



Burgundy Diamond Mines Limited
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16 April 2026

Dale Allen
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By email: ListingsCompliancePerth@asx.com.au

Dear Sirs

Response to ASX Query Letter

Burgundy Diamond Mines Ltd (ASX:BDM, "**Burgundy**", "**BDM**" or "the **Company**") refers to the ASX Query Letter dated 7 April 2026 and provides the following responses:

1 Does BDM consider the following information, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

1.1 The Choron Funding Arrangements (including details of the security arrangements in favour of Choron, and details of diamond sales to Choron)

No.

The Company provides the further background information:

- (a) Each Choron Funding Arrangement was a separate, standalone transaction advanced under a separate corresponding STADPA and the Company confirms there has never been an overall 'umbrella' funding arrangement in place with Choron.
- (b) Each STADPA funding arrangement was a form of cash-flow financing which assisted the Company's business in monetizing its mined rough diamonds, thereby bringing forward sale receipts and improving cashflow.
- (c) The STADPA agreements were heavily negotiated and included a mechanism that ensured that the prices received by the Company for the mined rough diamonds represented market value.
- (d) The Company notes that the security arrangements entered into under the STADPA agreements were effectively limited to the value of the goods that were being sold

(mined rough diamonds), with the security falling away as the 'financed' (pre-paid) parcel of rough diamonds were delivered to the buyer (being, Choron).

- (e) The 'cost' of the financing was 15% per annum, in the form of a 'pre-payment fee' accruing on that portion of the pre-payment amount remaining outstanding and unsettled by deliveries.
- (f) The Company emphasises that each arrangement was only ever contemplated as being outstanding for a very short time (the average length of time outstanding over the 3 agreements is circa 24 days).
- (g) Further details of the terms of each STADPA is set out in the explanatory memorandum to the Company's notice of general meeting and IER released on the ASX MAP on 1 April 2026, seeking (among other things) shareholder approval for the Choron Funding Arrangements.

2 If the answer to any part of question 1 is “no”, please answer separately for each of the items in question 1 above.

Please refer to the response to question 1 above.

No part of the information referred to in question 1 was considered by the Company to have material effect on the price or value of the Company's securities.

3 When did BDM first become aware of the information referred to in question 1 above? Please answer separately for each of the items in question 1 above.

The Company became aware of the information referred to in question 1, being the Choron Funding Arrangements, as follows:

- (a) to the extent of the \$18.5m in financial accommodation and associated security arrangements advanced by Choron, on 31 May 2025;
- (b) to the extent of the diamond sales associated with, and made towards settlement of, the \$18.5m in financial accommodation:
 - (i) the Company became aware of the sale of 234,418 carats of rough diamonds for \$11,116,116 on 22 June 2025;
 - (ii) the Company became aware of the sale of 46,890 carats of rough diamonds for \$2,148,950 on 26 June 2025; and
 - (iii) the Company became aware of the sale of 36,945 carats of rough diamonds for \$1,277,182 on 26 June 2025;
- (c) to the extent of the net \$16.9m in financial accommodation and associated security arrangements advanced by Choron, on 30 June, 2025;
- (d) to the extent of the diamond sales to Choron associated with, and made towards settlement of, the net \$16.9m in financial accommodation, the Company became aware of the sale of 419,724 carats of rough diamonds for \$21,181,394 on 18 July 2025 (part of such sale also having been



- made to settle \$4.1m in financial accommodation remaining outstanding under Choron's initial \$18.5m pre-payment);
- (e) to the extent of the \$8m in financial accommodation and associated security arrangements advanced by Choron, on 24 July, 2025; and
 - (f) to the extent of the diamond sales to Choron associated with, and made towards settlement of, the \$8m in financial accommodation advanced by Choron, delivery of 281,254 carats of rough diamonds for \$11,289,543 on 28 August 2025, (part of such sale also having been made in contemplation of the further advance of \$3m in additional financial accommodation under the same arrangements).

Background Information

The Company provides the following background information:

- (g) The "Choron Funding Arrangements" comprise three distinct transactions, as documented under the 31 May 2025 STADPA, 30 June 2025 STADPA and the 24 July 2025 STADPA respectively.
- (h) While further details regarding the terms of each STADPA are disclosed in the explanatory memorandum to the Company's notice of general meeting and IER released on the ASX MAP on 1 April 2026, in summary:
 - (i) pursuant to the terms of the 24 July 2025 STADPA, Choron agreed to purchase approximately 281,815.65 carats in Burgundy rough diamonds for \$18.5m in advance of delivery by way of a pre-payment, with deliveries intended to occur from the week commencing 9 June 2025 and the settlement of the prepayment amount being secured by a pledge over Burgundy's present and future diamond inventories;
 - (ii) pursuant to the terms of the 30 June 2025 STADPA, Choron agreed to purchase approximately 412,786 carats in Burgundy rough diamonds for the net amount of \$16.9m (after setting-off approximately \$4.1m in amounts then owing to Choron) in advance of delivery by way of a prepayment, with deliveries intended to occur from the week commencing 7 July 2025 and the settlement of the prepayment amount being secured by a pledge over Burgundy's present and future diamond inventories; and
 - (iii) pursuant to the terms of the 30 June 2025 STADPA, Choron agreed to purchase an initial tranche of approximately 182,700 carats in Burgundy rough diamonds for \$8m in advance of delivery by way of a pre-payment, with deliveries of the initial tranche intended to occur from the week commencing 28 July 2025 and the settlement of the prepayment amount being secured by a pledge over Burgundy's present and future diamond inventories.
- (i) The \$16.9m in financial accommodation advanced under the 30 June 2025 STADPA and the \$8m in financial accommodation advanced under the 24 July 2025 STADPA, together, comprise the '\$24.9m' in financial accommodation received 'subsequent to the period ended 30 June 2025' referred to in the description of the "Choron Funding Arrangements" in the ASX Query Letter dated 7 April 2026.



- (j) The Choron Funding Arrangements followed an extended period during which the Company had been working to raise capital as result of the challenging state of the diamond market (particularly as it related to the diamond products produced at Ekati Mine), including from the existing 2L lending syndicate, specialist mining funds, special situation funds and other capital providers, with a wide range of financing options having been considered by management.
- (k) In this context, during March to April of 2025, Choron and the Company engaged in discussions regarding a potential diamond inventory advanced purchase arrangement which would assist the Company in managing its short term cashflow to allow it to continue operate and to source and secure other sources of fresh capital. Following these discussions with Choron, the Board approved the entry into the arrangement with Choron, provided any such arrangement was on commercial arms-length terms and independent valuations were built into the documentation. The Company did consider other similar industry led cashflow financing options but they were not as commercially attractive or flexible as that proposed by Choron.
- (l) Various drafts of the initial 31 May 2025 STADPA were circulated during over the course of April and May 2025 and the final version of the 31 May 2025 STADPA, with the 31 May STADPA being approved and executed on 31 May 2025. Delivery of the rough diamonds pre-purchased under the 31 May 2025 STADPA occurred in three parcels on 22 June 2025 and 26 June 2025 respectively.
- (m) Given the ongoing constraints on the Company's working capital, Choron and the Company commenced discussions regarding the second 30 June 2025 STADPA shortly following entry into the 31 May 2025. Various drafts of the 30 June 2025 STADPA were circulated during the month of June 2025, with the final version of the 30 June 2025 STADPA being approved and executed on 30 June 2025. Delivery of the rough diamonds pre-purchased under the 30 June 2025 STADPA occurred on 18 July 2025.
- (n) For similar reasons, Choron and the Company commenced discussions regarding the third 24 July 2025 STADPA shortly following entry into the 30 June 2025 STADPA. Various drafts of the 24 July 2025 STADPA were circulated during the month of July 2025, with the final version of the 24 July 2025 STADPA being approved and executed on 24 July 2025. Delivery of the rough diamonds pre-purchased under the 30 June 2025 STADPA actually occurred on 28 August 2025.
- (o) During the period covered by the 3 separate STADPAs, the Company continued to engage with prospective investors around potential financing packages to ensure the long term sustainability of the business.

4 Were the Choron Funding Arrangements (including details of the security arrangements in favour of Choron, and details of diamond sales to Choron) first disclosed by BDM in the 30 June 2025 HY Accounts?

Yes.

The Company notes for completeness that a reference to "Net Related Party Financing" was disclosed on slide 9 of the investor presentation entitled "Q2-2025 Quarterly Results" dated 31 July 2025 and released



by the Company to ASX MAP on 1 August 2025, in connection with the depiction of changes to the Company's cash position during the period between 31 March 2025 and 30 June 2025.

Further clarification that the "Net Related Party Financing" referred to in the 31 July 2025 investor presentation consisted of the Choron Funding Arrangements (and details of such arrangements) were not provided in the 31 July 2025 presentation and the 30 June 2025 HY Accounts represents the first instance of the disclosure of such information.

- 5 If the answer to question 4 is 'no', please provide details of the relevant announcement which first included full details of the Choron Funding Arrangements, including details of the security arrangements in favour of Choron, and details of diamond sales to Choron.**

Not applicable.

- 6 If answer to question 4 is 'yes', having regard to the information contained in the IER, in particular that the first STADPA was formalised on 31 May 2025, please explain why information relating to the Choron Funding Arrangements (including details of the security arrangements in favour of Choron, and details of diamond sales to Choron) were not released to the market at an earlier time, commenting specifically on when you believe BDM was obliged to release the information under Listing Rule 3.1 and 3.1A and what steps BDM took to ensure the information was released promptly and without delay.**

Please refer to the responses to question 1. The Choron Funding Arrangements were not materially price sensitive for the reasons set out therein. Therefore, the associated disclosure in the 30 June 2025 HY accounts was made in accordance with that required for such financial statements.

- 7 Does BDM consider the disclosure contained in the 30 June 2025 HY accounts related to the Choron funding arrangements contained a sufficient level of disclosure (as contemplated by ASX Guidance Note 8) particularly with respect to identifying (naming) the related party lender? Please provide the basis for BDM's response.**

Yes.

For the reasons set out in the Company's response to question 1 above, the Company did not expect the respective pre-payment arrangements documented under each STADPA to have a material effect on the price or value of the Company's securities.

Accordingly, in the absence of any applicable imperative to do so given this context, the Company did not consider it necessary to specify Choron as the related party lender in the disclosure contained in the 30 June 2025 HY accounts, particularly as the Company considers the identity of customers and suppliers to generally be recognised by the diamond industry as sensitive trade information.

Notwithstanding that the Company had come to the determination that the STADPA pre-payment arrangements did not constitute materially price sensitive information, the Company considered the nature of the relationship of the 'lender' (pre-payer) as still warranting disclosure due to the related party status and as such, this feature was patently disclosed. Had the Company determined the STADPA pre-payment arrangements as being materially price sensitive, the Company posits it would have further disclosed Choron as the related party 'lender' referred to in the 30 June 2025 HY accounts.



- 8 When the first and each subsequent STADPA was approved by the board of BDM, was:**
- 8.1 BDM aware at all relevant times that Mr Anshul Gandhi was the sole shareholder of Choron Holdings Pte Ltd?**
Yes.
- 8.2 BDM aware at all relevant times that Mr Anshul Gandhi was a director of BDM?**
Yes.
- 8.3 BDM aware of all relevant facts which would have enabled BDM to comply with Listing Rules 3.1 and 10.1 in respect of the Choron Funding Arrangements?**
Yes.
- 9 If the answer to any part of question 8 above is 'no', please provide relevant details**
Not applicable.
- 10 Please confirm that BDM is complying with the Listing Rules and, in particular, Listing Rule 3.1.**
The Company confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
- 11 Please confirm that BDM's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of BDM with delegated authority from the board to respond to ASX on disclosure matters.**
The above responses have been authorised and approved by the Board.

Yours faithfully

Brent Mierau
Company Secretary
Burgundy Diamond Mines Limited

7 April 2026

Mr Brent Mieru
Company Secretary
Burgundy Diamond Mines Limited

By email:

Dear Mr Brent Mieru

Burgundy Diamond Mines Limited ('BDM'): ASX Query Letter

- A. BDM's announcement titled "Q2-Results Investor Presentation" released on MAP at 7:05 AM AWST on 1 August 2025 disclosing the following:
- (a) BDM's cash position had declined from US\$39 million at 31 March 2025 to US\$7 million at 30 June 2025; and
 - (b) BDM's cash / debt position had deteriorated from (US\$49 million) at 31 March 2025 to (US\$84 million) at 30 June 2025.

- B. BDM's announcement entitled "Half Year Report and Accounts" released on MAP at 3:00 PM AWST on 29 August 2025 disclosing the following:
- (a) BDM had a working capital deficiency of USD\$12.9 million as at 30 June 2025;
 - (b) BDM was not expected to generate sufficient cash flows from operations to meet its obligations as they fall due over the next 12 months, which indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern;
 - (c) a material uncertainty related to going concern paragraph in the auditor's report;
 - (d) the following details regarding related party borrowings entered into during and subsequent to the 30 June 2025 half year period:

(b) Related Party Loan

As part of managing non-dilutive working capital financing, the Group received \$18.5 million in June 2025, from a company ("Related Party Lender") managed by a director of the Group bearing an interest rate of 15% per annum. Under the terms of this financing, the Group would settle the outstanding balance of the loan and interest payable through sales of diamond inventories to the Related Party Lender. The Group sold \$14.4 million of diamond inventories to the Related Party lender during June 2025 after which the outstanding loan payable as of 30 June 2025 was \$4.1 million that was fully settled subsequent to 30 June, 2025. In addition, subsequent to period ended 30 June 2025, the Group received an additional \$24.9 million from the Related Party Lender that was fully settled through the sale of diamond inventories to the related party lender (refer to Note 13 (a)).

The related party loan is secured by the rough diamond inventories of the Group. The 2L lenders provided a waiver to exempt such inventories from being pledged under the 2L agreement.

('Choron Funding Arrangements').

- C. BDM's announcement titled "Notification of Breach of Listing Rule 10.1" released on MAP at 6:18 AM AWST on 7 October 2025 disclosing a breach of Listing Rule 10.1 in relation to short-term financing provided to BDM by the Choron Group, a related part of a BDM director.
- D. BDM's Notice of General Meeting released on MAP on 2 April 2026 containing resolutions seeking shareholder approval for historical product sales with Choron and ratification of a Listing Rule 10.1 breach ('Notice of Meeting'). Accompanying the Notice of Meeting is an Independent Expert Report which opines

on the fairness and reasonableness of the historical breaches by BDM of Listing Rule 10.1 ('IER Report'). The IER Report (at sections 4.1 and 10.3.2 discloses the following in relation to three Short Term Advance Diamond Purchase Agreements ('STADPA') entered into between BCM and Choron:

- (a) The first STADPA was entered into on 31 May 2025; and
- (b) Each STADPA was considered and approved by the BDM board.

- E. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- F. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity."

- G. Section 4.15 of Guidance Note 8: 'CONTINUOUS DISCLOSURE: LISTING RULES 3.1 – 3.1B' ('Guidance Note 8') which states (relevantly):

Wherever possible, an announcement under Listing Rule 3.1 should contain sufficient detail for investors or their professional advisers to understand its ramifications and to assess its impact on the price or value of the entity's securities.

...

ASX would generally expect an announcement about the signing of a market sensitive contract with a customer to include information about:

- *the name of the customer;*
- *the term of the contract;*
- *the nature of the products or services to be supplied to the customer;*
- *the significance of the contract to the entity;*
- *any material conditions that need to be satisfied before the customer becomes legally bound to proceed with the contract; and*
- *any other material information relevant to assessing the impact of the contract on the price or value of the entity's securities" (emphasis added)*

- H. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled "When does an entity become aware of information?"
- I. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following 5 situations applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*

- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed.”*

J. Listing Rule 10.1 which states:

“10.1 An entity (or, in the case of a trust, the ^{}responsible entity of the trust) must ensure that neither the entity, nor any of its ^{*}child entities, ^{*}acquires or agrees to ^{*}acquire a substantial asset from, or ^{*}disposes of or ^{*}agrees to dispose of a substantial asset to, any of the following ^{*}persons without the approval of the holders of the entity’s ^{*}ordinary securities.*

10.1.1 A ^{}related party of the entity.*

10.1.2 A ^{}child entity of the entity.*

10.1.3 A ^{}person who is, or was at any time in the 6 months before the transaction or agreement, a ^{*}substantial (10%+) holder in the entity.*

10.1.4 An ^{}associate of a ^{*}person referred to in rules 10.1.1 to 10.1.3.*

10.1.5 A ^{}person whose relationship to the entity or a ^{*}person referred to in rules 10.1.1 to 10.1.4 is such that, in ASX’s opinion, the transaction should be approved by ^{*}security holders.*

K. The concept of “confidentiality” detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it is no longer a secret and it ceases to be confidential information for the purposes of this rule.”

Request for information

Having regard to the above, ASX asks BDM to respond separately to each of the following questions:

1. Does BDM consider the following information, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
 - 1.1 The Choron Funding Arrangements (including details of the security arrangements in favour of Choron, and details of diamond sales to Choron)
2. If the answer to any part of question 1 is “no”, please advise the basis for that view.
Please answer separately for each of the items in question 1 above.
3. When did BDM first become aware of the information referred to in question 1 above?
Please answer separately for each of the items in question 1 above.
4. Were the Choron Funding Arrangements (including details of the security arrangements in favour of Choron, and details of diamond sales to Choron) first disclosed by BDM in the 30 June 2025 HY Accounts?

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5. If the answer to question 4 is 'no', please provide details of the relevant announcement which first included full details of the Choron Funding Arrangements, including details of the security arrangements in favour of Choron, and details of diamond sales to Choron.
 6. If answer to question 4 is 'yes', having regard to the information contained in the IER, in particular that the first STADPA was formalised on 31 May 2025, please explain why information relating to the Choron Funding Arrangements (including details of the security arrangements in favour of Choron, and details of diamond sales to Choron) were not released to the market at an earlier time, commenting specifically on when you believe BDM was obliged to release the information under Listing Rule 3.1 and 3.1A and what steps BDM took to ensure the information was released promptly and without delay.
 7. Does BDM consider the disclosure contained in the 30 June 2025 HY accounts related to the Choron funding arrangements contained a sufficient level of disclosure (as contemplated by ASX Guidance Note 8) particularly with respect to identifying (naming) the related party lender? Please provide the basis for BDM's response.
 8. When the first and each subsequent STADPA was approved by the board of GDM, was:
 - 8.1 BDM aware at all relevant times that Mr Anshul Gandhi was the sole shareholder of Choron Holdings Pte Ltd?
 - 8.2 BDM aware at all relevant times that Mr Anshul Gandhi was a director of BDM?
 - 8.3 BDM aware of all relevant facts which would have enabled BDM to comply with Listing Rules 3.1 and 10.1 in respect of the Choron Funding Arrangements?Please answer separately for each of the items in question 8 above.
 9. If the answer to any part of question 8 above is 'no', please provide relevant details.
 10. Please confirm that BDM is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
 11. Please confirm that BDM's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of BDM with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **10:00 AM AWST Tuesday, 14 April 2026**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, BDM's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require BDM to request a trading halt immediately if trading in BDM's securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in BDM's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to BDM's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that BDM's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours sincerely

ASX Compliance