MOUNTAIN PROVINCE DIAMONDS

Management's Discussion and Analysis

For the Three and Six Months Ended June 30, 2024

TSX: MPVD

MOUNTAIN PROVINCE DIAMONDS INC.

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This Management's Discussion and Analysis ("MD&A") as of August 7, 2024, provides a review of the financial performance of Mountain Province Diamonds Inc. (the "Company" or "Mountain Province" or "MPV") and should be read in conjunction with the annual information form and MD&A for the year ended December 31, 2023, the unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2024 and the audited consolidated financial statements for the year ended December 31, 2023. The following MD&A has been approved by the board of directors of the Company (the 'Board of Directors') as of this date.

The unaudited condensed consolidated interim financial statements ("interim financials statements") of the Company were prepared in accordance with IAS 34 – Interim Financial Reporting. Except as disclosed in the statements, the interim financial statements follow the same accounting policies and methods of computation as compared with the most recent annual financial statements for the year ended December 31, 2023, which were prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). Accordingly, the interim financial statements should be read in conjunction with the Company's most recent annual financial statements.

All amounts are expressed in thousands of Canadian dollars, except share and per share amounts, unless otherwise noted.

All references in this MD&A denoted with [NI] are not standardized financial measures under IFRS and these measures may not be comparable to similar financial measures disclosed by other issuers. Refer to the Non-IFRS Measures section for a discussion of the specified financial measures.

The disclosure in this MD&A of scientific and technical information regarding exploration projects on Mountain Province's mineral properties has been reviewed and approved by Tom McCandless, Ph.D., P.Geo., while that regarding mine development and operations has been reviewed and approved by Dan Johnson, P.Eng., both of whom are Qualified Persons as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Properties ("NI 43-101").

Additional information, related to the Company is available on SEDAR at http://sedarplus.ca/ and on EDGAR at http://www.sec.gov/edgar.shtml.

HIGHLIGHTS

- Earnings from mine operations for the three and six months ended June 30, 2024, amounted to $11,982 and $42,218 compared to $26,933 and $74,133 for the same period in 2023.

- Net income (loss) for the three and six months ended June 30, 2024, amounted to a loss of $6,524 and $340 or ($0.03) and $0.00 (loss) earnings per share (basic and diluted) compared to net income $17,318 and $45,542 or $0.08 and $0.22 basic earnings per share and $0.08 and $0.21 diluted earnings per share for the comparable periods in 2023. Adjusted EBITDA[NI] for the three and six months ended June 30, 2024 was $24,041 and $73,994 compared to $31,479 and $99,656 for the three and six months ended June 30, 2023.

- Cash at June 30, 2024, was $4,365 with net working capital of $198,017. Cash on December 31, 2023, was $29,674 with net working capital of $170,622.

- In the second quarter of 2024, the Company sold 557,000 carats and recognized revenue of $56,818 at an average realized value of $102 per carat (US$74) compared to sales in the second quarter of 2023 totaling 360,000 carats and recognized revenue of $59,918 at an average realized value of $166 per carat (US$124).

- Cash costs of production[NI], including capitalized stripping costs, for the three months ended June 30, 2024, were $119 per tonne of ore treated, and $87 per carat recovered compared to $156 per tonne of ore treated, and $87 per carat recovered for the same period in 2023. Cash costs of production[NI], including capitalized stripping costs, for the six months ended June 30, 2024, were $105 per tonne of ore treated, and $72 per carat recovered compared to $155 per tonne of ore treated, and $89 per carat recovered for the same period in 2023. The costs per tonne including capitalized stripping for the six months ended June 30, 2023, were higher than the six months ended June 30, 2024, primarily due to higher waste tonnes mined and increased operating costs from unplanned maintenance interventions, increased labour costs and higher process consumables and lower tonnes processed.

- Mining of waste and ore combined in the 5034, Hearne and Tuzo open pits at the Gahcho Kué diamond mine, ('GK Mine') for the six months ended June 30, 2024, was approximately 10,915,000 tonnes, 888,000 tonnes and 3,994,000 tonnes, respectively, for a total of 15,797,000 tonnes. This represents a 13% decrease in tonnes mined over the comparative period in 2023. Ore mined for the six months ended June 30, 2024, totaled 2,918,000 tonnes, with approximately 3,464,000 tonnes of ore stockpile available at period end, an increase of 1,148,000 tonnes during six-month period. For the comparative six months ended June 30, 2023, ore mined totaled 1,024,000 tonnes, with approximately 1,266,000 tonnes of ore stockpile.

- Mining of waste and ore combined in the 5034, Hearne and Tuzo open pits for the three months end June 30, 2024, was approximately 4,934,000 tonnes, 467,000 tonnes and 2,511,000 tonnes, respectively, for a total of 7,912,000 tonnes. This represents a 14% decrease in tonnes mined over the comparative period in 2023. Ore mined for the three months ended June 30, 2024, totaled 971,000 tonnes, with approximately 3,464,000 tonnes of ore stockpile available at quarter end, an increase of 6,000 tonnes during the period. For the comparative three months ended June 30, 2023, ore mined totaled 596,000 tonnes, with approximately 1,266,000 tonnes of ore stockpile.

- For the six months ended June 30, 2024, the GK Mine treated approximately 1,772,000 tonnes of ore and recovered approximately 2,584,000 carats on a 100% basis for an average recovered grade of approximately 1.46 cpt. For the comparative six months ended June 30, 2023, the GK Mine treated approximately 1,517,000 tonnes of ore and recovered approximately 2,659,000 carats on a 100% basis for an average recovered grade of approximately 1.75 cpt.

The following table summarizes key operating highlights for the three and six months ended June 30, 2024 and 2023.

		Three months ended June 30, 2024	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
GK operating data					
Mining					
*Ore tonnes mined	kilo tonnes	971	596	2,918	1,024
*Waste tonnes mined	kilo tonnes	6,941	8,639	12,879	17,146
*Total tonnes mined	kilo tonnes	7,912	9,235	15,797	18,170
*Ore in stockpile	kilo tonnes	3,464	1,266	3,464	1,266
Processing					
*Ore tonnes treated	kilo tonnes	966	750	1,772	1,517
*Average plant throughput	tonnes per day	10,615	8,333	9,736	8,290
*Average plant grade	carats per tonne	1.37	1.79	1.46	1.75
*Diamonds recovered	000's carats	1,319	1,339	2,584	2,659
Approximate diamonds recovered - Mountain Province	000's carats	646	656	1,266	1,303
Cash costs of production per tonne of ore, net of capitalized stripping **	$	84	100	69	100
Cash costs of production per tonne of ore, including capitalized stripping**	$	119	156	105	155
Cash costs of production per carat recovered, net of capitalized stripping**	$	62	56	48	57
Cash costs of production per carat recovered, including capitalized stripping**	$	87	87	72	89
Sales					
Approximate diamonds sold - Mountain Province***	000's carats	557	360	1,495	1,321
Average diamond sales price per carat	US	$ 74	$ 124	$ 72	$ 106

* at 100% interest in the GK Mine

**See Non-IFRS Measures section

***Includes the sales directly to De Beers for fancies and specials acquired by De Beers through the production split bidding process

COMPANY OVERVIEW

Mountain Province is a Canadian-based resource company listed on the Toronto Stock Exchange under the symbol 'MPVD'. The Company's registered office and its principal place of business is 151 Yonge Street, Suite 1100, Toronto, ON, Canada, M5C 2W7. The Company, through its wholly owned subsidiaries 2435572 Ontario Inc. and 2435386 Ontario Inc., holds a 49% interest in the Gahcho Kué diamond mine (the "GK Mine"), located in the Northwest Territories of Canada. De Beers Canada Inc. ("De Beers" or the "Operator") holds the remaining 51% interest. The Gahcho Kué Joint Ventue Arrangement ("GKJVA") between the Company and De Beers is governed by the 2009 Amended and Restated Joint Venture Agreement ("JVA").

The Company's primary assets are its 49% interest in the GK Mine and 100% owned Kennady North Project ("KNP" or "Kennady North"). The Company predominantly sells it's 49% share of diamond production in Antwerp, Belgium.

GAHCHO KUÉ DIAMOND MINE

Gahcho Kué Joint Venture Agreement

The GK Mine is in the Northwest Territories, approximately 300 kilometers northeast of Yellowknife. The mine covers 5,216 hectares held in trust by the Operator. The GK Mine hosts four primary kimberlite bodies – 5034, Hearne, Tuzo and Wilson. The four main kimberlite bodies are within two kilometers of each other.

The GK Mine is jointly managed under an unincorporated joint arrangement between De Beers (51%) and Mountain Province (49%) through its wholly owned subsidiaries. The Company accounts for the mine as a joint operation in accordance with IFRS 11, *Joint Arrangements*. Mountain Province through its subsidiaries holds an undivided 49% ownership interest in the assets, liabilities, and expenses of the GK Mine.

Between 2014 and 2020, the Company and De Beers signed agreements 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 their share of the letters of credit issued. As of June 30, 2024, the Company's share of the letters of credit issued were $44.7 million (December 31, 2023 - $44.7 million).

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.

Mining and Processing

For the three and six months ended June 30, 2024, on a 100% basis, a total of 7.9 million and 15.8 million tonnes of waste and ore was extracted from the 5034, Hearne and Tuzo open pits. For the three and six months ended June 30, 2023, a total of 9.2 million and 18.2 tonnes of waste and ore was extracted from the 5034, Hearne and Tuzo open pits.

Total ore tonnes mined in the three and six months ended June 30, 2024, was 971,000 tonnes and 2,918,000 tonnes compared to 596,000 tonnes and 1,024,000 tonnes for the same periods in 2023. The total ore tonnes mined for the three and six months ended June 30, 2024, were higher than the comparative period as a result of increased ore release from the Tuzo pit, during the quarter.

For the three and six months ended June 30, 2024, 966,000 tonnes and 1,772,000 tonnes of kimberlite ore were treated, with 1,319,000 carats and 2,584,000 carats (100% basis) recovered, at a grade of 1.37 carats per tonne and 1.46 carats per tonne, respectively. For the three and six months ended June 30, 2023, 750,000 tonnes and 1,517,000 tonnes of kimberlite ore were treated, with 1,339,000 carats and 2,659,000 carats recovered, at a grade of 1.79 carats per tonne and 1.75 carats per tonne, respectively. The average grade for the first six months of 2024, was lower primarily due to lower grades than modelled in some areas of the lower portions of the Hearne and 5034 pits.

On June 30, 2024, the Company had 256,609 carats within its sale preparation channel plus 260,965 carats reflecting its share at the GK Mine and sorting facility for a total of 517,574 carats in inventory. This compares to a total of 744,548 carats in inventory on December 31, 2023.

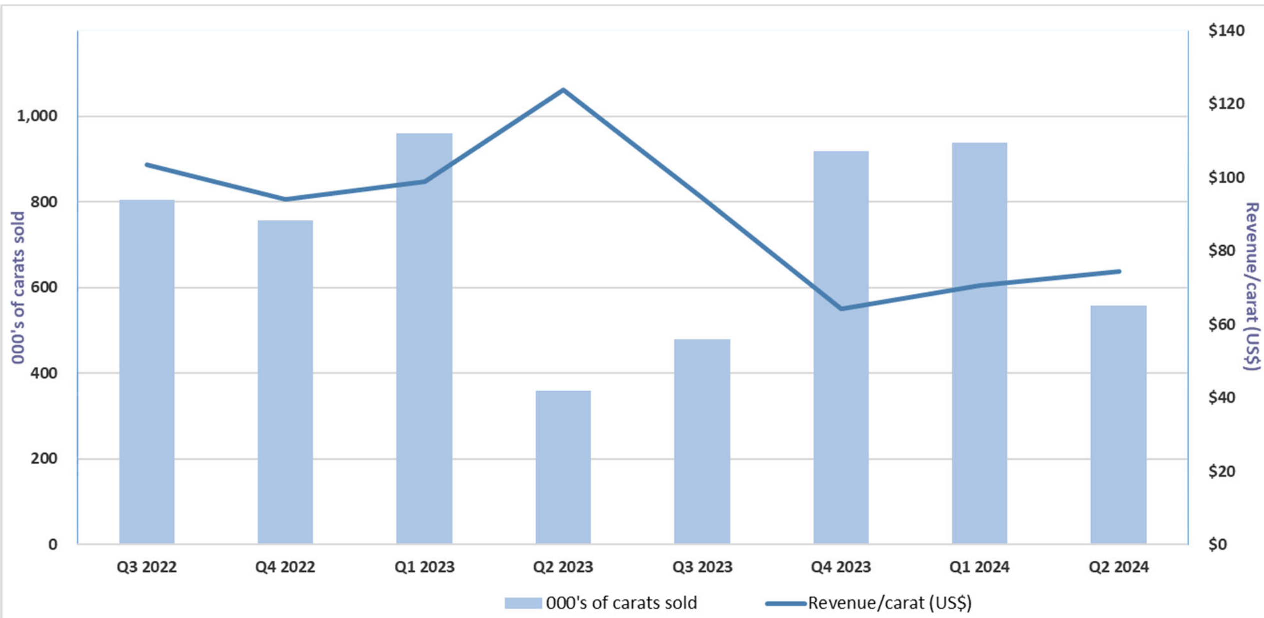
Diamond Sales

After seven years of sales, the Gahcho Kué diamonds are firmly established in the rough diamond market. The Gahcho Kué ore bodies and product profiles are complex, producing a broad range of white commercial goods together with a consistent supply of exceptional, high value, gem quality diamonds, as well as large volumes of small and brown diamonds. The Gahcho Kué product also exhibits varying degrees of fluorescence for which the Company has attracted specialist customers who are developing strategies to market this characteristic.

The Company's diamonds have established a strong market presence and customer base. Except for some industrial, non-gem quality diamonds the majority of the Company's diamonds are sold into market segments that cut and polish the rough diamonds, with resultant polished diamonds destined for the major diamond jewelry markets of the US, India and China. Given the variety across the Gahcho Kué rough diamond profile and the variability of the mining plan through the period, the mix of diamond categories may differ from sale to sale.

The Company undertook two sales in Antwerp, Belgium during the second quarter of 2024. Most of the Company's revenue is derived from open market and contract sales, with the remainder attributed to sales of fancies and specials directly to De Beers on those occasions where De Beers has won the periodic fancies and specials bidding process. The average realized value per carat for all sales held in the six months ended June 30, 2024, was US$72 per carat. The average realized value per carat for all sales held for the six months ended June 30, 2023, was US$106 per carat. In addition to changes in broader market performance, a different mix of diamonds was sold in Q2 2024, compared with Q2 2023, which also impacted the average realized sales value per carat.

The following chart summarizes the sales for the trailing eight quarters:



The following table summarizes the results of sales in 2024:

	000's of carats sold	Revenue (US$ 000's)	Revenue/carat (US$)
Q1	938	$ 66,135	$ 71
Q2	557	$ 41,523	$ 74
Total	1,495	$ 107,658	$ 72

The following table summarizes the results for sales in 2023:

	000's of carats sold	Revenue (US$ 000's)	Revenue/carat (US$)
Q1	961	$ 94,986	$ 99
Q2	360	$ 44,591	$ 124
Q3	479	$ 45,283	$ 95
Q4	918	$ 58,928	$ 64
Total	2,718	$ 243,788	$ 90

Gahcho Kué Capital Program

During the six months ended June 30, 2024, stay in business capital[NI] was $5.0 million compared to $3.4 million for the six months ended June 30, 2023. Capital expenditures included truck repairs, equipment repairs and other general repairs. All capital additions in the period are considered stay in business capital and were largely on budget. Stay in business capital does not include capital waste stripping. It is defined as those expenditures required to maintain the current operation.

2024 PRODUCTION AND COST GUIDANCE

The Company wishes to reiterate the following production and cost guidance for 2024. The Company will continue to review both the 2024 plan, and the entire Life-of-Mine plan in our normal strategic business plan process during 2024 to seek further optimization and improvement. The 2024 production and cost guidance is as follows:

- 36 – 39 million total tonnes mined (ore and waste)
- 4.1 – 4.6 million ore tonnes mined
- 3.4 – 3.6 million ore tonnes treated
- 4.2 – 4.7 million carats recovered
- Production costs of $124 - $136 per tonne treated
- Production costs of $96 – $107 per carat recovered
- Sustaining Capital Expenditure of $11 million (49% share)

Diamond Outlook

Both rough and polished markets are subdued, with prices sliding towards the end of Q2 in the lead up to the diamond industry’s traditionally quieter summer season. The JCK Las Vegas trade show in June saw positive sentiment from retailers towards natural diamonds but not enough to boost trade confidence. Traders are still selectively purchasing to fill orders rather than hold their own inventories, while manufacturers’ inventories are growing again, putting pressure on both rough and polished prices. Manufacturers, particularly in India, are maintaining large inventories despite reduced production during the quarter.

There were no significant disruptions to rough production during Q2. Some producers are still holding large inventories of rough diamonds held back from sale at the end of last year and continue to offer some purchasing flexibility at sights in response to more selective demand. Prices have remained steady among major producers but are starting to slide as midstream purchasing and movement of goods downstream is slow.

Polished sales and prices softened through June in response to slowing downstream demand going into summer, with pressure on prices across all categories. Prices of smaller size polished appear to be decreasing faster than large.

Although typically quieter at this time of year, the US market is stable, with consumers reportedly becoming more optimistic about growth and spending amid strong labour market conditions. In the US, the youngest (under 35) and wealthiest (making over $100K) consumers reported the largest rise in confidence in economic improvement. The low demand from China, especially the mainland, continues to have the largest impact on diamond market recovery. Chinese jewellers are reporting growth and strong sales, notably from Hong Kong, but note that consumers are preferring to buy gold to hold value rather than purchase diamonds and diamond jewellery. The Indian market is traditionally slow towards the end of Q2, as fewer festivals and weddings take place in the hot summer months, but overall Indian demand for diamonds is steadily growing. European markets are also subdued, adjusting to high gold prices and ongoing uncertainty with global geopolitical developments, many delaying purchases as they wait for more confidence and stability.

The broader luxury goods market continues to perform well as luxury consumers are less impacted by rising living costs. Single-digit growth was reported in 2023-2024, lower than the mid-teens achieved the previous year, but outperforming other discretional spending categories.

Lab-grown diamond (LGD) jewellery is currently estimated to represent approximately 20% of total global diamond jewellery demand by value, with sales highest in the US. LGD uptake appears slower in other markets. Although LGD market share reached a high in 2023, wholesale prices continue to plummet. Continued contraction of LGD profit margins is expected to prompt some retailers to shift back to natural diamonds. Others are focused on developing LGD brands to attract more price conscious customers. De Beers has announced the discontinuation of LGD production for its Lightbox consumer brand, instead re-focusing technology applications through Element Six. Other LGD manufacturers are also beginning to shift to industrial or tech applications or towards producing attributes not attainable in natural diamonds such as custom shapes and colours. Detection technology that accurately identifies LGDs is being widely rolled out at retailers to ensure differentiation of between natural diamonds and LGDs is reinforced long term with consumers.

G7-EU sanctions on Russian diamonds continue to be phased in. The EU recently announced that it is extending the sunrise period on source of origin documentation to March 2025 in response to calls from industry to allow more time to implement requirements such as technology-based tracking. Canada has responded by saying it will follow the EU. G7 governments are striving to provide clarity on handling existing diamonds of Russian or unknown origin that were outside Russia prior to the implementation of different stages of the G7 ban. The cutoff size for sanctions is currently 1ct but will be reduced to 0.5ct in September 2024 to affect a greater proportion of goods. Sanctions and consumer interest in ethical sourcing and processing of diamonds continue to catalyze efforts in development of mine-to-market tracking platforms.

A slow start to Q3 is anticipated as the market enters its typically quiet Northern hemisphere summer recess. Further decreases in polished prices are expected, reflecting current lacklustre trading and retail conditions. The industry will be looking ahead for signs of improvement going into Q4 and the holiday gifting season as demand for natural diamonds recovers.

GAHCHO KUÉ EXPLORATION

The GKJVA with De Beers covers 5,216 hectares of mining leases that includes the Gahcho Kué Mine. Exploration within the GKJVA has focused on near-mine and brownfield discoveries that can extend the life of the mine. Near-mine discoveries since 2018 include the NEX and SWC extensions to 5034, the Wilson kimberlite adjacent to Tuzo, and the Hearne Northwest Extension.

The Hearne Northwest Extension was discovered in late 2021, when kimberlite measuring 25 meters across was exposed in a bench face during routine mining operations. Drilling programs completed in 2022 and 2023 further delineated the extension, with preliminary logging suggesting that the internal geology is consistent with the known portions of the body. Core from the 2022-2023 drilling programs at Hearne has undergone microdiamond, petrographic, mineralogical, and geochemical analysis to assess internal geology and commercial potential. A total of 218 microdiamond samples have been treated, and the results are being incorporated into conceptual model for the Hearne Extension.

At NEX, a focused mining sample was collected to determine a revenue model as this portion of the 5034 kimberlite is being mined. A total of 39,711 carats were recovered from 17,927 tonnes of NEX kimberlite.

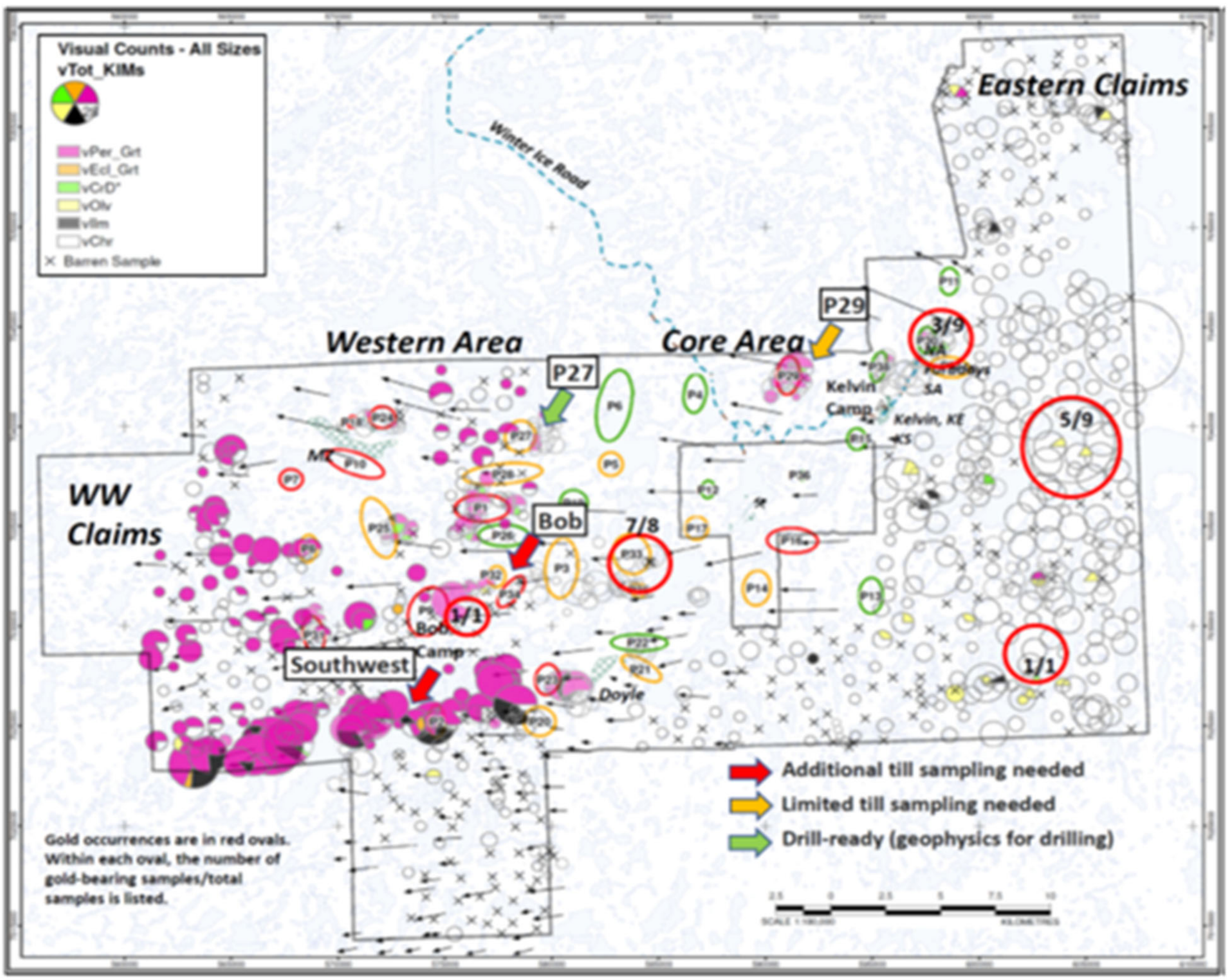
KENNADY NORTH PROJECT (“KNP”) EXPLORATION

The KNP includes 22 federal leases and 97 claims covering an area of over 113,000 hectares that surround the GK Mine on all sides. KNP has five historic kimberlites: Kelvin, Faraday 2, Faraday 1-3, MZ, and Doyle. Four new areas of kimberlite were discovered in 2022: NA, SA, KS and KE.

The winter 2023 drilling program completed 2,540 meters of a 3,000-meter drill program. Kimberlite was intersected in two of five drillholes at the KE kimberlite. Two drillholes at SA also intersected kimberlite, as did two drillholes collared in an area between the SA and Faraday 2 kimberlite. All the kimberlite at these locations were identified as hypabyssal with intersects ranging from 0.18 to 1.85 meters. Nine drillholes that tested anomalies at Blob Lake, Fox Lake and Dragon Lake intersected no kimberlite.

Over 900 till samples were collected in 2021 and 2022 to provide infill for areas of interest and to confirm the presence of strong historic kimberlite indicator mineral ('KIM') dispersions on the western claims. The data have identified four areas of interest that merit further sampling and/or localized geophysics to identify drill targets. In the image below arrows note the P29, P27, Bob, and Southwest areas of interest for follow-up KIM sampling.

Four till samples were also confirmed to have visible gold grains in the +0.25-0.50mm range, with three grains showing features of minimal transport. As supporting evidence, the -0.25mm fractions of the four anomalous samples plus 24 additional samples were processed for gold recovery. Gold grains were recovered in 18 of the 28 samples. The locations of the gold-bearing till samples are circled in red in the image below.



The summer 2024 field program will include land surveys to convert several claims in the Western Area over to mining leases, and evaluating any that hold no further discovery potential. For the five WW Claims, till sampling and geophysics will be conducted to determine diamond and base metals potential. As reported previously, historic drilling on the WW claims visually identified molybdenite in the core. The exploration on the WW claims is supported in part by a Minerals Incentive Program grant from the Government of the Northwest Territories. The work is scheduled for Q3 of 2024. Regulatory activities for Kennady North included the preparation and submission of water licenses and land use permits for renewal, which were granted in Q1 of 2024.

The KNP includes both an Indicated Resource for the Kelvin kimberlite and Inferred Resources for the Faraday kimberlites. Geological model domains for the Kelvin, Faraday 2 and Faraday 1-3 kimberlites were adopted as the resource domains for the estimation of Mineral Resources. The volumes of these domains were combined with estimates of bulk density to derive tonnage estimates. Bulk sampling programs using large diameter RC drilling were conducted to obtain grade and value information. Microdiamond data from drill core were used to forecast grades for the different kimberlite lithologies. Details of the modeling are available in NI 43-101 Compliant Technical Reports (filed in 2016 and 2017 under Kennady Diamonds Inc.) and the NI43-101 Compliant Technical Report filed April 11, 2019, under Mountain Province. All reports are available on SEDAR and on the Company website. Details for the estimated resources are provided in the table below.

Mineral Resource Estimates for the Kelvin and Faraday Kimberlites (as of February 2019 as referenced in the April 11, 2019 NI43-101 Compliant Technical Report)

Resource	Classification	Tonnes (Mt)	Carats (Mct)	Grade (cpt)	Value (US$/ct)
Kelvin	Indicated	8.50	13.62	1.60	$63
Faraday 2	Inferred	2.07	5.45	2.63	$140
Faraday 1-3	Inferred	1.87	1.90	1.04	$75

(1) Mineral Resources are reported at a bottom cut-off of 1.0mm. Incidental diamonds are not incorporated into grade calculations.
(2) Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

RESULTS OF OPERATIONS

The Company, as discussed above, held five diamond sales during the six months ended June 30, 2024.

SUMMARY OF QUARTERLY RESULTS

Table 1 - Quarterly Financial Data

Expressed in thousands of Canadian dollars

		Three months ended			
		June 30 2024	**March 31 2024**	**December 31 2023**	**September 30 2023**
Earnings and Cash Flow					
Number of sales		2	3	2	2
Sales	$	56,818	89,438	79,778	60,277
Operating income (loss)	$	9,071	26,760	(83,356)	(1,125)
Net (loss) income for the period	$	(6,524)	6,864	(75,792)	(13,421)
Basic (loss) earnings per share	$	(0.03)	0.03	(0.36)	(0.06)
Diluted (loss) earnings per share	$	(0.03)	0.03	(0.36)	(0.06)
Adjusted EBITDA[NI]	$	24,041	49,953	39,767	25,626
Cash flow provided by (used in) operating activities	$	(35,055)	39,953	48,017	30,322
Cash flow provided by (used in) investing activities	$	(18,901)	(16,623)	(20,498)	(18,034)
Cash flow provided by (used in) financing activities	$	4,675	(47)	(10,845)	(7,987)
Balance Sheet					
Total assets	$	878,379	907,917	856,854	924,382

		Three months ended			
		June 30 2023	**March 31 2023**	**December 31 2022**	**September 30 2022**
Earnings and Cash Flow					
Number of sales		2	3	2	2
Sales	$	59,918	128,657	96,315	110,124
Operating income	$	20,351	41,091	25,257	37,705
Net income (loss) for the period	$	17,318	28,224	9,421	(7,187)
Basic earnings (loss) per share	$	0.08	0.13	0.04	(0.03)
Diluted earnings (loss) per share	$	0.08	0.13	0.05	(0.03)
Adjusted EBITDA[NI]	$	31,479	68,177	23,409	54,104
Cash flow provided by (used in) operating activities	$	(17,854)	82,930	68,937	59,368
Cash flow provided by (used in) investing activities	$	(20,954)	(23,034)	(30,795)	(9,721)
Cash flow provided by (used in) financing activities	$	(11,183)	(17,054)	(97,522)	(1,894)
Balance Sheet					
Total assets	$	940,593	985,749	898,541	966,173

The Company typically holds between nine to ten sales per year in Antwerp, Belgium, and has typically alternated between two and three sales per quarter since the start of commercial production.

During the three months ended June 30, 2024, the Company sold 557,000 carats and recognized revenue of $56,818 at an average realized value of $102 per carat (US$74) over two sales in Antwerp, Belgium. The Company had operating income [NI] of $9,071.

During the three months ended March 31, 2024, the Company sold 938,000 carats and recognized revenue of $89,438 at an average realized value of $95 per carat (US$71) over three sales in Antwerp, Belgium. The Company had operating income of $26,760.

During the three months ended December 31, 2023, the Company sold 918,000 carats and recognized revenue of $79,778 at an average realized value of $87 per carat (US$64) over two sales in Antwerp, Belgium. The Company had operating loss of $83,356, which amongst other things, included a $104,593 impairment charge.

During the three months ended September 30, 2023, the Company sold 479,000 carats and recognized revenue of $60,277 at an average realized value of $126 per carat (US$95) over two sales in Antwerp, Belgium. The Company had operating loss of $1,125.

During the three months ended June 30, 2023, the Company sold 360,000 carats and recognized revenue of $59,918 at an average realized value of $166 per carat (US$124) over two sales in Antwerp, Belgium. The Company had operating income of $20,351.

During the three months ended March 31, 2023, the Company sold 961,000 carats and recognized revenue of $128,657 at an average realized value of $134 per carat (US$99) over three sales in Antwerp, Belgium. The Company had operating income of $41,091.

During the three months ended December 31, 2022, the Company sold 758,000 carats and recognized revenue of $96,315 at an average realized value of $127 per carat (US$94) over two sales in Antwerp, Belgium. The Company had operating income of $25,257.

During the three months ended September 30, 2022, the Company sold 805,000 carats and recognized revenue of $110,124 at an average realized value of $137 per carat (US$104) over three sales in Antwerp, Belgium. The Company had operating income of $37,705.

SUMMARY OF SECOND QUARTER FINANCIAL RESULTS

Three and six months ended June 30, 2024, compared to the three and six months ended June 30, 2023, expressed in thousands of Canadian dollars.

For the three months ended June 30, 2024, the Company recorded net loss of $6,524 or $0.03 basic and diluted loss per share compared to a net income of $17,318 or $0.08 basic and diluted earnings per share for the same period in 2023. For the six months ended June 30, 2024, the Company recorded a net income of $340 or $0.00 basic and diluted loss per share compared to a net income of $45,542 or $0.22 basic and $0.21 diluted earnings per share for the same period in 2023. The lower net income for the six months ended June 30, 2024, compared to 2023 is largely attributed to the decrease in earnings from mine operations, (reflecting lower revenue due to lower average diamond sales price per carat but higher carats sold in the first six months of 2024) and higher foreign exchange loss and derivative loss in 2024 compared to 2023.

Earnings from mine operations

Earnings from mine operations for the three and six months ended June 30, 2024, were $11,982 and $42,418 compared to earnings from mine operations of $26,933 and $74,133 for the same periods in 2023. For the three months ended June 30, 2024, the Company held two sales and sold 557,000 carats for proceeds of $56,818 with diamond sales value per carat of US$74 (three months ended June 30, 2023, the Company held two sales and sold 360,000 carats for $59,918 at US$124 per carat). For the six months ended June 30, 2024, the Company held five sales and sold 1,495,000 carats for proceeds of $146,256 with diamond sales value per carat of US$72 (six months ended June 30, 2023 the Company held five sales and sold 1,321,000 carats for $188,575 at US$106 per carat).

Production costs (net of capitalized stripping costs) related to diamonds sold for the three and six months ended June 30, 2024, were $27,008 and $59,736; depreciation and depletion on the GK Mine assets related to the three and six months ended June 30, 2024, were $14,263 and $36,325; and the cost of acquired diamonds for the three and six months ended June 30, 2024, were $3,565 and $7,777, which was paid to De Beers after winning the periodic fancies and specials bids. Production costs (net of capitalized stripping costs) related to the three and six months ended June 30, 2023, were $18,619 and $67,735; and depreciation and depletion on the GK Mine commissioned assets related to the three and six months ended June 30, 2023, were $10,583 and $35,844; and the cost of acquired diamonds for the three and six months ended June 30, 2023, were $3,783 and $10,863. The reduction in production costs by $7,999 for the six months ended June 30, 2024, reflects the lower cost of opening inventory feeding into production cost, than the six months ended June 30, 2023.

Selling, general and administrative expenses

Selling, general and administrative expenses for the three and six months ended June 30, 2024, were $2,768 and $6,310 compared to $3,223 and $7,230 for the same periods in 2023. The main expenses included in these amounts for the three and six months ended June 30, 2024, were $1,266 and $2,980 relating to selling and marketing, $606 and $1,302 related to consulting fees and payroll, $332 and $694 related to professional fees, $128 and $370 related to share-based payments and $229 and $477 relating to office and administration. The main expenses included in these amounts for the three and six months ended June 30, 2023, were $1,169 and $2,930 relating to selling and marketing, $581 and $1,237 related to consulting fees and payroll, $434 and $995 related to professional fees, $366 and $706 related to share-based payment and $273 and $555 relating to office and administration. The decrease in total selling, general and administrative costs for the three and six months ended June 30, 2024, compared to the same period in 2023, can mainly be attributed to a decrease in professional fees, office and administration costs and also a reduction in the share-based payment expense compared to the prior period, as less stock options and restricted share units were granted.

Exploration and evaluation expenses

Exploration and evaluation expenses for the three and six months ended June 30, 2024, were $143 and $277 compared to $3,359 and $5,461 for the same periods in 2023. Of the $277 total exploration and evaluation expenses incurred in the six months ended June 30, 2024, ($5) is related to the Company's 49% share of the exploration and evaluation expenses on the GK Mine due to over accrual, while the remaining $282 related to expenditure on the KNP. Of the $5,461 total exploration and evaluation expenses incurred in the six months ended June 30, 2023, $1,988 related to the Company's 49% share of the exploration and evaluation expenses on the GK Mine, while the balance of $3,473 related to expenditure on the KNP and reflected a larger drill program being undertaken in 2023, than was the case during 2024.

Finance expenses

Finance expenses for the three and six months ended June 30, 2024, were $10,711 and $21,048 compared to $9,578 and $19,739 for the same periods in 2023. Included in the amount for the three and six months ended June 30, 2024, were $10,018 and $19,692 relating to finance costs and $693 and $1,356 relating to accretion expense on the decommissioning liability. Included in the amount for the three and six months ended June 30, 2023, were $8,972 and $18,461 relating to finance costs, $606 and $1,278 relating to accretion expense on the decommissioning liability. Finance costs were slightly higher for the six months ended June 30, 2024, compared to the same period in 2023, due to the amortization of loss on secured notes offset by lower finance costs from lower balances arising from repurchases in 2023.

Foreign exchange losses

Foreign exchange losses for the three and six months ended June 30, 2024, were $3,023 and $9,209 compared to foreign exchange gains of $5,468 and $5,612 for the same periods in 2023. The foreign exchange losses for the three and six months ended June 30, 2024, were mainly a result of the Canadian dollar weakening relative to the US dollar compared to the same periods of 2023 where the Canadian dollar strengthened relative to the US dollar. The spot rate on June 30, 2024, was $1.3679/US$1 compared to $1.3540/US$1 at March 31, 2024 and $1.3243/US$1 at December 31, 2023. This compares to the rate of $1.3242/US$1 at June 30, 2023 and $1.3516/US$1 at March 31, 2023 and $1.3554/US$1 at December 31, 2022.

Deferred income taxes

Deferred income taxes for the three and six months ended June 30, 2024, were $760 and $3,085 compared to $2,080 and $3,900 for the same periods in 2023. In the three and six months ended June 30, 2024, deferred income taxes decreased during the quarter due to the lower utilization of tax pools required to offset the production income generated in the period.

INCOME AND MINING TAXES

The Company is subject to income and mining taxes in Canada with the statutory income tax rate at 26.5% and the variable mining tax rate, which is on a tiered basis from 5% to 14%.

At this time, no deferred tax asset has been recorded in the condensed consolidated interim financial statements as a result of the uncertainty associated with the ultimate realization of these tax assets.

The Company is subject to assessment by Canadian authorities, which may interpret tax legislation in a manner different from the Company. These differences may affect the final amount or the timing of the payment of taxes. When such differences arise, the Company makes provision for such items based on management's best estimate of the outcome of these matters.

The Company's current tax expenses are associated with mining royalty taxes in the Northwest Territories. There are no other current tax expenses for income tax purposes, as there are significant losses carried forward that are available to offset current taxable income.

FINANCIAL POSITION AND LIQUIDITY

The Company originally funded its share of construction and commissioning costs of the GK Mine through a combination of equity and a project lending facility. In December 2017, the Company terminated its project lending facility through the issuance of the US$330 million in second lien secured notes payable (the 'Old Notes'). On December 14, 2022, the Old Notes were settled, and the Company issued US$195 million notes (the "Notes") (Interim Financial Statements, Note 8). The Notes includes a covenant that the consolidated financial statements do not include a qualification as to scope or going concern. In addition, the Notes include a cash sweep mechanism where any excess cash held by the Company that is greater than US$20 million at quarter end, after accounting for working capital, is required to be used to redeem the Notes, commencing with fiscal quarter ending March 31, 2023. During the year ended December 31, 2023, the Company redeemed US$18 million of Notes. For the year ended December 31, 2023, the Company obtained a waiver from the Note holders to waive the unqualified financial statements covenant which is an annual requirement.

On March 28, 2022, the Company executed a junior secured term loan facility (the "Dunebridge JCF") agreement with Dunebridge Worldwide Ltd. ("Dunebridge"), for US$50 million (Interim Financial statements Note 9).

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.

Cash flows provided by operating activities, including changes in non-cash working capital for the three and six months ended on June 30, 2024, were ($35,055) and $4,898 compared to cash flows of ($17,854) and $65,076 for the same periods in 2023. The cash generated from the operating activities excluding changes in non-cash working capital for the three and six months ended June 30, 2024, at $23,303 and $72,244 compared with $31,216 and $97,203 earned in the same periods in 2023. The respective cash flows reflect the net (loss) income of ($6,524) and $340 for the three and six months ended June 30, 2024, and net income earned of $17,318 and $45,542 for the three and six months ended June 30, 2023, which are impacted by differing non-cash adjustments in those respective periods. The major differences in adjustments for the six months ended June 30, 2024, compared to six months ended June 30, 2023 comprised foreign exchange losses of $9,209 compared to a gain of $5,612 in 2023, derivative losses of $4,802 compared to a loss of $871 in 2023 and deferred income taxes of $3,085 compared to $3,900 in 2023.

In respect of the adjustments for changes in non-cash working capital for the six months ended June 30, 2024, the adjustments amounted to negative $67,346 compared to $32,127 for the six months ended June 30, 2023. The difference is largely explained by the adjustment in respect of inventories consumed and expensed in the six months ended June 30, 2024, being $12,294 higher than for the six months ended June 30, 2023, and a $22,019 comparative increase in the adjustment for accounts payable and accrued liabilities. The adjustment for the accounts payable and accrued liabilities in the six months ended June 30, 2024 resulted from improved on-time payments of accounts payables.

Cash flows used in investing activities for the three and six months ended June 30, 2024, were $18,901 and $35,524 compared to $20,954 and $43,988 for the same periods in 2023. For the three and six months ended June 30, 2024, the outflows for the purchase of property, plant and equipment were $19,025 and $35,908 compared to $21,351 and $44,651 for the same periods in 2023, reflecting the decrease in capitalised waste stripping activity. For the three and six months ended June 30, 2024, the outflow for restricted cash was $465 and $919 compared to $401 and $774 for the same periods in 2023, which relates to interest earned on the decommissioning fund of the GK Mine. For the three and six months ended June 30, 2024, reclamation costs were $143 and $275, compared to $Nil and $Nil for the same periods in 2023. For the three and six months ended June 30, 2024, interest income was $732 and $1,578, compared to $798 and $1,437 for the same periods in 2023.

Cash flows provided by financing activities for the three and six months ended June 30, 2024, were $4,675 and 4,628 compared to cash flows used of $11,183 and $28,237 for the same periods in 2023. Cash flows provided by financing activities for the three and six months ended June 30, 2024, relate mainly to $15,600 bank overdrafts at the GK Mine resulting from winter road invoices (including fuel) which were mostly paid in Q2 2024 and improved on-time payments of accounts payables. This was offset by the coupon payment on the secured notes during the period. Cash flows used in financing activities for the three and six months ended June 30, 2023, relate mainly to the redemption of US$12 million principal from the US$195 million secured notes and US$8.3 million coupon payment on the remaining balance in June 2023.

As part of the liquidity management by De Beers as the JV operator of the GK Mine, the mine may overdraw its bank account occasionally. When this happens, the overdrawn position is usually temporary and reverts to a credit balance once cash call funds are received. The Company's share of the bank overdrafts as at June 30, 2024 was $15,600 (Dec 31, 2023 - $Nil).

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

MATERIAL ACCOUNTING POLICIES ADOPTED IN THE CURRENT PERIOD

The new accounting policies and amendments that became effective in the current period are disclosed in Note 3 of the interim financial statements.

SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Significant accounting estimates and assumptions are disclosed in Note 4 of the consolidated financial statements for the year ended December 31, 2023.

STANDARDS AND AMENDMENTS TO EXISTING STANDARDS

New standards applicable to the Company are disclosed in Note 3 of the interim financial statements.

RELATED PARTY TRANSACTIONS

The Company's related parties include Mr. Dermot Desmond, Dunebridge and Vertigol Unlimited Company ("Vertigol") (Dunebridge and Vertigol being corporations ultimately beneficially owned by Mr. 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 ("IIU") is also a related party since it is ultimately beneficially owned by Mr. 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 chair of the Company.

On March 28, 2022, the Company executed the Dunebridge JCF agreement with Dunebridge, for US$50 million (Interim Financial Statements Note 9).

Between 2014 and 2020, the Company and De Beers signed agreements allowing De Beers 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 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 were $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 the operator 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 balances on 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

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 persons having 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.

CONTRACTUAL OBLIGATIONS

The following table summarizes the contractual maturities of the Company's significant financial liabilities and capital commitments, including contractual obligations:

	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
	$ 49,747	$ 264,191	$ 124,244	$ -	$ 438,182

NON-IFRS MEASURES

The MD&A refers to the terms "Cash costs of production per tonne of ore processed" and "Cash costs of production per carat recovered", both including and net of capitalized stripping costs and "Operating Income", "Adjusted Earnings Before Interest, Taxes Depreciation and Amortization (Adjusted EBITDA)" and "Adjusted EBITDA Margin". Each of these is a non-IFRS performance measure and is referenced in order to provide investors with information about the measures used by management to monitor performance. These measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. They do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers.

Cash costs of production per tonne of ore processed and cash costs of production per carat recovered are used by management to analyze the actual cash costs associated with processing the ore, and for each recovered carat. Differences from production costs reported within cost of sales are attributed to the amount of production cost included in ore stockpile and rough diamond inventories.

Operating (loss) income is used by management to analyze the profitability of the Company that is generated during the regular course of its mining operations. It excludes income and expenses that are derived from activities not related to the Company's core business operations such as finance expenses, derivative gains (losses), and foreign exchange revaluation gains (losses).

Adjusted EBITDA is used by management to analyze the operational cash flows of the Company, as compared to the net income for accounting purposes. It is also a measure which is defined in the Notes documents. Adjusted EBITDA margin is used by management to analyze the operational margin % on cash flows of the Company.

The following table provides a reconciliation of the Adjusted EBITDA and Adjusted EBITDA margin with the net (loss) income on the condensed consolidated interim statement of comprehensive (loss) income:

	Three months ended June 30, 2024	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Net (loss) income for the period	$ (6,524)	$ 17,318	$ 340	$ 45,542
Add/deduct:				
Non-cash depreciation and depletion	14,270	10,640	36,374	35,958
Loss on sale of equipment	527	-	527	-
Share-based payment expense	128	366	370	706
Fair value gain of warrants	(1,315)	(563)	(1,856)	(709)
Loss (gain) on lease	9	-	(46)	-
Finance expenses	10,711	9,578	21,048	19,739
Derivative losses (gains)	2,462	(1,936)	4,802	(871)
Deferred income taxes	760	2,080	3,085	3,900
Current income taxes	150	150	300	900
Unrealized foreign exchange losses (gains)	2,863	(6,154)	9,050	(5,509)
Adjusted earnings before interest, taxes, depreciation and depletion (Adjusted EBITDA)	$ 24,041	$ 31,479	$ 73,994	$ 99,656
Sales	56,818	59,918	146,256	188,575
Adjusted EBITDA margin	42%	53%	51%	53%

The following table provides a reconciliation of the cash costs of production per tonne of ore processed and per carat recovered and the production costs reported within cost of sales on the condensed consolidated interim statements of comprehensive (loss) income:

(in thousands of Canadian dollars, except where otherwise noted)		**Three months ended June 30, 2024**	Three months ended June 30, 2023	**Six months ended June 30, 2024**	Six months ended June 30, 2023
Cost of sales production costs	$	27,008	18,619	59,736	67,735
Timing differences due to inventory and other non-cash adjustments	$	12,822	18,284	429	6,449
Cash cost of production of ore processed, net of capitalized stripping	$	39,830	36,903	60,165	74,184
Cash costs of production of ore processed, including capitalized stripping	$	56,126	57,223	91,053	115,464
Tonnes processed	kilo tonnes	473	367	868	743
Carats recovered	000's carats	646	656	1,266	1,303
Cash costs of production per tonne of ore, net of capitalized stripping	$	84	100	69	100
Cash costs of production per tonne of ore, including capitalized stripping	$	119	156	105	155
Cash costs of production per carat recovered, net of capitalized stripping	$	62	56	48	57
Cash costs of production per carat recovered, including capitalized stripping	$	87	87	72	89

OTHER MANAGEMENT DISCUSSION AND ANALYSIS REQUIREMENTS

Risks

The Company’s business of developing and operating mineral resources involves a variety of operational, financial and regulatory risks that are typical in the mining industry. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future, and investing in the Company’s common shares should be considered speculative.

The Company’’s business of developing and operating mineral properties is subject to a variety of risks and uncertainties, including, without limitation the:

- risk that the production from the mine will not be consistent with the Company’s expectation;
- risk that production and operating costs are not within the Company’s estimates;
- risk that financing required to manage liquidity cannot be maintained on acceptable terms;
- risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits;
- risk that the future exploration, development, or mining results will not be consistent with the Company's expectations;
- risks that accidents, equipment breakdowns or other unanticipated difficulties interrupt production;
- risk of delays in exploration activities or the completion of studies;
- risks that exploration costs are not within the Company’s estimates;
- risks related to foreign exchange fluctuations, prices of diamonds, and growth in demand for laboratory grown diamonds;
- risks in market stability causing the sale of diamond inventory at below cost;
- risks related to price fluctuations in respect of critical production related commodities;
- risks relating to failure to comply with the covenants in the Dunebridge JCF;
- risks relating to failure to comply with covenants of the Notes;
- risks of weather (climate change and other) adverse to the building and use of the Tibbitt to Contwoyto winter road upon which the GK Mine is reliant for the cost-effective annual resupply of key inventory including fuel and explosives;
- risks related to environmental regulation, environmental liability and permitting;
- risks related to legal challenges to operating permits that are approved and/or issued;
- political and regulatory risks associated with mining, exploration, and development, particularly in environmentally sensitive areas;
- risks of new aboriginal rights and title being raised;
- risks of failure of the specialised plant, equipment, processes, and transportation services to operate as anticipated;
- risk of material variations in ore grade or recovery rates; and
- other risks and uncertainties related to the Company's prospects, properties, and business strategy.

Also, there can be no assurance that any further funding required by the Company will become available to it, and if it is, that it will be offered on reasonable terms, or that the Company will be able to secure such funding. Furthermore, there is no assurance that the Company will be able to secure new mineral properties or projects, or that they can be secured on competitive terms.

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company’s common shares are traded on the Toronto Stock Exchange under the symbol MPVD.

On August 7, 2024, there were 212,132,751 common shares issued, 9,125,579 stock options and 3,164,229 restricted share units outstanding. There were 41,000,000 warrants outstanding on August 7, 2024.

There are an unlimited number of common shares without par value authorized to be issued by the Company.

CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), are responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109") based on the Internal Control – Integrated Framework (2013) developed by COSO (Committee of Sponsoring Organizations of the Treadway Commission).

DC&P are designed to provide reasonable assurance that material information relating to the Company is made known to the CEO and CFO during the reporting period and the information required to be disclosed by the Company under securities legislation is recorded, processed, summarized, and reported within the time periods specified in securities legislation. ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Due to the inherent limitations associated with any such controls and procedures, management recognizes that, no matter how well designed and operated, they may not prevent or detect misstatements on a timely basis.

The Company's management, under the supervision of, and with the participation of, the CEO and the CFO, has evaluated its DC&P and ICFR as defined under NI 52-109 and concluded that, as of June 30, 2024, they were designed effectively to provide reasonable assurance regarding required disclosures and the reliability of financial reporting and the preparation of financial statements for external purposes.

NI 52-109 also requires Canadian public companies to disclose in their MD&A any change in ICFR that has materially affected, or is reasonably likely to materially affect, ICFR. No material changes were made to the internal controls during the six months ended June 30, 2024. The Company's CEO and CFO have each evaluated the design of the Company's disclosure controls and procedures as of June 30, 2024.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

This MD&A contains certain "forward-looking statements" and "forward-looking information" under applicable Canadian and United States securities laws concerning the business, operations and financial performance and condition of Mountain Province Diamonds Inc. Forward-looking statements and forward-looking information include, but are not limited to, statements with respect to the future financial or operating performance of the Company; operational hazards, including possible disruption due to pandemic such as COVID-19, its impact on travel, self-isolation protocols and business, operations and prospects; estimated production and mine life of the project of the Company; the realization of mineral resource estimates; the timing and amount of estimated future production; costs of production; the future price of diamonds; the estimation of mineral reserves and resources; the ability to manage debt; capital and operating expenditures; use of proceeds from financings; the ability to obtain permits or approvals for operations; liquidity and requirements for additional capital; government regulation of mining operations; environmental risks; reclamation expenses; title disputes or claims; limitations of insurance coverage; tax rates; and currency exchange rate fluctuations. Except for statements of historical fact relating to the Company, certain information contained herein constitutes forward-looking statements. Forward-looking statements are frequently characterized by words such as "anticipates," "may," "can," "plans," "believes," "estimates," "expects," "projects," "targets," "intends," "likely," "will," "should," "to be," "potential," "budget," "scheduled," "forecasts" and other similar words and variations of such words (including negative variations), or statements that certain events or conditions "may," "should," "could," "would," "might" or "will" occur. Forward-looking statements are based on the opinions and estimates of management at the time such statements are made, and, by their nature, are based on a number of assumptions and subject to a variety of inherent risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Many of these assumptions are based on factors and events that are not within the control of the Company and are difficult to predict, and there is no assurance they will prove to be correct.

Factors that could cause actual results to vary materially from results anticipated by such forward-looking statements include the development of operation hazards that could arise in relation to the return of COVID-19, including, but not limited to protocols which may be adopted to reduce the spread of COVID-19 and any impact of such protocols on Mountain Province's business, operations and prospects; variations in ore grade or recovery rates; changes in market conditions; the global economic climate; changes in project parameters; mine sequencing; production rates and estimates; dependence on the GK mine; cash flow; risks relating to financing requirements; insurance risks; failure by the Company to maintain its obligations under its debt facilities; risks relating to the availability and timeliness of permitting and governmental approvals; regulatory and licensing risks; environmental and climate risks; supply of, and demand for, diamonds; fluctuating commodity prices and currency exchange rates; the possibility of project cost overruns or unanticipated costs and expenses; the availability of skilled personnel and contractors; labour disputes and other risks of the mining industry; and failure of plant, equipment or processes to operate as anticipated.

These and other factors are discussed in greater detail in this MD&A and in Mountain Province's most recent Annual Information Form filed on SEDAR, which also provides additional general assumptions in connection with these statements. the Company's cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon.

Although the Company has attempted to identify important factors that could cause actual actions, events, or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The forward-looking statements and forward-looking information contained herein is given as of the date of this MD&A, and The Company undertakes no obligation to update forward-looking statements, whether as a result of new information, future events, or results or if circumstances or management's estimates or opinions should change, except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements. Statements concerning mineral reserve and resource estimates *may also be deemed to constitute forward-looking statements to the extent they involve estimates of the mineralization that will be encountered as the property is developed. Mineral resources are not mineral reserves and do not have demonstrated economic viability.*

Further, the Company may make changes to its business plans that could affect its results. The principal assets of the Company are administered pursuant to a joint venture under which the Company is not the operator. The Company is exposed to actions taken or omissions made by the operator within its prerogative and/or determinations made by the joint venture under its terms. Such actions or omissions may impact the future performance of Mountain Province. Under its Notes and credit facilities, The Company is subject to certain limitations on its ability to pay dividends on common shares. Subject to these limitations under the Company's debt facilities, the declaration of dividends is otherwise at the discretion of Mountain Province's Board of Directors, and will depend on Mountain Province's financial results, cash requirements, future prospects, and other factors deemed relevant by the Board.

Cautionary note to US Investors – Information Concerning Preparation of Resource Estimates

This MD&A has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of United States securities laws. Unless otherwise indicated, all resource and reserve estimates included in this MD&A have been prepared in accordance with NI 43-101 and the Canadian Institute of Mining and Metallurgy Classification System. NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. As such, the information included herein concerning mineral properties, mineralization and estimates of mineral reserves and mineral resources is not comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements of the United States Securities and Exchange Commission.