

Introduction

Prepared by Mountain Province Diamonds Inc. (“Mountain Province”) (Business Number: 10377 9021) in accordance with Section 11 of Bill S-211, this report pertains to the financial year ending on December 31, 2023. Mountain Province qualifies as an entity under the Act, maintaining operations and meeting prescribed thresholds for revenue, assets and import and distribution activities within Canada. Mountain Province is also listed on a stock exchange in Canada.

Committed to upholding ethical standards and integrity across its operations, this report outlines specific actions taken by Mountain Province to address risks during the financial year from January 1st, 2023, to December 31st, 2023.

Section A - Structure, Activities, and Supply Chains

Mountain Province Diamonds Inc. is a Canadian diamond company that is fully Canadian owned and operated. Mountain Province is a 49% owner of the Gahcho Kué diamond mine, located in the Northwest Territories of Canada.

In 1992, Mountain Province Diamonds acquired a 100% interest in the mineral properties upon which the Gahcho Kué diamond mine is situated. During 2002, the Company entered into the Gahcho Kué Joint Venture Agreement with De Beers Canada Inc. (“De Beers”) The original Gahcho Kué Joint Venture Agreement was amended and restated in July 2009, establishing Mountain Province Diamonds’ ownership interest at 49% of the Gahcho Kué diamond mine and De Beers’ at 51%.

Mountain Province currently has no role in the daily operations of the Gahcho Kué mine. The operations of the mine are entirely managed by our close partner, De Beers. Mountain Province depends on De Beers to handle the supply chain for Gahcho Kué and to act responsibly regarding forced and child labour. De Beers takes the integrity of their supply chain seriously and has taken steps to mitigate the risks of forced and child labour.

Beyond the Gahcho Kué mine, a part of our supply chain consists of sending our raw diamonds to be cleaned in India. For the cleaning of our diamonds, we have selected a reputed partner in India who has been used by other leading mining organizations, including De Beers.

Section B - Policies and Due Diligence Processes

During the past fiscal year, Mountain Province did not have a formal due diligence policy addressing the management and mitigation of forced or child labour risks within its supply chain. Conducting business in an ethical way is highly important to us as an organization we are committed to mitigating the risks of forced or child labour being used in our supply chain.



As part of our ongoing commitment to improving policies and due diligence processes, Mountain Province will look to implement policies and due diligence in the future to address the risks of forced or child labour within our supply chain. This could include having all suppliers and partners sign a declaration that they have reviewed their supply chains for signs of forced or child labour. We will also explore the possibility of visiting our international partners' sites to check their working conditions.

In addition to the above policies, Mountain Province is highly reliant on De Beers Canada to run the supply chain for our mining operation. De Beers Canada Inc. as our operational partner, has taken actions to prevent forced and child labour including:

- Requiring suppliers to have in place policies and procedures for identifying and prohibiting the use of forced labour and/or child labour
- Developing and implementing anti-forced labour and/or child labour contractual clauses
- Developing and implementing anti-forced labour and/or child labour standards, codes of conduct and/or compliance checklists
- Engaging with supply chain partners on the issue of addressing forced labour and/or child labour
- Complying with the De Beers Best Practice Principles requirements, which establish standards relating to Environmental, Social and Governance risks in the diamond value chain, including best practice expectations relating to human rights, forced labour and child labour.
- De Beers Canada Inc. has been certified 4 times against the Responsible Jewelry Council standards, which also include standards relating to Forced Labour, Child Labour, and Supply Chain due diligence.

Section C - Forced Labour and Child Labour Risks

In the previous fiscal year, a full risk assessment was not conducted. However, we have recently launched a process to identify potential risks related to forced or child labour within our supply chain. This initiative draws upon insights from various sources including the Walk Free Global Slavery Index, the OECD Due Diligence Guidance for Responsible Business Conduct, and the U.S. Department of Labour's List of Goods Produced by Child Labour or Forced Labour. Through our analysis, we have identified potential risk factors associated with specific goods and countries.

The identification of these risks does not imply the actual presence of forced or child labour within our supply chain. Rather, our aim is to proactively recognize and address potential scenarios where such risks might arise, enabling us to implement effective preventive measures.

Our risk assessment strategy involved a geographic analysis based on the Walk Free Global Slavery Index to identify regions at higher risk of forced and child labour practices. This geographical focus was complemented by an evaluation of product categories vulnerable to such risks, facilitating a more targeted and informed approach to risk management.

Risk Assessment Findings

During the examination of primary risk areas, Mountain Province identified India, where our diamonds are sent for cleaning and polishing, as having heightened risks of forced or child labour. The Walk Free Global Slavery Index highlights a heightened risk of modern slavery in India, and we take these findings seriously. Mountain Province also referenced data from the U.S. Department of Labour's List of Goods Produced by Child Labour or Forced Labour to assess potential risks within our import portfolio. We recognize that the diamond/gemstone industry is associated with a higher prevalence of forced and child labour and we will look to



implement policies and due diligence in the future to address the risks of forced or child labour within our supply chain.

Section D - Remediation Measures

Throughout our assessments, no instances of forced or child labour have been identified within our supply chains, thus remediation measures have not been necessary. In line with the United Nations Guiding Principles on Business and Human Rights, we acknowledge the pivotal significance of having robust remediation strategies in place. If we were to identify forced or child labour in our supply chain, we would act quickly and ensure we have taken all measures necessary to address this.

Section E - Remediation of Loss of Income

No instances of forced or child labour have been detected within Mountain Provinces' supply chains, thus no measures have been required to address any resulting income loss for those affected. Should any instances of forced or child labour arise in our future activities and supply chains, we will take appropriate actions to address the loss of income for vulnerable families.

Section F - Training

Mountain Province has not administered specialized training to our staff concerning forced or child labour within our supply chain.

Currently De Beers, who is responsible for the mine operations, provides mandatory training in forced labour and/or child labour to any staff who are responsible for making contracting or purchasing decisions.

Section G - Assessing Effectiveness

While Mountain Province has not yet adopted distinct policies and protocols to assess our efficacy in deterring the use of forced labour and child labour in our supply chains, we remain dedicated to enhancing our monitoring procedures. This could entail potential collaboration with an external entity for an independent assessment or audit of our practices in the future.



MOUNTAIN
PROVINCE DIAMONDS

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Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Mark Wall

CEO

May 30th 2024

I have the authority to bind Mountain Province Diamonds inc.