repayment	6.8.2(vii)	(8,170)	(5,566)
		(8,170)	(5,566)
Pro forma accumulated losses		**(75,202)**	**(51,235)**

Section 5

Risk Factors

5.1 Introduction

This Section identifies the key dependencies and areas of risk associated with the Acquisition, as well as general risks of an investment in the Company, but should not be taken as an exhaustive list of the risk factors to which the Company and its Shareholders are exposed.

The risks below are those that the Company considers to be material as at the Prospectus Date based on an assessment of the probability of the risk occurring, the ability to mitigate the risk and the impact of the risk if it did occur. However, additional risks and uncertainties not presently known to the Company, or risks that the Company currently considers to be immaterial, may also adversely affect the business, results of operations, financial condition or prospects of the Company.

If one or more of these risks eventuate, the future performance of the Company and the value of your investment in New Shares may be adversely affected. While some of these risks may be mitigated by appropriate controls, systems and other actions, others are outside the control of the Company and may not be able to be mitigated.

References to the Company in this Section includes the Company and the Arctic Companies on a post-acquisition basis (the ***Merged Group***).

5.2 Risks relating to the change in nature and scale of activities

5.2.1 Re-Quotation of Shares on ASX

The Acquisition constitutes a significant change in the nature and scale of the Company's activities and consequently the Company is required by the ASX to re-comply with Chapters 1 and 2 of the Listing Rules as if it were seeking admission to the Official List.

There is a risk that the Company may not be able to meet ASX's requirements for re-quotation of its Shares on the ASX. Should this occur, the Shares will likely remain in suspension and will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders will be prevented from trading their Shares until such time as the Company is able to re-comply with the Listing Rules.

5.2.2 Dilution risk

As set out in Section 7.4, the Company currently has ~349 million shares on issue. On completion of the Acquisition (and assuming the SPP Offer is fully subscribed):

- the existing Shareholders will retain approximately 27.0% of the Company's issued share capital on an undiluted basis and 24.4% of the Company's issued share capital on a fully diluted basis;
- the Arctic Shareholder will hold approximately 9.0% of the Company's issued share capital on an undiluted basis and 8.1% of the Company's issued share capital on a fully diluted basis;
- the Lenders will hold approximately 10.4% of the Company's issued share capital on an undiluted basis and 9.4% of the Company's issued share capital on a fully diluted basis; and
- the investors under the Underwritten Placement will hold approximately 53.7% of the Company's issued share capital on an undiluted basis and 48.5% of the Company's issued share capital on a fully diluted basis.

There is a risk that the interests of shareholders will be further diluted as a result of future capital raisings that will be required in order to fund the future development and activities of the Company. While the Company must comply with the ASX Listing Rules and Corporations Act regarding the percentage of its capital that it is able to issue within a 12-month period, any such capital raising may dilute the interests of existing shareholders.

5.2.3 Completion, counterparty and contractual risk

Burgundy has agreed to acquire 100% of the issued capital of each of the Arctic Companies subject to the fulfilment of certain conditions precedent. There is a risk that the conditions precedent for completion of the Acquisition will not be fulfilled and, in turn, that Completion will not occur.

The ability of the Company to achieve its stated objectives will depend on the performance by the Arctic Shareholder of its obligations under the SPA. If the Arctic Shareholder or any other counterparty defaults in the performance of its obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly and without any certainty of a favourable outcome.

5.2.4 Reliance on information provided

The Company undertook a due diligence investigation process in respect of the Acquisition and was provided with the opportunity to review detailed information provided by or on behalf of the Arctic Shareholder. The Company has not been able to verify the accuracy, reliability or completeness of all the information that was provided to it against independent data. There is no assurance that the due diligence undertaken was conclusive. If any of the information that was provided is incomplete, inaccurate or misleading, the benefits expected to be derived from the Acquisition may not be delivered, or may not be delivered in the time period anticipated. The information reviewed by the Company includes forward looking information. Whilst the Company has been able to review and assess some of the foundations for the forward looking information relating to the Arctic Companies, forward looking information can be unreliable and is based on assumptions that may prove to be incorrect or may change in the future, outside of the control of the Company.

5.2.5 Title to the mining leases

The Company has diligently investigated all title matters concerning ACDC's rights to the mining leases. Whilst to the best of its knowledge, ACDC's rights to the mining leases are in good standing, this should not be construed as a guarantee of rights.

Maintenance of such interests is subject to ongoing compliance with the terms governing such mining leases. Mineral properties and the leases associated with such properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that ACDC does not have rights to any of its mining leases, including those which constitute Ekati, could cause the Company to lose any rights to explore, develop and mine any minerals from Ekati, without compensation for any prior expenditures incurred by the Company.

5.2.6 Change of control risk

The Acquisition may trigger change of control clauses in some material contracts to which the Arctic Companies are a party. There is a risk that the counterparty will not provide their consent to the Acquisition which may trigger a termination right in favour of that counterparty or the counterparty may seek to renegotiate terms to obtain such consent which may adversely affect the Arctic Companies' financial performance. This in turn could affect the Company’s financial performance post-Acquisition.

5.2.7 Funding risk

Burgundy has entered into an underwriting agreement pursuant to which the Joint Lead Managers will agree to jointly underwrite the Underwritten Placement. The Underwriting Agreement is subject to customary conditions precedent and termination events. If the conditions precedent are not satisfied (or waived) or the Underwriting Agreement is terminated, the Company would need to seek alternative sources of funding. A summary of the Underwriting Agreement is set out in Section 8.1.1.

5.3 Specific risks applicable to the Merged Group

On Completion of the Acquisition, the Arctic Companies will become wholly owned subsidiaries of the Company and the exploration, development and operation of Ekati will become the Company's main undertaking. Set out below is a non-exhaustive list of key risks applicable to the Merged Group.

5.3.1 Mine life extension

The Company's Ore Reserves will reduce as they are depleted through mining operations, and the Company's continuing operations and financial performance depend on its ability to replace and increase its current levels of Ore Reserves. As described in Section 3.3.2.12, the Company is currently exploring options to potentially extend the mine life of Ekati beyond the current life of mine plan through developing the Fox pipe Ore Reserve (not currently in the mine plan), upgrading the Jay deposit Mineral Resource to Ore Reserve, URM below open pit extents and for known kimberlite pipes that may otherwise be uneconomic, and by discovering additional kimberlite pipes by systematic exploration using newly applied machine learning (artificial intelligence) technology. Whilst ACDC has already begun to utilise artificial intelligence for mining exploration, there can be no assurance that this will lead to the discovery of new kimberlite pipes that are economically viable. Similarly, there can be no guarantee that URM will lead to the recovery of kimberlite that is economically viable. Accordingly, there is no assurance that these measures will enable the Company to extend the mine life beyond the current life of mine plan which will impact the long-term financial viability of Ekati.

5.3.2 Operational and production risks

The operations of the Company may be affected by various factors, including difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, destruction caused by fire, pit wall failure, open or underground pit flooding, unanticipated problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, labour shortages or strike action, industrial disputes and unexpected shortages of consumables and parts. Due to the nature of the operational risks listed above, no assurances can be given that the Company can mitigate all such risks nor that it will achieve commercial viability through the successful continued exploration or mining of Ekati.

Furthermore, increases in the costs of consumables, spare parts, plant and equipment may impact the operating and financial performance of the Company. Such price increases may be due to changes in both global markets (including commodity price movements) and domestic markets (including wage increases), which are outside the Company's control. In particular, where commodity prices are rising this has historically resulted in increased production levels in the relevant sector, which results in increased demand for limited production resources, and increased production costs. Accordingly, the Company's profitability may be impacted by increasing production and operating costs.

5.3.3 Exploration and development risks

Mineral exploration and development are high-risk undertakings. There can be no assurance that the exploration, development and operation of Ekati, or any other exploration properties that may be acquired in the future will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be commercially exploited and result in actual production or profit.

The future exploration and development activities of the Company may be affected by a range of factors including variations in grade and other geological conditions, unexpected problems associated with required water retention dikes, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, labour disputes, Aboriginal and First Nations processes, changing government regulations, variations in grade and other geological differences, water quality, surface and underground conditions, risks relating to the physical security of the diamonds, force majeure risks, natural disasters and many other factors beyond the control of the Company.

As the Company has underground mining operations, inherent risks include variations in rock structure and strength as they impact on mining method selection and performance, de-watering and water handling requirements, unexpected local ground conditions. Hazards, such as unusual or unexpected rock formations, rock bursts, pressures, collapses, flooding or other conditions, may be encountered during mining. Such risks could result in personal injury or fatality, damage to or destruction of mining properties, processing facilities or equipment, environmental damage; delays, suspensions or permanent reductions in mining production, monetary losses, and possible legal liability.

The Company's success will also depend upon the Company having access to sufficient development capital, being able to maintain title to the mining leases and any other projects which may arise in the future, and obtaining all required approvals for its activities. In the event that development programs are unsuccessful this could lead to a diminution in the value of the Company's projects, a reduction in the cash reserves of the Company and possible relinquishment of part or all of its mining operations.

5.3.4 General economic conditions

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions, including levels of consumer spending, commodity prices, inflation, interest rates and exchange rates, increased labour, materials and commodities costs, supply and demand, industrial disruption, access to debt and capital markets and fiscal, monetary and regulatory policies. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on the Company's operating and financial performance and therefore its financial position. The Company's future possible revenues, and share price performance may be affected by these factors, which are beyond the control of the Company.

5.3.5 Currency and diamond price volatility

The ability of the Company to proceed with the development production and operation of Company's current, and any future, mining activities will depend on market factors, some of which may be beyond the Company's control. It is anticipated that any revenues will be derived primarily from the mining and production of diamonds. Consequently, any future earnings will be closely related to the price of diamonds.

The revenue derived by the Company from the production of diamonds may expose the Company to diamond price and exchange rate risks. The price of diamonds fluctuates and is affected by numerous factors beyond the control of the Company, such as supply and demand, exchange rates, inflation rates, changes in global economic conditions, confidence in the global monetary system and other global or regional political, social or economic events. Future serious price declines in the market value of diamonds and other minerals could cause the Company's mining operations to be rendered uneconomic. Depending on the price of diamonds, the Company could be forced to discontinue production or development and may lose its interest in, or may be forced to sell, some or all of its properties, whether current or future. There is no assurance that, even if commercial quantities of diamonds are produced, a profitable market will exist for it.

The production of synthetic diamonds (created through artificial processes) may also impact the price of natural diamonds, as they can be offered in significant quantities and at a lower price point. Although significant questions remain as to the ability of producers to produce synthetic diamonds economically within a full range of sizes and natural diamond colours, and as to consumer acceptance of synthetic diamonds, they are becoming a larger factor in the market (although it is uncertain as to whether synthetic diamonds will impact the luxury and high-end jewellery market segments). A significant uptake by consumers of synthetic diamonds may reduce demand for natural diamonds, as well as put pricing pressure on natural diamond sales in order to compete with synthetic diamonds. Additionally, the presence of undisclosed synthetic diamonds in jewellery could erode consumer confidence in the natural product and may negatively impact demand.

Currency fluctuations may affect the Company’s financial performance. Diamonds are sold throughout the world based principally on the US dollar price, and although the Arctic Companies report their financial results in US dollars, a majority of the costs and expenses of the Arctic Companies' mineral properties are incurred in Canadian dollars. As a consequence, fluctuations in exchange rates may have a significant effect on the cash flows and operating results of the Company.

In addition to adversely affecting any potential future reserve estimates of the Company and its financial condition, declining diamond prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project, whether current or future.

5.3.6 Reliance on key suppliers

Due to the nature of the industry in which the Company operates, in particular the remote location of the mines and the technical equipment required for diamond mining, the Company is reliant on a number of suppliers and contractors for the operation of Ekati.

In particular, the Company is reliant on a joint venture between Kete Whii and Procon, who have been engaged at Ekati since 2002, and since 2018 for the provision of mining services at Misery Underground.

Due to Procon's extensive knowledge of the Ekati site, as well as their access to experienced underground labour resources, any disruption to or termination of the agreement could have adverse operational and financial impacts on the Company. The Company is also reliant on Finning (Canada) and Dene Aurora Mining Ltd for the provision of equipment parts and maintenance services, and any breakdown in the relationship with these companies could lead to operational delays and adverse financial impacts due to the companies' depth of knowledge regarding the equipment used at Ekati and access to parts and equipment globally. In addition, any new supply arrangements to replace the above may be on less favourable terms and conditions than those presently in place.

As noted in Section 3.3.2.12.1, the Company is hoping to extend the mine life at Ekati through the use of underwater remote mining. The Company's ability to execute that strategy is currently reliant on the provision of goods and services by Royal IHC, who have been contracted to develop and build the underwater remote mining technology for use at Ekati. As this is emerging technology, termination or suspension of the agreement with Royal IHC may adversely impact the Company's future prospects as it could limit the ability to extend the life of Ekati.

5.3.7 Supplies and infrastructure risks

Mineral exploration and development activities depend heavily on adequate infrastructure and access to supplies. The regions where the Company operates Ekati is often difficult to access and has limited populations and is heavily reliant on adequate winter roads, bridges and access to power and water supply. Due to the remoteness of its mining operations, the Company must rely heavily on a seasonal winter road or air transport for the supply of goods and services. Both forms of transport are very susceptible to disruptions due to adverse weather conditions, resulting in unavoidable delays in planned programs and/or cost overruns. If adequate infrastructure is not available in a timely manner, there can be no assurance that the development and operation of the Company's mining activities will be commenced or completed on a timely basis, if at all, or that ongoing operating costs will be maintained at anticipated levels. In addition, unusual or infrequent weather phenomena, sabotage or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations.

Likewise, reliable power sources, water and fuel supply, among other factors, are important determinants which affect capital and operating costs. A number of factors may impact the availability of such supplies and infrastructure, including inclement weather, industrial action, terrorist attacks or capacity constraints. The lack of availability, including on acceptable terms, or the delay in the availability of any one or more of these items, could delay, prevent or negatively impact the development, production and operation of the Company's mining activities. The expected fuel needs for the Company’s mineral properties are purchased periodically during the prior year, held in storage, and transported to the mine site by way of the Winter Road. The cost of fuel purchased is based on the then prevailing price and expensed into operating costs on a usage basis. Any increase in fuel usage or loss of fuel supply may have an adverse financial impact on the Company as any required further purchases may be at a higher cost and may not be built into the Company's operating metrics.

5.3.8 Cash Flow and liquidity

The Company’s liquidity requirements fluctuate from quarter to quarter and year to year depending on, among other factors, the seasonality of production at the Company’s mineral properties; the seasonality of mine operating expenses; exploration expenses; capital expenditure programs; the number of rough diamond sales events conducted during the quarter, and the volume, size and quality distribution of rough diamonds delivered from the Company’s mineral properties and sold by the Company in each quarter. The Company’s principal working capital needs include development and exploration capital, capital expenditures, investments in inventory, prepaid expenses and other current assets, and accounts payable, income taxes payable and surety cash collateralisation. There can be no assurance that the Company will be able to meet each or all of its liquidity requirements. A failure by the Company to meet its liquidity requirements or obtain the requisite financing as and when needed for future activities could result in the Company failing to meet its planned development objectives, or in the Company being in default of a contractual obligation, each of which could have a material adverse effect on the Company’s business prospects or financial condition.

5.3.9 Ore Reserve and Mineral Resource Estimates

The Company reports Ore Reserve and Mineral Resource estimates in accordance with the JORC Code 2012. Ore Reserve and Mineral Resource statements are modelled estimates which may vary from actual values. Mineral Resource estimates are determined by applying a number of material assumptions and may be affected by a number of modifying factors, including diamond valuation and price assumptions, changes to geological interpretations, changes to the assumptions used to estimate the diamond carat content (grade), conceptual mining methods, geotechnical, mining and process plant recovery assumptions, diamond parcel sizes for the kimberlite pipes that are not in production or planned for production, and the effect of different sample-support sizes. Ore Reserve estimates take into consideration diamond price assumptions, grade model assumptions, mining method designs, geotechnical mining and process plant recovery assumptions, practical control of dilution, mining recovery, changes to capital and operating cost estimates and variations to permitting, operating or social license regime assumptions as well as overall diamond market movement, foreign exchange and other external economic factors. In addition, the quantity, average size, and/or value, of the diamonds ultimately recovered from mining operations may differ from sampling or modelled data. There can be no assurance that diamonds recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale.

As set out in Section 3.3.2.10.2, part of the Company's Mineral Resources estimates are classified as either "Indicated Resources" or "Inferred Resources", with the different classification reflecting different levels of confidence. There can be no guarantee that the Company's continuing exploration activities will provide the necessary confidence required to convert Inferred Resources to Indicated Resources, nor to bring material that is currently not classified as Mineral Resource or Ore Reserve into Mineral Resource classification.

In addition, material classified as Mineral Resources may not conform to its expected grade and tonnage estimates, and any material potentially processed and recovered, may be below the estimated levels. Any material reduction in tonnage and/or grade of Mineral Resources included in the life of mine plan could adversely affect the Company's business, results of operations financial condition and prospects and lead to changes to its life of mine plans and other forecasts as to future performance.

5.3.10 Regulatory risk

The Company is required to obtain regulatory approvals, permits and licences from the Canadian and Northwest Territories governments to undertake its operations. This includes approvals under mining laws (for example, mining tenure) and environmental regulations (for example, environmental approvals, including amendments to existing approvals). The process for obtaining and renewing such approvals, licences and permits often takes an extended period of time and is subject to numerous delays, and there is no guarantee that such approvals, permits and licences will be granted. In addition, various conditions may be imposed on the grants of such regulatory approvals, permits and licences which may impact on the cost or the ability of the Company to mine the land which is the subject of the mining leases. Failure to comply with applicable laws and regulations may result in injunctions, fines, criminal liability, suspensions or revocation of permits and licences, and other penalties.

Of the Company's existing permits, only its water license is due to be renewed in the near term in the ordinary course of business, which is in the process of being renewed and is critical to production at Ekati. A failure or delay in obtaining the renewal of required permits, or the granting of such renewal on unfavourable terms, could adversely impact the Company's economic viability and operating performance.

Likewise, the operations of the Company's mineral properties are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labour standards, occupational health, waste disposal, mine safety and other matters. New laws or regulations, changes to existing laws and regulations or changes in enforcement of existing laws and regulations may affect both the Company's ability to undertake exploration, development and production activities in respect of present and future properties in the manner currently contemplated, and its ability to continue to explore, develop and operate those properties in which it has an interest or in respect of which it has obtained exploration and development rights to date. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

5.3.11 Environmental risk

The current operations and proposed activities of the Company are subject to laws and regulations concerning the environment. The costs of complying with these laws and regulations may impact the development of economically viable projects. As with most exploration projects and mining operations, the Company's activities have an impact on the environment. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all applicable environmental laws. However, the cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Although the Company understands that ACDC is currently compliant in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability.

The Company may require approval from the relevant Canadian and Northwest Territories authorities before it can undertake additional activities that are likely to impact the environment. In addition, the Company will be subject to certain ongoing obligations, including obligations to renew certain environmental licences and permits on Ekati. Failure to obtain such approvals will prevent the Company from undertaking desired activities.

The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area, including Canada. There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and operations.

5.3.12 Surety Bonds

ACDC has entered into environmental agreements with the GNWT that require security to be provided to cover estimated reclamation and remediation costs, which have been provided in the form of surety bonds (***Surety Bonds***). ACDC is the principal obligor under the Surety Bonds; however, to secure ACDC and the Arctic Shareholder's obligations, certain insurers are parties to the Surety Bonds, being Zurich Insurance Company Ltd, Aviva Insurance Company of Canada and Argonaut Insurance Company (***Surety Parties***).

As noted in Section 8.1.3, the current agreed arrangement is to collateralise the reclamation and remediation costs into a trust fund via payment of six equal instalments of C$43.8 million each, with the final payment due 45 days after the quarter ending 31 March 2024. Payment of the collateral is subject to the Surety Bond Indemnitors' having minimum cash on hand of US$15 million, failing which payment for any accumulated deficit rolls over to the next due date. As noted in Section 4.8.2, in February 2023, ACDC made a payment of C$34.1 million (A$37.4 million) to the GNWT pursuant to its obligations to cash collateralise its surety bonds and maintain the minimum cash on hand. No payment was made in May 2023 in order to maintain the minimum cash balance. However, the total amount required to collateralise the Surety Bonds by the final date in May 2024 has been provided for as part of ACDC's budgeting and rolling forecast process (with sufficient funds in reserve to cover various unforeseen operational and market events) and has been reviewed by the Company as part of the due diligence materials provided in connection with the Acquisition.

In connection with Surety Bonds, ACDC and the Arctic Shareholder have entered into a general indemnity agreement with the Surety Parties, dated 3 February 2021. Among other things, ACDC and the Arctic Shareholder jointly and severally, undertake to exonerate, indemnify and hold the Surety Parties harmless from any loss arising from or related to the underwriting or issuance of any Surety Bonds, and ACDC and the Arctic Shareholder agrees to comply with the collateralisation arrangements. At completion, the Company will become a party to the indemnity agreement.

In the future, the Company may seek more favourable terms under the surety arrangements; however, there is no guarantee that more favourable terms may be negotiated. In the meantime there remains a risk that unforeseen operational and market events deplete the Merged Group's cash reserves over above the amount allocated by ACDC for unforeseen events such that payment for the balance due in May 2024 to complete the cash collateralisation cannot be made. If the Company is unable to make complete the cash collateralisation (or raise sufficient funds to do so via debt or equity markets, or otherwise agree to extend or amend the terms of the Surety Indemnity Agreement) it will be in default of the Surety Indemnity Agreement, which could have a material adverse effect on the Company's financial prospects.

As is standard for mining operations of this nature, ACDC's reclamation and remediation plans, as well as the costs of such plans, are subject to periodic regulatory review, which could result in an increase or decrease to the amount of security required to be posted in connection with the Company's mining operations. The Company could also be required to provide additional security in support of the surety bonds posted with the GNWT. Any of these could result in additional constraints on liquidity.

5.3.13 Information systems and cyber security

The Company relies on secure and adequate operations of information technology systems in the conduct of its operations. The Company's information systems are vulnerable to an increasing threat of continually evolving cybersecurity risks. Unauthorised parties may attempt to gain access to these systems or the Company's information through fraud or other means of deception. The Company's operations depend, in part, on how well the Company and those entities with which they do business, protect networks, equipment, information, technology systems and software against damage from a number of threats.

The Company’s operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, information technology systems and software. The Company may be required to increasingly invest in better systems, software, and use of consultants to periodically review and adequately adapt and respond to dynamic cyber risks or to investigate and remediate any security vulnerabilities. Failures in the Company's information technology systems could result in operational delays, loss or disclosure of confidential, proprietary, personal or sensitive information and third party data, or destruction or corruption of data. Accordingly, any failure of information systems or a component of information systems could adversely impact the Company's reputation, business, financial position, as well as compliance with its contractual obligations and applicable laws, and potential litigation and regulatory enforcement proceedings.

Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that they will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorised access remains a priority for the Company.

5.3.14 Integration risk

The long-term success of the Company will depend, amongst other things, on the success of management in integrating Ekati to achieve the objective of capturing margins along the diamond value chain. There is no guarantee that Ekati will be able to be integrated successfully within a reasonable period of time. There are risks that any integration of Ekati may take longer than expected and that anticipated margin capture and benefits of that may be less than estimated.

5.3.15 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor and shareholder. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares, including with respect to any taxation consequences.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for New Shares.

5.3.16 Work place health and safety risks

Due to the nature of the Company's operations, it is subject to significant legislation in respect of workplace health and safety in each jurisdiction in which it operates. Mining is an inherently dangerous occupation, and risks to the Company's employees including incidents involving light and heavy vehicles, moving machinery, electrical, falls from height, slips and trips, crush injuries, passenger flights, being struck by suspended loads, open pit wall stability, water, falling through ice, blizzards, rock falls underground, fire and confined space incidents and many more. The Company's employees may also be subject to longer-term health risks including due to exposure to noise and hazardous substances (such as dust and other particulate matter).

Whilst the Company regularly reviews its workplace health and safety systems and monitors its compliance with workplace health and safety regulations, no assurance can be made that the Company has been or will be at all times in full compliance with all applicable laws and regulations, or that workplace accidents will not occur.

In addition, the occurrence of workplace accidents or serious breaches of workplace health and safety laws may lead to civil claims, criminal prosecutions or statutory penalties against the Company which could adversely impact the Company both financially as well as reputationally.

5.3.17 Competition risk

The industry in which the Company will be involved is subject to domestic and global competition, including competition from other major diamond (and other precious metals and stones) exploration and production companies. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company.

Some of the Company's competitors have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company will be able to compete effectively with these companies.

5.3.18 Insurance

The Company’s business is subject to a number of risks and hazards, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, risks relating to the physical security of diamonds held as inventory or in transit and changes in the regulatory environment. Any incidents may result in personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. Although insurance is maintained to protect against certain risks in connection with the Company’s operations, the Company's existing insurance policies will not cover all potential risks. Likewise, if the Company has to make numerous claims on their existing insurance policies, or has ineffective processes in place to manage compliance with its insurance policies, the Company may not be able to negotiate or enter into insurance policies on economically feasible terms.

5.3.19 Aboriginal Agreements

The Company is currently in compliance with its Aboriginal agreements with the exception of its socio-economic agreement with GNWT, under which 62% of the Company's workforce are required to be employed from the Northwest Territories and 70% of expenditure is to be made in the Northwest Territories. The Company makes commercially reasonable efforts to comply with these socio-economic agreement commitments. The Company has been in contact with the GNWT in respect of such non-compliance regarding proposals for rectification and on-going compliance due to there being a limited workforce in the region. The Company's failure to comply with its commitments under Aboriginal agreements may result in loss of its social licence to operate.

5.3.20 Litigation risk

The Company is exposed to possible litigation risks including, without limitation, tenure disputes, environmental claims, compliance with Aboriginal agreements, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any material litigation and is not aware of any threatened litigation.

5.3.21 ESG-driven investment policies

Climate change and fossil fuel consumption are key drivers of environmental, social and corporate governance (***ESG***) investment criteria, and their perceived importance continues to grow. Being a mining company, the Company's carbon footprint, sustainability practices, and approach to environmental management are likely to be scrutinised by stakeholders and prospective Shareholders. It is possible that prospective investors may determine not to invest in (or to divest) shares based on its performance against certain ESG criteria, which could have a material adverse impact on the liquidity and price of shares.

Furthermore, there is also a focus by fund managers, market participants and prospective Shareholders alike on ensuring that companies have robust governance and ethical business practices. While the Company considers it has a robust framework, including key governance policies such as whistle-blower, anti-bribery and corruption policies in place, the standard of best-practice is constantly evolving and the focus on ESG may change over time. When making investment decisions, prospective Shareholders are likely to compare the Company's business practices against those of other companies. If the Company does not meet the evolving expectations of its stakeholders and potential Shareholders, its reputation, access to and cost of capital, and the share price could be negatively impacted.

5.3.22 Reliance on key personnel

Production at the Company’s mineral properties and cutting and polishing facilities is dependent upon the efforts of certain key personnel. The loss of one or more of these key contributors could have an adverse impact on the business of the Company.

It may be particularly difficult for the Company to attract and retain suitably qualified and experienced people given the current high demand in the industry and relatively small size of the Company compared with other industry participants.

Further, the Company’s success in executing its business strategy and marketing its diamonds is dependent on the services of key executives and skilled employees, as well as the continuance of key relationships with certain third parties. The loss of these persons or the Company’s inability to attract and retain additional skilled employees or to establish and maintain relationships with required third parties may adversely affect the Company's future operations in marketing diamonds.

5.3.23 Climate change risks

The Company cannot predict with any certainty the potential direct consequence of climate change on its operations and financial condition. Nonetheless, the climate change risks which may be particularly attributable to the Company include:

- the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage, for example changes in respect of carbon tax payments as are currently proposed by the Canadian federal government. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. Whilst the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences;
- climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these

risks associated with climate change may significantly change the industry in which the Company operates; and

- due to the remote location of the mines, other environmental risks related to climate change such as the shortening of the winter road season can significantly impact the supply of goods and services and may result in delays in planned programs and/or cost overruns.

The occurrence of such events, or an increase in the frequency and severity of such events, could result in damage to the properties which are the subject of the mining leases, or future properties in which the Company has an interest. It could also result in damage to the Company's equipment, interruptions to critical infrastructure such as transport, water and power supply, loss of workforce productivity and increased competition for, and regulation of, limited resources (such as power and water), each of which could in turn adversely affect the Company's business, results of operations and financial position.

5.3.24 Negative impacts of an outbreak of infectious diseases or a pandemic

An outbreak of an infectious disease, pandemic or a similar public health threat, such as the COVID–19 pandemic, and the responses thereto, could adversely impact the Company, both operationally and financially. The global response to the COVID-19 pandemic resulted in, among other things, border closures, severe travel restrictions and extreme fluctuations in financial and commodity markets. Additional measures may be implemented by one or more governments around the world in jurisdictions where the Company operates in the event that there is an outbreak of an infectious disease, a pandemic or a similar public health threat.

Labour shortages due to illness, isolation programs imposed by relevant government authorities or the Company, restrictions on the movement of personnel or possible supply chain disruptions could result in a reduction or interruption of the Company's operations, including operational shutdowns or suspensions. The inability to continue ongoing exploration and development work could have a material adverse effect on the Company's future cash flows, earnings, results of operations and financial condition. The extent to which COVID-19 and any other pandemic or public health crisis impacts the Company's business, affairs, operations, financial condition, liquidity, availability of credit and results of operations will depend on future developments that are highly uncertain and cannot be accurately predicted, including new information which may emerge concerning the severity of and the actions required to contain the COVID-19 pandemic or any other public health crisis, or remedy their respective impacts, amongst others.

5.4 General risks relating to an investment in the Company

5.4.1 Investment in capital markets

As with all stock market investments, there are numerous risks associated with an investment in the Company. The value of any quoted securities is subject to fluctuations due to changes in the market which cannot be controlled nor predicted accurately. Securities listed on the stock market have experienced extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. For example, sudden or material movements in stock market may be caused by or due to changes in global macroeconomic conditions, changing industry cycles and trends, geopolitical events, natural disasters and pandemics and acts of terrorism.

These factors may materially affect the market price of the Company's shares regardless of the Company's performance and there is no guarantee that the Company's share price will be equal to or higher than the Offer Price following completion of the Offer.

5.4.2 No assurance as to liquidity of the Company's Shares

While the Company is listed on the ASX, no assurance can be given that there will be an active market for its shares. If an active market for the Company's Shares does not develop, investors may not be able to sell their shares and achieve liquidity. Further, securities with low trading volumes tend to be more susceptible to dramatic price fluctuations from relatively minor buying and selling activity.

Section 6

Key People, Interests and Benefits

6.1 Board of Directors

Director/Position	Experience, Qualifications and Expertise
Mr Michael O'Keeffe – **Executive Chairman**	Mr O'Keeffe was appointed to the Board in June 2017 as a Non-executive Director, and was appointed to the role of Executive Chairman in November 2022. Mr O'Keeffe has over 30 years' experience working in the mining industry, including as the Managing Director of Glencore Australia Limited from 1995 to 2004 and as Executive Chairman of Riversdale Mining Limited prior to Riversdale being acquired by Rio Tinto PLC in 2011. Mr O'Keeffe is currently the Executive Chairman and former Chief Executive Officer of Champion Iron Limited which operates an iron ore project in Canada.
Mr Kim Truter – **Chief Executive Officer and Managing Director**	Mr Truter was appointed to the Board as a Non-executive Director in September 2020, and was appointed as Chief Executive Officer and Managing Director in November 2022. Mr Truter has over 30 years of mining experience in both surface and underground operations and large-scale project development across multiple jurisdictions. Mr Truter also has extensive experience in the diamond industry, having served in executive and global leadership roles for diamond companies in Canada, Australia, and Africa, including as Chief Executive Officer of De Beers Canada and Chief Operating officer of Rio Tinto Diamonds. Mr Truter is one of five directors of ACDC. As noted in Section 3.3.1, the single shareholder of ACDC is the Arctic Shareholder, with whom Mr Truter has no association.
Mr Marc Dorion – **Non-Executive Director**	Mr Dorion was appointed to the Board as a Non-executive Director in July 2020. Mr Dorion is a partner at Canadian law firm McCarthy Tétrault, based in Montreal, where he supervises the natural resources group in Québec. Mr Dorion's work focusses on development, financing, construction and operation of major projects in the natural resources, energy, infrastructure and industrial sectors. Mr Dorion received his undergraduate legal degree (LLL) from Université de Sherbrooke, Quebec, Canada, and completed post graduate studies in corporate taxation at Osgoode Hall Law School, York University. He has also received the titles of Advocate Emeritus from the Quebec Bar and Kings Counsel.

Each Director has confirmed to the Company and the Board that they are available to perform their duties as Executive Directors, or as a Non-Executive Director, and are free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of that Director's judgement on issues before the Board.

6.2 Management

Member/Position	Experience, Qualifications and Expertise
Mr Kim Truter – **Chief Executive Officer and Managing Director**	See above at 6.1.
Mr Brad Baylis – **Chief Financial Officer and Company Secretary**	Mr Baylis was appointed Chief Financial Officer and Company Secretary in April 2023 and has broad experience in corporate and operational finance, including more than 20 years of leadership and resource development, having most recently served as Chief Financial Officer for Air Tindi, a regional airline based in Yellowknife in the Northwest Territories of Canada. Prior to this, Mr Baylis held the role of Chief Financial Officer at De Beers Canada as well as Riversdale Resources, which followed almost 20 years at Shell Canada where he held numerous senior financial roles.

6.3 Interests and Benefits

Other than as set out below or elsewhere in this Prospectus, no persons or entity named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds at the date of this Prospectus, or held at any time during the last two years, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer; or
- the Offer,

and the Company has not paid any amount or provided any benefit, or agreed to do so, to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Offer.

6.4 Interests of advisers

The following professional advisers have been engaged in relation to the Offer:

- Bell Potter Securities Limited, Aitken Mount Capital Partners and Euroz Hartleys have acted as Joint Lead Managers to the Offer and the fees payable to the Joint Lead Managers pursuant to the Underwriting Agreement are described in Section 8.1.1;
- Allens has acted as Australian legal adviser to Burgundy in relation to the Offer. Burgundy has paid, or agreed to pay, approximately A$1,000,000 (excluding disbursements and GST) for the services up to the Prospectus Date. Further amounts may be paid to Allens in accordance with its normal time-based charges;
- Davies Ward Phillips & Vineberg LLP (***Davies***) has acted as Canadian legal adviser to Burgundy in relation to the Offer. Burgundy has paid, or agreed to pay Davies approximately C$980,000 (excluding disbursements and relevant taxes) for the services up to the Prospectus Date. Further amounts may be paid to Davies in accordance with its normal time-based charges;
- RSM Corporate Australia Pty Ltd has acted as the Investigating Accountant on, and has performed work in relation to due diligence enquiries, the Financial Information in relation to the Offer and has performed work in relation to its Investigating Accountant’s Report in Schedule 2. Burgundy has paid, or agreed to pay, approximately $120,000 (excluding disbursements and GST) for these services up to the date of this Prospectus. Further amounts may be paid to RSM Corporate Australia Pty Ltd under time-based charges; and

- Automic has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid approximately A$14,500 (excluding GST) for these services.
- Field Law has prepared the Solicitor's Report in Schedule 3. The Company estimates it will pay Field Law a total of C$32,000 (with tax and disbursements) for these services.
- CSA Global has prepared the Independent Technical Assessment Report in Schedule 4. The Company estimates it will pay CSA Global a total of $44,000 (excluding GST) for these services

6.5 Directors' interests

6.5.1 Directors' interests in Shares and other securities

The Directors (and their respective related entities) have the following interests in Shares and other securities of the Company as at the date of this Prospectus:

Table 6.1 – Directors' interests in Shares and other securities

Name	Shares	% Shares	Options	Convertible Notes
Mr Michael O'Keeffe	27,903,535[1]	8.1%	-	5,000,000
Mr Kim Truter	-	-	2,500,000	-
Mr Marc Dorion	12,541,667[2]	3.6%	-	-

Notes:

1. Shares held directly and indirectly (through Prospect AG Trading Pty Ltd, Eastbourne DP Pty Ltd < O'Keeffe Super Fund A/C> and Eastbourne DP Pty Ltd)
2. Shares held indirectly (through Quebec Inc).

Set out in Table 6.2 below are details of the anticipated relevant interests of the Directors (and their respective related entities) in the Shares and other securities of the Company upon Reinstatement:

Table 6.2 – Anticipated Directors' interests in Shares and other securities upon Reinstatement

Name	Shares	% Shares	Options	Convertible Notes
Mr Michael O'Keeffe[1]	67,903,535	4.7%	-	5,000,000
Mr Kim Truter	-	-	2,500,000	-
Mr Marc Dorion	12,541,667	0.9%	-	-

Notes:

1. As at the Prospectus Date, Michael O'Keeffe intends to subscribe for up to 40,000,000 Shares under the Underwritten Placement subject to Shareholder approval at the Extraordinary General Meeting.

6.5.2 Directors' remuneration

6.5.2.1 Chief Executive Officer and Managing Director

Post-Acquisition it is proposed that Mr Truter enter into a new agreement governing the terms of his employment as the Company's Chief Executive Officer and Managing Director.

The indicative remuneration terms, along with notice periods, post-employment restraints and other benefits, for Mr Truter as Chief Executive Officer and Managing Director are summarised in Table 6.3

below. In accordance with Listing Rule 3.16.4, the Company will release details of the material terms of the agreement concluded with Mr Truter when it is finalised.

Table 6.3 – Indicative Chief Executive Officer and Managing Director's remuneration key terms

Item	Description
Fixed renumeration	C$800,000
Short term incentive	• Target short term incentive payment annually of 100% of salary • Short term incentive payment payout range of 0% - 200% of target
Initial equity incentives	Subject to prior Shareholder approval (at the Company's next annual general meeting or earlier if another Shareholder meeting is held): • 5,000,000 unquoted options with an exercise price of A$0.30 each, expiring two years after issue and vesting 12 months after Completion; • 3,000,000 unquoted options with an exercise price of A$0.30 each, expiring two years after issue and vesting upon Merged Group carat production of greater than 3,000,000 carats in FY2026; and • 2,000,000 unquoted options with an exercise price of A$0.30 each, expiring two years after issue and vesting upon Merged Group carat production of greater than 3,000,000 carats in FY2027.
Ongoing equity incentives	Subject to implementation of a new employee share plan, it is intended Mr Truter will be eligible for further grants of Options and Shares. Such grants will be determined at the sole discretion of the Board from time to time and be subject always to prior Shareholder approval under the Listing Rules, and if required, Corporations Act.
Notice periods	Mr Truter may resign upon provision of at least six weeks written notice.
Termination payment – without cause/good reason	The Company may terminate Mr Truter's employment without cause by providing at least 12 months written notice. Subject to any applicable limits in the Corporations Act, the Company may pay a severance amount equal to 12 months' salary in lieu of notice. Vested equity-based incentives will be exercisable for a period of 90 days or to their original term, whichever comes first and unvested awards will expire upon termination.
Termination payment – for cause	The Company may at any time terminate Mr Truter for just cause. In such an event, Mr Truter will be entitled to annual salary up until the notified final day of employment, upon that date any unexercised instruments will be forfeited, and no further compensation will be due.
Change in control	In the event of a change in control of the Company Mr Truter will receive 12 months' salary and 12 months of the most recently-paid short term incentive (or the target annual incentive amount if no incentive has yet been paid for the prior year's performance). Additionally, all outstanding unvested equity incentives will vest immediately.
Other benefits in connection with the Offer	None

6.5.2.2 Executive Chairman

As noted in Section 6.1, Mr O'Keeffe is engaged as Executive Chairman of the Company. For his services as Chairman, Mr O'Keeffe receives $55,000 per annum (plus superannuation).

6.5.2.3 Non-executive Director remuneration

Under the Constitution, the Board determines the total amount paid to each Director as remuneration for their services as a Director of the Company. However, the Constitution also provides that, consistent with the Listing Rules, the aggregate amount or value of remuneration paid or provided to all Non-executive Directors in any year may not exceed the amount last approved by the Company at a general meeting. As at the date of this Prospectus, this amount has been fixed at $350,000 per annum.

As noted in Section 6.1, Mr Dorion is engaged as a Non-executive Director of the Company. For his services Mr Dorion receives $60,775 per annum.

6.5.2.4 Expenses and special fees

Directors may also be paid or reimbursed for travel and other expenses properly incurred by the Director in attending and returning from any meeting of the Board, a Committee, a general meeting of the Company or otherwise in connection with the business of the Company and the Director's role (including any special responsibilities, from time to time). A Director may also be paid special or additional fees, as may be determined by the Board, to compensate the Director for special or additional exertions for the benefit of the Company.

The payment or reimbursement of expenses, and any special exertion fees, are not included in the aggregate limit on Director's fees referred to above.

6.5.2.5 Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with each Director.

The deed:

- confirms a Director's right of access to Board papers and other Company records and requires the Company to indemnify the Director, to the maximum extent permitted by law, against all liability incurred by the Director in the performance of their role as a Director of the Company (and any subsidiary of the Company), on the terms set out in the deed; and
- requires the Company, to the extent permitted by law, to use its reasonable endeavours to ensure that the Director is insured under a directors and officers insurance policy throughout the duration of the Director's appointment and after the Director ceases to hold office for the later of a period of seven years or until the date that any claim against the Director that commenced during the seven-year period is finally resolved.

6.6 Incentive arrangements

A summary of the key terms of the Employee Incentive Plan adopted by the Company's shareholders at its Annual General Meeting on 24 October 2022 (***Employee Incentive Plan***) is set out below. No options or performance rights (together, ***Convertible Securities*** for the purpose of the Employee Incentive Plan)[1] which are capable of being issued to employees of the Company under the Employee Incentive Plan have been issued as at the date of this Prospectus. The 2,032,548 Options currently on issue held by employees of the Company were issued under the previous 'Option Plan' adopted by Shareholders at the Company's Annual General Meeting on 2 July 2020 (as described in Section 8.3), and issued on 30 August 2022 prior to the adoption of the Employee Incentive Plan.

[1] A 'Convertible Security' (as defined in the Employee Incentive Plan) means an option or performance right exercisable for shares in the Company in accordance with the rules of the Employee Incentive Plan.

Table 6.4 – Terms of Employee Incentive Plan

Item	Term
Invitation	The Board may from time to time determine that an eligible participant[2] may participate in the Employee Incentive Plan. Following that determination, the Board may at any time and from time to time make an invitation to that eligible participant to apply for a grant of one or more Convertible Securities.
Quotation	A Convertible Security granted under the Employee Incentive Plan will not be quoted on the ASX or any other recognised exchange. The Board reserves the right in its absolute discretion to apply for quotation of an option granted under the Employee Incentive Plan on the ASX or any other recognised exchange.
Issue price	Nil issue price.
Expiry date	Each grant of Convertible Securities expires on the expiry date specified.
Notice of exercise	To exercise a Convertible Security, the relevant participant must deliver a signed notice of exercise to the Company (in the form determined by the Board from time to time), and pay the exercise price specified in the invitation (if any), at any time prior to the date specified in the vesting notice and the expiry date.
Timing of issue of shares and quotation of shares on exercise	As soon as practicable after a notice of exercise is issued by the holder, the Company will issue, allocate and cause to be transferred to the holder the number of Shares to which the holder is entitled, and if required issue a substitute certificate for any remaining unexercised Options. Where required the Company will also give ASX a notice that complies with section 708A(5)(e) of the Corporations Act.
Restriction on dealing	Unless consented to by the Board, a participant may not sell, assign, transfer, grant a security interest over, collateralise a margin loan against, utilise for the purposes of short selling, enter into a derivative with reference to, or otherwise deal with a Convertible Security that has been granted to them. The Convertible Security is forfeited immediately on purported sale, assignment, transfer, dealing or grant of a security interest other than in accordance with the rules of the Employee Incentive Plan.
Restriction on hedging	A participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.
Restrictions on transfer of shares	The relevant invitation may provide for certain disposal restrictions on shares issued on the exercise of a Convertible Security.
Quotation of shares on exercise	The Company will apply for quotation of the shares upon exercise of a Convertible Security within the time required by the ASX Listing Rules after the date of allotment.

[2] An 'eligible participant' means: (a) a 'primary participant' (as that term is defined in Division 1A of Part 7.12 of the Corporations Act); or (b) a person that has been determined by the Board to be eligible to participate in the Employee Incentive Plan from time to time.

Item	Term
Participation in New Issues	Subject to the below in relation to rights issue, bonus issues and reorganisation, holders of Convertible Securities are not entitled to participate in any new issues of Shares.
Adjustment for buy-back	The Company may at any time buy back Convertible Securities, or Shares issued upon exercise of any Convertible Securities, for an amount agreed with the participant at any time, or where there is a formal takeover offer made for at least 50% of the Shares.
Adjustment for bonus issue or rights issue	If Shares are issued by the Company pro rata to shareholders by way of a bonus issue, on exercise of Convertible Securities the participant is entitled to receive, in addition to the Shares in respect of which the Convertible Securities are exercised and without any further payment, an allotment of as many additional Shares as would have been issued to a shareholder who, on the date for determining entitlements for the bonus issue, held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised. Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.
Adjustments for reorganisation	If there is a reorganisation of the issued share capital of the Company, the rights of each participant will be changed to the extent necessary to comply with the ASX Listing Rules.

6.7 Related Party Transactions

Burgundy does not anticipate that it will be party to any material related party arrangements with its Directors, officers or Shareholders (or affiliates from them) other than as set out in this Prospectus.

6.8 Corporate Governance

The Board is responsible for establishing the Company's corporate governance framework, the key features of which are set out in this Section 6.8. In establishing its corporate governance framework, the Board has referred to the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (***Recommendations***). To the extent applicable, commensurate with the Company's size and nature, the Company has adopted the Recommendations.

The Board seeks, where appropriate, to provide accountability levels that meet or exceed the Recommendations.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and further details on the Company's corporate governance procedures, policies and practices can be obtained from the Company website at https://www.burgundy-diamonds.com/company/corporate-governance.

6.8.1 Board of Directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- maintain and increase Shareholder value;
- ensure a prudential and ethical basis for the Company's conduct and activities; and
- ensure compliance with the Company's legal and regulatory objectives.

A summary of the Board's responsibilities, which are consistent with the above goals, is set out in Section 6.8.13 below.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

The Board considers that the proposed board is a cost effective and practical method of directing and managing the Company. Post-Acquisition, as the Merged Group's activities develop in size, nature and scope, the size and composition of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

6.8.2 Diversity Policy

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

6.8.3 Composition of the Board and Committees

Election of Board members is substantially the province of the Shareholders in a general meeting. However, subject thereto, the Company is committed to the following principles:

- the Board is to comprise Directors with a blend of skills, experience and attributes appropriate for the Company and its business; and
- the principal criterion for the appointment of new Directors is their ability to add value to the Company and its business.

The Board currently consists of three members and following completion of the Offer and the Acquisition will consist of the same three members. Where a casual vacancy arises during the year, the Board has procedures to select the most suitable candidate with the appropriate experience and expertise to ensure a balanced and effective Board. Any Director appointed during the year to fill a casual vacancy or as an addition to the current Board, holds office until the next general meeting and is then eligible for re-election by the Shareholders.

The Board may from time to time establish committees to assist in the discharge of its responsibilities. As the Board is presently comprised of three directors, two of whom are not independent, the duties that would ordinarily be assigned to individual committees are currently carried out by the full Board under, to the maximum extent possible, the written terms of reference for those committees.

6.8.4 Identification and management of risk

The Company is committed to the identification, monitoring and management of risks associated with its business activities and has established policies in relation to the implementation of practical and effective control systems. The Company has established a Risk Management Policy, which is available on the Corporate Governance page of the Company's website.

6.8.5 Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

6.8.6 Independent professional advice

Subject to prior consultation with the Chairman, the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

6.8.7 Remuneration arrangements

The Company does not presently have a Remuneration & Nominations Committee. The Company's Remuneration and Nomination Committee Charter provides for the creation of a Remuneration and

Nomination Committee, with at least three members, a majority of whom are to be independent Directors, and which must be chaired by an independent Director.

In accordance with the Company's Board charter, due to the current composition of the Board having only one independent director, the Board performs the role of the Remuneration & Nominations Committee. When the Board convenes as the Remuneration & Nominations Committee, it carries out the duties that would ordinarily be carried out by the Remuneration & Nominations Committee as identified in the Company's Remuneration and Nomination Committee charter. This includes the processes to set the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive. Affected Directors do not participate in the decision making process.

In future, should a Remuneration & Nominations Committee be established, its role is to provide advice and recommendations to the Board, and to assist the Board to discharge its responsibilities in relation to the Group’s remuneration strategy and framework; systems and processes for assessing people's performance, and for attracting and retaining a skilled workforce; policies and strategies for developing the workforce and promoting a culture which reflects the Company’s values; and succession planning and nominations to the Board.

The Board also reviews and approves the remuneration policy to enable the Company to attract and retain Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility.

The total maximum remuneration of Non-Executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in a general meeting in accordance with the Constitution, the Corporations Act and the Listing Rules, as applicable. The determination of Non-Executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each Non-Executive Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

6.8.8 Securities trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the managing director). The policy generally provides that prior written approval of the Chairman or Directors must be obtained prior to trading.

6.8.9 Audit and risk

The Company does not presently have an Audit & Risk Committee. The Company's Audit & Risk Committee Charter provides for the creation of an Audit & Risk Committee, with at least three members, all of whom are non-executive Directors and a majority of whom are to be independent Directors, and which must be chaired by an independent Director.

In accordance with the Company's Board charter, due to the current composition of the Board having only one independent director, the Board performs the role of the Audit & Risk Committee. When the Board convenes as the Audit & Risk Committee, it carries out the duties that would ordinarily be carried out by the Audit & Risk Committee as identified in the Company's Audit & Risk Committee charter, to the maximum extent possible.

The role of the Audit & Risk Committee is to provide advice and recommendations to the Board, and to assist the Board to discharge its responsibilities in relation to the integrity and quality of the Group’s statutory and other public financial reporting; the Group′s financial reporting systems and processes, including financial controls; the Group′s external and internal audit programs; the Group′s systems and processes for the management of risk; the Group′s systems and processes for monitoring and maintaining compliance with the Group’s legal and regulatory obligations.

6.8.10 External audit

The Board is responsible for the initial appointment of external auditors of the Company and the Company at the next general meeting must ratify the appointment of any external auditor. The Board from time to time will review the scope, performance and fees of those external auditors.

6.8.11 Whistleblower Policy

The Company has adopted a Whistleblower Policy which encourages employees to raise any concerns and report instances of illegal or unethical behaviour, without fear of reprisal. The Whistleblower Policy establishes the mechanisms and procedures for employees to report unethical or illegal conduct in a manner which protects the whistleblower and gathers the necessary information for the Company to investigate such reports and act appropriately.

6.8.12 Anti-bribery and anti-corruption policy

The Board has a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all business dealings. The Board has adopted an anti-bribery and anti-corruption policy for the purpose of setting out the responsibilities in observing and upholding the Company's position on bribery and corruption, and providing information and guidance to those working for the Company on how to recognise and deal with bribery and corruption issues.

6.8.13 Compliance with Recommendations

The Company is required to report any departures from the Recommendations in the form of an Appendix 4G lodged with ASX. The Company's compliance with and departures from the Recommendations as at the date of this Prospectus are detailed in Table 6.5 below:

Table 6.5 – Compliance with Recommendations

Principles and Recommendations	Comply (Yes/No)	Explanation
Recommendation 1.1		
A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Yes	The Company has adopted a Board Charter that sets out the specific roles and responsibilities of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board and those delegated to management. A copy of the Company's Board Charter, which is part of the Company's Corporate Governance Plan, is available on the Company's website at https://https://www.burgundy-diamonds.com/company/corporate-governance. The specific responsibilities of the Board include: • driving the strategic direction of the Company and defining the Company's purpose, ensuring appropriate resources are available to meet objectives and monitoring management's performance; • approving the Company's statement of values and Code of Conduct to ensure the desired culture within the Company is maintained and monitoring the implementation of such values and culture at all times; • ensuring that an appropriate framework exists for relevant information to be reported by management to the Board; • when required, challenging management and holding it to account;

Principles and Recommendations	Comply (Yes/No)	Explanation
		• appointment and replacement of the Chief Executive Officer, other senior executives and the Company Secretary and the determination of the terms and conditions of their employment including remuneration and termination; and • approving the Company's remuneration framework and ensuring it is aligned with the Company's purpose, values, strategic objectives and risk appetite.
Recommendation 1.2		
A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Yes	The Company has guidelines for the appointment and selection of the Board and senior executives in its Corporate Governance Plan. The Company's Nomination Committee Charter (in the Company's Corporate Governance Plan) requires the Nomination Committee (or in its absence, the Board) to ensure appropriate checks (including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate)) are undertaken before appointing a person, or putting forward to security holders a candidate for election, as a Director. Under the Nomination Committee Charter, all material information relevant to a decision on whether or not to elect or re-elect a Director must be provided to security holders in the notice of the meeting containing the resolution to elect or re-elect a Director.
Recommendation 1.3		
A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	The Company has written agreements with each of its Directors and senior executives.
Recommendation 1.4		
The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. In accordance with this, the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
Recommendation 1.5		
A listed entity should: (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period:	Partially	The Company has adopted a Diversity Policy which provides a framework for the Company to establish, achieve and measure diversity objectives, including in respect of gender diversity. The Board did not set measurable gender diversity objectives for the past financial year.

<table>
<tr><th>Principles and Recommendations</th><th>Comply (Yes/No)</th><th>Explanation</th></tr>
<tr><td>1) the measurable objectives set for that period to achieve gender diversity;
2) the entity's progress towards achieving those objectives; and
3) either:
A. the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or
B. if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</td><td></td><td><table>
<tr><th></th><th>Women</th><th>Men</th><th>Total</th><th>% female</th></tr>
<tr><td>Board of Directors</td><td>-</td><td>3</td><td>3</td><td>-</td></tr>
<tr><td>Company Secretary</td><td>-</td><td>1</td><td>1</td><td>-</td></tr>
<tr><td>Total Organisation</td><td>-</td><td>4</td><td>4</td><td>-</td></tr>
</table></td></tr>
<tr><td colspan="3">Recommendation 1.6</td></tr>
<tr><td>A listed entity should:
(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
(b) disclose for each reporting period whether a performance evaluation was undertaken in accordance with that process during or in respect of that period.</td><td>Yes</td><td>• The process for performance evaluation is set out in the Company's Corporate Governance Plan, which is available on the Company's website at https://www.burgundy-diamonds.com/company/corporate-governance.
• The Board did not undertake a formal evaluation of its performance for the financial year ending 30 June 2022.</td></tr>
<tr><td colspan="3">Recommendation 1.7</td></tr>
<tr><td>A listed entity should:
(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and
(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in accordance with that process during or in respect of that period.</td><td>Yes</td><td>(a) The Chief Executive Officer is responsible for evaluating the performance of the Company's senior executives on an annual basis. The Remuneration and Nomination Committee (or in its absence, the Board (excluding any affected Director)) is responsible for evaluating the performance and remuneration of the Chief Executive Officer on an annual basis.
(b) Performance evaluations have been undertaken for the senior executives.</td></tr>
</table>

Principles and Recommendations	Comply (Yes/No)	Explanation
Recommendation 2.1		
The board of a listed entity should: (a) have a nomination committee which: 1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director; and disclose: 3) the charter of the committee; 4) the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period, and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose the fact and the processes it employs to address board succession issues and to ensure the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	Partially	(a) The Company does not presently have a Nomination Committee. However, the Company has adopted a Remuneration and Nomination Committee Charter that provides for the creation of a Remuneration and Nomination Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom are to be independent Directors, and which must be chaired by an independent Director. (b) Owing to the current composition of the Board, the Company does not presently have a Nomination Committee. In accordance with the Company's Board Charter, the Board performs the role of the Nomination Committee. When the Board convenes as the Nomination Committee, it carries out the duties that would ordinarily be carried out by the Nomination Committee as identified in the Company's Remuneration and Nomination Committee Charter. This includes the following processes to address succession issues and to ensure the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively: (i) devoting time at least annual to discuss Board succession issues and updating the Company's Board skills matrix; and (ii) all Board members being involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.
Recommendation 2.2		
A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	No	The Board has not yet established a formal board skills matrix. The Board considers that it has an appropriate mix of skills and the collective skills of the Board are regularly reviewed by the Board as a whole, with the Board proposing candidates for directorships having regard to the desired skills and experience required by the Company as well as the proposed candidates' diversity of background. The Board Charter requires the disclosure of each Board member's qualifications and expertise. Full details as to each Director's skills and experience are available in the Company's Annual Report.

Principles and Recommendations	Comply (Yes/No)	Explanation
Recommendation 2.3		
A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	Yes	(a) The current Board composition includes two executive and one non-executive Directors (Mr Marc Dorion is considered to be independent). (b) There are no independent Directors who fall into this category. (c) The Company's Annual Report discloses the length of service of each Director, as at the end of each financial year. **Term in office** (a) Michael O'Keeffe (appointed 15 June 2017) (b) Marc Dorion (appointed 5 July 2020) (c) Kim Truter (appointed 22 September 2020)
Recommendation 2.4		
A majority of the board of a listed entity should be independent directors.	No	The Company's Board Charter requires that, where practical, the majority of the Board should be independent. The Board currently comprises a total of 3 directors, of whom 1 is considered to be independent. As such, independent directors do not currently comprise the majority of the Board. The Board is seeking additional independent directors to replace the independent directors who resigned/retired during the financial year.
Recommendation 2.5		
The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	No	The Board Charter provides that, where practical, the Chair of the Board should be an independent Director and should not be the CEO/Chief Executive Officer. Up to 9 December 2021, the Chair of the Company was Mr Stephen Dennis who is considered by the Board to be an independent director. From 9 December 2021 to 17 November 2022, Mr Kim Truter acted as Chair of the Company. Mr Truter has acted as Interim Chief Executive Officer since 17 November 2022 and Mr Michael O'Keeffe was appointed as Executive Chairman.
Recommendation 2.6		
A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their roles as directors effectively.	Yes	The Board is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The Company Secretary is responsible for facilitating inductions and professional development including receiving briefings on material developments in laws, regulations and accounting standards relevant to the Company.

Principles and Recommendations	Comply (Yes/No)	Explanation
Recommendation 3.1		
A listed entity should articulate and disclose its values.	Yes	The Company's values are set out in its Code of Conduct (which forms part of the Corporate Governance Plan) and are available on the Company's website at https://www.burgundy-diamonds.com/company/corporate-governance.
Recommendation 3.2		
A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	Yes	(a) The Company's Corporate Code of Conduct applies to the Company's Directors, senior executives and employees (if any). (b) The Company's Corporate Code of Conduct (which forms part of the Company's Corporate Governance Plan) is available on the Company's website at https://www.burgundy-diamonds.com/company/corporate-governance. Under the terms of the Code of Conduct, and material breaches of the Code of Conduct are to be reported to the Board or a committee of the Board.
Recommendation 3.3		
A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	Yes	The Company's Whistleblower Protection Policy (which forms part of the Corporate Governance Plan) is available on the Company's website at https://www.burgundy-diamonds.com/company/corporate-governance. Any material breaches of the Whistleblower Protection Policy are to be reported to the Board.
Recommendation 3.4		
A listed entity should: (a) have and disclose a an anti-bribery and corruption policy; and (b) ensure that the board or a committee of the board is informed of any material breaches of that policy.	Yes	The Company's Anti-Bribery and Anti-Corruption Policy (which forms part of the Corporate Governance Plan) is available on the Company's website at https://www.burgundy-diamonds.com/company/corporate-governance. Any material breaches of the Anti-Bribery and Anti-Corruption Policy are to be reported to the Board.
Recommendation 4.1		
The board of a listed entity should: (a) have an audit committee which: 1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and 2) is chaired by an independent director, who is not the chair of the board;	Partially	(a) The Company does not presently have an Audit Committee. The Company's Audit and Risk Committee Charter provides for the creation of an Audit and Risk Committee with at least three members, all of whom must be non-executive Directors, and majority of the Committee must be independent Directors. The Committee must be chaired by an independent Director who is not the Chair. A copy of the Audit and Risk Committee Charter is available on the Company's website. (b) Owing to the present composition of the Board, the Company does not presently have an Audit Committee. In accordance with the Company's Board Charter, due to the size and nature of the Company, the Board performs the

Principles and Recommendations	Comply (Yes/No)	Explanation
and disclose: 3) the charter of the committee; 4) the relevant qualifications and experience of the members of the committee; and 5) in relation to each reporting period, the number of times the committee met throughout the period, and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose the fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.		role of the Audit Committee. When the Board convenes as the Audit Committee, it carries out the duties that would ordinarily be carried out by the Audit Committee as identified in the Company's Audit and Risk Committee Charter. This includes the following processes to independently verify the integrity of the Company's periodic reports which are not audited or reviewed by an external auditor: (i) the Board devotes time at Board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors; and (ii) all members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting. Further, the Audit and Risk Committee Charter requires that the Audit and Risk Committee (or, in its absence, the Board) to review the appointment and removal of the external auditor.
Recommendation 4.2		
The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal controls which is operating effectively.	Yes	The Company's Audit and Risk Committee Charter requires the Chief Executive Officer and CFO (or, if none, the person(s) fulfilling those functions) to provide a sign off on these terms. The Company has obtained a sign off on these terms for its financial statements in the past financial year.
Recommendation 4.3		
A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Yes	The Company ensures that the corporate reports it releases are reviewed by Management and provided to the Board to ensure the financial and technical content is accurate, balanced and understandable. Where appropriate, information contained in corporate reports is referenced to supporting documents and sources.
Recommendation 5.1		
A listed entity should have a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1.	Yes	(a) The Company's Corporate Governance Plan details the Company's Continuous Disclosure policy.

Principles and Recommendations	Comply (Yes/No)	Explanation
		(b) The Corporate Governance Plan, which incorporates the Continuous Disclosure policy, is available on the Company's website at https://www.burgundy-diamonds.com/company/corporate-governance.
Recommendation 5.2		
A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Yes	Board members receive material market announcements before they have been made.
Recommendation 5.3		
A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Yes	All substantive investor or analyst presentations will be released on the ASX Markets Announcement Platform ahead of such presentations.
Recommendation 6.1		
A listed entity should provide information about itself and its governance to investors via its website.	Yes	Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company's website at https://www.burgundy-diamonds.com/company/corporate-governance.
Recommendation 6.2		
A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors.
Recommendation 6.3		
A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Yes	The Company's Shareholder Communications Strategy addresses security holder attendance at security holder meetings.
Recommendation 6.4		
A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by poll rather than by a show of hands.	Yes	The Company's Shareholder Communications Strategy provides that all resolutions at meetings of the Company's security holders are put to a poll.
Recommendation 6.5		
A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	The Company encourages the use of electronic communication and offers Security holders the option to receive and send electronic communication to the Company and its share registry where possible.
Recommendation 7.1		
The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which:	Partially	(a) The Company does not presently have a Risk Committee. The Company's Audit and Risk Committee Charter provides for the creation of an Audit and Risk Committee with at least three members, all of whom must be non-executive Directors, and majority of the

Principles and Recommendations	Comply (Yes/No)	Explanation
1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director; and disclose: 3) the charter of the committee; 4) the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings: or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.		Committee must be independent Directors. The Committee must be chaired by an independent Director who is not the Chair. (b) Owing to the current composition of the Board, the Company does not presently have a Risk Committee. In accordance with the Company's Board Charter, due to the size and nature of the Company, the Board performs the role of the Risk Committee. When the Board convenes as the Risk Committee, it carries out the duties that would ordinarily be carried out by the Risk Committee as identified in the Company's Audit and Risk Committee Charter. This includes the processes to oversee the Company's risk management framework. The Board will regularly devote time at Board meetings to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.
Recommendation 7.2		
The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	Yes	(a) The Audit and Risk Committee Charter requires that the Audit and Risk Committee (or, in its absence, the Board) should, at least annually, satisfy itself that the Company's risk management framework continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board. (b) The Company will disclose at least annually whether such a review of the Company's risk management framework has taken place.
Recommendation 7.3		
A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Yes	The Company did not have an internal audit function for the past financial year. The Board is responsible for overseeing the establishment and implementation of effective risk management and internal control systems to manage the Company's material business risks and for reviewing and monitoring the Company's application of those systems.
Recommendation 7.4		
A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks	No	The Audit and Risk Committee Charter requires the Audit and Risk Committee (or, in its absence, the Board) to assist management to determine whether the Company has any

Principles and Recommendations	Comply (Yes/No)	Explanation
and, if it does, how it manages or intends to manage those risks.		potential or apparent exposure to environment or social risks and, if it does, put in place management systems, practices and procedures to manage those risks. Post-Acquisition the Company will disclose in its Annual Report whether it has any potential or apparent exposure to environmental or social risks and, if it does, put in place management systems, practices and procedures to manage those risks.
Recommendation 8.1		
The board of a listed entity should: (a) have a remuneration committee which: 1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director; and disclose: 3) the charter of the committee; 4) the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	Partially	(a) The Company does not presently have a Remuneration Committee. The Company's Remuneration and Nomination Committee Charter provides for the creation of a Remuneration and Nomination Committee, with at least three members, a majority of whom are to be independent Directors, and which must be chaired by an independent Director. (b) Owing to the present composition of the Board, the Company does not presently have a Remuneration Committee. In accordance with the Company's Board Charter, due to the size and nature of the Company, the Board performs the role of the Remuneration Committee. When the Board convenes as the Remuneration Committee, it carries out the duties that would ordinarily be carried out by the Remuneration Committee as identified in the Company's Remuneration and Nomination Committee Charter. This includes the processes to set the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive. The Board will devote time at the annual Board meeting to assess the level and composition of remuneration for Directors and senior executives.
Recommendation 8.2		
A listed entity should separately disclose its policies and practises regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	The Company's remuneration policy is disclosed in the Directors' Report which forms part of the Company's Annual Report.
Recommendation 8.3		
A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter	N/A	The Company's Securities Trading Policy restricts Key Management Personnel from short term trading of the Company's securities and from buying, selling or exercising rights in relation to the Company's securities (which includes

Principles and Recommendations	Comply (Yes/No)	Explanation
into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.		entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the Company's equity incentive schemes) without approval from the Chair (or from the Board in the case of the Chair). The Company's Remuneration Committee Charter states that, the Remuneration Committee, (or in the absence of one, the Board) is required to review, manage and disclose the policy (if any) on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme. The Remuneration Committee Charter also states that the Remuneration Committee (and in its absence, the Board) must review and approve any equity-based plans. The Company's Securities Trading Policy and Remuneration Committee Charter are contained in the Corporate Governance Policies provided on the Company's website at https://www.burgundy-diamonds.com/company/corporate-governance.
Recommendation 9.1		
A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	N/A	Not applicable.
Recommendation 9.2		
A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	N/A	Not applicable.
Recommendation 9.3		
A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	N/A	Not applicable.

Section 7

Details of the Offer

7.1 The Acquisition and Reinstatement on ASX

7.1.1 The Acquisition

On 14 March 2023, the Company announced that it had entered into a binding SPA with Arctic Shareholder, the sole shareholder of the Arctic Companies, whereby the Company will acquire 100% of the issued capital in ACDC and 100% of issued capital of ACDM (together with ACDC, the ***Arctic Companies***). Amendments to the SPA were announced to ASX on 18 April 2023.

ACDC is the 100% owner of all businesses, assets and other interests comprising Ekati, a diamond producing mine located in Canada's Northwest Territories. ACDM is a marketing business responsible for management of the supply chain, sorting, preparation, marketing and sales of rough diamonds from Ekati. The commercial terms of the SPA are reflected below:

Table 7.1 – Key terms of the SPA

Item	Term
Purchase Price	The total consideration payable for 100% of the issued capital in the Arctic Companies is US$136 million (~A$209 million), comprised of: • ~129.2 million Shares in the Company with an aggregate issue price of US$21 million, based on the issue price in the Underwritten Placement (***Consideration Shares***); • US$15 million in cash in December 2023 less costs of the Acquisition incurred by the Company or the Arctic Companies, the Share Consideration Amount and any amount paid to the Receiver General for Canada (***Deferred Payment***); and • in exchange for forgiveness of ~US$24.3 million of debt owed by the Arctic Companies, the issue of ~149.6 million Shares in the Company to the Lenders (or their nominees) based on the issue price in the Underwritten Placement (***Debt Repayment Shares***); and • repayment of ACDC's outstanding debt of ~US$75.7 million (***Debt Repayment***).
Earn Out Right	The Company has agreed to a potential earn-out payment to the Arctic Shareholder of: • US$7.5 million in cash in the first quarter of 2024 if 2023 EBITDA of the Company equals or exceeds US$200 million; and • US$7.5 million in cash in the first quarter of 2025 if 2024 EBITDA of the Company of the Company equals or exceeds US$200 million.
Debt Repayment and Working Capital Contribution	Following the Debt Repayment, existing lenders to ACDC have agreed with the Company that all remaining debt of the Arctic Companies will be governed by the existing 2L credit agreement (as amended pursuant to the SPA), which is expected to be ~US$70 million (~A$108 million) (***2L Amendment Amount***). The Company will assume the 2L Amendment Amount at closing and provide a working capital contribution equal to proceeds raised under the Underwritten Placement, less the Debt Repayment, the Company's

Item	Term
	transaction costs in respect of the Underwritten Placement and the Deferred Payment (***Working Capital Contribution***).
Conditions Precedent	The Acquisition will be conditional upon, amongst other things: • shareholder approval of the Acquisition and the Underwritten Placement, and any regulatory approvals to the extent they are required; • consent of the Noteholders having been obtained; • concurrent completion of the Debt Repayment and the 2L Amendment; • the Company completing an equity financing of at least US$125.7 million; and • other customary closing conditions, including, without limitation, obtaining necessary consents waivers and approvals from the ASX and ASIC, no injunctions or proceedings in connection with the transaction, receipt of all required governmental (including approval under the *Competition Act* (Canada)) or third-party consents, replacement of surety bonds (or an indemnity from Burgundy in favour of the Arctic Shareholder in respect of its obligations under the surety bonds) and approvals and delivery of share certificates and other documents and instruments.
Board Composition	No Board changes are contemplated under the SPA at completion of the Acquisition.

The SPA otherwise contains provisions standard for an agreement of its nature.

7.1.2 Suspension and Reinstatement on ASX

ASX has determined that the Acquisition, if successfully completed, will represent a significant change in the scale of the Company's activities and therefore requires the approval of Shareholders (which the Company will seek to obtain at the Extraordinary General Meeting) and the Company to re-comply with the admission and quotation requirements set out in Chapters 1 and 2 of the Listing Rules.

The Company's Shares are currently suspended from trading on ASX and will not be reinstated unless ASX is satisfied the Company has met the requirements of Chapters 1 and 2 of the Listing Rules and the Company obtains approval of Shareholders at the Extraordinary General Meeting for all resolutions required to implement the Acquisition (refer to Section 7.1.3 for further details).

Some of the key requirements of Chapters 1 and 2 of the Listing Rules are:

- the Company must satisfy the shareholder spread requirements relating to the minimum number of Shareholders and the minimum value of the shareholdings of those Shareholders; and
- the Company must satisfy the "assets test" as set out in Listing Rule 1.3.

It is expected that the conduct of the Offer pursuant to this Prospectus will enable the Company to satisfy the above requirements.

Applicants should be aware that ASX will not re-admit or admit any Shares to official quotation until the Company re-complies with Chapters 1 and 2 of the Listing Rules and is re-admitted by ASX to the Official List.

In the event that the Company does not receive conditional approval for re-admission to the Official List, the Company will not proceed with the Offer and will repay all Application Monies received by it in connection with this Prospectus (without interest).

The Company will apply to ASX no later than seven days from the date of this Prospectus for ASX to grant official quotation of the Shares issued pursuant to this Prospectus. If the Shares are not admitted to quotation within three months after the date of this Prospectus, no Shares will be issued and Application Monies received under the Offer will be refunded in full without interest in accordance with the Corporations Act.

Neither ASX nor ASIC take responsibility for the contents of this Prospectus. The fact that ASX may grant official quotation to the Shares issued pursuant to this Prospectus is not to be taken in any way as an indication by ASX as to the merits of the Company or the Shares.

7.1.3 Extraordinary General Meeting

The Company will hold the Extraordinary General Meeting primarily for the purpose of seeking the approval of Shareholders for a number of resolutions required to implement the Acquisition, including approval for:

- **Change in scale of activities**: the Company changing the nature and scale of its activities as a result of the Acquisition under Listing Rule 11.1.2;
- **Consideration Shares issue**: the issue of 129,230,769 Consideration Shares to the Arctic Shareholder (or its nominee);
- **Debt Repayment Shares issue**: the issue of 149,598,457 Debt Repayment Shares to the Lenders (or their nominees);
- **Underwritten Placement**: the issue of 773,478,466 Shares at an issue price of $0.25 each to raise up to ~US$125.7 million (~A$193.4 million) (before costs) under the Underwritten Placement (refer to Section 7.2); and
- **Related party participation**: Mr Michael O'Keeffe to participate in the Underwritten Placement (refer to Section 6.5.1).

If any of the resolutions referred to above are not approved by Shareholders, the Acquisition and the Offer under this Prospectus will not be completed.

7.2 The Offers

The offers under this Prospectus include:

(a) the Underwritten Placement;
(b) the SPP Offer; and
(c) the Cleansing Offer.

The Shares to be issued under this Prospectus are of the same class and will rank equally in all respects with the existing Shares in the Company. The rights and liabilities attaching to the Shares are further described in Section 8.2.

7.2.1 Purpose of the Offers

The purposes of the Offers are to:

- assist with the Company's re-compliance with the admission requirements under Chapters 1 and 2 of the Listing Rules following a significant change to the scale of the Company's activities;
- provide funding for the purposes outlined in Section 7.3; and
- remove the need for an additional disclosure document to be issued upon the sale of any Consideration Shares or Debt Repayment Shares that are to be issued in accordance with the SPA.

7.2.2 Underwritten Placement

As announced to ASX on 24 May 2023, the Company received firm commitments of ~US$125.7 million (~A$193.4 million) from the proposed issue of ~773 million Shares at the Offer Price from Institutional Investors and Retail Clients.

The Underwritten Placement is comprised of the Institutional Offer and the JLM Retail Client Offer:

- (***Institutional Offer***) an offer to Institutional Investors; and
- (***JLM Retail Client Offer***) an offer to Australian and New Zealand resident retail clients of the Joint Lead Managers who have received a firm allocation of Shares from the Joint Lead Managers (***Retail Clients***).

Allocations for the Underwritten Placement were determined by agreement between the Company and the Joint Lead Managers. Allocations were influenced (and not constrained by):

- timeliness of the bid;
- the Company's desire for an informed and active trading market following completion;
- the Company's desire to establish a wide spread of institutional shareholders;
- the size and type of funds under management; and
- the likelihood they would be a long-term shareholder.

Further information with respect to participation in the Underwritten Placement is provided at Section 7.6.

7.2.3 SPP Offer

The Company is extending the SPP Offer to Eligible Shareholders who were registered holders of Shares on the Record Date and whose registered address was in Australia or New Zealand and are not in the United States or acting for the account or benefit of a person in the United States.

Under the SPP Offer, the Company proposes to issue 40,000,000 Shares at the Offer Price, with a minimum subscription of A$2,000 and a maximum subscription of A$30,000, to raise up to A$10 million.

Applications for Shares under the SPP Offer must be made on an application form accompanying this Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Shares under the SPP Offer should refer to Section 7.7 for further details and instructions.

The SPP Offer is conditional on the approval of the resolutions at the Extraordinary General Meeting set out in Section 7.1.3. If the resolutions are not approved by shareholders any Application Monies will be refunded without interest.

7.2.4 Minimum subscription

The minimum amount to be raised under the Offer is A$193,369,616.50 (773,478,466 Shares) (the ***Minimum Subscription***), which is the amount the Joint Lead Managers have agreed to underwrite under the Underwriting Agreement.

If the Minimum Subscription has not been raised within three (3) months after the date of this Prospectus, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

7.2.5 Maximum subscription

The maximum subscription for the Offer is A$203,369,616.50 (813,478,466 Shares) (***Maximum Subscription***).

No oversubscriptions above the Maximum Subscription will be accepted by the Company under the Offer.

7.2.6 Conditional Offer

The Offers under this Prospectus are conditional upon the following events occurring:

- the Company obtaining approval of Shareholders at the Extraordinary General Meeting for all resolutions required to implement the Acquisition (refer to Section 7.1.3);
- the Company raising the Minimum Subscription under the Offer;
- the Directors being satisfied that each of the conditions under the SPA to allow completion of the Acquisition will be satisfied or waived; and
- ASX providing the Company with a list of conditions on terms acceptable to the Company (acting reasonably) which, when satisfied, will result in Reinstatement.

If these conditions are not satisfied then the Offer will not proceed and the Company will repay all Application Monies received under the Offer in accordance with the Corporations Act.

7.3 Sources and uses of Offer Proceeds

Post-Acquisition the Company intends to use the funds raised under the Underwritten Placement, together with the Company's and Arctic Companies' existing cash reserves as follows. Additional funds raised under the SPP Offer (A$10 million (~US$7 million)) will be allocated to working capital below, such that the maximum amount of working capital will be A$91 million (~US$59 million).

Table 7.2 – Sources and uses of Offer Proceeds

Source of funds	US$m	A$m
Underwritten Placement	126	193
Debt Repayment Issue	24	37
Burgundy cash on balance sheet*	2	3
Arctic Companies cash on balance sheet*	22	34
Total	**174**	**267**
Use of proceeds	**US$m**	**A$m**
Debt Repayment (cash component)	76	116
Debt Repayment (scrip component)	24	37
Deferred Payment to Vendor**	15	23
Transaction costs	6	10
Working capital	53	81
Total	**174**	**267**

*Cash reserves as at 30 April 2023.
**Payable December 2023.

The above table is a statement of the Board's current intentions as at the date of this Prospectus. Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors including:

- the risk factors outlined in Section 5; and

- the outcome of operational activities, regulatory developments and market and general economic conditions.

In light of this, the Board reserves the right to alter the way the funds are applied.

The Board is satisfied that upon completion of the Offer, the Company will have sufficient working capital to meet its stated objectives.

To the extent the SPP Offer is not fully subscribed, the Company will scale back the allocation to working capital.

7.4 Capital structure

Assuming the SPP Offer is fully subscribed, the proposed capital structure of the Company on Reinstatement is set out below:

Table 7.3 – Capital Structure

Description	Shares	% Shares
Existing Shares on issue	348,844,195	24.2%
Consideration Shares	129,230,769	9.0%
Debt Repayment Shares	149,598,457	10.4%
Underwritten Placement	773,478,466	53.7%
SPP Offer	40,000,000	2.8%
Total	**1,441,151,887**	**100.0%**

Notes:

1. Assumes no existing Options or Convertible Notes are converted prior to Reinstatement.

Options and Convertible Notes	Number
Options[1]	19,532,548
Convertible Notes[2]	35,000,000

Notes:

1. Comprising:
(a) 2,500,000 unquoted Options exercisable at $0.12 on or before 31 July 2023;
(b) 2,500,000 unquoted Options exercisable at $0.12 on or before 31 August 2023;
(c) 2,500,000 unquoted Options exercisable at $0.12 on or before 30 September 2023;
(d) 10,000,000 unquoted Options exercisable at $0.36 on or before 23 Sept 2024; and
(e) 2,032,548 unquoted Options exercisable at $0.00 on or before 30 August 2027.

2. Convertible Notes which are not redeemed can be converted into Shares in the Company at a conversion price of A$0.264 (***Conversion Price***). The face value of each Convertible Note, which is $1.00, is divided by the Conversion Price to produce the amount of fully paid ordinary shares in the Company to be issued on conversion of the relevant Convertible Notes. As such, as at

6 June 2023, the maximum amount of shares which could be issued by the Company, if all holders of Convertible Notes elect to convert those Convertible Notes into Shares, is approximately 132,575,758 Shares.

7.5 Terms and conditions of the Offer

Table 7.4 – Terms of the Offer

Topic	Summary
What is the type of security being offered?	Shares (being fully paid ordinary shares in Burgundy)
What are the rights and liabilities attached to the securities?	A description of the Shares, including the rights and liabilities attaching to them, is set out in Section 8.2.
What is the consideration payable for each security being offered?	The Offer Price is $0.25 per Share.
What is the Offer Period?	The key dates, including details of the Offer Period, are set out on page vi. The key dates are indicative only and may change. Unless otherwise indicated, all times are stated in Sydney time. Burgundy and the Joint Lead Managers reserve the right to vary any and all of the times and dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Offer Period relating to any component of the Offer, or to accept late Applications, either generally or in particular cases, or to cancel or withdraw the Offer, in each case without notifying any recipient of this Prospectus or any Applicants). If the Offer is cancelled or withdrawn before the allocation of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. No Shares will be issued on the basis of this Prospectus later than the Expiry Date of 13 months after the Prospectus Date.
What are the cash proceeds to be raised?	Approximately A$203 million is expected to be raised under the Offer based on the Offer Price if the Offer proceeds.
Is the Offer underwritten?	The Underwritten Placement will be fully underwritten by the Joint Lead Managers. More detail on the underwriting arrangements is set out in Section 8.1.1. The SPP Offer is not underwritten.
Who are the Joint Lead Managers of the Offer?	The Joint Lead Managers are Bell Potter Securities Limited, Aitken Mount Capital Partners Pty Ltd and Euroz Hartleys Limited.
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched to successful applicants by standard post on or about Thursday, 29 June 2023.

Topic	Summary
	Refunds (without interest) to Applicants who make an Application and receive an allocation of Shares, the value of which is smaller than the amount of the Application Monies, will be made as soon as practicable after Completion of the Offer.
Will the Shares be quoted on ASX?	Burgundy will apply to ASX within seven days of the Prospectus Date for quotation of Shares (under the code "BDM"). The issue and allotment of Shares is conditional on ASX approving Burgundy's application for re-admission. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded (without interest), as soon as practicable in accordance with the requirements of the Corporations Act.
When are the Shares expected to commence trading?	It is expected that trading of the Shares on ASX will commence on or about Friday, 7 July 2023. It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial statement of holding do so at their own risk. Burgundy, the Share Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving a holding statement.
Are there any escrow arrangements?	Pursuant to the SPA: • the Company and the Arctic Shareholder have agreed that the Consideration Shares will be voluntarily escrowed for a period of 12 months following Completion; and • the Company and the Lenders have agreed that the Debt Repayment Shares will be voluntarily escrowed for a period of 12 months following Completion.
Has any ASIC relief or ASX waiver or confirmation been sought, obtained or been relied on?	In respect of ASX, yes. Details are provided in Section 8.11.
Are there any tax considerations?	Yes. Details are provided in Section 8.15.
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer.
What should you do with any enquiries?	All enquiries in relation to this Prospectus should be directed to the Company on +61 8 6313 3945 or info@burgundy-diamonds.com. If you have any questions about whether to invest in Burgundy, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.

7.6 Participating in the Underwritten Placement

7.6.1 JLM Retail Client Offer

The JLM Retail Client Offer is only open to Retail Clients who have been contacted by the Joint Lead Managers and invited to participate. The JLM Retail Client Offer is not open to persons in the United States or persons acting for or on behalf of any person in the United States.

Applicants under the JLM Retail Client Offer should follow the instructions provided to them by the Joint Lead Managers.

7.6.2 Institutional Offer

The Institutional Offer is only open to Institutional Investors who have been contacted by the Joint Lead Managers and invited to participate. The Joint Lead Managers have separately advised Institutional Investors of the application procedures for the Institutional Offer.

7.7 Participating in the SPP Offer

7.7.1 Eligibility to participate in the SPP Offer

Only Eligible Shareholders may participate in the SPP Offer. '**Eligible Shareholders**' for the purpose of the SPP Offer are Shareholders:

(a) who were registered holders of Shares on the Record Date; and

(b) whose registered address was in Australia or New Zealand.

If you are the only registered Shareholder of a holding of Shares, but you receive more than one SPP Offer (for example because you hold Shares in more than one capacity), you may not apply for Shares:

(a) with an aggregate value of more than $30,000; or

(b) which would result in the aggregate value of the Shares applied for (including through a custodian) under the SPP Offer and any similar arrangement in the last 12 months being more than $30,000.

If an Eligible Shareholder is a "Custodian" (as defined in ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (Australia)) (Custodian) and is the registered holder of Shares on behalf of one or more persons who have a registered address in either Australia or New Zealand and who is not in the United States and is not acting for the account or benefit of a person in the United States (each an ***Eligible Beneficiary***), the offer is made to that Eligible Shareholder and it has the discretion whether to extend the offer to the Eligible Beneficiaries. Custodians must complete and submit a certificate that certifies the matters required by paragraph 8(3) of ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (Australia) (***Custodian Certificate***) when making an Application on behalf of Eligible Beneficiaries.

The Company reserves the right to reject any application for Shares under the SPP Offer pursuant to this Prospectus to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements. Additionally, the Board may, at its absolute discretion, accept, reject, correct or amend your application for Shares under the SPP Offer, including, without limitation, if:

(a) the SPP Offer Application Form is incomplete or incorrectly filled out;

(b) the payment received in respect of your application is for less than the full, requisite amount; or

(c) the Board is not reasonably satisfied that you are an Eligible Shareholder.

Participation in the SPP Offer is optional and is subject to the terms and conditions set out in this Prospectus.

7.7.2 How to apply under the SPP Offer?

If you wish to participate in the SPP, you must make payment via BPAY®. To do this, you must follow the instructions and use the Reference Number shown on the SPP Offer Application Form. If you make your payment with BPAY® you do not need to return your SPP Offer Application Form. You will not be able to withdraw or revoke your application or BPAY® payment once you have submitted it or made it or change the amount of Shares you have applied for.

In order to pay by BPAY®, you must have an Australian bank account enabled for this purpose. BPAY® customers must use the customer reference number shown on the SPP Offer Application Form which is required to identify your individual holding. When making a BPAY® payment, you are not required to return your Application Form.

You should ensure that your BPAY® payment is received by no later than 5:00pm (Sydney time) on the Closing Date.

Pursuant to the SPP Offer, Eligible Shareholders may apply for a maximum of $30,000 worth of Shares. Eligible Shareholders may participate by selecting one of the following options (***SPP Application Amount***) to purchase Shares under the SPP Offer:

	SPP Application Amount	Number of Shares which may be purchased
Offer A	$2,000	8,000
Offer B	$5,000	20,000
Offer C	$10,000	40,000
Offer D	$15,000	60,000
Offer E	$20,000	80,000
Offer F	$25,000	100,000
Offer G	$30,000	120,000

Where the SPP Application Amount applied for results in a fraction of a Share the number of Shares issued will be rounded up to the nearest whole Share. Any Application Monies received for more than an applicant's final allocation of Shares (only where the amount is $1.00 or greater) will be refunded without interest.

The SPP Offer is non-renounceable, which means that Eligible Shareholders may not transfer their rights to any Shares offered under the SPP Offer. The Company reserves the right to close the SPP Offer early.

The SPP will be conditional on the approval of the resolutions at the Extraordinary General Meeting set out in Section 7.1.3. If the resolutions are not approved by shareholders any Application Monies will be refunded without interest.

7.7.3 Oversubscriptions and Scale-back

The Company is targeting to raise up to A$10 million under the SPP Offer. Oversubscriptions will not be accepted.

In the event of a scale-back, the Board may in its absolute discretion allocate to you less than the number of Shares you have applied for. It is the Board's intention to treat each applicant equally such that applicants will be scaled-back pro-rata based on their shareholding as at the Record Date (subject to any minimum dollar allocation determined by the Company at its absolute discretion).

In the event of a scale-back, you may be allocated Shares to a value which is significantly less than the parcel for which you applied. Should this happen, the balance of any application monies not applied to acquire Shares under the SPP Offer will be refunded to you, without interest.

7.7.4 Questions about the SPP Offer

Eligible Shareholders who have questions relating to the SPP Offer can contact Automic on 1300 441 597 (within Australia) or +61 2 8072 1465 (outside Australia).

7.8 Acknowledgments

Each Applicant under the Offer will be deemed to have:

(a) agreed to become a member of Burgundy and to be bound by the terms of the Constitution and the terms and conditions of the Offer;

(b) acknowledged having personally received a printed or electronic copy of this Prospectus (and any supplementary or replacement prospectus) including or accompanied by an Application Form and having read them all in full;

(c) declared that all details and statements in their Application Form are complete and accurate;

(d) declared that the applicant(s), if a natural person, is/are over 18 years of age;

(e) acknowledged that, once Burgundy, the Share Registry or a Broker receives an Application Form, it may not be withdrawn;

(f) applied for the number of Shares at the Australian dollar amount shown on the front of the Application Form;

(g) agreed to being allocated and issued the number of Shares applied for (or a lower number allocated in a way described in this Prospectus), or no Shares at all;

(h) acknowledge that no interest will be paid on any Application Monies held pending the issue of Shares or subsequently refunded to you for any reason;

(i) authorised Burgundy, the Joint Lead Managers, their respective officers or agents, to do anything on behalf of the applicant(s) necessary for Shares to be allocated to the applicant(s), including to act on instructions received by the Share Registry upon using the contact details in the Application Form;

(j) acknowledged that, Burgundy may not pay dividends, or that any dividends paid may not be franked;

(k) acknowledged that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that Shares are suitable for the applicant(s), given the investment objectives, financial situation and particular needs (including financial and taxation issues) of the applicant(s);

(l) declared that the applicant(s) is/are a resident of Australia or New Zealand (except as applicable to the Underwritten Placement);

(m) acknowledged and agreed that the Offer may be withdrawn by Burgundy or may otherwise not proceed in the circumstances described in this Prospectus; and

(n) acknowledged and agreed that if the Acquisition is not approved at the Extraordinary General Meeting, the Offer will not proceed.

Each applicant under the Institutional Offer will be taken to have represented, warranted and agreed as follows:

(o) it understands that the Shares have not been, and will not be, registered under the US Securities Act of 1993 (***US Securities Act***) or the securities laws of any state of the United States and may not be offered or sold in the United States, except in a transaction exempt from, or not subject to, the registration requirements under the US Securities Act and any other applicable state securities laws;

(p) it is an Institutional Investor; and

(q) it has not sent and will not send this Prospectus or any other material relating to the Offer to any person in the United States.

Each applicant in the SPP Offer will be taken to have represented, warranted and agreed as follows:

(r) it understands that the Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered, sold or resold in the United States, except in a transaction exempt from, or not subject to, the registration requirements under the US Securities Act and any other applicable state securities laws;

(s) it is not in the United States;

(t) it has not sent and will not send this Prospectus or any other material relating to the Offer to any person in the United States; and

(u) acknowledges and agrees that if in the future it decides to sell or otherwise transfer the Shares, it will only do so in standard brokered transactions on the ASX, where neither it nor any person acting on its behalf knows, or has reason to know, that the sale has been pre-arranged with, or the purchaser is, a person in the United States.

By returning a completed SPP Offer Application Form and providing payment or making a payment by BPAY®, applicants in the SPP Offer will be taken to have represented, warranted and agreed as follows:

(a) agree that your Application is only effective when received by the Company's share registry, and not when it is posted;

(b) warrant that you are an Eligible Shareholder and are eligible to lawfully participate in the SPP Offer and apply for the Shares, in each case in accordance with these terms and conditions as well as any applicable laws;

(c) agree to pay the Offer Price per Share up to the maximum value of your BPAY® payment;

(d) acknowledge and agree that if you are acting as a trustee, nominee or Custodian, each beneficial holder on whose behalf you are participating is a resident in Australia or New Zealand, and you have not sent this Prospectus, or any materials relating to the SPP, to any person outside Australia and New Zealand;

(e) if you are applying on your own behalf (and not as a Custodian), acknowledge and agree that:

(f) you are not applying for Shares for which Application Monies of more than $30,000 are payable under the SPP Offer (including by instructing a Custodian to acquire Shares on your behalf under the SPP Offer);

(g) the total Application Monies payable for the following does not exceed $30,000:

   a. the Shares the subject of the Application;

   b. any other BDM Shares issued to you under a SPP or any similar arrangement in the 12 months before the Application;

   c. any other Shares which you have instructed a Custodian to acquire on your behalf under the SPP Offer; and

   d. any other BDM Shares issued to a Custodian in the 12 months before the Application as a result of an instruction given by you to the Custodian to apply for Shares on your behalf under an arrangement similar to the SPP, even though you may have received more than one offer under the SPP or received offers in more than one capacity under the SPP;

(h) if you are a Custodian and are applying for New Shares on behalf of an Eligible Beneficiary on whose behalf you hold Shares, acknowledge and agree that:

a. you are a Custodian (as that term is defined in ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (Australia));

b. you held Shares on behalf of the Eligible Beneficiary as at the Record Date who has instructed you to apply for Shares on their behalf under the SPP Offer and that the Eligible Beneficiary has been given a copy of this Prospectus;

c. you are not applying for Shares on behalf of any Eligible Beneficiary for which Application Monies of more than $30,000 are payable under the SPP Offer;

d. your Application will not be accepted unless you duly complete and submit a Custodian Certificate; and

e. the information in the Custodian Certificate submitted with your Application Form is true, correct and not misleading.

(i) if you are acting as a trustee, nominee or Custodian, each beneficial holder on whose behalf you are participating in the SPP Offer is resident in Australia or New Zealand, and you have not sent this Prospectus, or any materials relating to the SPP Offer to any person outside of Australia and New Zealand.

7.9 International offer restrictions

This Prospectus does not constitute an offer of Shares in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

7.9.1 Bermuda

No offer or invitation to subscribe for Shares may be made to the public in Bermuda or in any manner that would constitute engaging in business in or from within Bermuda. In addition, no invitation is being made to persons resident in Bermuda for exchange control purposes to subscribe for Shares.

7.9.2 Cayman Islands

No offer or invitation to subscribe for Shares may be made to the public in the Cayman Islands or in any manner that would constitute carrying on business in the Cayman Islands.

7.9.3 Canada (British Columbia, Ontario and Quebec provinces)

This Prospectus constitutes an offering of Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces"), only to persons to whom Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This Prospectus is not a prospectus, an advertisement or a public offering of securities in the Provinces. This Prospectus may only be distributed in the Provinces to persons who are "accredited investors" within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this Prospectus, the merits of the Shares or the offering of the Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this Prospectus has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this Prospectus are in Australian dollars.

Statutory rights of action for damages and rescission. Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

Certain Canadian income tax considerations. Prospective purchasers of the Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the Shares as there are Canadian tax implications for investors in the Provinces.

Language of documents in Canada. Upon receipt of this Prospectus, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

7.9.4 European Union

This Prospectus has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this Prospectus may not be made available, nor may the Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

7.9.5 Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this Prospectus may not be distributed, and the Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

7.9.6 Monaco

The Shares may only be offered and sold in Monaco to institutional investors, entities licensed by the *Commission de Contrôle des Activités Financières* and existing shareholders of the Company. In particular, the Shares may not be offered or sold, directly or indirectly, to the public in Monaco.

The recipients of this Prospectus in Monaco are perfectly fluent in English and expressly waive the possibility of a French translation of this Prospectus. (*Les destinataires du présent document reconnaissent être à même d’en prendre connaissance en langue anglaise et renoncent expressément à une traduction française.*)

7.9.7 New Zealand

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The Shares are not being offered or sold under the Placement in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

The Shares are not being offered or sold in the SPP Offer to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of the Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021. This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

7.9.8 Singapore

This Prospectus and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This Prospectus has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire Shares.

As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

7.9.9 Switzerland

The Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this Prospectus will not be filed with, and the offer of Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this Prospectus nor any other offering or marketing material relating to the Shares may be publicly distributed or otherwise made publicly available in Switzerland. The Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This Prospectus is personal to the recipient and not for general circulation in Switzerland.

7.9.10 United Kingdom

Neither this Prospectus nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Shares.

The Shares may not be offered or sold in the United Kingdom by means of this Prospectus or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Prospectus is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation (EU) 2017/1129. This Prospectus may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this Prospectus relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus.

7.9.11 United States

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The Shares will only be offered and sold in the United States to:

- “institutional accredited investors” within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) and (12) under the US Securities Act; and

- dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.

7.10 Underwriting arrangements

The Company has entered into an Underwriting Agreement with Bell Potter Securities, Aitken Mount Capital Partners and Euroz Hartleys under which Bell Potter Securities, Aitken Mount Capital Partners and Euroz Hartleys have agreed to act as Joint Lead Managers and underwriters to the Offer. Refer to Section 8.1.1 for further details.

7.11 Application Monies to be held in trust

The Application Monies for Shares to be issued pursuant to the Offer will be held in a separate bank account on behalf of Applicants until the Shares are allotted. If the Shares to be issued under this Prospectus are not admitted to official quotation within a period of three months from the date of this Prospectus, the Application Monies will be refunded in full without interest, and any Shares issued will be deemed to be void. All interest earned on Application Monies (including those which do not result in the issue of Shares) will be retained by the Company.

7.12 Escrow arrangements

Shares offered under the Offer will not be subject to any escrow restrictions. Pursuant to the SPA:

(j) the Company and the Arctic Shareholder have agreed that the Consideration Shares will be voluntarily escrowed for a period of 12 months following Completion;

(k) the Company and the Lenders have agreed that the Debt Repayment Shares will be voluntarily escrowed for a period of 12 months following Completion.

The Company anticipates that upon Reinstatement, assuming that the Offer is fully subscribed, approximately 278,829,226 Shares will be subject to voluntary escrow arrangements, which will comprise approximately 19.3% of the issued share capital upon Reinstatement.

The Company's free float at the time of Reinstatement will be not less than 20%.

7.13 CHESS and issuer sponsorship

The Company participates in CHESS. All trading on the ASX in existing Shares is, and in new Shares will be, settled through CHESS. ASX Settlement, a wholly-owned subsidiary of the ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry operates an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together make up the Company's principal register of securities.

Under CHESS, the Company does not issue certificates to Shareholders. Rather, holding statements (similar to bank statements) will be sent to Shareholders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for Shareholders who elect to hold Shares on the CHESS sub-register) or by the Company's Share Registry (for Shareholders who elect to hold their Shares on the issuer sponsored sub- register). The statements will set out the number of existing Shares (where applicable) and the number of new Shares allotted under this Prospectus and provide details of a Shareholder's holder identification number (for Shareholders who elect to hold Shares on the CHESS sub-register) or Shareholder reference number (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each Shareholder at the end of each month in which there is a transaction on their holding, as required by the Listing Rules.

7.14 Reinstatement and Official Quotation

Within seven days after lodgement of this Prospectus, the Company will apply to ASX for re-admission to the Official List and for the Shares, including those offered by this Prospectus, to be granted official quotation (apart from any Shares that may be designated by ASX as restricted securities).

If ASX does not grant permission for official quotation within three months after the date of this Prospectus (or within such longer period as may be permitted by ASIC), none of the Shares offered by this Prospectus will be allotted and issued. If no allotment and issue is made, all Application Monies will be refunded to Applicants (without interest) as soon as practicable.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant official quotation is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.

7.15 Risks

As with any investment in securities, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 5 of this Prospectus. The Shares offered under this Prospectus should be considered highly speculative. Accordingly, before deciding to invest in the Company, Applicants should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

7.16 Privacy disclosure

Persons who apply for Shares pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for Shares, to provide facilities and services to Security holders, and to carry out various administrative functions.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your Shares in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

If the information requested is not supplied, the Company may not be able to process your application for Shares. By submitting an Application Form, you agree that the Company may use the information provided by you on the Application Form for the purposes set out herein and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

A Security holder has a right to gain access to, correct and update the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

7.17 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer, by consulting their own professional tax advisers. Neither the Company nor any of its Directors or officers accepts any liability or responsibility in respect of the taxation consequences of the matters referred to above.

7.18 Cleansing Offer

As summarised in Section 7.1.1, pursuant to the SPA the Company has agreed to issue:

- ~129.2 million Consideration Shares to the Arctic Shareholder (or nominees) as part consideration for the Acquisition; and
- ~149.6 million Debt Repayment Shares to the Lenders (or nominees) in exchange for forgiveness of ~US$24.3 million of debt owed by the Arctic Companies.

The material terms of the SPA are set out in Table 7.1.

The Consideration Shares and the Debt Repayment Shares will rank equally with all other existing Shares currently on issue, the material rights and liabilities of which are summarised in Section 8.2.

The Consideration Shares and the Debt Repayment Shares are being issued without an accompanying disclosure document, under applicable exemptions in the Corporations Act.

The Corporations Act provides a general prohibition against the on-sale of shares issued without disclosure within 12 months of their date of issue, subject to certain exceptions.

Section 708A(11) of the Corporations Act provides that a sale offer can be made without the need for further disclosure if:

(a) the relevant securities are in a class of securities that are quoted securities of the body; and

(b) either:

   (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or

   (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and

(c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

To enable the Consideration Shares and the Debt Repayment Shares to be freely tradeable upon issue, the Company is also undertaking a 'cleansing offer' under this Prospectus, pursuant to which it invites investors identified by the Directors to apply for up to 100 Shares at an issue price of A$0.25 per Share to raise a nominal amount of A$25 (***Cleansing Offer***).

The Cleansing Offer is a compliance mechanism only and the Company does not currently intend to issue any Shares or raise any funds under the Cleansing Offer. As such, no application form will be provided for the Cleansing Offer. The Cleansing Offer is included for the purpose of section 708A(11) of the Corporations Act, to ensure that no trading restrictions attach to the Consideration Shares and the Debt Repayment Shares to be issued by the Company.

The Cleansing Offer will otherwise have no impact on the Company.

7.19 Enquiries

This is an important document and should be read in its entirety. Investors should consult with their professional advisers before deciding whether to apply for Shares under this Prospectus. Any investment in the Company under this Prospectus should be considered highly speculative.

Questions relating to the Offer and the completion of an Application Form can be directed to the Company on +618 6313 3945 or info@burgundy-diamonds.com.

Eligible Shareholders who have questions relating to the SPP Offer can contact Automic on 1300 441 597 (within Australia) or +61 2 8072 1465 (outside Australia).

Section 8

Additional Information

8.1 Material contracts

8.1.1 Underwriting Agreement

The Company and the Joint Lead Managers have entered into an underwriting agreement dated 7 June 2023 (***Underwriting Agreement***) pursuant to which the Joint Lead Managers have agreed to, subject to certain customary conditions, arrange, manage and underwrite the Underwritten Placement, noting that the SPP Offer will not be underwritten.

8.1.1.1 Fees and expenses

The Company must pay the Joint Lead Managers in their respective proportions a management and selling fee equal to 1.0% of the proceeds raised pursuant to the Underwritten Placement (excluding any shares subscribed for by Mr Michael O'Keeffe) and an underwriting fee equal to 4.00% of the proceeds raised pursuant to the Underwritten Placement (excluding any shares subscribed for by Mr Michael O'Keeffe) on the settlement of the Underwritten Placement (***Settlement Date***) and subject to the Joint Lead Managers satisfying their obligations under the Underwriting Agreement.

The Company has also agreed to pay or reimburse the Joint Lead Managers for reasonable costs, charges or expenses of and incidental to the Underwritten Placement. Should the Acquisition and Offer proceed legal fees in connection with the Offer and Acquisition payable to various legal advisers will be deducted from the fees payable to the Joint Lead Managers.

8.1.1.2 Termination events

If any of the following events has occurred or occurs at any time from the date of the Underwriting Agreement until 4.00pm on the Settlement Date or at any other earlier time as specified below, a Joint Lead Manager may terminate the Underwriting Agreement without cost or liability by notice to the Company and the other Joint Lead Manager:

- (**disclosures in Prospectus**) a statement in any of the offer documents or public information is or becomes misleading or deceptive or likely to mislead or deceive, or there is an omission from this Prospectus or of material required to be included in it (including, without limitation, having regard to the provisions of Part 6D.2 of the Corporations Act);
- (**Acquisition Agreement**) the Acquisition Agreement is terminated, rescinded or repudiated, varied, or is capable of being terminated, rescinded or repudiated or amended in any material respect without the prior written consent of the Joint Lead Managers, or any condition precedent under the Acquisition Agreement becomes incapable of being satisfied;
- (**new circumstances**) there occurs a new circumstance that arises after this Prospectus is lodged, that would have been required to be included in this Prospectus if it had arisen before lodgement;;
- (**supplementary prospectus**) the Company:
  - issues or, in the reasonable opinion of the terminating Joint Lead Manager is required to issue, a supplementary prospectus because of the operation of section 719(1) of the Corporations Act and fails to lodge a supplementary prospectus with ASIC within the time period reasonably required by the Joint Lead Managers; or
  - lodges a supplementary prospectus with ASIC in a form and substance that has not been approved by the Joint Lead Managers in circumstances required by the Underwriting Agreement;
- (**market fall**) the S&P/ASX 200 Index falls to a level that is 90% or less of the level as at the close of trading on the last trading day immediately prior to the date of the Underwriting Agreement, and is below that level at the close of trading:
  - on at least 2 consecutive Business Days during any time after the date of the Underwriting Agreement; or
  - on the Business Day immediately prior to the Settlement Date;
- (**future matters)** in the reasonable opinion of the terminating Joint Lead Manager, there are not, or there ceases to be, reasonable grounds for any statement or estimate in the offer documents which

relate to a future matter, or any statement or estimate in the offer documents which relate to a future matter is, in the reasonable opinion of the terminating Joint Lead Manager, unlikely to be met in the projected timeframe;

- (**fraud**) the Company or another group member, or any of their directors or officers (as those terms are defined in the Corporations Act) engage, or have engaged since the date of the Underwriting Agreement, in any fraudulent conduct or activity whether or not in connection with the Underwritten Placement;
- (**quotation**) approval is refused or not granted, or approval is granted subject to conditions other than customary conditions, to:
  - the quotation of the new Shares on ASX or for the new Shares to be traded through CHESS on or before the date of quotation
- or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions or conditions reasonably satisfactory to the Joint Lead Manager) or withheld;
- (**re-instatement**) approval is not given by ASX for the re-instatement of the Company's Shares to the official list of ASX on or before the date of quotation;
- (**ASIC notifications**) any of the following notifications are made in respect of the Underwritten Placement:
  - ASIC issues an order (including an interim order) under section 739 of the Corporations Act;
  - ASIC holds a hearing under section 739(2) of the Corporations Act; or
  - an application is made by ASIC for an order under Part 9.5 in relation to the Underwritten Placement or an offer document or ASIC commences any investigation or hearing under Part 3 of the ASIC Act in relation to the Underwritten Placement or an offer document

except where any such order, application, hearing, investigation, prosecution, proceedings or notice of any such action does not become publicly known and is withdrawn within 3 Business Days of being made, held or given (as applicable) (or if it is made, held or given (as applicable) within 3 Business Days prior to the Settlement Date, it is withdrawn prior to the Settlement Date)

- (**notifications**)
  - any person (other than the Joint Lead Managers) who has previously consented to the inclusion of its name in this Prospectus (other than the Joint Lead Managers) withdraws that consent; or
  - any person gives a notice under section 730 of the Corporations Act in relation to this Prospectus (other than the Joint Lead Managers);
- (**certificate not provided**) the Company does not provide a closing certificate as and when required by the Underwriting Agreement;
- (**withdrawal**) the Company withdraws this Prospectus, an offer document or the Underwritten Placement, or indicates that it does not intend to proceed with the Underwritten Placement or any part of the Underwritten Placement;
- (**insolvency events**) any group member of becomes insolvent, or there is an act or omission which is likely to result in a group member becoming insolvent;
- (**timetable**) an event specified in the timetable set out in the Underwriting Agreement up to and including the Settlement Date is delayed by more than 2 Business Days (other than a delay agreed to between the parties;
- (**unable to issue new Shares**) the Company is prevented from allotting and issuing (as applicable) the new Shares within the time required by the timetable set out in the Underwriting Agreement, the offer documents, the Listing Rules, by applicable laws, an order of a court of competent jurisdiction or a governmental authority;

- (**change to Company**) the Company:
  - alters the issued capital of the Company or a group member (other than pursuant to an employee share or option plan or other issue described in this Prospectus); or
  - disposes or attempts to dispose of a substantial part of the business or property of the Company or a group member,

without the prior written approval of the Joint Lead Managers;

- (**regulatory approvals**) if a regulatory body withdraws, revokes or amends any regulatory approvals required for the Company to perform its obligations under the Underwriting Agreement or to carry out the transactions contemplated by the offer documents;
- (**force majeure**) there is after the execution of the Underwriting Agreement an event, occurrence or non-occurrence, or development of an existing event, occurrence or non-occurrence, which makes it illegal or, in the case of an event, occurrence or non-occurrence that makes it commercially impracticable, for the Joint Lead Managers to satisfy a material obligation under the Underwriting Agreement, or to market, promote or settle the offer of new Shares, or that causes the Joint Lead Managers to delay satisfying a material obligation under the Underwriting Agreement, including:
  - any acts, statute, order, rule, regulation, directive or requirement of any governmental authority, orders of any courts, lockdowns, lock-outs, forced closures, restrictions on mobility, or interruptions or restrictions in transportation which has this impact; or
  - any acts of God or other natural forces, civil unrest or other civil disturbance, currency restriction, embargo, action or inaction by a Governmental Authority, or any other similar events;
- (**change in management**) a change to the chief executive officer, the board of directors of the Company, the chief financial officer or any other senior management personnel occurs;
- (**prosecution**) any of the following occurs:
  - a director or proposed director or member of senior management of the Company is charged with an indictable offence;
  - any government agency commences any public action against the Company or any of its directors or any member of senior management of the Company named in this Prospectus in their capacity as a director or member of senior management (as applicable), or announces that it intends to take action; or
  - any director or proposed director of the Company, named in the Prospectus, is disqualified from managing a corporation under Part 2D.6 of the Corporations Act;.

8.1.1.3 Termination events subject to materiality

A Joint Lead Manager may terminate without cost or liability by notice to the Company and the other Joint Lead Managers if any of the following events occur at any time on or before 4.00pm on the Settlement Date or at any earlier time as specified below, and the Joint Lead Managers has reasonable grounds to believe the event: (i) has or is likely to have a material adverse effect on the success, settlement, outcome or marketing of the Underwritten Placement or on the ability of that Joint Lead Manager to market or promote or settle the Offer or on the likely price at which the new Shares will trade on ASX or the willingness of investors to subscribe for the Shares; or (ii) will, or is likely to, give rise to a liability of the Joint Lead Manager under, or give rise to, or result in, a contravention by the Joint Lead Manager or its affiliates or the Joint Lead Manager or its affiliates being involved in a contravention of, any applicable law:

- (**disclosures in the Due Diligence Report**) the due diligence report or verification material or any other information supplied by or on behalf of the Company to the Joint Lead Managers in relation to the new Shares, the group or the Underwritten Placement is (or is likely to), or becomes (or is likely to become), misleading or deceptive, including by way of omission;

- (**adverse change**) an event occurs which is, or is likely to give rise to an adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Arctic Companies, the Company and the group (insofar as the position in relation to an entity in the group affects the overall position of the Company), including any adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Arctic Companies, the Company or the group from those respectively disclosed in any offer document or the public information, or an adverse change in the nature of the business conducted by the Arctic Companies or the group as disclosed in the Prospectus;
- (**change of law**) there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State or Territory of Australia a new law, or the Reserve Bank of Australia or any Commonwealth or State authority, including ASIC, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Underwriting Agreement);
- (**breach of laws**) there is a contravention by the Company or any other group member of the Corporations Act, the *Competition and Consumer Act 2010* (Cth), ASIC Act (including any regulations under those Acts) the respective constitution of the Company, the Listing Rules or any other applicable law or regulation;
- (**compliance with law**) any of the offer documents or any aspect of the Underwritten Placement does not comply with the Corporations Act or any other applicable law or regulation;
- (**representations and warranties**) a representation, warranty, undertaking or obligation contained in the Underwriting Agreement on the part of the Company is breached, becomes not true or correct or is not performed;
- (**breach**) the Company defaults on one or more of its obligations under the Underwriting Agreement;
- (**constitution**) the Company varies any term of its constitution without the prior written consent of the Joint Lead Managers;
- (**legal proceedings**) any of the following occurs:
  - the commencement of legal proceedings against the Company, any other group member or against any director or officer of the Company or any other group member in that capacity; or
  - any regulatory body commences any enquiry or public action against a group member;
- (**information supplied**) any information supplied (including any information supplied prior to the date of the Underwriting Agreement) by or on behalf of a group member to the Joint Lead Managers in respect of the Underwritten Placement or the group is, or is found to be, misleading or deceptive, or likely to mislead or deceive (including, by omission);
- (**hostilities**) in respect of any one or more of Australia, New Zealand, Canada, the United States of America, Japan, South Korea, the Democratic People's Republic of Korea, a member state of the European Union, United Kingdom, the People's Republic of China or Russia:
  - hostilities not presently existing commence (whether war has been declared or not);
  - a major escalation in existing hostilities occurs (whether war is declared or not);
  - a declaration is made of a national emergency; or
  - a major terrorist act is perpetrated;
- (**certificate incorrect**) a statement in any closing certificate provided to the Joint Lead Managers under the Underwriting Agreement is false, misleading, inaccurate or untrue or incorrect;
- (**disruption in financial markets**) any of the following occurs:
  - trading in all securities quoted or listed on ASX, TSX, NYSE or LSE is suspended for at least 1 day on which that exchange is open for trading or there is a material disruption in commercial banking

or securities settlement or clearance services in Australia, Canada, New Zealand, the United States, Hong Kong, Singapore or the United Kingdom;

- any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, Canada, New Zealand, Hong Kong, Singapore, the United States or the United Kingdom or the international financial markets or any change in national or international political, financial or economic conditions that does not already exist or has not already been announced as at the date of this Agreement; or
- a general moratorium on commercial banking activities in Australia, Canada, New Zealand, the United States, Hong Kong, Singapore or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries.

8.1.1.4 Representations, warranties, undertakings and other items

The Underwriting Agreement contains representations, warranties and undertakings provided by the Company to each of the Joint Lead Managers, as well as customary conditions precedent. The representations and warranties relate to matters such as the Company's power and capacity, conduct in connection with the issue and distribution of the offer documents or the public information or the making of the Underwritten Placement, information provided to the Joint Lead Managers, financial information, accounting controls, litigation and other matters including intellectual property, insurance, property and labour relations.

The Company's undertakings include that it will not (without the consent of each of the Joint Lead Managers), at any time after the date of the Underwriting Agreement and up to 90 days after Completion of the Underwritten Placement, undertake certain actions, including not making certain changes to its business, Board, CEO or CFO, constitution or material contracts, and not issuing or agreeing to issue, any shares or other securities of the Company or any group member (or securities convertible or exchangeable into equity, or that represent the right to receive equity, of the Company or any group member), subject to certain limited exceptions including pursuant to an existing option plan, on conversion of any existing securities which are convertible into Shares.

8.1.1.5 Indemnity

Subject to certain exclusions including gross negligence, fraud, recklessness or wilful misconduct by an indemnified party, the Company agrees to keep the Joint Lead Managers and certain of its affiliated parties indemnified from losses suffered or incurred in connection with the Underwritten Placement, or claims made against, the indemnified parties in connection with the Underwritten Placement and the appointment of the Joint Lead Managers pursuant to the Underwriting Agreement.

8.1.2 Arctic Companies Share Purchase Agreement

Refer to Section 7.1 for a summary of the key terms of the SPA.

8.1.3 General Indemnity Agreement and Surety Bonds

ACDC and the Arctic Shareholder (together the ***Surety Bond Indemnitors***), Zurich Insurance Company Ltd. (***Zurich***), Aviva Insurance Company of Canada (***Aviva***) and Argonaut Insurance Company (collectively with Zurich and Aviva, the ***Sureties***) entered into a general indemnity agreement dated 3 February 2021 (***Surety Indemnity Agreement***).

Pursuant to the Surety Indemnity Agreement, the Surety Bond Indemnitors undertake to indemnify and hold the Sureties harmless from any losses arising from the issuance of the surety bonds (**Surety Bonds**) issued by the Sureties to secure certain environmental obligations of Arctic owed to the GNWT in connection with the operation of the Ekati diamond mine.

As at 31 March 2023, the following Surety Bonds were outstanding:

(i) surety bond (#25006-14) dated 3 November 2014, as amended from time to time, in the amount of C$103.7 million issued to the GNWT, Department of Environment and Natural Resources, as represented by the Minister of Environment and Natural Resources, by Aviva;

(ii) surety bond (#6341868) dated 3 November 2014, as amended from time to time, in the amount of C$124 million issued to the GNWT, Department of Environment and Natural Resources, as represented by the Minister of Environment and Natural Resources, by Zurich; and

(iii) surety bond (#39116-21) dated 3 February 2021 in the amount of C$1.4 million issued to the GNWT, as represented by the Minister of Lands, by Aviva.

Under the Surety Indemnity Agreement, the Surety Bonds must be cash collateralised in favour of the Surety Parties or, as directed by the Surety Parties, the Government of the Northwest Territories, in equal instalments of C$43.8 million each, payable 45 days after each quarter-end, until the quarter ending 31 March 2024. Payment of the collateral is subject to the Surety Bond Indemnitors having minimum cash on hand of US$15 million, failing which payment of any accumulated deficit rolls over to the next due date. Cash collateral delivered to the Government of the Northwest Territories reduces the amount of the Surety Bonds on a dollar for dollar basis, as directed by the Surety Parties in their sole discretion.

Upon completion of the acquisition of the shares of the Arctic Companies by the Company, it is expected that the Arctic Shareholder will be replaced by the Company under the Surety Indemnity Agreement.

8.1.4 Amended Second Lien Credit Agreement

It is expected that on closing of the Acquisition ACDC, as borrower, ACDM (together being the ***Loan Parties***), as parent of ACDC, Alter Domus (US) LLC, as administrative agent, and the lenders party thereto, will enter into a second amendment to the second lien credit agreement dated as of 3 February 2021 (***Amended Second Lien Credit Agreement***).

Pursuant to the Amended Second Lien Credit Agreement, each lender party thereto will make a loan to ACDC in an amount equal to such lender’s commitment, for a total loan amount of US$70 million (***Loans***). The Loans will mature on the third anniversary thereof and will bear interest at an amount equal to 10.00% per annum. The Loans will be secured by a second lien security interest in all assets of the Loan Parties (including the shares held by the Company in ACDM).

The Amended Second Lien Credit Agreement contains affirmative and negative covenants, including restrictions on dividends and other distributions and on prepayment of unsecured and junior debt, and is subject to events of default standard for a contract of this nature.

8.1.5 Winter Road Joint Venture Agreement

BHP Diamonds Inc. (***BHP***) entered into a joint venture agreement with Diavik Diamond Mines Inc. and DeBeers Canada Inc. (***DeBeers***) on 17 December 2008 (***Winter Road JV Agreement***). The Winter Road JV Agreement was subsequently amended in September 2013 and assigned by BHP to Dominion and thereafter to ACDC in February 2021. The Winter Road JV Agreement provides for the construction, maintenance and closure of the seasonal access road from Tibbitt Lake, Northwest Territories, to the site of the Lupin Mine, Nunavut (***Winter Road***). DeBeers joined the agreement for the purpose of seasonal access to resupply the Snap Lake mining operation only. ACDC is a party to the Winter Road joint venture in its capacity as owner and operator of the Ekati mine.

The Winter Road JV Agreement is valid from 17 December 2008 until the expiry date of the license of occupation of the Winter Road granted by Her Majesty the Queen in right of Canada, which is 30 April 2033.

The liability of each of the joint venturers under the Winter Road JV Agreement is several and not joint nor joint and several, and limited to its proportionate ownership interest in the Winter Road joint venture. The Winter Road JV Agreement may be terminated or a joint venturer may withdraw therefrom at any time upon six months’ notice, or if a joint venturer closes its operations served by the Winter Road, in which case it must offer its joint venture interest to the other joint venturers.

8.1.6 KeTe Goods and Services Agreement

Dominion (Ekati's owner prior to ACDC) entered an Amended and Restated Goods and Services Agreement with KeTe Whii/Procon Joint Venture, an unincorporated joint venture between Procon Mining & Tunnelling Ltd. and KeTe Whii Ltd (the joint venture hereby referred to as “**KeTe**”) on 19 January 2021 (***Kete G&S Agreement***). The Kete G&S Agreement was assigned to ACDC in February 2021.

Under the Kete G&S Agreement, KeTe undertakes to provide all materials, equipment, tools, labour, supervision, overhead, travel and everything required to complete the development of access to underground kimberlite resources beneath the existing completed Misery open pit mine at the Ekati Diamond Mine site located in the Lac de Gras region of the Northwest Territories of Canada and operated by the Arctic Companies. KeTe has been engaged at Ekati since 2002 and has provided mining services at Misery Underground since the start of operations in 2018. ACDC has a high dependency on KeTe due to its knowledge, expertise and access to resources. The Kete G&S Agreement contains standard provisions for a contract of this nature, including an obligation for Kete to replace the supplied goods free of charge in the event of defect and termination provisions, including termination for convenience in favour of ACDC, and termination in favour of both parties in cases of breach of contract, subject to a cure period.

8.1.7 Finning (Canada), Goods and Services Alliance Agreement

Under a Goods and Services Alliance Agreement entered into on 1 April 2022 between Finning (Canada), a division of Finning International Inc. (***Finning***) and ACDC (***Finning G&S Agreement***), Finning provides Caterpillar products and associated services to the mining sites of ACDC. Finning has had a long-term presence at Ekati. ACDC is highly dependent on Finning due to the concentration of Caterpillar equipment within its fleet as well as Finning's extensive knowledge, expertise and access to global resources. The Finning G&S Agreement has an initial term of five years and can be renewed by either party for a term to be agreed upon by the parties.

The Finning G&S Agreement contains standard provisions for a contract of this nature, including an obligation for Finning to perform quality assurance testing on shipped goods and termination provisions, including termination for convenience in favour of both parties with six months' notice and termination for cause in favour of both parties, subject to a cure period.

8.1.8 Dene Aurora Mining Ltd., Master Goods and Services Agreement

Dene Aurora Mining Limited, along with its joint venture partner, Hay River Heavy Truck Sales Limited (together, **Dene**) entered into the following agreements with ACDC: (i) a Master Goods and Services Agreement dated 1 January 2022 for the maintenance of dual-powered road trains and fleet services (***Dene G&S Agreement***), and (ii) a Master Services Agreement dated 25 June 2021 for the provision of a fire watch service and trained personnel at the Ekati Mine (***Dene Services Agreement***). The Dene G&S is effective for a period of four years commencing on 1 January 2022 and the Dene Services Agreement is effective for a period of five years commencing on 25 June 2021. ACDC may, at its sole option, extend the term of either agreement by a period of one year.

The agreements contain an obligation for Dene to maintain a certain service level, including in relation to health, safety, environment and community plans, and satisfaction of key performance indicators, and termination provisions, including termination for convenience in favour of ACDC with 90 days' notice and termination for default in favour of ACDC.

8.1.9 IHC Mining B.V., Supply Contract

ACDC has entered into a series of agreements with IHC Mining B.V. (**IHC**) in the last few years, including a Mining Equipment Supply Agreement dated 30 June 2022 for the building and delivery by IHC of an underwater mining vehicle as part of an alternative mining system (***IHC Supply Contract***). The completion time of the mining equipment is in the period between 7 August 2022 and 30 November 2023. Should the materials required by IHC be unavailable, IHC shall be entitled to an extension period to be negotiated in good faith. ACDC has a high dependency on the unique, world-first technology provided by IHC and IHC has the knowledge, expertise and access to resources that ACDC requires. The parties enjoy an alliance-type relationship. The IHC Supply Contract contains provisions standard for a contract of this nature and may be terminated by either party upon material breach by the other party and in certain other circumstances.

8.1.10 TliCho Domo Inc., Master Goods and Services Agreement

Dominion Diamonds Mines ULC and TliCho Domco Inc. (**TliCho**) entered into a Master Goods and Services Agreement on 2 March 2020 for the provision of catering, housekeeping and janitorial services at the Ekati Diamond Mine, Ekati Main Camp and Misery Camp in the Northwest Territories of Canada (***TliCho G&S Agreement***). The TliCho G&S Agreement was assigned to ACDC in February 2021. The

TliCho G&S Agreement is effective from 2 March 2020 to 1 March 2025. ACDC may at its option extend the term by a period of six months by notifying the TliCho prior to expiry of the term. The TliCho G&S Agreement contains provisions standard for a contract of this nature, including termination for convenience in favour of Arctic.

8.1.11 Det'on Cho Summit Aviation LP, Aviation Services Agreement

Dominion and Det'on Cho Summit Aviation (a limited partnership between 1805144 Alberta Ltd. as general partner and limited partners, Det'on Cho Corporation and Summit Air Ltd. (the "**Carrier**" and collectively, the ***Det'on Cho Partnership***), and where Det'on Cho Corporation is owned and operated by the Yellowknife's Dene First Nation and owns 50.1% interest in the Partnership) entered into an Aviation Services Agreement on 15 January 2020 (***Det'on Cho Aviation Services Agreement***). The Det'on Cho Aviation Services Agreement was assigned to ACDC in February 2021. Under the Det'on Cho Aviation Services Agreement, the Det'on Cho Partnership provides charter aviation services in support of Ekati's mining activities to ACDC. The Det'on Cho Aviation Services Agreement is effective until 15 July 2023. The Det'on Cho Aviation Services Agreement contains provisions standard for a contract of this nature, including a termination for cause provision in favour of ACDC in the event that the Carrier fails to meet key performance indicators for a continuous period of 60 days or more, a termination for convenience in favour of both parties upon 12 months' written notice. The Det'on Cho Aviation Services Agreement also contains an exclusivity provision in favour of the Det'on Cho Partnership.

8.1.12 Dene Dyno Nobel Inc., Master Goods and Services Agreement

Dominion Diamond Ekati Corporation and Dene Dyno Nobel (DWEI) Inc., an incorporated joint venture between Denesoline Corporation and Dyno Nobel Canada Inc. (***Dyno***) have entered into a Goods and Services Agreement dated 1 April 2017 for the purchase of bulk explosives and related services (***Dyno G&S Agreement***). The Dyno G&S Agreement was assigned to ACDC in February 2021 and is effective until 31 March 2026, with an option for ACDC to extend the term for a period of one to two years. The Dyno G&S Agreement contains provisions standard for a contract of this nature, including termination for breach and termination for convenience provisions in favour of both parties. Under the Dyno G&S Agreement, ACDC must supply 90% of its goods and services contemplated in the agreement, including its annual requirement of ammonium nitrate prill, from Dyno.

8.1.13 North Arrow Joint Venture Agreement

Dominion Diamond Holdings Ltd. (***DDH***), 6355137 Canada Inc. and North Arrow Minerals Inc. initially entered into a joint venture agreement on 30 June 2015 to participate in the exploration and evaluation, and if feasible, the development and mining of the Lac de Gras Property in the Northwest Territories of Canada (***North Arrow JV Agreement***). The North Arrow JV Agreement was assigned to ACDC in February 2021.

The North Arrow JV Agreement is effective from 30 June 2015 to 30 June 2035 and for so long after as products – defined as ores, minerals and mineral resources, including diamonds – are produced from the Ekati diamond mine property or the joint venturers are actively engaged in exploration or development of the Lac de Gras property or continue to jointly own or operate any of the assets or post-mining reclamation operations being conducted.

The North Arrow JV Agreement contains standard provisions for a contract of this nature, including a right of first refusal provision whereby if any joint venturer desires to transfer all or any part of its joint venture interest, or its right to be paid a percentage of net profits, the other joint venturers shall have a right to acquire such interests. Under the North Arrow JV Agreement, each joint venturer must pay to Covello, Bryan and Associates Ltd. a portion of their royalty of 2% of net smelter returns from the sale of mineral products derived from the Lac de Gras Property.

The North Arrow JV Agreement contains termination provisions agreement in favour of all parties by mutual consent, or if the joint venture's management committee fails to adopt a proposed operations program for eighteen (18) months after the expiration of the last adopted operations program. The North Arrow JV Agreement will terminate in respect of a joint venturer if such joint venturer's interest falls under 10%, subject to being entitled to a payout of 2% of the net profit of the joint venture. The North Arrow JV Agreement will also terminate if the acting operator resigns as acting operator of the joint venture and no other party consents to act as operator. Post-Acquisition the Company will consider its options in respect of the North Arrow JV Agreement.

8.1.14 Buffer Zone Gross Production Royalty Agreement

Dominion Diamond Ekati Corporation (***DDEC***), Archon Minerals Ltd. (***Archon***) and 1012987 B.C. Ltd. (**1012987**) entered into a royalty agreement on 5 June 2017 with respect to the Buffer Zone property (***Buffer Zone Royalty Agreement***), which is the focus of new development and exploration potential. The Buffer Zone Royalty Agreement was assigned by DDEC to ACDC in February 2021.

Under the Buffer Zone Royalty Agreement, each of Archon and 1012987 was granted a royalty at a rate equal to 2.07% and 0.23%, respectively, of the computed value of the diamonds produced from the Buffer Zone property. The royalties are granted in perpetuity. Under the Buffer Zone Royalty Agreement, ACDC has the right to suspend, curtail or terminate its operations or activities on the Buffer Zone property, to abandon it or to allow its rights and interests therein to lapse or expire.

8.1.15 Core Zone Gross Production Royalty Agreement

ACDC and 1012986 B.C. Ltd. (**1012986**) entered into a royalty agreement on 1 October 2021 with respect to the Core Zone property (***Core Zone Royalty Agreement***), which is the current focus of the mining operations. Under the Core Zone Royalty Agreement, ACDC granted to 1012986 a royalty at a rate equal to 2.00% of the computed value of the diamonds produced from the Core Zone property. The royalty is granted in perpetuity. Under the Core Zone Royalty Agreement, ACDC has the right to suspend, curtail or terminate its operations or activities on the Core Zone property, to abandon it or to allow its rights and interests therein to lapse or expire.

8.1.16 Dogrib/Tlicho First Nation, Impact and Benefits Agreement

The Tlicho First Nation Impact and Benefits Agreement was originally entered into on 18 October 1996 between the Dogrib Treaty 11 Council, now the Tlicho First Nation, and BHP (***Tlicho Impact and Benefits Agreement***). The Tlicho Impact and Benefits Agreement was initially assigned by BHP to Dominion, and thereafter to ACDC in February 2021.

Pursuant to the Tlicho Impact and Benefits Agreement, ACDC undertakes to provide the Tlicho First Nation with training, employment and business opportunities in the operations of the Ekati diamond mine, to the greatest extent possible, to establish an effective ongoing relationship in the spirit of cooperation between the parties and to respect the Tlicho First Nation’s land-based economy and culture, and their environment. Under the Tlicho Impact and Benefits Agreement, ACDC is required to financially support certain community and heritage funds created jointly with the Tlicho First Nation, and to fund traditional knowledge studies. Under the Tlicho Impact and Benefits Agreement, ACDC is also required to carry out socio-economic and environmental mitigation measures, investigate any environmental concerns raised and be bound by the terms of any licences, permits, regulations and agreements with the GNWT.

The Tlicho Impact and Benefits Agreement will continue throughout the operations, including the abandonment of the mines, rehabilitation, reclamation and environmental protection.

On May 4, 2022, ACDC and the Tlicho First Nation entered into the Point Lake Project agreement (***Point Lake Project Agreement***), which further defines the benefits to be provided by ACDC to the Tlicho First Nation and the terms of support the Tlicho First Nation will provide to ACDC and the Ekati diamond mine project. Pursuant to the Point Lake Project Agreement, in the event of any new mining activity beyond the existing operations, ACDC and the Tlicho First Nation shall undertake in good faith a joint review and assessment process to determine if and how the existing benefits under the Tlicho Impact and Benefits Agreement can be improved.

8.1.17 Akaitcho Treaty 8, Impact and Benefits Agreement

The Akaitcho Treaty 8 Impact and Benefits Agreement was originally entered into on 14 November 1996 between Akaitcho Treaty 8 and BHP (***Akaitcho Impact and Benefits Agreement***). The Akaitcho Impact and Benefits Agreement was initially assigned by BHP to Dominion, and thereafter to ACDC in February 2021.

Pursuant to the Akaitcho Impact and Benefits Agreement, ACDC undertakes to provide Akaitcho Treaty 8, specifically the Yellowknives Dene First Nations and the Lutsel K'e First Nation, with training, employment and business opportunities in the operations of the Ekati diamond mine, including the construction, operation and maintenance of diamond ore bodies, to the greatest extent possible and to establish an effective ongoing relationship in the spirit of cooperation between the parties. Under the

Akaitcho Impact and Benefits Agreement, ACDC is required to financially support certain community and heritage funds created jointly with the Yellowknives Dene First Nations and the Lutsel K'e First Nation. The Akaitcho Impact and Benefits Agreement also incorporates by reference the environmental agreement signed between the GNWT, the Government of Canada and BHP, which was assigned to Arctic in February 2021, and pursuant to which Arctic is required to carry out environmental mitigation measures.

The Akaitcho Impact and Benefits Agreement will terminate on the closure of the last mine. The parties will review, as required, the terms of the Akaitcho Impact and Benefits Agreement every five years from the effective date thereof.

8.1.18 The Hamlet of Kugluktuk and the Kitikmeot Inuit Association, Impact and Benefits Agreement

The Hamlet of Kugluktuk and the Kitikmeot Inuit Association Impact and Benefits Agreement was originally entered into on 7 December 1998 between the Hamlet of Kugluktuk and the Kitikmeot Inuit Association (***Inuit Groups***) and BHP (***Inuit Impact and Benefits Agreement***). The Inuit Impact and Benefits Agreement was initially assigned by BHP to Dominion, and thereafter to ACDC in February 2021.

Pursuant to the Inuit Impact and Benefits Agreement, ACDC is required to provide the Inuit Groups with training, employment and business opportunities in the Ekati diamond mine, including the construction, operation and maintenance of diamond ore bodies, to the greatest extent possible and to establish an effective ongoing relationship in the spirit of cooperation between the parties. Under the Inuit Impact and Benefits Agreement, ACDC is required to take all necessary measures to mitigate any negative impact of its construction or operations on the environment, wildlife and harvesting rights of the Inuit, provided the impacts can be mitigated.

The Inuit Impact and Benefits Agreement will terminate on the closure of the last mine.

8.1.19 North Slave Métis Alliance, Impact and Benefits Agreement

The North Slave Métis Alliance Impact and Benefits Agreement was originally entered into on 14 July 1998 between the North Slave Métis Alliance (***North Slave Alliance***) and BHP (***North Slave Alliance Impact and Benefits Agreement***). The North Slave Alliance Impact and Benefits Agreement was initially assigned by BHP to Dominion and thereafter to ACDC in February 2021.

Pursuant to the North Slave Alliance Impact and Benefits Agreement, ACDC is required to provide the North Slave Alliance with training, employment and business opportunities in the Ekati diamond mine, including the construction, operation and maintenance of diamond ore bodies, to the greatest extent possible and to establish an effective ongoing relationship in the spirit of cooperation between the parties. Under the North Slave Alliance Impact and Benefits Agreement, ACDC is required to financially support certain heritage funds created jointly with the North Slave Alliance and commits to responsible environmental management and will be bound by any licenses, permits or agreements issued to or committed by it.

8.2 Rights and liabilities attaching to Shares

Table 8.1 below provides a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, Listing Rules and the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours and online at the ASX's website.

Table 8.1 – Rights and liabilities attaching to Shares

Item	Description

Ranking of Shares	At the date of this Prospectus, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.
Voting rights	Subject to any rights or restrictions, at general meetings: • every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative; • has one vote on a show of hands; and • has one vote for every Share held, upon a poll.
Dividend rights	Subject to the rights of any preference Shares, the Directors may declare a dividend is payable, fix the amount and the time for payment and authorise the payment or crediting by the Company to, or at the direction of, each member entitled to that dividend. The Directors may rescind or alter such declaration before the payment is made. No dividend carries interest against the Company. The Directors may also resolve a dividend be satisfied by a distribution of specific assets, provide Shareholders the right to participate in a dividend reinvestment plan or capitalise the reserves and profits of the Company.
Variation of rights	The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.
Transfer of Shares	Shares can be transferred upon delivery of a proper instrument of transfer to the Company or by a transfer in accordance with the ASX Settlement Operating Rules. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer. If permitted by the Listing Rules, the Company may refuse to register a transfer of Shares and must refuse to register a transfer, where the transfer would result in a breach of the Listing Rules or a Restriction Agreement.
General meetings	Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. The Directors may convene a general meeting at their discretion. General meetings shall also be convened on requisition as provided for by the Corporations Act.
Unmarketable parcels	The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable laws and provided a notice is given to the minority Shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.
Rights on winding up	If the Company is wound up, the liquidator may with the sanction of special resolution, divide the assets of the Company amongst members as the liquidator sees fit. If the assets are insufficient to repay the whole of the paid-up capital of members, they will be distributed in such a way that the losses borne by members are in proportion to the capital paid up.
Restricted Securities	A holder of Restricted Securities (as defined in the Listing Rules) must comply with the requirements imposed by the Listing Rules in respect of Restricted Securities.

8.3 Terms of Options on issue

As at the date of this Prospectus, the following Options are on issue but not quoted on the ASX.

Table 8.2 – Options on issue

Option Holder	Issue Date	Number	Exercise Price	Expiry Date
Mr Sean Whiteford	20 August 2020	2,500,000	$0.12	31 July 2023
Mr George Read	10 September 2020	2,500,000	$0.12	31 August 2023
Mr Kim Truter	20 November 2020	2,500,000	$0.12	30 September 2023
Aitken Mount Capital Partners	23 September 2021	5,000,000	$0.36	23 September 2024
Euroz Hartleys Limited	23 September 2021	5,000,000	$0.36	23 September 2024
Haute Luxe Limited	30 August 2022	1,000,000	$0.26	5 August 2026
Company Employees	30 August 2022	2,032,548	Nil	30 August 2027

The terms and conditions applying to the Options (except for the 2,032,548 options issued to various employees of the Company (***Employee Options***)) are shown below. Where there are differences between the terms and conditions applying to a grant of Options, they are noted below. To that extent, references to 'Options' in the table directly below should not be taken to refer to the Employee Options, the terms and conditions of which are summarised in Table 8.4 below.

Table 8.3 – Option terms

Item	Term
Entitlement	Each Option entitles the holder to subscribe for one fully paid ordinary share in the Company upon exercise of the relevant Option.
Quotation of Options	Subject to the requirements of the Corporations Act, the Options shall be transferable but will not be listed on the ASX. The Company shall not apply for official quotation of the Options.
Issue price	No monies will be payable for the issue of the Options.
Exercise price and expiry date	The amount payable upon exercise of each Option corresponds to the exercise price of the relevant Option (see above). The Options expire at 5.00pm (Perth time) on the date that is three years after the issue date of the Options (see above).
Notice of exercise	In respect of the Options expiring 19 March 2023, 30 September 2023, 23 September 2024 and 5 August 2026, the Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Option holder to: • exercise all or a specified number of Options; and • pay the exercise price in full for the exercise of each Option. The notice must be accompanied by a cheque or electronic funds transfer made payable to the Company for the exercise price of the Options. An

	exercise of only some Options shall not affect the rights of the option holder to the balance of the Options they hold. In respect of the Options expiring 31 July 2023 and 31 August 2023, the Options may be exercised during the exercise period by notice in writing to the Company in the manner specified on the option certificate (Notice of Exercise) and payment of the exercise price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
Timing of issue of shares and quotation of shares on exercise	In respect of all of the Options, except for those expiring on 31 July 2023: • the Company shall allot the resultant shares and deliver the holding statement within five business days of the exercise of the relevant Option; and • the Company shall within five business days of any exercise of the Options apply for official quotation on the ASX of the shares issued pursuant to the exercise of any of the Options. In respect of the Options expiring on 31 July 2023, within 15 business days after the exercise date, the Company will: • issue the number of shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; • if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the shares does not require disclosure to investors; and • if admitted to the official list of ASX at the time, apply for official quotation on ASX of shares issued pursuant to the exercise of the Options.
Restrictions on transfer of shares	There are no restrictions on the transfer of shares which are issued pursuant to the exercise of the Options.
Quotation of shares on exercise	For all Options except for those which expire on 31 July 2023, the Company shall within five business days of any exercise of the Options apply for official quotation on the ASX of the shares issued pursuant to the exercise of any of the Options. In respect of the Options expiring on 31 July 2023, the Company will apply for official quotation on ASX within 15 business days of the exercise date.
Options transferable	The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.
Participation in New Issues	For all Options except for those which expire on 19 March 2023, there are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options without exercising the Options. In respect of the Options expiring 19 March 2023, the Company will send a notice to the option holder at least three business days before the record date of any new issues of capital offered to the Company's shareholders in order to give the option holder the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

Adjustment for bonus issues of shares	For all Options except those which expire on 31 July 2023 and 31 August 2023, in the case of a bonus issue the number of shares over which the Option is exercisable shall be increased by the number of shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue. In respect of the Options expiring on 31 July 2023 and 31 August 2023, there is no adjustment for bonus issues.
Adjustment for entitlement issue	In respect of the Options expiring on 31 July 2023 and 31 August 2023, there are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options without exercising the Options. In respect of all other Options, in the case of any entitlements issue (other than a bonus issue) the exercise price of the Option shall be reduced according to the following formula: $O' = O - \frac{E[P-(S+D)]}{N+1}$ O' = the new exercise price of the Option. O = the old exercise price of the Option. E = the number of underlying securities into which one Option is exercisable. P = the average market price per share (weighted by reference to volume) of the underlying securities. during the five trading days ending on the day before the ex-rights date or ex-entitlements date. S = the subscription price for a security under the pro-rata issue. D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue). N = the number of securities with rights or entitlements that must be held to receive a rights to one new security.
Adjustments for reorganisation	In respect of the Options expiring on 19 March 2023, in the event of any reorganisation of the capital of the Company (including consolidation, subdivisions, reduction or return) the rights of an Option holder will be changed to extent necessary to comply with the Listing Rules of the ASX applying to a reorganisation of the capital at the time of the reorganisation. The remainder of the Options do not have a term dealing with this issue.

The terms and conditions of the Employee Options issued to various employees of the Company, which were issued under the previously adopted 'Option Plan' (the ***Plan***) (adopted by Shareholders at the Company's Annual General Meeting on 2 July 2020) are as follows. Directors are entitled to participate in the Plan. As at the date of this Prospectus no Options under the Plan have been issued to Directors.

Table 8.4 – Employee Option terms

Item	Term
Entitlement	Eligible Participants are persons that:

	• are an "eligible participant" (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an associated body corporate of the Company; and • has been determined by the Board to be eligible to participate in the Plan from time to time (in each case, ***Eligible Participants*** or ***Participant***).
Administration	The Plan will be administered by the Board. The Board may make further provisions for the operation of the Plan which are consistent with the rules of the Plan.
Invitation	The Board may, from time to time invite any Eligible Participant to apply for Employee Options on the terms and conditions as the Board decides from time to time.
Issue price	Nil consideration payable on issuance of the Employee Options.
Exercise price and expiry date	Nil exercise price. Each Employee Option will expire on the earlier to occur of: • 5.00pm (AWST) on the date that is five years form the date of issue; or • the Employee Option lapsing and being forfeited (in each case, the ***Expiry Date***). Any unexercised Employee Options will automatically lapse on the expiry date.
Notice of exercise	The holder may exercise their Employee Options by detailing to the Company, on or prior to the Expiry Date a written notice of exercise of Employee Options specifying the number of Employee Options being exercised (***Exercise Notice***).
Conversion	All Shares issued or transferred to an Eligible Participant on the valid exercise of an Employee Option will rank equally in all respect with the existing issued Shares in the Company.
Renounecability	If permitted in the relevant invitation, Eligible Participants may renounce their offer in favour of a nominee. The Board may resolve not to allow a renunciation or impose conditions to renunciation. The Board will not facilitate the renunciation of the Invitation in favour of the nominee where to do so would be inconsistent with ASIC Class Order 14/1000 or any provision set out in an exemption or modification granted from time to time by ASIC in respect of the Plan.
Forfeiture	Unvested Employee Options will be forfeited and lapse: • immediately, on the Participant ceasing to be an Eligible Participant unless the Board otherwise determines; • on the date the Board determines, where the Eligible Participant has acted fraudulently or dishonestly or wilfully breached their duties to the Company and its subsidiaries; • on the date the Board determines, where any applicable vesting conditions have not been met or cannot be met by the relevant date; • immediately, on the date that the Eligible Participant becomes insolvent, unless otherwise stated in the Invitation or determined by the Board; and • voluntarily for no consideration.

	Additionally, all unexercised Employee Options whether or not vested will be automatically forfeited on the Expiry Date or on the Company's liquidation, unless the Board otherwise determines.
Restriction on dealing	Unless the dealing is effected by law on death or legal incapacity to the Eligible Participant's legal personal representative, an Eligible Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with an Employee Option that has been granted to them. The Employee Option is forfeited immediately on purported sale, assignment, transfer, dealing or grant of a security interest (as that term is defined in the Plan).
Change of Control	The Board may in its discretion determine the manner in which any or all of the Eligible Participant's Employee Options will be dealt with where there is a change in control of the Company (including by takeover or entry into a scheme of arrangement) including by allowing the Eligible Participant to participate in and/or benefit from any transaction.
Participation	Unless otherwise determined by the Board, a holder of Employee Options does not have the right to participate in a pro rata issue of Shares made by the Company, to sell renounceable rights or to participate in any new issue of Shares of the Company as a result of their holding of Employee Options except for bonus issues.
Bonus Issues	Subject to the Listing Rules, in the event of a bonus issue the holder of Employee Options is entitled on exercise to receive without the payment of any further consideration, an allotment of as many additional Shares as would have been issued to a Shareholder who, on the date for determining entitlements under the bonus issue, held Shares equal in number to the Shares in respect of which the Employee Options are exercised. Any adjustments to the Company's share capital after a bonus issue will also be made to the additional Shares.
Change in exercise price or number	An Employee Option will not confer a right to a change in exercise price or a change in the number of underlying Shares over which the Employee Option can be exercised.
Reorganisation	If at any time the capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of an Eligible Participant are to be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.
Timing of issue of shares and quotation of shares on exercise	As soon as practicable after the issue of an Exercise Notice by the holder, the Company will: • issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled; • if required, issue a substitute Certificate for any remaining unexercised Employee Options held by the holder; and • if required and subject to paragraph 8, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act. All Shares issued upon the exercise of Employee Options will upon issue rank equally in all respects with the then Shares of the Company.

Quotation of Employee Options	No application for quotation of the Employee Options will be made by the Company.
Restrictions on transfer of shares	If the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Employee Options may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.
Employee Options not transferable	The Employee Options are not transferable unless with the prior written approval of the Board in special circumstances and subject to compliance with the Corporations Act and the Listing Rules.
Adjustment for bonus issues of shares	If Shares are issued by the Company pro rata to shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Employee Options is entitled, upon exercise of the Employee Options, to receive, in addition to the Shares in respect of which the Employee Options are exercised and without the payment of any further consideration, an allotment of as many additional Shares as would have been issued to a shareholder who, on the date for determining entitlements under the bonus issue, held Shares equal in number to the Shares in respect of which the Employee Options are exercised. Additional Shares to which the holder of Employee Options becomes so entitled will, as from the time Shares are issued pursuant to the bonus issue and until those additional Shares are allotted, be regarded as Shares in respect of which the Employee Options are exercised for the purposes of subsequent applications of any adjustments made for a bonus issue (as noted above), and any adjustments which, after the time just mentioned, are made in relation to a reorganisation of capital (see below) to the number of Shares will also be made to the additional Shares.
No other participation	Other than as contemplated in relation to bonus issues, a holder of Employee Options does not have the right to participate in a pro rate issue of Shares by the Company or sell renounceable rights. Subject to the proviso for a reorganisation of capital (see below), during the currency of any Employee Options and prior to their exercise, the holders of Employee Options are not entitled to participate in any new issues of Shares of the Company as a result of their holding of Employee Options.
Adjustments for reorganisation of capital	In the event that the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all the holder's rights as a holder of Employee Options will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the holder's economic and other rights are not diminished or terminated.
Leaver	Where the holder of the Employee Options (or the relevant Eligible Participant in the case of a nominee holder) is no longer employed, or their office or engagement is discontinued with the Company, all Employee Options will automatically be forfeited by the Eligible Participant, unless the Board otherwise determines in its discretion to permit some or all of the Employee Options to remain on foot.

8.4 Terms of Convertible Notes on issue

On 21 September 2021, the Company issued 35,000,000 Convertible Notes, the terms of which are as follows.

Table 8.5 – Convertible Notes terms

Item	Term
Face value	$1 per Convertible Note (***Face Value***).
Security status	Unsecured.
Interest Rate	6% per annum on the principle amount of outstanding Convertible Notes.
Interest payments	Interest paid quarterly in arrears for the term of the Convertible Notes.
Maturity Date	36 months from the issue date, being 21 September 2024 (the ***Maturity Date***).
Redemption	Convertible Notes which have not previously been converted or redeemed will be redeemed on the Maturity Date noted above.
Redemption amount	The amount payable on redemption of a Convertible Note is the Face Value and any accrued but unpaid interest.
Conversion	Convertible Notes which have not been redeemed may be converted into fully paid ordinary shares in the Company (***Shares***) by written notice at the election of the Noteholder at the relevant Conversion Price by dividing the Face Value of the Convertible Notes being converted by the relevant Conversion Price. The Shares issued on conversion will rank equally with the Shares currently on issue in the Company. To the extent that this calculation does not result in a round number of Shares, the number will be rounded up to the next whole number of Shares. The aggregate principal amount of the Convertible Notes which are to be converted must be a minimum of $250,000 or any higher multiple of $250,000, or if the principal amount of all outstanding Convertible Notes is less than $250,000, that lesser amount).
Quotation	The Convertible Notes will not be listed on ASX. The Company will apply to ASX for official quotation of the Shares issued on conversion of the Notes.
Conversion Price	$0.264.
Adjustments for reorganisations or reconstructions	If the Company reorganises or reconstructs its capital (including consolidation, subdivision, reduction or return) at any time when there is a principal amount outstanding to a Noteholder, then the Conversion Price, number of Shares and/or Convertible Notes will be amended to the extent applicable and, subject to the Listing Rules, to place that Noteholder in substantially the same position as it would have been had no such event occurred.
Event of default	Events of default include: • failure to issue Shares after receipt of a conversion notice; • failure to pay cash due under the convertible note deed within five business days after its due date; • failure to perform a material obligation under the convertible note deed excluding a payment default and, in relation to any rectifiable failure, within 14 days following notice by the investor requiring rectification; • a breach of warranty in any material respect;

	• failure to file annual or quarterly reports required by law or the Listing Rules; • failure to comply with the Listing Rules; • the Company consolidates with, merges or amalgamates into or transfers all or substantially all of its assets to any person; • an insolvency event occurs; • the Company incurs any financial indebtedness other than permitted financial indebtedness; • any indebtedness of the Company is not paid when due.
Negative Covenants	Until the conversion or redemption in full of the convertible notes the Company must not without the Noteholder's consent: • dispose of its assets unless in the ordinary course of business or the value is less than $500,000; • change the nature of its business; • enter into contracts with third parties other than on arm's length terms; • incur any financial indebtedness other that permitted financial indebtedness or grant a security interest over its assets; • lend money or provide a guarantee except to its subsidiary or repay any intercompany loans; • authorise or permit the authorisation of a voluntary or involuntary administration, liquidation, dissolution or winding up on it or its respective business; and • amend its constitution in a way that has, or could have, a negative impact on the investor.
Warranties and termination events	The convertible note deed contain warranties and termination events that are standard for a transaction of this nature.
Transferability	Convertible Notes will not be listed and will not be able to be transferred without the prior written consent of the Company unless the transfer is to an affiliate of the Noteholder.

8.5 Registration

The Company was registered in Western Australia on 22 August 2012.

8.6 Substantial Shareholders

At the Prospectus Date, the following Shareholders hold a relevant interest in 5% or more of the Shares on issue.

Table 8.6 – Substantial Shareholders at the date of this Prospectus

Name	Shares	% Shares
Michael O'Keeffe	27,903,535	8.1%

Based on the information known as at the Prospectus Date, upon Reinstatement, and assuming the SPP Offer is fully subscribed, the following persons will have a relevant interest in 5% or more of the Shares on issue.

Table 8.7 – Substantial Shareholders upon Reinstatement

Name	Shares	% Shares
Arctic Canadian Diamond Holding LLC	129,230,769	9.0%

Name	Shares	% Shares
Lenders	149,598,457	10.4%
Choron Group	120,000,000	8.3%
Schroder Investment Management Australia Limited	92,000,000	6.4%

8.7 Dividend Policy

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.

Notwithstanding the foregoing, any dividends which are paid by the Company may be subject to withholding tax. Investors should consult with their own tax advisers regarding the particular tax consequences of acquiring, owning and disposing of shares in the Company.

8.8 Consent to be named and inclusion of statement and disclaimers of responsibility

8.8.1 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Shares under this Prospectus), the Directors, any persons named in this Prospectus with their consent having made a statement in this Prospectus and persons involved in a contravention in relation to this Prospectus, with regard to misleading and deceptive statements made in this Prospectus. Although the Company bears primary responsibility for this Prospectus, the other parties involved in the preparation of this Prospectus can also be responsible for certain statements made in it.

In light of the above, each of the parties referred to below:

- does not make the Offer;
- does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below or elsewhere in this Prospectus;
- only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below; and
- has given and has not, prior to the lodgement of this Prospectus with ASIC, withdrawn its consent to the inclusion of the statements in this Prospectus that are specified below in the form and context in which the statements appear.

8.8.1.1 Share Registry

Automic has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as share registry to the Company in the form and context in which it is named. Automic has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registry.

8.8.1.2 Auditor to the Company

RSM has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as auditor of the Company in the form and context in which it is named and references to its audit reports in the text of this Prospectus.

8.8.1.3 Auditor to the Arctic Companies

KPMG (Canada) has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as auditor of the Arctic Companies in the form and context in which it is named and references to its audit reports in the text of this Prospectus.

8.8.1.4 Legal Advisers

Allens has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as Australian corporate legal adviser to the Company in the form and context in which it is named.

Davies Ward Phillips & Vineberg LLP has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as Canadian corporate legal adviser to the Company in the form and context in which it is named.

8.8.1.5 Investigating Accountant

RSM Corporate Australia Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to being named in this Prospectus as the Investigating Accountant to the Company in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Independent Limited Assurance Report in the form and context in which it is included.

8.8.1.6 Solicitor's Report Author

Field Law has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the author of the Solicitor's Report in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Solicitor's Report in the form and context in which it is included.

8.8.1.7 Independent Technical Assessment Report Author

CSA Global has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the author of the Independent Technical Assessment Report in the form and context in which it is named and has given and not withdrawn its consent to the inclusion of the Independent Technical Assessment Report in the form and context in which it is included.

8.8.2 Paul Zimnisky and Industry Report

Paul Zimnisky has given and has not withdrawn prior to the lodgement of this Prospectus with ASIC, his written consent to be named in this Prospectus as the author of the Industry Report in Section 2 in the form and context in which he is named and has given and not withdrawn his consent to the inclusion of the Industry Report in this Prospectus.

8.9 Expenses of the Offer

The expenses of the Offer (excluding GST) are estimated to be approximately A$9.9 million. These costs will be borne by Burgundy from the proceeds of the Offer.

8.10 Material regulations

8.10.1 Australia

The sale and purchase of shares in Australia is regulated by Australian laws that restrict the level of ownership or control by any one person (either alone or in combination with others), namely in Australia the:

- *Corporations Act 2001* (Cth); and
- *Foreign Acquisitions and Takeovers Act 1975* (Cth).

This section contains a general description of these laws.

8.10.1.1 Corporations Act

The takeover provisions in Chapter 6 of the Corporations Act restrict acquisitions of shares in listed companies if the acquirer's (or another party's) voting power would increase to above 20%, or would increase from a starting point that is above 20% and below 90%, unless certain exceptions apply. The Corporations Act also imposes notification requirements on persons having voting power of 5% or more in the Company, either directly or through an associate.

8.10.1.2 Foreign Acquisitions and Takeovers Act 1975 (Cth)

Generally, the Foreign Acquisitions and Takeovers Act 1975 (Cth) (***FATA***) applies to acquisitions of shares and voting power in a company of 20% or more by a single foreign person and its associates (***Substantial Interest***), or 40% or more by 2 or more unassociated foreign persons and their associates (***Aggregate Substantial Interest***). Where a foreign person holds a Substantial Interest in the Company or foreign persons hold an Aggregate Substantial Interest in the Company, the Company itself will be a "foreign person" for the purposes of the FATA.

Where an acquisition of a Substantial Interest or an Aggregate Substantial Interest meets certain criteria, the acquisition may not occur unless notice of it has been given to the Federal Treasurer and the Federal Treasurer has either stated that there is no objection to the proposed acquisition in terms of the Australian Government's Foreign Investment Policy (***FIRB Approval***) or a statutory period has expired without the Federal Treasurer objecting. An acquisition of a Substantial Interest or an Aggregate Substantial Interest meeting certain criteria may also lead to divestment orders unless a process of notification, and either a statement of non-objection or expiry of a statutory period without objection, has occurred.

In addition, acquisitions of a direct interest in an Australian company by foreign Government investors and their related entities are required to be notified to the Federal Treasurer through the Foreign Investment Review Board (***FIRB***) for approval, irrespective of value. Under the FATA a 'Direct Interest' will typically include:

- any investment of 10% or more of the shares (or other securities or equivalent economic interest or voting power) in an Australian company;
- an investment of 5% where the investor has entered a legal arrangement relating to the businesses of target; or

an investment of any percentage where the investor obtains a position to influence central management or the policy of the target.

On 1 January 2021, a foreign investment framework commenced which includes a requirement to seek FIRB approval for certain national security related transactions. The definition of national security is outlined in the FATA and includes reference to the *Security of Critical Infrastructure Act 2018* (Cth). The new national security regime:

- requires mandatory notification of any proposed Direct Investment in a sensitive national security business (including starting such a business) or proposed investment in national security land;
- allows the Federal Treasurer to 'call in' certain transactions for screening on national security grounds and allow investors to voluntarily notify these transactions to obtain certainty about the investment; and
- allows the Federal Treasurer (subject to various requirements) to impose conditions, vary existing conditions, or, as a last resort, force the divestment of any realised investment which was subject to the FATA from 1 January 2021, where national security concerns are identified.

Transactions falling within the scope of the national security test are subject to a $0 monetary threshold.

8.11 ASX confirmation and waivers

The Company has received the following confirmations in connection with its re-compliance with Chapters 1 and 2 of the Listing Rules:

- confirmation that the ASX would exercise its discretion under Listing Rule 11.1.2 to require the Company to obtain shareholder approval in respect of the Acquisition; and
- confirmation that the ASX would exercise its discretion under Listing Rule 11.1.3 to require that the Company meet the requirements of Chapters 1 and 2 of the Listing Rules.

Existing Options on issue with an exercise price of less than A$0.20 are permitted pursuant to section 8.9 of ASX Guidance Note 12.

8.12 Continuous disclosure obligations

As the Company is admitted to the Official List, the Company is a "disclosing entity" for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company's Securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

8.13 Litigation

As at the date of this Prospectus, neither the Company nor the Arctic Companies are involved in any material legal proceedings nor are the Directors aware of any legal proceedings pending or threatened against the Company or the Arctic Companies or any of their respective subsidiaries.

8.14 Electronic Prospectus

Pursuant to Regulatory Guide 107 ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Shares in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the relevant Application Form. If you have not, please contact the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the relevant electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

8.15 Taxation considerations

8.15.1 General

Set out below is a general summary of the Australian income tax, GST and stamp duty implications associated with the Offer for certain investors and Eligible Shareholders.

This summary is general in nature and does not take account of the individual circumstances, financial objectives, tax positions, or investment needs of particular investors and Eligible Shareholders and does not constitute tax advice. The tax implications associated with subscribing for new Shares will vary depending on your particular circumstances. Neither the Company nor any of its officers or employees, nor its taxation or other advisers, accepts any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences.

This taxation summary does not constitute financial product advice as defined in the *Corporations Act 2001* (Cth). This summary is confined to taxation issues and is only one of the matters you need to consider when making a decision about your investments.

You should consult your own professional tax adviser regarding the consequences of subscribing to new Shares to you in light of your particular circumstances.

The information provided below is not applicable to all investors and Eligible Shareholders. This tax summary deals only with the Australian taxation implications associated with subscribing for the new Shares if you:

- are a resident for Australian income tax purposes; and
- hold your Shares on capital account.

This summary will not apply to you if you:

- are not a resident for Australian income tax purposes;
- hold your Shares on 'revenue account' or as 'trading stock' (as defined in the *Income Tax Assessment Act 1997* (Cth) (the ***1997 Act***), such as share trading entities or entities who acquired their Shares for the purposes of resale at a profit);
- may be subject to special tax rules, such as partnerships, tax exempt organisations, insurance companies, dealers in securities or Shareholders who change their tax residency while holding their Shares;
- acquired the Shares pursuant to any employee share scheme, and where those shares remain subject to deferred taxation under Division 83A of the 1997 Act (other than where those Shares are no longer subject to any relevant employee share scheme rules); and/or
- are subject to the taxation of financial arrangement rules in Division 230 of the 1997 Act in relation to gains and losses on your Shares, except as otherwise noted in section 8.15.5 below.

This summary is based on the provisions of the *Income Tax Assessment Act 1936* (Cth) and the 1997 Act as at the date of this Prospectus. The summary does not take into account or anticipate changes in Australian tax law or future judicial interpretations of law after this time unless otherwise specified. The laws are complex and subject to change periodically, as is their interpretation by the courts and the tax authorities. The summary also does not take into account tax legislation of any country other than Australia.

8.15.2 Acquisition of new Shares

The cost base (and reduced cost base) for capital gains tax (***CGT***) purposes of each new Share should include the Offer Price for those new Shares plus certain non-deductible incidental costs you incur in acquiring them.

For CGT purposes, the date that the new Shares should be treated as having been acquired is the date you are issued or allotted the new Shares.

8.15.3 Dividends on new Shares

Generally speaking, future dividends paid or other distributions made in respect of new Shares should be subject to the same tax issues as dividends paid or other distributions made on existing Shares held in the same circumstances.

By way of example, if the Company pays a franked dividend on the new Shares, certain shareholders may be entitled to a tax offset equal to the franking credits attached to the dividend, provided that the shareholder is a 'qualified person'. Broadly, subject to certain exceptions (including for an individual who obtains franking tax offsets of no more than A$5,000 in the income year in which the dividend was paid), to be a 'qualified person', the shareholder must satisfy the 'holding period rules'. Under these rules, the shareholder may be required to have held their new Shares 'at risk' for a continuous period of at least 45 days (not including the date of acquisition and the date of disposal of the shares) within the relevant 'qualification period'.

8.15.4 Disposal of new Shares

A disposal of a new Share will trigger a CGT event A1.

Broadly, you will:

- make a 'capital gain' if the capital proceeds received from the disposal exceed the cost base of the new Share;
- make a 'capital loss' if the capital proceeds from the disposal are less than the reduced cost base of the new Share.

The cost base of new Shares is described above in Section 8.15.2.

Generally, shareholders who are individuals, trustees or complying superannuation entities that have held the new Shares for at least 12 months at the time of disposal (not including the date of acquisition or disposal) should be entitled to apply the applicable CGT discount to reduce the capital gain (after offsetting any available capital losses and subject to certain integrity rules).

The applicable CGT discount is 50% for individuals and trusts, or 33⅓% for Australian complying superannuation entities. The CGT discount is not available for companies.

In order to be eligible for the CGT discount on the disposal of a new Share, the new Share must be held for at least 12 months after the date that you acquired the new Share.

As the rules relating to discount capital gains for trusts are complex, the Company recommends that trustees seek their own independent advice on how the CGT discount provisions will apply to them and the trusts' beneficiaries.

If you make a capital loss, you can only use that loss to offset capital gains from other sources; i.e. the capital loss cannot be used against assessable income on revenue account. However, if the capital loss cannot be used in a particular income year it can be carried forward to reduce capital gains you derive in future income years., Specific capital loss recoupment rules apply to companies to restrict their ability to utilise capital losses in future years in some circumstances.

8.15.5 Taxation of Financial Arrangements

The 'Taxation of Financial Arrangements' rules under Division 230 of the 1997 Act (***TOFA Provisions***) operate to make assessable or deductible, gains or losses arising from certain "financial arrangements".

A share is a "financial arrangement". However, depending on the circumstances of the particular investor or Eligible Shareholder, the TOFA Provisions may not apply. Further, certain taxpayers (including individuals) are generally excluded from the operation of the TOFA Provisions unless they have made a valid election for it to apply.

The application of the TOFA Provisions is complex, and dependent on the particular facts and circumstances of the investor or Eligible Shareholder. Each investor or Eligible Shareholder should obtain their own advice regarding the potential application of the TOFA Provisions to their particular facts and circumstances.

8.15.6 Provision of TFN and/or ABN

The Company is required to deduct withholding tax from payments of dividends that are not 100% franked, at the rate specified in the *Taxation Administration Regulations 2017* (Cth) (currently 47%), and remit such amounts to the ATO, unless you have quoted a TFN or an ABN, or a relevant exemption applies (and has been notified to the Company).

You are able to provide your TFN, ABN or relevant exemption online with the Share Registry at www.automicgroup.com.au. When providing your details online, you will be required to enter your SRN/HIN as shown on your Issuer Sponsored/CHESS statements and other personal details such as your postcode.

8.15.7 Other Australian Taxes

Subject to the proviso below, there should be no Australian GST or stamp duty will be payable by the investors and the Eligible Shareholders in respect of the issue and acquisition of new Shares, pursuant to the Offer.

No stamp duty should be payable by an investor or Eligible Shareholder on the acquisition of new Shares provided each investor or Eligible Shareholder, and any associated persons, do not hold, as a result of such acquisition, 90% or more of the interests in the Company.

8.16 Documents available for inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company:

- this Prospectus; and
- the Constitution.

8.17 Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications sunder this Prospectus are governed by the laws applicable in the State of New South Wales, Australia, and each Applicant under this Prospectus submits to the non-exclusive jurisdiction of the courts in the State of New South Wales, Australia.

8.18 Statement of Directors

The Directors report that after due enquiries by them, in their opinion, since the date of the financial statements in the financial information in Section 4, there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

8.19 Directors' Authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Schedule 1

Definitions

$ or A$ means Australian Dollars.

2L Amendment has the meaning given in the letter from the Chairman on page vii.

2L Amendment Amount has the meaning given in the letter from the Chairman on page vii.

ACDC means Arctic Canadian Diamond Company Ltd.

ACDG or ***Arctic Companies*** means ACDC and ACDM.

ACDM means Arctic Canadian Diamond Marketing N.V.

Arctic Companies or ***ACDG*** means ACDC and ACDM.

Arctic Shareholder means Arctic Canadian Diamond Holding LLC.

Acquisition means the acquisition by the Company of 100% of the issued capital of the Arctic Companies in accordance with the SPA.

AGM means an Annual General Meeting.

Aitken Mount Capital Partners means Aitken Mount Capital Partners Pty Ltd (ACN 169 972 436).

Annual Report means the Company's Annual Report.

Applicant means a person who submits an Application Form.

Application Form means the application form annexed to or accompanying this Prospectus for each of the SPP Offer and the Underwritten Placement, or either one of them, as the context requires.

Application Monies means the amount of money in dollars and cents payable for Shares at the Offer Price per Share pursuant to the Offer.

ASIC means the Australian Securities and Investments Commission.

ASIC Instrument means the ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547.

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

ASX Settlement means ASX Settlement Pty Limited (ACN 008 504 532).

ASX Settlement Operating Rules means the settlement and operating rules of ASX Settlement.

Automic means Automic Pty Ltd (ACN 152 260 814).

Bell Potter Securities means Bell Potter Securities Limited (ACN 006 390 772).

Board means the board of Directors.

Brigade means Brigade Capital Management, LP.

Buffer Zone means the area adjacent to the Core Zone of Ekati.

Business Day means Monday to Friday except for any day that ASX declares is not a business day.

CHESS means the Clearing House Electronic Sub-register System operated by ASX Settlement.

Cleansing Offer means the offer of Shares described in Section 7.18.

Closing Date means the date that the Offer closes which is 5.00pm (Sydney time) on 26 June 2023 or such other time and date as the Board determines.

Code of Conduct means the Company's Code of Conduct which sets out the Company's values and forms part of the Company's Corporate Governance Plan.

Company means Burgundy Diamond Mines Limited (ACN 160 017 390).

Completion means completion of the Acquisition in accordance with the SPA.

Consideration Shares means the 129,230,769 Shares to be issued to the Arctic Shareholder (or its nominees) pursuant to the SPA as part consideration for the Acquisition.

Consolidated Entity has the meaning given to it at Subsection 4.10.3.

Constitution means the constitution of the Company as at the date of this Prospectus.

Convertible Notes has the meaning given in Section 8.4.

Convertible Security has the meaning given in Section 6.6.

Core Zone means the area comprising the primary mining operations and other kimberlite pipes of Ekati.

Competent Person has the meaning defined in the 2012 Edition of the Joint Ore Reserves Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

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

Debt Repayment has the meaning given in Section 7.1.1.

Debt Repayment Shares means Shares to be issued to the Lenders (or their nominees) as part of the Debt Repayment pursuant to the SPA.

Deferred Payment has the meaning given in Section 7.1.1.

Director means a director of the Company.

EBITDA means net profit after tax before the deduction of interest expense and finance income, taxes, depreciation and amortisation.

Ekati means the Ekati diamond mine located in the Northwest Territories of Canada, comprising both the Core Zone and the Buffer Zone.

Employee Incentive Plan has the meaning given in Section 6.6.

Euroz Hartleys means Euroz Hartleys Limited (ACN 104 195 057).

Extraordinary General Meeting or Meeting means the extraordinary general meeting of Shareholders to be held on Friday, 23 June 2023 at 10.00am (Sydney time).

Federal Treasurer means the Federal Treasurer of Australia.

GNWT means Government of the Northwest Territories.

Independent Limited Assurance Report or ***ILAR*** means the Independent Limited Assurance Report prepared by RSM Corporate Australia Pty Ltd, contained in Schedule 2 to this Prospectus.

Indicated Resource means an 'Indicated Mineral Resource' as that term is defined in the JORC Code.

Industry Report means the Industry Overview at Section 2 of this Prospectus.

Inferred Resource means an 'Inferred Mineral Resource' as that term is defined in the JORC Code.

Institutional Investor means an institutional, sophisticated or professional investor (and any person for whom it is acting) that if in:

(a) **Australia**, means Investors who are (a) persons in Australia who are wholesale clients under section 761G of the Corporations Act and either “professional investors” or “sophisticated investors” under sections 708(8), 708(10) and 708(11) of the Corporations Act, respectively;

(b) **Bermuda**, it acknowledges that any communications received in relation to the Offer occurred from outside Bermuda;

(c) **Cayman Islands**, it acknowledges that any communications received in relation to the Offer occurred from outside the Cayman Islands;

(d) **Canada (British Columbia, Ontario and Quebec provinces only)**, it is an "accredited investor" as defined in National Instrument 45-106 – *Prospectus Exemptions* ("NI 45-106");

(e) **European Union (excluding Austria),** it is a "qualified investor" (as defined in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union);

(f) **Hong Kong**, it is a "professional investor" (as defined in the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong);

(g) **Monaco**, it is (i) an existing shareholder of the Company; (ii) an "institutional investor" within the meaning of Article 29 of Law n°1.338 (as amended) of Monaco; (iii) an entity duly licensed by Monaco's Commission de Contrôle des Activités Financières ("CCAF"); or (iv) a client of a CCAF-licensed entity and all steps are taken through the services of such licensed entity;

(h) **New Zealand**, it is a person who (i) is an investment business within the meaning of clause 37 of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand) (the "FMC Act"), (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act, (iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act, (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act or (v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act (and, if an eligible investor, have provided the necessary certification);

(i) **Singapore**, it is an "institutional investor" or an "accredited investor" (as such terms are defined in the Securities and Futures Act 2001 of Singapore ("SFA"));

(j) **Switzerland**, it is a "professional client" within the meaning of article 4(3) of the Swiss Financial Services Act ("FinSA") or have validly elected to be treated as a professional client pursuant to article 5(1) of the FinSA;

(k) **United Kingdom**, it is (i) a "qualified investor" within the meaning of Article 2(e) of the UK Prospectus Regulation (EU) 2017/1129; and (ii) within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended; or

(l) **United States**, it is either (i) an "institutional accredited investor" within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) and (12) under the US Securities Act; or (ii) a dealer or other professional fiduciary organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.

Institutional Offer means that component of the Underwritten Placement described in Section 7.2.2.

Investigating Accountant means RSM Corporate Australia Pty Ltd.

JLM Retail Client Offer means that component of the Underwritten Placement described in Section 7.2.2.

Joint Lead Managers means Bell Potter, Aitken Mount and Euroz Hartleys.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

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.

Lac de Gras Property means the exploration property and assets (including products derived from such property) that is subject of the Lac de Gras Joint Venture.

Lac de Gras Joint Venture means the joint venture between the Company and North Arrow Minerals Inc. pursuant to a joint venture agreement dated 30 June 2015 (and assigned to ACDC) (described in Section 8.1.13).

Lenders means Brigade and Polen.

Listing Rules means the listing rules of ASX.

Management means the senior management team of the Company.

Measured Resource means a 'Measured Mineral Resource' as that term is defined in the JORC Code.

Merged Group or ***Group*** means the Company, and its wholly owned subsidiaries, including the Arctic Companies, after Completion of the Acquisition.

Mineral Resource means an 'Mineral Resource' as that term is defined in the JORC Code.

Misery or ***Misery Underground*** has the meaning given at Subsection 3.3.2.11.1.2.

Naujaat Diamond Project has the meaning given at Subsection 3.1.1.2.

Noteholder means a holder of Convertible Notes.

Offer means together the Underwritten Placement and SPP Offer.

Offers means together the Underwritten Placement, SPP Offer and Cleansing Offer.

Offer Period means the period from 14 June 2023 to 26 June 2023.

Offer Price means A$0.25 per Share under the Offer.

Official List means the official list of ASX.

Option means an option to acquire a Share.

Opening Date means the first date for receipt of completed Application Forms under the Offer, being 14 June 2023.

Ore Reserve means an 'Ore Reserve' as that term is defined in the JORC Code.

Placement has the meaning given in the letter from the Chairman on page vii.

Polen means Polen Capital Management.

Probable Ore Reserve means a 'Probable Ore Reserve' as that term is defined in the JORC Code.

Prospectus means this prospectus dated 7 June 2023.

Prospectus Date means the date on which a copy of this Prospectus was lodged with ASIC, being 7 June 2023.

Proven Ore Reserve means a 'Proven Ore Reserve' as that term is defined in the JORC Code.

Recommendations means the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

Record Date means Tuesday, 23 May 2023.

Reinstatement means reinstatement of the Shares to quotation on ASX, following Completion and the Company satisfying the requirements set out in chapters 1 and 2 of the Listing Rules.

Related Body Corporate has the meaning given in section 9 of the Corporations Act.

Restriction Agreement means a restriction agreement in accordance with the Listing Rules to be entered into by a Security holder of the Company.

Retail Clients means Australian and New Zealand resident retail clients of the Joint Lead Managers who have received a firm allocation of Shares from the Joint Lead Managers.

RSM means RSM Australia Partners.

Sable or ***Sable Open Pit*** refers to the Sable Open Pit active mining operation at Ekati and has the meaning given to it at Section 3.3.2.11.1.1.

Section means a section of this Prospectus.

Securities means any Equity Securities of the Company (including Shares and/or Options).

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

Share Consideration Amount means the aggregate issue price of the Consideration Shares converted into US Dollars based on the exchange rate at the Closing Date.

Share Registry means Automic Pty Ltd (ACN 152 260 814).

Shareholder means the holder of a Share.

SPA means the share purchase agreement between Burgundy and the Arctic Shareholder dated 14 March 2023, as amended on 17 April 2023 and described in Section 7.1.1.

SPP Offer means the offer of Shares as set out in Section 7.6.

SPP Offer Application Form means an application form attached to or accompanying this Prospectus in respect of the SPP Offer.

Underwriting Agreement means the underwriting agreement entered into by the Company, Bell Potter Securities, Aitken Mount Capital Partners and Euroz Hartleys dated 7 June 2023.

Underwritten Placement means the offer of Shares described in Section 7.2.2.

Winter Road means the approximately 475km long road that is constructed largely across lakes and connects from the permanent all-weather road east of Yellowknife to the main Ekati complex via the Misery haulage road.

Schedule 2

Independent Limited Assurance Report

RSM Corporate Australia Pty Ltd

Level 32, Exchange Tower,
2 The Esplanade Perth WA 6000

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9199

www.rsm.com.au

6 June 2023

The Directors
Burgundy Diamond Mines Limited
Level 25, South32 Tower
108 St Georges Terrace
PERTH WA 6000

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

Independent Limited Assurance Report ("Report") on Historical and Pro Forma Historical Financial Information

Introduction

We have been engaged by Burgundy Diamond Mines Limited ("**Burgundy**" or the "**Company**") to report on the historical financial information of the Company for the year ended 30 June 2021, the year ended 30 June 2022 and the six months ended 31 December 2022 and the pro forma historical financial information as at 31 December 2022 for inclusion in a prospectus ("**Prospectus**") of the Company to be dated on or about 7 June 2023. The Prospectus is in connection with:

- the Company's re-compliance with Chapters 1 and 2 of the Listing Rules of the Australian Securities Exchange, in connection with Burgundy's acquisition of 100% of the issued common shares of Arctic Canadian Diamond Company Limited and Arctic Canadian Diamond Marketing N.V. (together the "**Arctic Companies**"), pursuant to the terms of the share purchase agreement dated 14 March 2023 (the "**Acquisition**");
- the offer of up to 773,478,466 Shares at an issue price of A$0.25 per Share to raise gross proceeds of A$193.4 million (before costs) ("**Underwritten Placement**"); and
- the offer of up to 40,000,000 Shares to Eligible Shareholders at an issue price of A$0.25 per Share to raise up to A$10.0 million (before costs) ("**SPP Offer**");

  (the Underwritten Placement and the SPP Offer together being the "**Offer**").

Our engagement also includes reporting on the historical financial information of the Arctic Companies for the years ended 31 December 2021 and 31 December 2022.

Expressions and terms defined in the Prospectus have the same meaning in this Report.

The prospects of the Company, other than the preparation of Pro Forma Historical Financial Information, assuming completion of the pro forma transactions summarised in Section 4.8.2 of the Prospectus, are not addressed in this Report. This Report also does not address the rights attaching to Shares to be issued pursuant to the Prospectus, or the risks associated with an investment in Shares in the Company.

Scope

You have requested RSM Corporate Australia Pty Ltd ("**RSM**") to review the historical financial information included in Section 4 of the Prospectus, and comprising:

- the historical consolidated statement of comprehensive income and statement of cash flows of the Company for the year ended 30 June 2021, the year ended 30 June 2022 and the six months ended 31 December 2022;
- the historical combined statement of comprehensive income and statement of cash flows of the Arctic Companies for the year ended 31 December 2021 and the year ended 31 December 2022;
- the historical consolidated statement of financial position of the Company as at 31 December 2022; and
- the historical combined statement of financial position of the Arctic Companies as at 31 December 2022;

(together the "**Historical Financial Information**"), and on

- the pro forma consolidated statement of financial position of the Company as at 31 December 2022, including the pro forma adjustments applied to the Historical Financial Information of the Company to illustrate the events and transactions related to the Offer and the Acquisition as if they had occurred at 31 December 2022;

(the "**Pro Forma Historical Financial Information**"),

collectively referred to as the "**Financial Information**".

Historical Financial Information

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles of Australian Accounting Standards (which are consistent with International Financial Reporting Standards) and the Company's adopted accounting policies.

The Historical Financial Information has been extracted from:

- the general purpose financial statements of the Company for the years ended 30 June 2021 and 30 June 2022, which were audited by RSM Australia Partners in accordance with Australian Auditing Standards and the *Corporations Act 2001* and on which RSM Australia Partners issued an unmodified audit opinion;
- the general purpose interim financial statements of the Company for the six months ended 31 December 2022, which were reviewed by RSM Australia Partners in accordance with Australian Auditing Standards applicable to review engagements, and on which RSM Australia Partners issued an unmodified review conclusion. The review report included an emphasis of matter related to a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern, however the review conclusion was not modified in this regard; and
- the combined financial statements of the Arctic Companies for the years ended 31 December 2021 and 31 December 2022, which were audited by KPMG LLP ("**KPMG Canada**") in accordance with Canadian generally accepted auditing standards and on which KPMG Canada issued an unmodified audit opinion.

The Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma Historical Financial Information

You have requested RSM to review the pro forma consolidated statement of financial position of the Company as at 31 December 2022.

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of the Company after adjusting for the effects of the subsequent events and the pro forma adjustments described in Section 4.8.2 of the Prospectus. The stated basis of preparation is the recognition and measurement principles of Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the subsequent events and pro forma adjustments relate, as described in Section 4.8.2 of the Prospectus, as if those events or transactions had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position or statement of financial performance.

Directors' responsibility

The Directors of the Company are responsible for the preparation of the Historical Financial Information and the Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information and the Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.*

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. Our procedures included:

- a consistency check of the application of the stated basis of preparation to the Historical Financial Information and the Pro Forma Historical Financial Information;
- a review of the Company's work papers, accounting records and other documents;
- a review of work papers, accounting records and other documents of the Arctic Companies;
- a review of the audit workpapers of RSM Australia Partners relating to the audited/reviewed financial statements of the Company;
- a review of the audit workpapers of KPMG LLP relating to the audited combined financial statements of the Arctic Entities;
- enquiry of directors, management personnel and advisors;
- consideration of the pro forma adjustments described in Section 4.8.2 of the Prospectus; and
- performance of analytical procedures applied to the Historical Financial Information and the Pro Forma Historical Financial Information.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as set out in Section 4 of the Prospectus, and comprising:

- the historical consolidated statement of comprehensive income and statement of cash flows of the Company for the year ended 30 June 2021, the year ended 30 June 2022 and for the six months ended 31 December 2022;
- the historical combined statement of comprehensive income and statement of cash flows of the Arctic Companies for the year ended 31 December 2021 and the year ended 31 December 2022;
- the historical consolidated statement of financial position of the Company as at 31 December 2022; and
- the historical combined statement of financial position of the Arctic Companies as at 31 December 2022;

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 4 of the Prospectus.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as set out in Section 4.8 of the Prospectus, and comprising the pro forma consolidated statement of financial position of the Company as at 31 December 2022, is not presented fairly in all material respects, in accordance with the stated basis of preparation, as described in Section 4 of the Prospectus.

Restriction on Use

Without modifying our conclusions, we draw attention to the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, the Financial Information may not be suitable for use for another purpose.

Responsibility

RSM has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included. RSM has not authorised the issue of the Prospectus. Accordingly, RSM makes no representation regarding, and takes no responsibility for, any other documents or material in, or omissions from, the Prospectus.

Disclosure of Interest

RSM does not have any pecuniary interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. RSM will receive a professional fee for the preparation of this Report.

Yours faithfully

JUSTIN AUDCENT
Director

Schedule 3

Solicitor's Report

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CALGARY / EDMONTON / YELLOWKNIFE

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Our File: 78027-1

June 1, 2023

Burgundy Diamond Mines Ltd.
South 32 Tower, Level 25
108 St. Georges Terrace
Perth, WA 6000
Australia

and

Each member of the Due Diligence Committee and
their Representatives ("**Committee**")

(the "**Addressees**")

Ladies and Gentlemen:

Re: Arctic Canadian Diamond Company Ltd. – Northwest Territories Mineral Leases

We have acted on behalf of Burgundy Diamond Mines Ltd. in the Northwest Territories and have been instructed to provide the following report relating Arctic Canadian Diamond Company Ltd. (the "**Corporation**") in respect of:

1. the Corporation as the lessee of the mining leases and its underlying claims issued pursuant to the Northwest Territories Mining Regulations (*Northwest Territories Lands Act*) (the "**NWT Regulations**") or its former or predecessor regulations including the Northwest Territories and Nunavut Mining Regulations (*Territorial Lands Act* (Canada)) and predecessors thereto (the "**Former Regulations**", and together with the NWT Regulations, the "**Regulations**") listed in Schedule "A" ("**Territorial Leases**").

This report is delivered in connection with the potential acquisition of the Corporation.

Documentation

Each of the following documents that we have relied on was obtained from the office of the Northwest Territories Mining Recorder (the "**Mining Recorder**") unless otherwise specified, and is current to the date set out next to it:

(a) uncertified copies of the leases obtained on the 27th of January, 2023 (the "**Leases**");

(b) certified copies of the Mining Lease History Reports for each of the Leases, obtained on the 31st of March, 2023 from the Mining Recorder's office (the "**Territorial Lease Reports**");

(c) Mining Recorder letter dated June 1, 2023 confirming:

(i) no encumbrances recorded on the Leases or Claims from March 31, 2023 to end of day of June 1, 2023; and
(ii) certain data entry errors in respect of the registration and discharge of certain encumbrances against the Leases and Territorial Lease Reports;

(the "**Mining Recorder Letter**");and

(d) copies of certain of the documents recorded against the Leases, or any of them, on the records listed in paragraphs (a) through (c) above.

(the documents listed in paragraphs (a) through (d) above are herein referred to as the "**Tenure Documents**").

In respect of the Tenure Documents, this report is current to end of day June 1, 2023 and a review of the Tenure Documents provided the following results as of June 1, 2023 (relying solely on the Mining Recorder Letter for the period from March 31, 2023 to June 1, 2023):

(a) as of April 1, 2014, the Northwest Territories Mining Regulations came into force and govern the Leases;

(b) each of the Leases was issued for a term of 21 years, and each was renewed for a renewal term of 21 years, if applicable; and

(c) the next rental payment date for each of the Leases is indicated in Schedule "A" under "Rent Due Date".

Background

Mineral Tenure

The Mining Recorder is responsible for issuing prospecting licenses and permits, recording mineral claims, recording work reports, and issuing mineral leases. A holder of a mineral claim or lease must hold a valid prospecting license. A mineral lease will be issued for a period of 21 years if all requirements are met, including a legal survey and paying the rent for the first year. To renew a mineral lease, a written request must be submitted to the Mining Recorder at least six months prior to the expiration of the existing lease, along with the applicable fee.

Leases and claim may be transferred to a licensee if a request is made in writing to the Mining Recorder, signed by both the transferor and the transferee and submitted with the required fees. A request to transfer a claim needs to be in the prescribed form.

Pursuant to section 69 in the Regulations, the owner or operator of a mine must pay royalties to the Crown on the value of the mine's output during a fiscal year in an amount equal to the lesser of a) 13% of the value of the output of the mine, and (b) the sum of the royalties payable on the dollar value of the output of the mine. There is a 0% royalty on the first C$10,000 output from the mine, which increases on a sliding scale up to 14% for any output value greater than C$45 million. The Regulations also provide a breakdown of how to calculate the value of the output.

The royalties that are payable to the Receiver General of Canada as stated above must be remitted to the Director of Financial Analysis and Royalty Administration division of the Department of Industry, Tourism and Investment, (the "**ITI**").[1] Additionally, these royalties must be sent no later than four months after the end of the fiscal year in question. Section 73(1) of the Regulations breaks down the contents of a mining royalty return which must be delivered to the ITI in the prescribed form. Every mining royalty return must also include the financial statements for the mine. Alternatively, if the mine has no financial statements, the financial statements of the operator of the mine must be provided with a reconciliation of those financial statements to the mining royalty return. Additionally, these documents must be signed by the operator of the mine and include a statement under oath or solemn affirmation by the operator or by an officer of the corporation (if the operator is a corporation), that the financial statements are complete and correct.

Mackenzie Land and Water Board Permits and Authorizations

(i) Mackenzie Valley Land Use Permits

Lands located in the Mackenzie Valley are subject to certain federal rules regarding land use and the Leases are located within the Mackenzie Valley. The right to use the surface, in the form of a land use permit, is obtained under the *Mackenzie Valley Land Use Regulations* (the "**MV Regulations**"). The class of land use is dependent upon the types of power-driven machinery to be used, the number of people-days planned and the capacity of fuel storage.

Land use permits will be issued by the regulatory board in areas that are not within land claim settlement regions. Within those regions, land use permits will be issued by the land and water board established pursuant to the terms of the relevant land claim agreement. Generally and in addition to other requirements, an application for a land use permit will include the following documentation: Exploration Plan, Abandonment and Restoration Plan, Waste Management Plan, Spill Contingency Plan, Wildlife Management and Mitigation Plan, Forward Looking Engagement Plan, Engagement Log and land use fee.

(ii) Mackenzie Valley Water Licences

A water licence is required for use of water in the Mackenzie Valley other than for domestic or emergency purposes or within national parks. A water licence is issued by the federal Minister of Indigenous and Northwest Affairs Canada on the recommendation of the water board having jurisdiction and after completion of the environmental assessment process.

[1] The Regulations refer to the Chief of Financial Analysis and Royalties Administration Section of the Department of Indian Affairs and Northern Development (the "**Chief**") however, this department no longer exists. The Department of Industry, Tourism and Investment collects the mining royalty returns and the Government of Canada deducts its share of resource revenues from the NWT government monthly federal transfer payments. These deductions take place two years after the resource revenues are generated.

The application process for a water licence may involve a public hearing before a water board. Generally, the board has jurisdiction over water licences within the Mackenzie Valley. Within the areas of the Mackenzie Valley which are included under land claims agreements, jurisdiction is held by the water board established pursuant to the relevant settlement agreement.

The terms and conditions of the licence may include the following matters: (1) type and amount of security; (2) construction; (3) water use; (4) water management; (5) waste management; (6) contingency planning; (7) aquatic effects monitoring; (8) abandonment, (9) reclamation and closure.

(iii) Mackenzie Valley Environmental Assessments

In the Mackenzie Valley, environmental assessments are governed by the provisions of Part 5 of *Mackenzie Valley Resource Management Act* (the "**Act**"). In short, the Act provides that a licence, permit or other authorization required for the carrying out of a development shall not be issued under any federal, territorial, Tlicho or Déline law unless the requirements of Part 5 have been complied with in relation to the development. Part 5 establishes a process comprising a preliminary screening, an environmental assessment and an environmental impact review in relation to proposals for developments.

Every environmental assessment and environmental impact review of a proposal for a development includes (a) a consideration of the impact of the development on the environment, including the impact of malfunctions or accidents that may occur in connection with the development and any cumulative impact that is likely to result from the development in combination with other developments; (b) the significance of any such impact; (c) any comments submitted by members of the public in accordance with the regulations or the rules of practice and procedure of the Board; (d) where the development is likely to have a significant adverse impact on the environment, the need for mitigative or remedial measures; and (e) any other matter, such as the need for the development and any available alternatives to it, that the Board or any responsible minister, after consulting the Board, determines to be relevant.

Report Findings

Based upon, and subject to the foregoing as of the date of the report:

1. the Corporation is recorded as the lessee of the Leases at the Mining Recorder.

2. There are no encumbrances, charges, liens or security interests recorded against the Tenure Documents except as noted in Schedule “A” and Schedule “B” to this report.

Qualifications

Our report is subject to the following assumptions, qualifications and restrictions:

1. We have assumed the genuineness of all signatures, the legal capacity of all individuals, the authenticity and completeness of all documents, including without limitation the Mining Recorder Letter, submitted to us as originals, the conformity to authentic originals of all documents submitted to us as certified, telecopied, photostatic copies, facsimiles or electronic copies of original documents thereof and the authenticity of the originals of such copies or facsimiles.

2. We have assumed the identity and capacity of all individuals acting or purporting to act as public officials.

3. We have assumed the accuracy and completeness of all information that we obtained from the Mining Recorder's office in connection with this report.

4. We have assumed that the documents we reviewed were duly authorized and signed and that the information they contained was true and correct in all respects.

5. We have assumed that the Corporation recorded on the respective Tenure Documents, at all relevant times was duly incorporated, was duly licenced to, and had the power and capacity to, acquire, hold and transfer the Leases and underlying claims and to carry on its business in the Northwest Territories.

6. We have assumed that the copies of the documents examined are in fact, true copies of documents in existence and that the originals of such documents were properly executed.

7. No investigation or review has been made on the original application for recording or filing of Leases and underlying claims, the location of the boundaries of the Leases and underlying claims or the existence of any other interest whatsoever in, or encumbrance against, the Leases and underlying claims other than what may be noted on the Tenure Documents in respect of the Leases and underlying claims.

8. Due to the nature of the recording of mineral interests under the Regulations we express no opinion regarding the title to the Leases or underlying claims. The provisions for recording claims or leases under the Regulations do not constitute a title registration or Torrens title system. Unrecorded legal or beneficial interests or encumbrances may bind the Leases, underlying claims or Claims.

9. We have assumed that, except as may be noted on the Tenure Documents and reported on in this letter, the Corporation recorded on the respective Tenure Documents has not ever effectively surrendered or withdrawn the Leases.

10. We have:

    (a) not reviewed any of the assignments, bills of sale or transfers recorded on any of the Tenure Documents or the original lease applications; and

    (b) assumed that all assignments, bills of sale and transfers to the Corporation or its predecessor recorded holder(s) recorded on the Tenure Documents are valid, binding and enforceable.

11. The documents enumerated above as those documents upon which we have relied are the only documents we have examined pertaining to the Leases, for the purposes of providing this report.

12. It is possible that prior holders reserved a residual interest to themselves when they transferred the Tenure Documents, but that residual interest was not recorded or accurately recorded in the Tenure Documents.

13. We express no opinion with respect to any rights or interests that may exist or arise under other statutes or to any rights or interests that may exists or arise under Inuit, Aboriginal or First Nation land claims or land claim agreements.

14. No searches or correlations were made with respect to tax assessed by or paid to applicable government authorities.

15. We express no opinion as to the validity of the Leases or as to the validity and accuracy of the staking, recording and location of the Leases and the underlying claims. We advise that unless and until a property is surveyed by an authorized Canada Lands Surveyor in accordance with instructions from the Surveyor General and such survey is duly approved, the boundaries of a mineral property cannot be considered to be settled. We have made no examination to determine whether the required representation work has been carried out in accordance with the Regulations or its predecessor regulations.

16. This report is subject to statutory priorities and preferences and to any liens, encumbrances or other charges which are extant and still within time for registration or which are valid without registration in the Mining Recorder's office.

17. The report restricted to the laws of the Northwest Territories and the federal laws of Canada applicable therein on the date hereof (the "**Applicable Law**").

Benefit

This letter is given solely for the benefit of, and may be relied on by, the Corporation, and its directors, and the other members of the Committee (in their capacity as members of the Committee) and their representatives (each a "**Recipient"**).

This letter may not, without our prior written consent, be:

(a) relied on by any other person;

(b) disclosed to any other person (except to persons who in the ordinary course of a Recipient's business have access to Recipient's papers and records, and only on the basis that those persons will make no further disclosure of it and, in the case of the Joint Lead Managers, disclosure internally within their respective organisations and to their respective affiliates, provided that each Joint Lead Manager is liable for any act or omission by its affiliates that, if done by that Joint Lead Manager, would be a breach of the restrictions in this section of the report); or

(c) filed with any government body or other agency or quoted or referred to in any public document,

except to the extent that disclosure is required:

(i) by law or regulation;

(ii) by the requirement of a regulatory or self regulatory authority that applies to a Recipient;

(iii) by the rules of any stock exchange; or

(iv) in relation to any actual or potential claim or other proceeding or regulatory investigation, enquiry or hearing against, by or involving the Recipient in connection with the Offer or the Prospectus; or

(v) by the Recipient to its legal advisers to obtain legal advice in relation to the Offer, the Prospectus or the Due Diligence Process, on a confidential basis,

(and, in such circumstances to the extent practicable and permitted by law in the circumstances, we must be notified prior to disclosure). Unless we expressly agree in writing to the contrary, any disclosure of this letter to any person other than a Recipient is on the basis that it may not be relied on by such person.

This report given as of June 1, 2023. We expressly disclaim any obligations or undertaking to advise any person of any change in fact or Applicable Law which may come to our attention after June 1, 2023. Although the Addressees hereof may receive a photocopy of this report, they are entitled to rely on this report as fully as if such photocopy was a signed original.

Sincerely,

Field LLP

FIELD LLP

AFC/am

SCHEDULE "A"
MINING LEASES AND UNDERLYING CLAIMS

Comments on Leases
Highlighted encumbrances for each of the Leases indicate a discharge registered against the Tenure Documents.

	LEASE NO.	UNDERLYING CLAIM NO. AND NAME	DATE OF ISSUE	EXPIRY DATE	RENT DUE DATE	RECORDED ENCUMBRANCES
1.	3473	F00630/B 13	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86,** 91, 93, **95**, 96, 97, 142
2.	3474	F18278/B 14	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2. 39.C **43**, 49, 50, **51**, **52**, **53**, **54**, **55**, **56**, **57**, **58**, **59**, **60, 63, 64, 65, 66, 67, 68, 69, 70, 71**, **72, 74, 75, 76**, **77, 78, 79, 80, 81, 85**, **86**, **87**, **88, 89**, **90**, **91**, 93, **95**, 96, 97, 142
3.	3475	F18279/B 15	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2. 39.C **43**, 49, 50, **51, 52, 53, 54**, **55**, **56, 57**, **58, 59, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 74, 75, 76, 77, 78, 79, 80, 81, 85, 86, 87**, **88, 89, 90, 91,** 93, **95**, 96, 97, 142
4.	3476	F18280/B 16	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86,** 91, 93, **95**, 96, 97, 142
5.	3477	F00922/B 17	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91 ,93, **95**, 96, 97, 142

	LEASE NO.	UNDERLYING CLAIM NO. AND NAME	DATE OF ISSUE	EXPIRY DATE	RENT DUE DATE	RECORDED ENCUMBRANCES
6.	3478	F00923/B 18	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C **43**, 49, 50**, 55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91, 93, **95**, 96, 97, 142
7.	3479	F00645/A 13	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91, 93, **95**, 96, 97, 142
8.	3480	F00646/A 14	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86,** 91, 93, **95**, 96, 97, 142
9.	3481	F00647/A 15	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C **43**, 44.A, 49, 49.B, 50, **51**, **52**, **53**, **54**, **55**, **56**, **57**, **58**, **59**, **60**, 61, **62**, **63**, **64**, **65**, **66**, **67**, **69**, **70**, **71**, **72**, **74**, **75**, **76**, **77**, **78**, **79**, **80**, 81, **82**, **83**, **84**, **85**, **86**, 87, **88**, **89**, **90**, 91, 93, **95**, 96, 97, 142
10.	3482	F08929/A 16	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C **43** 49, 50, **51**, **52, 53**, **54**, **55**, **56**, **57, 58, 59, 60**, **61**, **62, 63, 64, 65, 66, 67, 69, 70, 71**, **72, 74, 75, 76, 77, 78, 80, 83, 84**, **85**, **86, 87,** 88**, 89, 90**, 93, **95**, 96, 97, 142
11.	3483	F08900/A 17	10/04/11996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C **43**, 49, 50**, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 75, 76, 77, 78, 79, 80,** 81, **83, 85, 86,** 87, **88, 89, 90**, 91, 93, **95**, 96, 97, 142

	LEASE NO.	UNDERLYING CLAIM NO. AND NAME	DATE OF ISSUE	EXPIRY DATE	RENT DUE DATE	RECORDED ENCUMBRANCES
12.	3484	F08901/A 18	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86,** 91, 93, **95**, 96, 97, 142
13.	3485	F19564/ED 52	10/04/1996	09/04/2038	10/04/2024	4, 5, 6 , 22, 23, 24, 35.A, 39.A1, 39.A2, 39.C, **42**, **44.A**, **45.A**, 49, **49.A**, **49.B**, 50, **55**, **60, 60.A**, **63**, **64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91, 93, **95**, 96, 97, 142
14.	3486	F19566/ED 53	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 35.A, 39.A1, 39.A2, 39.C, **42**, **44.A**, **45.A**, 49, **49.A, 49.B**, 50, **55, 60, 60.A, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91, 93, **95**, 96, 97, 142
15.	3487	F19568/ED 54	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 35.A, 39.A1, 39.A2, 39.C, **42**, 44.A, **45.A**, 49, **49.A, 49.B**, 50, **55, 60, 60.A, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91, 93, **95**, 96, 97, 142
16.	3488	F00649/T 13	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C ,**43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91, 93, **95**, 96, 97, 142
17.	3489	F00650/T 14	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C **43**, 49, 50, **51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 74, 75, 76, 77, 78, 79, 80,** 81**, 83, 85, 86, 87, 88, 89, 90**, **91**, 93, **95**, 96, 97, 142

	LEASE NO.	UNDERLYING CLAIM NO. AND NAME	DATE OF ISSUE	EXPIRY DATE	RENT DUE DATE	RECORDED ENCUMBRANCES
18.	3490	F00651/T 15	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C **43**, 49, 50**, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 75, 76, 77, 78, 79, 80,** 81, **83, 85, 86, 87**, **88, 89, 90**, 91, 93, **95**, 96, 97, 142
19.	3491	F00652/T 16	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 49, 50, **55**, 35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55**, **60, 63**, **64, 65, 66, 67, 68, 69, 70, 71, 72, 74**, **79, 86, 87**, **88, 91**, 93, **95**, 96, 97, 142
20.	3492	F00653/T 17	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 49, 50, **55**, 35.A, 39.A1, 39.A2, 39.C, **43**, **55**, **60, 63**, **64, 65, 66, 67, 68, 69, 70, 71, 72, 74, 79, 86,** 87, **88, 91,** 93, **95**, 96, 97, 142
21.	3493	F00644/T 18	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55**, **60, 63**, **64, 65, 66, 67, 68, 69, 70, 71, 72, 74**, **79, 86,** 87, **88,** 91, 93, **95**, 96, 97, 142
22.	3494	F00605/T 19	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 74, 79, 86,** 87, **88,** 91, 93, **95**, 96, 97, 142
23.	3495	F00606/T 20	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91 ,93, **95**, 96, 97, 142

	LEASE NO.	UNDERLYING CLAIM NO. AND NAME	DATE OF ISSUE	EXPIRY DATE	RENT DUE DATE	RECORDED ENCUMBRANCES
24.	3496	F00924/B 19	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 74, 79, 86,** 87, **88,** 91, 93, **95**, 96, 97, 142
25.	3497	F00925/B 20	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 74, 79, 86,** 87, **88,** 91, 93, **95**, 96, 97, 142
26.	3498	F00926/B 21	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 49, 50, **55**, 35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55**, **60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 74, 79, 86,** 87, **88,** 91, 93, **95**, 96, 97, 142
27.	3499	F00928/B 22	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91 ,93, **95**, 96, 97, 142
28.	3500	F00929/B 23	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50**, 55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91, 93, **95**, 96, 97, 142
29.	3501	F00930/B 24	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C, **43**, 49, **50, 55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86,** 91, 93, **95**, 96, 97, 142
30.	3502	F00931/B 25	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C, **43**, 49, **50, 55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86,** 91**,** 93, **95**, 96, 9, 142

	LEASE NO.	UNDERLYING CLAIM NO. AND NAME	DATE OF ISSUE	EXPIRY DATE	RENT DUE DATE	RECORDED ENCUMBRANCES
31.	3503	F18266/ED69	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, **44.A, 45.A,** 49, **49.A, 49.B,** 50, **60, 60.A, 63**, **64, 65, 66, 67, 68, 69, 70, 71, 86**, 91, 93, **95**, 96, 97, 142
32.	3504	F18267/ED 70	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 35.A, 39.A1, 39.A2, 39.C, **44.A 45.A**, 49, **49.A, 49.B**, 50, **60, 60.A, 63, 64, 65, 66, 67, 68, 69, 70, 71, 86,** 91, 93, **95**, 96, 97, 142
33.	3505	F19569/ED 26	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 35.A, 39.A1, 39.A2, 39.C, **44.A 45.A**, 49, **49.A, 49.B**, 50, **60, 60.A, 63, 64, 65, 66, 67, 68, 69, 70, 71, 86,** 91**,** 93, **95**, 96, 97, 142
34.	3506	F18263/ED 66	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 35.A, 39.A1, 39.A2, 39.C, **44.A, 45.A**, 49, **49.A, 49.B**, 50, **60, 60.A, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71**, **84**, **86**, 93, **95**, 96, 97, 142
35.	3507	F00934/E 26	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91 ,93, **95**, 96, 97, 142
36.	3508	F00935/E 27	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C, 49, 50, **55, 60, 62, 63**, **64, 65, 66, 67, 68, 69, 70, 71, 74, 84, 86,** 91**,** 93, **95**, 96, 97, 142
37.	3509	F00643/E 28	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C, 49, 50, **55, 60, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 84, 86,** 91, 93, **95**, 96, 97, 142

	LEASE NO.	UNDERLYING CLAIM NO. AND NAME	DATE OF ISSUE	EXPIRY DATE	RENT DUE DATE	RECORDED ENCUMBRANCES
38.	3510	F19613/ED 20	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 35.A, 39.A1, 39.A2, 39.C, **44.A**, **45.A,** 49, **49.A**, **49.B**, 50, **60, 60.A**, **63**, **64, 65, 66, 67, 68, 69, 70, 71, 72, 79, 86, 87, 88**, 91, 93, **95**, 96, 97, 142
39.	3511	F19615/ED 21	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 35.A, 39.A1, 39.A2, 39.C, **44.A, 45.A**, 49, **49.A, 49.B**, 50, **60, 60.A, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 79, 86, 87, 88**, 91, 93, **95**, 96, 97, 142
40.	3512	F19617/ED 22	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 35.A, 39.A1, 39.A2, 39.C, **43**, **44.A, 45.A,** 49, **49.A, 49.B**, 50, **60, 60.A, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 79, 86,** 87, **88**, 91, 93, **95**, 96, 97, 142
41.	3513	F00932/E 24	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 74, 79, 86, 87, 88,** 91, 93, 95, 96, 97, 142
42.	3514	F00933/E 25	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 74, 79, 86, 87, 88,** 91, 93, **95**, 96, 97, 142
43.	3515	F19563/E 23	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 35.A, 39.A1, 39.A2, 39.C, **44.A, 45.A**, 49, **49.A, 49.B**, 50, **60, 60.A, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 79, 86, 87, 88,** 91, 93, **95**, 96, 97, 142

	LEASE NO.	UNDERLYING CLAIM NO. AND NAME	DATE OF ISSUE	EXPIRY DATE	RENT DUE DATE	RECORDED ENCUMBRANCES
44.	3516	F19565/ED 24	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 35.A, 39.A1, 39.A2, 39.C, **44.A, 45.A**, 49, **49.A, 49.B**, 50, **60, 60.A, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 79, 86, 87**, **88,** 91, 93, **95**, 96, 97, 142
45.	3517	F19567/ED 25	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 35.A, 39.A1, 39.A2, 39.C, **44.A**, **45.A,** 49, 49.A, **49.B**, 50, **60, 60.A, 63, 64, 65, 66, 67, 68, 69, 70, 71,** 91, 93, **95**, 96, 97, 142
46.	3518	F08931/C 14	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86,** 91, 93, **95**, 96, 97, 142
47.	3519	F08932/C 15	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 74, 79, 86, 87, 88,** 91, 93, **95**, 96, 97, 142
48.	3520	F08933/C 16	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50**, 55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 74, 79, 86, 87, 88,** 91, 93, **95**, 96, 97, 142
49.	3521	F08934/C 17	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 74, 79, 86, 87, 88**, 91, 93, **95**, 96, 97, 142
50.	3522	F08935/C 18	10/04/1996	09/04/2038	10/04/2024	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86,** 91, 93, **95**, 96, 97, 142

	LEASE NO.	UNDERLYING CLAIM NO. AND NAME	DATE OF ISSUE	EXPIRY DATE	RENT DUE DATE	RECORDED ENCUMBRANCES
51.	3589	F00618/M 17	26/06/1997	25/06/2039	26/06/2023	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 64, 65, 66, 67, 68, 69, 70, 71, 72, 74, 79,** 87, **88**, 91, 93, **95**, 96, 97, 142
52.	3590	F00619/M 18	26/06/1997	25/06/2039	26/06/2023	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C, **43,** 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 74, 79, 87, 88**, 93, **95**, 96, 97, 142
53.	3591	F00620/M 19	26/06/1997	25/06/2039	26/06/2023	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C, **43,** 49, 50, **55, 60, 64, 65, 66, 67, 68, 69, 70, 71, 74,** 91, 93, **95**, 96, 97, 142
54.	3592	F08896/D 16	26/06/1997	25/06/2039	26/06/2023	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C, **43,** 49, 50, **55, 60, 64, 65, 66, 67, 68, 69, 70, 71, 72, 74,** 91, 93, **95**, 96, 97, 142
55.	3593	F08939/D 17	26/06/1997	25/06/2039	26/06/2023	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60**, **64, 65, 66, 67, 68, 69, 70, 71**, **72**, **74, 79,** 87, **88**, 91, 93, **95**, 96, 97, 142
56.	3594	F00598/D 18	26/06/1997	25/06/2039	26/06/2023	4, 5, 6, 22, 23, 24, 28, 29, 30, 50, **55, 60, 64, 65, 66, 67, 68, 69, 70, 71, 72**, **74, 79**, **87**, **88**, 91, 93, **95**, 96, 97, 142
57.	3595	F08913/W 15	26/06/1997	25/06/2039	26/06/2023	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C, **43**, 49,50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 74, 79, 86, 87, 88**, 91, 93, **95**, 96, 97, 142

	LEASE NO.	UNDERLYING CLAIM NO. AND NAME	DATE OF ISSUE	EXPIRY DATE	RENT DUE DATE	RECORDED ENCUMBRANCES
58.	3596	F08914/W 16	26/06/1997	25/06/2039	26/06/2023	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C, **43**, 49,50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 74, 79, 86, 87, 88,** 91, 93, **95**, 96, 97, 142
59.	3597	F08915/W 17	26/06/1997	25/06/2039	26/06/2023	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 74, 79, 86, 87, 88**, 91, 93, **95**, 96, 97, 142
60.	3803	F08910/W 12	05/11/1999	04/11/2041	05/11/2023	4, 5, 6, 22, 23, 24, 28, 29, 30, 35.A, 39.A1, 39.A2, 39.C, **43**, 49, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91, 93, **95**, 96, 97, 142
61.	3804	F00585/W 13	05/11/1999	04/11/2041	05/11/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86,** 91, 93, 95, 96, 97, 142
62.	3805	F08912/W 14	05/11/1999	04/11/2041	05/11/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91, 93, 95, 96, 97, 142
63.	3807	F00571/T 12	17/11/1999	16/11/2041	17/11/2023	35.A, 39.A1, 39.A2, 39.C, **43,** 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91, 93, **95**, 96, 97, 142
64.	3812	F08928/C 12	17/11/1999	16/11/2041	17/11/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86,** 93, 95, 96, 97, 142
65.	3813	F00648/C 13	17/11/1999	16/11/2041	17/11/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91, 93, **95**, 96, 97, 142

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66.	3818	F00570/ A12	17/11/1999	16/11/2041	17/11/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86,** 91, 93, **95,** 96, 97, 142
67.	3824	F08916/W 18	17/11/1999	16/11/2041	17/11/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91, 93, **95**, 96, 97, 142
68.	3825	F00578/W19	17/11/1999	16/11/2041	17/11/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86,** 91, 93, **95**, 96, 97, 142
69.	3848	F00599/D 19	16/08/1999	15/08/2041	16/08/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74,** 91, 93, 95, 96, 97, 142
70.	3854	F00627/F 15	05/11/1999	04/11/2041	05/11/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 64, 65, 66, 67, 68, 69, 70, 71, 74,** 91, 93, **95**, 96, 97, 142
71.	3855	F00628/F 16	05/11/1999	04/11/2041	05/11/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 64, 65, 66, 67, 68, 69, 70, 71, 74,** 91, 93, **95**, 96, 97, 142
72.	3856	F00629/F 17	05/11/1999	04/11/2041	05/11/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 64, 65, 66, 67, 68, 69, 70, 71, 74,** 91, 93, **95**, 96, 97, 142
73.	3857	F00615/M14	17/11/1999	16/11/2041	17/11/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 64, 65, 66, 67, 68, 69, 70, 71, 74,** 91, 93, **95**, 96, 97, 142
74.	3858	F00616/M 15	17/11/1999	16/11/2041	17/11/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 64, 65, 66, 67, 68, 69, 70, 71, 74,** 91, 93, **95**, 96, 97, 142
75.	3859	F00617/M 16	17/11/1999	16/11/2041	17/11/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 64, 65, 66, 67, 68, 69, 70, 71, 74,** 91, 93, **95**, 96, 97, 142

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76.	3860	F00607/T 21	17/11/1999	16/11/2041	17/11/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91, 93, 95, 96, 97, 142
77.	3861	F00608/T 22	17/11/1999	16/11/2023	17/11/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91, 93, **95**, 96, 97, 142
78.	3862	F00609/T 23	17/11/1999	16/11/2041	17/11/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91, 93, **95**, 96, 97, 142
79.	3863	F00610/T 24	17/11/1999	16/11/2041	17/11/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91, 93, **95**, 96, 97, 142
80.	3864	F00591/A 19	17/11/1999	16/11/2041	17/11/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91 93, **95,** 96, 97, 142
81.	3865	F00592/A 20	17/11/1999	16/11/2041	17/11/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91, 93, 95, 96, 97, 142
82.	3866	F00593/A 21	17/11/1999	16/11/2041	17/11/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86,** 91, 93, **95**, 96, 97, 142
83.	3867	F00594/A 22	17/11/1999	16/11/2041	17/11/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91, 93, **95**, 96, 97, 142
84.	3868	F00595/A 23	17/11/1999	16/11/2041	17/11/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91, 93, **95**, 96, 97, 142,
85.	3869	F00596/A 24	17/11/1999	16/11/2041	17/11/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91, 93, **95**, 96, 97, 142

	LEASE NO.	UNDERLYING CLAIM NO. AND NAME	DATE OF ISSUE	EXPIRY DATE	RENT DUE DATE	RECORDED ENCUMBRANCES
86.	3870	F00584/C 19	17/11/1999	16/11/2041	17/11/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91, 93, **95**, 96, 97, 142
87.	3871	F00586/C 20	17/11/1999	16/11/2041	17/11/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86,** 91, 93, **95**, 96, 97, 142
88.	3872	F00587/C 21	17/11/1999	16/11/2041	17/11/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86,** 91, 93, **95**, 96, 97, 142
89.	3873	F00588/C 22	17/11/1999	16/11/2041	17/11/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91, 93, **95**, 96, 97, 142
90.	3874	F00589/C 23	17/11/1999	16/11/2041	17/11/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91, 93, **95**, 96, 97, 142
91.	3875	F00590/C 24	17/11/1999	16/11/2041	17/11/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91, 93, **95**, 96, 97, 142
92.	3876	F08894/D 14	17/11/1999	16/11/2041	17/11/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74,** 91, 93, **95**, 96, 97, 142
93.	3877	F08895/D 15	17/11/1999	16/11/2041	17/11/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 64, 65, 66, 67, 68, 69, 70, 71, 74,** 91, 93, **95**, 96, 97, 142
94.	3906	F00920/A 25	02/06/2000	01/06/2042	02/06/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91, 93, **95**, 96, 97, 142
95.	3907	F00921/T 25	02/06/2000	01/06/2042	02/06/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91, 93, **95**, 96, 97, 142

	LEASE NO.	UNDERLYING CLAIM NO. AND NAME	DATE OF ISSUE	EXPIRY DATE	RENT DUE DATE	RECORDED ENCUMBRANCES
96.	3940	F00940/D 13	02/06/2000	01/06/2042	**02/06/2020**	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 64, 65, 66, 67, 68, 69, 70, 71, 74,** 91, 93, **95**, 96, 97, 142
97.	3953	F18271/C 25	02/06/2000	01/06/2042	02/06/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91, 93, **95**, 96, 97,142
98.	3959	F00597/E 29	02/06/2000	01/06/2042	02/06/2023	35.A, 39.A1, 39.A2, 39.C, **43**, 49, 50, **55, 60, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 86**, 91, 93, **95**, 96, 97, 142
99.	3975	F18264/ED 67	27/07/2001	26/07/2043	27/07/2023	35.A, 39.A1, 39.A2, 39.C, **44.A, 45.A,** 49, **49.A, 49.B**, 50, **60, 60.A, 64, 65, 66, 67, 68, 69, 70, 71,** 91, 93, **95**, 96, 97, 142
100.	3976	F18268/ED 71	27/07/2001	26/07/2043	27/07/2023	35.A, 39.A1, 39.A2, 39.C, **44.A, 45.A,** 49, **49.A, 49.B,** 50, **60, 60.A, 64, 65, 66, 67, 68, 69, 70, 71**, 93, **95**, 96, 97, 142
101.	3977	F19571/ED 27	01/11/2001	31/10/2043	01/11/2023	35.A, 39.A1, 39.A2, 39.C, **44.A, 45.A,** 49, **49.A, 49.B**, 50, **60, 60.A, 64, 65, 66, 67, 68, 69, 70, 71** 91, 93, **95**, 96, 97, 142
102.	3979	F19573/ED 28	27/07/2001	26/07/2043	27/07/2023	35.A, 39.A1, 39.A2, 39.C, **44.A, 45.A,** 49, **49.A, 49.B**, 50, **60, 60.A, 64, 65, 66, 67, 68, 69, 70, 71**, 91, 93, **95**, 96, 97, 142
103.	3980	F18270/ED 73	01/11/2001	31/10/2043	01/11/2023	35.A, 39.A1, 39.A2, 39.C, **44.A, 45.A**, 49, **49.A, 49.B**, 50, **60, 60.A, 63, 64, 65, 66, 67, 68, 69, 70, 71, 86,** 91, 93, **95**, 96, 97, 142

	LEASE NO.	UNDERLYING CLAIM NO. AND NAME	DATE OF ISSUE	EXPIRY DATE	RENT DUE DATE	RECORDED ENCUMBRANCES
104.	3986	F19638/ED 76	27/07/2001	26/07/2043	27/07/2023	35.A, 39.A1, 39.A2, 39.C, **44.A, 45.A,** 49, **49.A, 49.B,** 50, **60, 60.A, 63, 64, 65, 66, 67, 68, 69, 70, 71**, **86**, 91, 93, **95**, 96, 97, 142
105.	3989	F19580/ED 62	27/07/2001	26/07/2043	27/07/2023	35.A, 39.A1, 39.A2, 39.C, **44.A, 45.A,** 49, **49.A, 49.B**, 50, **60, 60.A, 64, 65, 66, 67, 68, 69, 70, 71,** 91, 93, **95**, 96, 97, 142
106.	3990	F19581/ED 63	27/07/2001	26/07/2043	27/07/2023	35.A, 39.A1, 39.A2, 39.C, **44.A, 45.A**, 49, **49.A, 49.B,** 50, **60, 60.A, 64, 65, 66, 67, 68, 69, 70, 71**, 91, 93, **95**, 96, 97, 142
107.	4024	F17684/GO 29	01/11/2001	31/10/2043	01/11/2023	39.A1, 39.A2, 39.C, **44.A, 45.A,** 49, **49.A , 49.B,** 50, **60, 60.A, 64, 65, 66, 67, 68, 69, 70, 71,** 91, 93, **95**, 96, 97, 142
108.	4025	F19658/GO 13	01/11/2001	31/10/2043	01/11/2023	39.A1, 39.A2, 39.C, **44.A, 45.A,** 49, **49.A, 49.B,** 50, **60, 60.A, 63, 64, 65, 66, 67, 68, 69, 70, 71, 86,** 91, 93, **95**, 96, 97, 142
109.	4029	F19572/ED 56	27/07/2001	26/07/2043	27/07/2023	39.A1, 39.A2, 39.C, **44.A, 45.A**, 49, **49.A, 49.B,** 50, **60, 60.A, 64, 65, 66, 67, 68, 69, 70, 71,** 91, 93, 95, 96, 97, 142
110.	4030	F19574/ED 57	27/07/2001	26/07/2043	27/07/2023	39.A1, 39.A2, 39.C, **44.A, 45.A**, 49, **49.A , 49.B,** 50, **60, 60.A, 64, 65, 66, 67, 68, 69, 70, 71,** 91, 93, **95**, 96, 97, 142

	LEASE NO.	UNDERLYING CLAIM NO. AND NAME	DATE OF ISSUE	EXPIRY DATE	RENT DUE DATE	RECORDED ENCUMBRANCES
111.	4033	F17679/GO 24	01/11/2001	31/10/2043	01/11/2023	39.A1, 39.A2, 39.C, **44.A, 45.A**, 49, **49.A , 49.B,** 50, **60, 60.A, 64, 65, 66, 67, 68, 69, 70, 71,** 91, 93, **95**, 96, 97, 142
112.	4034	F17685/GO 30	01/11/2001	31/10/2043	01/11/2023	39.A1, 39.A2, 39.C, **44.A, 45.A**, 49, **49.A , 49.B,** 50, **60, 60.A, 64, 65, 66, 67, 68, 69, 70, 71,** 91, 93, **95**, 96, 97, 142
113.	4035	F17686/GO 31	01/11/2001	31/10/2043	01/11/2023	39.A1, 39.A2, 39.C, **44.A, 45.A**, 49, **49.A , 49.B,** 50, **60, 60.A, 64, 65, 66, 67, 68, 69, 70, 71,** 91, 93, **95**, 96, 97, 142
114.	4036	F19570/ED 55	27/07/2001	26/07/2043	27/07/2023	39.A1, 39.A2, 39.C, **44.A, 45.A**, 49, **49.A , 49.B,** 50, **60, 60.A, 64, 65, 66, 67, 68, 69, 70, 71,** 91, 93, **95**, 96, 97, 142
115.	4037	F19577/ED 59	27/07/2001	26/07/2043	27/07/2023	39.A1, 39.A2, 39.C, **44.A, 45.A**, 49, **49.A , 49.B,** 50, **60, 60.A, 64, 65, 66, 67, 68, 69, 70, 71,** 91, 93, **95**, 96, 97, 142
116.	4038	F19578/ED 60	27/07/2001	26/07/2043	27/07/2023	39.A1, 39.A2, 39.C, **44.A, 45.A**, 49, **49.A , 49.B,** 50, **60, 60.A, 64, 65, 66, 67, 68, 69, 70, 71,** 91, 93, **95**, 96, 97, 142
117.	4362	F19612/ED 48	16/11/2001	15/11/2043	16/11/2023	39.A1, 39.A2, 39.C, **44.A, 45.A,** 49, **49.A, 49.B,** 50, **60, 60.A, 63, 64, 65, 66, 67, 68, 69, 70, 71, 86,** 91, 93, **95**, 96, 97, 142

	LEASE NO.	UNDERLYING CLAIM NO. AND NAME	DATE OF ISSUE	EXPIRY DATE	RENT DUE DATE	RECORDED ENCUMBRANCES
118.	4363	F19614/ED 49	16/11/2001	15/11/2043	16/11/2023	39.A1, 39.A2, 39.C, **44.A, 45.A,** 49, **49.A, 49.B,** 50, **60, 60.A, 63, 64, 65, 66, 67, 68, 69, 70, 71, 86,** 91, 93, **95**, 96, 97, 142
119.	4364	F19616/ED 50	16/11/2001	15/11/2043	16/11/2023	39.A1, 39.A2, 39.C, **44.A, 45.A,** 49, **49.A, 49.B,** 50, **60, 60.A, 63, 64, 65, 66, 67, 68, 69, 70, 71, 86,** 91, 93, **95**, 96, 97. 142
120.	4365	F19618/ED 51	16/11/2001	15/11/2043	16/11/2023	39.A1, 39.A2, 39.C, **44.A, 45.A,** 49, **49.A, 49.B,** 50, **60, 60.A, 63, 64, 65, 66, 67, 68, 69, 70, 71, 86,** 91, 93, **95**, 96, 97, 142
121.	4372	F19611/ED 19	16/11/2001	15/11/2043	16/11/2023	39.A1, 39.A2, 39.C, **44.A,** 45.A, 49, 49.A, **49.B,** 50, 60, **60.A, 63, 64, 65, 66, 67, 68, 69, 70, 71, 86,** 91, 93, **95**, 96, 97, 142

SCHEDULE "B"

Recorded Encumbrances:

The Encumbrances recorded on the Tenure Documents, or any of them, are listed below. We have not yet received copies of some of the documents listed below, and as such cannot yet confirm their descriptions. We are not opining on the nature or validity of any of the recorded encumbrances:

1. Claim of Lien executed by Metl Span Corporation against BHP Diamonds Inc. recorded on April 15, 1997 as document number G21462;

2. Claim of Lien executed by Metl Span Corporation against BHP Diamonds Inc. recorded on April 15, 1997 as document number G21463;

3. Claim of Lien executed by Metl Span Corporation against BHP Diamonds Inc. recorded on April 23, 1997 as document number G21465;

4. Notice to Third Parties executed by Dr. Stewart Lynn Blusson against BHP Diamonds Inc. recorded on June 2, 1997, as document number G21473 and RD30048;

5. Notice to Third Parties executed by Charles Edgar Fipke against BHP Diamonds Inc. recorded on June 2, 1997, as document number G21474 and RD30049;

6. Notice to Third Parties executed by Dia Met Minerals Ltd. against BHP Diamonds Inc. recorded on June 2, 1997 as document number G21475 and RD30050;

7. Certificate of Lis Pendens executed by Metl Span Corporation against Dudley Kill & Sons Ltd. and BHP Diamonds Inc. recorded on July 10, 1997 as document number G21489;

8. Certificate of Lis Pendens executed by Metl Span Corporation against Dudley Kill & Sons Ltd. and BHP Diamonds Inc., recorded on July 10, 1997, as document number G21490;

9. Certificate of Lis Pendens executed by Metl Span Corporation against Dudley Kill & Sons Ltd. and BHP Diamonds Inc., recorded on July 10, 1997, as document number G21491;

10. Discharge of Claim of Lien (Claim of Lien registered as document number G21462) and Discharge of Certificate of Lis Pendens (Certificate of Lis Pendens registered as document number G21489), by way of consent order, executed by the Supreme Court of the Northwest Territories against BHP Diamonds Inc., recorded on July17, 1997, as document number G21492;

11. Claim of Lien executed by Enterprise Steel Fabricators Ltd. against BHP Diamonds Inc. recorded on July 23, 1997 as document number G21493;

12. Discharge of Claim of Lien (Claim of Lien registered as document number G21463) was recorded on August 8, 1997 as document number G21494;

13. Discharge of Claim of Lien by way of Consent Order (Claim of Lien registered as document number G21493) executed by the Supreme Court of the North west Territories against BHP Diamonds Inc., recorded on September 8, 1997 as document number G21497;

14. Claim of Lien executed by Tri-Metal Fabricators Ltd. against BHP Diamonds Inc. recorded on September 12, 1997 as document number G21498;

15. Certificate of Lis Pendens executed by Enterprise Steel Fabricators Ltd. against BHP Diamonds Inc. recorded on October 17, 1997 as document number G21528;

16. Discharge of Certificate of Lis Pendens (Certificate of Lis Pendens registered as document number G21528), by way of Consent Order, executed by the Supreme Court of the Northwest Territories against BHP Diamonds Inc., recorded on November 1, 1997 as document number G21529;

17. Discharge of Claim of Lien (Claim of Lien registered as document number G21498) executed by Tri-Metal Fabricators Ltd against BHP Diamonds Inc., recorded on September 12 , 1997 as document number G21530;

18. Discharge of Certificate of Lis Pendens (Certificate of Lis Pendens registered as document number G21490), executed by Metl Span Corporation against Dudley Kill & Sons Ltd. and BHP Diamonds Inc. recorded on January 16, 1998 as document number G21533;

19. Discharge of Claim of Lien (Claim of Lien registered as document number G21465) and Discharge of Certificate of Lis Pendens (Certificate of Lis Pendens registered as document number G21491), by way of consent order, executed by the Supreme Court of the Northwest Territories, against BHP Diamonds Inc. recorded on May 12, 1998, as document number G21550;

20. Claim of Lien executed by Gem Steel Edmonton Ltd. against BHP Diamonds Inc. recorded on May 15, 1998 as document number G21551;

21. Discharge of Miner's Lien (Claim of Lien registered as document number G21551) executed by Gem Steel Edmonton against BHP Diamonds Inc. recorded on September 14, 1998 as document number G21664;

22. Notice to Third Parties executed by BHP Diamonds Inc. against Dia Met Minerals Ltd. recorded on June 4, 1998 as document number G21665 and RD30221;

23. Notice to Third Parties executed by BHP Diamonds Inc. against Charles Edgar Fipke recorded on June 4, 1998 as document number G21666 and RD30247;

24. Notice to Third Parties executed by BHP Diamonds Inc. against Dr. Stewart Lynn Blusson recorded on June 4, 1998 as document number G21667 and RD30248;

25. Partial Discharge of Notice to Third Parties (Partial Discharge of Notice to Third Parties registered as document number G21473) executed by BHP Diamonds Inc. against Dr. Stewart Lynn Blussom recorded on October 21, 1998, as document number G21668;

26. Partial Discharge of Notice to Third Parties (Partial Discharge of Notice to Third Parties registered as document number G21474), executed by BHP Diamonds Inc. against Charles Edgar Fipke recorded on October 29, 1998, as document number G21669;

27. Partial Discharge of Notice to Third Parties (Partial Discharge of Notice to Third Parties registered as document number G214754), executed by BHP Diamonds Inc. against Dia Met Minerals Ltd. recorded on October 29, 1998, as document number G21670;

28. Amending Agreement between Dia Met Minerals Ltd. and BHP Diamonds Inc. recorded on November 17, 1999, as document number G21735 and RD30460;

29. Amending Agreement between Charles Edward Fipke and BHP Diamonds Inc. recorded on November 17, 1999, as document number G21736 and RD30461;

30. Amending Agreement between Dr. Stewart Lynn Blusson and BHP Diamonds Inc. recorded on November 17, 1999, as document number G21737 and RD30464;

31. Claim of Lien executed by Pacific Fabricators and Constructors Inc. against BHP Diamonds Inc. recorded on July 13, 2000, as document number G21769;

32. Certificate of Lis Pendens executed by Pacific Fabricators and Constructors Inc. against Power Tech Inc. and BHP Diamonds Inc. recorded on October 12, 2000, as document number G21782;

33. Discharge of Claim of Lien (Claim of Lien registered as document number G21769) executed by Pacific Fabricators and Constructors Inc. against BHP Diamonds Inc., recorded on October 10, 2001 as document number G21822;

34. Discharge of Certificate of Lis Pendens (Certificate of Lis Pendens registered as document number G21782), executed by Pacific Fabricators and Constructors Inc. against Power Tech Inc. and BHP Diamonds Inc. recorded on October 10, 2001 as document number G21823;

35. Security Agreement between the Royal Bank of Canada and Charles Edgar Fipke recorded on January 10, 2002 as document number G21828;

35.A Change of name from BHP Diamonds Inc to BHP Billiton Diamonds Inc recorded on January 11, 2002 as document number G21841.

36. Claim of Lien executed by Gadsden Fabrication Inc. against BHP Billiton Diamonds Inc. recorded on July 21, 2004, as document number G22036;

37. Discharge of Claim of Lien (Claim of Lien registered as document number G22036) executed by Gadsden Fabrication Inc. against BHP Diamonds Inc., recorded on March 9, 2005, as document number G22065;

38. Claim of Lien executed by Colony Management Inc. against Diavik Diamonds Mines Inc., recorded on March 17, 2010, as document number G22369;

39. Discharge of Claim of Lien (Claim of Lien registered as document number G22369) executed by Colony Management Inc. against Diavik Diamonds Mines Inc., recorded on April 26, 2010, as document number G22375;

39.A1 Change of name from BHP Billiton Diamonds Inc to BHP Billiton Canada Inc. recorded on May 21, 2010 as document number G22376.

39.A Assignment of Lease from North Arrow Minerals Inc. to Harry Winston Diamond Mines Ltd. Recorded on October 13, 2011 as document number G22453.

39.A2 Assignment from BHP Billiton Canada Inc to BHP Canadian Diamonds Company recorded on April 8, 2013 as document number G22521.

39.B Change of name from Harry Winston Diamond Mines Ltd. To Dominion Diamond Mines Ltd. recorded on April 5, 2013 as document number G22538.

39.C Change of name from BHP Canadian Diamonds Company to Dominion Diamond Ekati Corporation recorded on May 27, 2013 as document number G22555.

40. Assignment of Lease (100%) from Diavik Diamond Mines Inc. to Diavik Diamond Mines (2012) Inc. recorded on January 17, 2014 as document number G22559.

41. Notice to Third Parties executed by Sandstorm Gold Ltd. recorded on August 11, 2015 as document number G33745.

42. Assignment of Lease (100%) from Diavik Diamond Mines (2012) to Dominion Diamond Holdings Ltd recorded on March 2016 as document number G33893.

43. Discharge of Security Agreement (Security Agreement registered as document number G21828) between the Royal Bank of Canada and Charles Edgar Fipke recorded on July 18, 2016, as document number 34064;

44. Notice to Third Parties (Purchase Agreement) executed by Wilmington Trust National Association recorded on November 1, 2017 as document number G34898.

44.A Notice to Third Parties (Purchase Agreement) executed by Wilmington Trust, national Association recorded on November 1, 2020 as document number G34893.

45. Notice to Third Parties (Credit Agreement) executed by Credit Suisse AG, Cayman Islands Branch recorded on November 1, 2017 as document number G34899.

45.A Notice to Third Parties (Credit Agreement) executed by Credit Suisse AF, Cayman Islands Branch recorded on November 1, 2017 as document number G34892.

46. Change of Name from Dominion Diamond Holdings Limited to Dominion Diamond Holdings ULC recorded on March 8, 2019 as document number G35145 & RD35145.

47. Amalgamation between Dominion Diamond Holdings ULC and Northwest Acquisitions ULC to from Northwest Acquisitions ULC recorded on March 8, 2018 as document number G35147 & RD35147.

48. Change of name from Northwest Acquisitions to Dominion Diamond Mines ULC recorded on March 8, 2018 as document number G35149 & RD35149.

49. Change of Name from Dominion Diamond Ekati Corporation to Dominion Diamond Ekati ULC recorded on March 12th, 2018 as document number G35141.

49.A Security Agreement between Dominion Diamond Mines ULC and the "Administrative Agent" recorded on July 30, 2019 as document number G35973.

49.B Security Agreement (Second Lien) between Dominion Diamond Mines ULC and the "Administrative Agent" recorded on July 30, 2019 as document number G35974.

50. Amalgamation between Dominion Diamond Ekati ULC and Dominion Diamond Mines ULC to for Dominion Diamond Mines ULS recorded on March 13, 2019 as document number G35821.

51. Claim of lien executed by wayward Industrial LP (formerly, Waiward Steel LP) against Dominion Diamond Mines ULC recorded on May 6, 2020 as document number G36331.

52. Claim of lien executed by Grinshaw trucking LP against Dominion Diamond Mines ULC recorded on May 7, 2020 as document number G36332.

53. Claim of lien was executed by Metshaw Freighters Ltd. against Dominion Mines ULC recorded on May 7, 2020 as document number G36333.

54. Claim of lien executed by Canadian Dewatering L.P. against Dominion Diamond Mines ULC registered on May 7, 2020 as document number G36334.

55. Claim of lien executed by Dene Dyno Nobel (DWEI) against Dominion Diamond Mines ULC on May 6, 2020 as document number G36335.

56. Claim of lien by Ron's Auto Service Ltd. against Dominion Diamond Mines ULC registered on May 15, 2020 as document number G36402.

57. Claim of lien executed by Grimshaw Trucking L.P. against Dominion Mines ULC recorded on May 15, 2020 as document number G36403.

58. Claim of lien executed by JDS Energy and Mining Inc against dominion Diamond Mines ULC recorded on May 15, 2020 as document number G36404.

59. Claim of lien executed by Metshaw Freighters Ltd. against Dominion Diamond Mines ULC recorded on May 15, 2020 as document number G36405.

60. Claim of lien executed by SMS Equipment Inc. against Dominion Mines ULC recorded on May 15, 2020 as document number G36406.

60.A Notice to Third Parties (Royalty Agreement) executed by Archon Minerals Limited recorded on June 2, 2020 as document number G36407.

61. Claim of lien executed by Finning (Canada), a Division of Finning International Inc. against Dominion Diamond Mines ULC recoded on June 8, 2020 as document number G34619.

62. Claim of lien executed by Knight Piésold Ltd. against Dominion Diamond Mines ULC recorded on June 16, 2020 as document number G36424.

63. Claim of lien executed by Procon Mining & Tunnelling Ltd. against Dominion Diamond Mines ULC recorded on June 25, 2020 as document number G36495

64. Court order No. 2001-05630 dated May 26, 2020 recorded on June 19, 2020 as document number G36496.

65. Court order No. 2001-05630 dated May 26, 2020 recoded on June 19, 2020 a document number G36497.

66. Court order No. 2001-05630 dated May 26, 2020 recorded on June 19, 2020 as document number G36498.

67. Court order No. 2001-05630 dated May 26, 2020 recorded on June 19, 2020 as document number G36499.

68. Court order No. 2001-05630 dated May 26, 2020 recorded on June 19, 2020 as document number G36500.

69. Court order No. 2001-05630 dated May 26, 2020 recorded on June 19, 2020 as document number G36501.

70. Court order No. 2001-05630 dated May 26, 2020 recorded on June 19, 2020 as document number G36502.

71. Court order No. 2001-05630 dated May 26, 2020 recorded on June 19, 2020 as document number G36503.

72. Claim of lien executed by Hay River Heavy Truck Sales Ltd. and Dominion Diamond Mines ULC recorded on July 8, 2020 as document number G36512.

73. Notice of Third Parties executed by Dominion Diavik Mines (2012) Inc. recorded on July 10, 2020 as document number 36515.

74. Certificate of Lis Pendens (Claim of Lien G36334) executed by Dene Dyno Nobel (DWEI) Inc. against Dominion Diamond Mines ULC recorded on July 21, 202 as document number G36514.

75. Certificate of Lis Pendens (Claim of Lien G36334) executed by Canadian Dewatering Ltd. against Dominion Diamond Mines ULC recorded on July 29, 2020 as document number G36516.

76. Certificate of Lis Pendens (Claim of Lien G36332, G36333, G36403, G36405) executed by Metshaw Freighters Ltd. and Metshaw Trucking L.P. against Dominion Diamond Mines ULC recorded on July 29, 2020 as document number G36517.

77. Certificate of Lis Pendens (Claim of Lien G36331) executed by Waiward Industrial LP (formerly, Waiward Steel LP) against Dominion Diamond Mines ULC on July 31, 2020 as document number G36524.

78. Certificate of Lis Pendens (Claim of Lien G36402) executed by Ron's Auto Service Ltd. against Dominion Diamond Mines ULC recoded on August 12, 2020 as document number G36533.

79. Claim of lien executed by Dene Aurora Mining Ltd. and Dominion Diamond Mines ULC recorded on August 12, 2020 as document G36541.

80. Certificate of Lis Pendens (Claim of Lien G36419) executed by Finning (Canada) a Division of Finning International Inc. against Dominion Diamond Mines ULC recorded on August 13, 2020 as document number G36542.

81. Certificate of Lis Pendens (Claim of Lien 36404) executed by JDS Energy and Mining Inc. against Dominion Diamond Mines ULC recorded on August 13, 2020 as document number G336543.

82. Certificate of Lis Pendens (Claim of Lien G36404) executed by JDS Energy and Mining Inc against Dominion Diamond Mines ULC recorded on August 13, 2020 as document number G36542.

83. Certificate of Lis Pendens (claim of Lien G36419) executed by Finning (Canada) a Division of Finning International Inc. against Dominion Diamond Mines ULC recorded on August 13, 2020 as document number G36543.

84. Certificate of Lis Pendens (Claim of Lien G36424) executed by Knight Piésold Ltd. against Dominion Diamo572nd Mines ULC recorded on September 14, 2020 as document number G36572.

85. Claim of lien executed by tundra Site Services Ltd. against Dominion Diamond Mines ULC recorded on September 16, 2020 as document number G36580.

86. Certificate of Lis Pendens (Claim of Lien G36495) executed by Procon Mining and Tunneling against Dominion Diamond Mines ULC recorded on September 25, 2020 as document number G36592.

87. Certificate of Lis Pendens (Claim of Lien G36512) executed by Hay River Heavy Truck Sales Ltd. against Dominion Diamond Mines ULC recorded on October 2, 2020 as document number G36598.

88. Certificate of Lis Pendens (Claim of Lien G36541) executed by Dene Aurora Mining Ltd. against Dominion Diamond Mines ULC recorded on October 2, 2020 as document number G36599.

89. Claim of lien by Dene-Tire North venture, by its Managing Joint Venturer 507170 N.W.T. o/a Tire North against Dominion Diamond Mines ULC recorded on October 14, 2020 as document number G36600.

90. Certificate of Lis Pendens (Claim of Lien G36580) by Tundra Site Services Ltd. against Dominion Diamond Mines ULC on October 14, 2020 as document number G36616.

91. Court of Order Approval and Vesting Order recorded on December 11, 2020 as document number G36707.

92. Court Order Order Approval and Vesting Order recorded on December 11, 2020 as document number G36781.

93. Transfer of Lease from Dominion Diamond Mines ULC to Arctic Canadian Diamond Company Ltd. recorded on February 3, 2021 as document number G36829.

94. Transfer of Mineral Claim from Dominion Diamond Mines ULC to Arctic Canadian Diamond Company Ltd. recorded on February 3, 2021 as document number G36830.

95. Notice to Third Parties (first lien Credit Agreement) executed by Credit Suisse AG, Cayman Island Branch, Administrative Agent, recorded on February 3, 2021 as document number G36833.

96. Notice to Third Parties (second lien Credit Agreement) executed by Alter Domus (US) LLC, Administrative Agent, recorded on February 3, 2021 as document number G36832.

97. Notice to Third Parties (third lien Credit Agreement) executed by Credit Suisse AG, Cayman Island Branch, Administrative Agent, recorded on February 3, 2021 as document number G36831.

98. Discharge of Claim of Lien, (Claim of Lien registered as document number G36406) was recorded on February 3, 2021 as document number 36812.

99. Discharge of Lis Pendens (Lis Pendens G36592) was recorded on February 3, 2021 as document number 36810.

100. Discharge of Claim of Lien (Claim of Lien registered as document number G36495) was recorded on February 3, 2021 as document number G36809.

101. Discharge of Lis Pendens (Lis Pendens G36514) was recorded on February 3, 2021 as document number 36804.

102. Discharge of Claim of Lien (Claim G36335) was recorded on February 3, 2021 as document number 36803.

103. Discharge of Court Order 36503 was recorded on February 3, 2021 as document number 36783.

104. Discharge of Court Order 36502 was recorded on February 3, 2021 as document number 36782.

105. Discharge of Court Order 36501 was recorded on February 3, 2021 as document number 36780.

106. Discharge of Court Order 36500 was recorded on February 3, 2021 as document number 36779

107. Discharge of Court Order 36499 was recorded on February 3, 2021 as document number 36778.

108. Discharge of Court Order 36498 was recorded on February 3, 2021 as document number 36777.

109. Discharge of Court Order 36497 was recorded on February 3, 2021 as document number 36776.

110. Discharge of Court Order 36496 was recorded on February 3, 2021 as document number 36775.

111. Discharge of Lis Pendens (Lis Pendens G36524) was recorded on February 3, 2021 as document number 36814.

112. Discharge of Claim of Lien (Claim of Lien 36331) was recorded on February 3, 2021 as document 36813.

113. Discharge of Claim of Lien (Claim of Lien 36600) was recorded on February 3, 2021 as document 36811.

114. Discharge of Claim of Lien (Claim of Lien 36333) was recorded on February 3, 2021 as document 36808.

115. Discharge of Claim of Lien (Claim of Lien 36405) was recorded on February 3, 2021 as document 36807.

116. Discharge of Lis Pendens (Lis Pendens G36517) was recorded on February 3, 2021 as document number 36806.

117. Discharge of Claim of Lien (Claim of Lien 36512) was recorded on February 3, 2021 as document 36805.

118. Discharge of Claim of Lien (Claim of Lien 36335) was recorded on February 3, 2021 as document 36803.

119. Discharge of Claim of Lien (Claim of Lien 36541) was recorded on February 3, 2021 as document 36802.

120. Discharge of Lis Pendens (Lis Pendens G36599) was recorded on February 3, 2021 as document number 36801.

121. Discharge of Lis Pendens (Lis Pendens G36598) was recorded on February 3, 2021 as document number 36800.

122. Discharge of Claim of Lien (Claim of Lien 36419) was recorded on February 3, 2021 as document 36799.

123. Discharge of Lis Pendens (Lis Pendens G36543) was recorded on February 3, 2021 as document number 36798.

124. Discharge of Claim of Lien (Claim of Lien 36580) was recorded on February 3, 2021 as document 36797.

125. Discharge of Lis Pendens (Lis Pendens G36616) was recorded on February 3, 2021 as document number 36796.

126. Discharge of Lis Pendens (Lis Pendens G36533) was recorded on February 3, 2021 as document number 36793.

127. Discharge of Lis Pendens (Lis Pendens G36516) was recorded on February 3, 2021 as document number 36792.

128. Discharge of Claim of Lien (Claim of Lien 36402) was recorded on February 3, 2021 as document 36790.

129. Discharge of Claim of Lien (Claim of Lien 36334) was recorded on February 3, 2021 as document 36791.

130. Discharge of Lis Pendens (Lis Pendens G36572) was recorded on February 3, 2021 as document number 36789.

131. Discharge of Claim of Lien (Claim of Lien 36424) was recorded on February 3, 2021 as document 36788.

132. Discharge of Claim of Lien (Claim of Lien 36403) was recorded on February 3, 2021 as document 36787.

133. Discharge of Claim of Lien (Claim of Lien 36332) was recorded on February 3, 2021 as document 36786.

134. Discharge of Claim of Lien (Claim of Lien 36542) was recorded on February 3, 2021 as document 36785.

135. Discharge of Claim of Lien (Claim of Lien 36404) was recorded on February 3, 2021 as document 36784.

136. Discharge of Third Part Party Notice G34892 was recorded on February 3, 2021 as document number 36817.

137. Discharge of Agreement G35973 was recorded on February 3, 2021 as document number 36816.

138. Discharge of Notice to Third Party G36407 was recorded on February 3, 2021 as document number 36815.

139. Discharge of Notice to Third Party G34893 was recorded on February 3, 2021 as document number 36795.

140. Discharge of Agreement G35974 was recorded on February 3, 2021 as document number 36794.

141. Discharge of Notice to Third Parties 36833, executed by Arctic Canadian Diamond Company Ltd., recorded on September 1, 2022 as document number 37813.

142. Notice to Third Parties (first lien Credit Agreement) executed by Alter Domus (US) LLC, as Administrative Agent, recorded on March 27, 2023 as document number G38127 and RD38127.

Schedule 4

Independent Technical Assessment Report

CSA Global
Mining Industry Consultants
an ERM Group company

Ekati Diamond Mine

Independent Technical Assessment Report

REPORT № R138.2023
1 June 2023

Report prepared for

Client Name	Burgundy Diamond Mines Limited
Project Name/Job Code	BDMITA01
Contact Name	Brad Baylis
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Report information

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CSA Global Authorisation	Graham Jeffress BSc (Hons) Applied Geology, RPGeo, FAIG, FAusIMM, FSEG, MGSA	

Executive Summary

CSA Global Pty Ltd (CSA Global), an ERM Group company, was requested by Burgundy Diamond Mines Limited ("Burgundy" or "the Company") to prepare an Independent Technical Assessment Report (ITAR) on the Ekati Diamond Mine ("Ekati" or "the Mine").

Burgundy Diamond Mines Limited

Burgundy was incorporated in 2012 and is based in Perth, Western Australia (WA). The Company is focused on the mining, production, cutting, polishing and sale of fancy-coloured diamonds. Burgundy's business strategy is focused on capturing upside along the value chain of the diamond market. By building a portfolio of diamond projects in various geographies and operating a cutting and polishing facility in Perth, Burgundy's operating model is vertically integrated.

Burgundy announced on 14 March 2023 that they have successfully concluded the acquisition of the Ekati Diamond Mine in Canada's Northwest Territories from the previous owner, Arctic Canadian Diamond Company Ltd (ACDC).

Disclosure of the transaction to the Australian Securities Exchange (ASX) will require inclusion of an ITAR on the asset.

Burgundy's current diamond portfolio includes:

- Naujaat project located 9 km northeast of Naujaat, Nunavut, Canada.
- Diamond Exploration Strategies Ltd, a privately-owned diamond exploration and resource development company with its primary focus in Botswana.

Ekati Diamond Mine

The Ekati Diamond Mine is Canada's first surface and underground diamond mine, located 310 km northeast of Yellowknife, Northwest Territories, and about 200 km south of the Arctic Circle, near Lac de Gras. The main infrastructure hub of the Ekati Mine is shown on Figure 1-1.

The Ekati Mine has been in operation for almost 25 years (since October 1998) and has had several changes in ownership since then including BHP Billiton (1998 to 2013), Dominion Diamond Mines (2013 to end of 2020) and ACDC (2020–2021 to current). During that time, several kimberlite pits have been successfully and economically mined as open pit and underground mines. ACDC (currently in administration) has 100% ownership of the property.

The Ekati operations can be divided into three main mining areas which are the Central Area (including the Main Camp), the Sable Open Pit Area, approximately 20 km to the northeast of the processing plant and the Misery Area, approximately 29 km to the southeast of the processing plant.

Currently, as at the beginning of 2023, mining is taking place at two locations:

- Mining from the Sable open pit, which is reaching the end of its operational period and will be in production until late 2024.
- Mining from the Misery Underground mine, which will be depleted during 2025.

The Point Lake open pit project is in development stage and mining activities will commence in the second half of 2023 including construction of the waste rock storage area pad followed by pre-stripping. First ore production will occur in late 2023 and will carry the mine through the rest of the life of mine (LOM) period up to 2028.

Figure 1-1: Ekati Diamond Mine main infrastructure

CSA Global assessed the technical components of the Ekati Diamond Mine by looking at historical, current, and proposed plans and activities and provides the following conclusions:

- All **exploration, drilling and sampling, geological model and Mineral Resource/Ore Reserve modelling** and definition processes and procedures are suitable and appropriate for the type of operations and activities.
- Communication with the Competent Person of the **Mineral Resources and Ore Reserve Statement** and collaboration on the completion of JORC Table 1 (appended to this document) during the compilation of the ITAR provides assurance to CSA Global that the fundamentals for derivation of the Mineral Resources and Ore Reserves are sound and defendable as signed off by the Competent Person.
- The Mine has a regular cadence of conducting **feasibility studies on new prospective projects** and defining the fundamentals of such projects as the basis of the subsequent mine plans and budgets.
- **Mining and processing activities** for open pit and underground mines have been established over many decades either through owner operated mining fleets (open pits) or development and mining contractors (underground) and are understood by the Mine personnel.
- **Fixed infrastructure** such as buildings, roads, airstrips etc. have been established over time and provides suitable support to operational and administrative activities.
- Due to its remote location, permanent road access is not feasible and therefore access to Ekati is by a **winter ice road** that is seasonal in nature and requires construction each year as part of a joint venture between the Ekati and surrounding mines. This arrangement appears to be mutually beneficial and appropriate to ensure delivery and transport of fuel, bulk materials and equipment that cannot be flown in. **Air transport** for people and freight is available throughout the year.
- The overall remaining **LOM** up to 2028–2029 considers the feasibility studies as well as the defined Ore Reserves within the planned production, and scheduling of mining areas allowing appropriate levels of ore production to the processing plant and enabling maximised process throughput. This ore flow to the plant is per occasion supplemented by reclaiming previously mined material from various stockpiles as required.
- Suitable **capital estimates** have been prepared for development expenditures related to developing and enabling various mining projects as they become operational. The technical and cost fundamentals derived in feasibilities studies similarly inform the derivation of physicals and quantities in mine plans.

- **Environmental and social** policies and procedures have been put in place and are renewed when required.

Based on CSA Global's assessment, Ekati Mine has the following opportunities and innovations ahead:

- The progress and anticipated future of **Underwater Remote Mining** (URM) could secure a significant extension to the life of the Mine by opening up opportunities to revisit mined-out pits and new pipes by employing a pioneering low cost, low environmental impact alternative mining method. The success of this novel mining will be tested over the next three years within the mined-out Lynx open pit. Following successful trial mining, URM could allow the reconsideration to mined out pits such as Sable, Point Lake and Fox or kimberlites previously deemed not accessible (e.g. Jay kimberlite).
- The introduction of **new exploration technology** including high resolution airborne magnetic surveying using remote controlled unmanned aerial vehicles, remote boat bathymetry and new geophysical data processing methods such as electromagnetic inversions could improve data generation and profiling of kimberlites.
- The recent introduction of **artificial intelligence and deep machine learning** could allow the discovery of geophysical kimberlite footprints previously not visible to Ekati.
- **Recent exploration** has identified several targets for follow-up and has confirmed two new kimberlites – the Badger and Bear pipes. Further work may be warranted for the Bear pipe.

CSA Global has also identified several potential concerns as follows:

- The inclusion of a significant portion (31.3%) of **Inferred Mineral Resources in the LOM plan** from Point Lake open pit as well as Misery Underground (26%) carries a high level of uncertainty especially considering that this source will be supporting mining production for half of the Mine life. It is noted that as per ASX Listing Rule 5.16.4 "…there is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources of that the production target itself will be realised". However, it should also be noted that the inferred material is within the Point Lake open pit reserves-only pit design as part of material to be removed to access Ore Reserves. For the Point Lake open pit two financial evaluations were completed. One (PFS) treated Inferred Resources as waste and resulted in positive NPV and the second was in the form of a PEA and included inferred in the ore mined leading to a higher NPV. CSA Global therefore concludes that the financial viability (positive NPV) is not dependent on the inclusion of the Inferred Resources
- The exciting novel **URM technology** also brings with it significant risk until proven effective as a future mining method. Underwater mining and dredging are commonly used within alluvial and marine diamond mining where uncompacted, loose gravels are "hoovered" up through umbilicals like what is proposed for URM, however, the use in a hard rock environment is less common with associated uncertainty around operational and maintenance challenges and efficiencies. The URM technology will be used in trial mining on the mined-out Lynx open pit and a successful outcome from the study will assist in de-risking this option.

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1 Introduction

1.1 Context, Scope and Terms of Reference

CSA Global Pty Ltd (CSA Global), an ERM Group company, was requested by Burgundy Diamond Mines Limited ("Burgundy" or "the Company") to prepare an Independent Technical Assessment Report (ITAR) for the disclosure of the acquisition of the Ekati Diamond Mine ("Ekati" or "the Mine") to the Australian Securities Exchange (ASX).

The Ekati Diamond Mine is Canada's first surface and underground diamond mine, located 310 km northeast of Yellowknife, Northwest Territories, about 200 km south of the Arctic Circle, and 1,870 km north-northeast of Vancouver.

The ITAR is subject to the *Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets* ("VALMIN Code"). In preparing this ITAR, CSA Global:

- Adhered to the VALMIN Code.
- Took due note of the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (ASIC), including ASIC Regulatory Guide 55 Statements in disclosure documents and Product Disclosure Statements: Consent to quote; Regulatory Guide 170 Prospective financial information; Regulatory Guide 228 Prospectuses: Effective disclosure for retail investors; and the ASX including relevant sections of the Listing Rules such as Chapter 1 Admission, in particular section 1.3.2, and Chapter 5 Additional reporting on mining and oil and gas production and exploration activities.
- Relied on the accuracy and completeness of the data provided to it by Burgundy, and that Burgundy made CSA Global aware of all material information in relation to the Mine.
- Relied on Burgundy's representation that it will hold adequate security of tenure for exploration and mining of the Mine to proceed. An Independent Solicitor's Report elsewhere in the Prospectus provides a detailed discussion of the Company's tenements.
- Required that Burgundy provide an indemnity to the effect that Burgundy would compensate CSA Global in respect of preparing the ITAR against any and all losses, claims, damages and liabilities to which CSA Global or its Associates may become subject under any applicable law or otherwise arising from the preparation of the ITAR to the extent that such loss, claim, damage or liability is a direct result of Burgundy or any of its directors or officers knowingly providing CSA Global with any false or misleading information, or Burgundy, or its directors or officers knowingly withholding material information.
- Required an indemnity that Burgundy would compensate CSA Global for any liability relating to any consequential extension of workload through queries, questions, or public hearings arising from the reports.

1.2 Compliance with the VALMIN and JORC Codes

This ITAR has been prepared in accordance with the VALMIN Code[1], which is binding upon Members of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM), the JORC Code[2] and the rules and guidelines issued by such bodies as the ASIC and ASX that pertain to Independent Expert Reports.

[1] Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code), 2015 Edition, prepared by the VALMIN Committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. http://www.valmin.org

[2] Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC). http://www.jorc.org

1.3 Principal Sources of Information and Reliance on Other Experts

CSA Global has based its review of the Mine on information made available to the principal authors by Burgundy, along with technical reports prepared by consultants, government agencies and previous tenements holders, and other relevant published and unpublished data.

CSA Global has also relied upon discussions with Burgundy's management for information contained within this assessment. This ITAR has been based upon information available up to and including 21 March 2023.

CSA Global has endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy, and completeness of the technical data upon which this ITAR is based. Unless otherwise stated, information and data contained in this technical report, or used in its preparation, has been provided by Burgundy in the form of documentation and digital data.

Burgundy was provided a final draft of this ITAR and requested to identify any material errors or omissions prior to its lodgement.

Burgundy has warranted to CSA Global that the information provided for preparation of this ITAR correctly represents all material information relevant to the Mine. Full details on the tenements are provided in the Independent Solicitor's Report elsewhere in the Prospectus.

CSA Global has not independently verified the legal status or ownership of the property or any of the underlying agreements. This information should be contained in the Independent Solicitor's Report and described therein under Summary of Material Agreements, elsewhere in the Prospectus.

CSA Global did not undertake a site visit to the Mine for the purposes of this ITAR. This is because the Competent Person, Mr Jon Carlson, whose contributions have been included in this ITAR, has been directly involved in diamond exploration and project development and has been continuously engaged with the discovery, exploration, evaluation and development of the Ekati Diamond Mine since 1992.

This ITAR contains statements attributable to third parties. These statements are made or based upon statements made in previous technical reports that are publicly available from either government sources or the ASX. The authors of these reports have not consented to their statements use in this ITAR, and these statements are included in accordance with ASIC Corporations (Consent and Statements) Instrument 2016/72.

1.4 Authors of the Report

CSA Global, an ERM Group company, is a privately owned, mining industry consulting company headquartered in Perth, Western Australia (WA). CSA Global provides geological, resource, mining, management, and corporate consulting services to the international mining sector and has done so for more than 30 years.

This ITAR has been prepared by a team of consultants sourced principally from CSA Global's Perth, WA office. The individuals who have provided input to the ITAR have extensive experience in the mining industry and, are members in good standing of appropriate professional institutions. The Consultants preparing this ITAR are specialists in the field of exploration, mine geology, mineral resource estimation, and mining, particularly relating to diamonds, nickel and gold.

The following individuals, by virtue of their education, experience, and professional association, are considered Competent Persons, as defined in the JORC Code (2012), for this ITAR. The Competent Persons' individual areas of responsibility are presented below:

- Coordinating author – Francois Grobler (Principal Consultant, Corporate with CSA Global in Perth, WA) is managing completion of certain sections of the ITAR and is responsible for the entire ITAR.
- Contributing author – Max Nind (Principal Consultant, Geology with CSA Global in Perth, WA) is a contributing author of the ITAR and is responsible for certain sections of the ITAR.
- Peer reviewer – Trivindren Naidoo (Principal Geologist – Corporate with CSA Global in Perth, WA) is a peer reviewer of the entire ITAR.

- Partner in Charge – Graham Jeffress (Partner, Operations Director Australia of CSA Global in Perth, WA) is responsible for the entire ITAR.

Francois Grobler has more than 27 years' experience in the mining industry covering a wide number of disciplines including geology, mining engineering, mineral economics, mining finance and business optimisation. His career includes around 10 years in corporate and diamond mining operations (Finsch Mine and NAMDEB) with the De Beers Group, and more than 15 years in mining technical and management consulting. He has conducted technical reviews and mining asset valuations on various commodities (gold, base metals, coal, diamonds, and industrial minerals) under various jurisdictions (ASX, JSE, HKSE, AIM, LSE, TSX) and reporting codes (JORC/VALMIN, SAMREC/SAMVAL, NI-43101, SEC-SOX) and for various purposes (IERs, IPOs, JV, M&A, legal disputes, tax/stamp duty, TARP). More recently, Francois has applied his operations research, optimisation/simulation modelling and consulting skills to advise on pit-to-port optimisation, logistic/network optimisation, port expansion studies and other strategic mining and associated industrial challenges.

Max Nind is an experienced geologist with over 30 years' working in exploration; mine geology; financial evaluation and corporate management of assets. This ranges from niche exploration to major resource companies, and a ASX regulated financial services provider, globally in Australia, USA, New Zealand and Canada. He has managed all aspects of exploration in the search for base metals, gold, bulk commodities, and cobalt. Max gained a solid foundation in mining during working underground, managing geological departments of various mines, including production, grade control, exploration, ore reserve estimation, mine planning and budgeting. His extensive corporate and financial experience ranges from leading corporate management and project study teams; developing and maintaining strong working relations with stakeholders; leading commercial negotiations with contractors, government agencies and financial institutions; to identifying, assessing, and developing business investment opportunities.

Trivindren Naidoo is an exploration geologist with over 20 years' experience in the minerals industry, including over 15 years as a consultant, specialising in project evaluations and technical reviews as well as code-compliant reporting (JORC, VALMIN, NI 43-101 and CIMVAL) and valuation. His knowledge is broad-based, and Trivindren has wide-ranging experience in the field of mineral exploration, having managed or consulted on various projects that range from first-pass grassroots exploration to brownfields exploration and evaluation, including the assessment of operating mines. His experience includes five years with De Beers as an exploration geologist based in South Africa and Botswana, and consulting on various diamond exploration and mining projects in Canada, Australia, Brazil and Southern Africa. Trivindren is part of CSA Global's Corporate team and has completed independent evaluations and valuations of numerous mineral assets ranging from early-stage exploration properties to projects with multiple operating mines, across various commodities and jurisdictions.

Graham Jeffress is a geologist with over 30 years' experience in exploration geology and management in Australia, Papua New Guinea and Indonesia. He has worked in exploration (ranging from grassroots reconnaissance through to brownfields, near-mine, and resource definition), project evaluation and mining in a variety of geological terrains, commodities, and mineralisation styles within Australia and internationally. Graham is competent in multidisciplinary exploration, and proficient at undertaking prospect evaluation and all phases of exploration. He has completed numerous independent technical reports (IGR, CPR, QPR) and valuations of mineral assets. Graham now coordinates and participates in CSA Global's activities providing expert technical reviews, valuations, and independent reporting services to groups desiring improved understanding of the value, risks and opportunities associated with mineral investment opportunities.

1.5 Independence

Neither CSA Global, nor the authors of this ITAR, with the exception of Jon Carlson, has or has had previously, any material interest in Burgundy or the mineral properties in which Burgundy has an interest. CSA Global's relationship with Burgundy is solely one of professional association between client and independent consultant.

CSA Global is an independent geological consultancy. Fees are being charged to Burgundy at a commercial rate for the preparation of this ITAR, the payment of which is not contingent upon the conclusions of the ITAR. The fee for the preparation of this ITAR is approximately A$44,000.

No member or employee of CSA Global is, or is intended to be, a director, officer, or other direct employee of Burgundy. No member or employee of CSA Global has, or has had, any shareholding in Burgundy.

There is no formal agreement between CSA Global and Burgundy as to the Company providing further work for CSA Global.

1.6 Declarations

1.6.1 Purpose of this Document

This ITAR has been prepared by CSA Global at the request of, and for the sole benefit of Burgundy. Its purpose is to provide an independent technical assessment on the Ekati Diamond Mine.

The ITAR is to be included in its entirety or in summary form by Burgundy in a document for the disclosure of the acquisition of the Ekati Diamond Mine to the ASX. It is not intended to serve any purpose beyond that stated and should not be relied upon for any other purpose.

The statements and opinions contained in this ITAR are given in good faith and in the belief that they are not false or misleading. The conclusions are based on the reference date of 9 February 2023 and could alter over time depending on exploration results, mineral prices, and other relevant market factors. The interpretations and conclusions reached in this ITAR are based on current scientific understanding and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for absolute certainty.

1.6.2 Competent Person's Statement

The information in this ITAR that relates to Technical Assessment of the Mineral Assets of the Ekati Diamond Mine is based on information compiled and conclusions derived by Dr Francois Grobler, a Competent Person who is a Fellow of the AusIMM. Dr Grobler is employed by CSA Global and has sufficient experience that is relevant to the Technical Assessment of the Mineral Assets under consideration, the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 Edition of the "Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets", and as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Grobler consents to the inclusion in the ITAR of the matters based on his information in the form and context in which it appears.

Information relating to the estimation of Mineral Reserves and Resources at the Ekati Diamond Mine in Section 8 of this ITAR are based on, and fairly represent, information and supporting documentation compiled by Mr Jon Carlson, a Professional Geologist member of the Association of Professional Engineers, Geologists and Geophysicists of the Northwest Territories. Mr Carlson is employed as the Head of Exploration and Project Development for the Ekati Operation with Arctic Canadian Diamond Company Ltd (ACDC) and has 40 years of experience. Mr Carlson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code. Mr Carlson consents to the inclusion in this ITAR of the matters based on his information in the form and content in which it appears.

1.7 About this Report

This ITAR describes the technical viability and prospectivity of the Ekati Diamond Mine in Canada that Burgundy is acquiring (Figure 1-1). The geology, mineralisation, reserves and resources, and mining operations for the mine are discussed. A great wealth of data pertains to the work done on the Mine and an effort was made to summarise this to contain the size and readability of the ITAR. Maps of the Mine are presented.

No valuation has been requested or completed for the Mine.

2 Burgundy Diamond Mines Limited

2.1 Introduction

Burgundy was incorporated in 2012[3] and is based in Perth, WA.

The Company is focused on the mining, production, cutting, polishing and sale of fancy colour diamonds and has as its business strategy the capturing of upside along the value chain of the diamond market. By building a portfolio of diamond projects in various geographies and operating a cutting and polishing facility in Perth, Burgundy's operating model is vertically integrated.

2.2 Company History

Formally known as EHR Resources Limited, the Company changed its name to Burgundy Diamond Mines Limited on 20 November 2020 to reflect its transition from an explorer of resources with a single gold/silver project to a developer of a global portfolio of diamond projects.

Since the transition, Burgundy has invested in two projects:

- Botswana Exploration Alliance.
- Naujaat diamond project (40%).

In June 2020, the Company entered into an exploration alliance agreement in Botswana with Diamond Exploration Strategies Ltd ("Botswana Exploration Alliance"). Under the terms of the Botswana Exploration Alliance, Burgundy agreed to provide funding of up to US$1.5 million over three years to finance exploration activities in Botswana, earning 50% ownership of any promising discoveries made in which the Joint Technical Committee select as a designated project. In addition to this, Burgundy has an option to increase ownership to 70% by completing a scoping study and to 90% by completing a feasibility study.

In June 2020, the Company entered into an option agreement with North Arrow Minerals Inc. (TSXV:NAR) (North Arrow) to earn a 40% earn-in interest in the Naujaat diamond project (Naujaat), located in the Nunavut territory of Canada. The agreement provided the Company with the option to earn a 40% interest in Naujaat for providing C$5.6 million to fund a preliminary bulk sample of 1,500–2,000 tonnes, with the funding being committed by the Company in August 2020. The bulk sampling program was deemed to be completed on 6 February 2023 thus Burgundy now has a vested 40% ownership of Naujaat under the terms of the option agreement with North Arrow.

In July 2022, Burgundy launched its own luxury diamond brand, Maison Mazerea. The launch of the Maison Mazerea brand was the final key component of the Company's strategy to become a world leading end-to-end fancy colour diamond company.

On 19 December 2022, Burgundy's securities were suspended from official quotation on the ASX and have since remained in suspension. On 14 March, the Company successfully concluded the acquisition of Arctic Canadian Diamond Company (ACDC).

[3] The Company was incorporated in 2012 as Cott Oil and Gas Limited and focussed on early-stage oil and gas exploration. In June 2017, the Company changed its name to EHR Resources Limited and was re-admitted to the ASX, with a focus on mineral resource projects.

3 Ekati Diamond Mine

3.1 Overview

Ekati, named after the Tilcho word meaning "fat lake", is renowned for its premium gem-quality diamonds. Ekati is Canada's first surface and underground diamond mine: production began in October 1998 following extensive exploration and development work dating back to 1981.

Ekati operated continuously until March 2020, when COVID-19 prompted previous owners Dominion Diamonds ULC (Dominion) to temporarily suspend operations. Following a 10-week phased restart program, Ekati recommenced operations in February 2021. There are two active mining operations at Ekati, including the Sable open pit and Misery underground operations.

The current mine life of Ekati, including the addition of a new open pit development at Point Lake, runs to 2028. Exploration and project evaluation activities are ongoing, including the development of an innovative mining technique that could be used to extract the deeper resources from the Sable, Fox, and Point Lake kimberlite deposits. If successful, the mining of these deeper portions of existing orebodies are believed to be able to extend the life of Ekati for many years to come. Additional options include development of an underground mine at Fox and possibly a hybrid open pit/alternative mining scenario for the Jay kimberlite.

3.2 History

The timeline below summarises Ekati's ownership and operating history since first production:

- October 1998: Ekati delivered first rough diamond production under BHP Billiton (BHP) ownership.
- April 2013: Following a decision to divest several "non-core" assets and focus on its large iron ore, petroleum and coal operations, BHP sold Ekati to Dominion for US$553 million (including closing adjustments).
- November 2017: The Washington Companies, a group of privately held North American mining industrial and transportation business, acquired Ekati as part of a US$1.2 billion acquisition of Dominion.
- March 2020: Ekati was placed into care and maintenance in response to the COVID-19 pandemic and major disruptions in the global diamond trade.
- April 2020: Dominion filed for insolvency protection under the Companies' Creditors Arrangement Act.
- February 2021: ACDC acquires Ekati with associated assets and liabilities from Dominion and mining operations recommence at Ekati.

3.3 Location, Access and Infrastructure

There are currently four active diamond mines in Canada: Ekati, Diavik, Gahcho Kué and Renard. Ekati, Diavik and Gahcho Kué are located in the Slave Geological Province within the Northwest Territories of Canada and Renard is located in Quebec (Figure 3-1).

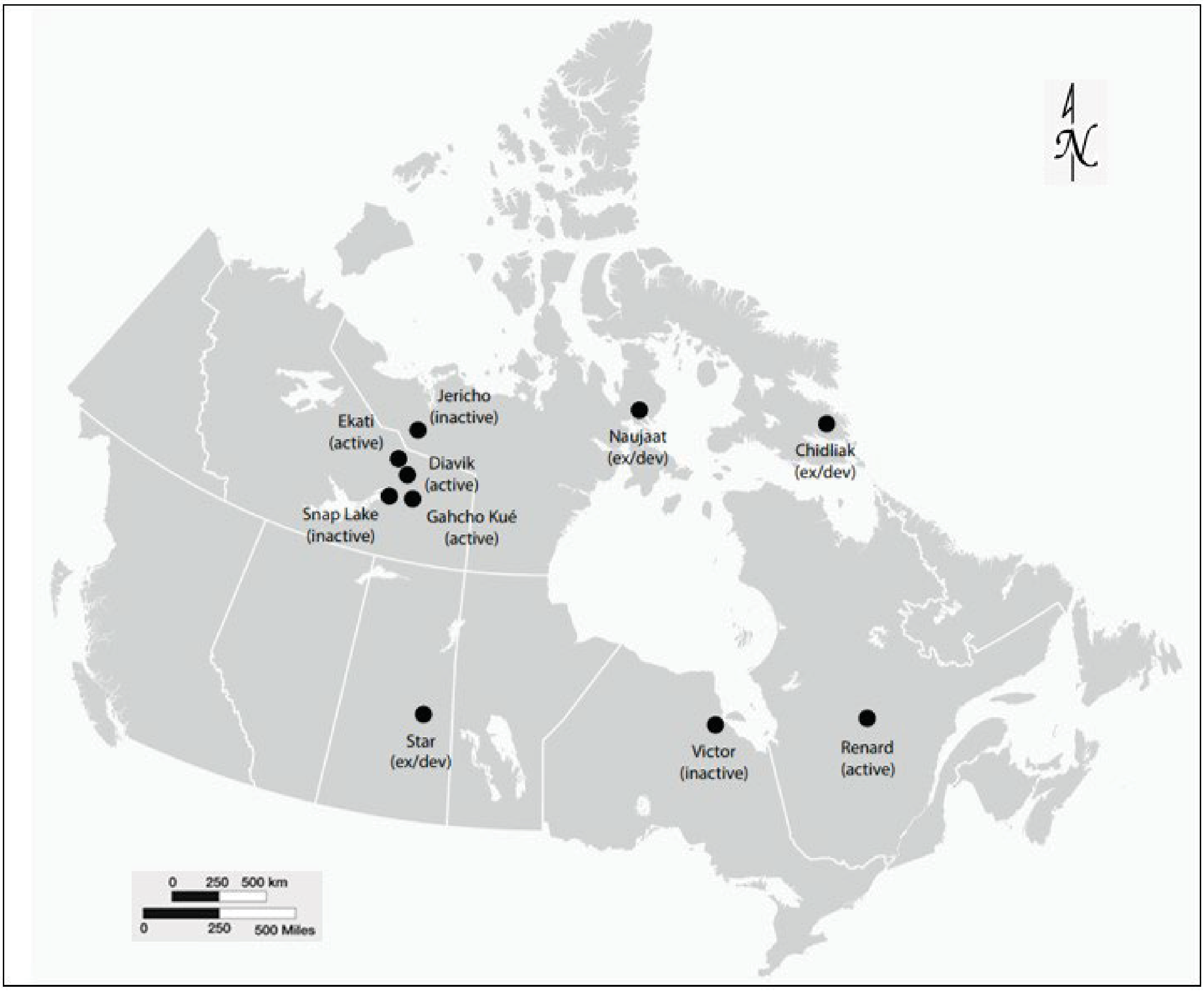

Figure 3-1: Location of active diamond mines in Canada

Ekati (Figure 3-2) is located near Lac de Gras, approximately 1,870 km north-northeast of Vancouver, and 300 km northeast of Yellowknife and 200 km south of the Arctic Circle in the Northwest Territories of Canada. Despite its location in the Canadian sub-arctic, mining activities are conducted year-round.

Figure 3-2: Ekati location

3.3.1 Winter Ice Road

Road access to Ekati is by a winter ice road that is seasonal in nature. The ice road is approximately 475 km long, is constructed largely (approximately 86%) across lakes and connects from the permanent all-weather road east of Yellowknife to the main Ekati complex via the Misery haulage road. The road is typically open approximately eight weeks from the beginning of February until the end of March, but prevailing ice conditions can reduce or extend the operational period of the winter road. The road is constructed each year as part of a joint venture between the Ekati, Diavik and Gahcho Kué mines and each mine shares the cost of construction, maintenance, operation and closure of the annual winter road. The road is shared by other industrial users (i.e. exploration companies) as well as the public, providing access for hunters and tourists.

Fuel, large equipment and heavy consumables are freighted to site on the winter road. Ekati freight for the 2023 winter road is estimated at approximately 1,700 truckloads. Approximately 6,500 truckloads are estimated to be transported to all three diamond mines (Ekati, Diavik and Gahcho Kue) on the 2023 winter road. Critical to achieving the mine plans are the logistics of planning and expediting the delivery of freight required for a full year of operation over the winter road in a period of approximately two months. Three seasonal maintenance/staging camps are located along the winter ice road with the most northerly being located at the Lac de Gras camp, which is located on the south-eastern shore of Lac de Gras.

3.3.2 Air Transport

Ekati has an all-weather gravel airstrip that is 1,950 m long with an aircraft control building. The airport is equipped with runway lighting and approach system, navigational aids, radio transmitters and weather observation equipment.

Outside of winter road season, general and light freight, fresh produce, and equipment is flown to the site year-round, with five Electra and one ATR freighters per week visiting site. On occasion, when high value, large dimension spares are required but not held in immediate stock, a Hercules C130 is chartered to fly such components to site. These production-critical flights are infrequent and amount to one or two every two to five years.

Air transport is used year-round for transport of all personnel to and from the site, as well as light or perishable supplies, and, as required, emergency freight.

3.3.3 Infrastructure

The buildings and infrastructure facilities at Ekati (Figure 3-3) include all buildings (mobile and permanent), pipelines, pump stations, electrical systems, quarry site, camp pads and laydowns, ore storage pads, roads, culverts and bridges, airstrip, helipad, and mobile equipment.

The primary facilities at Ekati include:

- Main accommodations complex that consists of 763 sleeping accommodation rooms, dining, kitchen, and recreation areas, first aid station, emergency response/mine rescue stations and maintenance shops. A sewage treatment plant, water treatment facility and incinerator room adjoin the main accommodations building.
- Power plant.
- Process plant.
- Bulk sampling plant.
- Truck-shop/offices/warehouse complex that provides for heavy and light vehicle maintenance, heated warehouse storage, change rooms, an environmental laboratory and administration offices.
- Bulk lubrication facility situated adjacent to the truck-shop and holds bulk lubricant and glycol.

Ancillary buildings located within the Ekati main camp area include:

- Ammonium nitrate storage facility with a capacity of 16,500 tonnes.
- Emulsion plant.
- Waste management building: waste to be sent off site are prepared for transport at this building.
- Site maintenance shed and sprung facility (used for shipping and receiving, during winter road operations and for aircraft freight).
- Airport building (the control point for all Ekati flight operations including fixed wing and helicopter).
- Core logging facility (building with core logging area and work offices to support advanced exploration and mine operation geological activities).

Figure 3-3: Ekati Diamond Mine infrastructure

3.4 Climate

Ekati is in the Canadian sub-Arctic that experiences cold winter conditions for most of the year. For approximately three months of the year day-time temperatures are consistently above freezing. The mean annual temperature at the mine site is -10°C and the warmest monthly temperate is 12°C in July. The coldest average monthly temperature is -28°C in January with extremes reaching below - 50°C. The site is generally windy (average velocities of ~20 km per hour on typical days) while average precipitation is 345 mm, consisting of relatively equal amounts of rain and snow. Available daylight ranges from a minimum of four hours per day in December to a maximum of 22 hours per day in June. Ekati operates 24 hours per day year-round, except during white-out conditions.

4 Tenure, Native Title, and Community and Environment

4.1 Overview of Mineral Rights in the Northwest Territories, Canada

The Government of Northwest Territories (GNWT) is responsible for establishing and maintaining strong working relationships between the mineral industry and Northwest Territories residents and community councils. GNWT's Department of Industry, Tourism and Investment is the responsible entity for the administration of mineral exploration activities on public lands in the Northwest Territories.

Under the Northwest Territories Mining Regulations 2014 (Regulations), a prospecting licence is required to prospect for minerals on public lands open for mineral exploration. Licences are granted on an annual basis and must be renewed each year to remain active.

For lands whose surface rights have been granted or leased by the Crown or Commissioner of the GNWT, staking and prospecting are still allowed. However, entry on the surface lands to prospect or stake a claim requires consent of the holder of the surface rights or an order authorising entry from a competent tribunal. Compensation to the surface rights holder may be ordered by the tribunal.

The following is a summary under the Regulations (GNWT, 2014 and 2018) of the three main types of mineral tenure:

- Prospecting permit.
- Mineral claim.
- Mineral lease.

4.1.1 Prospecting Permit

An individual or company with a valid prospector's licence can apply for a prospecting permit that will allow them to prospect in an area covered by the permit, for a period of three years if working north of 68° latitude or five years if working south of 68° latitude. The areas are one quarter of a mineral claim staking sheet (1:50,000 scale map) and vary in size from 8,319 ha to 22,900 ha. Any area of further interest to the holder must be converted to a mineral claim(s) prior to permit expiry provided the work requirements for the specified period have been completed. Once the permit has expired or been cancelled, the holder cannot stake a claim in that area for a period of one year.

4.1.2 Mineral Claim

The holder of a valid prospector's licence can stake, or have staked for them, a mineral claim.

The claim must:

- Be no bigger than 1,250 ha.
- Not include any of the lands described under Section 5 of the Regulations.

The staking of a claim must, or as nearly as possible, meet all the specifications outlined under subsection 23(2) in the Regulations. Once a mineral claim has been staked the claim holder has 60 days to record the claim with the Mining Recorder. The application includes a sketch map showing the position of the claim, and a fee equal to C$0.10/acre (C$0.25/ha) for the area contained within the claim.

A mineral claim staked can be held for up to 10 years from the date of recording. If not converted to a mineral lease on or before the 10-year grant-date anniversary, the claim will lapse.

For a mineral claim to remain valid, the holder must complete and record on the claim a required amount of work each year. The claim is valid for a period of two years, requiring C$10/ha (full or partial) of work. For each subsequent one-year period the work requirement is C$5/ha (full or partial). Work is due at the end of each period.

To maintain the mineral claim, within 90 days of the anniversary date of the claim, the holder must submit to the Mining Recorder a report of the work undertaken on the claim and pay a fee of C$0.10/acre (C$0.25/ha) for a certificate of work.

4.1.3 Mineral Lease

A holder of a recorded claim may apply for a lease of a recorded claim, or for contiguous recorded claims, if they have completed a sufficient amount and type of work. There must be at least C$25/ha of work recorded on the claim.

A legal survey of the claim must be recorded before the lease is issued. A lease is required if the holder intends to sell or otherwise dispose of minerals with a gross value of more than C$100,000 in one year.

A mineral claim will expire if the holder does not apply for a lease before the end of the 10-year period of the claim. The application must be submitted with the fee of C$25 per claim. A lease will be issued for a period of 21 years if all requirements are met, including a legal survey, and paying the rent for the first year, and can be renewed for a further 21 years. The annual rent for a lease is C$2.50/ha during the first term and C$5.00/ha during each renewed term.

A mineral lease is required to bring a property into commercial production.

4.1.4 Royalties

All mines in the Northwest Territories, located on Crown land, are subject to a royalty payment (GNWT, 2014). Currently, royalties are calculated on the value of the mine's output during the fiscal year in an amount equal to the lesser of:

- 13% of the dollar value of the output of the mine; or
- The sum of the royalties payable based on a sliding scale of royalty rates dependent upon the dollar value of the mine's output, ranging from 5% for dollar value of output between C$10,000 and C$5 million up to 14% for value of output greater than C$45 million.

4.2 Ekati Tenements

The Ekati claim block originally comprised approximately 3,320 km^2 but has been rationalised to about one third (1,140 km^2) of its original size and now consists of 121 mining leases (see Figure 4-1 and Figure 4-2). Joint venture agreements related to the Core Zone and Buffer Zone were in place during Dominion's period of ownership of the assets, however, ACDC (currently in administration) has 100% ownership of the property.

The locations and outlines of the mineral leases are shown in Figure 4-1 along with the locations of the various kimberlite pipes with Mineral Resource estimates in relation to the Ekati project boundaries (see Appendix B for a full list by lease number).

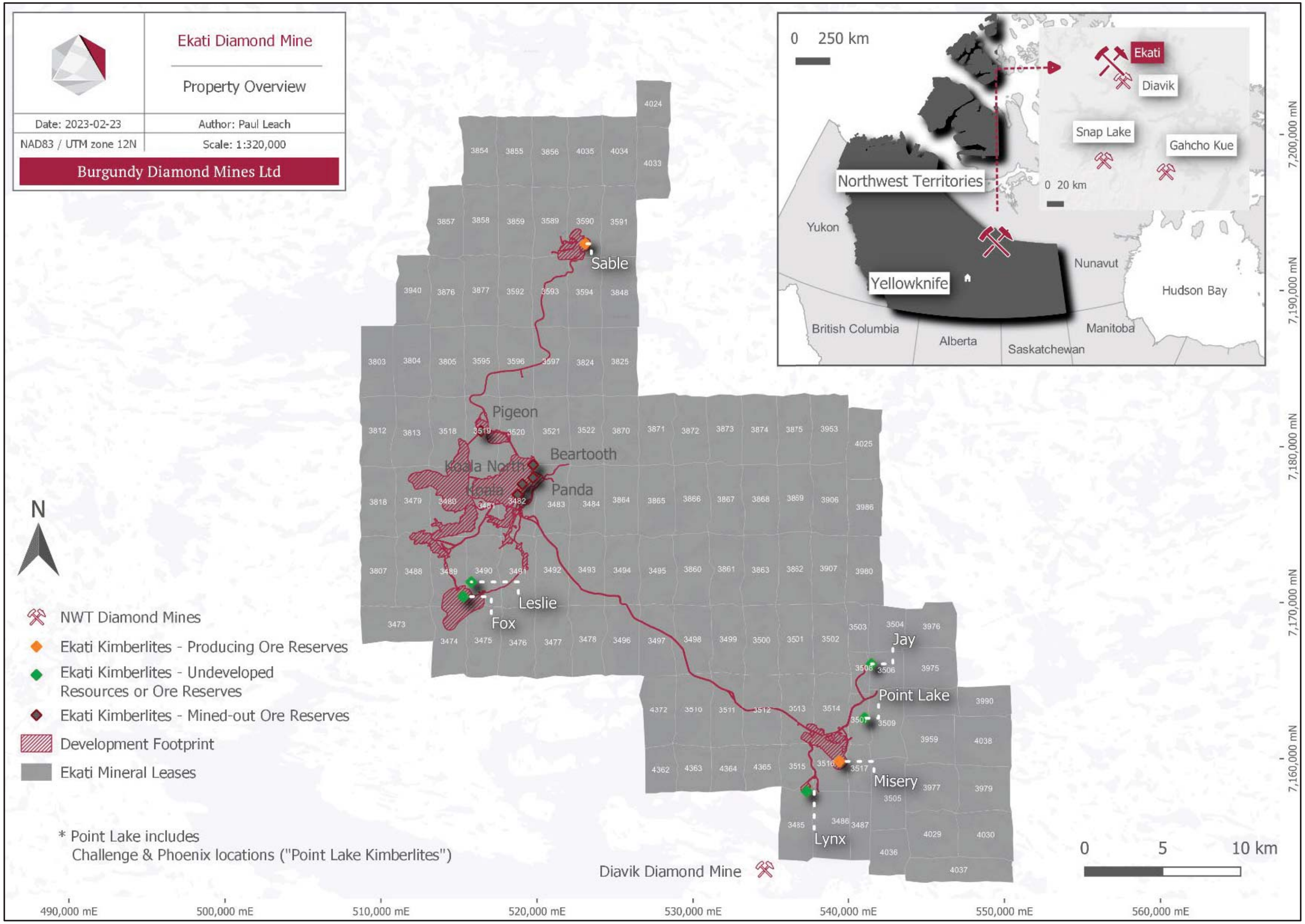

Figure 4-1: Ekati mineral leases – regional setting

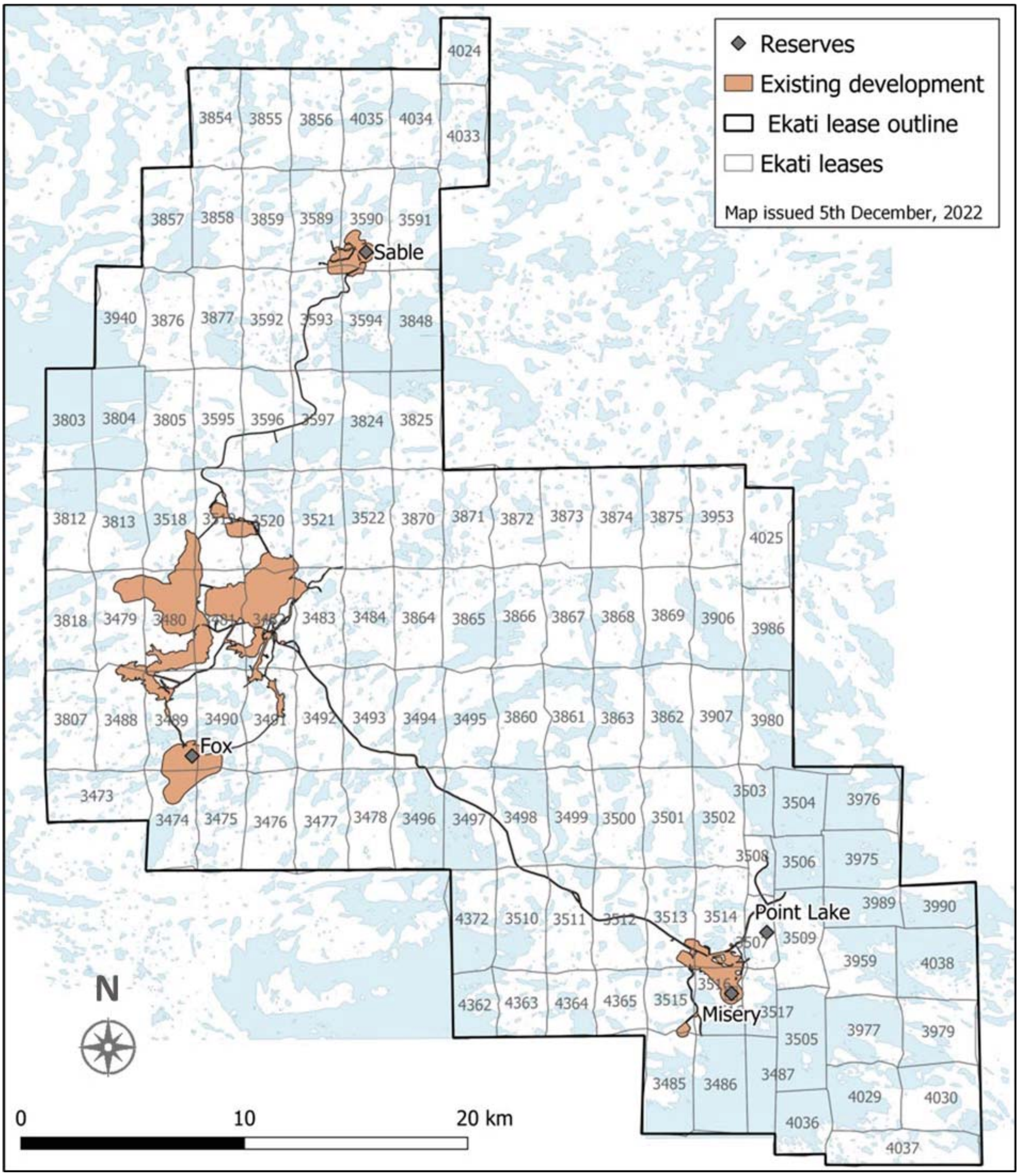

Figure 4-2: Ekati mineral leases – detail

4.3 Permits and Agreements

An exploration land use permit is required to conduct exploration activities on the mining leases outside of the areas covered by the Federal surface leases or other land use permits. A new two-year exploration land use permit was received in late 2021.

Within the Ekati mineral leases, there are 11 surface leases, which provide tenure for operational infrastructure. All mine project developments are within these surface leases. The Mackenzie Valley Resource Management Act came into effect after issuance of the six original surface leases and before issuance of the Pigeon, Sable, and Lynx surface leases. Therefore, land use permits issued by the Wek´èezhìi Land and Water Board (WLWB) were also required for the Pigeon, Sable, Lynx and Point Lake sites. The Point Lake surface lease was received in September 2022.

The Company has eight Type A land use permits:

- Sable haul road.
- Sable open pit and associated activities.
- Pigeon open pit and associated activities.
- Misery powerline.
- Lynx open pit and associated activities.
- Lynx waste rock storage area, exploration activities.
- Point Lake early works and associated activities.
- Exploration activities.

4.4 Royalties

The Ekati property is 100% owned by ACDC and is no longer subject to joint venture agreements. The Core Zone and Buffer Zone joint venture agreements previously in place were terminated and have been superseded by private royalties due to Dr Stewart Blusson negotiated in exchange for his minority joint venture interest in the Core Zone and Buffer Zone:

- The Core Zone private royalty is based on 2% of gross proceeds of sales and adjusted for market value of diamond inventory.
- The Buffer Zone private royalty is based on 2.3% of gross proceeds of sales and adjusted for market value of diamond inventory.

In addition to the private royalties, ACDC pays royalty tax to the GNWT based on a sliding scale applicable to all mines in the Northwest Territories located on Crown land. Currently, 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; or
- An amount calculated based on a sliding scale of royalty rates dependent upon the value of output of the mine, ranging from 5% for value of output between C$10,000 and C$5 million and 14% for value of output greater than C$45 million.

In 2022, ACDC paid approximately US$5 million in private royalties.

4.5 Native Title

Impact and Benefit Agreements (IBAs) were concluded with the four aboriginal communities – Tlicho, Akaitcho Treaty 8, North Slave Métis, Inuit of Kugluktuk – who were impacted by the mine's operations prior to the commencement of mining.

The IBAs establish requirements for funding, training, preferential hiring, business opportunities, and communications. Although the terms of the IBAs are confidential, they are considered not too dissimilar to other agreements of this type that have been negotiated with Aboriginal groups in Canada. The agreements extend over the current life of mine (LOM) at Ekati.

4.6 Community and Environment

The closest community to Ekati is Wekweètí, located approximately 180 km to the southeast of the site. Yellowknife, the capital city of the Northwest Territories, is approximately 300 km southwest of Ekati. The nearest large city to Yellowknife is Edmonton in Alberta, located due south via an 18-hour drive or accessed by several daily flights offered by four commercial airlines.

The site is within the continuous permafrost zone; in this area, the layer of permanently frozen subsoil and rock is generally ~300 m deep and overlain by a 1–3 m active layer that thaws during summer. Approximately one-third of Ekati is covered by oligotrophic water bodies (a body of water which is poor in dissolved nutrients and usually rich in dissolved oxygen). The low terrain has resulted in a diffuse drainage pattern, and streams typically meander in braided channels through extensive boulder fields between lakes and ponds.

Ekati is predominantly a wildlife habitat, with human use for hunting and fishing. The Bathurst caribou herd migrates through the area to access spring calving and winter forage grounds. Grizzly bears, wolves, foxes, wolverines, and small mammals are also present at various times of the year.

5 Geology and Mineralisation

5.1 Regional Geology

This regional geological context was sourced from Nowicki et al. (2003).

The Ekati project area is underlain by the Slave Structural Province, one of several Archean cratons, which together constitute the nucleus around which the North American continent evolved. The Slave Province is a granite–greenstone terrane that grew by tectonic accretion around a pre-3 Ga nucleus that is preserved in the central and western parts of the province, with a Neoarchean juvenile arc in the east. Rock types within the Slave Province can be assigned to three broad lithostratigraphic groups:

- Metasedimentary schists.
- Migmatites.
- Various syn- and post-tectonic intrusive complexes.

The metasediments represent a metamorphosed greywacke sequence and are widespread in the central and southern portions of the Ekati project area. Typically, the metasediments are fine-grained with a high proportion of sheet silicates and generally foliated. Sulphide minerals are present at trace concentrations but occasionally at concentrations of up to 2% at centimetre scale. Locally, up to 5% sulphides are observed on a centimetre scale.

The metasediments are intruded by voluminous neo-Archean granitoids. Syntectonic (ca. 2.64–2.60 Ga) tonalites and granodiorites occur predominantly in the central and northern portions of the property, while post-tectonic (ca. 2.59–2.58 Ga) granites (two-mica granite and biotite granite) form large plutons in the eastern and north-eastern portions of the property. The granodiorites are generally white to grey in colour, medium to coarse-grained and weakly foliated to massive.

The western part of the Ekati project area is dominated by migmatites which reflect melting of metasediments due to widespread granite intrusion and associated heat input.

Dykes of five major Proterozoic diabase dyke swarms (ages varying from 2.23 Ga to 1.27 Ga) intrude the Archean rocks. The dykes are a few centimetres to more than 30 m wide and classified as magnetic and non-magnetic. Generally, they are near vertical with sharp or fractured contacts of variable orientation. Magnetic dykes are very dark grey to black, fine-grained, and contain magnetite and traces of pyrite, chalcopyrite, with lesser amounts of pyrrhotite. Sulphide mineral concentrations of up to 2% are rarely observed but only over widths of a few centimetres. Non-magnetic dykes have very similar overall composition to magnetic dykes except that they lack abundant magnetite.

The kimberlite intrusions are of Phanerozoic age (i.e. younger than ~530 Ma) and therefore cut across the older stratigraphy. Preferential erosion of the kimberlite pipes resulted in surface depressions, many of which became permanent, shallow lakes, which typically have several metres of silty sand sediments deposited on the lakebed.

The Wisconsinan Laurentide ice-sheet deposited glacial till, glaciofluvial eskers and related kames in the Lac de Gras area. Three glacial transport directions have been recognised: early transport to the southwest, followed by transport to the west, and finally by flow to the northwest.

Bedrock generally crops out at surface across the Ekati project area or is partially overlain by a thin (as much as 5 m thick) veneer of Quaternary sediments. Based on geomorphology work, these sediments consist mainly of silty gravel, sands, and organic matter.

A generalised geology map of the Lac de Gras area is shown (Figure 5-1) in relation to the Slave Craton, including the locations of the known kimberlite occurrences.

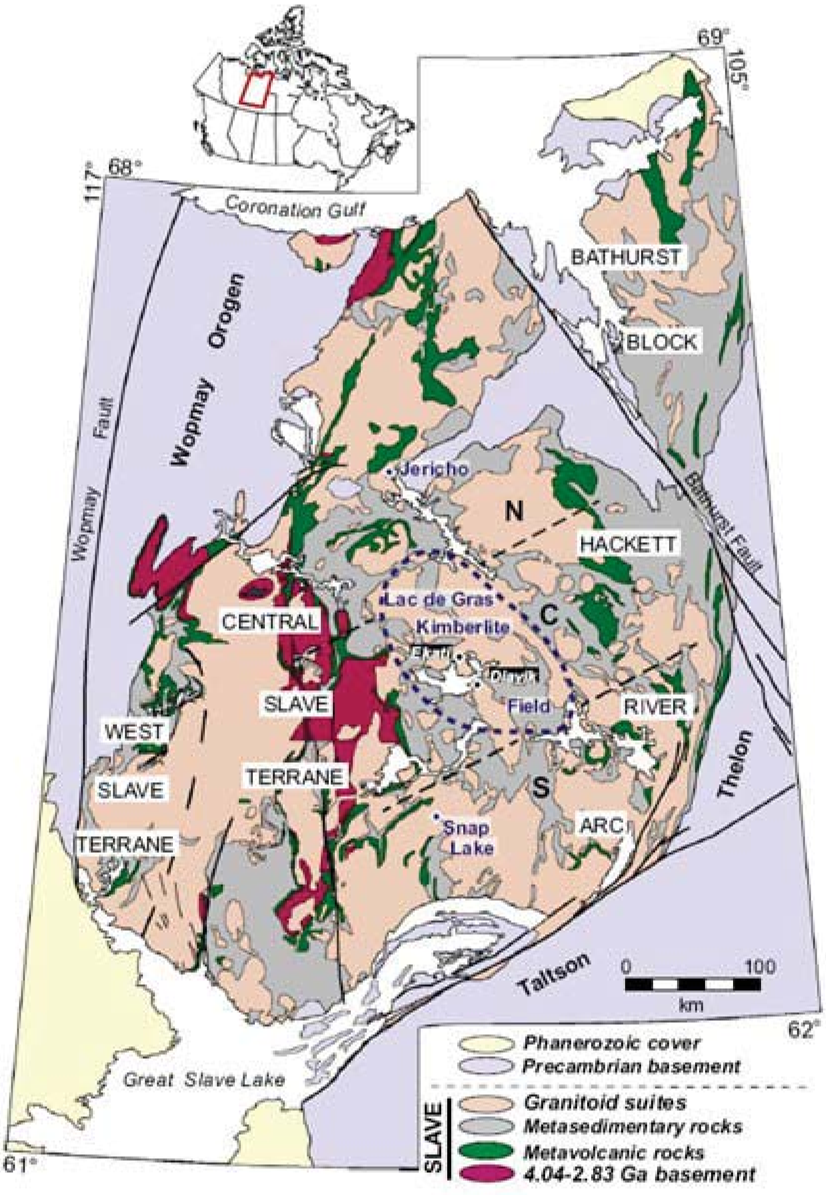

Figure 5-1: *Geological map of the Slave craton*

The Ekati Diamond Mine is shown in relation to other producing and formerly producing mines in the region (Diavik and Snap Lake), as well as the outline of the Lac de Gras kimberlite field (dashed ellipse). The northeast-southwest trending dashed lines delineate the northern, central, and southern lithospheric mantle domains as recognised from kimberlite- borne xenocrystic garnet compositions.

Source: Reproduced from Tappe et al. (2013); modified from Bleeker (2003)

5.2 Local Geology

The following project geology description is summarised from Nowicki et al. (2004). The Ekati kimberlite pipes are part of the Lac de Gras kimberlite field which is in the central Slave craton. The kimberlites intrude both granitoids and metasediments. They define several linear trends and are typically associated with dykes and lineaments. There is no dominant or unique structural association of the kimberlites. A current bedrock geology map of the Ekati project area is provided as Figure 5-2 and includes the locations of the known kimberlite occurrences.

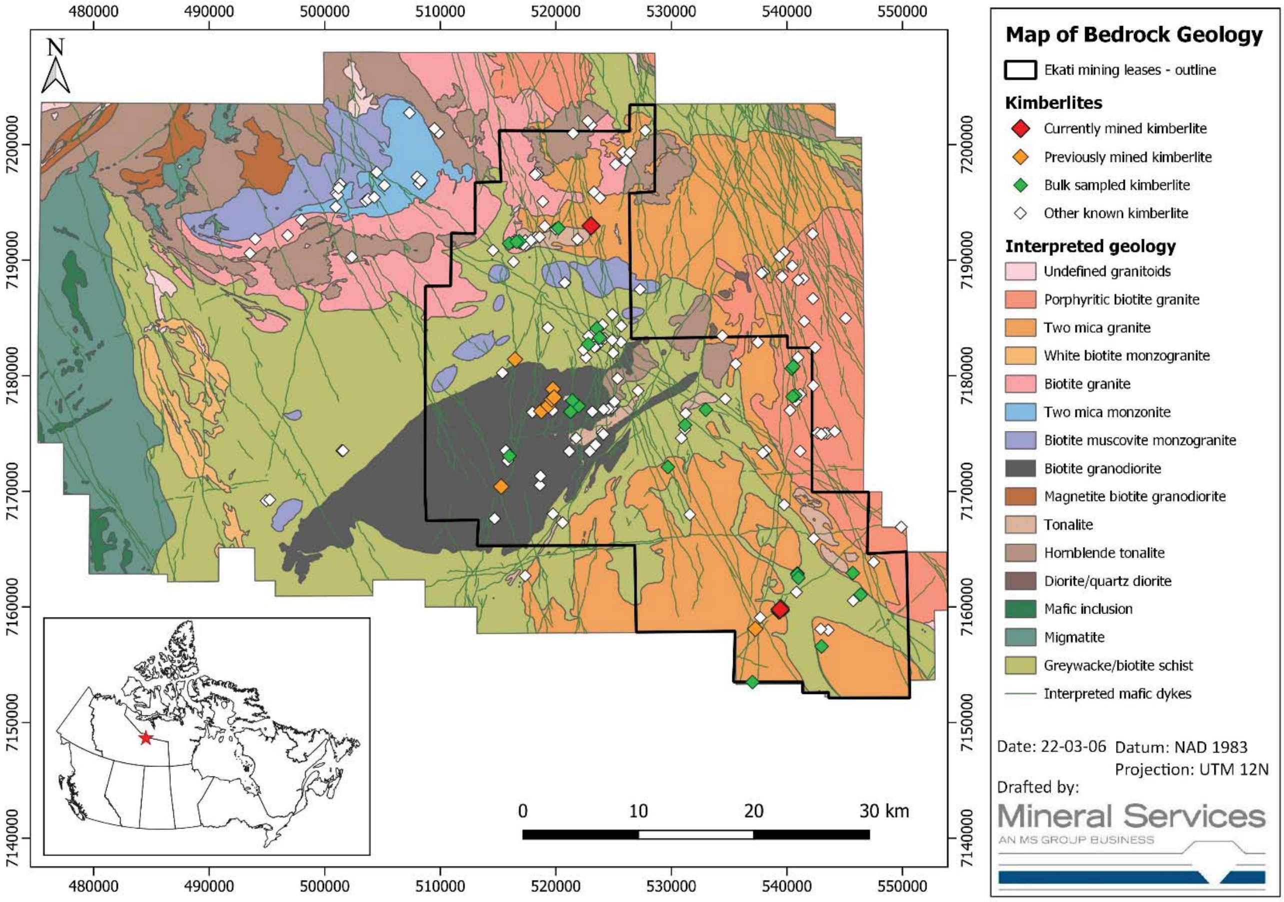

Figure 5-2: Lac de Gras region bedrock geology map

Fine-grained sediments have been preserved as xenoliths and disaggregated material in kimberlite which indicates that some sedimentary cover was present at the time of the kimberlite emplacement. None of this sedimentary cover has been preserved outside of the kimberlites. The Ekati kimberlites range in age from 45 Ma to 75 Ma. They are mostly small pipe-like bodies (surface areas are mostly <3 ha but can extend to as much as 20 ha) that typically extend to projected depths of 400–600 m below the current land surface. Kimberlite distribution is controlled by fault zones, fault intersections and dyke swarms.

Pipe infill has been broadly classified into six rock types:

- Coherent kimberlite (CK).
- Tuffisitic kimberlite.
- Primary volcaniclastic kimberlite (PVK).
- Olivine-rich volcaniclastic kimberlite (VK).
- Mud-rich, resedimented volcaniclastic kimberlite (RVK).
- Kimberlitic sediment.

With few exceptions, the kimberlites are made up almost exclusively of volcaniclastic VK, including very fine-grained to medium-grained kimberlitic sediments, RVK and PVK. RVK represents pyroclastic material that has been transported (e.g. by gravitational slumping and flow processes) from its original location (likely on the crater rim) into the open pipe and has undergone varying degrees of reworking with the incorporation of surficial material (mudstone and plant material). In rare cases (e.g. Leslie), pipes are dominated by or include significant proportions of CK.

While occasional peripheral kimberlite dykes are present, geological investigations undertaken to date do not provide any evidence for the presence of complex root zones or markedly flared crater zones. Kimberlites at Ekati typically contain fragments of wood that was incorporated into the pipe during deposition. The wood fragments identified are related to the redwood Sequoia and Metasequoia genera and are found relatively fresh and unmineralised. Fragments up to 1 m in size were common in several Ekati open pits, but the size and abundance decrease with depth.

Depending on the lithological unit, mud can make up a reasonable percentage of a given kimberlite unit. These xenoclasts range in size from millimetres to centimetres and are usually uniformly fine-grained, dark grey to black in colour, and can have portions made up of kimberlitic minerals such as olivine and serpentine but with the majority consisting of smectite, quartz and pyrite. Economic mineralisation is mostly limited to olivine-rich resedimented volcaniclastic and primary volcaniclastic types. Approximately 10% of the 177 known kimberlites in the Ekati project are of economic interest or have exploration potential. Diamond grades are highly variable. Estimated average grades for kimberlites that have been bulk sampled range from less than 0.05 cpt to more than 4 cpt.

5.3 Deposit Model

This section provides a generalised description of kimberlite diamond deposits, outlining the geological and mineralisation model that has formed the basis for kimberlite exploration and evaluation work at Ekati. The content is largely sourced from Carlson et al. (2016).

The primary source rocks for diamonds that are presently being mined worldwide are Group 1 and Group 2 kimberlites and lamproites (Levinson et al., 2002). Of these rocks, Group 1 kimberlites represent the vast majority of primary diamond deposits that are presently being worked, and the Ekati Diamond Mine is one such example.

Kimberlites are mantle-derived ultramafic magmas (>150 km depth) that transport diamonds together with the rocks from which the diamonds are directly derived (primarily peridotite and eclogite) to the Earth's surface (e.g. Mitchell, 1986; Mitchell, 1995). They are considered to be hybrid magmas comprising a mixture of incompatible element enriched melt (probably of carbonatitic composition) and ultramafic material from the lower lithosphere that is incorporated and partly assimilated into the magma (Russell et al., 2012).

The products of direct crystallisation of Group 1 kimberlite magma (referred to as coherent or magmatic kimberlite) are typically dominated by olivine set in a fine-grained matrix commonly rich in serpentine and/or carbonate as well as varying amounts of phlogopite, monticellite, melilite, perovskite and spinel (chromite to titanomagnetite), and a range of accessory minerals (Mitchell, 1995). While some olivine crystallises directly from the kimberlite magma on emplacement (to form phenocrysts), kimberlites generally include a significant mantle-derived (xenocrystic) olivine component that typically manifest as large (>1 mm) rounded crystals. In addition to olivine, kimberlites also commonly contain significant quantities of other mantle-derived minerals, the most common and important being garnet, Cr-diopside, chromite and ilmenite. These minerals, commonly referred to as indicator minerals, are important for kimberlite exploration and evaluation as they can be used both to find kimberlites (by tracing indicator minerals in surface samples) and to provide early indications of their potential to contain diamonds (Nowicki et al., 2007; Cookenboo and Grütter, 2010).

The texture and components observed in coherent kimberlites can be substantially modified by dilution with wall-rocks or surface sediments, as well as by sorting and elutriation (removal of fines) processes occurring in volcanic environments (Mitchell, 1986; Nowicki et al., 2008; Scott Smith and Smith, 2009). The emplacement of kimberlite at or just below the surface of the crust is influenced by many factors which include the following:

- Characteristics of the magma (volatile content, viscosity, crystal content, volume of magma, temperature etc.).
- Nature of the host rocks (i.e. unconsolidated mud vs hard granite).
- Local structural setting.
- Local and regional stress field.
- Presence of water.

Kimberlites at surface are manifested as either sheet-like intrusions (dykes or sills) or irregular shaped intrusions and volcanic pipes. The sheets and irregular intrusions are typically emplaced along pre-existing planes of weakness in the country rock, and do not involve explosive volcanic activity. The pipes are generated by explosive volcanic activity related to the degassing of magma, or the interaction of magma and water, or a combination of both these processes (e.g. Mitchell, 1986; Lorenz et al., 1999; Sparks et al., 2006). Due to the wide range of settings for kimberlite emplacement, as well as varying properties of the kimberlite magma itself (most notably volatile content), kimberlite volcanoes can take a wide range of forms and be infilled by a variety of deposit types (e.g. Scott Smith, 2008).

Volcanic kimberlite bodies range in shape from steep-sided, carrot-shaped pipes (diatremes) to flared champagne-glass or even "pancake" like crater structures. While diatremes are often interpreted to generally be overlain by a flared crater zone, there are a few instances where both zones are preserved (e.g. the Orapa kimberlite in Botswana; Fox kimberlite at Ekati). These volcanic structures are infilled by a very wide range of volcaniclastic kimberlite types, ranging from massive, minimally texturally modified pyroclastic kimberlite, to highly modified pyroclastic and resedimented volcaniclastic deposits that have been variably affected by dilution, sorting, and removal of fines (e.g. Field and Scott Smith, 1999; Nowicki et al., 2004; Skinner and Marsh, 2004).

The Ekati kimberlites are primarily steep-sided volcanic pipes that are mostly filled with volcaniclastic material interpreted to be resedimented and lesser primary volcaniclastic (pyroclastic) kimberlite (Nowicki et al., 2004). While narrow coherent kimberlite dykes are present, these are not volumetrically significant. These mostly appear to predate kimberlite volcanism and are commonly transected by the volcanic pipes. Coherent kimberlite is present in some pipes either as late-stage intrusive material emplaced into volcaniclastic kimberlite (e.g. Koala; Figure 5-3), or as large pipe-filling bodies (e.g. Leslie; Grizzly).

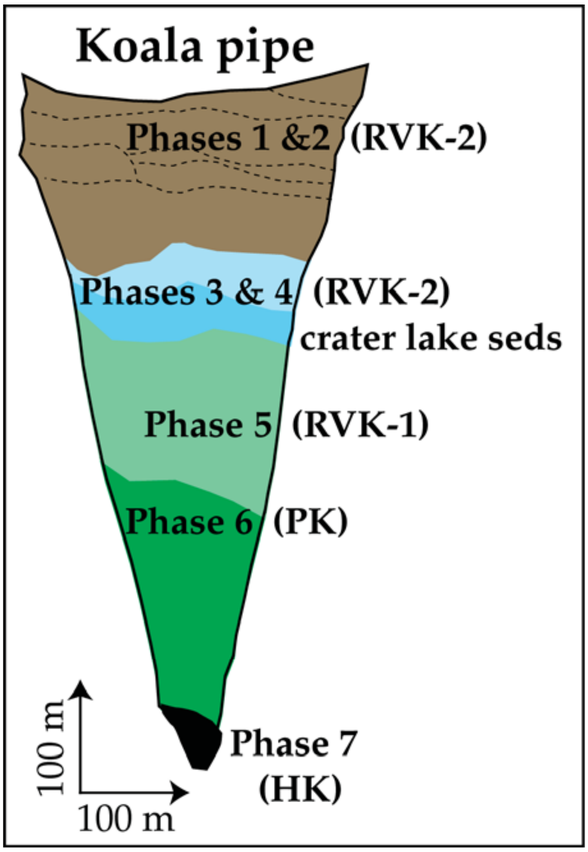

Figure 5-3: Geological cross-section of inverted cone shaped Koala kimberlite body, Ekati Mine, Lac de Gras field

Phase 7 is hypabyssal kimberlite (HK) and Phase 6 is pyroclastic kimberlite (PK) (Crawford et al., 2006). Phase 5 is interpreted here as syn-eruption resedimented volcaniclastic kimberlite (RVK-1), Phase 4 and Phase 3 are interpreted here as crater-lake sediments, and Phase 2 and Phase 1 are interpreted as post-eruption resedimented volcaniclastic kimberlite (RVK-2). Internal phases within Phase 1 and Phase 2 are demarcated by dashed lines.

Source: Modified after Nowicki et al. (2003) and Crawford et al. (2006) by Kjarsgaard (2007)

Kimberlites commonly show physical property contrasts with the rocks into which they are emplaced. As a result, in most cases, kimberlites generate geophysical anomalies that can be detected by airborne and ground geophysical surveys (e.g. Macnae, 1995). Properties that are most relevant in kimberlite exploration are magnetic susceptibility, electrical conductivity, and specific gravity. Diamonds also represent a xenocryst mineral within kimberlite as they are primarily formed and preserved in the deep lithospheric mantle (depths >~150 km), generally hundreds of millions to billions of years before the emplacement of their kimberlite hosts (Gurney, 1989). The diamonds are "sampled" by the kimberlite magma and transported to surface together with the other mantle-derived minerals described above.

Diamonds themselves occur in such low concentrations (even in economic kimberlites) that they are rarely useful for locating kimberlites and, following discovery, large samples are required in order to directly assess the diamond grade potential of a kimberlite (e.g. Rombouts, 1995; Dyck et al., 2004). In general, diamonds can vary significantly within and between different kimberlite deposits in terms of total concentration (i.e. diamond grade in cpt), particle size distribution and physical characteristics (e.g. colour, shape, clarity, and surface features). The value of each diamond, and hence the overall average value of any given diamond population, is governed by the size and physical characteristics of the stones.

The overall concentration of diamonds in a kimberlite unit or domain is dependent on several factors (Nowicki et al., 2007), including:

- Extent to which the source magma has interacted with and sampled potentially diamondiferous deep lithospheric mantle.
- Diamond content of that mantle (diamonds are only present locally and under specific pressure temperature conditions in the mantle).
- Extent of resorption of diamond by the kimberlite magma during its ascent to surface and prior to solidification.
- Physical sorting and/or winnowing processes occurring during volcanic eruption and deposition.
- Dilution of the kimberlite with barren wall-rock material or surface sediment (in the case of crater deposits).

At Ekati, the extent of mantle sampling, the degree of dilution by wall-rock and surface sediments and volcanic sorting processes are considered to be the main factors controlling variation in total diamond grade. The diamond size distribution characteristics are inherited from the original population of diamonds sampled from the mantle but can be affected by a number of secondary processes, including resorption and sorting during eruption and deposition of volcaniclastic kimberlite deposits. Diamond breakage due to geological processes are not expected to be significant enough to notice on the overall size distribution. In general, the diamonds broken by in-pipe geological processes are mostly low-quality stones (especially fibrous, boart or cheap gem categories).

The physical characteristics of the diamonds are largely inherited from the primary characteristics of the diamonds in the original mantle source rocks but can be affected by processes associated with kimberlite emplacement and eruption (e.g. Gurney et al., 2004). Most notable of these are:

- Formation of late-stage coats of fibrous diamond either immediately prior to or at the early stages of kimberlite emplacement.
- Chemical dissolution (resorption) by the kimberlite magma resulting in features ranging from minor etching to complete dissolution of the diamonds.
- Physical breakage of the diamonds during turbulent and, in some cases, explosive emplacement processes.

6 Exploration

6.1 Previous Exploration by Other Parties

This section contains information on the exploration programs as summarised from Carlson et al. (2016).

The discovery of kimberlites in the Lac de Gras region was the result of systematic heavy mineral sampling over a 10-year period by prospectors Dr Charles E. Fipke and Dr Stewart Blusson.

By late 1989, Dia Met Minerals Ltd (Dia Met) was funding the programs and began staking mineral claims in the region. After making significant indicator mineral finds in the area, Dia Met approached BHP as a potential partner. The Core Zone Joint Venture Agreement between BHP, Dia Met, Charles Fipke and Stewart Blusson was subsequently signed in August 1990 (no longer in effect). Dia Met share was acquired by BHP in 2001.

The first diamond-bearing kimberlite pipe on the property was discovered by drilling in 1991. An Addendum to the Core Zone Joint Venture in October 1991 gave BHP the right to acquire additional mineral claims within 22,500 ft of the exterior boundaries of the then property area. The claims acquired as a result became the Buffer Zone Joint Venture claims (no longer in effect).

To date, exploration activities have included till sampling, airborne and ground geophysical surveys, and drilling programs. More than 400 geophysical and/or indicator dispersion targets were drilled from 1991 to 2022, with a total of 177 kimberlites discovered across the original Ekati property. The kimberlites were prioritised using microdiamond and indicator mineral chemistry. Thirty-nine kimberlite occurrences were subsequently tested for diamond content using reverse circulation (RC) drilling and/or surface bulk samples.

6.1.1 Surface Mapping

Bedrock mapping of the Ekati property and surrounding area was undertaken by the Geological Survey of Canada between 1994 and 2001 (Thomason and Kerswill, 1994; Kjarsgaard et al., 1994a, b; Kjarsgaard et al., 1999; Kjarsgaard, 2001). The resultant maps were augmented and modified by Ekati geologists based on airborne magnetic data (e.g. Kirkley, 1994).

Helmstaedt (2002) undertook a detailed review, compilation, and interpretation of previously published and internal Ekati geological work in the area and integrated this with high-resolution aeromagnetic data to provide an updated bedrock map of the Ekati property. A simplified version of this map is presented in Figure 6-1.

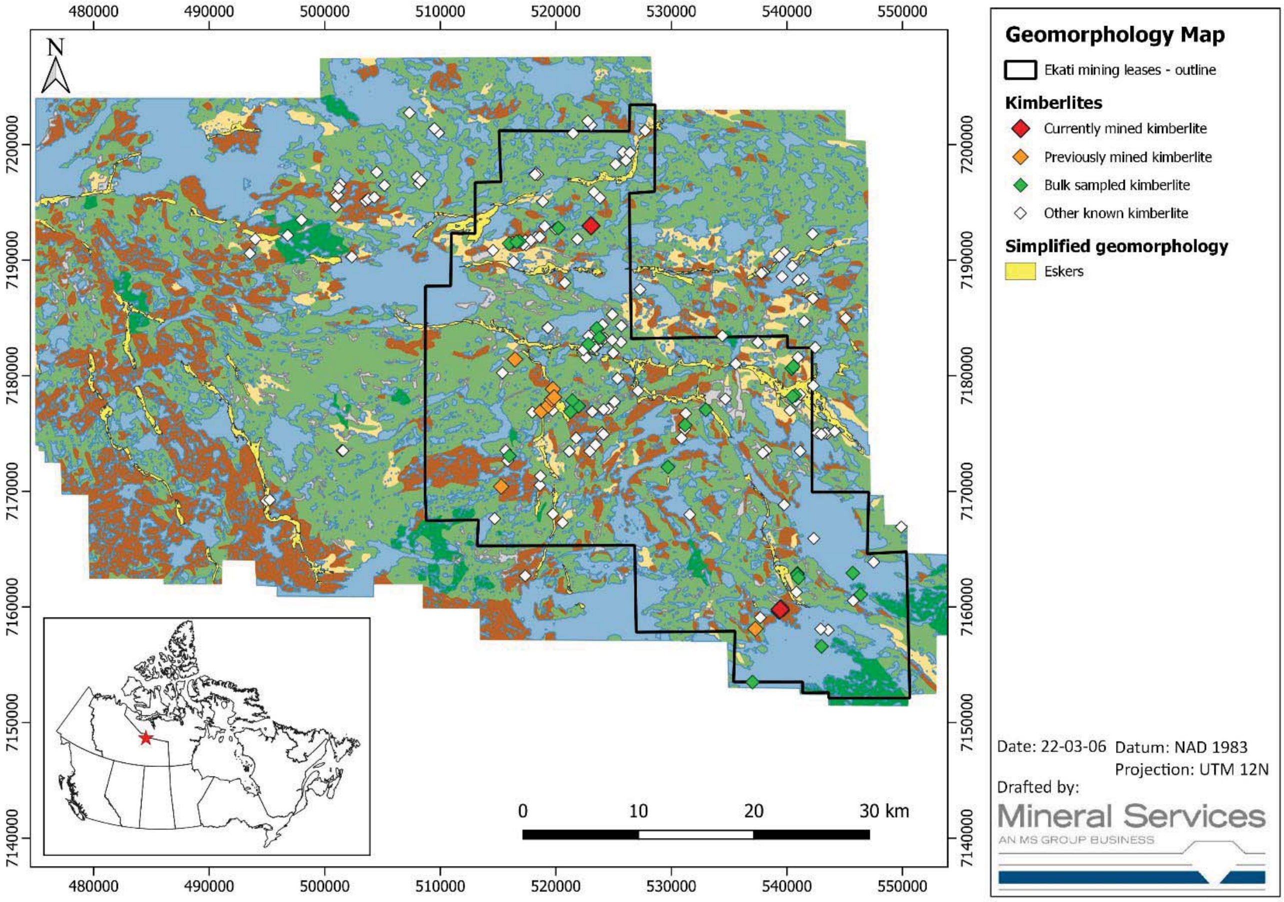

Figure 6-1: Simplified geomorphology map of Lac de Gras region

6.1.2 Mine Mapping

As each bench is exposed in the open pits, kimberlite/wall-rock and internal domain contacts are geologically mapped and surveyed. Specific geological information, such as olivine and granite content is collected as indicators of grade. Open pit wall mapping is done with a photogrammetry system. This allows large sections of wall to be photographed and imported into Vulcan for processing of structural features.

During underground mining all major structures are mapped for geotechnical purposes as new levels are developed. This allows continuous updates of the fault and hydrological models and highlights any changes in discontinuity sets or rock competency. Within the kimberlite, development headings are visited regularly to maintain a record of kimberlite contacts, lithologies, physical properties, hydrology, and relative grade.

6.1.3 Geochemical Sampling

The early stages of exploration for diamonds in the Northwest Territories consisted of territory-wide regional heavy mineral sampling from fluvial and glaciofluvial sediments on a scale of tens of kilometres (Fipke et al., 1995). Property-wide (Core Zone and Buffer Zone) heavy mineral till sampling programs were carried out through the summers of 1990, 1991 and 1992, and nearly 6,000 till samples were collected. A total of approximately 15,000 till samples were taken across the Core Zone and Buffer Zone properties during the project exploration phase until exploration ceased in 2007.

Till samples were also used to prioritise airborne geophysical anomalies for drilling by collecting till samples at 250 m intervals along lines perpendicular to the dominant ice flow direction. The extent and chemistry of the indicator minerals dispersion trains were evaluated and used in combination with ground geophysical surveys to pinpoint drill targets.

6.1.4 Airborne Geophysical Surveys

Initial ground geophysical test surveys pinpointed the kimberlite target under Point Lake and prompted the flying of the entire property with helicopter-borne total field magnetics (TFM), electromagnetics (EM) and very low frequency (VLF) EM. These programs were instrumental in detecting possible kimberlite pipes and in prioritising anomalies for diamond drilling. Table 6-1 summarises the airborne programs completed on the Ekati property.

Table 6-1: Airborne geophysical surveys at Ekati

Year(s)	Program	Contractor	Details	Comments
1991 to 1993	Helicopter-borne EM, TFM and VLF surveys	DIGHEMV	Core Zone and Buffer Zone; 125 m line spacing; 30 m EM bird height. High-sensitivity cesium vapor magnetometer and VLF EM system. Magnetometer sensor was towed in a bird that was 15 m above the EM bird and 10 m below the helicopter.	The majority of the significant kimberlite pipes in the Ekati mine plan were targeted in 1992 through to 1994 using these data.
1996	TFM Minimag system	High Sense Geophysics	Property wide, 75 m line spacing, east–west flight lines, nominal 20 m agl sensor height.	Beartooth kimberlite was identified in 1996. Twenty additional kimberlites were drill confirmed in 1998.
1999 to 2000	Helicopter-borne EM, TFM and VLF surveys	DIGHEMV	Magnetometer installed inside the EM bird, and with global positioning system navigation and positioning technology. 100 m line spacing and 25 m bird spacing.	Numerous kimberlite discoveries, of which the most significant attributable to the survey was the Lynx kimberlite.
2000	Airborne gravity gradiometer	Sander Geophysics	Property-wide, fixed wing survey, east-west flight lines.	Gravity gradient anomalies typically reflected bedrock density contrasts as well as changes in overburden thickness. Known kimberlite pipes were mostly detected by the system and a few new anomalies were drilled and confirmed as kimberlite.
2006	Falcon helicopter survey	Fugro	This system included a gravity gradiometer, a horizontal gradient pair of magnetometers, and high-resolution Resolve EM coils. The survey line direction was north-south, except for a few smaller blocks which were flown using east-west oriented survey lines. The line spacing was 50 m. The nominal flying height was 60 m. A wide variety of geophysical images were produced including digital elevation model, total magnetic intensity, first vertical derivative of total magnetic intensity, vertical gravity gradient, Fourier gravity grids, and Resolve co-planar at various frequencies (in-phase and quadrature responses).	A number of targets were identified on the Central, Misery, Sable and other smaller blocks.
2017	VTEM orientation survey	Geotech Ltd	Time domain EM and horizontal gradient magnetics 100 m line spacing.	Orientation survey over known kimberlites (Wombat and Wallaby).
2018	Helicopter-borne high resolution magnetic gradiometer survey	Scott Hoggs Associates	50 m line spacing, northern property block. Total area covered approximately 694 km^2 Total of 15,271-line km	Provided various orientations of magnetic field not available with previous helicopter supported magnetic surveys.
2019	Unmanned aerial vehicle magnetic surveys	Mineral Services Canada	15 to 25 m line spacing, mostly central block area. Total of 19,665-line km.	High resolution surveys resulted in multiple drill confirmed new kimberlite discoveries.

6.1.5 Ground Geophysical Surveys

Ground geophysics including TFM, EM (mostly horizontal-loop EM), gravity, ground penetrating radar, bathymetry, and limited seismic surveys were used to enable more precise kimberlite/non-kimberlite target discrimination and estimates of pipe size. Ground geophysical surveys were completed on the majority of the drill targets and were completed on all of the pipes with reported Mineral Resource estimates. The airborne and ground survey results were used in combination to improve target resolution while retaining the regional geophysical context.

6.1.6 Core Hole Seismic Surveys

A limited core hole seismic survey was conducted by Vibrometric in January 2005 for the Koala pipe volume. Two underground boreholes were used as a test for the geophysical delineation of kimberlites. The aim of the technique was to obtain the most spatial information about the Koala pipe geometry possible from drillholes. However, a full seismic program was not completed; some of the planned survey holes were blocked at shallow depths, replacement of a lost receiver string in a hole directly impacted the program budget, and a desire to keep the drill program schedule on target contributed to the cancellation of the program.

The limited data proved the borehole seismic technique can augment drillhole pierce points with seismically determined pipe wall contacts. Additional evaluation in the use of core hole seismic surveys may be warranted for delineation of large pipes.

6.2 Exploration Potential

6.2.1 New Exploration Approaches

Ekati has a long history of exploration. Since 1990, more than 15,000 samples have been taken, multiple airborne integrated geophysical surveys have been flown and approximately 400 targets have been drill-tested with 177 kimberlites discovered to date. More recently, Ekati has been explored with the application of new technology including high resolution airborne magnetic surveying using remote controlled unmanned aerial vehicles, remote boat bathymetry and new geophysical data processing methods such as EM inversions. Artificial intelligence and deep machine learning, which can lead to discovery of more subtle geophysical kimberlites is also now being utilised at Ekati.

A property-wide exploration review was completed in the second quarter of 2022 based on the results from deep machine learning initiative carried out during 2021 (see Figure 6-2).

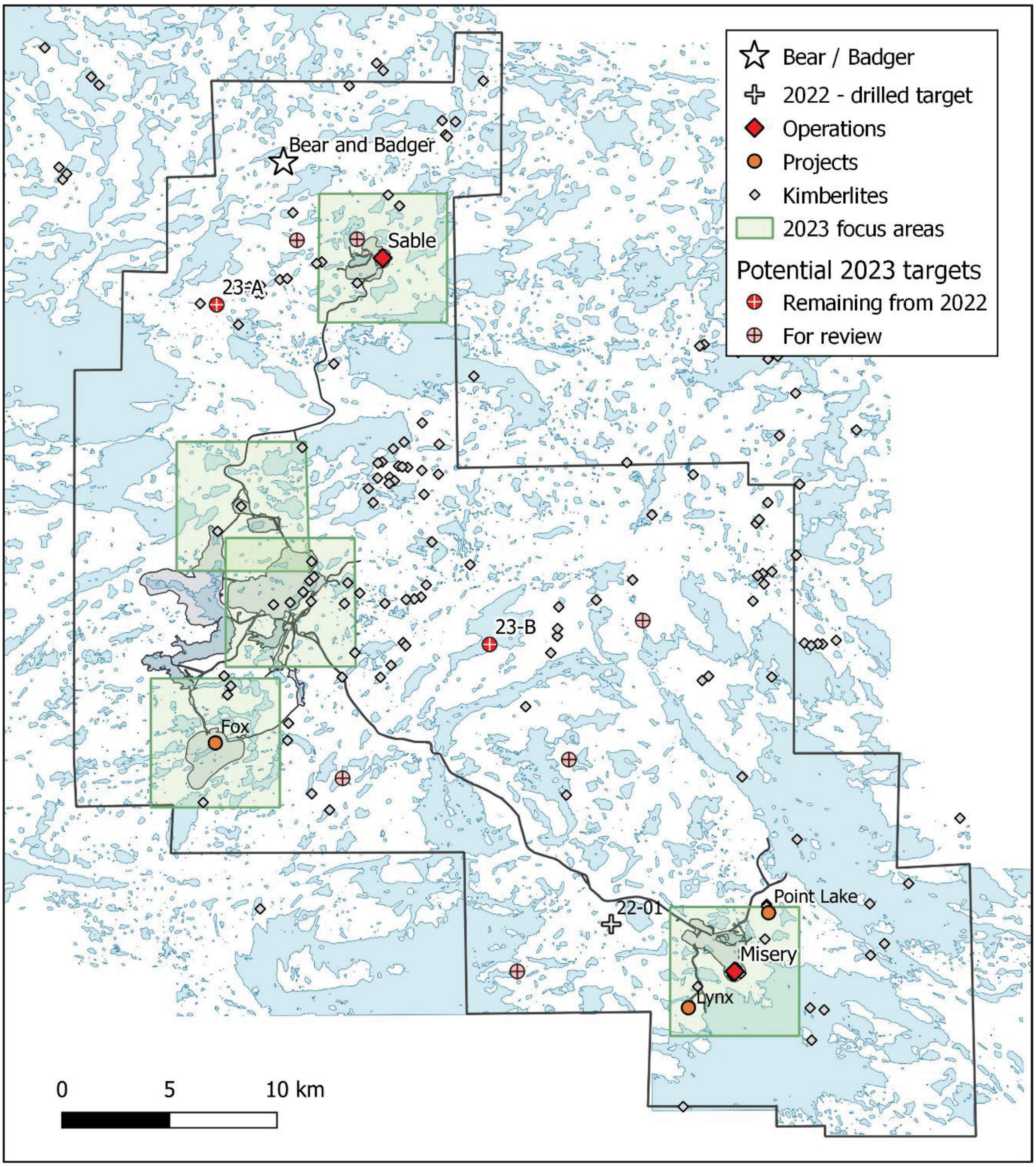

Figure 6-2: Ekati property map with planned core drillhole locations

Eleven drill targets were identified and five were prioritised using EM inversions and detailed geophysical analysis. Helicopter supported exploration drilling of prioritised targets were completed in the third quarter of 2022 and two of three targets that were drilled were confirmed as kimberlite pipes – named "Badger" and "Bear" pipes – located approximately 6 km northwest of the Sable pipe.

Follow-up delineation drilling on the Bear kimberlite confirmed a similar pipe infill to known economic deposits and reasonable size potential (see Figure 6-3 and Figure 6-4). Microdiamond and mineral chemistry analysis of drill core from the Bear kimberlite are pending and will be evaluated to determine whether future drilling programs are warranted.

Additional machine learning work is in progress along with geophysical data processing to develop targets for drill testing in summer 2023. It is anticipated that there will be four to six drill targets ready for helicopter supported core drilling. The new discoveries would then be evaluated for diamond potential (microdiamonds and mineral chemistry) and, if prospective, would be slated for large-scale bulk sample programs in future programs.

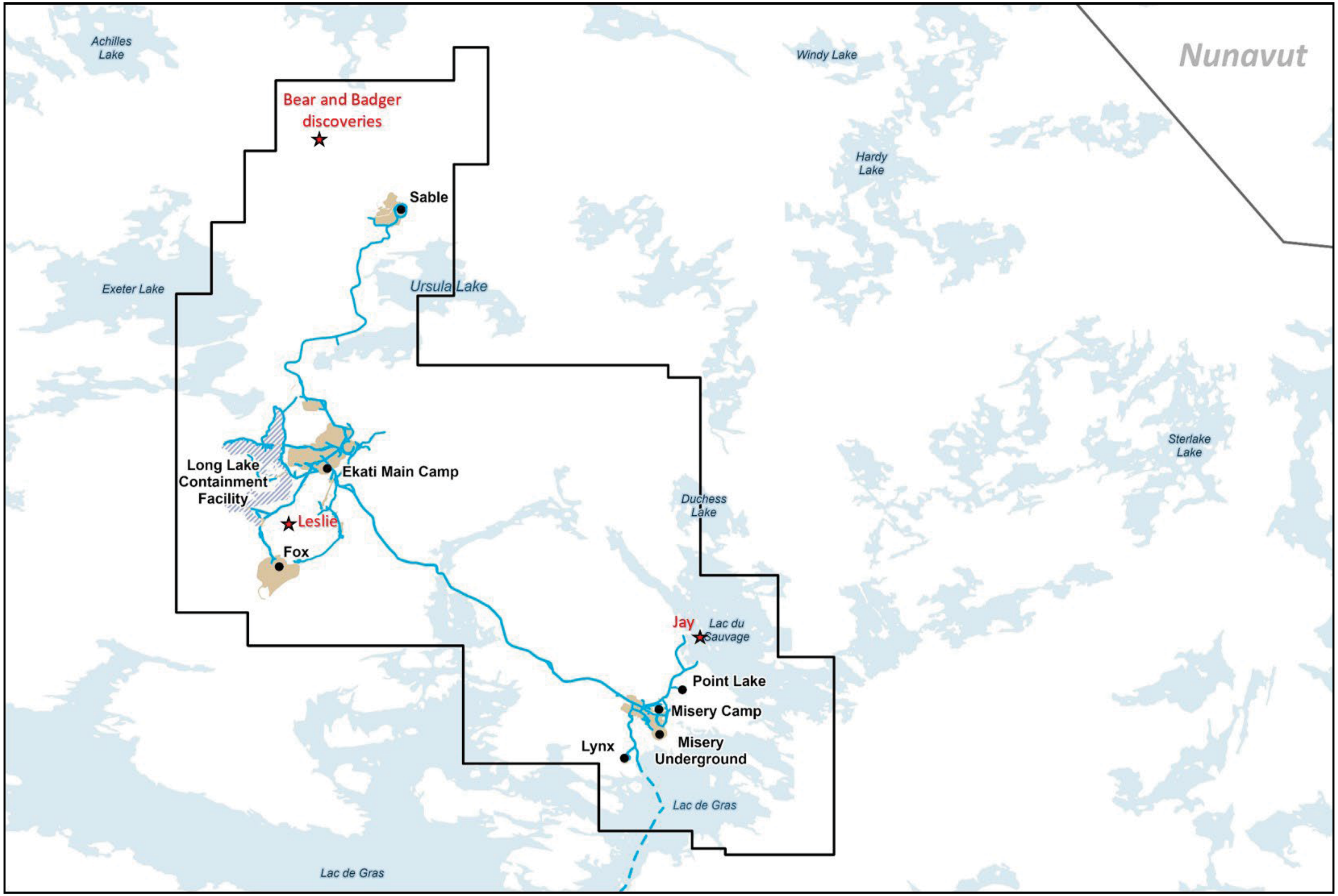

Figure 6-3: Location of the Bear and Badger kimberlite discoveries on the Ekati Diamond Mine property

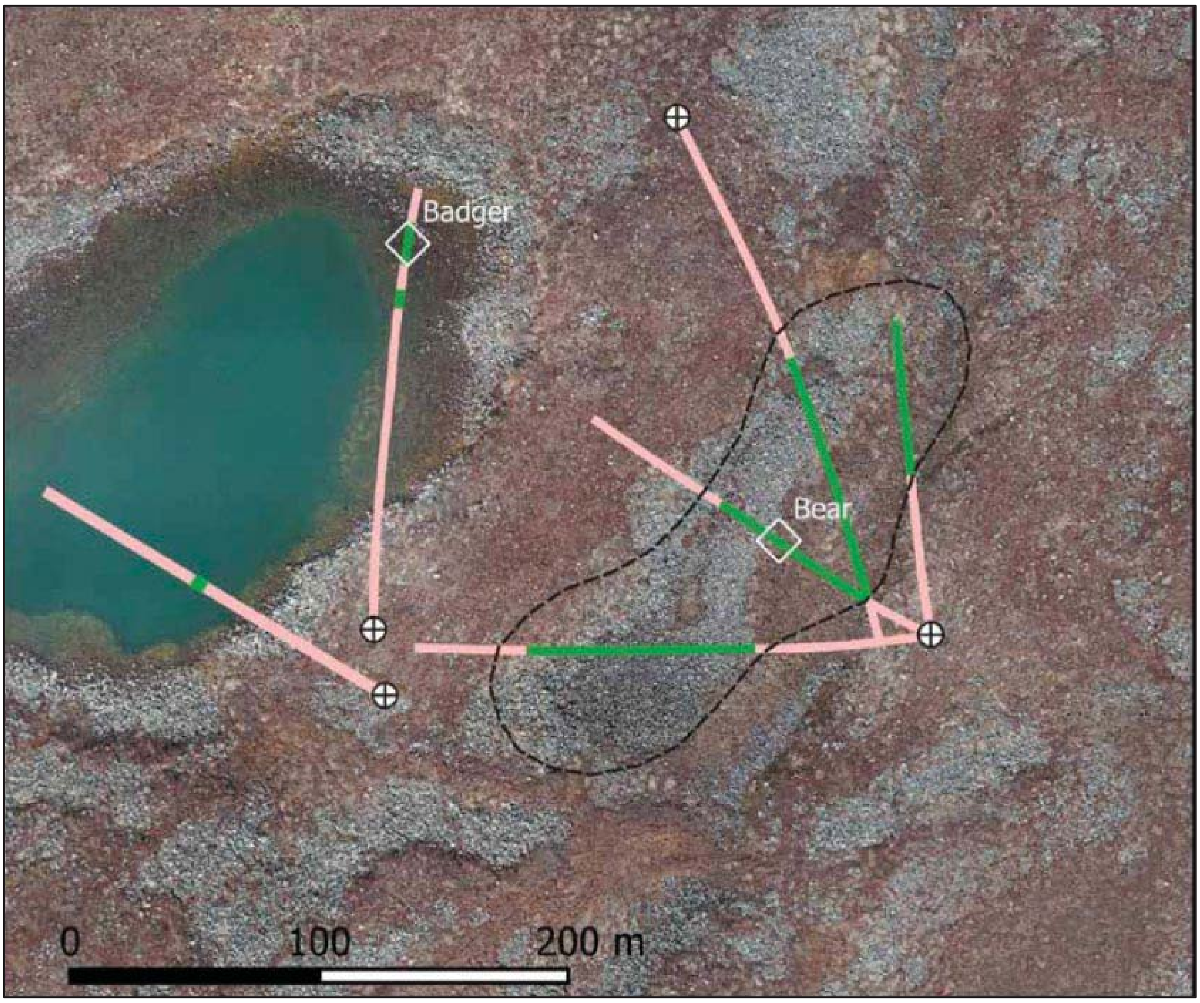

Figure 6-4: Projected core holes drilled in the vicinity of the Bear and Badger kimberlites

Note: The drill traces are colour coded by generalised rock type (green = kimberlite; pink = granite). A preliminary interpretation of the outline of the Bear kimberlite at surface (based on drill results and geophysics) is shown.

6.2.2 Fox Underground Project

Fox Underground is an undeveloped future project located approximately 7 km southwest of Ekati's processing plant. In 2018, a prefeasibility study on the development of the bulk underground operation (inclined cave method) was completed. The study found that over a nine-year production period, Fox Underground could provide approximately 31.3 Mt of kimberlite yielding approximately 10 Mcts. Alternatively, Fox Deep Mineral Resources potentially could be accessed using Underwater Remote Mining (URM) technology.

6.2.3 Jay Deposit

The Jay deposit is another undeveloped future project. Located approximately 30 km northeast of Ekati's processing plant within a large lake (Lac du Sauvage), Jay is the largest undeveloped pipe at Ekati and likely one of the largest in the world (Indicated Resource of approximately 90 Mct). Development of Jay would require construction of a containment dike with subsequent dewatering prior to the start of mining activities. Permits are not in place for Jay, however, given the large Mineral Resource and high average grade, the LOM for Ekati could be extended considerably if Jay were to be developed.

Burgundy has indicated that post completion of the acquisition, it has no immediate plans to commence the development of Fox Underground project and/or Jay deposit but remains interested in exploring the feasibility of these projects.

7 Drilling and Sampling

This section contains information summarised from JORC Table 1, 2022[4].

7.1 Drilling and Surveying

Drilling completed on the Ekati Project between 1991 and 2022 includes 1,434 core ("diamond drill") holes (264,420 m), 111 sonic drill ("Sonic") holes (2,596 m) and 523 RC holes (114,539 m). All drillholes have been collated into a secure database.

A variety of drilling techniques have been used at the Ekati Mine since 1991 to recover information on the location, type of ore and diamond content. Drilling techniques used on the property include diamond core drilling, RC drilling and sonic drilling of varying diameter (HQ, NQ, BQ) and orientation (vertical to angled) with typical drillhole lengths ranging from less than 100 m to 600 m.

7.1.1 Core Drilling

Core drilling is used for the following purposes:

- Defining kimberlite pipe contacts.
- Assessing wall-rock conditions.
- Assessing internal structure(s) and fracturing.
- Defining internal geology.
- Obtaining geotechnical and hydrogeological data.
- Obtaining microdiamond and mineral chemistry samples for assessing diamond carrying capacity.

Core drilling uses standard core barrels, and synthetic diamond or carbide bits, reaming shells, and casing shoes. Hole diameters used to date include HQ (63.5 mm core diameter), NQ (46.7 mm) and BQ (36.5 mm).

7.1.2 Reverse Circulation Drilling

RC drilling is used for diamond grade estimation and valuation, in conjunction with bulk sampling techniques. Samples are processed through an on-site sampling plant.

The diameter of drillholes employed prior to 1995 ranges from 27 cm to 71 cm, but from 1995 to 2008 the hole diameter was standardised to between 31 cm and 45 cm. The 2015 and 2016 winter drilling programs and 2018–2019 winter drilling programs used large diameter drilling in order to provide larger individual samples for grade estimation. The drillhole diameters for the 2015, 2016, 2018, and 2019 programs ranged from 45 cm to 61 cm.

Following initiation of mining, evaluation work continued with RC drilling, typically from within the open pit. This generated critical data for evaluation of the lower portions of the orebodies that are less accessible to drilling from surface. It also permitted drilling of large diameter RC holes providing improved spatial resolution of grade data (smaller sample intervals corresponding to planned benches or levels). The latter is particularly important where significant vertical changes in geology and/or diamond grade occur over scales of less than 30 m.

The initial drill pattern for an RC program was planned to maximise both vertical and horizontal sample coverage. Planned drillhole collar locations and depths were designed to reach a maximum depth within kimberlite while giving maximum lateral spread.

7.1.3 Sonic Drilling

Sonic drilling is used to core both soil and bedrock along proposed civil construction projects. Recovered soil is geotechnically logged and geotechnical laboratory testing is performed on selected samples.

[4] JORC Code, 2012 Edition – Table 1

Sonic drilling samples are not used for diamond information purposes (grade and valuation).

The sonic drilling method uses relatively high frequency mechanical vibration, down pressure and optional rotation to advance an inner drill string and an outer casing. A one-piece core barrel with a 150 mm diameter is threaded onto the bottom of the inner drill string and obtains samples.

7.1.4 Surveying

Collar Surveys

All core and RC drillhole collars are surveyed using a real-time global positioning system instrument, prior to and after drilling, which has an accuracy of ±0.01 m. Hole collar, dip and azimuth of core holes are verified by surveying the top and bottom of the in-hole drill steel and then calculating the initial azimuth and dip of the hole at surface. The Competent Person considers the drillhole collar location error to be minimal.

Downhole Surveys

For core holes, downhole surveys were completed with industry standard instruments (e.g. Maxibor and Century Geophysics 9096 gyroscope). The maximum error in the drillhole location for holes less than 100 m long is about 1 m, while the locations of longer holes (100–600 m) are accurate to within approximately 1 m per 100 m drilled over the entire length of the drillhole.

An assessment of the survey precision and accuracy completed in 2004 showed an absolute error of less than 3 m which validated the surface and underground location surveys of two discrete points and indicated that the down hole deviation surveys are providing useable modelling data.

Three Century Geophysical Corporation tools, including the “9095” tool (for gyroscopic deviation surveying); “9065” three-arm calliper tool; and “9511” tool (conductivity induction and natural gamma readings), were used on all RC holes. Downhole directional surveys of RC holes were performed using a gyroscopic instrument.

7.2 Drilling Recovery

Typical drillhole recoveries within wall rock, are 95–100% for both core and RC drillholes.

In kimberlite, the core recoveries can be as low as 20% and as high as 95%, however, are more typically in the 75–85% range.

For RC drillholes, kimberlite recoveries may range from 50% to over 100% in cases of in-hole sloughing. For core samples, recovery is assessed through direct measurements of recovered core versus drillhole interval. RC sampling recovery relies on calliper data for volume coupled with dry bulk density data of RC chips and/or nearby drillholes.

The recovery is largely a function of the hardness and alteration of the kimberlite.

7.3 Geological and Geotechnical Core logging

Core drillholes are logged in detail by geologists experienced with kimberlite geology and by trained geotechnical consultants.

Geological logging is undertaken on a 1:100 scale using logging sheets specifically developed for the Ekati Diamond Mine. Digital geological and geotechnical logging is completed, and the core is photographed before being stored in an unheated core storage building.

Geological logging utilises a digital logging form for both wall-rock lithology, kimberlite/wall-rock contacts, and internal kimberlite lithology. Kimberlite lithologies are classified according to a kimberlite classification scheme standard to the industry.

Key wall rock attributes logged are rock type, mineralogy, alteration, rock strength, and major structures. Key kimberlite core attributes logged include concentration of macrocrystic olivine, matrix composition, abundance and type of country-rock xenoliths, approximate abundance of indicator minerals, and rock fabric, colour, and alteration.

Colour photographs annotated with the unit names and lithological contacts are used to verify significant contacts and lithologies, as well as provide a permanent record of the drill core.

For key holes, drill core is oriented using an ACT (ACE) tool, and detail structural logging was completed. In 2009, an acoustic and optical televiewer system was introduced to augment the structural logging program in waste rocks at the Misery pipe.

Geotechnical parameters were determined for all core drillholes including percentage core recovery; rock quality designation; fracture frequency; point load strength index; joint condition and water.

Rock samples were collected for accredited third-party materials testing including unconfined compressive strength, triaxial strength, direct strength, shear strength, Poisson's ratio, and Young's modulus evaluation.

Measurements suitable for pit wall stability studies were obtained with an oriented core device to provide information on the orientation of joints, faults, bedding planes and other structures.

The geotechnical logs and data are recorded on paper logging sheets, captured, and verified digitally into Excel spreadsheets and made available for required geotechnical review.

CSA Global concurs with the Competent Person that quantity and quality of the lithological (geological), geotechnical, collar and downhole survey data collected in the exploration and infill drill programs are sufficient to support Ore Reserve and Mineral Resource estimation.

7.4 Sampling

Conventional concepts of sample preparation and analysis do not apply to diamonds. Diamonds from large samples must be physically separated from their host rock and evaluated on a stone-by-stone basis. To accomplish that, all bulk samples, from RC drilling or underground/surface operations, must be processed and the diamonds separated and collected. To do that, samples are run through a plant that is essentially a scaled down process plant designed to handle a few tonnes to tens of tonnes per hour.

7.4.1 RC Sampling

The drill sample collection process is designed to ensure that a representative, unbiased and uncontaminated sample is collected intact at the drill.

RC cuttings are composited over 12–30 m intervals (depending on hole diameter) to provide samples typically ranging from 5 tonnes to 9 tonnes then processed through the sample treatment plant to provide a representative grade sample. This sample configuration was selected to ensure most samples yielded at least 30 diamonds to mitigate the effect of variable diamond particle size.

Prior to 2019, the RC samples were processed through an on-site sampling plant for diamond grade and diamond valuation used for Ore Reserve and Mineral Resource reporting. The 2019 RC drill samples from the Point Lake and Challenge kimberlite pipes were processed at the Saskatchewan Research Council.

Diamonds are recovered and weighed from each sample using duplicate processes at every point to minimise loss (recirculating oversize through the sample plant, duplicate x-ray sorting and duplicate hand-picking). The errors detected from these processes are not quantifiable.

7.4.2 Core Sampling

Material obtained through core drilling is primarily used for geological/geotechnical logging and is typically only used for indications of diamond carrying capacity at the exploration stages and not for diamond price/valuation purposes.

Core hole sampling programs are used for determination of dry bulk density, moisture content of host rock and kimberlite and lithological characterisation.

Bulk Density

Density determinations on core samples were undertaken utilising the air and water method. The samples were not coated or wrapped prior to weighing in water which can introduce a measurement error for samples that were unusually porous. Sample spacing has historically varied from 1 m to 10 m in kimberlite (generally 2–3 m intervals) and every 5–10 m in host rock.

The quality of the analytical data is reliable and sample preparation, sampling protocols, analysis, and security are generally performed in accordance with diamond exploration best practices and industry standards. The Competent Person is confident that no preferential sampling or preferential loss or gain of sampling material has occurred. A relationship between sample recovery and grade is considered by the Competent Person as non-material for kimberlite diamond deposits.

In CSA Global's opinion, the drilling and sampling procedures, as well as sampling sizes used by Ekati, agree with industry standards.

7.4.3 Sample Storage

Core is stored at Ekati in a large sprung structure or outside on pallets. Development and delineation holes are stored on-site; kimberlite is kept in the core storage sprung for protection from the elements, while wall-rock is stored outside at the mine site as it can withstand harsh weather conditions and freeze-thaw cycles.

RC chip samples are also stored at the Ekati core logging facility in watertight containers for future reference.

7.4.4 Sample Security

A card-locked door controls the access to the sample plant and strategically installed cameras operate in sensitive areas such as the recovery plant, the sample plant is a high-risk area where 100% of the employees are searched by a security officer prior to exiting the area.

For each sample, the x-ray concentrate and the grease table goods are transferred to the sort-house for diamond sorting. Each sample is kept separate from the process plant goods and individually labelled for shipment to the Company's sorting and valuation facility located in Yellowknife. The sample goods are individually sieved and cleaned in Yellowknife and then sent to Toronto for valuation.

The sample plant facility is a high-security area with similar protocols to the main plant recovery area.

During RC drilling programs for large-scale samples, the RC drilling area is monitored by an Ekati site security officer and access is limited to essential personnel only.

7.5 Quality Assurance and Quality Control

Prior to running a sample through the sample plant, a visual inspection of the equipment is performed by certified sample plant technicians, especially screens to replace worn panels; the screens are also washed to mitigate contamination between samples. Tracer tests are frequently performed on the dense media separation (DMS) circuit and on the recovery circuit to monitor their efficiency. Once processed, the samples are kept until the results are known as another pass might be required.

A grease table is prepared and cleaned for each sample as well as recovery bins are emptied. The x-ray and grease table concentrate are transferred to the sort house and double-picked by highly qualified diamond sorters in order to recover all the diamonds.

Data verification is undertaken on geological, geotechnical, survey and bulk density data collected. Data are reviewed for accuracy by the Resource and/or Production Geologists and corrected as necessary. The findings of this data validation process are summarised and any modifications to the database are reviewed by appropriate staff prior to implementation of those changes. A reasonable level of verification has been completed during the exploration and production phases, and no material issues is likely to have been left unidentified from the verification programs undertaken.

In CSA Global's opinion, the quality control procedures agree with industry standards.

7.6 Database

A site-wide Records Information Management system is utilised for digital filing. All non-digital information relevant to the Mineral Resource has been scanned and is stored in this system. All digital data not compatible with the digital filing system (e.g. Vulcan files) are stored on file servers at Ekati and Yellowknife.

All geological, downhole surveying, sieving, and geophysical properties data are captured into GBIS, a commercially available software system. Security of the database is maintained through permissions determined at log in by each user. Backups of the digital data are regularly performed.

8 Mineral Resource and Ore Reserve Estimates

This section has referenced information compiled and signed off by the Qualified Person for the Company, Mr Jon Carlson as summarised in JORC Table 1 and various other documents.

8.1 Mineral Resource Estimation

Mineral Resources at Ekati have been estimated using a two-step process for the Sable, Misery Main, Fox, Point Lake, Phoenix, Challenge, Lynx, Jay, Leslie kimberlite pipes.

Firstly, three-dimensional (3D) object models are developed for key geological domains including analysis of spatial sample data in relation to the domains and validation of their application. This is followed by the creation of a block model storing the spatial distribution of relevant parameters.

Vulcan and Leapfrog software are used to develop 3D wireframe models of kimberlite pipes and internal lithological divisions. Drillhole boundary intersections and surface geophysical outlines are used to define the outer boundary. The lower limits of models are based on the lowest drillhole (RC or diamond) intersection. Internal domain boundaries are typically modelled as planar surfaces. Internal dilution (e.g. granitic xenoliths) is modelled as enclosed volumes assuming sub-rounded, sub-horizontal shapes. The geological models are refined and updated with mining development and production data.

Block models are built for kimberlite pipes that are deemed to have *reasonable prospects of eventual economic extraction*. They are periodically updated as new data are collected, or as required to meet reporting requirements and for engineering studies.

Elements considered in the determination of reasonable prospects of eventual economic extraction are:

- Appropriate geological interpretation (such as pipe size, internal domains, geometry).
- Assumed mining method and mining rate.
- Processing method and recoveries.
- The application of reasonably developed economic parameters based on generally accepted industry practice, experience and understanding of deposit location, shape and available information on rock characteristics and value.

Table 8-1 summarises the model block sizes, and the modelling method used for each kimberlite pipe where Mineral Resources are estimated.

Table 8-1: Ekati block model details

Pipe	Model block size (m)	Date of latest model revision	Modelling method
Fox	15 by 15 by 10	Aug 2020	Simple kriging
Misery	15 by 15 by 10	Dec 2022	Ordinary kriging
Pigeon (mined-out)	10 by 10 by 10	Sep 2022	Ordinary kriging
Sable	15 by 15 by 15	Dec 2022	Simple kriging
Lynx	10 by 10 by 10	Aug 2020	Ordinary kriging
Jay	15 by 15 by 15	Feb 2020	Simple kriging
Point Lake	10 by 10 by 10	Aug 2020	Simple kriging
Phoenix	10 by 10 by 10	Aug 2020	Simple kriging
Challenge	10 by 10 by 10	Aug 2020	Simple kriging

The block models contain an extensive set of variables to provide a mining block model suitable for both resource evaluation and mine planning. Block model variables typically include, but are not limited to, the following:

- Grade.

- Density.
- Moisture.
- Geological domain.
- Geotechnical, metallurgical, and environmental variables.
- Diamond recovery.
- Diamond price.

Selective mining unit (SMU) sizes in the block models vary, based on the intended mining method. The SMU size is jointly agreed to by the modelling geologist and mining engineers and is appropriate to the drillhole spacing, mining production scale, and overall geometry of each pipe. RC sampling programs provide diamond grade and size frequency distribution data for grade estimation. For resource estimates completed since 2014, the base grade estimation variable was the stones per metre cubed (spm^3) from +1.0 mm diamonds. The spm^3 is calculated from a subset of stones over a representative set of size fractions chosen to obviate the effects of poor recovery of small stones and variability in recovery of large stones (i.e. stone density method).

Where feasible, non-mineralised units (i.e. granitic xenoliths >2 m in size) are modelled separately. Waste kimberlite, mud, and xenoliths <2 m in size are considered part of the models, and therefore included in the Mineral Resource estimation as internal dilution.

The block grade variable for the Jay, Sable, and Fox pipes was modelled as spm^3 of a stable size fraction. It is then converted on a block-by-block basis to carats per metre cubed (cpm^3) using a factor to map the estimated variable onto the chosen size frequency distribution. In all other pipes, grade is estimated directly from sampled cpm^3 values. Dry bulk density in tonnes per cubic metre (t/m^3) and moisture content in percent were estimated into the block model. Block grade, expressed in carats per tonne (cpt), was calculated by dividing the block cpm^3 grade by the block dry bulk density value.

Drill spacing studies were conducted to support mineral resource classification confidence category assignments. No Measured Mineral Resources have been classified. Drillhole spacing classification is typically as follows:

- Indicated – less than 60 m to nearest sample.
- Inferred – less than 90 m to nearest sample.

In CSA Global's opinion, the drillhole spacing used to classify Indicated and Inferred Resources are suitable for kimberlitic diamond deposits and their confidence levels.

In certain deposits, such as Misery Main, the kriging variance was also used to support classification categories. In models estimated since 2014, the weight attributed to the mean in the simple kriging process was used to support classification. During estimation of Mineral Resources, a slot screen size cut-off of 0.5 mm (with a 1.0 mm cut-off circular aperture screen for diamond recovery) and a 100% recovery factor is used. This allows for determination of Mineral Reserves that can include additional diamond recovery from the fines DMS plant. Conversion of Mineral Resource block model grades to reflect recovery at a 0.5 mm slot screen size is done by comparative analysis of size frequency distribution data, and adjustment factors determined for each pipe.

Dry bulk density estimates are determined for each kimberlite domain using a sufficient number of data points. Dry bulk density measurements of drill core are typically made at 2 m intervals within kimberlite and 5 m intervals with the host rock. Statistical analysis (and graphing) of the dry bulk density data for the pipes through numerous capital studies has shown very minimal variation in the crystalline country rocks (within a given rock type such as granodiorite) and low variance or systematic variation within a kimberlite domain.

Due to the low variance and large number of representative dry bulk density samples within a single kimberlite or domain, the variability in the density estimate is considered to be an insignificant risk component of Ore Reserve and Mineral Resource estimation.

In CSA Global's opinion, the method and supporting data used to define density estimates for each kimberlite domain are suitable for kimberlite diamond deposits.

8.1.1 Diamond Valuation[5]

This section is sourced from a document produced by Dominion Diamond Mines in 2020 which explains key considerations in the definition and classification of diamonds; and deriving representative diamond values (prices) per kimberlite source.

The fundamental tool used in the valuation of diamonds on a mine is the size frequency distribution of a given parcel of stones. Figure 8-1 shows a typical size frequency distribution summarising key attributes to arrive at carats per size class.

Size Class	Critical Size	Mean Size	Unit Interval	Stones	Carats
+10CT	10.8	15.000	0.2676	24	377.78
10ct	9.8	12.043	0.1790	7	72.83
9ct	8.8	9.287	0.0467	13	119.11
8ct	7.8	8.285	0.0524	11	93.15
7ct	6.8	7.283	0.0596	33	242.67
6ct	5.8	6.280	0.0691	54	336.98
5ct	4.8	5.276	0.0822	64	333.29
4ct	3.8	4.271	0.1015	118	493.64
3ct	2.8	3.262	0.1326	281	896.11
10gr	2.5	2.646	0.0492	162	427.35
8gr	1.8	2.121	0.1427	754	1,571.70
6gr	1.4	1.587	0.1091	1,056	1,676.04
5gr	1.2	1.296	0.0669	1,036	1,342.31
4gr	0.9	1.039	0.1249	3,224	3,350.96
3gr	0.66	0.771	0.1347	6,320	4,871.12
+11	0.317	0.457	0.3185	34,425	15,746.29
+9	0.179	0.238	0.2482	73,853	17,592.48
+7	0.117	0.145	0.1847	106,796	15,455.18
+5	0.049	0.076	0.3780	506,319	38,336.74
+3	0.026	0.036	0.2752	605,279	21,604.29
-3	0.011	0.017	0.3736	461,851	7,810.61
Total				1,801,680	132,750.63

Figure 8-1: Typical diamond size frequency distribution

Individual stones are sized into a series of size classes (DTC or Carat/Grainer) with carats defined by Lower Critical Size and Mean Stone Size (in carats) for each class.

The Unit Interval is logarithmic width of class, used for smoothing of plotted curves. For a smaller sized width of class, stones are not counted but number of stones are determined from total carat weight and mean stone size. For larger class width sizes, stones are weighed and counted.

Figure 8-2 shows a typical grade/size curve graph with the horizontal axis indicating the mean stone size of given size class, and the vertical axis showing stone density (spm^3 or spt). The curve shows typical decreasing stone density per size class as size increases, with some deviations in small stones and irregularities for large stones. The slope of curve represents the coarseness of the size frequency distribution, and the vertical position represents the grade.

[5] Dominion Diamond Mines, 2020. Diamond Recovery and Price Estimates

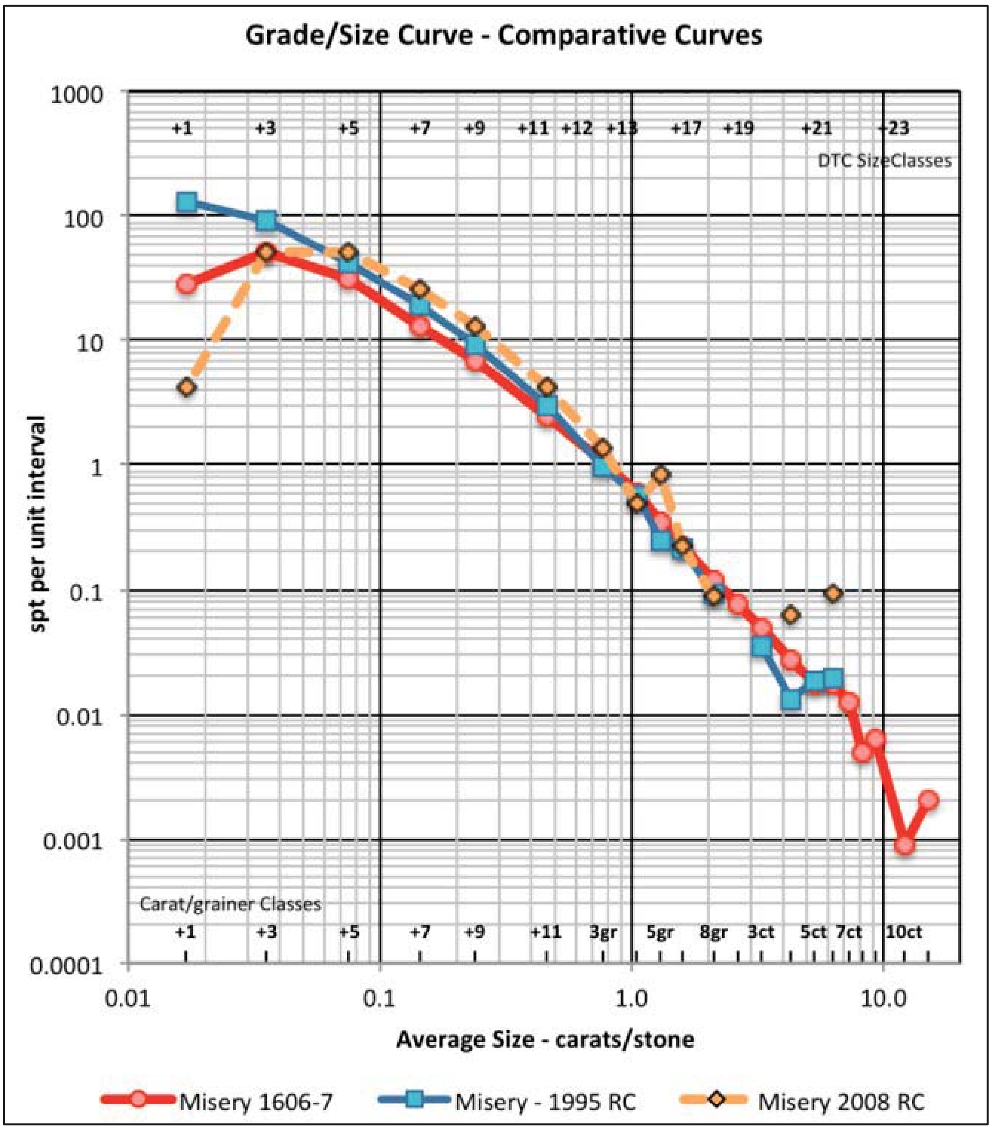

Figure 8-2: Grade/size comparative curves

The three curves represent three parcels of the Misery pit supported by different sampling campaigns and number of carats:

- Misery 1606-7 production trial (133,000 carats) – 1.0 mm lower cut-off Ekati plant.
- Misery 1995 RC (3,152 carats) – 0.5 mm lower cut-off, bulk sample plant
- Misery 2008 RC (718 carats) – 1.2 mm lower cut-off, bulk sample plant.

This information is ultimately used to generate a $/carat price per size class for the different kimberlite sources (see Figure 8-3).

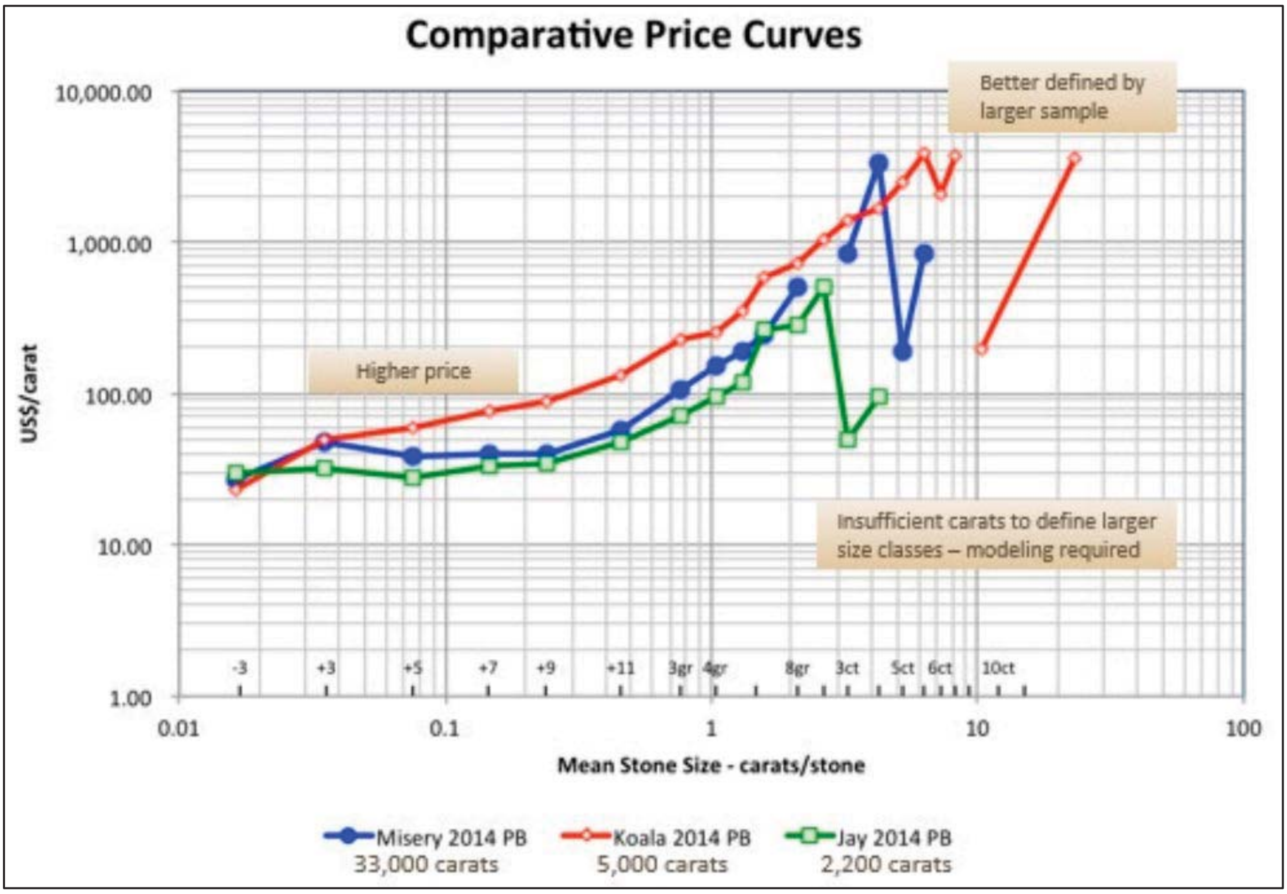

Figure 8-3: Comparative price curves for three of Ekati's kimberlites sources

The prices in the graph above were derived from either kimberlite exploration samples or production parcels using Ekati's price book. A valid diamond valuation of an exploration or production parcel requires a detailed quality sort within each diamond size category by an experienced valuator and application of a well constrained market-based price book. The price book is reindexed periodically according to diamond market movement. Approximately 18,000 categories (price points expressed as US$ per carat) comprise the current Ekati diamond price book. Average diamond value is a function of diamond size distribution and diamond quality[6]. The highest value populations have both a coarse size distribution and high proportion of high-quality stones.

The average price per size category is plotted against stone size. Since there are typical more smaller stones than larger ones in a parcel, the curves are generally better constrained (or defined) at low to moderate stone sizes compared to the larger stone sizes. Also, curves are generally better constrained for production parcels which contain more diamonds and carats compared to the smaller exploration parcels. The increasing gradient of the curve indicates that the average price per carat increases as stone sizes increase.

A further consideration that affects the price and therefore also the Ore Reserve totals is diamond recovery. Different kimberlite sources have different diamond recoveries as a function of the inherent size frequency distribution and interaction with processing settings and various other contributing factors. This can be seen in Figure 8-4 which summarises the reserve recovery factors based on a month of Ekati production (February 2020).

[6] No two diamonds are identical, each has its own set of unique characteristics. Each diamond is held to a set of standards for cut, colour, clarity, and carat– commonly referred to as the 4 Cs– that interact to determine the overall rating and diamond quality.

Plant Recovery	1.2 mm (reserve)		0.5 mm (resource)		Basis of Price Estimate	
Pipe	Recovery Factor vs 0.5 mm	Price (DC2002PB(660))	Recovery Factor vs 0.5 mm	Price (DC2002PB(660))	Type	No of Carats
Sable	80%	150	100%	127	Trial	48,947
Pigeon	85%	137	100%	122	Trial	33,972
Misery UG	75%	54	100%	45	Trial	248,933
Misery South	75%	56	100%	45	Trial	13,751
Misery SW	75%	45	100%	38	Trial	100,438
Fox VLG	85%	276	100%	242	Expl	2,603
Coarse Ore Rejects	65%	82	100%	67	Trial	12,859
Point Lake	85%	83	100%	75	Expl	458
Phoenix	80%	62	100%	55	Expl	372
Challenge	70%	55	100%	43	Expl	390
Jay RVK	90%	42	100%	40	Expl	4,137
Jay VK	85%	42	100%	39	Expl	4,137
Lynx	80%	180	100%	149	Trial	288,196

Figure 8-4: Price recovery matrix – FY21 LOM plan

In CSA Global's opinion, the procedures and assumptions used in size frequency modelling and generating prices for Mineral Resources and Ore Reserves, as well as diamond valuation, falls within the industry standards for diamond operations.

Mineral Resources for the Ekati Mine as of 31 December 2022 have been summarised in Table 8-2 below for the various kimberlite pipes.

Table 8-2: Mineral Resources at Ekati Diamond Mine – 31 December 2022 (100% basis)

Kimberlite Pipe		Measured Resources			Indicated Resources			Inferred Resources		
Pipe Name	**Type**	**Mt**	**cpt**	**Mct**	**Mt**	**cpt**	**Mct**	**Mt**	**cpt**	**Mct**
Sable	Open pit	-	-	-	10.2	1.0	9.9	0.3	1.0	0.3
Point Lake	Open pit	-	-	-	31.8	0.8	24.0	9.1	0.8	6.9
Phoenix	Open pit	-	-	-	-	-	-	1.8	1.4	2.5
Challenge	Open pit	-	-	-	-	-	-	2.4	1.3	3.1
Leslie	Open pit	-	-	-	-	-	-	50.8	0.3	16.3
Misery Main	Underground	-	-	-	1.3	5.0	6.8	1.0	5.6	5.8
Fox	Underground	-	-	-	45.6	0.4	16.5	5.1	0.4	2.2
Stockpile	Open pit	-	-	-	0.2	1.2	0.2	6.7	0.2	1.0
Jay	Open pit	-	-	-	48.1	1.9	89.8	4.2	2.1	8.7
Lynx	Open pit	-	-	-	0.5	0.8	0.4	0.2	0.8	0.2
Total Mineral Resources					**137.7**	**1.1**	**147.6**	**81.7**	**0.6**	**47.0**

Notes provided as supplementary to the Mineral Resource table above are as follows:

- *Mineral Resources have an effective date of 31 December 2022 and were prepared by certified professional geologists and mining engineers employed by the Company.*
- *Ekati Mineral Resources are classified as Indicated and Inferred (no Measured category) and tonnes are expressed as dry metric tonnes. Grade is in carats per tonne (cpt).*
- *Mineral Resources are reported on a 100% basis.*
- *Mineral Resources are reported inclusive of Ore Reserves. Mineral resources that are not Ore Reserves do not have demonstrated economic viability.*
- *Mineral Resources are reported at +0.5 mm (based upon diamonds that would be recovered by the Ekati Bulk Sample Plant using 0.5 mm width slot de-grit screens and retained on a 1.0 mm circular aperture screen.*
- *Mineral resources have been classified considering drillhole spacing, volume and moisture models, grade, internal geology and diamond valuation, mineral tenure, processing characteristics and geotechnical and hydrogeological factors.*
- *Mineral resources amenable to open pit mining methods include Sable, Leslie, Lynx, Point Lake, Phoenix and Challenge. Conceptual pit designs for open cut mineral resources (Sable, Leslie, Jay, and Lynx) were completed using Whittle shell analysis.*

- *Mineral Resources amenable to underground mining methods include Misery Main and Fox. Underground design for Misery Main is based on sublevel retreat method and underground design for Fox is based on inclined cave mining.*
- *Stockpiles are located near the Fox open pit and were mined from the uppermost portion of the Fox open pit operation. Minor run of mine stockpiles (open pit and underground) are maintained and are available for blending of kimberlite sources at the process plant.*
- *Tables may not sum as totals have been rounded.*

JORC Table 1 summarised in Appendix A of this document provides additional information on the measures taken by Ekati's operating team to ensure appropriate database integrity, geological interpretation and estimation modelling techniques are employed to define and quantify Mineral Resources.

Mineral Resources have reasonable potential to be mined but do not have mining losses and/or dilution applied and as such they represent in-situ material. Mineral Resource classification involves geologic, mining, processing and economic constraints, and the Mineral Resources have been defined within a conceptual stope design or a conceptual open pit shell. Depletion has been included in the estimates. No Measured Mineral Resources are reported. Caution should be applied when considering Mineral Resources since they are not Ore Reserves and do not have demonstrated economic viability.

Factors which may affect the Mineral Resource estimates include diamond valuation assumptions, diamond grade estimation, geological modelling, geotechnical assumptions, and mining methods.

It is CSA Global's opinion that the process followed, and parameters considered are appropriate for the definition, classification and quantification of Mineral Resources for diamond mining.

8.2 Ore Reserve Estimates

Ore Reserve estimates are based on material classed as Indicated Mineral Resources with dilution and mining/processing recovery factors applied. Depletion has been included in the estimates. Factors which may affect the Ore Reserve estimates include diamond price and valuation assumptions, changes to the assumptions used to estimate diamond carat content, horizontal block cave designs, open pit designs, geotechnical, mining and process plant recovery assumptions, appropriate dilution control being able to be maintained, changes to capital and operating cost estimates and variations to the permitting, operating or social licence regime assumptions.

All Mineral Resources converted to Ore Reserves have undergone pre-feasibility and/or feasibility studies following Canadian Institute of Mining, Metallurgy and Petroleum (CIM) guidelines. The level of study for each kimberlite deposit is shown in Table 8-3.

Table 8-3: Level of study completed for each kimberlite deposit

Kimberlite Pipe	Level of study (year published)
Fox Underground	Prefeasibility (2018)
Misery Underground	Prefeasibility (2017)
Sable	Prefeasibility (2016)
Point Lake	Prefeasibility (2020)

In CSA Global's opinion, the information and assumptions underlying the conversion of Mineral Resources to Ore Reserves have been sufficiently supported by prefeasibility and feasibility studies of a suitable type and level.

Diamond recovery factors vary by pipe and in some instances by kimberlite phase. Diamond quality assessment is based on exploration parcels and production trial parcels if available.

Site-specific metallurgical factors are known due to the operation of the main process plant facility for 25 years.

Metallurgical testwork and associated analytical procedures were performed by recognised testing facilities, and the tests performed were appropriate to the mineralisation type. Samples selected for testing were representative of the various kimberlite types and domains.

Industry-standard studies were performed as part of process development and initial on-site bulk sample plant design. Subsequent production experience and focused investigations have guided plant expansions and process changes. Recovery estimates are based on appropriate metallurgical testwork and confirmed with production data and are appropriate for the various kimberlite domains.

While there are no deleterious elements in diamonds processing, high granite or clay quantities can lead to process issues. These are managed by a combination of surface sorting and blending of different kimberlite domains.

As explained in Section 8.1.1, the diamond price is estimated for each size cut-off using exploration or production sample parcels, and stone frequency distributions. The average diamond price (diamond reference price) is estimated for each pipe (and in some cases, multiple geological domains within a pipe) using exploration and/or production parcels ranging in size from several hundred carats to tens of thousands of carats.

8.2.1 Diamond Reference Price

Diamonds within a kimberlite can range in quality from very low-value boart (fibrous diamond) to very high gem quality stones. The average diamond price is a function of diamond size distribution and diamond quality/colour. Uncertainty associated with diamond price estimation is related directly to parcel size with the ideal parcel size for commercial kimberlite evaluation being approximately 5,000 carats.

The valuation of diamond parcels is periodically updated to a more recent Price Book to ensure the diamond prices are representative of current sorting categories and market conditions. Prices in the Price Book are updated with each sale. To facilitate economic analysis, all the pipe valuations are carried out on a common fixed Price Book, and the Diamond Price Index is then applied to reflect market movement relative to the date when the Price Book was set. For planning purposes, these reference prices are estimated on an annual basis and as reference prices for application of the escalated price forecast.

The diamond price is estimated for each size cut-off using exploration or production sample parcels and stone frequency distributions.

Given the production status of many of the Ekati kimberlite pipes, the parcel carat size used for the determination of the US$/carat is large, where production or trial mining data was available, to smaller where only limited mining or exploration parcels were available (see Table 8-4 and Table 8-5). Ore Reserves are estimated using a 1.2 mm slot de-grit bottom cut-off size (using a 1.0 mm cut-off circular aperture screen for final diamond recovery), whereas Mineral Resources are calculated using a 0.5 mm slot de-grit bottom cut-off size (using a 1.0 mm cut-off circular aperture screen for final diamond recovery).

Table 8-4: Parcel and price information for Ore Reserves – per kimberlite pipe

Ore Reserves – Kimberlite Pipe	Parcel carats	US$/carat
Sable	48,947	206
Point Lake	1,280	121
Misery Main	248,943	91
Fox	2,603	340

Table 8-5: Parcel and price information for Mineral Resources - per kimberlite pipe

Mineral Resources – Kimberlite Pipe	Parcel carats	US$/carat
Sable	48,947	178
Point Lake	1,280	112
Phoenix	372	89
Challenge	390	68
Leslie	215	83
Misery Main	248,943	77
Fox	2,603	305
Jay	4,137	70
Lynx	288,196	195

Ore Reserves for the Ekati Mine as of 31 December 2022 have been summarised in Table 8-6 below for the various kimberlite pipes. All Ore Reserves at Ekati fall within the Probable Ore Reserves category.

Table 8-6: Probable Ore Reserves – 31 December 2022 (100% basis)

Project/Operation	Tonnes (Mt)	Grade (cpt)	Carats (Mct)
Sable open pit	6.1	0.8	4.7
Point Lake open pit	9.7	0.6	5.6
Misery Underground	1.6	3.3	5.4
Fox Underground	31.0	0.3	10.3
Run of mine stockpiles	0.2	0.8	0.1
Total Ore Reserves	**48.5**	**0.5**	**26.1**

Notes provided as supplementary to Ore Reserves table are as follows:

- *Ore Reserves have an effective date of 31 December 2022 and were prepared by certified professional geologists and mining engineers employed by the Company.*
- *All Ekati Ore Reserves are classified as Probable. Tonnes are expressed as dry metric tonnes. Grade is in carats per tonne (cpt). Carat estimate includes process plant recovery.*
- *Ore Reserves are reported on a 100% basis.*
- *Ore Reserve carats are reported according to 2020 Ekati process plant configuration (1.2 mm slot de-grit screens with final recovery using a 1.0 mm screen circular aperture cut-off).*
- *Ore Reserves that are mined or will be mined using open pit methods include Sable and Point Lake. Sable open pit designs assumed dilution of 6% waste and mining recovery of 98% diluted material. The Point Lake open pit design assumes dilution of 2% waste and mining recovery of 98% diluted material.*
- *Ore Reserves that are mined or will be mined using underground methods include Misery and Fox. The underground design for Misery is based on sublevel retreat with 25 m levels assuming an overall dilution of 12% waste and overall mining recovery of 94% of diluted material. Conceptual designs for Fox Underground are based on inclined cave mining method.*
- *Stockpiles are minor run-of-mine stockpiles (sourced from open pit and underground operations) that are available to maintain blending to the process plant.*
- *Tables may not sum as totals have been rounded.*

It is CSA Global's opinion that the process followed and modifying factors considered are appropriate for the definition and quantification of Ore Reserves for diamond mining.

9 Mining

9.1 Overview

Production at Ekati started in 1998 (Canada's first diamond mine) and up to 2022, a total of 91.2 million carats of diamonds were recovered from processing 93.4 million dry tonnes of kimberlite.

Ekati mineral deposits have been exploited using both open pit and underground mining methods over time. The Ekati operations can be divided into three main mining areas which are the Central Area (including the Main Camp), the Sable Open Pit Area, approximately 20 km to the northeast of the processing plant and the Misery Area, approximately 29 km to the southeast of the processing plant.

The layout of the various mining areas is shown in Figure 9-1.

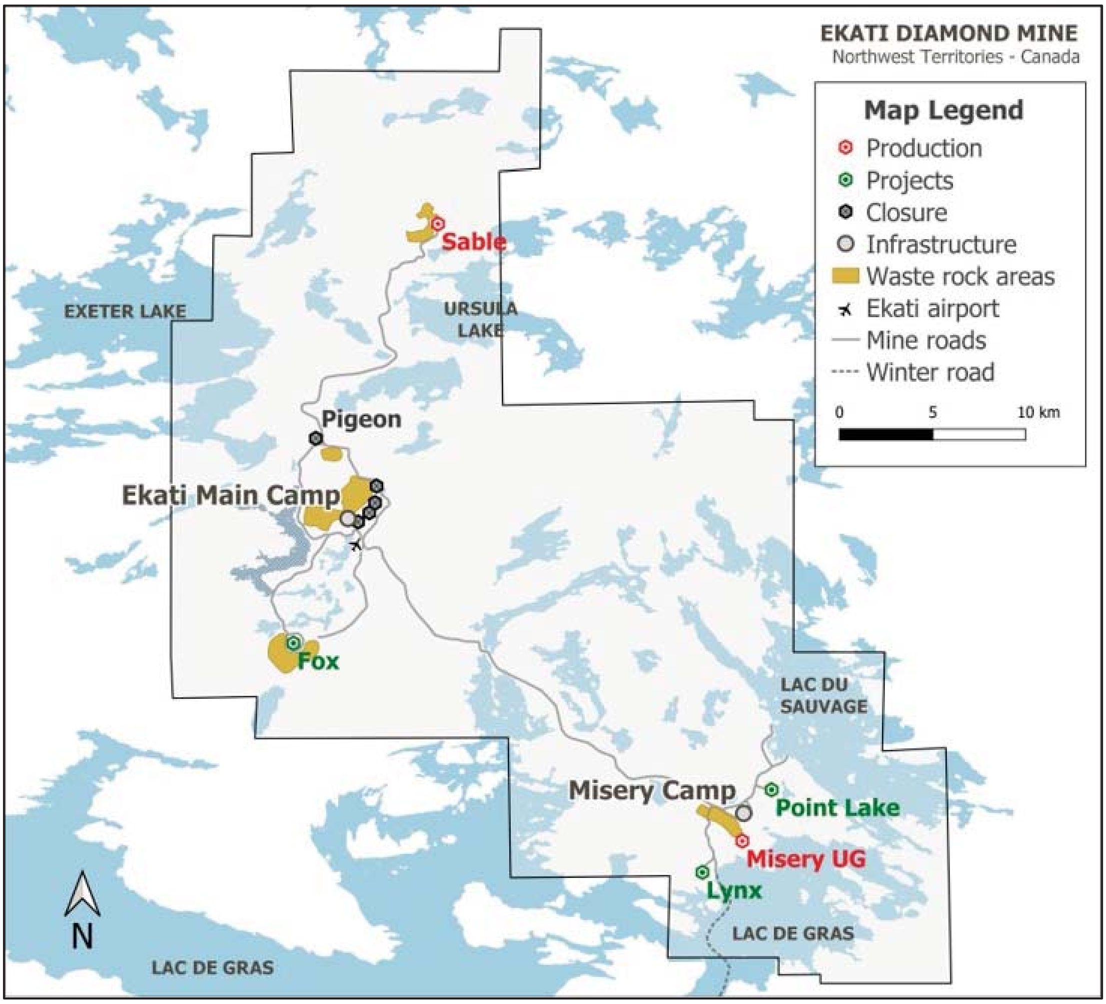

Figure 9-1: Operating diamond mines and proposed projects at Ekati

9.2 Historical Production

This section summarises the historical production from key areas at the Ekati Mine:

- Open pit mining operations commenced in August 1998 at the Panda pipe and continued through June 2003. Underground production from the Panda pipe began in June 2005 and completed in 2010. The Panda kimberlite pipe is fully depleted.
- The Beartooth open pit was sporadically mined between 2004 and 2009 and is now depleted.
- The Beartooth kimberlite pipe is depleted, and the open pit is being used for fine processed kimberlite deposition.

- The Fox open pit operation commenced in 2005 and was completed in 2014–2015 – underground reserves remain.
- The Misery open pit operation commenced in 2002 and was completed in 2006, however, production from Misery stockpiles continued to 2007.
- Pre-stripping at Misery for a further pushback pit commenced in 2011 and ore release was achieved in early 2016 and continued until mid-2018.
- The Koala open pit operation commenced in 2003 and was completed in 2007.
- Underground production from the Koala pipe began in June 2007 and depleted in 2018.
- The Koala North underground trial mine was operated from 2003 to 2004.
- Commercial underground mining at Koala North began in 2010 and completed in 2015. The Koala North kimberlite pipe is fully depleted.
- The Pigeon open pit operation commenced in 2015, was put on hold during 2020, recommenced in 2021 and was fully depleted by the end of 2022.
- Pre-stripping for the Lynx open pit commenced in late 2015 and mining commenced in mid-2017 and was completed to its open pit design in 2019. There are resources below the open pit extent that could be partially extracted by URM.
- Sable open pit commenced in 2019, was put on hold during 2020, recommenced in 2021 and is currently still active.
- The Misery Underground development commenced in 2018, was put on hold in 2020 and operation ramped up in 2021 and is currently ongoing.
- Point Lake open pit project is permitted and being dewatered with waste stripping scheduled during 2023 and production expected to commence in late 2023 to early 2024.

Table 9-1 summarises the Ekati Mine production history from the mine opening in October 1998 to the end of 2022.

Table 9-1: Production history

Year	Tonnes processed (Mdmt)	Carats recovered (Mct)	Grade (cpt)
1998	0.4	0.3	0.74
1999	3.1	2.5	0.81
2000	2.9	2.5	0.88
2001	3.3	3.7	1.11
2002	3.7	5.0	1.34
2003	4.5	7.0	1.56
2004	4.5	5.1	1.14
2005	4.4	4.0	0.91
2006	4.5	3.1	0.70
2007	4.3	4.5	1.04
2008	4.4	3.6	0.81
2009	5.1	4.2	0.83
2010	4.9	3.6	0.74
2011	4.6	2.6	0.56
2012	4.2	1.8	0.43
2013	4.1	1.9	0.47
2014	4.0	3.1	0.77
2015	3.6	3.6	0.98
2016	2.9	4.8	1.65
2017	4.0	7.4	1.88
2018	3.7	6.3	1.71
2019	4.1	2.5	0.62

Year	Tonnes processed (Mdmt)	Carats recovered (Mct)	Grade (cpt)
2020	0.9	0.7	0.81
2021	3.4	3.1	0.89
2022	3.8	4.1	1.07
Total	**93.4**	**91.2**	**0.98**

9.3 Mining Areas

9.3.1 Central Area

The mining areas in the Central Area and their status is summarised in Table 9-2.

Table 9-2: Central Area mining areas and status

Mining area	Status
Beartooth open pit	Open pit mined-out – used for kimberlite fines deposition
Fox open pit	Open pit mined-out – underground reserves remain
Fox Underground	Potential future project
Koala open pit	Mined-out
Koala North	Mined-out
Koala Underground	Mined-out
Leslie	Potential future project
Panda	Mined-out
Pigeon	Mined-out in 2022

The location of open pits and mining areas on the Central Area is shown in Figure 9-2 and Figure 9-3.

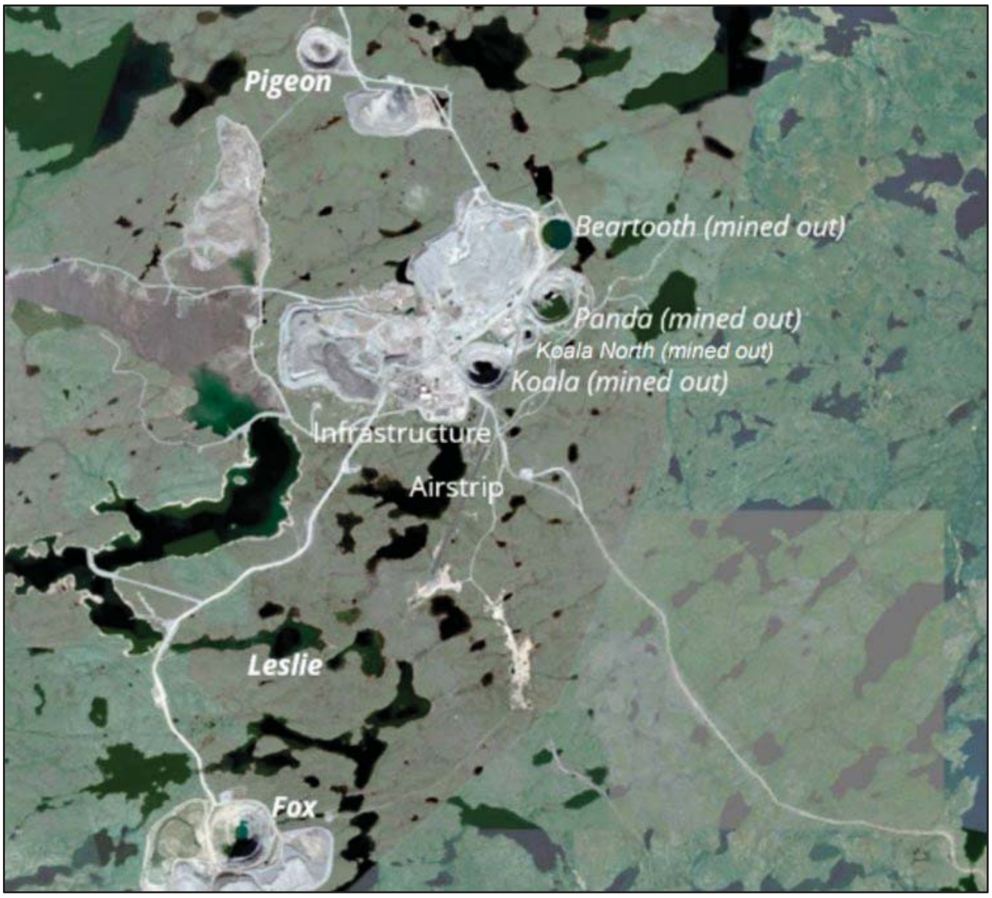

Figure 9-2: Overview of the Central Area

Figure 9-3: Aerial view of the Ekati Central Area showing the historical Panda and Koala mines

9.3.2 Sable Open Pit

The Sable open pit mining area only comprises of the Sable pit, as shown in Figure 9-4. The Sable pit is currently being mined and will be mined to its designed open pit limit in late 2024.

Figure 9-4: Overview of the Sable open pit area

9.3.3 Misery Area

The mining areas in the Misery Area and their status is summarised in Table 9-3.

Table 9-3: Misery Area mining areas and status

Mining Area	Status
Lynx	To be flooded and used for URM testing
Misery open pit	Mined-out in 2018
Misery Underground	Active until 2025
Point Lake	To be mined from 2023 to 2028

The location of open pits and mining areas in the Misery Area is shown in Figure 9-5.

Figure 9-5: Overview of Misery Area

As of 31 December 2022, the following operations have recorded Ore Reserves summarised in Table 9-4.

Table 9-4: Ore Reserves – 31 December 2022 (100% basis)

Ekati Diamond Mine		Probable Ore Reserves		
Project/Operation	**Mine Area**	**Tonnes (Mt)**	**Grade (cpt)**	**Carats (Mct)**
Sable open pit	Sable	6.1	0.8	4.7
Point Lake open pit	Misery	9.7	0.6	5.6
Misery Underground	Misery	1.6	3.3	5.4
Fox Underground	Central	31.0	0.3	10.3
Run of mine stockpiles	Central	0.2	0.8	0.1
Total Ore Reserves		**48.5**	**0.5**	**26.1**

9.4 Mining Methods

9.4.1 Open Pit

The kimberlite pipes at Ekati are approximately circular in plan view and are generally located within granite, a competent host rock. The ore-waste boundary is abrupt and is readily distinguished by rock type. Historically, the ultimate vertical mining depths are 300 m at Misery, 190 m at Pigeon, 300 m at Sable, 140 m at Lynx, and 150 m expected for Point Lake.

The open pits are mined using conventional truck-shovel operations and are developed in benches that are typically 10–12 m high.

Kimberlite ore is selectively mined based on visual delimitation. Ongoing high wall stability is monitored through daily visual inspection and continuous monitoring through four ground probe radar systems and slope re-design and/or risk mitigation works are performed as required.

The main truck loading and haulage equipment used are diesel hydraulic shovel/excavators and off-road haul trucks. There are two sub-fleets: a Caterpillar 660 excavator (28m^3 bucket capacity) and Caterpillar 994 loader (19 m^3 bucket capacity) and 90-tonne capacity off-road haul trucks.

Production blast-holes are 270 mm or 251 mm diameter drilled on a 5.25 m by 6.00 m equilateral pattern with 12 m bench heights. Sable is the only current open pit. The blasting pattern accommodates 15 m bench heights. Wall control blasting practices including pre-shear firings on the perimeter of the pit excavation enhance final high wall stability. Wall control procedures on the final pit walls consists of drilling 165 mm presplit blast-holes on a 2.0 m spacing on the final pit perimeter, followed by a row of 270 mm wall control blast-holes on a 3.0 m burden and 4.0 m spacing, then a second row at a 5.0 m by 5.0 m spacing before switching to the standard production pattern. Double benching is used for the final pit walls when in competent host rock.

9.4.2 Underground

Underground mining methods have been used to extract kimberlite below the Koala North, Panda and Koala open pits. The Koala North underground mine was originally developed as a test mine to prove the sublevel retreat mining method for use at Ekati. The Panda pipe below the Panda open pit was then successfully mined by sublevel retreat. Valuable knowledge in underground mining at Ekati was gained from mining at both Koala North and Panda pipes. This knowledge was used to guide the selection and design of the mining method for the Koala underground mine. Both the Panda and Koala North Ore Reserves are fully depleted. Several mining methods were considered for Koala, with sublevel caving selected as having the highest, risk-weighted net present value (NPV) of the options considered. Sublevel caving mining development was completed to the 1810L as of March 2014. In 2011, it was recognised that recovery of the Koala pipe could be improved by utilising a hybrid sublevel caving/block cave mining method employing draw-points arranged in an offset concentric ring configuration on final production levels. Four production levels on 20 m vertical spacing were used to extract the Koala Ore Reserves. The mining method used at the end of the Koala underground mine life is termed “incline caving” and depleted the Koala pipe in 2018. The Misery Main kimberlite is currently in production using sub-level retreat mining methods.

9.5 Other Factors Related to Mining

9.5.1 Underground Dilution and Recovery

No grade determination of kimberlite is possible at the face of the production draw-point. However, differentiation of kimberlite and waste material is possible at the face, primarily based on rock colour and shape.

Dilution from waste rock is primarily from the kimberlite pipe wall contact, with some internal waste from entrained granite boulder zones. During mining, some waste rock is removed through sorting at the draw-point. Kimberlite which has been mixed with significant amounts of waste material is stored separately in remucks as “rocky ore” and hauled to surface by truck for sorting in good visibility conditions.

Mixing of ore and waste material is limited as much as possible using good draw control practices. These practices include close monitoring of draw rates and physical scans of the exposed open stope surface to ensure an even rate of draw is maintained across the broken kimberlite/waste material to prevent early waste migration.

9.5.2 Grade Control

There are no empirical grade control programs. Historically, grade verification of block models was carried out periodically by collecting and processing run-of-mine open pit development samples (typically 50 tonnes each). Generally, all kimberlitic material within the resource models is considered to be plant feed and is either processed directly or stockpiled for possible future processing. It may be possible in the future to recommission the sample plant to run grade control samples as required.

9.5.3 Geotechnical

The major kimberlite lithologies in the production pipes have a wide range of measured strengths that range between very poor to upper fair. The granitic rocks and schist rocks at Ekati range between fair to excellent quality, and the majority of the granite is good quality.

Separate geotechnical assessments have been conducted for each pipe that is being mined and will be conducted on future deposits. These investigations are designed to quantify geotechnical domains in detail.

9.5.4 Hydrogeology

Surface water chemistry has a different signature than that of groundwater samples. Studies conducted suggest that there is no indication that groundwater is currently recharged from surface waterbodies at an observable rate. This is as expected because the permafrost layer is several hundred metres thick and the only hydraulic connectivity to surface is through low permeability talik zones underlying larger lakes. Underground mine water chemistry is fully dependent on the proportions of deep high total dissolved solids groundwater mixed with surface-derived water that enters the underground mine through the open bottoms of the Misery open pit.

Groundwater sampled from initial hydraulic packer testing is consistent with typical deep Canadian Shield groundwater. This brackish water, dominantly Ca-Na-Cl type, has increasing total dissolved solids with depth.

9.6 Current Mining Operations

9.6.1 Mine Reopening in 2021

All mining operations stopped for most of 2020. Since the mine restarted again in February 2021, Ekati has:

- Mined 36.4 Mwmt waste and 6.6 Mwmt ore.
- Recovered 7.1 Mct (6.4 Mct of which were sold product).

Figure 9-6 shows the high waste to ore ratios at which the mine was producing during 2021 and 2022 while mining through Pigeon and Sable pits and Misery Underground.

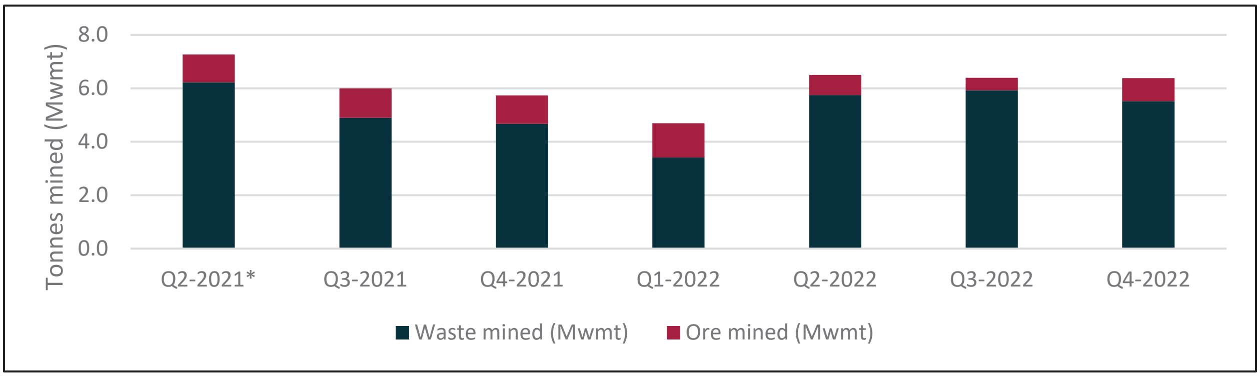

Figure 9-6 Waste and ore mined (Mwmt)

CSA Global notes the high historical waste-to-ore stripping ratios that are clear from the Sable pit figures in the tables above as well as Figure 9-6.

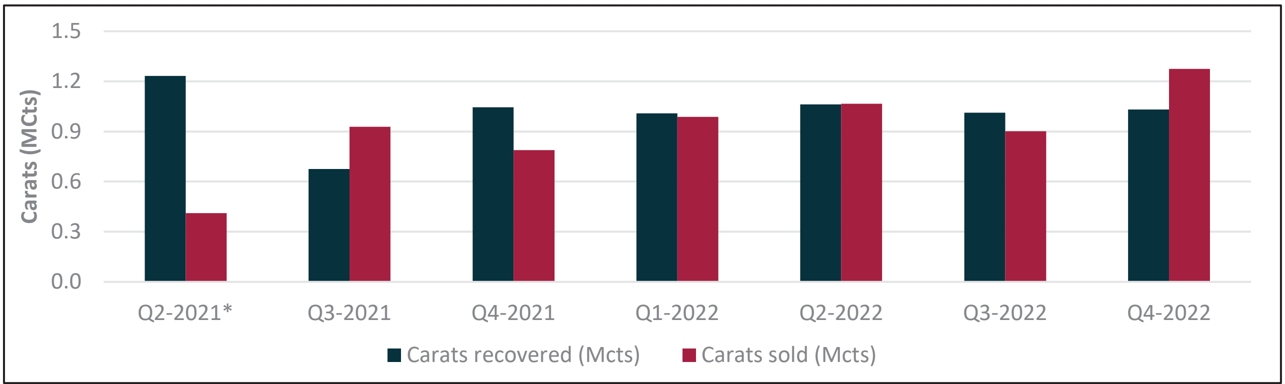

Figure 9-7 Carats removed (Mct) and carats sold (Mct)

9.6.2 Life of Mine Plan

Table 9-5 summarises the remaining LOM plan for Ekati showing production from Sable pit and Misery Underground continuing until 2025. Mining at Point Lake commences in 2025 and continues up to 2029.

Table 9-5 LOM plan compared against available Reserves and stockpiles as of December 2022

	2023	2024	2025	2026	2027	2028	2029	Total (T)	Reserves + Stockpiles (R)	Inferred (I)	% Diff. (I/T)
Sable											
Dry ore tonnes (M)	2.917	3.409	0.085					**6.411**	6.274	0.137	-2.1%
Recoverable carats (M)	2.343	2.540	0.062					**4.946**	4.853	0.092	-1.9%
Recovered grade	0.80	0.75	0.73					**0.771**	0.774	-0.003	0.3%
Misery Underground											
Dry ore tonnes (M)	0.860	0.884	0.446					**2.191**	1.624	0.566	-25.9%
Recoverable carats (M)	2.730	2.747	1.391					**6.868**	5.385	1.483	-21.6%
Recovered grade	3.17	3.11	3.12					**3.13**	3.31	-0.18	5.7%
Point Lake											
Dry ore tonnes (M)			3.167	3.928	4.015	2.960	**0.09**	**14.080**	9.667	4.413	-31.3%
Recoverable carats (M)			2.537	2.572	2.556	1.578	**0.04**	**9.248**	5.612	3.636	-39.3%
Recovered grade			0.80	0.65	0.64	0.53	**0.41**	**0.66**	0.58	0.080	-11.6%

CSA Global notes that within Table 9-5 there are variable amounts of Inferred Mineral Resources contained in the LOM plan. This ranges from negligible amounts of ore tonnes in the Sable pit (2.1%), to relatively large amounts in Point Lake open pit (31.3%). It is noted that as per ASX Listing Rule 5.16.4[7] *"…there is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources of that the production target itself will be realised".*

Carat contributions from the various sources are shown in Figure 9-8. In addition to the production from the main sources shown in Table 9-5, small amounts of additional carats are sourced from Coarse Ore Rejects, Fox stockpile, and Lynx. The URM trial is the source of carats from Lynx whereas the other two sources (Fox stockpile and Coarse Ore Rejects) are minor incremental top-up feeds aimed at maximising process plant capacity.

[7] ASX Listing Rules Chapter 5 – Additional reporting on mining and oil and gas production and exploration activities.

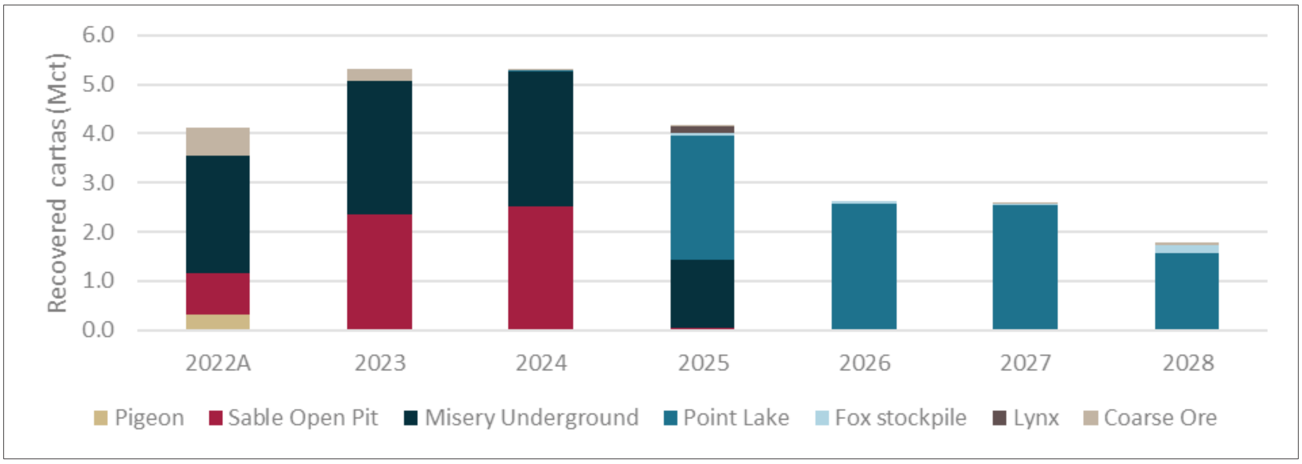

Figure 9-8 Forecast recovered carats by deposit (Mct)

CSA Global notes the relatively high-grade ore from the Misery Underground mine when compared to the other ore sources and therefore its important contribution to overall value.

9.6.3 Sable Open Pit

The Sable (Figure 9-9) open pit is situated about 17 km north-northeast of the Ekati main camp (Figure 9-1). An approximately 22 km long all-weather haul road was constructed from the Sable site to the Ekati process plant and includes six water crossings. A small road network exists at the Sable site. These roads are built in the same manner as other Ekati roads, pit-run waste capped with crushed rock. A laydown area and fuel tank area were constructed with pit-run waste capped with crushed rock. Additional access roads are required and constructed for reclamation purposes.

Figure 9-9: Aerial view of Sable pit, 2022

Construction at Sable pit took approximately two years (2016 to 2017), followed by an approximate seven-year operational period (2018 to 2024), where kimberlite from the Sable pit is being mined, with full production achieved in 2019. The Sable pit is being mined using conventional open-pit truck-and-shovel operations.

A conceptual layout plan for the operation is included in Figure 9-10. The Sable project has been designed to maximise the use of existing infrastructure to reduce the environmental footprint.

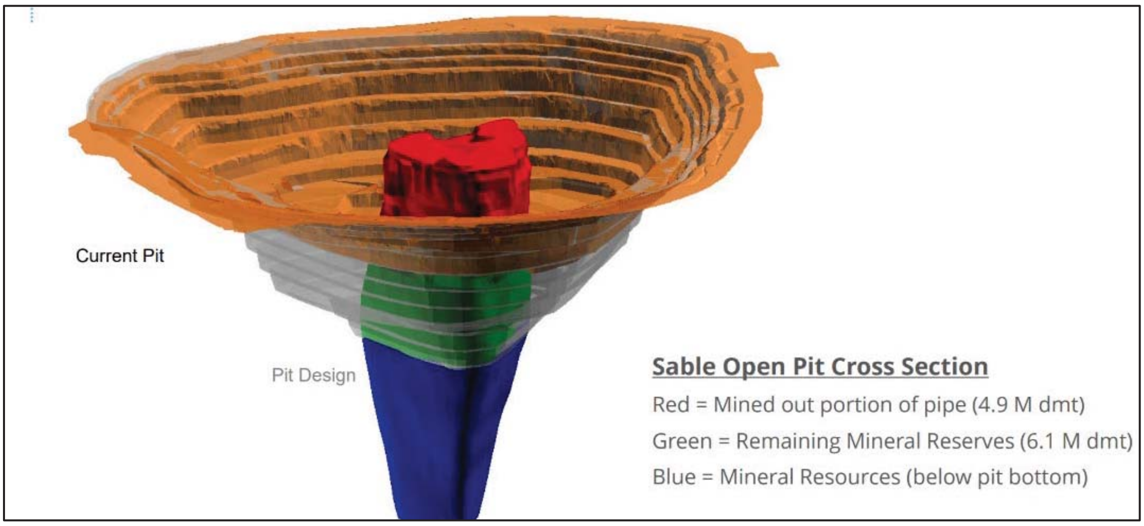

Figure 9-10 Plan view of Sable open pit Mineral Reserves as of 31 December 2022

9.6.4 Misery Underground

The Misery Main kimberlite pipe was and still is an important mining area on the Ekati property due its existing infrastructure and high grade (average 3.13 cpt).

The Misery Underground is a continuation of Misery open pit which was fully depleted in 2018 and yielded 20.7 million recovered carats. A prefeasibility study was completed in 2017 to support the development and mining of the underground part of the kimberlite pipe under the pit.

The Misery Underground operation utilises a sublevel retreat mining method at a nominal mining rate of 3,000 tpd providing 2,750 tpd of ore to the process plant.

Ore and waste are hauled from the underground utilising AD30 haul trucks and two ramp portals to the surface of the previously operating Misery open pit. Ore is further hauled to surface utilising Caterpillar 740 haul trucks. The underground and surface ore hauling operations are conducted by a contractor.

The Misery Underground operation is currently underway and will continue until the end of 2025. The current LOM plan includes Inferred Resources (26%) as seen in Figure 9-11 and in Table 9-5.

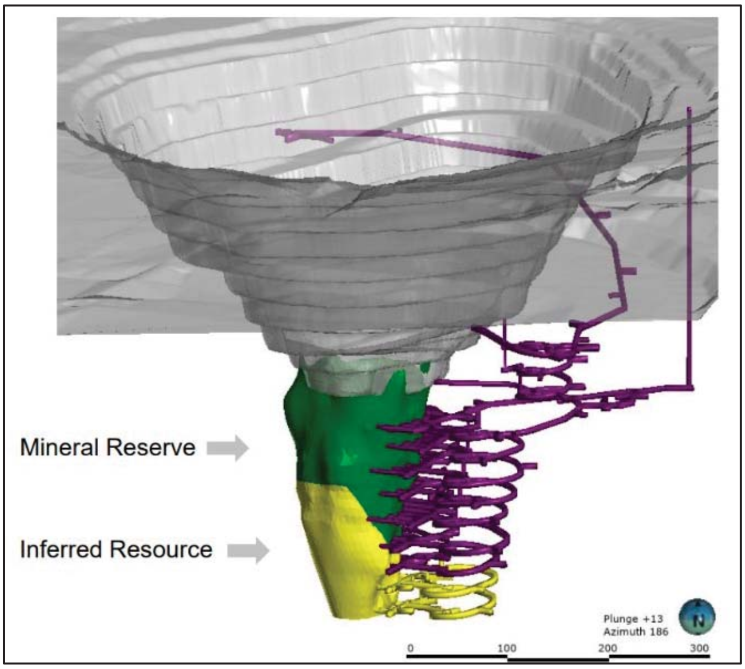

Figure 9-11 Misery Underground Mineral Reserves – 31 December 2022

Note: Green = Mineral Reserves (1.6 dmt) remaining, yellow = Inferred Resources (1.0 dmt) remaining.

Table 9-6 Misery Underground – dry tonnes (millions) processed by year.

	2023	2024	2025	Total (T)
Inferred Mineral (Mt)	0.052	0.21	0.312	0.574
Ore Reserves (Mt)	0.809	0.674	0.134	1.617
Total Processed (Mt)	**0.861**	**0.884**	**0.446**	**2.191**
% Inferred Mineral Resources	6%	24%	70%	26%

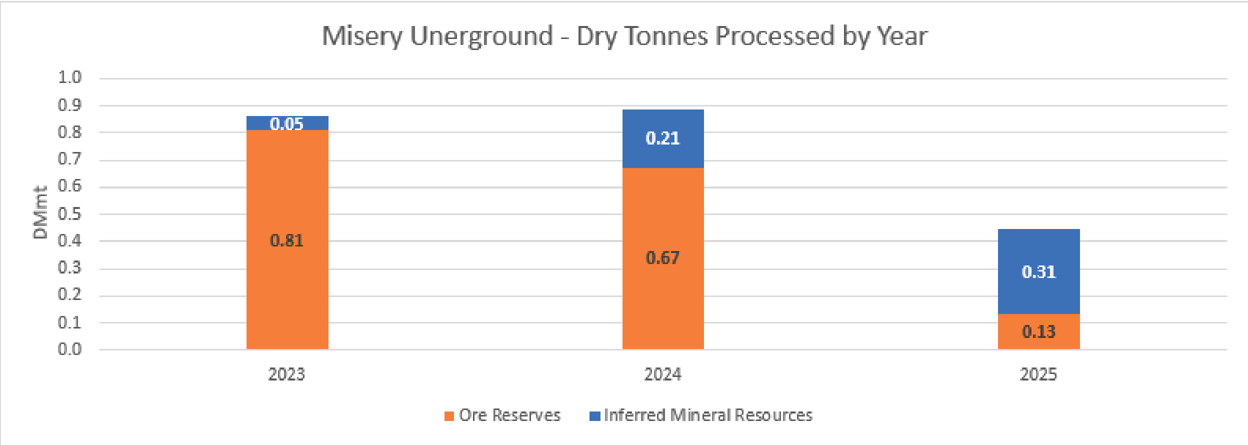

Figure 9-12 Misery Underground – production by year (dry tonnes – millions)

CSA Global notes that a significant portion (26%) of the total production in the LOM plan from the Misery Underground mine is in the Inferred Resources category as shown in Table 9-5 and also in Table 9-6 and Figure 9-17 above, and therefore carry a higher level of uncertainty than the Ore Reserves.

9.6.5 Point Lake Open Pit

A prefeasibility study was completed for the Point Lake project in November 2020. The study comprised the Point Lake, Phoenix, and Challenge pipes (see Figure 9-12). Point Lake is considered an important undeveloped deposit on the Ekati property due to its relatively rapid development timeline and upside potential for the operation.

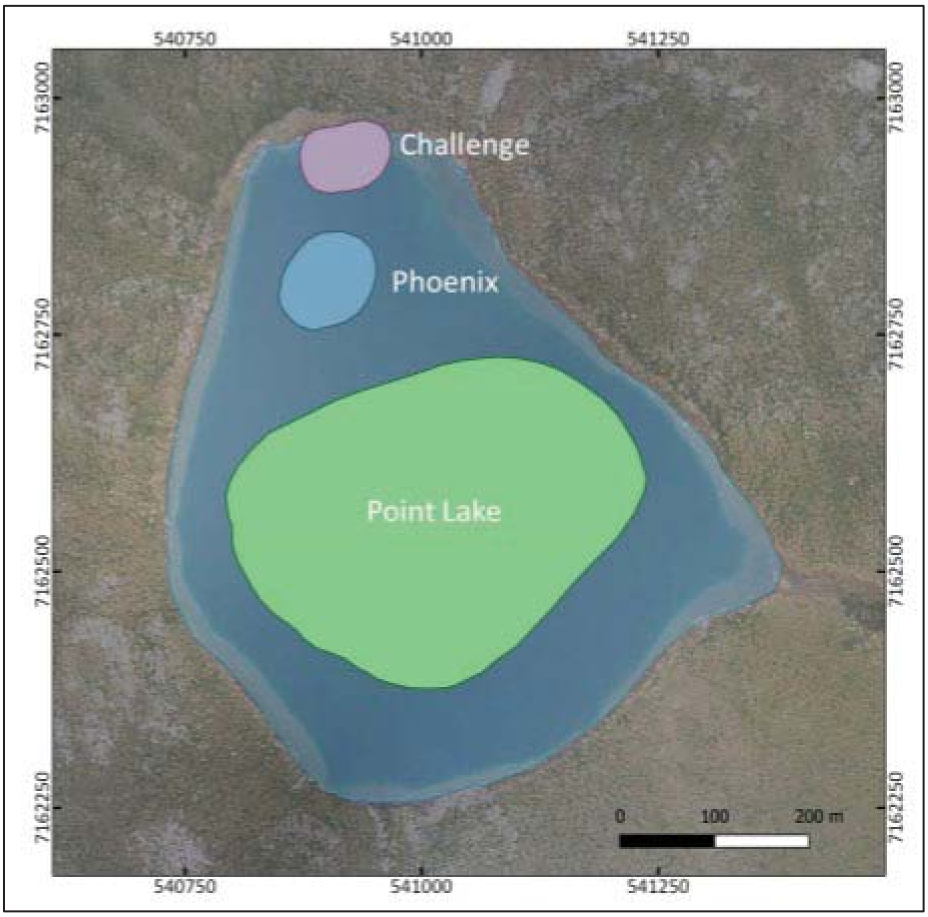

Figure 9-13: Plan view of Point Lake, Phoenix and Challenger kimberlite pipes

The Point Lake kimberlite pipe is situated approximately 27 km southeast of the processing plant (Figure 9-1). No mining has occurred at Point Lake to date; however, it is within 2 km of the existing facilities near the Misery pipe which is currently operating as an underground mine. These facilities include a satellite camp (expanded in 2018), fuel farm, waste rock facilities, and maintenance shops.

The Point Lake complex (consisting of the Point Lake, Phoenix and Challenger kimberlite pipes) is located beneath Point Lake, which is a medium-sized lake located within 2 km of Misery Camp (Figure 9-14).

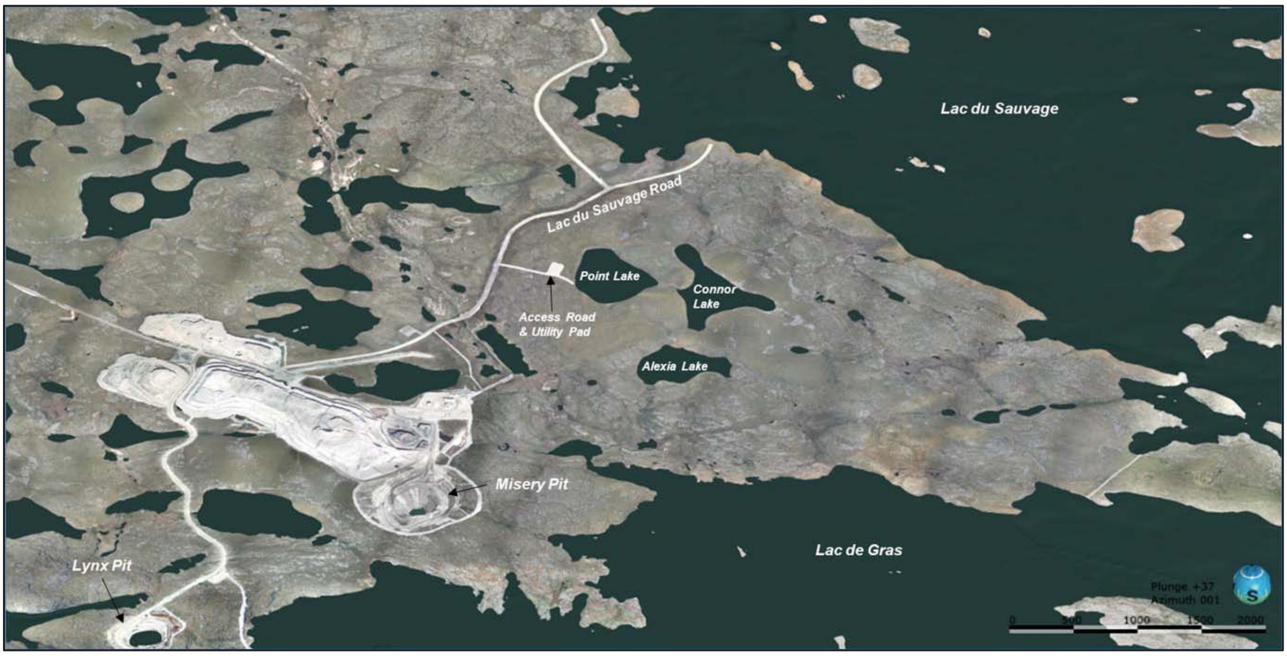

Figure 9-14: Point Lake project area

Dewatering at Point Lake commenced in 2022 (see Figure 9-15).

Figure 9-15: Dewatering at Point Lake in 2022

Point Lake open pit comprises Ore Reserves from the Point Lake pipe (69%) and Inferred Mineral Resources (31%) from the Point Lake, Phoenix and Challenge pipes and these are shown in Figure 9-16.

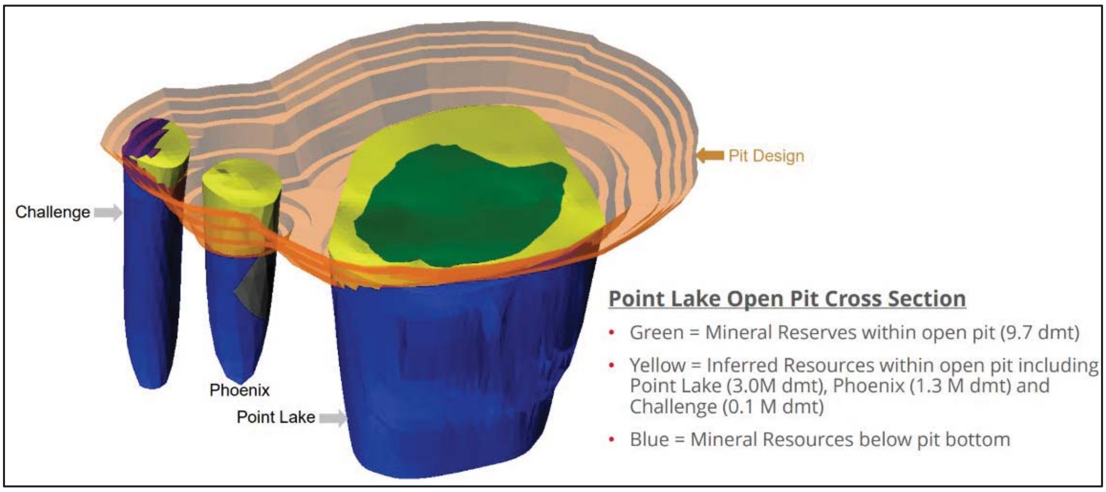

Figure 9-16: Point Lake open pit with Point Lake, Phoenix and Challenge pipes

Mining operations within Point Lake, Phoenix and Challenge pits are summarised in Table 9-7.

Table 9-7 Point Lake open pit – materials mined by bench (as per PEA, 2020)

Elevation	Mined Metasediments	Mined Overburden	Mined Ore (Indicated) - Point Lake	Mined Inferred Kimberlite - Point Lake	Mined Inferred Kimberlite - Phoenix	Mined Inferred Kimberlite - Challenge	Mined Recovered Carats	Mined Recovered Grade
460	68,391	77,227						
450	334,998	590,919						
440	396,116	960,236						
430	570,810	1,207,036						
420	1,256,235	1,176,607				18,391	16,140	0.88
410	2,064,930	1,106,715		47,079	164,514	55,017	263,002	0.99
400	2,365,266	1,148,870	1,429	283,601	172,951	31,255	423,247	0.87
390	1,840,979	587,285	511,735	562,419	168,732	11,916	935,467	0.75
380	1,640,863	49,380	988,504	542,548	166,623	212	1,126,152	0.66
370	1,453,408		1,152,770	462,093	156,078		1,097,123	0.62
360	980,149		1,227,354	342,021	147,641		1,035,639	0.60
350	512,507		1,207,561	272,932	141,313		977,959	0.60
340	229,534		1,119,453	214,735	135,030		921,594	0.63
330	50,746		998,509	142,735	80,597		784,144	0.64
320	9,167		825,294	81,341	0		576,303	0.64
310	124		645,491	33,751			433,805	0.64
300			485,429	53			321,052	0.66
290			325,261				226,235	0.70
280			155,253				109,692	0.71
Total	**13,774,221**	**6,904,275**	**9,644,043**	**2,985,308**	**1,333,480**	**116,792**	**9,247,554**	**0.66**

Table 9-8 Point Lake Open Pit – dry tonnes (millions) processed by year.

	2023	2024	2025	2026	2027	2028	2029	Total (T)
Inferred Mineral (Mt)	0.000	0.000	1.991	1.295	0.935	0.214	0.000	4.435
Ore Reserves (Mt)	0.000	0.000	1.176	2.633	3.080	2.746	0.090	9.725
Total Processed (Mt)	**0**	**0**	**3.167**	**3.928**	**4.015**	**2.96**	**0.09**	**0**
% Inferred Mineral Resources	0	0	62.9%	33%	23.3%	7.2%	**0%**	31.3%

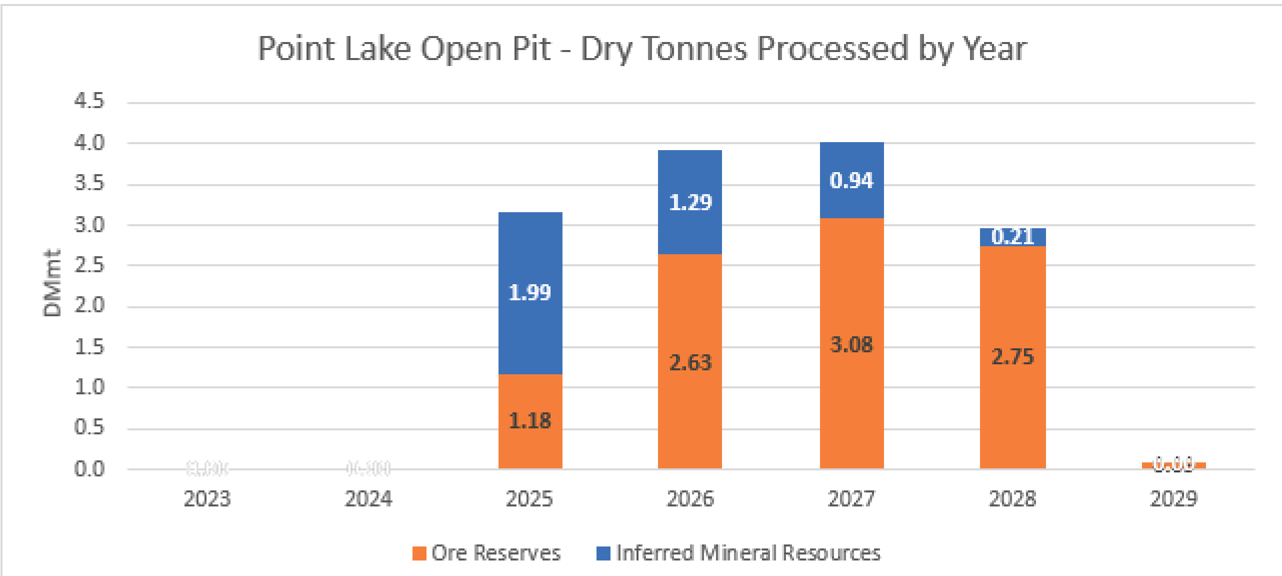

Figure 9-17 Point Lake Open Pit – production by year (dry tonnes – millions)

CSA Global notes that a significant portion (31.3%) of the total production in the LOM plan from Point Lake open pit are in the Inferred Resources category as shown in Table 9-5 and also in Table 9-7 and Figure 9-17 above, and therefore carry a higher level of uncertainty than the Ore Reserves.

CSA Global notes that for Point Lake two financial evaluations were completed. One (PFS) treated Inferred Resources as waste and resulted in positive NPV and the second was in the form of a PEA and included inferred in the ore mined leading to a higher NPV. CSA Global therefore concludes that the financial viability (positive NPV) is not dependent on the inclusion of the Inferred Resources.

9.7 Future Mining Operations

9.7.1 Fox Underground

Fox Underground is an undeveloped future project located approximately 7 km southwest of Ekati's processing plant. In 2018, a prefeasibility study on the development of the underground operation as an incline cave was completed. The study found that over a nine-year production period, Fox Underground could provide approximately 31.3 Mt of kimberlite yielding approximately 10 Mct.

The conceptual mine design for Fox Underground is shown in Figure 9-18.

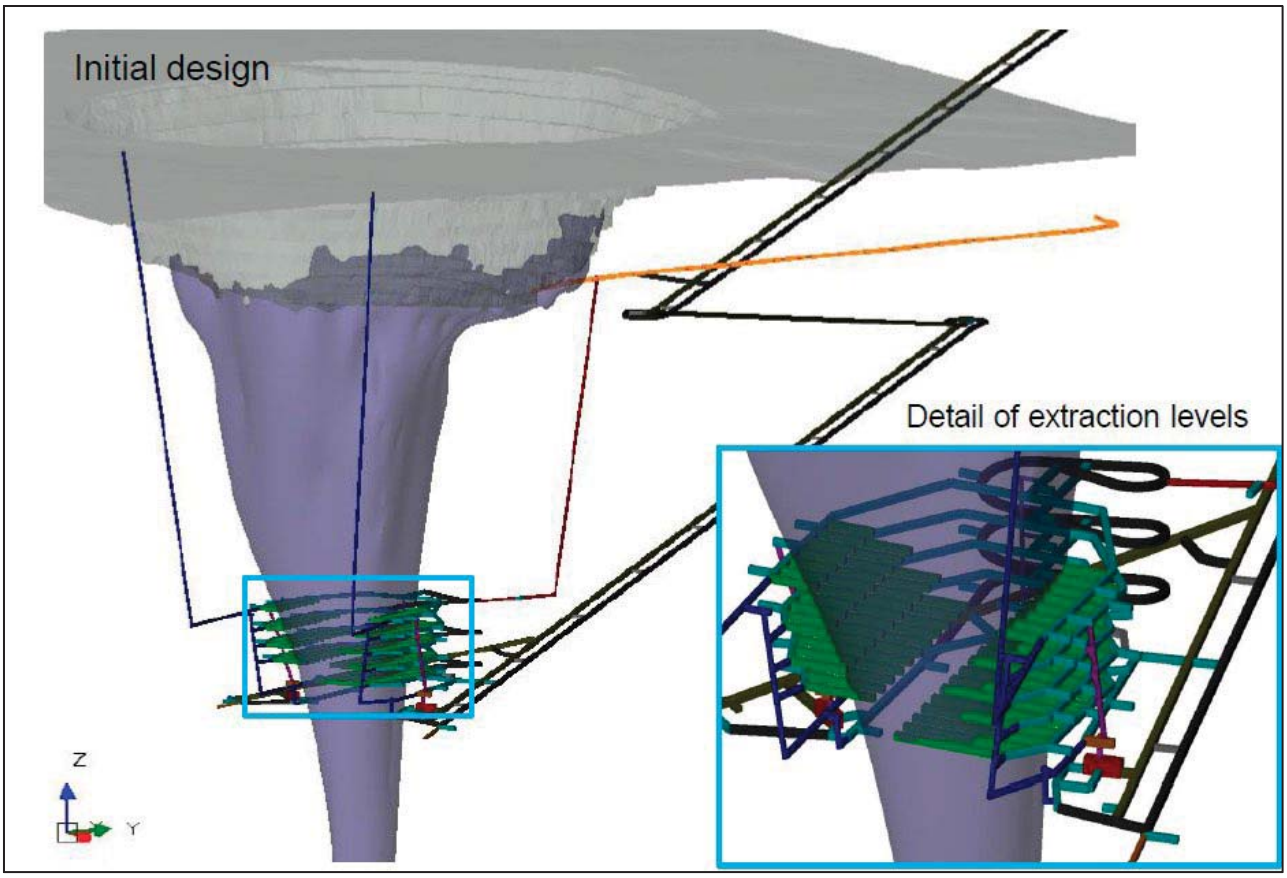

Figure 9-18: Conceptual layout of extraction levels for Fox Underground (incline cave method)

9.7.2 Underwater Remote Mining

Underwater Remote Mining (URM) technology is being developed by Netherlands-based IHC Mining (part of Royal IHC) in collaboration with ACDC at Ekati to recover diamonds from the bottom of previously mined pits that will be filled with water[8]. URM involves extracting kimberlite from flooded open pits with an underwater continuous mining crawler. The crawler is remote-operated and powered through a suspended umbilical cord and equipped with the underwater control and positioning equipment. It has four independent tracks

[8] https://arcticcanadian.ca/press-release/arctic-canadian-diamond-company-and-ihc-mining-jointly-developing-innovative-under

and a centrally located drum cutter that directly excavates the ore in small layers like a surface miner. The kimberlite is then hydraulically pumped to surface to the dewatering plant and transported to the main processing plant for diamond recovery.

URM is a cost-efficient mining method that has minimal environmental impact as it is designed to operate in flooded open pits and is mining kimberlite only. The kimberlite cuttings produced by the crawler are pumped to the surface and passed through a dewatering plant positioned alongside the flooded pit. Fine material is removed together with the water in this process, increasing the diamond content of the kimberlite in proportion to the volume of fine material removed. With lower tonnages of higher-grade ore transported to the processing plant, there is an additional saving on transportation costs.

IHC Mining has developed a three-part URM system for Ekati that involves a submersible mining crawler, a floating platform for launch and recovery of the mining crawler, and a dewatering plant for removing fines and dewatering the ore. It Is estimated that the crawler can operate at water depths of up to 400 m (see Figure 9-19, Figure 9-20 and Figure 9-21).

Figure 9-19: Launch and recovery platform undergoing harbour assessment testing (November 2022)

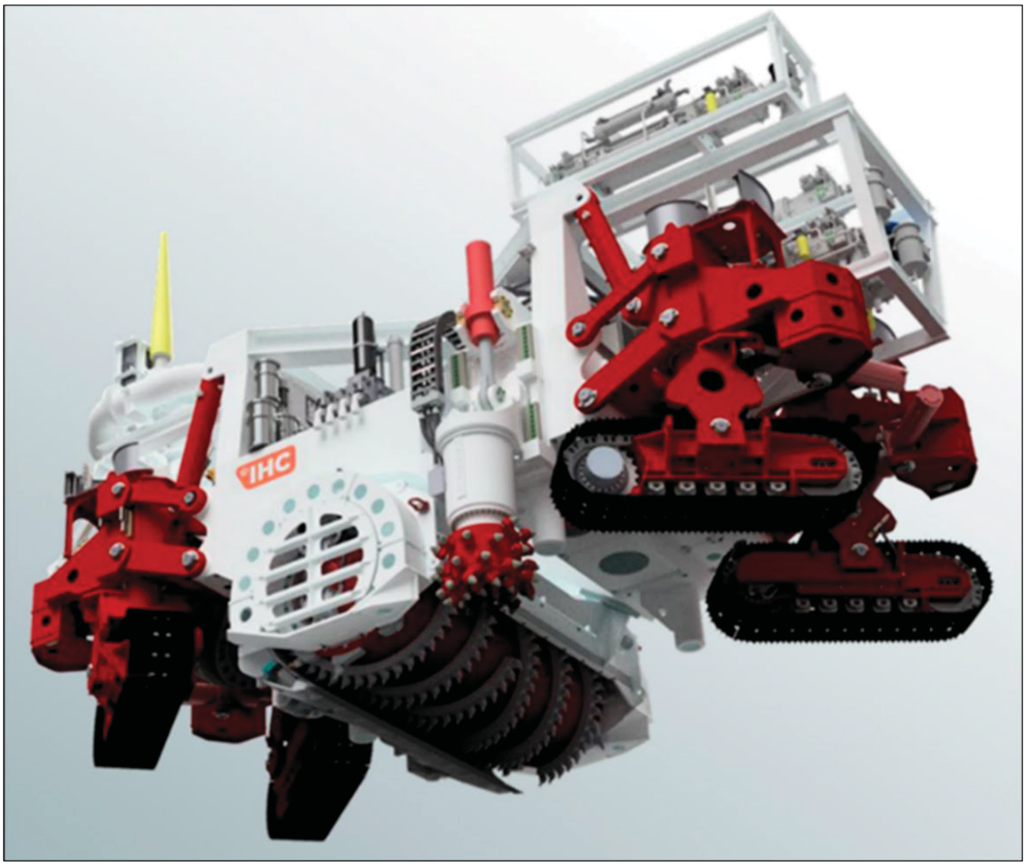

Figure 9-20: Conceptual model of the URM crawler

Figure 9-21: Conceptual illustration of URM operating within flooded open pit

The URM system has been fully engineered and the floating (launch and recovery) platform has been constructed, completed harbour assessment testing and taken apart and readied for shipping to Canada. The mining crawler, which is being built and assembled at Royal IHC's facilities in the United Kingdom, is scheduled for commissioning by the end of 2023. The dewatering plant and slurry lines have engineered drawings and are slated for construction in 2024. It is currently planned for the crawler to be trialled in the Lynx pit, along with the surface components of the underwater mining system, in mid-2025.

The main purpose of the Lynx trial is to de-risk the system. The individual components have been used in many other applications, but the system has not been used specifically for kimberlite mining to date.

Assuming successful deployment of the URM system at Lynx, much larger mineral resources could be targeted at Point Lake and Sable flooded open pits.

The Company believes that the URM mining solution will have a much lower environmental impact and will be much more cost effective than conventional mining methods. As the URM crawler is only mining the kimberlite ore and minimal waste, it significantly minimises the Mine's footprint. The URM solution could allow the Ekati Diamond Mine to extend its lifetime many years.

10 Processing and Metallurgical Testing

10.1 Overview

Since the original plant design and construction, additional work has included:

- Conversion from a one feed source (Panda) operation to a multiple feed source plant operation.
- Expansion of the nameplate operation rate from 9.0 ktpd to 12.5 ktpd.
- Tying-in underground feed and testing the impact of underground metal and additives (e.g. shotcrete).
- Completion of scheduled sampling for crushability testing as required for the material in the LOM plan.
- Revision of the 1995-designed scrubbing, settling and thickening plant treatment envelope through. direct drill core sampling of additional resources in the Ore Reserves mine plan.
- Performing ongoing monitoring of mineralogy and metallurgical behaviour of dense media concentrations and other minor variables of exploration samples collected for on-site bulk sample treatment.

10.2 Metallurgical Testwork

Metallurgical testwork has been carried out at the Ekati Project site using both the main process plant (production trials) and a similarly configured smaller sampling plant (approximately 10 tph). Production trials have been completed at various times for the open pit operations and during prefeasibility-level studies. Several production trials were also completed for specific kimberlite pipes.

The sample plant is utilised for grade model validation for the current operations, testing of new kimberlite sources as possible process plant feed (e.g. satellite kimberlite intrusions and reprocessed plant rejects) and periodic recovery audits for the main process plant. The processing circuit comprises crushing, scrubbing, sizing, DMS and final diamond recovery using both x-ray sorting and grease table methodologies. Security protocols are in place at the recovery area of the main process plant and sample plant.

Regular tracer tests are completed periodically on the DMS and x-ray circuits using non-magnetic, fluorescing density tracers of various sizes. The tests audit the DMS and recoveries for efficiency. Security protocols (including mandatory searches and video surveillance) are in place at the recovery area of the main process plant and for the sample plant.

10.3 Recovery Methods

The Ekati processing plant has a current design capacity of 11,543 dmt per day with an overall equipment efficiency of 84.1% (FY23). The recovery of diamonds from the processing of the host kimberlite ore at the Ekati diamond mine is as per the flowsheet in Figure 10-1:

- Primary crushing – redundancy with primary, secondary, and reclaim sizers.
- Stockpiling – used as a buffer between plant and crushing.
- Secondary crushing (wet cone crusher).
- Tertiary crushing and re-crushing for further diamond liberation.
- Sizing, de-gritting, and de-sanding.
- DMS.
- Final recovery:
  - Wet high-intensity magnetic separation.
  - Wet x-ray sorting.
  - Drying.
  - Dry single particle x-ray sorting.
  - Grease tables.

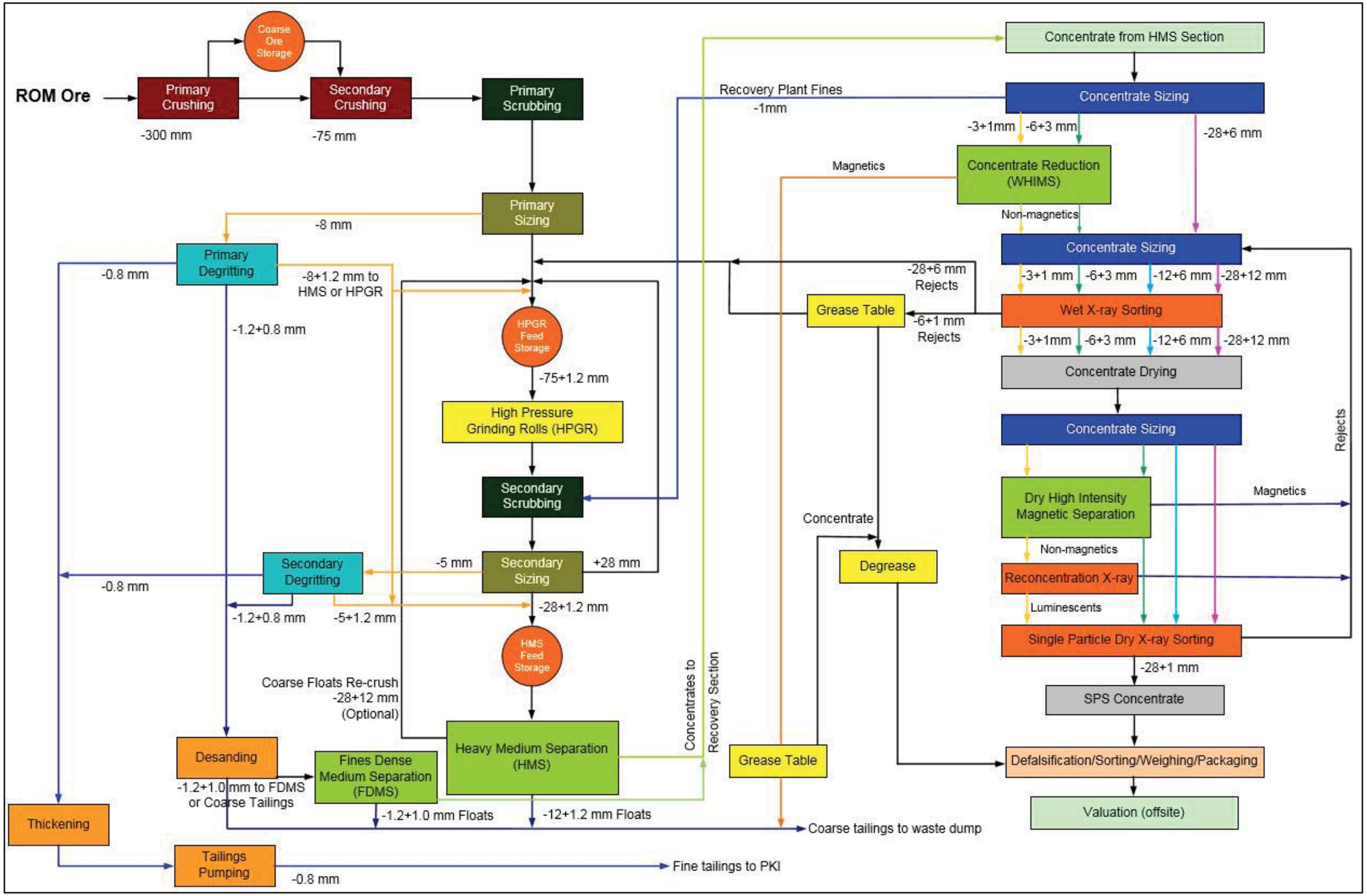

Figure 10-1: Ekati process and recovery flowsheet

Note: ROM = run of mine; HPGR = high pressure grinding roll; DMS = dense media separation; PK = processed kimberlite.
Source: ACDC, 2019

10.4 Estimation of Diamond Recovery

Recovery of diamonds is a function of many variables including process plant configuration (e.g. primary sizers and crushing circuit, de-grit screens, dense media cyclones, final recovery using x-ray and grease table separation), kimberlite feed characteristics (e.g. clay content, inclusion of granite and/or other country rock fragments) and metallurgical variability.

Diamond processing plants are designed to target a given size range based on the overall economic value distribution of the diamonds in the plant feed. The plant overall top cut-off represents the maximum feed size to DMS and the overall bottom cut-off represent the minimum feed size to DMS. These figures are normally quoted as nominal values in millimetres and represent the screen aperture size of the screens that make the final size classifications. The effective cut-offs can differ from the nominal values due to factors such as screen wear, screen aperture shape, particle shape and screening efficiency.

The process followed at the Ekati Mine to ensure effective application and capture of diamonds is by carefully setting top and bottom cut offs. The effective size bottom cut-off is currently equivalent to the sample plant with 1.0 mm slot de-grit screens. Therefore, the Ore Reserves are reported at an equivalent cut-off of 1.0 mm.

10.5 Process Variability

Ekati Mine manages process variability by conducting large-scale and bulk sampling programs to evaluate metallurgical variability of kimberlite domains.

A coarse reject sample is considered representative of the operating conditions of the plant, and is a timed sample taken over an hour of production to represent the whole 24 hours. An audit of the tails is a measure the performance of the main plant including the recovery circuit as the samples are taken. The performance of the plant is generally above 90% recovery of diamonds by weight and more than 96% recovery by value to an effective bottom cut-off of 1.0 mm.

There are no deleterious elements in diamonds processing. However, a high amount of clay and/or granite can create processing issues. Ekati manages this issue through source blending strategies and surface ore sorting.

10.6 Energy, Water and Process Materials Requirements

Approximately 31 MW of primary power generating capacity is available from seven 4.4 MW Caterpillar diesel generator sets. The site typically operates five generating units in winter and four in summer. An additional four 0.75 MW auxiliary units are provided as standby capacity. Installed generating capacity is sufficient to operate the processing plant throughout the mine plan.

Process water is sourced from the reliable site water reclaim system. The raw water tank, which has a capacity of 1,800 m^3, is periodically refilled to keep it at a maximum level. Approximately 700 m^3 of water is reserved for firefighting emergencies.

Coagulant and flocculent is added to the processed slurry (-0.5 mm) for settlement of the solids in thickeners before pumping to the fines tailings disposal facilities. Clear overflow water from the thickeners is reused as process water.

10.7 Considerations Relating to Ore Sources in Development

Ore from various mining sources requires blending to ensure continuity of processing plant operation and according to mining constraints (e.g. Misery Underground has a mining rate of about 3,000 dmt per day and must be supplemented by other ore sources such as Sable). For 2023 and 2024, the primary ore sources for the process plant are Sable and Misery Underground ore at approximately a 4:1 blend. Point Lake open pit ore will be the primary source for the process plant from 2025 to 2028. A small amount of Lynx ore

(<0.2 Mdmt) will be blended through as part of the Lynx URM trial in 2025. It will be processed separately in order to assess metallurgical characteristics of the URM material.

Point Lake ore has not been processed through the main process plant to date. Future process studies (specific to the Point Lake pipe) to improve diamond recovery efficiencies and ore throughput rates include production trials to confirm metallurgical properties, provide large diamond parcels for valuation and to enable the following testwork and modifications:

- Densimetric analysis of DMS concentrates and tailings.
- Magnetic susceptibility of concentrate material to determine potential further reduction in concentrate volumes.
- Splitting the current DMS modules into a coarse and fines stream in line with diamond value management (DVM) best practices.
- Front end modification to handle high clay content and fines stream in line with DVM best practices.
- X-ray transmission technology to add additional DMS capacity and thus overall throughput.

Coarse reject tails have been stockpiled at Ekati since the start of production in 1998 to the present with several production periods having been identified during which high grade feed sources were blended through the process plant using coarser de-grit screens (1.6 mm slot) compared to the current 1.2 mm configuration. In addition, the re-crush circuit was not utilised during these periods. A production test for grade and diamond recovery was completed in November 2013. A sample of 20,734 dmt was excavated from the coarse rejects dump and was treated through the main processing plant using the existing plant operating parameters. A total of 12,931 carats was recovered for an overall grade of 0.62 cpt. The diamond parcel was valued on the July 2013 Mine Price Book and an average value of US$93 per carat was obtained. The parcel was re-priced on the June 2016 Mine Price Book at an average price of US$84 per carat.

CSA Global has been advised by Ekati that coarse reject tails grade is variable and not well constrained, and that forward work to constrain the grade of the material locally would be too time intensive and costly to be practical.

From July 2013 to January 2016, approximately 1.8 Mt of coarse ore reject (COR) was blend processed through the main process plant and the circuit was deployed again from May 2022 to December 2022 with approximately 1.2 Mt of COR processed. The material is designated with a global grade of 0.5 cpt and has a fine diamond distribution. The strategy is to only blend through COR when there is insufficient run of mine kimberlite (including stockpiles) to fully feed the plant. For remaining LOM, there is approximately 2.0 Mt of COR scheduled for processing (less than 0.5 Mt in 2023).

A low-grade kimberlite stockpile was constructed at Fox early in the open pit mining in order to access the higher-grade kimberlite lower in the pipe. The low-grade kimberlite has an average grade of about 0.15 cpt (established from RC drilling programs prior to mining and by in pit grade control programs. The Fox very low grade stockpile is classified as Inferred Mineral Resources as a single large stockpile was created and although the overall grade is well constrained, it is assumed to be variable throughout the stockpile. It is planned to be used as a top-up feed source from 2023 to 2028. It is not expected that Fox very low grade will present any significant metallurgical issues as a secondary blend source.

11 Environmental, Social and Governance

The following section summarises Ekati's status with respect to compliance with environmental, social and governance considerations.

11.1 Environmental Management

Ekati Diamond Mine is predominantly regulated through an Environmental Agreement and permits with the following key agencies:

- GNWT.
- WLWB.
- Fisheries and Oceans Canada (DFO).

Ekati entered into an Environmental Agreement (January 1997) with the Government of Canada and the GNWT which provides environmental obligations in addition to those under applicable legislation. The agreement is binding over the LOM until full and final reclamation has been completed. Key provisions include:

- Funding of an independent environmental monitoring agency to serve as a public watchdog.
- Submission of environmental reports and management plans (including reclamation plans).
- Provide security deposits and guarantee.

The Environmental Agreement provides for the Independent Environmental Monitoring Agency which acts as an independent reviewer representing the public interest. A number of environmental monitoring programs are in place, and include ongoing assessments of water quality, aquatic effects, fish habitat compensation measures, site reclamation projects, waste rock storage area (WRSA) seepage, wildlife effects, air quality, and geotechnical stability of engineered structures. The agreement continues in effect until full and final reclamation of the Ekati project site is completed. Compliance with environmental requirements and agreements is reported publicly by Ekati on an annual basis.

11.1.1 Vegetation

Vegetation community composition at Ekati mineral lease area depends on the terrain; however, most vegetation communities are dominated by mats of low shrubs, including dwarf birch, Labrador tea, crowberry, and bearberry. Lichen-dominated communities are also common throughout the mineral lease area and are found in areas with thin layers of soil. In areas sheltered from the wind, or along stream banks where there are depressions in the depth of the permafrost, shrubs can grow taller (1–2 m tall), and these tall shrubs include willows and dwarf birch. Lakeshore and streambank vegetation consists of weathered lichen-covered boulders interspersed with depressions containing dense, sponge mats of peat moss and lichen. In poorly drained areas where standing water has accumulated, wetland communities have developed and are composed of sedges and willows.

11.1.2 Wildlife

The Ekati mineral lease area is characterized by a mixture of landscape features and habitat types that support an array of wildlife species. Despite the harsh climate, the area supports many species of mammals and birds. Eighty-four bird species and 16 mammals have been confirmed as permanent or summer residents, migrants, or summer visitors. Most of these animals are migratory (e.g. caribou, wolf, peregrine falcon); others are non-migratory (e.g. grizzly bear, wolverine, Arctic fox and red fox, Arctic hare, and raven). Although uncommon, moose and muskox have been observed in the Ekati Mine area. Numerous bird species found in the mine site area are all year residents and breed in the area (e.g. ravens and snowy owls), while many others are migrants (e.g. loons, sandpipers, passerines, and a few raptor species) or uncommon visitors.

The Bathurst caribou herd migrates through the area to access spring calving and winter forage grounds, specifically, the outlet of Lac du Sauvage into Lac de Gras and along the esker on the west side of Lac du

Sauvage are known to be important caribou movement sites. Historically, caribou in the Ekati mineral lease area were typically from the Bathurst herd, but in recent years, particularly from 2016 to 2021, the Beverly/Ahiak herd's annual range has also included the Ekati mineral lease area.

Grizzly bears, wolves, foxes, wolverines, and small mammals are present at different times of the year. Several large eskers in the study area, in addition to travel routes for caribou, provide denning habitat for wolves and grizzly bears. Numerous grass and sedge wetland areas provide food for grizzly bears in the spring and breeding habitat for migrating shorebirds, waterfowl, and some songbird species.

Avifauna is generally limited to migratory species arriving during the summer months and include such species as loons and sandpipers, Passerines, such as savannah sparrow, American tree sparrow, and Harris's sparrow are also common migratory birds to the area. A few raptor species are common migratory birds to the area and include peregrine falcons, northern harriers, bald eagles, rough-legged hawks, and gyrfalcons. Snowy owls and ravens are present year-round, and the most numerous upland bird is the Lapland longspur.

11.1.3 Fisheries and Aquatic Resources

Lower productivity and biomass in sub-Arctic lakes are well documented (e.g. Pienitz et al., 1997) and occur because of lakes being cold, nutrient poor, and covered with up to 2 m of ice for nine months of the year. However, the aquatic ecosystem in the Ekati mineral lease area supports a diverse array of plants and other organisms.

The basis of the food web in lakes is one-celled plants that float in the water column called phytoplankton. These phytoplankton are grazed by zooplankton (rotifers and small crustaceans) that float in the water column and by filter-feeding members of the benthic invertebrate (benthos) community attached to the lake bottom. Benthic invertebrates also consume food fragments, faeces, and carcasses that sink to the lake bottom. Many benthic invertebrates are aquatic insects, particularly the early life stages of dipteran flies such as midges and mosquitoes. Terrestrial insects that fall on the lake surfaces are consumed by surface-striking fish such as Arctic Grayling.

Zooplankton and benthic invertebrates are eaten by fish. Small-bodied fish, such as Lake Chub, Slimy Sculpin, and Ninespine Stickleback, eat zooplankton and benthos, while Round Whitefish eat mainly benthos. Bottom-dwelling fish, such as Longnose Sucker feed primarily on bottom dwelling invertebrates. Arctic Grayling eat a mixture of zooplankton and benthos. Cisco feed on plankton, benthos, and small fish. Predatory fish, such as Burbot, Lake Trout, and Northern Pike eat primarily smaller fish.

In streams, dense strands of algae attached to rock, called periphyton, are the base of the food chain. Mats of periphyton serve as substrates for bacteria, protozoa, and benthic invertebrates. An important component of stream ecology is stream drift, which is a mixture of zooplankton from upstream lakes and insects that release themselves from the stream bottom. In streams in the Ekati mineral lease area, Arctic Grayling is the predominant fish species found in streams, followed by Slimy Sculpin and Burbot. Lake Trout are obligate lake dwellers and are rarely found in streams, but their juveniles occasionally use streams as refuges and as migration corridors.

CSA Global understands that all environmental permits are in place for Ekati's current operations, including the Point Lake open pit project.

11.2 Waste Management

Version 8.1 of the Waste Management Plan was approved by the WLWB in August 2022. The Waste Management Plan includes the following plans:

- Hydrocarbon Impacted Material Management Plan.
- Solid Waste Landfill Management Plan.
- Hazardous Waste Management Plan.
- Composter Management Plan.
- Incinerator Management Plan.

The Waste Management Plan also references the Waste Rock and Ore Storage Management Plan and the Wastewater and Processed Kimberlite Management Plan. Version 11.1 of the Waste Rock and Ore Storage Management Plan was approved by the WLWB in November 2022. Version 9.0 of the Wastewater and Processed Kimberlite Management Plan was approved by the WLWB in June 2019.

11.3 Closure Plan

Ekati Mine is required under the Environmental Agreement and Water Licence (W2020L2-0004, Part K) to submit a Closure and Reclamation Plan for the Ekati mine. This plan[9] (Version 3.1) was submitted by ACDC for approval in December 2022. Version 3.1 of the Interim Closure and Reclamation Plan (ICRP) represents an update to ICRP Version 3.0 which was approved in 2018.

The plan indicates that operations at the Ekati Diamond Mine are scheduled to continue until the year 2029 and the next major publication will be the Final Closure and Reclamation Plan in 2027. The Final Closure and Reclamation Plan is required to be submitted for approval a minimum of 24 months prior to the end of commercial operations as per Part K of Water Licence W2020L2-0004.

The ICRP proposes reclamation and closure objectives and strategies for all permitted disturbed areas and Version 3.1 incorporates various changes to the mine that have occurred since 2018, including closure activities that have been previously presented and approved through other documents. The reclamation program is designed to meet the environmental protection and reclamation requirements of all applicable territorial and federal legislation. The purpose of the ICRP Version 3.1 is to:

- Update the ICRP to encompass the 2022 LOM plan, consolidating the full ICRP for the Ekati Mine into a single document.
- Identify enhancements to the existing ICRP.
- Incorporate new research findings, new technology, updated regulatory requirements, WLWB decisions and directives, traditional knowledge, and stakeholder feedback into the ICRP.
- Demonstrate the Company's ongoing commitment to incorporate closure planning into all aspects of mine development.

CSA Global has been advised by Ekati that the ICRP approval process typically takes approximately a year to complete and that the final (binding) closure and reclamation plan is not submitted until two years prior to the end of the mine life.

The process involves addressing a list of conformity items that are received from the WLWB followed by a workshop scheduled for the first week of May to address comments reviewers have before they are placed on the public registry. The mine then has a significant period to respond during which the board will consider and grant full or partial approval to the ICRP.

CSA Global has sighted the ICRP document as submitted and can assert that it extensively covers the topics noted in the purpose section. CSA Global has been informed that the acceptance of the submitted ICRP is likely and should be expected by the end of 2023.

In addition to CSA Global's comment above on environmental and social compliance, it is our opinion that this plan illustrates the Mine and the Company's commitment to implementing appropriate measures to ensure rehabilitation and closure compliance with the licence obligations.

11.4 Social and Community Impacts

Ekati currently holds the appropriate social licenses to operate. A Socio-Economic Agreement was concluded with the GNWT and has been in place since 1996. Four Impact and Benefit Agreements (IBAs) including meetings, workshops and site visits with local communities have also been concluded; current relationships with each of the IBA groups are considered positive and are maintained through regular meetings and communications. The Ekati Mine currently provides financial support for projects that support the

[9] Arctic Canadian Diamond Company, W2020L2-0004 – Submission of Interim Closure and Reclamation Plan Version 3.1, Ekati Mine, NT

development of long-term sustainable community initiatives. The Ekati Mine also tries to incorporate the use of traditional knowledge in monitoring programs by involving communities in the programs and teaching the environmental staff the traditional way of the land, in addition to the Ekati Plus Programs.

Ekati Plus Programs include the Ekati Plus Community Development Program, the Ekati Plus Post-Secondary Scholarship Program and the Ekati Plus School Partnership Program.

In CSA Global's opinion Ekati has all the required environmental and social agreements and plans in place and has accounted for those in their LOM planning and budgeting to ensure continued operations.

12 Infrastructure

12.1 General

Ekati is an operating mine and key infrastructure on site includes the open pits, underground mines, sample and process plants, waste rock storage and processed kimberlite storage facilities, buildings, and accommodation (mobile and permanent), pipelines, pump stations, electrical systems, quarry site, camp pads and laydowns, ore storage pads, roads, culverts and bridges, airstrip, helipad, and mobile equipment.

The site is accessible by land only via a winter ice road that is open typically for 8–10 weeks each year from mid-January to the end of March. The winter road is constructed each year as a joint venture between the Ekati, Diavik, and Gahcho Kué mines. The road is shared by other industrial users (i.e. exploration companies) and is open to the public and provides access for hunters and tourists.

Each mine shares the cost of construction, maintenance, operation and closure of the annual winter road. The length of winter road to the Ekati site is 475 km. Fuel, large equipment and heavy consumables are freighted to site on the winter road. Ekati freight varies between 1,800 and 4,000 trucks per year. Critical to achieving the mine plans are the logistics of planning and expediting the delivery of freight required for a full year of operation over the winter road in a period of approximately two months. The road is capable of accommodating high levels of traffic. During peak usage years, over 10,000 truckloads per year were safely transported to the mine sites (Joint Venture, 2013). Three seasonal maintenance/staging camps are located along the road. The most northerly is the Lac de Gras camp, which is located on the south-eastern shore of Lac de Gras.

Overall, the existing and planned infrastructure, availability of staff, the existing power, water, and communications facilities, the methods whereby goods are transported to the mine, and any planned modifications or supporting studies are sufficiently well established, or the requirements to establish such, are well understood by Ekati management to support future operations according to mine plans.

12.2 Haul Roads

Transportation of material from the Misery and Sable kimberlites to either the waste rock stockpiles or the Ekati process plant is via already-established mine roads. Transportation of material from the Lynx kimberlite will use the existing Misery haul road. An extension to the Misery haul road was constructed to the Lac du Sauvage access and a spur road constructed from the Lac du Sauvage Road to Point Lake.

The trucks used for transport of Misery kimberlite to the processing plant are different from the haul trucks used in the open pit itself. Other traffic includes bulk explosive trucks, fuel trucks, crew transport vehicles, road maintenance equipment, garbage trucks, low-bed trucks to transport larger equipment, water trucks, emergency vehicles, and light vehicles.

Transport of kimberlite ore from the transfer pads to the processing plant at Ekati is accommodated with dual-powered road trains (DPRTs), which were selected based on cost studies as the lowest cost option for the hauls from Misery, Sable, Lynx, and Point Lake to the processing plant.

12.3 Airstrip

Ekati has an all-weather gravel airstrip that is almost 2 km long with an aircraft control building. The airport is equipped with runway lighting and approach system, navigational aids, radio transmitters and weather observation equipment. Hercules C140 or combi-configuration passenger/freight aircrafts are used to transport fresh produce, light freight, and equipment to site. General freight is flown to the site year-round, with about four to five freight flights per week visiting site. As required, Hercules C140 aircraft are used to ferry oversize supplies.

Passengers, both employees and contractors, are transported to the mine on charter flights. The existing airstrip and airport will continue to be used for transport of site personnel. Flight timing and frequency will be adjusted as necessary to accommodate number of personnel working on site.

12.4 Site infrastructure

12.4.1 Ekati Main Site

Infrastructure facilities at Ekati include buildings (mobile and permanent), pipelines, pump stations, electrical systems, quarry site, camp pads and laydowns, ore storage pads, roads, culverts and bridges, airstrip, helipad, and mobile equipment.

Main facilities at Ekati include:

- Main accommodations complex consisting of 763 sleeping accommodation rooms, dining, kitchen, and recreation areas, first aid station, emergency response/mine rescue stations and maintenance shops. A sewage treatment plant and water treatment facility adjoin the main accommodations building.
- Power plant.
- Process plant.
- Bulk sampling plant.
- Truck-shop complex providing for heavy and light vehicle maintenance, heated warehouse storage, change rooms, an environmental laboratory and administration offices.
- Bulk lubrication facility for lubricant and glycol.

Ancillary buildings located within the Ekati main camp area include:

- Incinerator building.
- Ammonium nitrate storage facility. This facility has a capacity of 16,500 tonnes (capped at 12–13 Mkg for safe practice).
- Emulsion plant.
- Waste management building. Wastes to be sent off site are prepared for transport at this building.
- Site maintenance shed and sprung facility. This is used for shipping and receiving, during winter road operations and for aircraft freight.
- Airport building. This is the control point for all Ekati flight operations including fixed wing and helicopter.
- Core logging facility. A building with core logging area and work offices to support advanced exploration and mine operation geological activities.
- A shop for the Ekati Main camp area to service the DPRTs. A DPRT-specific shop will allow for the full-length servicing, maintenance and washing of a coupled unit. A permanent tipping wall providing the capacity to offload multiple, full-length DPRT units simultaneously.

12.4.2 Misery

The principal facilities at Misery include an accommodation complex consisting of single occupant rooms with a capacity of 187 persons, kitchen complex, recreation room and exercise gym, mine office and dry, mine maintenance shop and wash-bay, generator farm and substation, fuel tank farm with offloading and dispensing capabilities. All waste is collected in bins and transported to main camp. A working group is currently working on a transition plan to accommodate all personnel and equipment required for the start-up of Point Lake and the completion of Misery.

12.4.3 Sable

No permanent structures are planned for the Sable site. Four heated ATCO trailer units will be used for mining operations and maintenance crews and will serve as a refuge station and base of field operations. The trailer units are powered by a diesel generator set and equipped with emergency refuge supplies, potable water, and sewage holding tanks. A fabric structure with two vehicle bays was erected and is used for heavy equipment maintenance. A fuel tank farm is installed at Sable for surface operations.

12.4.4 Point Lake

Development of the Point Lake open pit project involved the construction of a small 0.5 km access road to the open pit from the Lac du Sauvage access road. Overburden materials (lakebed sediments and glacial till) will be stockpiled in an area located south of the open pit and metasediments will be deposited into a single waste rock storage area (WRSA) pile located to the north and west of the open pit. Given its overall proximity to the Misery Camp (including worker accommodations, fuel storage and mobile equipment maintenance capabilities), minimal additional surface infrastructure is required to operate the Point Lake project. Personnel will be bussed from Misery Camp at the beginning of each shift. A provision has been made for washroom facilities and pickup truck parking to be located at a storage pad north of the access road. This storage pad will also house the dewatering infrastructure during that portion of construction. Access was constructed in late 2021 and the first stage of dewatering along with the fish out was completed in summer 2022. Stage two of the dewatering program will be carried out in summer 2023 and will utilise a pipeline to King Pont and to Lynx pit. WRSA seepage collection sumps for the metasediment pile will be excavated and lined. Wastewater levels in the sumps will be monitored and trucked to King Pond as required. Should accumulations exceed trucking capacity, a pipeline will be constructed to convey water to the King Pond Settlement Facility.

12.5 Waste Rock Storage

12.5.1 Existing Facilities

WRSAs are designed for placement of rock excavated from the open pits and underground mine; rock stored is primarily granite. WRSAs also contain and store other materials including coarse kimberlite rejects, low grade kimberlite stockpiles, metasediments, landfill, and land-farm. There is sufficient space in the WRSAs for LOM requirements.

Temporary kimberlite stockpile areas will be required during Sable, Misery and Point Lake operations for transfer of ore from off-road haul trucks to DPRTs.

Fine processed kimberlite is deposited into the Koala pit with the mined-out Panda and Fox pits available to provide additional capacity in the future.

Due to the low value of the coarse processed kimberlite relative to the existing stockpiles, the increasing haul distances of waste rock storage area deposition as the coarse stockpiles from Point Lake and Sable grow in size, and the reclamation benefits of in-pit deposition and co-deposition of fine and coarse processed kimberlite, this is the recommended alternative.

Three primary water diversion structures have been constructed at Ekati, the Bearclaw Lake dam and pipeline, Panda diversion dam and channel, and Pigeon stream diversion. Two water management structures are located at Sable, the Two Rock dam, and the Two Rock filter dyke. Open pit mine water is collected via the in-pit dewatering systems that are designed to maintain safe and reliable operations in active mining areas. Water that enters the underground mining operations is managed through a series of sumps that ultimately direct the underground mine water to a single dewatering sump from where it is pumped to surface. Surface mine water (runoff over mine areas that is collected in various sumps) is pumped or trucked to the Long Lake Containment Facility. Misery pit water is pumped to the King Pond Settlement Facility.

The operations are not on a commercial power grid. Diesel generators on site provide power to the mining operations and ancillary facilities. A 69 kV transmission line was constructed from Ekati Camp to Misery Camp. Misery infrastructure power requirements no longer require the stand-alone diesel generators. Freshwater for Ekati operations is permitted to be drawn from Grizzly Lake, Little Lake, Thinner Lake (Misery Camp), and Two Rock Lake. The Long Lake Containment Facility and Two Rock Sedimentation Pond are makeup sources for process use as required. Site-wide communications consist of radio, phone, local area network (LAN), wireless internet and mining fleet management systems. Onsite communications are provided by microwave link from Yellowknife to Ekati.

12.6 Processed Kimberlite Storage Facilities

The Long Lake Containment Facility is used for the containment of fine processed kimberlite. Crushed and washed kimberlite generated during processing is separated at the process plant and the fine fraction is sent to the Long Lake Containment Facility by slurry pipeline. Components at the Long Lake Containment Facility include five containment cells, three filter dykes, the outlet dam, access roads and pipelines. The accessible storage capacity of three of the containment cells was mostly utilised by the end of 2014. Additional capacity has been provided by constructing a road on the west side of Cell C which effectively adds storage capacity to both Cell C and Cell A. The fourth licensed deposition area is not currently planned to be used except as contingency or for future developments.

Mine water discharged into the containment facilities is expected to fluctuate seasonally with large volumes being pumped during the spring freshet. Additionally, after a significant rain event, large volumes of water collected in the camp sumps need to be pumped out. After freeze-up there is a reduction in the volumes pumped, with the main contributors being the indoor sumps. In addition to the containment facilities, the mined-out Beartooth pit has been used since late 2012 for kimberlite fines containment, with material also sent to the pit via slurry pipeline from the process plant. The containment cell expansions and Beartooth pit will provide capacity to at least 2025 with the mined-out Panda and Koala pits available to provide additional capacity beyond that date. Fine processed kimberlite from the Point Lake pit will be deposited in the mined-out Koala and Panda open pits and associated underground workings when required. The fine processed kimberlite slurry from the processing plant will be transported via slurry pipelines, as is current practice at the Ekati Mine.

Coarse processed kimberlite could either be stored in the existing WRSAs adjacent to the processing plant or co-deposited in the mined-out Koala and Panda open pits. Due to the low value of the coarse processed kimberlite relative to the existing stockpiles, the increasing haul distances of WRSA deposition as the coarse stockpiles grow in size, and the reclamation benefits, in-pit deposition and co-deposition of fine and coarse processed kimberlite is the recommended alternative.

12.7 Aggregate Crusher

Two aggregate crushers are utilised at Ekati, one at Sable pit and one at Misery pit. The crushers will process waste granite feedstock and will produce the fine and coarse filter construction materials, as well as road crush materials (50 mm minus and 150 mm minus) for roads and laydown areas, and concrete aggregates for concrete catch pads in the new Misery truck shop. All stemming products for blasting activities are also manufactured utilising these aggregate crushers.

12.8 Water Supply

Three primary diversions have been constructed at Ekati; the Bearclaw Lake dam and pipeline, Panda diversion dam and channel, and Pigeon stream diversion.

The Bearclaw (frozen-core) dam is required to divert water around the Beartooth pit for the duration of operational use of the Beartooth pit. Flow is diverted using a pump/pipeline which diverts surface drainage from Bearclaw Lake around the Beartooth pit and into Upper Panda Lake.

The Panda diversion (frozen-core) dam and channel was completed in 1997 to divert water from North Panda Lake around the Panda and Koala mining areas and into Kodiak Lake. The Panda diversion channel provides stream fish habitat to compensate for loss of streams that used to connect Panda, Koala and Kodiak lakes as well as other streams in the Ekati footprint. The Panda diversion dam and channel are designed and required by the authorisations to be permanent structures.

The Pigeon stream diversion diverts surface flow around the area of the proposed Pigeon open pit. In 2013, the channel had been constructed but flow had not been diverted, allowing for the controlled flushing of sediment from placed construction materials. In 2014, the Pigeon stream diversion was connected and flow was diverted. The Pigeon stream diversion is designed to provide stream fish habitat to compensate for loss of streams that used to connect Pigeon stream and Pigeon pond. The Pigeon stream diversion is designed and required by the authorisation to be a permanent structure.

The objective for the wastewater management systems is to discharge water to the receiving environment that meets the water licence discharge criteria and to ensure no significant adverse environmental effect occurs to the downstream receiving environment.

Surface mine water (runoff over mine areas that is collected in various sumps) is pumped or trucked to the Long Lake Containment Facility.

Open pit mine water is collected via the in-pit dewatering systems that are designed to maintain safe and reliable operations in active mining areas.

Water that enters the underground mining operations is managed through a series of sumps that ultimately direct the underground mine water to a single dewatering sump from where it is pumped to surface. Underground mine water is processed using a TechnoSub MudWizard system to remove suspended solids and re-utilised in mining activities. Excess underground mine water is pumped to King Pond.

13 Costs and Economic Factors

The VALMIN Code requires a public report to outline the range or assessed order of accuracy of forecast capital and operating cost estimates that have been adopted, together with supporting data and date reference.

Furthermore, JORC Table 1 also requires a review and commentary to be made on the derivation of, or assumptions made, regarding projected capital and operating costs in a study or plan.

This section focuses on a high-level review of the operational and capital costs in the LOM plan as provided by Ekati. All capital and operating cost estimates for production from new projects to be accessed in the future reference costs from the original estimates used is the PFS and FS conducted over the various kimberlite pipes. Where mining production has already commenced, historical actual operating costs are used in relation to specific operations.

13.1 Capital Costs

Capital cost estimates (as per cashflow statement) totalling US$329.3 million were provided by Ekati management for the period from 2023 to 2028 and includes Sustaining Capital and Development Capital components (see Table 13-1.)

Table 13-1: Ekati capital forecast (US$ millions)

Capital item	Total	2023	2024	2025	2026	2027	2028
Corporate	1.284	1.163	0.013	0.013	0.032	0.063	0
Antwerp	0.303	0.084	0.061	0.013	0.072	0.073	0
Ekati	156.3	33.0	36.3	29.5	25.4	20.2	11.9
Total Sustaining Capital	**157.9**	**34.2**	**36.3**	**29.6**	**25.6**	**20.3**	**11.9**
Point Lake	7.9	5.0	2.9	0	0	0	0
URM	31.4	9.4	13.9	8.1	0	0	0
Misery Underground	6.2	4.8	1.3	0	0	0	0
Total Development Capital	**45.5**	**19.3**	**18.1**	**8.1**	**0**	**0**	**0**
TOTAL SUSTAINING AND DEVELOPMENT	**203.4**	**53.5**	**54.5**	**37.6**	**25.6**	**20.3**	**11.9**
Production stripping	125.9	12.2	90.7	23.1	0	0	0
TOTAL CAPEX	**329.3**	**65.7**	**145.2**	**60.7**	**25.6**	**20.3**	**11.9**

Key capital components under Sustaining Capital included in the estimate are:

- Corporate expenditure (US$1.3 million) – related to information technology and systems upkeep.
- A minimal amount (US$0.3 million) of capex related to expenditures in Antwerp, again mostly related to information technology and systems implementation.
- Expenditures related to Ekati site (US$157.9 million) which includes a wide variety of categories.

Key capital components included under Development Capital are:

- Development and permitting expenditures for Point Lake project (US$7.9 million)
- Development and permitting expenditures related to the URM project (US$31.4 million)
- Waste development expenditure for Misery Underground mine (US$6.2 million).

The remaining total of US$7.9 million over 2023 and 2024 against Point Lake project completes the expected cost of US$18.6 million (sunk cost of US$10.7 million during 2020 to 2022) against this project.

A further amount of capital expenditure (US$125.9 million) is budgeted in relation to capitalising Production Stripping in 2023 for Sable, and for Point Lake across three years (2023 to 2025).

The various components of the URM system will be tested step-by-step with a production trial at the mined-out Lynx open pit prior to moving on to larger depleted open pits. The first step will be the flooding of the Lynx pit in summer of 2022 and 2023. This will be followed by testing of the Launch and Recovery Platform in the summer of 2024 and then by comprehensive URM system testing in the summer of 2025 including a trial mining operation targeting the extraction of approximately 150,000 tonnes of Lynx kimberlite ore. The carats mined during the Lynx trial have been included in the production plan (120,000 carats in 2025).

The Competent Person of the Mineral Resources and Ore Reserves report has indicated that the derivation and methodology for estimation of capital cost have followed industry standard (CIM) practices, which have been completed during prefeasibility and feasibility studies and that these studies have made allowances for all royalties, capital cost developments, environmental and rehabilitation/closure costs, and operating costs.

CSA Global notes that a prefeasibility study was completed for Point Lake in 2020 which underscores the assumptions and costs remaining in the capital allocation for that project.

In establishing the basis for the capital estimate for implementation of the URM project, CSA Global has been advised that the preliminary (indicative only) expenditures are related to scoping studies completed for the Lynx URM trial and Sable URM project. These studies are aimed at proving the mining method on the Lynx production trial targeted for mid-2025 and that the most likely open pits for deployment of URM are Point Lake, Sable and Fox.

13.2 Operating Cost

Ekati Mine conducts open pit mining as an owner miner with a fleet of mining equipment that is maintained, replaced and moved between open pit operations as they become due during the LOM plan. Underground operations are managed and executed by a contractor.

Figure 13-1 and Table 13-2 shows operating costs before capitalization of waste stripping (i.e. these costs include costs that are also included in the capital section as capitalized waste). Costs are primarily incurred in C$ and shown here in US$. Costs for 2021 represent 11 months with ramp up from re-start to full production levels.

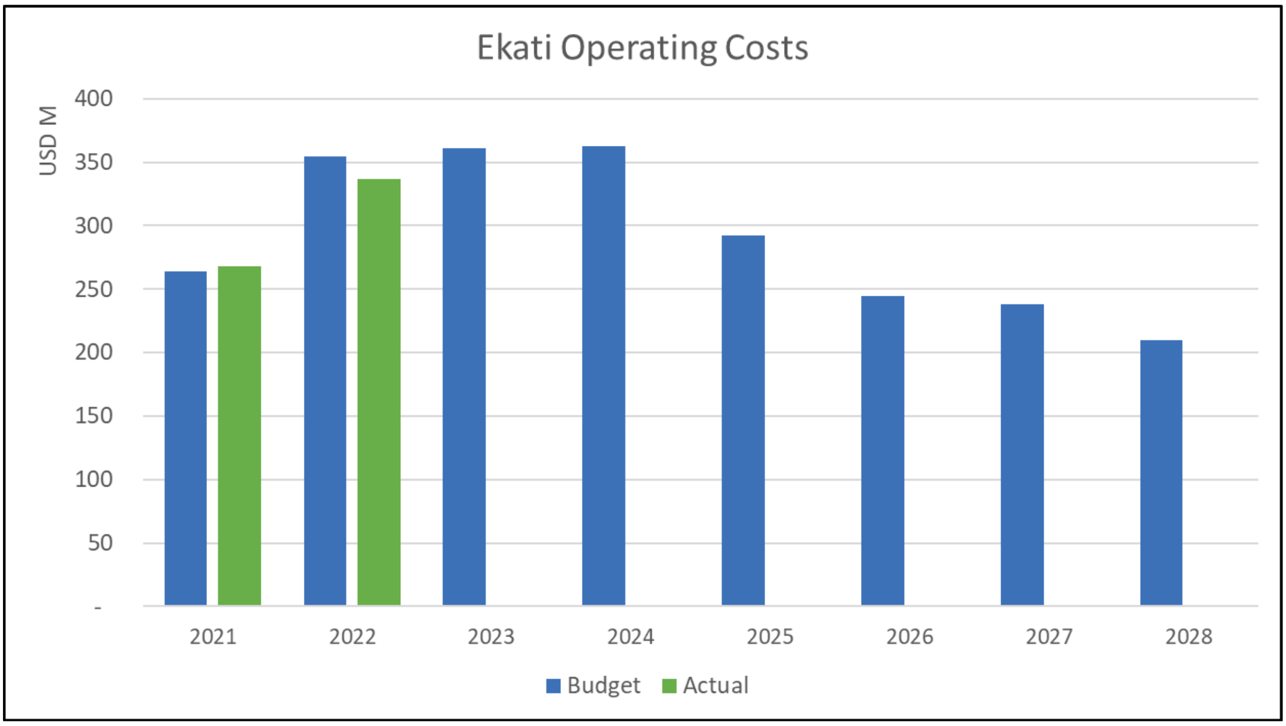

Figure 13-1 Ekati Operating Costs (Budget and Actual)

Table 13-2: Ekati itemised operating costs (budget and actual) for 2021 to 2028 (US$ millions)

BUDGET	2021	2022	2023	2024	2025	2026	2027	2028
Open Pit Mining	81.4	121.0	123.8	118.7	83.2	63.1	58.4	38.8
Underground Mining	35.2	41.5	37.4	32.3	12.7	-	-	-
Processing	41.0	49.5	50.1	54.4	50.7	50.0	49.6	46.4
Support Services	106.4	142.9	149.6	157.0	146.0	131.8	130.1	124.7
Total Cost (budget)	**264.1**	**354.9**	**361.0**	**362.5**	**292.5**	**244.9**	**238.2**	**209.9**
ACTUAL	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
Open Pit Mining	100.4	118.5	-	-	-	-	-	-
Underground Mining	35.0	43.1	-	-	-	-	-	-
Processing	34.8	47.3	-	-	-	-	-	-
Support Services	97.9	128.1	-	-	-	-	-	-
Total Cost (actual)	**268.1**	**337.0**	**-**	**-**	**-**	**-**	**-**	**-**

The following notes are relevant for the cost items in Table 13-2 above:

- Open Pit Mining costs include costs associated with mining open pit waste and ore as well as maintenance costs of mobile equipment. Reduced costs from 2024 onward are a result of lower waste stripping.
- Underground mining costs include costs associated with mining ore and waste as well as maintenance of mobile equipment all based on contracted rates with an outsourced supplier.
- Processing costs include direct processing costs as well as maintenance associated with the process plant.
- Support services include:
  - Diamond sorting.
  - Power supply to the full site (and is not charged to OP Mining, UG Mining or Processing).
  - Mine Technical Services (including Survey, Geology and Mine Planning).
  - Site services (including Ore long haul to the process plant and site road maintenance).
  - Supply Chain and Logistics (including camp and catering, freight, warehousing, winter road and procurement).
  - Health and Safety.
  - Environment.
  - Site-based Information Technology.
  - Insurance and Property Taxes.
  - Security.

Unit operating costs (budget and actual) expressed in in S/t is shown in Table 13-3.

Table 13-3: Ekati unit operating costs (budget and actual)

BUDGET	Units	2021	2022	2023	2024	2025	2026	2027	2028
Open Pit Mining	$/t OP mined	3.01	4.03	5.96	7.03	6.63	8.78	11.09	23.51
Underground Mining	$/t UG mined	42.65	37.57	42.09	32.06	24.89	-	-	-
Processing	$/t Processed	10.28	11.53	11.88	12.68	11.77	11.60	11.49	10.76
ACTUAL		**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**
Open Pit Mining	$/t OP mined	5.48	5.19	-	-	-	-	-	-
Underground Mining	$/t UG mined	50.72	37.26	-	-	-	-	-	-
Processing	$/t Processed	10.34	12.34	-	-	-	-	-	-

Open pit $/t in both 2021 and 2022 were impacted by COVID isolation and lower than planned equipment availability which impacted production levels and increased mobile equipment maintenance costs. Costs from 2023 and beyond are planned based on the lower achieved equipment availability evidenced by the closer alignment of budget costs with actuals achieved in 2021 and 2022.

General and administrative (G&A) costs are shown in Figure 13-2.

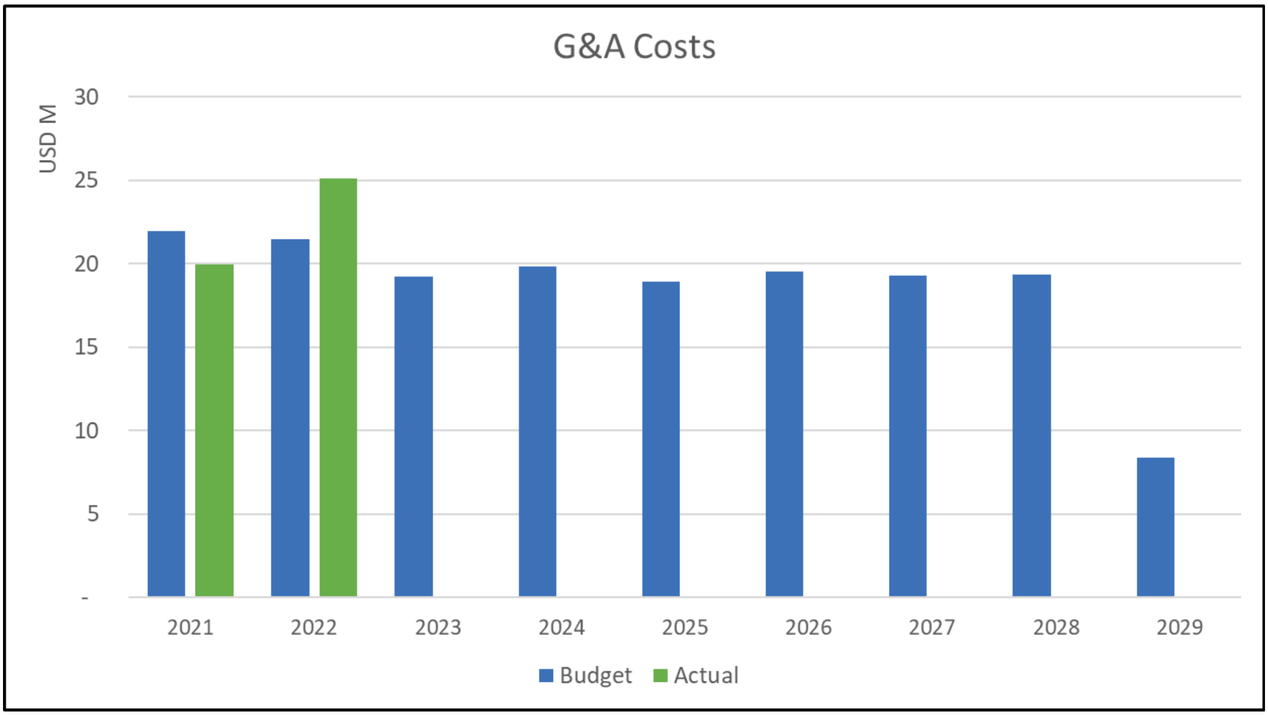

Figure 13-2 Ekati General and Administrative Costs (Budget and Actual)

G&A for 2022 includes withholding tax on a cash distribution from Belgium to Canada amounting to $6M. This was a once-off event associated with repatriating cash to Canada upon restarting operations and is not expected to be required again over the mine life.

G&A Costs include costs of Calgary-based support services such as Finance, Human Resources and Information Technology.

Where relevant, historical operating costs have been used to determine forward looking operational costs and expenditures whereas with new mining operations, pre-feasibility or feasibility cost estimates have been used in the LOM plan. In CSA Global's opinion, this is the appropriate approach to take for extrapolating costs from actual historical expenditures or referring to mining area specific studies.

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Abbreviations and Units of Measurement

°	degrees
°C	degrees Celsius
3D	three-dimensional
ACDC	Arctic Canadian Diamond Company Ltd
ACDM	Arctic Canadian Diamond Marketing N.V.
AIG	Australian Institute of Geoscientists
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AusIMM	Australasian Institute of Mining and Metallurgy
BHP	BHP Billiton
Burgundy	Burgundy Diamond Mines Limited
C$	Canadian dollars
ca.	circa
CIM	Canadian Institute of Mining, Metallurgy and Petroleum
CK	coherent kimberlite
cm	centimetres
COR	coarse ore reject
cpt	carats per tonne
CSA Global	CSA Global Pty Ltd
ct	carat(s)
DFO	Department of Fisheries and Oceans Canada
Dia Met	Dia Met Minerals Ltd
diff.	difference
DMS	dense media separation
dmt	dry metric tonne(s)
Dominion	Dominion Diamonds ULC
DPRT	dual-powered road train
EM	electromagnetic(s)
GNWT	Government of Northwest Territories
ha	hectares
HK	hypabyssal kimberlite
HPGR	high pressure grinding roll
IBA	Impact and Benefit Agreement
ICRP	Interim Closure and Reclamation Plan
ITAR	Independent Technical Assessment Report
km	kilometres
km^2	square kilometres

ktpd	thousand tonnes per day
kV	kilovolts
LOM	Life of Mine
m	metre(s)
m^3	cubic metre(s)
Mct	million carats
Mdmt	million dry metric tonnes
mm	millimetres
Mt	million tonnes
MW	megawatts
North Arrow	North Arrow Minerals Inc.
NPV	net present value
PK	pyroclastic kimberlite or processed kimberlite
PVK	primary volcaniclastic kimberlite
RC	reverse circulation
ROM	Run of Mine
RVK	(mud-rich) resedimented volcaniclastic kimberlite
SMU	selective mining unit
spm^3	stones per metre cubed
spt	stones per tonne
t	tonne(s)
t/m^3	tonnes per cubic metre
TFM	total field magnetics
tpd	tonnes per day
tph	tonnes per hour
URM	Underwater Remote Mining
US$	United States of America dollars
VK	(olivine-rich) volcaniclastic kimberlite
VLF	very low frequency (electromagnetics)
vs	versus
WA	Western Australia
WLWB	Wek’èezhìi Land and Water Board
WRSA	waste rock storage area

Appendix A JORC Code, 2012 Edition Table 1 – Ekati Diamond Mine

Section 1: Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report.* *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay').* *In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	Mineral Resources are estimated for the Sable, Misery Main, Fox, Point Lake, Phoenix, Challenge, Lynx, Jay and Leslie kimberlite pipes and for stockpiles containing run-of-mine (ROM) material. Ore Reserves are estimated for the Sable (open pit), Misery Main (underground), Point Lake (open pit) and Fox (underground) kimberlite pipes and for stockpiles containing ROM materials. Sampling techniques used to estimate the Ore Reserve and Mineral Resource statements include various drilling techniques to define the volume, tonnage, and diamond content. Extensive open pit and underground mining and processing data also contribute to the Ore Reserve and Mineral Resource estimate. Drilling completed on the Ekati Diamond Project ("Ekati") between 1991 and 31 December 2022 includes 1,434 core (diamond drill) holes (264,420 m), 111 sonic drill ("Sonic") holes (2,596) and 523 reverse circulation (RC) holes (114,539 m). All drillholes have been collated into a secure database. RC sampling programs are used for diamond grade and valuation. A small subsample (approximately 300 cm^3) of RC drill material is taken for every 2 m of drilling within kimberlite and a representative portion of this material (approximately 50–100 cm^3) is washed and retained; these drill chips are examined and described macroscopically and under binocular microscope. As the drill sample consists of small rock fragments and drill fines, RC chip logs are less precise than those obtained from core logging. Ekati staff consider that an accuracy of approximately ±1 m is possible when combining chip geology with downhole geophysical logs. Prior to 2019, the RC samples were processed through an on-site sampling plant for diamond grade and diamond valuation used for Ore Reserve and Mineral Resource reporting. The 2019 RC drill samples from the Point Lake and Challenge kimberlite pipes were processed at the Saskatchewan Research Council (SRC). The quality management system (QMS) for SRC Geoanalytical Laboratories adheres to the ISO 17025:2017 standard and is subject to regular assessment by the accrediting body (Standards Council of Canada). The QMS has specific procedures for document and data control. Core hole sampling programs are used for determination of dry bulk density, moisture content of host rock and kimberlite and lithological characterisation. Sample spacing has historically varied from 1 m to 10 m in kimberlite and every 10 m in host rock. The density and spatial distribution of RC drillholes between pipes varies considerably and depends on several factors including pipe size, geologic complexity, and grade characteristics relative to economic cut-offs. If warranted, additional open pit/underground bulk samples are excavated into kimberlites pipes to provide a larger sample size for the purpose of size frequency distribution and diamond prices.

Criteria	JORC Code explanation	Commentary
		The Mineral Resource estimate for stockpiles is based on the Ore Reserve and Mineral Resource estimate for each primary source. The stockpiles are not sampled for diamond grade and value (known from primary ROM material); however, they are surveyed on an annual basis – and tracked monthly via depletion – for determining tonnage. The Competent Person is confident that sampling methods meet industry-standard practices for diamond projects and can be used for Ore Reserve and Mineral Resource estimation and mine planning purposes.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	A variety of drilling techniques have been used at the Ekati Mine since 1991 to recover information on the location, type of ore and diamond content. Drilling techniques used on the property include diamond core drilling, sonic drilling and RC drilling, of varying diameter (HQ, NQ, BQ) and orientation (vertical to angled). Typical drillhole lengths range from <100 m to 600 m. **Core drilling** • Used to define the kimberlite pipe contacts, wall-rock conditions, internal structure(s) and fracturing and internal geology • Core drilling is additionally used to obtain geotechnical and hydrogeological data. • It also is used to obtain microdiamond and mineral chemistry samples for assessing diamond carrying capacity. In the case of Misery Main, microdiamond data from core holes is used in combination with RC grade data for grade modelling • Core drilling used standard core barrels, and synthetic diamond or carbide bits, reaming shells, and casing shoes • Hole diameters used to date include HQ (63.5 mm core diameter), NQ (46.7 mm) and BQ (36.5 mm). • Oriented core is used for geotechnical investigation of the wall rocks and is not employed in kimberlite • Orientation tools include clay imprint, Reflex ACT[10] tool (digital core orientation system), and optical/acoustic televiewing **RC drilling** • Used for diamond grade estimation and valuation, in conjunction with bulk sampling techniques. Samples are processed through an on-site sampling plant • The diameter of drillholes employed prior to 1995 ranges from 27 cm to 71 cm, but from 1995 to 2008, the hole diameter was standardised to between 31 cm and 45 cm • The 2015 and 2016 winter drilling programs and 2018–2019 winter drilling programs used large diameter drilling (LDD) in order to provide larger individual samples for grade estimation • The drillhole diameters for the 2015, 2016, 2018 and 2019 programs ranged from 45 cm to 61 cm

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Criteria	JORC Code explanation	Commentary
		Sonic drilling • Used to core both soil and bedrock along proposed civil construction projects. Recovered soil is geotechnically logged and geotechnical laboratory testing is performed on selected samples • Sonic drilling samples are not used for diamond information purposes (grade and valuation) • The sonic drilling method uses relatively high frequency mechanical vibration, down pressure and optional rotation to advance an inner drill string and an outer casing. A one-piece core barrel with a 150 mm diameter is threaded onto the bottom of the inner drill string and obtains samples • For core holes, downhole surveys were done with industry standard instruments (e.g. Maxibor and Century Geophysical Corporation gyroscope) • Three Century Geophysical Corporation tools, including the “9095” tool (for gyroscopic deviation surveying); the “9065” three-arm calliper; and the “9511” tool (conductivity induction and natural gamma readings), are used on all RC holes All core and RC drillhole collars are surveyed with total station global positioning system (GPS) instruments prior to and after drilling. The Competent Person considers the drillhole collar location error to be minimal.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.* *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	Within wall-rock, typical recoveries are 95 to 100% for both core and RC drillholes. In Kimberlite, the core recoveries can be as low as 20% and as high as 95%, however, are more typically in the 75% to 85% range. For RC drillholes, kimberlite recoveries may range from 50% to over 100% in cases of in-hole sloughing. For core samples, recovery is assessed through direct measurements of recovered core versus drillhole interval. RC sampling recovery relies on calliper data for volume coupled with dry bulk density data of RC chips and/or nearby drillholes. The recovery is largely a function of the hardness and alteration of the kimberlite. Details of sampling methods are discussed in Sampling Techniques criteria of this table. Prior to 2019, sampled drilling material was processed through an on-site sample plant. 2019 RC drill samples from the Point Lake kimberlite were processed at the SRC. The quality of the analytical data is reliable and sample preparation, sampling protocols, analysis, and security are generally performed in accordance with diamond exploration best practices and industry standards. The Competent Person is confident that no preferential sampling or preferential loss or gain of sampling material has occurred. A relationship between sample recovery and grade is considered by the Competent Person as non-material for kimberlite diamond deposits.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.*	Core drillholes are logged in detail by trained kimberlite geologists and/or by trained geotechnical consultants. Geological logging is undertaken on a 1:100 scale using logging sheets specifically developed for the Ekati Diamond Mine. Digital geological and geotechnical logging is completed, and the core is photographed before being stored in the attached unheated core storage building.

Criteria	JORC Code explanation	Commentary
	The total length and percentage of the relevant intersections logged.	Geological logging utilises a digital logging form for both wall-rock lithology, kimberlite/wall-rock contacts, and internal kimberlite lithology. Kimberlite lithologies are classified according to a kimberlite classification scheme standard to the industry. Wall-rock is logged by: • Rock-type • Mineralogy • Alteration • Rock strength • Major structures Kimberlite core is logged by: • Concentration of macrocrystic olivine • Matrix composition • Abundance and type of country-rock xenoliths • Approximate abundance of indicator minerals • Rock fabric, colour, and alteration Colour photographs are taken of delineation drill core and used to verify significant contacts and lithologies as well as provide a permanent record of the drill core. These photographs are annotated with the unit names and lithological contacts. In the opinion of the Competent Person, the quantity and quality of the lithological (geological), geotechnical, collar and downhole survey data collected in the exploration and infill drill programs are sufficient to support Ore Reserve and Mineral Resource estimation. The Competent Person considers the total % of logged material is irrelevant (evaluation stage) given the number of years the mine has been in production and the geological confidence of the deposits.
Subsampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all subsampling stages to maximise representivity of samples.* *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.*	A small subsample (approximately 300 cm^3) of RC drill material (chips) is taken for every 2 m of drilling within kimberlite and a representative portion of this material (approximately 50–100 cm^3) is washed and retained. These drill chips are examined and described macroscopically and under binocular microscope. As the drill sample consists of small rock fragments and drill fines, RC chip logs are less precise than those obtained from core logging. Ekati staff consider that an accuracy of approximately ±1 m is possible when combining chip geology with downhole geophysical logs. Core drilling material is primarily used for geological/geotechnical logging and is typically only used for indications of diamond carrying capacity at the exploration stages. It is not used for diamond price/valuation purposes.

Criteria	JORC Code explanation	Commentary
	Whether sample sizes are appropriate to the grain size of the material being sampled.	In the opinion of the Competent Person, the quality control, sampling procedures and sampling sizes meet industry standards.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	Prior to 2019, sampled material was processed through an on-site sampling plant, and therefore not subject to external laboratory checks. The sample plant underwent several quality control procedures (tracer tests, visual inspections, plant washing for decontamination) and multiple industry standard audits. The 2019 RC drill samples from the Point Lake kimberlites were processed at the SRC. The QMS for SRC Geoanalytical Laboratories adheres to the ISO 17025:2017 standard and is subject to regular assessment by the accrediting body (Standards Council of Canada). The QMS has specific procedures for document and data control. The Competent Person is confident that all control procedures have been adopted and acceptable levels of accuracy have been met.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes.* *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	Data verification is undertaken on geological, geotechnical, survey and bulk density data collected. Data are reviewed for accuracy by the Resource and/or Production Geologists and corrected as necessary. The findings of this data validation process are summarised and any modifications to the database are reviewed by appropriate staff prior to implementation of those changes. A reasonable level of verification has been completed during the exploration and production phases, and no material issues would have been left unidentified from the verification programs undertaken. The Competent Person is confident that the quality of the analytical data is reliable and sample preparation, analysis, and security are generally performed in accordance with diamond exploration and operational best practices and industry standards.
Location of data points	*Accuracy and quality of surveys used to locate drillholes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	**Collar surveys** • All surface core hole collar positions are surveyed using a real-time GPS, providing an accuracy of ±0.01 m. Hole collar, dip and azimuth are verified by surveying the top and bottom of the in-hole drill steel and then calculating the initial azimuth and dip of the hole at surface • All RC drillhole collars are surveyed using a real-time GPS instrument prior to and after drilling; these have an accuracy of ±10 mm. Ekati staff consider that the drillhole collar location error is minimal **Downhole surveys** • RC downhole surveys were completed with one of four survey instruments: EZ-shot, Lightlog, Maxibor or Century Geophysics 9096 Gyroscope. Currently, only Maxibor and gyroscope are used as they proved to be the most consistent

Criteria	JORC Code explanation	Commentary
		• The maximum error in the drillhole location for holes less than 100 m long is about 1 m, while the locations of longer holes (100–600 m) are accurate to within approximately 1 m per 100 m drilled over the entire length of the drillhole. In 2004, survey precision and accuracy were tested by coring two holes of significant length (300 m) collared by the surface surveyors to target an underground heading location provided by underground surveyors. Both holes resulted in absolute error of less than the anticipated +3 m of error when they breached the underground workings • This validated the surface and underground location surveys of two discrete points (drill and drill target) and indicated that the downhole deviation surveys are providing useable modelling data Previous mining has intersected old large diameter drillholes (open and grouted) which have been used to validate and confirm the drillhole survey. When drillholes are encountered in the underground mine, the intersection is surveyed using differential GPS and compared to known drillholes in the area to determine which drillhole was intersected. There are no known instances where surveyed intersections did not closely coincide with downhole drillhole surveys. The projection system used is North American Datum (NAD) 1983 Universal Transverse Mercator (UTM) Zone 12N. The digital elevation model (DEM) was interpolated from 1 m, 2 m and 5 m contour data from an airborne survey flown in 2002. The Competent Person considers the tools, methods, and quality of geospatial data to be appropriate.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Ore Reserve & Mineral Resource estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	The data spacing is variable within a single kimberlite pipe and other kimberlite pipes. Accordingly, the Mineral Resource classification varies from Inferred to Indicated. There is no Measured classification. RC sample intervals are typically composited over 12–30 m intervals for smaller hole diameters, whereas larger hole diameters do not sample composite. Collected samples typically range from 5 tonnes to 9 tonnes; the sample intervals are selected appropriately to ensure each composite contained at least 30 diamonds to mitigate the effect of variable diamond particle sizes. The Competent Person considers the data spacing and distribution appropriate for the Ore Reserve and Mineral Resource estimation and classification.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	The drill sample collection process is designed to ensure that a representative, unbiased and uncontaminated sample is collected intact at the drill. RC drilling has been noted as a potential source of stone damage from the bit itself or high-pressure transport around sharp corners. Regular production reconciliation audits are in-place, adding to the robust and unbiased nature of the geological data used in the reporting of Ore Reserves and Mineral Resources The Competent Person is of the opinion that no sampling bias has occurred, and that all drilling and sampling to date is sufficient for reporting and estimating kimberlite diamond Ore Reserve and Mineral Resources.

Criteria	JORC Code explanation	Commentary
Sample security	*The measures taken to ensure sample security.*	During RC drilling programs for large-scale samples, the RC drilling area is monitored by an Ekati site security officer and access is limited to essential personnel only. Sample bags are secured with zip ties and numbered security tags which are logged-in by security staff. The sample locks are only removed by security staff under supervision of the project supervisor. A card-locked door controls the access to the sample plant and strategically installed cameras operate in sensitive areas such as the recovery plant, the sample plant is a high-risk area where 100% of the employees are searched by a security officer prior to exiting the area. For each sample, the x-ray concentrate and the grease table goods are transferred to the sort-house for diamond sorting. Each sample is kept separate from the process plant goods and individually labelled for shipment to Ekati's sorting and valuation facility located in Yellowknife. The sample goods are individually sieved and cleaned in Yellowknife. The Competent Person is confident that industry standard sampling security protocols were in place.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	The sample plant adjacent to the processing plant building was routinely used for diamond recovery audits and for grade control until 2012. In 2014, a small diamond recovery circuit was added the main process plant and targeted coarse rejects (tailings) have periodically been processed plant along with Run-of-Mine ore through the main process plant circuit. The Competent Person has audited and reviewed on-site data including reviews of exploration programs and sample results used within the Ore Reserve and Mineral Resource estimate. The QMS for SRC Geoanalytical Laboratories adheres to the ISO 17025:2017 standard and is subject to regular assessment by the accrediting body (Standards Council of Canada). The QMS has specific procedures for document and data control. SRC applies external sample quality audits and quality controls such as density bead testing of heavy concentrates, diamond tracer tests and routine spiking of diamond concentrates. Data verification is undertaken on geological, geotechnical, survey and bulk density data collected. Data are reviewed for accuracy by the Resource and/or Production Geologists and corrected as necessary. The findings of this data validation process are summarised and any modifications to the database are reviewed by appropriate staff prior to implementation of those changes. The Competent Person believes a reasonable level of verification has been completed during the exploration and production phases, and no material issues would have been left unidentified from the verification programs undertaken. Moreover, the Competent Person is confident that the quality of the analytical data is reliable and sample preparation, analysis, and security are generally performed in accordance with diamond exploration best practices and industry standards.

Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	See Appendix B for Ekati's Mineral Lease table. At the time of this report, the Competent Person is unaware of any impediments to operating in the Ekati project area.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	The discovery of kimberlites in the Lac de Gras region was the result of systematic heavy mineral sampling over a 10-year period by prospectors Dr Charles E. Fipke and Dr Stewart Blusson. By late 1989, Dia Met Minerals Ltd (Dia Met) was funding the programs and began staking mineral claims in the region. After making significant indicator mineral finds in the area, Dia Met approached BHP Minerals (BHP) as a potential partner. The Core Zone Joint Venture Agreement between BHP, Dia Met, Charles Fipke and Stewart Blusson was subsequently signed in August 1990 (no longer in effect). Dia Met share was acquired by BHP in 2001. The first diamond-bearing kimberlite pipe on the property was discovered by drilling in 1991. An Addendum to the Core Zone Joint Venture in October 1991 gave BHP the right to acquire additional mineral claims within 22,500 ft of the exterior boundaries of the then property area. The claims acquired as a result became the Buffer Zone Joint Venture claims (no longer in effect). To date, exploration activities have included till sampling, airborne and ground geophysical surveys, and drilling programs. More than 400 geophysical and/or indicator dispersion targets were drilled from 1991 to 2022, with a total of 175 kimberlites discovered across the original Ekati property. The kimberlites were prioritised using microdiamond and indicator mineral chemistry. Thirty-nine kimberlite occurrences were subsequently tested for diamond content using RC drilling and/or surface bulk samples.
Geology	*Deposit type, geological setting and style of mineralisation.*	Diamond-bearing kimberlite pipes which are part of the Lac de Gras kimberlite field within the central Slave craton in Northern Territories of Canada.
Drillhole information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:* • *easting and northing of the drillhole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar*	The Competent Person considers this to be non-material given the advanced stage of the Ekati Project (operating mine) with stated Ore Reserves and Mineral Resources

Criteria	JORC Code explanation	Commentary
	• *dip and azimuth of the hole* • *downhole length and interception depth* • *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Not applicable – Exploration Results are not being reported.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.* *If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'downhole length, true width not known').*	Not applicable – Exploration Results are not being reported.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views.*	Not applicable – Exploration Results are not being reported.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Not applicable – Exploration Results are not being reported.

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Not applicable – Exploration Results are not being reported.
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Not applicable – further exploration is not the subject of this news release.

Section 3: Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	*Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* *Data validation procedures used.*	Ekati's operating team maintains a site-wide Records Information Management (RIM) system using digital filing. All non-digital information relevant to the Ore Reserve and Mineral Resource has been scanned and is stored in this system. All digital data not compatible with Ekati's digital filing system are stored on file servers at Ekati and Yellowknife. The resource and production geologists maintain the Vulcan project databases and metadata documentation. These are employed to secure the data and maintain an audit trail of the deposit database. Verification procedures include visual checking for transcription errors, and database checks using software routines. After this preliminary error-checking, all hardcopy and digital data for each drillhole are validated by the Resource Geologist. The Competent Person is confident that the Ekati database is secure, and that database protocols and validation techniques are suitable.
Site visits	*Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* *If no site visits have been undertaken indicate why this is the case.*	Site visits are undertaken on a regular basis by the Competent Person as part of their normal job function. No material issues have been identified by the Competent Person in relation to the Ore Reserve and Mineral Resource estimation.

Criteria	JORC Code explanation	Commentary
Geological interpretation	*Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* *Nature of the data used and of any assumptions made.* *The effect, if any, of alternative interpretations on Mineral Resource estimation.* *The use of geology in guiding and controlling Mineral Resource estimation.* *The factors affecting continuity both of grade and geology.*	The geological interpretation is based on a standard kimberlite emplacement model, which suggests kimberlite "pipes" are vertically emplaced volcanic intrusive bodies that maintain a predictable geometry with depth. This has been demonstrated through surface expression, extensive open pit and underground excavations and drilling data. The Ekati property kimberlites contain various kimberlites domains, which represent varying rock types within a kimberlite. The characterisation of the domains across all the Ekati kimberlite pipes listed in the Ore Reserve and Mineral Resource estimate in Table 8-2 and Table 9-4 are considered accurate by the Competent Person for the relevant classification (confidence) category.
Dimensions	*The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	Details of the Mineral Resource and Ore Reserve extents and variability can be found in the table below:

Kimberlite Pipes	Type	Starting elevation (masl)	Ending elevation (masl)
Mineral Resources			
Sable	Open pit	480	122
Point Lake	Open pit	415	165
Phoenix	Open pit	410	260
Challenge	Open pit	425	195
Leslie	Open pit	450	150
Misery Main	Underground	170	-80
Fox	Underground	250	-350
Jay	Open pit	375	0
Lynx	Open pit	410	180
Ore Reserves			
Sable*	Open pit	362	230
Point Lake	Open pit	400	280
Misery Main*	Underground	140	0
Fox	Underground	-170	-270

**Current operations (partly depleted).*

Table notes:

- *masl = metres above sea level.*
- *For underground operations, the levels are expressed as 2000+ xmasl.*
- *Ore Reserves stated are as of end of 2022.*

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Estimation and modelling techniques</td><td>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.
The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.
The assumptions made regarding recovery of by-products.
Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).
In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.
Any assumptions behind modelling of selective mining units.
Any assumptions about correlation between variables.
Description of how the geological interpretation was used to control the resource estimates.
Discussion of basis for using or not using grade cutting or capping.
The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available.</td><td>Resource estimation is a two-step process at Ekati:
• The first step is to develop three-dimensional (3D) object models for key geological domains, analyse spatial sample data in relation to geological domains, and validate their application.
• The second step is to inform the block model variables based on the spatial distribution of the modelled data. In general, kimberlite pipes are roughly ovoid in plan-view, and taper consistently at depth.
Vulcan and Leapfrog software are used to develop 3D wireframe models of the kimberlite pipes and internal lithological divisions.
Drillhole boundary intersections and surface geophysical outlines are used to define the outer boundary. The lower limits of models are typically extended slightly beyond the lowest drillhole (RC or core) intersection.
Internal domain boundaries are typically modelled as planar surfaces. Internal dilution (e.g. granitic xenoliths) is modelled as enclosed volumes assuming sub-rounded, sub-horizontal shapes or treated as a percent dilution of the model volume.
The geological models are refined and updated with mining development and production data.
Statistical and geostatistical analyses of grade, density, and moisture content are performed to characterize the distributions of these variables.
Contact analysis is used to support both hard and soft boundaries.
Data are reviewed for outliers, and outlying samples are treated depending on their genesis.
All data are de-surveyed to the midpoint of the sample.
Block models are built for Mineral Resource estimates (typically created in Vulcan) for kimberlite pipes that are deemed to have prospects of economic extraction.
Block models are periodically updated as new data are collected (e.g. completion of a drill program, diamond parcel pricing) or as required for reporting and economic studies.
The table below summarises the block model size and modelling method for each kimberlite pipe. Ore Reserve and Mineral Resources for stockpiles are not included as these are not primary sources requiring block modelling.
<table>
<tr><th>Kimberlite Pipe</th><th>Model block size (m)</th><th>Modelling method</th></tr>
<tr><td>Fox</td><td>15 by 15 by 10</td><td>Simple kriging</td></tr>
<tr><td>Misery</td><td>15 by 15 by 10</td><td>Ordinary kriging</td></tr>
<tr><td>Sable</td><td>15 by 15 by 15</td><td>Simple kriging</td></tr>
<tr><td>Lynx</td><td>10 by 10 by 10</td><td>Ordinary kriging</td></tr>
<tr><td>Point Lake</td><td>10 by 10 by 10</td><td>Simple kriging</td></tr>
<tr><td>Phoenix</td><td>10 by 10 by 10</td><td>Simple kriging</td></tr>
<tr><td>Challenge</td><td>10 by 10 by 10</td><td>Simple kriging</td></tr>
<tr><td>Jay</td><td>15 by 15 by 15</td><td>Simple kriging</td></tr>
</table></td></tr>
</table>

Criteria	JORC Code explanation	Commentary
		The block grade estimates were validated by visual checks of estimated block grades versus sample grades, summary statistics of estimated and declustered input grade distributions, histograms and probability plots, swath plots, scatterplots, and quantile-quantile (QQ) plots. No significant errors or biases were identified as a result of the validation process. No grade cutting is applied. Moisture content (%) and bulk density measurements vary across different domains within a kimberlite pipe(s). The Competent Person is confident that the process of Ore Reserve and Mineral Resource modelling has followed industry standards.
Moisture	*Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	Moisture content (%) measurements vary across different domains within a kimberlite pipe(s). Tonnages are estimated on a dry basis. The Competent Person is confident that accurate and precise measurement of moisture content used within the modelling process has been fulfilled and that the process of Ore Reserve and Mineral Resource modelling has followed industry standards.
Cut-off parameters	*The basis of the adopted cut-off grade(s) or quality parameters applied.*	The Mineral Resource estimate is calculated using a lower cut-off size of 0.5 mm slotted de-grit screen and using a 1.0 mm cut-off circular aperture screen for final diamond recovery. The 0.5 mm slotted de-grit screens are used in the sample plant to maximize diamond recovery in the smaller sizes. The sample plant runs at a much lower throughput than the main plant and achieves higher overall diamond recovery. The Ore Reserve estimate is calculated using a lower cut-off size of 1.2 mm slotted de-grit screen with a 1.0 mm circular aperture screen for final diamond recovery. No grade cutting is applied. The Competent Person is confident that the cut-off parameters used for the Ore Reserve & Mineral Resource estimates have followed industry standards.
Mining factors or assumptions	*Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	Prefeasibility studies underpin the Ore Reserve estimates for the Sable (open pit), Point Lake (open pit), Misery Main (underground) and Fox (underground) pipes. Additionally, a 2016 National Instrument 43-101 report following Canadian Institute of Mining, Metallurgy and Petroleum (CIM) guidelines was completed. Details on the relevant mining factors or assumptions can be seen in the footer notes of Table 8-2 and Table 9-4. The Competent Person is confident that all the Ore Reserve and Mineral Resource estimations and mining assumptions have followed industry standard procedures for determining the reasonable prospect for eventual economic extraction.

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	*The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	Site specific metallurgical factors are well established through approximately 25 years of mine operation (more than 90 million carats have been recovered to date from the Ekati property). Metallurgical testwork and associated analytical procedures were performed by recognised testing facilities, and the tests performed were appropriate to the mineralisation type. Samples selected for testing were representative of the various kimberlite types and domains. Industry-standard studies were performed as part of process development and initial plant design. Subsequent production experience and focused investigations have guided plant expansions and process changes. Recovery estimates are based on appropriate metallurgical testwork and confirmed with production data and are appropriate for the various kimberlite domains. While there are no deleterious elements in diamonds processing, high granite or clay quantities can lead to process issues. These are managed by a combination of surface sorting and blending of different kimberlite domains. The Competent Person is confident that the metallurgical factors and assumptions used as a part of determining reasonable prospects for eventual economic extraction are reasonable and follow standard industry practice.
Environmental factors or assumptions	*Assumptions made regarding possible waste and process residue disposal options.* *It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation.* *While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported.* *Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	Ekati Diamond Mine is predominantly regulated through an Environmental Agreement and permits with the following key agencies: • Government of Northwest Territories (GNWT) • Wek´èezhìi Land and Water Board (WLWB) • Fisheries and Oceans Canada (DFO). Ekati entered into an Environmental Agreement (January 1997) with the Government of Canada and the GNWT which provides environmental obligations in addition to those under applicable legislation. Key provisions include: • Funding of an independent environmental monitoring agency to serve as a public watchdog • Submission of environmental reports and management plans (including reclamation plans) • Provide security deposits and guarantee. The Environmental Agreement provides for the Independent Environmental Monitoring Agency and continues in effect until full and final reclamation of the Ekati Project site is completed. Compliance with environmental requirements and agreements is reported publicly by Ekati on an annual basis. Version 8.1 of the Waste Management Plan was approved by the WLWB in August 2022. The Waste Management Plan includes the following plans:

Criteria	JORC Code explanation	Commentary
		• Hydrocarbon Impacted Material Management Plan • Solid Waste Landfill Management Plan • Hazardous Waste Management Plan • Composter Management Plan • Incinerator Management Plan. The Waste Management Plan also references the Waste Rock and Ore Storage Management Plan and the Wastewater and Processed Kimberlite Management Plan. Version 11.1 of the Waste Rock and Ore Storage Management Plan was approved by the WLWB in November 2022. Version 9.0 of the Wastewater and Processed Kimberlite Management Plan was approved by the WLWB in June 2019. All environmental permits are in place for Ekati's current operations, including the Point Lake kimberlite deposit. The Competent Person is confident that all environmental factors or assumptions in determining the reasonable prospect for eventual economic extraction have been satisfied.
Bulk density	*Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.* *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	Dry bulk density estimates are determined for each kimberlite domain using a sufficient number of data points. Due to the low variance and large number of representative dry bulk density samples within a single kimberlite or domain, the variability in the density estimate is considered to be an insignificant risk component of Ore Reserve and Mineral Resource estimation. The Competent Person is confident that accurate and representative measurement of dry bulk density used within the modelling process has been fulfilled and that the process of Ore Reserve and Mineral Resource modelling has followed industry standards.
Classification	*The basis for the classification of the Mineral Resources into varying confidence categories.* *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* *Whether the result appropriately reflects the Competent Person's view of the deposit.*	Drill spacing studies were conducted to support Mineral Resource confidence classification. Drillhole spacing classification is as follows for all deposits, unless otherwise specified: • Indicated – less than 60 m to nearest sample • Inferred – less than 90 m to nearest sample. Mineral Resources take into account geological, mining, processing and economic constraints, and have been defined within a conceptual stope design or a conceptual open pit shell. Depletion has been included in the estimates. No Measured Mineral Resources are estimated.

Criteria	JORC Code explanation	Commentary
		Factors which may affect the Mineral Resource estimates include: • Diamond book price and valuation assumptions • Changes to geological interpretations • Changes to the assumptions used to estimate the diamond carat content • Conceptual block cave and open pit design assumptions • Geotechnical, mining and process plant recovery assumptions • Diamond parcel sizes for the pipes with estimates that are not in production or planned for production • And the effect of different sample-support sizes between RC drilling and underground sampling. Ore Reserves take into consideration environmental factors, permitting, legal, title, taxation, socio-economic, marketing and political factors support the estimation of Ore Reserves. Factors which may affect the Ore Reserve estimates include: • Diamond price assumptions • Grade model assumptions • Underground mine design • Open pit mine design • Geotechnical, mining and process plant recovery assumptions • Practical control of dilution • Changes to capital and operating cost estimates • Variations to the permitting, operating or social licence regime assumptions, in particular if permitting parameters are modified by regulatory authorities during permit renewals. The Ore Reserve and Mineral Resource classification (as listed Table 8-2 and Table 9-4), including drillhole spacing, appropriately reflects the Competent Person's view of the Ekati property deposits.
Audits or reviews	*The results of any audits or reviews of Mineral Resource estimates.*	The sample plant adjacent to the processing plant building was routinely used for diamond recovery audits and for grade control as part of an Ore Reserve and Mineral Resource reconciliation process. The Competent Person has audited and reviewed on-site data including reviews of drilling programs and sample results used within the Ore Reserve and Mineral Resource estimate. Data verification is undertaken on geological, geotechnical, survey and bulk density data collected. Data are reviewed for accuracy by the Resource and/or Production Geologists and corrected as necessary. The findings of this data validation process are summarised and any modifications to the database are reviewed by appropriate staff prior to implementation of those changes. This includes data audit results from the SRC laboratory (used for sample processing in 2019). KPMG performs annual audits of the Ore Reserve and Mineral Resource process.

Criteria	JORC Code explanation	Commentary
		The Competent Person believes a reasonable level of verification has been completed during the exploration and production phases, and no material issues would have been left unidentified from the verification programs undertaken. Moreover, the Competent Person is confident that the quality of the analytical data is reliable and sample preparation, analysis, and security are generally performed in accordance with diamond exploration best practices and industry standards.
Discussion of relative accuracy/ confidence	*Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	Factors that may affect the accuracy of the Mineral Resource estimate include: • Diamond price and valuation assumptions • Changes to the assumptions used to estimate diamond carat content (e.g. bulk density estimation, grade model methodology) • Geological interpretation (internal kimberlite domains and/or pipe contacts) • Changes to design parameter assumptions that pertain to block cave designs • Changes to design parameter assumptions that pertain to open pit design • Changes to geotechnical, mining assumptions • Changes to process plant recovery estimates if the diamond size in certain domains is finer or coarser than currently assumed • The effect of different sample-support sizes between RC drilling and underground sampling or other larger-scale sampling programs • Diamond parcel sizes for the pipes with estimates that are not in production or planned for production. Factors that may affect the accuracy of the Ore Reserve estimate include: • Mineral Resource factors listed above • Appropriate dilution control being able to be maintained • Changes to capital and operating cost estimates, in particular to fuel cost assumptions • Changes to royalty payment assumptions • Variations to the permitting, operating or social licence regime assumptions, in particular if permitting parameters are modified by regulatory authorities during permit renewals. The Competent Person is confident that the Ore Reserve and Mineral Resource estimate achieves an acceptable level of accuracy using industry best practices, including robust geostatistical methods and regular reconciliation (grade, tonnage and geological modelling) from production data.

Section 4: Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	*Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	Drill spacing studies were conducted to support Mineral Resource confidence classification. Drillhole spacing classification for all deposits, unless otherwise specified, being converted from Inferred to Indicated, must be less than 60 m to the nearest sample. All Mineral Resource reported are inclusive of Ore Reserves. More detail can be found within the footer notes of Table 8-2 and Table 9-4.
Site visits	*Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* *If no site visits have been undertaken indicate why this is the case.*	Site visits are undertaken on a regular basis by the Competent Person as part of their normal job function. No material issues have been identified by the Competent Person in relation to the Ore Reserve and Mineral Resource estimation.
Study status	*The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	All Mineral Resources converted to Ore Reserves have undergone prefeasibility and/or feasibility studies following CIM guidelines. The level of study for each kimberlite deposit is as follows: **Kimberlite Pipe** – **Level of study (year published)** Fox – Prefeasibility (2018) Misery – Prefeasibility (2017) Sable – Prefeasibility (2016) Point Lake – Prefeasibility (2020) The Competent Person is confident that this level of study meets industry best practices for the conversion of Mineral Resources to Ore Reserves.
Cut-off parameters	*The basis of the cut-off grade(s) or quality parameters applied.*	The Ore Reserve lower cut-off size is 1.2 mm (slotted de-grit screen using a 1.0 mm cut-off circular aperture screen for final diamond recovery), and the Mineral Resource lower cut-off size is 0.5 mm (slotted de-grit screen) using a 1.0 mm cut-off circular aperture screen for final diamond recovery, as listed in Table 8-2 and Table 9-4 in the body of this ITAR. The diamond recovery factor varies by pipe and in some instance by kimberlite phase. Diamond quality assessment is based on exploration parcels and production trial parcels if available. The Competent Person considers the cut-off grade and quality parameters applied to be appropriate.

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	*The method and assumptions used as reported in the Prefeasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* *The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc.), grade control and pre-production drilling.* *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* *The mining dilution factors used.* *The mining recovery factors used.* *Any minimum mining widths used.* *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* *The infrastructure requirements of the selected mining methods.*	Several prefeasibility studies along with a 2016 National Instrument 43 -101 report following CIM guidelines, have been completed for each reported Ore Reserve estimate stated in Table 9-4 in the body of this ITAR. Details on the mining factors and assumptions can be found in the footer notes of Table 8-2 and Table 9-4. The Competent Person is confident that all the Ore Reserve and Mineral Resource estimations and mining assumptions have followed industry standard procedures for determining the reasonable prospect for eventual economic extraction.
Metallurgical factors or assumptions	*The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* *Whether the metallurgical process is well-tested technology or novel in nature.* *The nature, amount and representativeness of metallurgical testwork undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.* *Any assumptions or allowances made for deleterious elements.* *The existence of any bulk sample or pilot-scale testwork and the degree to which such samples are considered representative of the orebody as a whole.*	Site-specific metallurgical factors are known due to the operation of the main process plant facility for nearly 25 years. Metallurgical testwork and associated analytical procedures were performed by recognised testing facilities, and the tests performed were appropriate to the mineralisation type. Samples selected for testing were representative of the various kimberlite types and domains. Industry-standard studies were performed as part of process development and initial on-site bulk sample plant design. Subsequent production experience and focused investigations have guided plant expansions and process changes. Recovery estimates are based on appropriate metallurgical testwork and confirmed with production data and are appropriate for the various kimberlite domains. While there are no deleterious elements in diamonds processing, high granite or clay quantities can lead to process issues. These are managed by a combination of surface sorting and blending of different kimberlite domains.

Criteria	JORC Code explanation	Commentary
	For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?	
Environmental	*The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	The Ekati Project operates under an Environmental Agreement with the Government of Canada and the GNWT that was concluded in 1997. The agreement is binding over the life-of-mine until full and final reclamation has been completed. The Environmental Agreement provides for an Independent Environmental Monitoring Agency which acts as an independent reviewer representing the public interest. A number of environmental monitoring programs are in place, and include ongoing assessments of water quality, aquatic effects, fish habitat compensation measures, site reclamation projects, waste rock storage area seepage, wildlife effects, air quality, and geotechnical stability of engineered structures. Compliance with environmental requirements and agreements is reported publicly on an annual basis through the Water Licence, Environmental Agreement, Fisheries Act Authorisations and other means. The current and expected environmental impact of the operation is well identified and subsequent closure, remediation and monitoring requirements have been sufficiently studied and budgeted for in the opinion of the responsible Competent Person.
Infrastructure	*The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	Ekati is an operating mine and key infrastructure on site includes the open pits, underground mines, sample and process plants, waste rock storage and processed kimberlite storage facilities, buildings, and accommodation (mobile and permanent), pipelines, pump stations, electrical systems, quarry site, camp pads and laydowns, ore storage pads, roads, culverts and bridges, airstrip, helipad, and mobile equipment. The existing and planned infrastructure, availability of staff, the existing power, water, and communications facilities, the methods whereby goods are transported to the mine, and any planned modifications or supporting studies are sufficiently well established, or the requirements to establish such, are well understood by Ekati management and can support the estimation of Mineral Resources and Ore Reserves, in addition to the mine plan. In the opinion of the Competent Person, the current on-site and enabling infrastructure is appropriate to enable Ekati's mining and processing activities to continue as proposed in the life-of-mine plan.
Costs	*The derivation of, or assumptions made, regarding projected capital costs in the study.* *The methodology used to estimate operating costs.* *Allowances made for the content of deleterious elements.* *The source of exchange rates used in the study.* *Derivation of transportation charges.*	The derivation and methodology of the capital cost assumptions have followed industry standard (CIM) practices, which have been completed during prefeasibility and feasibility studies. These studies have made allowances for all royalties, capital cost developments, environmental and rehabilitation/closure costs, and operating costs. The Ekati Diamond Mine has been in production for 25 years.

Criteria	JORC Code explanation	Commentary
	The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc. *The allowances made for royalties payable, both Government and private.*	For the two operations currently in production (Sable OP and Misery UG), the capital and operating costs from the prefeasibility studies are broadly in line with actuals considering timing variance of life of mine plans from the time of the studies to the start of project execution. For the Point Lake open pit project, initial capital costs have been in line with the 2020 PFS. The Fox underground PFS was completed in 2018 and the project is not included in the current life of mine plan. The Competent Person cautions that projected costs since the date of the relevant study completion may vary.
Revenue factors	*The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	The derivation and methodology of revenue assumptions have followed industry standard (CIM) practices, which have been completed during prefeasibility and feasibility studies. The US$/ct for each kimberlite pipe has been derived from a sufficient number of carats (production parcels and/or exploration parcels) for each pipe's level of Ore Reserve and Mineral Resource classification – see *Value Estimation* table in Section 5 – taking into account price/market sensitivity at the time of the study completion. The Competent Person is confident all assumptions used for revenue determination for the project are reasonable. The Competent Person cautions that projected revenue determined since the date of the relevant study completion may vary.
Market assessment	*The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* *A customer and competitor analysis along with the identification of likely market windows for the product.* *Price and volume forecasts and the basis for these forecasts.* *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	No forward market for rough diamonds exists to provide external long-term pricing trends. The reasons for this are rooted in the lack of homogeneity in quality and absence of agreed standards for classifying and pricing the diamonds. Consequently, diamond price forecasts are dependent upon the fundamental views of future supply and demand. Various independent diamond market forecasts are produced by specialist companies, financial institutions, and respected major consulting firms, such as Paul Zimnisky Diamond Analytics, McKinsey & Company and Bain & Company. The Competent Person is confident the market assessment for pricing diamond revenues for Ekati follows industry best practices.

Criteria	JORC Code explanation	Commentary
Economic	*The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	See table and notes below

Kimberlite	Study level	Dis. rate	Est. capex (US$M)	Est. opex ($USM)	Sensitivity	After-tax NPV (US$M)		
						Low	Base	High
Sable*	PFS (2016)	7%	161	828	Price growth	37.4	137.1	185.4
					Diamond price	44.4	137.1	226.3
					Initial capital	117.4	137.1	151.6
					Operating costs	84.5	137.1	161.6
					Grade	-	-	-
Misery*	PFS (2017)	7%	103	148	Price growth	71.0	92.0	101.0
					Diamond price	83.0	92.0	100.0
					Initial capital	75.0	92.0	103.0
					Operating costs	76.0	92.0	99.0
					Grade	65.0	92.0	118.0
Fox	PFS (2018)	7%	752	685	Price growth	(141.4)	75.0	212.0
					Diamond price	(69.0)	75.0	219.9
					Total capital	27.8	75.0	123.1
					Operating costs	46.7	75.0	103.4
					Grade	17.2	75.0	132.9
Point Lake	PFS (2020)	7%	33	310	Price growth	(25.7)	2.3	24.5
					Diamond price	(37.6)	2.3	39.7
					Total capital	0.6	2.3	4.3
					Operating costs	(12.5)	2.3	10.2
					Grade	-	-	-

**Indicates kimberlite pipes in production.*

Table notes:

- *PFS = Prefeasibility Study*
- *NPV figures have not accounted for depletion of producing pipes*
- *Sensitivity (Low, Base, High) analysis includes variable price growth, diamond price, initial capital, operating costs and grade*
- *No grade sensitivity analysis has been performed for Sable and Point Lake as the grade NPV mirrors the Diamond Price NPV*
- *Misery Main's NPV figures have been rounded*
- *Stockpiles are not included*
- *Capex and opex figures have been rounded*

Criteria	JORC Code explanation	Commentary
Social	*The status of agreements with key stakeholders and matters leading to social licence to operate.*	Ekati currently holds the appropriate social licenses to operate. A Socio-Economic Agreement was concluded with the GNWT and has been in place since 1996. Four Impact and Benefit Agreements (IBAs) have also been concluded; current relationships with each of the IBA groups are considered positive and are maintained through regular meetings and communications. The Ekati Mine currently provides financial support for projects that support the development of long-term sustainable community initiatives. The Ekati Mine also tries to incorporate the use of traditional knowledge in monitoring programs by involving communities in the programs and teaching the environmental staff the traditional way of the land.
Other	*To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the prefeasibility or feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	At the time of this ITAR, the Competent Person is unaware of any impediments to operating in the Ekati project area.
Classification	*The basis for the classification of the Ore Reserves into varying confidence categories.* *Whether the result appropriately reflects the Competent Person's view of the deposit.* *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	Drill spacing studies were conducted to support Mineral Resource confidence classification. Drillhole spacing classification is as follows for all deposits, unless otherwise specified: • Indicated – less than 60 m to nearest sample • Inferred – less than 90 m to nearest sample. **Mineral Resources** take into account geological, mining, processing and economic constraints, and have been defined within a conceptual stope design or a conceptual open pit shell. Depletion has been included in the estimates. No Measured Mineral Resources are estimated. Factors which may affect the Mineral Resource estimates include: diamond book price and valuation assumptions; changes to geological interpretations; changes to the assumptions used to estimate the diamond carat content; conceptual block cave and open pit design assumptions; geotechnical, mining and process plant recovery assumptions; diamond parcel sizes for the pipes with estimates that are not in production or planned for production; and the effect of different sample-support sizes between RC drilling and underground sampling.

Criteria	JORC Code explanation	Commentary
		Ore Reserves take into consideration environmental factors, permitting, legal, title, taxation, socio-economic, marketing and political factors support the estimation of Ore Reserves. Factors which may affect the Ore Reserve estimates include diamond price assumptions; grade model assumptions, underground mine design, open pit mine design, geotechnical, mining and process plant recovery assumptions, practical control of dilution, changes to capital and operating cost estimates and variations to the permitting, operating or social license regime assumptions, in particular if permitting parameters are modified by regulatory authorities during permit renewals. The Ore Reserve and Mineral Resource classification (as listed in Table 8-2 and Table 9-4) appropriately reflects the Competent Person's view of the Ekati property's deposits.
Audits or reviews	*The results of any audits or reviews of Ore Reserve estimates.*	The sample plant adjacent to the processing plant building was routinely used for diamond recovery audits and for grade control until 2012 as part of an Ore Reserve and Mineral Resource reconciliation process. A fines diamond recovery circuit (FDMS) was added in 2014 and is used to incrementally process coarse process plant tails. The Competent Person has audited and reviewed on-site data including reviews of exploration programs and sample results used within the Mineral Resource and Ore Reserve estimate. Data verification is undertaken on geological, geotechnical, survey and bulk density data collected. Data are reviewed for accuracy by the Resource and/or Production Geologists and corrected as necessary. The findings of this data validation process are summarised and any modifications to the database are reviewed by appropriate staff prior to implementation of those changes. This includes data audit results from the SRC laboratory (used for sample processing from 2019). KPMG performs annual audits of the Ore Reserve and Mineral Resource process. The Competent Person believes a reasonable level of verification has been completed during the exploration and production phases, and no material issues would have been left unidentified from the verification programs undertaken. Moreover, the Competent Person is confident that the quality of the analytical data is reliable and sample preparation, analysis, and security are generally performed in accordance with diamond exploration best practices and industry standards.

Criteria	JORC Code explanation	Commentary
Discussion of relative accuracy/ confidence	*Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	Factors that may affect the accuracy of the Mineral Resource estimate include: • Diamond price and valuation assumptions • Changes to the assumptions used to estimate diamond carat content (e.g. bulk density estimation, grade model methodology) • Geological interpretation (internal kimberlite domains and/or pipe contacts) • Changes to design parameter assumptions that pertain to block cave designs • Changes to design parameter assumptions that pertain to open pit design • Changes to geotechnical, mining assumptions • Changes to process plant recovery estimates if the diamond size in certain domains is finer or coarser than currently assumed • The effect of different sample-support sizes between RC drilling and underground sampling or other larger-scale sampling programs • Diamond parcel sizes for the pipes with estimates that are not in production or planned for production. Factors that may affect the accuracy of the Ore Reserve estimate include: • Mineral Resource factors listed above • Appropriate dilution control being able to be maintained • Changes to capital and operating cost estimates, in particular to fuel cost assumptions • Changes to royalty payment assumptions • Variations to the permitting, operating or social licence regime assumptions, in particular if permitting parameters are modified by regulatory authorities during permit renewals. The Competent Person is confident that the Ore Reserve and Mineral Resource estimate achieves an acceptable level of accuracy using industry best practices, including robust geostatistical analysis and regular reconciliation (grade, tonnage and geological modelling) from production data.

Section 5: Estimation and Reporting of Diamonds and Other Gemstones

(Criteria listed in other relevant sections also apply to this section. Additional guidelines are available in the 'Guidelines for the Reporting of Diamond Exploration Results' issued by the Diamond Exploration Best Practices Committee established by the Canadian Institute of Mining, Metallurgy and Petroleum.)

Criteria	JORC Code explanation	Commentary
Indicator minerals	*Reports of indicator minerals, such as chemically/physically distinctive garnet, ilmenite, chrome spinel and chrome diopside, should be prepared by a suitably qualified laboratory.*	Not applicable – indicator grains are not relevant to diamond Ore Reserve and Mineral Resource estimates.
Source of diamonds	*Details of the form, shape, size and colour of the diamonds and the nature of the source of diamonds (primary or secondary) including the rock type and geological environment.*	Diamond recovered from the Ekati Mine are sourced from primary, hard-rock kimberlite deposits. Not applicable – exploration results are not being reported. The Ekati Diamond Mine has produced approximately 90 million carats.
Sample collection	*Type of sample, whether outcrop, boulders, drill core, reverse circulation drill cuttings, gravel, stream sediment or soil, and purpose (e.g. large diameter drilling to establish stones per unit of volume or bulk samples to establish stone size distribution).* *Sample size, distribution and representivity.*	Sample collection used to estimate the Ore Reserve and Mineral Resource statements include various drilling techniques to define the volume, tonnage, and diamond content. Extensive open pit and underground mining processing data also contribute to the Ore Reserve and Mineral Resource estimate. The Competent Person considers the sample size, distribution and representivity of sample data to be appropriate.
Sample treatment	*Type of facility, treatment rate, and accreditation.* *Sample size reduction. Bottom screen size, top screen size and re-crush.* *Processes (dense media separation, grease, X-ray, hand-sorting, etc.).* *Process efficiency, tailings auditing and granulometry.* *Laboratory used, type of process for micro diamonds and accreditation.*	Sample and production material is processed through on-site dense media separation (DMS) plants (production and sampling). The recovery process involves DMS, grease recovery, x-ray sorting of the dense media concentrate and hand sorting of the x-ray and grease concentrates. The on-site plants are not accredited; however, auditing is performed regularly, following the industry standard protocols typical for an active diamond producer. The sampling plant rate is approximately 10 tonnes per hour (tph), whilst the production plant rate is approximately 400–600 tph. The production plant has a DMS 1.2 mm de-grit slotted screen (final recovery using a 1.0 mm cut-off circular aperture screen), a DMS top screen cut-off size of 28 mm (square screen), and a re-crush size of -25+10 mm. Routine quality control, in line with diamond value management (DVM) principles, is undertaken by laboratory staff to ensure maximum efficiencies. Given the Ekati mine is in production, the Competent Person considers microdiamonds and other early-stage evaluation laboratory analysis non-material.
Carat	*One fifth (0.2) of a gram (often defined as a metric carat or MC).*	Reported as carats.

Criteria	JORC Code explanation	Commentary
Sample grade	*Sample grade in this section of Table 1 is used in the context of carats per units of mass, area or volume.* *The sample grade above the specified lower cut-off sieve size should be reported as carats per dry metric tonne and/or carats per 100 dry metric tonnes. For alluvial deposits, sample grades quoted in carats per square metre or carats per cubic metre are acceptable if accompanied by a volume to weight basis for calculation.* *In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive sample grade (carats per tonne).*	Grade measured from sampled and production data is calculated from diamond recovery per metric tonne (dry) recovered. This is often reported in carats per hundred tonne (cpht). In the case of sample grade, this is derived from stones per tonne (stone frequency) and carats per stone (stone size). The grade reported in the Ore Reserve and Mineral Resource statement is calculated using a bottom cut-off size of 1.2 mm (slotted de-grit screen with final recovery using a 1.0 mm cut-off circular aperture screen) and 0.5 mm (slotted de-grit screen with final recovery using a 1.0 mm cut-off circular aperture screen) respectively (see Table 8-2 and Table 9-4).
Reporting of Exploration Results	*Complete set of sieve data using a standard progression of sieve sizes per facies. Bulk sampling results, global sample grade per facies. Spatial structure analysis and grade distribution. Stone size and number distribution. Sample head feed and tailings particle granulometry.* *Sample density determination.* *Per cent concentrate and undersize per sample.* *Sample grade with change in bottom cut-off screen size.* *Adjustments made to size distribution for sample plant performance and performance on a commercial scale.* *If appropriate or employed, geostatistical techniques applied to model stone size, distribution or frequency from size distribution of exploration diamond samples.* *The weight of diamonds may only be omitted from the report when the diamonds are considered too small to be of commercial significance. This lower cut-off size should be stated.*	Not applicable – Exploration Results are not being reported.
Grade estimation for reporting Mineral Resources and Ore Reserves	*Description of the sample type and the spatial arrangement of drilling or sampling designed for grade estimation.* *The sample crush size and its relationship to that achievable in a commercial treatment plant.* *Total number of diamonds greater than the specified and reported lower cut-off sieve size.*	**Mineral Resources** • RC sampling programs provide diamond grade and size frequency distribution data for grade estimation. • The diamond grade estimation variable is stones per metre cubed (spm^3). • The spm^3 is calculated from a subset of stones over a representative set of size fractions chosen to obviate the effects of poor recovery of small stones and variability in recovery of large stones (i.e. stone density method).

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td>Total weight of diamonds greater than the specified and reported lower cut-off sieve size.
The sample grade above the specified lower cut-off sieve size.</td><td>Ore Reserves
The majority of grade data used in the Ore Reserve estimation is derived from large diameter RC drilling campaigns or mining production recoveries.
The grade used for Ore Reserve reporting is specified to a lower cut-off size of 1.2 mm (de-grit slotted screen lower cut-off size with a final recovery using a 1.0 mm cut-off circular aperture screen.)
The Ore Reserve and Mineral Resource grade estimations in Table 8-2 and Table 9-4, in the opinion of the Competent Person, meet industry standard procedures, including robust size frequency distribution analysis other geostatistical methods for the purpose of accurate grade reporting.</td></tr>
<tr><td>Value estimation</td><td>Valuations should not be reported for samples of diamonds processed using total liberation method, which is commonly used for processing exploration samples.
To the extent that such information is not deemed commercially sensitive, Public Reports should include:
diamonds quantities by appropriate screen size per facies or depth.
Details of parcel valued.
Number of stones, carats, lower size cut-off per facies or depth.
The average $/carat and $/tonne value at the selected bottom cut-off should be reported in US Dollars. The value per carat is of critical importance in demonstrating project value.</i>
<i>The basis for the price (e.g. dealer buying price, dealer selling price, etc.).</i>
<i>An assessment of diamond breakage.</i></td><td>Diamond breakage is considered by the Competent Person to not have a material effect on the value of Ekati diamonds over a production period.
Given the production status of many of the Ekati kimberlite pipes, the parcel carat size used for the determination of the US$/carat is large (see table below).
Ore Reserves are calculated using a 1.2 mm (de-grit slotted screen) lower cut-off size with a final recovery using a 1.0 mm cut-off (circular aperture screen), whereas Mineral Resources are calculated using a 0.5 mm (de-grit slotted screen) lower cut-off size. The US$/ct and US$/dmt have been rounded.
<table>
<tr><th>Kimberlite Pipe</th><th>Parcel carats</th><th>US$/ct</th><th>US$/dmt</th></tr>
<tr><td>Ore Reserves</td><td></td><td></td><td></td></tr>
<tr><td>Sable</td><td>48,947</td><td>206</td><td>165</td></tr>
<tr><td>Point Lake</td><td>1,280</td><td>121</td><td>73</td></tr>
<tr><td>Misery Main</td><td>248,943</td><td>91</td><td>300</td></tr>
<tr><td>Fox</td><td>2,603</td><td>340</td><td>102</td></tr>
<tr><td>Mineral Resources</td><td></td><td></td><td></td></tr>
<tr><td>Sable</td><td>48,947</td><td>178</td><td></td></tr>
<tr><td>Point Lake</td><td>1,280</td><td>112</td><td></td></tr>
<tr><td>Phoenix</td><td>372</td><td>89</td><td></td></tr>
<tr><td>Challenge</td><td>390</td><td>68</td><td></td></tr>
<tr><td>Leslie</td><td>215</td><td>83</td><td></td></tr>
<tr><td>Misery Main</td><td>248,943</td><td>77</td><td></td></tr>
<tr><td>Fox</td><td>2,603</td><td>305</td><td></td></tr>
<tr><td>Jay</td><td>4,137</td><td>70</td><td></td></tr>
<tr><td>Lynx</td><td>288,196</td><td>195</td><td></td></tr>
</table></td></tr>
</table>

Criteria	JORC Code explanation	Commentary
		The Competent Person is confident that the parcel valuation size for each kimberlite pipe is appropriate for the corresponding Ore Reserve and Resource classification.
Security and integrity	*Accredited process audit.* *Whether samples were sealed after excavation.* *Valuer location, escort, delivery, cleaning losses, reconciliation with recorded sample carats and number of stones.* *Core samples washed prior to treatment for micro diamonds.* *Audit samples treated at alternative facility.* *Results of tailings checks.* *Recovery of tracer monitors used in sampling and treatment.* *Geophysical (logged) density and particle density.* *Cross validation of sample weights, wet and dry, with hole volume and density, moisture factor.*	KPMG performs annual audits of the Ore Reserve and Mineral Resource process. The Ekati Diamond Mine has diamond sorting and sales facilities in Yellowknife (Northwest Territories) and Antwerp (Belgium). Diamond concentrates (x-ray and grease) are weighed and securely packaged on site and then transported via air freight to the Yellowknife sorting and valuation facility. Reconciliation of the Ore Reserve and Mineral Resource estimate from production data is performed regularly. The details of many of these procedures (e.g. tracer monitors) have been described in previous sections of the JORC Table 1 of this report. The Competent Person is of the opinion that industry standard practices have been met, including data quality/control and auditing.
Classification	*In addition to general requirements to assess volume and density there is a need to relate stone frequency (stones per cubic metre or tonne) to stone size (carats per stone) to derive grade (carats per tonne). The elements of uncertainty in these estimates should be considered, and classification developed accordingly.*	The Ore Reserve and Mineral Resource grade estimations in Table 8-2 and Table 9-4 have, in the opinion, of the Competent Person, met industry standard procedures, including robust size frequency distribution analysis and other geostatistical methods for the purpose of accurate grade and diamond valuation reporting.

Appendix B Ekati Mineral Leases

Lease No.	Area (Km^2)	Area (Ha)	Issue Date	Expiry Date
3473	10.48	1048.30	1996-Apr-10	2038-Apr-09
3474	9.60	959.50	1996-Apr-10	2038-Apr-09
3475	9.80	979.80	1996-Apr-10	2038-Apr-09
3476	10.01	1001.00	1996-Apr-10	2038-Apr-09
3477	10.53	1052.50	1996-Apr-10	2038-Apr-09
3478	9.48	947.90	1996-Apr-10	2038-Apr-09
3479	9.61	960.60	1996-Apr-10	2038-Apr-09
3480	10.20	1020.00	1996-Apr-10	2038-Apr-09
3481	9.77	977.10	1996-Apr-10	2038-Apr-09
3482	9.96	996.30	1996-Apr-10	2038-Apr-09
3483	9.79	978.50	1996-Apr-10	2038-Apr-09
3484	10.01	1001.20	1996-Apr-10	2038-Apr-09
3485	10.05	1004.80	1996-Apr-10	2038-Apr-09
3486	10.22	1021.70	1996-Apr-10	2038-Apr-09
3487	5.81	580.50	1996-Apr-10	2038-Apr-09
3488	10.32	1031.90	1996-Apr-10	2038-Apr-09
3489	10.19	1019.30	1996-Apr-10	2038-Apr-09
3490	9.79	979.00	1996-Apr-10	2038-Apr-09
3491	10.30	1029.80	1996-Apr-10	2038-Apr-09
3492	9.80	979.60	1996-Apr-10	2038-Apr-09
3493	10.58	1058.20	1996-Apr-10	2038-Apr-09
3494	9.92	992.30	1996-Apr-10	2038-Apr-09
3495	9.97	996.90	1996-Apr-10	2038-Apr-09
3496	10.09	1009.40	1996-Apr-10	2038-Apr-09
3497	10.18	1017.70	1996-Apr-10	2038-Apr-09
3498	10.51	1051.40	1996-Apr-10	2038-Apr-09
3499	9.36	935.60	1996-Apr-10	2038-Apr-09
3500	9.55	954.80	1996-Apr-10	2038-Apr-09
3501	10.16	1016.00	1996-Apr-10	2038-Apr-09
3502	10.13	1012.70	1996-Apr-10	2038-Apr-09
3503	4.23	422.70	1996-Apr-10	2038-Apr-09

Lease No.	Area (Km^2)	Area (Ha)	Issue Date	Expiry Date
3504	6.78	678.40	1996-Apr-10	2038-Apr-09
3505	10.16	1015.70	1996-Apr-10	2038-Apr-09
3506	5.20	519.80	1996-Apr-10	2038-Apr-09
3507	4.46	446.00	1996-Apr-10	2038-Apr-09
3508	3.25	325.00	1996-Apr-10	2038-Apr-09
3509	9.55	955.30	1996-Apr-10	2038-Apr-09
3510	10.69	1069.00	1996-Apr-10	2038-Apr-09
3511	9.70	969.60	1996-Apr-10	2038-Apr-09
3512	10.92	1092.10	1996-Apr-10	2038-Apr-09
3513	9.76	975.60	1996-Apr-10	2038-Apr-09
3514	10.27	1027.00	1996-Apr-10	2038-Apr-09
3515	6.32	632.30	1996-Apr-10	2038-Apr-09
3516	6.66	666.46	1996-Apr-10	2038-Apr-09
3517	4.45	445.30	1996-Apr-10	2038-Apr-09
3518	10.15	1015.30	1996-Apr-10	2038-Apr-09
3519	9.64	964.40	1996-Apr-10	2038-Apr-09
3520	9.95	995.40	1996-Apr-10	2038-Apr-09
3521	10.11	1011.20	1996-Apr-10	2038-Apr-09
3522	9.59	959.30	1996-Apr-10	2038-Apr-09
3589	9.81	980.80	1997-Jun-26	2039-Jun-25
3590	9.73	973.10	1997-Jun-26	2039-Jun-25
3591	10.12	1011.90	1997-Jun-26	2039-Jun-25
3592	9.63	963.00	1997-Jun-26	2039-Jun-25
3593	10.49	1048.80	1997-Jun-26	2039-Jun-25
3594	9.93	992.50	1997-Jun-26	2039-Jun-25
3595	9.72	972.40	1997-Jun-26	2039-Jun-25
3596	10.24	1024.30	1997-Jun-26	2039-Jun-25
3597	9.91	991.10	1997-Jun-26	2039-Jun-25
3803	9.50	949.60	1999-Nov-05	2041-Nov-04
3804	10.80	1080.30	1999-Nov-05	2041-Nov-04

Lease No.	Area (Km^2)	Area (Ha)	Issue Date	Expiry Date
3805	9.72	972.10	1999-Nov-05	2041-Nov-04
3807	10.20	1020.00	1999-Nov-17	2041-Nov-16
3812	9.62	962.20	1999-Nov-17	2041-Nov-16
3813	10.41	1040.90	1999-Nov-17	2041-Nov-16
3818	9.93	992.50	1999-Nov-17	2041-Nov-16
3824	9.49	948.50	1999-Nov-17	2041-Nov-16
3825	9.92	992.20	1999-Nov-17	2041-Nov-16
3848	10.44	1043.80	1999-Aug-16	2041-Aug-15
3854	9.89	988.90	1999-Nov-05	2041-Nov-04
3855	9.93	993.40	1999-Nov-05	2041-Nov-04
3856	10.53	1052.50	1999-Nov-05	2041-Nov-04
3857	10.24	1023.70	1999-Nov-17	2041-Nov-16
3858	10.05	1004.70	1999-Nov-17	2041-Nov-16
3859	9.95	994.70	1999-Nov-17	2041-Nov-16
3860	10.40	1040.10	1999-Nov-17	2041-Nov-16
3861	9.44	943.80	1999-Nov-17	2041-Nov-16
3862	10.06	1006.30	1999-Nov-17	2041-Nov-16
3863	10.21	1020.90	1999-Nov-17	2041-Nov-16
3864	9.59	958.90	1999-Nov-17	2041-Nov-16
3865	10.70	1069.80	1999-Nov-17	2041-Nov-16
3866	9.84	983.90	1999-Nov-17	2041-Nov-16
3867	9.89	989.00	1999-Nov-17	2041-Nov-16
3868	10.26	1026.10	1999-Nov-17	2041-Nov-16
3869	9.53	952.60	1999-Nov-17	2041-Nov-16
3870	10.12	1011.80	1999-Nov-17	2041-Nov-16
3871	9.99	998.70	1999-Nov-17	2041-Nov-16
3872	9.54	953.80	1999-Nov-17	2041-Nov-16
3873	9.67	966.50	1999-Nov-17	2041-Nov-16
3874	10.13	1013.30	1999-Nov-17	2041-Nov-16
3875	9.82	982.20	1999-Nov-17	2041-Nov-16

Lease No.	Area (Km^2)	Area (Ha)	Issue Date	Expiry Date
3876	9.71	970.50	1999-Nov-17	2041-Nov-16
3877	10.23	1023.40	1999-Nov-17	2041-Nov-16
3906	10.29	1029.10	2000-Jun-02	2042-Jun-01
3907	9.86	986.20	2000-Jun-02	2042-Jun-01
3940	9.37	936.90	2000-Jun-02	2042-Jun-01
3953	10.47	1046.90	2000-Jun-02	2042-Jun-01
3959	10.08	1008.10	2000-Jun-02	2042-Jun-01
3975	8.82	881.80	2001-Jul-27	2043-Jul-26
3976	9.07	907.10	2001-Jul-27	2043-Jul-26
3977	10.27	1027.00	2001-Nov-01	2043-Oct-31
3979	9.69	968.90	2001-Jul-27	2043-Jul-26
3980	9.87	986.90	2001 Nov 01	2043-Oct-31
3986	8.08	807.50	2001 Jul 27	2043-Jul-26
3989	6.08	608.20	2001 Jul 27	2043-Jul-26
3990	6.47	646.90	2001 Jul 27	2043-Jul-26
4024	6.41	640.90	2001 Nov 01	2043-Oct-31
4025	9.51	951.20	2001 Nov 01	2043-Oct-31
4029	9.61	961.00	2001 Jul 27	2043-Jul-26
4030	10.59	1059.30	2001 Jul 27	2043-Jul-26
4033	9.53	953.10	2001 Nov 01	2043-Oct-31
4034	9.79	978.90	2001 Nov 01	2043-Oct-31
4035	9.85	984.60	2001 Nov 01	2043-Oct-31
4036	7.08	708.10	2001 Jul 27	2043-Jul-26
4037	10.43	1043.00	2001 Jul 27	2043-Jul-26
4038	11.61	1161.10	2001 Jul 27	2043-Jul-26
4362	5.89	588.50	2001 Nov 16	2043-Nov-15
4363	6.67	667.00	2001 Nov 16	2043-Nov-15
4364	6.25	625.10	2001 Nov 16	2043-Nov-15
4365	6.29	629.40	2001 Nov 16	2043-Nov-15
4372	9.47	946.60	2001 Nov 16	2043-Nov-15

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35 YEARS

•1984 - 2019•

Schedule 5

Corporate Directory

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Email: info@burgundy-diamonds.com
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ASX Code

BDM

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52 Victoria Street
Paddington NSW 2021

Bell Potter Securities Limited
Level 38, Aurora Place
88 Phillip Street
Sydney NSW 2000

Euroz Hartleys
Level 18
58 Mounts Bay Rd
Perth WA 6000

Share Registry*

Automic Share Registry
Level 5, 191 St Georges Terrace
Perth WA 6000
Phone: 1300 288 664

Investigating Accountant

RSM Corporate Australia Pty Ltd
Level 32, Exchange Tower
2 The Esplanade
Perth WA 6000

Auditor to the Company*

RSM Australia Partners
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2 The Esplanade
Perth WA 6000

Australian Legal Advisor

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126 Phillip Street
Sydney NSW 2000

Canadian Corporate Legal Advisor

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Canadian Mining Legal Advisor

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601-4920 52 St
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***** These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.