



Condensed Consolidated Interim Financial Statements  
(Expressed in thousands of Canadian Dollars)

**MOUNTAIN PROVINCE  
DIAMONDS INC.**

For the three and six months ended June 30, 2024  
(Unaudited)

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**RESPONSIBILITY FOR CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited condensed consolidated interim financial statements of Mountain Province Diamonds Inc. (the "Company") are the responsibility of management and have been approved by the board of directors of the Company (the "Board of Directors").

The unaudited condensed consolidated interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the Company's audited consolidated financial statements as at December 31, 2023. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the balance sheet date. The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards 34 – Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") appropriate in the circumstances.

Management has established processes, which are in place to provide sufficient knowledge to support management representations that it has exercised reasonable diligence that the unaudited condensed consolidated interim financial statements fairly present in all material respects the financial condition, financial performance, and cash flows of the Company, as at and for the periods presented in the unaudited condensed consolidated interim financial statements.

The Board of Directors is responsible for reviewing and approving the condensed consolidated interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. The Audit Committee assists the Board of Directors in fulfilling this responsibility.

The audit committee of the Company (the "Audit Committee") meets with management to review the financial reporting process and the unaudited condensed consolidated interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its unaudited condensed consolidated interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with IFRS as issued by the IASB, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

*"Mark Wall"*

Mark Wall

President and Chief Executive Officer

Toronto, Canada

August 7, 2024

*"Steven Thomas"*

Steven Thomas

VP Finance and Chief Financial Officer

# MOUNTAIN PROVINCE DIAMONDS INC.

## Condensed Consolidated Interim Balance Sheets

Expressed in thousands of Canadian dollars  
(Unaudited)

	Notes	June 30, 2024	December 31, 2023
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 4,365	\$ 29,674
Amounts receivable		4,966	1,109
Prepaid expenses and other		551	1,418
Derivative assets	14	10,462	14,001
Inventories	5	242,846	187,202
		263,190	233,404
Restricted cash	17	33,300	32,381
Reclamation deposit		312	250
Other assets		628	-
Property, plant and equipment	6	580,949	590,819
<b>Total assets</b>		<b>\$ 878,379</b>	<b>\$ 856,854</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		\$ 58,895	\$ 56,768
Income taxes payable		294	602
Derivative liabilities	14	826	-
Decommissioning and restoration liability	7	4,409	2,807
Lease obligations		174	174
Warrant liability	9, 10	575	2,431
		65,173	62,782
Dunebridge junior credit facility	9	81,527	73,374
Secured notes payable	8	243,510	232,760
Lease obligations		503	572
Decommissioning and restoration liability	7	78,967	82,462
Deferred income tax liabilities		46,985	43,900
<b>Shareholders' equity:</b>			
Share capital	12	634,439	634,065
Share-based payments reserve	12	9,862	9,866
Deficit		(283,921)	(284,261)
Accumulated other comprehensive income		1,334	1,334
<b>Total shareholders' equity</b>		<b>361,714</b>	<b>361,004</b>
<b>Total liabilities and shareholders' equity</b>		<b>\$ 878,379</b>	<b>\$ 856,854</b>
Going concern	1		

On behalf of the Board:

"Jeff Swinoga"

Director

"Jonathan Comerford"

Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

## Condensed Consolidated Interim Statements of Comprehensive (Loss) Income

Expressed in thousands of Canadian dollars, except for the number of shares  
(Unaudited)

	Notes	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Sales		\$ 56,818	\$ 59,918	\$ 146,256	\$ 188,575
Cost of sales:					
Production costs		27,008	18,619	59,736	67,735
Cost of acquired diamonds		3,565	3,783	7,777	10,863
Depreciation and depletion		14,263	10,583	36,325	35,844
Earnings from mine operations		11,982	26,933	42,418	74,133
Exploration and evaluation expenses		143	3,359	277	5,461
Selling, general and administrative expenses	13	2,768	3,223	6,310	7,230
Operating income		9,071	20,351	35,831	61,442
Interest Income		732	798	1,578	1,437
Finance expenses	11	(10,711)	(9,578)	(21,048)	(19,739)
Other income	10	779	573	1,375	719
Derivative (losses) gains	14	(2,462)	1,936	(4,802)	871
Foreign exchange (losses) gains		(3,023)	5,468	(9,209)	5,612
(Loss) income before taxes		(5,614)	19,548	3,725	50,342
Current income taxes		(150)	(150)	(300)	(900)
Deferred income taxes		(760)	(2,080)	(3,085)	(3,900)
Net (loss) income for the period		\$ (6,524)	\$ 17,318	\$ 340	\$ 45,542
Total comprehensive (loss) income for the period		\$ (6,524)	\$ 17,318	\$ 340	\$ 45,542
Basic (loss) earnings per share	12(iv)	\$ (0.03)	\$ 0.08	\$ 0.00	\$ 0.22
Diluted (loss) earnings per share	12(iv)	\$ (0.03)	\$ 0.08	\$ 0.00	\$ 0.21
Basic weighted average number of shares outstanding		211,794,428	211,513,982	211,677,010	211,501,630
Diluted weighted average number of shares outstanding		211,794,428	214,316,846	214,841,239	214,304,494

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

## MOUNTAIN PROVINCE DIAMONDS INC.

### Condensed Consolidated Interim Statements of Equity

Expressed in thousands of Canadian dollars, except for the number of shares  
(Unaudited)

	Notes	Number of shares	Share capital	Share-based payments reserve	Deficit	Accumulated other comprehensive income	Total
<b>Balance, January 1, 2023</b>		211,489,141	\$ 637,862	\$ 8,552	\$ (240,590)	\$ 1,334	\$ 407,158
Net income for the period		-	-	-	45,542	-	45,542
Share-based payments	12(iii)	-	-	706	-	-	706
Issuance of common shares – restricted share units		52,307	36	(36)	-	-	-
<b>Balance, June 30, 2023</b>		211,541,448	\$ 637,898	\$ 9,222	\$ (195,048)	\$ 1,334	\$ 453,406
<b>Balance, January 1, 2024</b>		211,559,588	\$ 634,065	\$ 9,866	\$ (284,261)	\$ 1,334	\$ 361,004
Net income for the period		-	-	-	340	-	340
Share-based payments	12(iii)	-	-	370	-	-	370
Issuance of common shares - restricted share units		573,163	374	(374)	-	-	-
<b>Balance, June 30, 2024</b>		212,132,751	\$ 634,439	\$ 9,862	\$ (283,921)	\$ 1,334	\$ 361,714

*The accompanying notes are an integral part of these condensed consolidated interim financial statements.*

## Condensed Consolidated Interim Statements of Cash Flows

Expressed in thousands of Canadian dollars  
(Unaudited)

Notes	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Cash provided by (used in):				
Operating activities:				
Net (loss) income for the period	\$ (6,524)	\$ 17,318	\$ 340	\$ 45,542
<i>Adjustments:</i>				
Net finance expenses	9,963	8,779	19,439	18,289
Depreciation and depletion	14,270	10,640	36,374	35,958
Share-based payment expense	128	366	370	706
Fair value gain of warrants	(1,315)	(563)	(1,856)	(709)
Gain on leases	9	-	(46)	-
Derivative losses (gains)	2,462	(1,936)	4,802	(871)
Foreign exchange losses (gains)	3,023	(5,468)	9,209	(5,612)
Loss on sale of equipment	527	-	527	-
Deferred income taxes	760	2,080	3,085	3,900
	<b>23,303</b>	<b>31,216</b>	<b>72,244</b>	<b>97,203</b>
<i>Changes in non-cash operating working capital:</i>				
Amounts receivable	(1,520)	(980)	(3,857)	(2,851)
Prepaid expenses and other	138	258	867	157
Income taxes payable	(458)	(448)	(308)	302
Inventories	(12,664)	(11,060)	(50,584)	(38,290)
Accounts payable and accrued liabilities	(43,854)	(36,840)	(13,464)	8,555
	<b>(35,055)</b>	<b>(17,854)</b>	<b>4,898</b>	<b>65,076</b>
Investing activities:				
Restricted cash	(465)	(401)	(919)	(774)
Interest income	732	798	1,578	1,437
Reclamation cost	(143)	-	(275)	-
Purchase of property, plant and equipment	(19,025)	(21,351)	(35,908)	(44,651)
	<b>(18,901)</b>	<b>(20,954)</b>	<b>(35,524)</b>	<b>(43,988)</b>
Financing activities:				
Payment of lease liabilities	(27)	(79)	(74)	(156)
Bank overdraft*	15,600	-	15,600	-
Cash held in trust for settlement of secured notes repayment	-	16,653	-	-
Repurchase of secured notes	-	(16,126)	-	(16,126)
Financing costs paid	(10,898)	(11,631)	(10,898)	(11,955)
	<b>4,675</b>	<b>(11,183)</b>	<b>4,628</b>	<b>(28,237)</b>
Effect of foreign exchange rate changes on cash	296	(1,239)	689	(788)
Decrease in cash	(48,985)	(51,230)	(25,309)	(7,937)
Cash, beginning of period	53,350	60,540	29,674	17,247
Cash, end of period	\$ 4,365	\$ 9,310	\$ 4,365	\$ 9,310

\*Included in accounts payable and accrued liabilities on the balance sheet at June 30, 2024 is \$15,600 related to bank overdrafts at the GK Mine.

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

## **MOUNTAIN PROVINCE DIAMONDS INC.**

### **Notes to the Condensed Consolidated Interim Financial Statements**

**For the Three and Six Months Ended June 30, 2024**

**Amounts in thousands of Canadian Dollars, except share and per share amounts, unless otherwise noted  
(Unaudited)**

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#### **1. NATURE OF OPERATIONS AND GOING CONCERN**

Mountain Province Diamonds Inc. ("Mountain Province" and together with its subsidiaries collectively, the "Company") was incorporated on December 2, 1986 under the British Columbia Company Act. Mountain Province amended its articles and continued incorporation under the Ontario Business Corporations Act effective May 8, 2006. The Company holds a 49% interest in the operating Gahcho Kué Project ("Gahcho Kué Diamond Mine" or "GK Mine" or "GK Project") in Canada's Northwest Territories. The Company also owns 100% of the mineral rights of the Kennedy North Project ("KNP") in Canada's Northwest Territories.

The address of the Company's registered office and its principal place of business is 151 Yonge Street, Suite 1100, Toronto, ON, Canada, M5C 2W7. The Company's shares are listed on the Toronto Stock Exchange ("TSX") under the symbol 'MPVD'.

These condensed consolidated interim financial statements have been prepared using the going concern basis of preparation which assumes that the Company will realize its assets and settle its liabilities in the normal course of business.

The Company realized cash flows from operating activities of \$4,898 in the six months ended June 30, 2024 (June 30, 2023 – \$65,076) and has \$4,365 cash on hand at June 30, 2024 (December 31, 2023 - \$29,674). The Company's revenues, operating results and cash inflows are highly dependent on achieving certain thresholds of diamond production, sales and prices. The Company has prepared its liquidity assessment based on the actual results through July 2024 and using forecasted diamond production, sales and prices for the 12-month period ending June 30, 2025. If these forecasts are not substantially achieved, the Company will have to implement alternative plans to ensure that it will have sufficient liquidity for the 12-month period from continuing operations. Failure to meet the obligations for cash calls to fund the Company's share of expenditures at the GK Mine may lead to De Beers Canada Inc. enforcing its remedies under the joint venture agreement with De Beers (the 'JV Agreement'), which could result in, amongst other things the dilution of the Company's interest in the GK Mine, and at certain dilution levels trigger cross-default clauses within the 9.00% Senior Secured Loan Notes ('Notes') and the Junior Secured Credit Facility with Dunebridge Worldwide Ltd. ('Dunebridge JCF'). The volatility in production, sales and pricing of the Company's diamonds indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements do not include the adjustments to the amounts and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. These adjustments may be material.

#### *Authorization of Financial Statements*

These condensed consolidated interim financial statements (the "Interim Financial Statements") were approved by the Board of Directors on August 7, 2024.

#### **2. BASIS OF PRESENTATION**

These Interim Financial Statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") and follow the same accounting policies and methods of application as the annual consolidated financial statements of the Company for the year ended December 31, 2023 ("Annual Consolidated Financial Statements"), except as noted below under Note 3 adoption of new accounting standards.



## **MOUNTAIN PROVINCE DIAMONDS INC.**

### **Notes to the Condensed Consolidated Interim Financial Statements**

**For the Three and Six Months Ended June 30, 2024**

**Amounts in thousands of Canadian Dollars, except share and per share amounts, unless otherwise noted (Unaudited)**

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These Interim Financial Statements were prepared under the historical cost convention except for certain financial instruments which are measured at fair value as explained in Note 3 of the accounting policies in the Company's Annual Consolidated Financial Statements.

### **3. MATERIAL ACCOUNTING POLICIES**

#### **(i) New accounting policies adopted in the current period**

The Company adopted the following accounting standards and amendments to accounting standards, effective January 1, 2024:

On January 23, 2020, the IASB issued amendments to IAS 1 Presentation of Financial Statements, to clarify the classification of liabilities as current or non-current. For the purposes of non-current classification, the amendments removed the requirement for a right to defer settlement or roll over of a liability for at least twelve months to be unconditional. Instead, such a right must have substance and exist at the end of the reporting period. The amendments also clarify how a company classifies a liability that includes a counterparty conversion option. The amendments state that:

- settlement of a liability includes transferring a company's own equity instruments to the counterparty, and
- when classifying liabilities as current or non-current a company can ignore only those conversion options that are recognized as equity.

The amendments have been adopted by the Company, however the amendments did not result in any changes to the financial statements.

### **4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of Interim Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these condensed interim consolidated financial statements, are described in Note 4 of the Company's Annual Consolidated Financial Statements.

### **5. INVENTORIES**

	<b>June 30, 2024</b>	December 31, 2023
Ore stockpile	\$ 107,477	\$ 77,173
Rough diamonds	41,703	50,432
Supplies inventory	93,666	59,597
<b>Total</b>	<b>\$ 242,846</b>	<b>\$ 187,202</b>

Depreciation and depletion included in inventories at June 30, 2024 is \$41,249 (December 31, 2023 - \$35,685).

## MOUNTAIN PROVINCE DIAMONDS INC.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three and Six Months Ended June 30, 2024

Amounts in thousands of Canadian Dollars, except share and per share amounts, unless otherwise noted  
(Unaudited)

## 6. PROPERTY, PLANT AND EQUIPMENT

The Company's property, plant and equipment as at June 30, 2024 and December 31, 2023 are as follows:

	Property, plant and equipment GK	Assets under construction GK	Property, plant and equipment KNP	Exploration and evaluation assets KNP	Total
<b>Cost</b>					
At January 1, 2023	\$ 1,013,742	\$ 10,312	\$ 1,863	\$ 169,392	\$ 1,195,309
Decommissioning and restoration adjustment	1,175	-	-	(93)	1,082
Additions/transfers*	92,071	(2,258)	-	-	89,813
Disposals/write-down	(3,057)	-	(917)	-	(3,974)
At December 31, 2023	1,103,931	8,054	946	169,299	1,282,230
Decommissioning and restoration adjustment	(2,300)	-	-	-	(2,300)
Additions/transfers*	35,918	1,920	-	-	37,838
Disposals/write-down	(1,636)	-	(647)	-	(2,283)
<b>At June 30, 2024</b>	<b>\$ 1,135,913</b>	<b>\$ 9,974</b>	<b>\$ 299</b>	<b>\$ 169,299</b>	<b>\$ 1,315,485</b>
<b>Accumulated depreciation and impairment</b>					
At January 1, 2023	\$ (509,226)	\$ -	\$ (21)	\$ -	\$ (509,247)
Depreciation and depletion**	(80,083)	-	(24)	-	(80,107)
Impairment loss	(104,593)	-	-	-	(104,593)
Disposals	2,536	-	-	-	2,536
At December 31, 2023	(691,366)	-	(45)	-	(691,411)
Depreciation and depletion**	(44,118)	-	(12)	-	(44,130)
Disposals	1,005	-	-	-	1,005
<b>At June 30, 2024</b>	<b>\$ (734,479)</b>	<b>\$ -</b>	<b>\$ (57)</b>	<b>\$ -</b>	<b>\$ (734,536)</b>
<b>Carrying amounts</b>					
At December 31, 2023	\$ 412,565	\$ 8,054	\$ 901	\$ 169,299	\$ 590,819
<b>At June 30, 2024</b>	<b>\$ 401,434</b>	<b>\$ 9,974</b>	<b>\$ 242</b>	<b>\$ 169,299</b>	<b>\$ 580,949</b>

\*Included in additions of property, plant and equipment for GK mine is \$33,079 (December 31, 2023 - \$80,335) related to deferred stripping of which \$2,190 relates to the depreciation of earthmoving equipment (December 31, 2023 - \$5,989).

\*\*Included in depreciation and depletion is \$33 of depreciation on the right-of-use assets (December 31, 2023 - \$196).

## 7. DECOMMISSIONING AND RESTORATION LIABILITY

The decommissioning and restoration liability is comprised of the liabilities for the GK Mine and the KNP.

The GK Mine decommissioning and restoration liability was calculated using the following assumptions as at June 30, 2024 and December 31, 2023:

	June 30, 2024	December 31, 2023
Expected undiscounted cash flows	\$ 94,173	\$ 92,948
Nominal risk-free discount rate	3.50%	3.10%
Inflation rate	2.00%	2.00%
Periods	2031	2031

**MOUNTAIN PROVINCE DIAMONDS INC.****Notes to the Condensed Consolidated Interim Financial Statements****For the Three and Six Months Ended June 30, 2024****Amounts in thousands of Canadian Dollars, except share and per share amounts, unless otherwise noted (Unaudited)**

The decommissioning and restoration liability has been calculated using expected cash flows that are current dollars, with inflation.

During the six months ended June 30, 2024, the GK Mine decommissioning and restoration liability decreased by \$2,974 (December 31, 2023 – increased by \$1,655), resulting primarily from the change in the nominal risk-free discount rate.

The continuity of the decommissioning and restoration liability at June 30, 2024 and December 31, 2023 is as follows:

	GK Mine	KNP	Total
Balance, at January 1, 2023	\$ 78,311	\$ 2,879	\$ 81,190
Change in estimate of discounted cash flows	1,655	(93)	1,562
Accretion recorded during the year	2,600	104	2,704
Reclamation expenditures	(187)	-	(187)
Balance, at December 31, 2023	\$ 82,379	\$ 2,890	\$ 85,269
Less: current portion of decommissioning and restoration liability	2,807	-	2,807
Non-current decommissioning and restoration liability, at December 31, 2023	\$ 79,572	\$ 2,890	\$ 82,462
Change in estimate of discounted cash flows	(2,974)	-	(2,974)
Accretion recorded during the period	1,307	49	1,356
Reclamation expenditures	(275)	-	(275)
Balance, at June 30, 2024	\$ 80,437	\$ 2,939	\$ 83,376
Less: current portion of decommissioning and restoration liability	4,409	-	4,409
Non-current decommissioning and restoration liability, at June 30, 2024	\$ 76,028	\$ 2,939	\$ 78,967

**8. SECURED NOTES PAYABLE (THE “NOTES”)**

As of June 30, 2024, the principal amount outstanding for the Notes is US\$177 million or \$242.1 million Canadian dollar equivalent under the Notes (December 31, 2023 - US\$177 million or \$234.4 million). The Notes pay interest in semi-annual instalments on June 15 and December 15 of each year, at a rate of 9.00% per annum, and mature on December 15, 2025.

The indenture governing the Notes contains certain restrictive covenants that limit the Company’s ability to, among other things, incur additional indebtedness, make dividend payments and other restricted payments, and create certain liens, in each case subject to certain exceptions. The indenture includes a covenant that the annual audited consolidated financial statements do not include a qualification as to scope or going concern, which if breached, would constitute an event of default. For the year ended December 31, 2023, given the existence of material uncertainties over the company’s ability to continue as a going concern as disclosed in those financial statements, the Company obtained a waiver from the Note holders to waive the unqualified financial statements covenant.

	June 30, 2024	December 31, 2023
Total outstanding secured notes payable	\$ 242,118	\$ 234,401
Loss (gain) on loan	-	(71)
Less: unamortized deferred transaction costs and issuance discount	1,392	(1,570)
<b>Total secured notes payable</b>	<b>\$ 243,510</b>	<b>\$ 232,760</b>

**MOUNTAIN PROVINCE DIAMONDS INC.****Notes to the Condensed Consolidated Interim Financial Statements****For the Three and Six Months Ended June 30, 2024****Amounts in thousands of Canadian Dollars, except share and per share amounts, unless otherwise noted (Unaudited)****9. DUNEBRIDGE JUNIOR CREDIT FACILITY (“DUNEBRIDGE JCF”)**

As at June 30, 2024, the principal amount outstanding of the Dunebridge JCF is US\$50 million or \$68.4 million Canadian dollar equivalent under the Dunebridge JCF (December 31, 2023 - US\$50 million or \$66.2 million Canadian dollar equivalent).

	June 30, 2024	December 31, 2023
Total outstanding Dunebridge JCF	\$ 68,395	\$ 66,215
Less: unamortized deferred transaction costs, gain and loss on loan	(3,340)	(3,413)
Add: accrued Interest	16,472	10,572
<b>Total Dunebridge Junior Credit Facility</b>	<b>\$ 81,527</b>	<b>\$ 73,374</b>

**10. WARRANT LIABILITY**

As part of the Dunebridge JCF (Note 9), 41 million share warrants were issued to Dunebridge at an exercise price of US\$0.61 per common share with an expiry date of December 15, 2027. The warrants have an exercise price denominated in US dollars, which differs from the Company’s Canadian dollar functional currency, and are therefore accounted for as derivative liabilities at fair value, with changes in fair value recorded in profit or loss as they occur. The warrants were valued on the date of grant using the following assumptions:

	March 28, 2022
Exercise price	US\$0.61 (\$0.77)
Expected volatility	61.72%
Expected warrant life	5.7 years
Expected dividend yield	0%
Risk-free interest rate	2.42%
Weighted average fair value per warrant granted	\$0.33

In valuing the warrants on March 28, 2022, the Company applied a liquidity discount of 32% from the Black-Scholes value.

As at June 30, 2024, the fair value of the warrants were revalued to \$575 (December 31, 2023 - \$2,431). The following assumptions were used in determining the fair value:

	June 30, 2024	December 31, 2023
Exercise price	US\$0.61 (\$0.81)	US\$0.61 (\$0.79)
Expected volatility	61.00%	74.00%
Expected warrant life	3.5 years	4 years
Expected dividend yield	0%	0%
Risk-free interest rate	3.51%	3.24%
Weighted average fair value per warrant granted	\$0.02	\$0.08

## MOUNTAIN PROVINCE DIAMONDS INC.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three and Six Months Ended June 30, 2024

Amounts in thousands of Canadian Dollars, except share and per share amounts, unless otherwise noted  
(Unaudited)

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In valuing the warrants on June 30, 2024, the Company applied a liquidity discount of 19% from the Black-Scholes value (December 31, 2023 – 22%).

In the six months ended June 30, 2024, the change in fair value of \$1,856 (June 30, 2023 - \$709) was recorded to other income in the condensed consolidated interim statements of comprehensive (loss) income.

#### 11. FINANCE EXPENSE

	Three months ended June 30, 2024	Three months ended June 30, 2024	Six months ended June 30, 2024	Six months ended June 30, 2024
Accretion expense on decommissioning and restoration liability	\$ (693)	\$ (606)	\$ (1,356)	\$ (1,278)
Interest expense	(8,161)	(7,771)	(16,394)	(16,173)
Amortization of deferred financing costs	(1,816)	(1,184)	(3,212)	(1,993)
Other finance costs	(41)	(17)	(86)	(295)
	\$ (10,711)	\$ (9,578)	\$ (21,048)	\$ (19,739)

#### 12. SHAREHOLDERS' EQUITY

##### i. Authorized share capital

Unlimited common shares, without par value.

##### ii. Share capital

The number of common shares issued and outstanding as at June 30, 2024 is 212,132,751 (December 31, 2023 - 211,559,588).

##### iii. Stock options, RSUs, DSUs and share-based payments reserve

The Company has a long-term equity incentive plan (the "Plan") which, among other things, allows for the maximum number of shares that may be reserved for issuance under the Plan to be 10% of the Company's issued and outstanding shares at the time of the grant. The Board of Directors has the authority and discretion to grant stock options, restricted share units ("RSU") and deferred share units ("DSU") awards within the limits identified in the Plan, which includes provisions limiting the issuance of options to directors and employees of the Company to maximums identified in the Plan.

As at June 30, 2024, the aggregate maximum number of shares pursuant to options and RSUs granted under the Plan will not exceed 21,213,275 shares. All stock options are settled by the issuance of common shares.

**MOUNTAIN PROVINCE DIAMONDS INC.****Notes to the Condensed Consolidated Interim Financial Statements****For the Three and Six Months Ended June 30, 2024****Amounts in thousands of Canadian Dollars, except share and per share amounts, unless otherwise noted (Unaudited)**

The following table summarizes information about the stock options outstanding and exercisable:

	Six months ended June 30, 2024		Six months ended June 30, 2023	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at beginning of the period	7,980,984	\$ 0.70	6,436,042	\$ 0.73
Granted during the period	1,414,752	0.24	2,249,234	0.61
Forfeited during the period	(270,157)	0.55	(290,010)	0.67
<b>Balance at end of the period</b>	<b>9,125,579</b>	<b>\$ 0.64</b>	<b>8,395,266</b>	<b>\$ 0.70</b>
<b>Options exercisable at the end of the period</b>	<b>5,135,233</b>	<b>\$ 0.74</b>	<b>2,499,106</b>	<b>\$ 0.83</b>

The fair value of the stock options granted has been estimated on the date of grant using the Black-Scholes option pricing model. The assumptions are presented below for options granted during the June 30, 2023 and 2024 periods. Expected volatility is calculated by reference to the weekly closing share price for a period that reflects the expected life of the options.

A total of 1,414,752 stock options were granted in the six months ended June 30, 2024, with an exercise price of \$0.24. The stock options will vest 1/3 on April 1, 2025, 1/3 on April 1, 2026 and 1/3 on April 1, 2027. A total of 2,249,234 stock options were granted in the six months ended June 30, 2023, with an exercise price of \$0.61. The stock options vested 1/3 on February 23, 2024, 1/3 to vest on February 23, 2025 and 1/3 to vest on February 23, 2026.

The stock options were valued on the date of grant using the following assumptions:

	Six months ended June 30, 2024	Six months ended June 30, 2023
Weighted average exercise price per share	\$0.24	\$0.61
Expected volatility	70.82%	67.44%
Expected option life	5 years	5 years
Expected forfeiture	none	none
Expected dividend yield	0%	0%
Risk-free interest rate	3.62%	4%
Weighted average fair value per option granted	\$0.15	\$0.36

The following tables reflect the number of stock options outstanding, the grant date fair value, and the exercise price of stock options outstanding at June 30, 2024.

**MOUNTAIN PROVINCE DIAMONDS INC.**

**Notes to the Condensed Consolidated Interim Financial Statements**

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<b>Expiry Date</b>	<b>Grant Date Fair Value</b>	<b>Number of Options</b>	<b>Number of Exercisable Options</b>	<b>Exercise Price</b>
December 27, 2024	\$ 244	610,000	610,000	\$ 1.30
February 2, 2026	214	675,000	675,000	0.65
November 15, 2026	675	2,000,000	1,333,334	0.62
January 17, 2027	801	2,039,561	1,433,008	0.71
February 21, 2027	259	661,376	440,918	0.71
February 23, 2028	675	1,788,666	642,973	0.61
April 1, 2029	198	1,350,976	-	0.24
	\$ 3,066	9,125,579	5,135,233	\$ 0.74

The weighted average remaining contractual life of the options outstanding as of June 30, 2024 is 2.85 years (June 30, 2023 - 3.57 years).

The restricted and deferred share units issuable under the Plan are full value phantom shares that mirror the value of the Company's publicly traded common shares. RSU and DSU grants are made on a discretionary basis to directors and employees of the Company subject to the Board of Directors' approval. Under the Plan, RSUs and DSUs vest according to the terms set out in the award agreement which are determined on the initial grant date on an individual basis at the discretion of the Board of Directors. Vesting of the RSUs and DSUs is subject to special rules for death, disability and change in control. The awards can be settled through issuance of common shares or paid in cash, at the discretion of the Board of Directors. These awards are accounted for as equity settled RSUs and DSUs. The fair value of each RSU issued is determined at the closing share price on the grant date. No DSU awards have been granted to date, therefore as at June 30, 2024 there are no DSUs outstanding.

The following table shows the RSU awards which have been granted and settled during the period:

	<b>June 30, 2024</b>		<b>June 30, 2023</b>	
	<b>Number of units</b>	<b>Weighted average value grant date fair value</b>	<b>Number of units</b>	<b>Weighted average value grant date fair value</b>
RSU				
Balance at beginning of period	2,618,058	\$ 0.65	1,755,892	\$ 0.69
Awards and payouts during the period (net):				
RSUs awarded	1,668,212	0.24	1,221,480	0.61
RSUs settled and common shares issued	(573,163)	0.65	(52,307)	0.69
RSUs forfeited	(548,878)	0.41	(122,201)	0.67
<b>Balance at end of the period*</b>	<b>3,164,229</b>	<b>\$ 0.48</b>	<b>2,802,864</b>	<b>\$ 0.66</b>

\*As at June 30, 2024, 977,419 RSUs (June 30, 2023 – 722,927 RSUs) have vested and have not yet been settled.

The share-based payments recognized as an expense in selling, general and administrative expenses for the three and six months ended June 30, 2024 and 2023 are as follows:

	<b>Three months ended June 30, 2024</b>	Three months ended June 30, 2023	<b>Six months ended June 30, 2024</b>	Six months ended June 30, 2023
Expense recognized in the period for share-based payments	\$ 128	\$ 366	\$ 370	\$ 706

## MOUNTAIN PROVINCE DIAMONDS INC.

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#### iv. (Loss) earnings per share

The following table sets forth the computation of basic and diluted (loss) earnings per share:

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
<b>Numerator</b>				
Net (loss) income for the period	\$ (6,524)	\$ 17,318	\$ 340	\$ 45,542
Effect of dilutive securities	-	162	169	286
	\$ (6,524)	\$ 17,480	\$ 509	\$ 45,828
<b>Denominator</b>				
For basic - weighted average number of shares outstanding	211,794,428	211,513,982	211,677,010	211,501,630
Effect of dilutive securities	-	2,802,864	3,164,229	2,802,864
For diluted - adjusted weighted average number of shares outstanding	211,794,428	214,316,846	214,841,239	214,304,494
<b>(Loss) Earnings Per Share</b>				
Basic	\$ (0.03)	\$ 0.08	\$ 0.00	\$ 0.22
Diluted	\$ (0.03)	\$ 0.08	\$ 0.00	\$ 0.21

For the three months ended June 30, 2024, 9,125,579 stock options, 3,164,229 RSUs and 41 million warrants were not included in the calculation of diluted earnings per share since to include them would be anti-dilutive (three months ended June 30, 2023 - 8,395,266 stock options and 41 million warrants). For the six months ended June 30, 2024, 9,125,579 stock options and 41 million warrants were not included in the calculation of diluted earnings per share since to include them would be anti-dilutive (six months ended June 30, 2023 - 8,395,266 stock options, respectively and 41 million warrants).

### 13. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Selling and marketing	\$ 1,266	\$ 1,169	\$ 2,980	\$ 2,930
General and administrative:				
Consulting fees and payroll	606	581	1,302	1,237
Share-based payment expense	128	366	370	706
Depreciation	6	57	48	114
Office and administration	229	273	477	555
Professional fees	332	434	694	995
Promotion and investor relations	17	64	18	109
Director fees	139	168	278	276
Transfer agent and regulatory fees	45	58	133	210
Travel	-	53	10	98
	\$ 2,768	\$ 3,223	\$ 6,310	\$ 7,230

### 14. DERIVATIVES ASSETS

- i) During the period ended June 30, 2024, and the year ended December 31, 2023, the Company entered into foreign currency forward contracts and swing collars to mitigate the foreign currency risk associated with the U.S. dollar sales proceeds and the risk that the Company would not have sufficient Canadian dollar funds to contribute to the operations of the GK Mine. These derivatives have been accounted as non-hedge derivatives



## MOUNTAIN PROVINCE DIAMONDS INC.

### Notes to the Condensed Consolidated Interim Financial Statements

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and are recorded at fair value. Changes in the fair value of the foreign currency put option contracts are recognized in the consolidated statements of comprehensive income as gains or losses on derivatives.

The table below provides a summary of currency contracts outstanding as at June 30, 2024:

Execution Date of Contracts	Settlement Dates of Contracts	Notional Amount (CAD)		Weighted Average Price (USD)		Notional Amount (USD)
March 5, 2024	July 2, 2024 to December 31, 2024	\$	40,500	\$	1.3500	\$ 30,000
April 11, 2024	January 2, 2025 to March 31, 2025	\$	20,310	\$	1.3540	\$ 15,000
April 23, 2024	October 1, 2024 to March 31, 2025	\$	40,553	\$	1.3518	\$ 30,000
June 18, 2024	April 1, 2025 to June 30, 2025	\$	20,340	\$	1.3560	\$ 15,000
<b>Total</b>		\$	<b>121,703</b>	\$	<b>1.3523</b>	\$ <b>90,000</b>

- ii) On December 14, 2022, the Company completed an offering of US\$195 million of Notes due to be repaid in December 2025. The Notes grant the Company the option to prepay the Notes at any time prior to the maturity of the instruments. In addition, upon the occurrence of certain events, the Company is either mandatorily required to, or can be requested to, at the option of the holder, prepay the Notes in part or in full. These events include a change of control of the Company, an event of default or in accordance with the excess cash flow sweep mechanism.

At the date of prepayment or redemption, the Company pays a total price equal to 100% of the principal amount of the Notes redeemed, plus accrued and unpaid interest to the date of redemption and the true-up amount (if any).

These prepayment and redemption features have been accounted for as embedded derivatives at fair value through profit and loss and are outlined below.

The following table presents the various derivative assets and liabilities as at June 30, 2024 and December 31, 2023:

	June 30,		December 31,	
	2024		2023	
Currency derivative contracts	\$	(826)	\$	1,429
Embedded derivatives		10,462		12,572
<b>Asset (Liability)</b>	\$	<b>9,636</b>	\$	<b>14,001</b>

The following table presents amounts recognized in the condensed consolidated interim statements of comprehensive (loss) income for the three and six months ended June 30, 2024 and 2023:

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	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
(Loss) gain on currency derivative contracts	\$ (963)	\$ 1,668	\$ (2,289)	\$ 1,800
(Loss) gain on prepayment option embedded derivative	(1,499)	268	(2,513)	(929)
<b>Total</b>	<b>\$ (2,462)</b>	<b>\$ 1,936</b>	<b>\$ (4,802)</b>	<b>\$ 871</b>

## 15. FINANCIAL INSTRUMENTS

### Fair value measurement

IFRS 13, Fair Value Measurement, provides a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs are those that reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions with respect to how market participants would price an asset or liability. These two inputs which are used to measure fair value fall into the following three different levels of the fair value hierarchy:

- Level 1 – Quoted prices in active markets for identical instruments that are observable.
- Level 2 – Quoted prices in active markets for similar instruments; inputs other than quoted prices that are observable and derived from or corroborated by observable market data.
- Level 3 – Valuations derived from valuation techniques in which one or more significant inputs are unobservable.

There have been no changes in the classification of financial instruments in the fair value hierarchy since December 31, 2023.

The following table shows the carrying amounts and fair values of the Company's financial assets and financial liabilities, including their levels in the fair value hierarchy.

June 30, 2024	Carrying amount				Fair value			
	Assets at amortized cost	Fair value through profit and loss	Liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>								
Derivative assets	\$ -	\$ 10,462	\$ -	\$ 10,462	\$ -	\$ -	\$ 10,462	\$ 10,462
	\$ -	\$ 10,462	\$ -	\$ 10,462				
<b>Financial assets not measured at fair value</b>								
Cash	\$ 4,365	\$ -	\$ -	\$ 4,365	4,365	-	-	4,365
Restricted cash	33,300	-	-	33,300	33,300	-	-	33,300
	\$ 37,665	\$ -	\$ -	\$ 37,665				
<b>Financial liabilities measured at fair value</b>								
Derivative liabilities	\$ -	\$ 826	\$ -	\$ 826	-	826	-	826
Warrant liability	-	575	-	575	-	-	575	575
	\$ -	\$ 1,401	\$ -	\$ 1,401				
<b>Financial liabilities not measured at fair value</b>								
Dunebridge junior credit facility	-	-	81,527	81,527	-	68,395	-	68,395
Secured notes payable	-	-	243,510	243,510	-	-	254,643	254,643
	\$ -	\$ 826	\$ 325,037	\$ 325,863				

### I. Valuation techniques

*Cash, Cash held in trust and Restricted Cash*

## MOUNTAIN PROVINCE DIAMONDS INC.

### Notes to the Condensed Consolidated Interim Financial Statements

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Cash and restricted cash are included in Level 1 due to the short-term maturity of these financial assets.

#### Warrant Liability

The level 3 financial liability relates to warrants which are accounted for as derivative liabilities at fair value, with changes in fair value recorded to profit or loss as they occur (Note 10).

#### Dunebridge JCF

The fair value of the Dunebridge JCF is classified as Level 2 as it is valued using a discounted cash flow (“DCF”) model. The models require a variety of observable inputs including market prices, forward price curves, yield curves and credit spreads.

#### Notes

The fair value of the Notes is determined using the risk free interest rate, interest rate volatility and credit spread.

#### Derivative assets

Derivative assets are carried at fair value which is determined based on an internal valuation model that reflects the observable currency exchange rates in the markets.

As at June 30, 2024, the derivative asset is an embedded derivative that relates to the Company’s prepayment and redemption features attached to the Notes and foreign currency put options; see Note 8 and Note 14. The fair value of the embedded derivative has been determined by using a *with* and *without* approach. The estimated fair value of the embedded derivative was then calculated as the weighted average of the fair values estimated under two scenarios, based on the probability of each scenario occurring.

The fair value of the Notes under the ‘without’ scenario was based on a discounted cash flow approach and the Notes under ‘with’ scenario, was valued based on the Black-Derman-Toy model (“BDT model”). The BDT model is a short-term interest rate model that is based on binomial tree methodology. It is used for forecasting interest rates and for estimating values of interest rate derivatives. The model inputs include interest rate volatility and risk-free rates term structure.

The key inputs used in determining the fair value of the derivative assets is as follows:

	June 30, 2024	December 31, 2023
<b>Key observable inputs</b>		
Risk free interest rate	4.92%	4.25%
<b>Key unobservable inputs</b>		
Likelihood of redemption event occurring	75%	75%
Interest rate volatility	30.5%	39.5%
Credit spread of Notes	1.00%	1.69%

The most significant input, which is unobservable, is the interest rate volatility. The overall valuation is sensitive to the interest rate volatility assumption as the estimated fair value increases if the interest rate volatility declines.

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Assuming all other inputs remain constant, a 10% and 20% change in the interest rate volatility used will have the following impact on the fair value of the embedded derivative at June 30, 2024:

	Original	20%	10%	(10%)	(20%)
Interest rate volatility at June 30, 2024	\$ 10,462	\$ 10,908	\$ 10,615	\$ 10,465	\$ 10,469

The reconciliation of the carrying amounts of financial instruments classified within Level 3 is as follows:

Balance, at January 1, 2023	\$	3,154
Change in fair value		9,476
Foreign exchange revaluation loss		(58)
Balance, at December 31, 2023	\$	12,572
Change in fair value		(2,513)
Foreign exchange revaluation gain		403
<b>Balance, at June 30, 2024</b>	<b>\$</b>	<b>10,462</b>

## 16. COMMITMENTS

	Less than 1 Year	1 to 3 Years	4 to 5 Years	After 5 Years	Total
Gahcho Kué Diamond Mine commitments	\$ 2,956	\$ -	\$ -	\$ -	\$ 2,956
Gahcho Kué Diamond Mine decommissioning fund	25,000	-	-	-	25,000
Junior Credit facility - Principal	-	-	68,395	-	68,395
Junior Credit facility - Interest	-	-	55,849	-	55,849
Notes payable - Principal	-	253,473	-	-	253,473
Notes payable - Interest	21,791	10,718	-	-	32,509
	<b>\$ 49,747</b>	<b>\$ 264,191</b>	<b>\$ 124,244</b>	<b>\$ -</b>	<b>\$ 438,182</b>

## 17. RELATED PARTIES

The Company's related parties include Mr. Dermot Desmond, Dunebridge Worldwide Ltd. ("Dunebridge") and Vertigol Unlimited Company ("Vertigol") (Dunebridge and Vertigol being corporations ultimately beneficially owned by Dermot Desmond), the Operator of the GK Mine, key management, and the Company's directors. Mr. Dermot Desmond, indirectly through Vertigol, is the ultimate beneficial owner of greater than 10% of the Company's shares. International Investment and Underwriting UC ("IIU") is also a related party since it is ultimately beneficially owned by Dermot Desmond.

Related party transactions are recorded at their exchange amount, being the amount agreed to by the parties.

Transactions with key management personnel and directors are in respect of remuneration. The transactions with the Operator of the GK Mine relate to the funding of the Company's interest in the GK Mine for the current year's expenditures, capital additions, management fee, and production sales related to the 49% share of fancies and special diamonds. The transactions with IIU are for the director fees of the chairman of the Company.

## MOUNTAIN PROVINCE DIAMONDS INC.

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Between 2014 and 2020, the Company and De Beers signed agreements allowing De Beers (“the Operator”) to utilize De Beers’ credit facilities to issue reclamation and restoration security deposits to the federal and territorial governments. In accordance with these agreements, the Company agreed to a 3% fee annually for the Company’s share of the letters of credit issued. In 2020, the Company and De Beers signed an agreement to reduce the fee from 3% to 0.3%, annually, for their share of the letters of credit issued. Furthermore, a resolution was passed by the joint venture management committee to establish a decommissioning fund, where the Company will fund \$15 million in 2020, and \$10 million each year for four years thereafter until the Company’s 49% share totaling \$55 million is fully funded. In the year ended December 31, 2022, the joint venture management committee approved a funding of \$5 million for a total funded of \$30 million. The Company has not funded its \$10 million share in the period ended June 30, 2024, reflecting on-going discussions with De Beers in respect of decommissioning funding requirements, with an additional \$15 million due by September 30, 2024. The target funding can change over time, dependent on future changes to the decommissioning and restoration liability and returns on decommissioning fund investments. During the six months ended June 30, 2024, the Company funded \$Nil (December 31, 2023 - \$Nil) into the decommissioning fund, which is presented as restricted cash on the balance sheet of \$33,300 (December 31, 2023 - \$32,381) representing the total funded amount and interest earned.

As at June 30, 2024, the Company’s share of the letters of credit issued was \$44.7 million (December 31, 2023 - \$44.7 million).

Failure to meet the obligations for cash calls to fund the Company’s share in the GK Mine may lead to De Beers enforcing its remedies under the JV Agreement, which could result in, amongst other things the dilution of the Company’s interest in the GK Mine, and at certain dilution levels trigger cross-default clauses within the 9.00% Senior Secured Loan Notes (‘Notes’) and the Junior Secured Credit Facility with Dunebridge Worldwide Ltd. (‘Dunebridge JCF’).

The balances as at June 30, 2024 and December 31, 2023 were as follows:

	June 30, 2024	December 31, 2023
Payable to De Beers Canada Inc. as the operator of the GK Mine*	\$ 12,377	\$ 8,896
Payable to De Beers Canada Inc. for interest on letters of credit	22	89
Loan payable to Dunebridge Worldwide Ltd. (including accrued interest)	84,867	76,787
Payable to key management personnel	60	82

\*included in accounts payable and accrued liabilities

## MOUNTAIN PROVINCE DIAMONDS INC.

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The transactions with related parties for the three and six months ended June 30, 2024 and 2023 were as follows:

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
The total of the transactions:				
International Investment and Underwriting	\$ 30	\$ 30	\$ 60	\$ 60
Remuneration to key management personnel	439	605	981	1,183
Diamonds sold to De Beers Canada Inc.	-	2,470	5,446	5,720
Diamonds purchased from De Beers Canada Inc.	4,546	5,115	6,949	13,687
Finance costs incurred from De Beers Canada Inc.	34	33	67	66
Finance costs incurred from Dunebridge Worldwide Ltd.	2,776	2,318	5,524	4,683
Management fee charged by the Operator of the GK Mine	946	858	1,892	1,716

The remuneration expense of directors and other members of key management personnel for the three and six months ended June 30, 2024 and 2023 were as follows:

\$

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Consulting fees, payroll, director fees, bonus and other short-term benefits	\$ 401	\$ 374	\$ 815	\$ 769
Share-based payments	68	261	226	474
	\$ 469	\$ 635	\$ 1,041	\$ 1,243

Key management personnel are those people who have authority and responsibility for planning, directing, and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. In addition to the directors of the Company, key management personnel include the Chief Executive Officer ("CEO") and Chief Financial Officer.

## 18. SEGMENTED REPORTING

The reportable operating segments are those operations for which operating results are reviewed by the CEO who is the chief operating decision maker regarding decisions about resources to be allocated to the segment and to assess performance provided those operations pass certain quantitative thresholds. Operations with revenues, earnings or losses or assets that exceed 10% of total consolidated revenue, earnings or losses or assets are reportable segments.

The Company owns two diamond projects in the Northwest Territories, Canada. The GK Mine is a diamond mine in operation, while the KNP resource continues to be developed through exploration and evaluation programs.

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(Unaudited)**

As at and for the six months ended June 30, 2024

	GK Mine	KNP	Total
Sales	\$ 146,256	\$ -	\$ 146,256
Cost of sales:			
Production costs	59,736	-	59,736
Cost of acquired diamonds	7,777	-	7,777
Depreciation and depletion	36,325	-	36,325
Earnings from mine operations	42,418	-	42,418
Exploration and evaluation expenses	(5)	282	277
Selling, general and administrative expenses	6,294	16	6,310
Operating income (loss)	36,129	(298)	35,831
Interest Income	1,578	-	1,578
Finance expenses	(21,048)	-	(21,048)
Other income (loss)	1,902	(527)	1,375
Derivative losses	(4,802)	-	(4,802)
Foreign exchange losses	(9,209)	-	(9,209)
Net income (loss) before taxes	\$ 4,550	\$ (825)	\$ 3,725
Total assets	\$ 708,370	\$ 170,009	\$ 878,379
Total liabilities	\$ 513,684	\$ 2,981	\$ 516,665

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(Unaudited)**

As at and for the three months ended June 30, 2024

	GK Mine	KNP	Total
Sales	\$ 56,818	\$ -	\$ 56,818
Cost of sales:			
Production costs	27,008	-	27,008
Cost of acquired diamonds	3,565	-	3,565
Depreciation and depletion	14,263	-	14,263
Earnings from mine operations	11,982	-	11,982
Impairment loss on property, plant and equipment	-	-	-
Exploration and evaluation expenses	14	129	143
Selling, general and administrative expenses	2,762	6	2,768
Operating income (loss)	9,206	(135)	9,071
Interest Income	732	-	732
Net finance expenses	(10,711)	-	(10,711)
Other income (loss)	1,306	(527)	779
Derivative losses	(2,462)	-	(2,462)
Foreign exchange losses	(3,023)	-	(3,023)
Gain on sale of equity securities	-	-	-
Other income	-	-	-
Net income (loss) before taxes	\$ (4,952)	\$ (662)	\$ (5,614)
Total assets	\$ 708,370	\$ 170,009	\$ 878,379
Total liabilities	\$ 513,684	\$ 2,981	\$ 516,665



**MOUNTAIN PROVINCE DIAMONDS INC.****Notes to the Condensed Consolidated Interim Financial Statements****For the Three and Six Months Ended June 30, 2024****Amounts in thousands of Canadian Dollars, except share and per share amounts, unless otherwise noted  
(Unaudited)****As at and for the six months ended June 30, 2023**

	GK Mine		KNP	Total
Sales	\$	188,575	\$ -	\$ 188,575
Cost of sales:				
Production costs		67,735	-	67,735
Cost of acquired diamonds		10,863	-	10,863
Depreciation and depletion		35,844	-	35,844
Earnings from mine operations		74,133	-	74,133
Exploration and evaluation expenses		1,988	3,473	5,461
Selling, general and administrative expenses		7,212	18	7,230
Operating income (loss)		64,933	(3,491)	61,442
Interest Income		1,437	-	1,437
Finance expenses		(19,739)	-	(19,739)
Other income		719	-	719
Derivative gains		871	-	871
Foreign exchange gains		5,612	-	5,612
Net income (loss) before taxes	\$	53,833	\$ (3,491)	\$ 50,342
Total assets	\$	768,537	\$ 172,056	\$ 940,593
Total liabilities	\$	483,689	\$ 3,498	\$ 487,187

**MOUNTAIN PROVINCE DIAMONDS INC.****Notes to the Condensed Consolidated Interim Financial Statements****For the Three and Six Months Ended June 30, 2024****Amounts in thousands of Canadian Dollars, except share and per share amounts, unless otherwise noted  
(Unaudited)****As at and for the three months ended June 30, 2023**

	<b>GK Mine</b>	<b>KNP</b>	<b>Total</b>
Sales	\$ 59,918	\$ -	\$ 59,918
Cost of sales:			
Production costs	18,619	-	18,619
Cost of acquired diamonds	3,783	-	3,783
Depreciation and depletion	10,583	-	10,583
Earnings from mine operations	26,933	-	26,933
Exploration and evaluation expenses	1,533	1,826	3,359
Selling, general and administrative expenses	3,214	9	3,223
Operating income (loss)	22,186	(1,835)	20,351
Interest Income	798	-	798
Net finance expenses	(9,578)	-	(9,578)
Other income	573	-	573
Derivative gains	1,936	-	1,936
Foreign exchange gains	5,468	-	5,468
Net income (loss) before taxes	\$ 21,383	\$ (1,835)	\$ 19,548
Total assets	\$ 768,537	\$ 172,056	\$ 940,593
Total liabilities	\$ 483,689	\$ 3,498	\$ 487,187