

Acknowledgement and Remediation of ASX Listing Rule 10.1 Breach

Burgundy Diamond Mines Limited (ASX: BDM) (Burgundy or the Company) provides the following update regarding its compliance with ASX Listing Rule 10.1 in connection with certain related party dealings between the Company and Choron BV (the **Related Party**) entered into between May and July 2025.

Background to Listing Rule 10.1 Breach

Between May and July 2025, the Company entered into three separate Short-Term Advance Diamond Purchase Agreements (**STADPAs**) with the Related Party. Under the STADPAs, the Related Party made advance payments to the Company for the purchase of independently valued rough diamond inventories, which were subsequently sold and transferred to the Related Party in satisfaction of the Company's obligations under those agreements. The STADPAs also granted security interests to the Related Party over the financed rough diamond inventories (together, the **Related Party Dealings**). At all relevant times, the Related Party was a related party of the Company because it was controlled by Mr Anshul Gandhi, a director of the Company.

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Listing Rule 10.1 required the Company to obtain shareholder approval before entering into each STADPA because each agreement involved the disposal, or an agreement to dispose, of a substantial asset to a related party. At the relevant times, 5% of the Company's equity interests of US\$62.04 million was approximately US\$3.10 million. The value of the assets disposed of, or agreed to be disposed of, or the consideration received by the Company, under each STADPA exceeded this threshold. The aggregate value of the Related Party Dealings was approximately US\$50.6 million. The required shareholder approval was not obtained prior to the Company's entry into the STADPAs on 31 May 2025, 30 June 2025 and 24 July 2025 respectively.

The Board acknowledges that the STADPAs were entered into in breach of Listing Rule 10.1, and that shareholders should have had the opportunity to approve the Related Party Dealings. Although the Company subsequently sought and obtained ratification of the Related Party Dealings from shareholders not associated with the Related Party on 30 April 2026, the Board recognises that the breach placed shareholders in a difficult position because they were asked to consider dealings that had already been completed. While the Independent Expert assessed the rough diamond inventories as having been sold at fair market value, it concluded that the Related Party Dealings, considered as a whole, were not fair but reasonable to non-associated shareholders.

Remedial Actions

Upon becoming aware of the Listing Rule 10.1 breach, the Company undertook the following remedial actions:

- requested a voluntary trading suspension on 29 September 2025;
- publicly acknowledged the breach in a market announcement titled "Notification of Breach of Listing Rule 10.1" on 7 October 2025;



- commissioned an Independent Expert's Report (released on 27 March 2026) to provide non-associated shareholders with a fully informed basis on which to consider ratification; and
- sought and obtained ratification of the Related Party Dealings from non-associated shareholders at a General Meeting held on 30 April 2026.

The Company has now completed the remedial steps described above, including obtaining approval from non-associated shareholders in respect of the completed Related Party Dealings.

The Board recognises the importance of shareholder approval for related party transactions under Listing Rule 10.1 and that prior shareholder approval should have been obtained.

Measures to Prevent Recurrence

In recognition of the seriousness of the breach, and to reduce the risk of recurrence, the Company has taken the following steps:

- (a) progression of the appointment of a dedicated Joint Company Secretary with extensive experience in ASX-listed companies. To date, the role of company secretary has been performed solely by the Company's Chief Financial Officer;
- (b) establishment of a related party register to record and track activities and dealings with related parties, which is reviewed and updated at each Board meeting;
- (c) heightened emphasis on the standing Board meeting agenda item concerning related party issues and transactions to assist with ensuring all such matters are identified, considered and actioned; and
- (d) engaged external advisers to conduct a review of the Company's Corporate Governance Policy to ensure it reflects best practice, with a particular focus on related party dealings. ASX has directed the Company to prepare a supplementary ASX announcement regarding the outcome of the review for release to the market announcements platform. The Company expects to receive the outcome of the review by approximately 17 November 2026, and release the supplementary announcement by approximately 30 November 2026.

The Board is committed to strengthening the Company's governance and compliance framework and supporting ongoing compliance with the ASX Listing Rules.

-ENDS-

This announcement was authorised for release on the ASX by the Board of Burgundy Diamond Mines Ltd.

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About Burgundy Diamond Mines Limited

Burgundy Diamond Mines Limited is an ASX-listed diamond company engaged in diamond mining, production and sales. Further information is available at www.burgundydiamonds.com.