

# **MOUNTAIN PROVINCE DIAMONDS INC.**

**Annual Information Form  
For the  
Year Ended December 31, 2023**

**April 1, 2024**

# **MOUNTAIN PROVINCE DIAMONDS INC.**

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## **Currency**

**Unless otherwise specified, all dollar references are to Canadian dollars.** On March 28, 2024, one Canadian dollar was worth approximately \$0.7380 in United States currency, based on the noon exchange rate of the Bank of Canada.

## **Caution Regarding Forward-Looking Information**

This Annual Information Form (“AIF”) 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. (‘Mountain Province’ the ‘Company’) Forward-looking statements and forward-looking information include, but are not limited to, statements with respect to estimated production and mine life of the project of Mountain Province; the realization of mineral reserve 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 expenditures; the ability to obtain permits for operations; liquidity; tax rates; and currency exchange rate fluctuations. Except for statements of historical fact relating to Mountain Province, 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” and other similar words, or statements that certain events or conditions “may”, “should” or “will” occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made and are based on a number of assumptions and subject to a variety of 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 Mountain Province 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 business and operational risks which could arise in relation to 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 and operations, variations in ore grade or recovery rates, changes in market conditions, changes in project parameters, mine sequencing; production rates; cash flow; risks relating to the availability and timeliness of permitting and governmental approvals; supply of, and demand for, diamonds; fluctuating commodity prices and currency exchange rates, the possibility of project cost overruns or unanticipated costs and expenses, labour disputes and other risks of the mining industry, failure of plant, equipment or processes to operate as anticipated.

These factors are discussed in greater detail in this AIF and in Mountain Province’s recent MD&A filed on SEDAR, which also provide additional general assumptions in connection with these statements. Mountain Province 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. Mountain Province 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 AIF should not be unduly relied upon. These statements speak only as of the date of this AIF.

Although Mountain Province 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. Mountain Province undertakes no obligation to update forward-looking statements 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.

Further, Mountain Province may make changes to its business plans that could affect its results. The principal assets of Mountain Province are administered pursuant to a joint venture under which Mountain Province is not the operator. Mountain Province 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 current note and revolving credit facilities Mountain Province is subject to certain limitations on its ability to pay dividends on common stock. Subject to the 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.

## CORPORATE STRUCTURE

### Name, Address and Incorporation

Mountain Province Diamonds Inc., formerly Mountain Province Mining Inc., was formed on November 1, 1997 by the amalgamation of Mountain Province Mining Inc. ("**Old MPV**") and 444965 B.C. Ltd. ("**444965**"). The Company changed its name from Mountain Province Mining Inc. to Mountain Province Diamonds Inc. effective October 16, 2000. It commenced trading under its new name on the Toronto Stock Exchange (the "**TSX**") on October 25, 2000.

Pursuant to an arrangement agreement (the "**Arrangement Agreement**") with Glenmore Highlands Inc. ("**Glenmore**") dated May 10, 2000, Glenmore was amalgamated with a wholly owned subsidiary of the Company to form a new wholly owned subsidiary ("**Mountain Glen**") of the Company. Glenmore had two wholly owned subsidiaries, Baltic Minerals BV, incorporated in the Netherlands, and Baltic Minerals Finland OY, incorporated in Finland. Pursuant to the Arrangement Agreement, these companies became wholly owned subsidiaries of the Company.

Pursuant to an Assignment and Assumption Agreement dated March 25, 2004 between the Company and Mountain Glen, Mountain Glen distributed its property and assets in specie to the Company. Mountain Glen was voluntarily dissolved on August 4, 2004. Baltic Minerals BV and its subsidiary Baltic Minerals Finland OY were voluntarily dissolved in 2006.

On September 20, 2005, the Company continued incorporation under the Business Corporations Act (Ontario).

On October 1, 2014, Camphor Ventures Inc. (formerly Sierra Madre Resources Inc.) and the Company were amalgamated under the name "Mountain Province Diamonds Inc."

On October 2, 2014, 2435386 Ontario Inc. was incorporated as a wholly owned subsidiary of the Company. At the request of the project debt facility lenders, the participating interest of the Company in the Gahcho Kué Project was transferred to 2435386 Ontario Inc. in exchange for common shares of 2435386 Ontario Inc.

On October 3, 2014, 2435572 Ontario Inc. was incorporated as a wholly owned subsidiary of the Company.

On October 3, 2014, the Company transferred the shares of 2435386 Ontario Inc. to 2435572 Ontario Inc. in exchange for common shares of 2435572 Ontario Inc.

On April 13, 2018, the Company acquired all of the outstanding common shares of Kennady Diamonds Inc. in exchange for common shares of Mountain Province Diamonds Inc.

The names of the Company's subsidiaries, their dates of incorporation and the jurisdictions in which they were incorporated as at the date of filing of this AIF, are as follows:

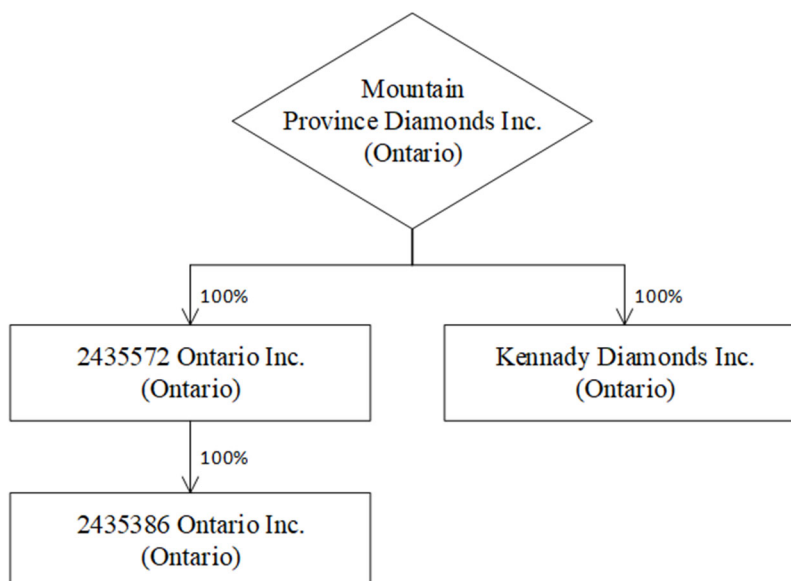
Name of Subsidiary	Date of Incorporation	Jurisdiction of Incorporation
2435386 Ontario Inc.	October 2, 2014	Ontario Canada
2435572 Ontario Inc.	October 3, 2014	Ontario Canada
Kennady Diamonds Inc.	February 27, 2012	Ontario Canada

The Company's registered, records, administrative, and executive office is at 151 Yonge Street, Suite 1100, Toronto, Ontario, Canada M5C 2W7, the telephone number is (416) 361-3562, and the fax number is (416) 603-8565.

The Company is a reporting issuer in every province of Canada other than Quebec, and the common shares of the Company are listed and posted for trading on the TSX and OTCQX under the symbol "MPVD".

### Intercorporate Relationships

As at April 1, 2024, Mountain Province's corporate structure was as follows:



### GENERAL DEVELOPMENT OF THE BUSINESS

Mountain Province is focused on the mining and marketing of rough diamonds to the global market. The Company supplies rough diamonds to the global market from its 49% ownership interest in the Gahcho Kué diamond mine (the “**GK Mine**”). The GK Mine is located in Canada’s Northwest Territories.

The Company acquired its interest in the mineral claims and properties that were developed into the GK Mine in August 1992. The GK Mine was built and is operated by a joint venture (the “**Gahcho Kué Joint Venture**”) in which the Company has an undivided 49% interest. The other joint venture participant, De Beers Canada Inc. (“**De Beers**”), has an undivided 51% interest. Construction of the GK Mine commenced in 2014, with initial production commencing mid 2016.

### **Three Year History**

#### **Fiscal Year 2021**

During 2021, the GK Mine recovered approximately 6.2 million carats of diamonds on a 100% basis and the Company received its 49% share or approximately 3.1 million carats. During 2021, the Company sold approximately 3.2 million carats of diamonds. The Company conducted eight sales during 2021.

In May 2021, the Company, with Dunebridge Worldwide Ltd. (‘Dunebridge’) as lender, added a US\$33 million term facility (‘Dunebridge Term Facility’) to its existing US\$25 million Dunebridge revolving credit facility (the ‘Dunebridge RCF’), with first ranking lien terms. The Dunebridge Term Facility bore interest at a fixed rate of 10% per annum, net of withholding taxes, payable monthly. In addition to the interest, a flat 5% fee is payable on each advance made thereunder. The Dunebridge Term Facility reduced in size to a maximum of US\$22 million on July 15, 2021 and matured on December 31, 2021. On May 17, 2021, a US\$23 million advance was drawn by the Company, followed by a US\$8 million draw in June 2021. The Dunebridge Term Facility contained a cash sweep requirement on the following month’s projected minimum cash balances above US\$2 million. The cash sweep is calculated 5 business days after each diamond sale in Antwerp, Belgium and amounts swept could be redrawn without fee.

On June 30, 2021, the Company repaid Dunebridge US\$9 million ahead of the reduction of size requirement to US\$22 million on July 15, 2021. The Company also repaid to Dunebridge a cash sweep amount of US\$2 million in June 2021, and US\$8.5 million in July 2021. On September 23, 2021, the Company fully repaid the Dunebridge Term Facility, and in accordance with the Dunebridge RCF extension described above, was terminated.

On September 24, 2021, the Dunebridge RCF was extended with the same restrictive covenants described above. The repayment date was extended to March 31, 2022, and an upfront 2% extension fee of US\$500,000 was paid. The extension of the Dunebridge RCF was subject to the Dunebridge Term Facility being fully repaid and terminated.

On September 29, 2021, the Company made a partial repayment of US\$5 million to Dunebridge and on November 15, 2021, the Company made a US\$15 million repayment to Dunebridge, and the remaining balance on the Dunebridge Term Facility, was fully repaid by December 31, 2021.

## Fiscal Year 2022

During 2022, the GK Mine recovered approximately 5.5 million carats of diamonds on a 100% basis and the Company received its 49% share or approximately 2.7 million carats. During 2022, the Company sold approximately 2.7 million carats of diamonds. The Company conducted nine sales during 2022.

On March 28, 2022, the Company completed a US\$50M junior secured credit facility with Dunebridge (the 'Dunebridge JCF') bearing a cash payment interest rate of 8% per annum paid semi-annually until December 2022, or an effective interest rate of 15.8% (effective interest rate is calculated inclusive of 41 million common share purchase warrants at an exercise price of US\$0.61 per common share with an expiry date of December 15, 2027 (Note 9 and note 10 of the year end 2023 audited consolidated financial statements) ,. Following this date, the interest rate will be 2% above the margin on the senior secured notes payable then outstanding. The maturity date of this credit facility is December 15, 2027. The Dunebridge JCF is secured by substantially all of the properties and assets of the Company and its subsidiaries on a junior basis to the Company's existing senior secured notes payable. The Company is entitled to prepay the Dunebridge JCF at any time prior to the maturity date without penalty.

On December 14, 2022, the interest rate (cash-based yield) was amended to 14% and interest shall accrue and will not be payable until the Notes are fully repaid. The original terms were revised to also include a true-up payment amount such that the lenders will receive an interest rate (cash-based yield) after giving effect to the true-up amount, and taking into consideration the applicable interest rate), upon and after December 14, 2022, on all outstanding advances of 14% per annum. If the true-up amount becomes due and payable as a result of an event of default, it shall be deemed to be accrued interest of the Dunebridge JCF, and interest shall accrue on such outstanding true-up amount from and after the date on which it becomes due and payable. The true-up amount shall also be payable in the event the Dunebridge JCF is satisfied, released or discharged by foreclosure (whether by power of judicial proceeding or otherwise), deed in lieu of foreclosure or by any other similar means.

On December 14, 2022, the Company completed an offering of US\$195 million of 9.000% Senior Secured Second Lien Notes due 2025 ("Notes"), secured by a second-ranking lien (noting that at present there is no first ranking lien) on all present and future assets, property, and undertakings of the Company. 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 Notes include a true-up mechanism whereby when the Company repays the Note in full at the maturity date or in accordance with any of the voluntary and mandatory redemption clauses (as described in Note 8 of the year end 2023 audited consolidated financial statements), a true-up payment equal to the difference between (a) the aggregate amount of all cash payments which would be made on the Notes up to the stated maturity thereof or the date of redemption or repayment in full, as applicable, in order to have a total yield of 12% on such date and (b) the actual total yield on the net Notes proceeds, after taking into account all payments actually made in respect thereof from the issue date to and including the stated maturity of the Notes or the date of redemption or repayment in full. 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.

## **Fiscal Year 2023**

During 2023, the GK Mine recovered approximately 5.6 million carats of diamonds on a 100% basis and the Company received its 49% share or approximately 2.7 million carats. During 2023, the Company sold approximately 2.7 million carats of diamonds. The Company conducted nine sales during 2023.

During 2023, the Company redeemed US\$18 million or \$24 million Canadian dollar equivalent of the Notes. The principal balance outstanding on the Notes as at December 31, 2023 is US\$177 million or \$234.4 million Canadian dollar equivalent. The balance comprising principal and accrued interest outstanding under the Dunebridge JCF was \$58 million or \$76.8 million Canadian dollar equivalent.

## **Fiscal Year 2024**

During 2024, the GK Mine operational plan anticipates total ore and waste mined of 36 million to 39 million tonnes and ore processing of approximately 3.4 million to 3.6 million tonnes, recovering between 4.2 million and 4.7 million carats (100% basis). The Company expects to conduct between nine and ten sales during 2024.

## **DESCRIPTION OF THE BUSINESS**

### **General**

The Company is focused on the mining and marketing of rough diamonds to the global market. The Company's participation in the mining sector of the diamond industry is through its ownership interest in 2435386 Ontario Inc., which is a 49% participant in the Gahcho Kué Joint Venture which owns and operates the GK Mine in the Northwest Territories.

The Company is also engaged in diamond exploration in an area of interest immediately adjacent to the Gahcho Kué Joint Venture through its wholly-owned subsidiary, Kennady Diamonds Inc.

### Principal Markets and Distribution

The Company markets its 49% share of production from the GK Mine by sorting and valuing diamonds that are then sold through the facilities of the international diamond market in Antwerp, Belgium.

### Competitive Conditions

2023 was a more challenging for the diamond industry than 2022. The robust activity in all sectors and price levels seen at the end of 2022 continued into Q1 2023. By early Q2 2023, retail activity contracted, and consumer demand softened amid ongoing conflict in Ukraine and global inflation concerns. Polished prices fell, leaving midstream manufacturers with large inventories of goods purchased at high rough prices. The result was a sharp decline first in polished, then in rough prices.

Mountain Province achieved above-target sales results in Q1 2023 but as prices began to decline in Q2 2023, the Company elected to strategically hold select categories of goods from sale to defend prices. Stocked goods were integrated into H2 sales after prices recovered in the relevant categories.

During the second and third quarters, manufacturers struggled to maintain profitability having accumulated large inventories at high cost earlier in the year. Rough prices fell, particularly in larger, higher value categories, following polished price declines. Until this point, smaller and cheaper diamonds had outperformed other categories as the global supply of smaller goods remained structurally reduced since the closure of Argyle and sanctions against Russia continued. However, prices of smaller goods also



softened in Q3 2023 as the result of downstream pressure on prices, a persistently quiet market in China, and creeping influx of smaller Russian goods.

Towards the end of Q3 2023, several producers, including De Beers, restricted their market offerings and postponed or cancelled sales until more favourable market conditions prevailed. In October, India's Gem and Jewellery Export Promotion Council, representing Indian manufacturers, introduced a 2-month self-imposed import ban, resulting in a 76% decrease in imports of rough diamonds to India in November 2023 compared to the same month in 2022. As intended, these supply-tightening measures reduced manufacturer inventories and polished goods were sold downstream for the retail holiday season and anticipated restocking.

The Company experienced market price corrections in Q3 and again held some smaller goods from sale to defend prices. This resulted in a larger than normal proportion of smaller goods offered in the final sale of the year.

The joint efforts of producers and manufacturers, supported by highly selective purchasing by traders and retailers, were rewarded with a better-than-anticipated 2023 holiday season. Prices at year end steadied and while prices are lower than a year ago, many are cautiously optimistic the market has stabilized and that it should remain stable in the coming year.

Retail trends included boosts to holiday spending around Black Friday, which has been promoted in recent years as a significant retail event beyond the US. The holiday period achieved a 3-4% increase on the previous year's sales. Jewellery spending was down 2%, according to Mastercard, as consumers take advantage of online platforms and sales to shop around for deals and have also reverted to more travel and experience spending than was possible during the pandemic.

The much-anticipated post-pandemic rebound of the Chinese economy did not materialise, despite government stimuli and rate cuts. Locally, key shopping destinations Hong Kong and Macau saw record luxury sales earlier in the year, but momentum there also slowed in Q3 2023. Longer term, the outlook for China remains positive, with potential for significant long-term growth in Chinese consumer markets as middle class with disposable income grows along with a desire for jewellery and luxury goods.

The luxury market continued to perform well in 2023, slower than 2022 but growing 3-6%, in line with predictions, driven primarily by US and European markets, as well as post-pandemic recovery in Hong Kong. The trend is expected to continue into 2024.

Key trends in 2023 include the ongoing and accelerating roll-out of tracing and source certification tools by jewellers, producers, and third parties as consumers continue to demand visibility into the origins of their diamonds. Tracing and source certification are also underpinning the G7 and EU sanctions against Russian diamonds coming into force in 2024. Technologies are rapidly evolving to allow tracing of smaller sizes through the entire diamond pipeline.

The use of AI in the diamond industry also continued to receive attention, notably in grading diamonds, with proponents citing improved consistency and speed, especially for smaller stones.

Lab grown diamonds continued to diverge from natural diamonds into lower price point, more affordable fashion jewellery. The prices of lab grown diamonds continue to fall as supply increases and production costs decline. Sales of lab-grown diamonds grew 30-40% in the US in 2023, despite falling prices, and more retailers and jewellers are developing lab-grown product lines. In addition to retail gains, smaller lab-grown product is gaining traction in certain manufacturing streams, after the structural supply reduction of small natural diamonds following the closure of Argyle and the application of sanctions on Russian diamonds.

Compared with the record-breaking highs of 2022, prices have eased. At the end of 2023 most market segments are focusing on a more favourable medium to long-term recovery, driven by the competing factors of the expanding consumer markets in China and India and relatively stable global diamond production. There is still uncertainty around the sluggish short-term post-pandemic recovery of the Chinese economy, and ongoing global inflation and escalating conflicts, but there is cautious optimism for a more stable 2024.

### Employees

As at April 1, 2024, the Company had 10 employees and retained 2 part-time consultants.

Persons employed at the GK Mine are employees of De Beers, the operator of the GK Mine.

### Specialized Skills and Knowledge

The Company's success at marketing diamonds is dependent on the services of key executives and skilled employees, and the continuance of key relationships with certain third parties, such as diamantaires for the marketing of rough diamonds. The Company competes for these skilled employees with other diamond producers.

De Beers, as operator of the GK Mine, is responsible for ensuring that it has the mining engineers and skilled miners required to mine the diamonds and process the diamond production from the GK Mine. De Beers competes for these skilled employees with other mines in the Northwest Territories and elsewhere in Canada. The Company is not responsible for the hiring or retention of these skilled employees.

### Environmental Protection

The Gahcho Kué Diamond Mine is subject to environmental requirements and conditions of operation contained in several statutes and administered by Canadian federal and Northwest Territorial authorities. These requirements and conditions may change from time to time, and a breach of legislation may result in the imposition of fines or penalties. Environmental legislation continues to evolve in a manner such that standards, enforcement, fines and penalties for non-compliance are becoming stricter. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies, directors, officers and employees. The cost of compliance with changes in government regulations has the potential to reduce the profitability of future operations.

Northwest Territories' requirements are administered by the various territorial government departments and Workers' Safety and Compensation Commission-Prevention Services. Laws and regulations that might impact the Gahcho Kué Diamond Mine include those that protect heritage resources, wildlife and the environment and those that regulate workplace safety, mine safety, training in the handling of dangerous materials, road transportation, air quality, and the use of hazardous substances and pesticides.

### **Mineral Properties**

The Company holds a 49% undivided interest in the Gahcho Kué Diamond Mine, and a 100% undivided interest in exploration mineral properties managed under its wholly-owned subsidiary, Kennady Diamonds Inc.

## The Gahcho Kué Diamond Mine

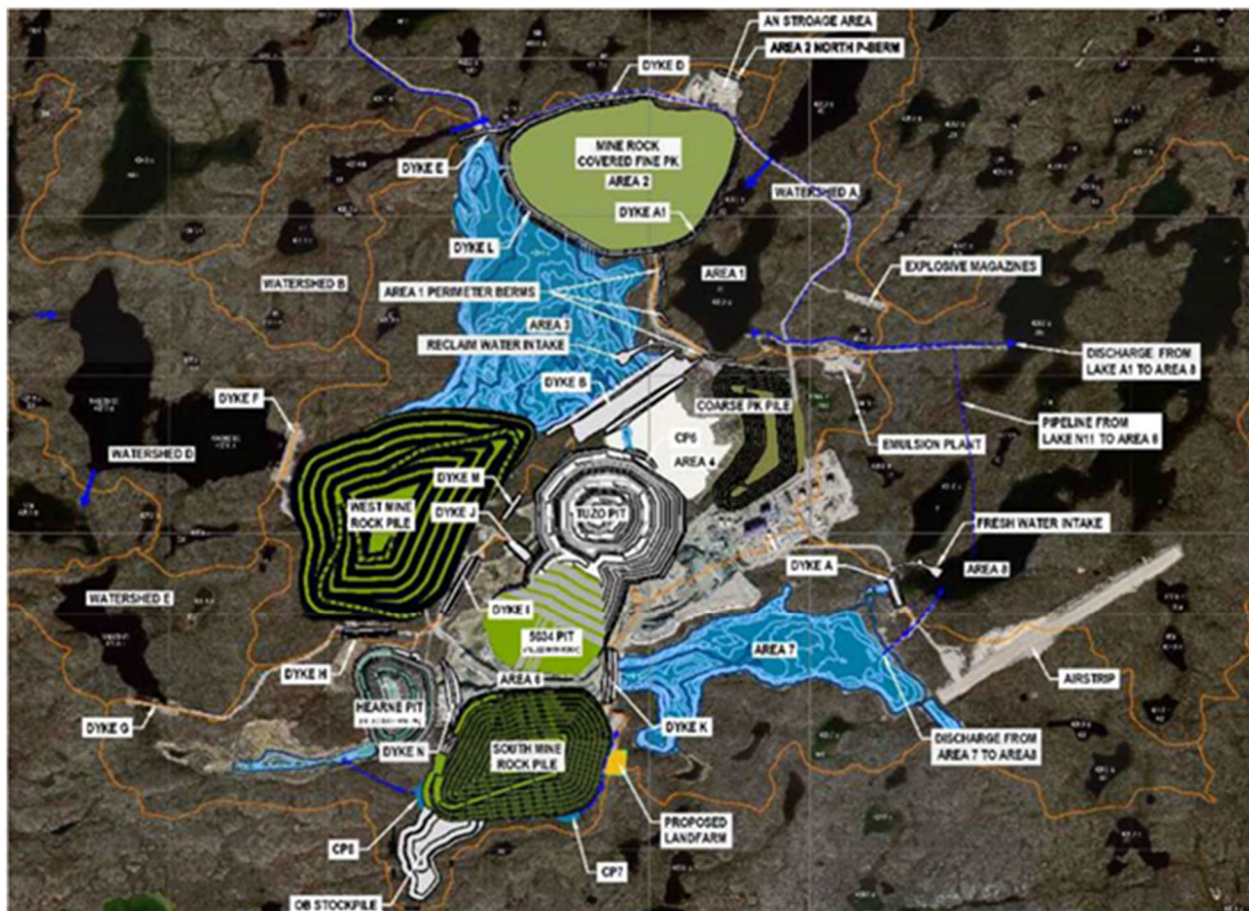
### Property Location, Access and Infrastructure

The GK Mine is located in the Northwest Territories (“NWT”) of Canada, in the District of Mackenzie, 300 km northeast of Yellowknife and 80 km southeast of the Snap Lake Mine (owned by De Beers and currently on care and maintenance). The site lies on the edge of the continuous permafrost zone in an area known as the barren lands. The surface is characterised as heath/tundra, with occasional knolls, bedrock outcrops, and localised surface depressions interspersed with lakes. A thin discontinuous cover of organic and mineral soil overlies primarily bedrock, which, occurs typically within a few metres of surface. Some small stands of stunted spruce are found in the area. There are myriad lakes in the area. Kennady Lake, under which the kimberlite pipes lie, is a local headwater lake with a minimal catchment area.

A winter road connects Yellowknife to the Snap Lake, Ekati, and Diavik mines during February and March each year (Figure 1-1). The road is operated under a Licence of Occupation by the winter road joint venture partners who operate the Ekati, Diavik, and Snap Lake mines (Snap Lake ceased operations in December 2015). The GK Mine became a winter road joint venture partner in 2013. The road passes within 70 km of the GK Mine, at Mackay Lake. A 120 km winter road spur has been established from Mackay Lake to the project site, and was open in 1999, 2001, 2002, 2006, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022 and 2023. The 120 km winter road spur will be constructed each year to support the mining operation.

The GK Mine is typical of many northern Canadian mining operations that lack local and regional infrastructure such as permanent road access, navigable shipping routes and ports, and external utilities. Therefore, the Gahcho Kué site requires extensive infrastructure to sustain operations, including power generation, sewage and water treatment, personnel accommodation for 478 people, storage facilities for materials delivered on the limited annual winter ice road, and a 1600-meter-long gravel airstrip that can be accessed in both summer and winter months with small and large aircrafts during the day and at night to provide year-round cargo, food and passenger aircraft access.

## Overall Site Layout



## History

In August 1992, the Company acquired a 100% interest in the mineral properties upon which the GK Mine is situated. During 2002, the Company entered into the Gahcho Kué Joint Venture Agreement with De Beers and Camphor Ventures Inc. This agreement provided that De Beers could have earned up to a 55% interest in the project by funding and completing a positive definitive feasibility study.

The agreement also provided that De Beers could have earned up to a 60% interest in the project by funding development and construction of a commercial-scale mine. This Gahcho Kué Joint Venture Agreement was amended and restated in July 2009, pursuant to which the De Beers ownership interest was established at 51% of the GK Mine and the Company's at 49%.

## Mineral Tenure and Royalties

A royalty is payable to the government of the Northwest Territories (the "**NWT Royalty**"). The NWT Royalty is equal to the lesser of either (i) 13% of the output value of the mine, or (ii) an amount calculated based on a sliding scale of royalty rates dependent upon the value of output of the mine, that can range from 0% to 14%.

	<u>Dollar Value of the Output of the Mine*</u>	<u>Royalty Payable on that Portion of the Value</u>
1.	10,000 or less	0%
2.	greater than 10,000 but not greater than 5 million	5%
3.	greater than 5 million but not greater than 10 million	6%
4.	greater than 10 million but not greater than 15 million	7%
5.	greater than 15 million but not greater than 20 million	8%
6.	greater than 20 million but not greater than 25 million	9%
7.	greater than 25 million but not greater than 30 million	10%
8.	greater than 30 million but not greater than 35 million	11%
9.	greater than 35 million but not greater than 40 million	12%
10.	greater than 40 million but not greater than 45 million	13%
11.	greater than 45 million	14%

\*Output of the mine is defined as revenues less allowable deductions such as cost to sell diamonds, processing allowance and other operating costs.

The NWT Royalty is based on achieving an average of 60% of the GK Mine's rated capacity in a 90-day period which was achieved in December 2016. The Company filed NWT Royalty returns for the very first time for fiscal 2016 which established opening balances and no sales were reported. In April 2018, the Company filed its second year of NWT Royalty return for fiscal 2017 and the first royalty payment to NWT occurred in the amount of \$574,000. Although the Company had sufficient royalty tax pool deductions to allow the Company to file a nil return, the Company elected to pay a minimal amount of royalty tax, to take advantage of the lower royalty tax rates on the sliding scale. In fiscal 2018, the Company elected to pay a minimal amount of royalty tax of \$567,299 to conserve the carry forward tax pools for when the output of the mine reaches a higher dollar value. In fiscal 2019, 2020 and 2021, the Company elected not to pay a minimal amount of royalty tax. In fiscal 2022, the Company elected to pay a minimal amount of royalty tax of \$598,362 to conserve the carry forward tax pools for when the output of the mine reaches a higher dollar value. In fiscal 2023, the Company elected to accrue a minimal amount of royalty tax of \$600,000 to conserve the carry forward tax pools. This will be paid when the royalty return is finalized.

### Permits and Agreements

Exploration programs and mining operations are conducted under the authorisations obtained from the appropriate authority and agreements that have been made with relevant parties, including:

- Government of the Northwest Territories Department of Lands – Surface and Mining Leases
- Crown-Indigenous Relations and Northern Affairs Canada – Type A Land Use Permit
- Crown-Indigenous Relations and Northern Affairs Canada – Type A Water Licence
- Fisheries and Oceans Canada – Fisheries Authorization
- Navigation Canada – Airstrip
- Fisheries and Oceans Canada – Licence to Fish for Scientific Purposes
- Government of the Northwest Territories Environment and Natural Resources – Wildlife Research Permit
- Aurora Research Institute – Scientific Research Licence
- Workers' Safety and Compensation Commission, Mine Health and Safety – Drilling Authorization
- Government of the Northwest Territories Department of Lands – Quarry Permit
- Environment and Climate Change Canada – Registration of Fuel Storage Tanks
- Prince of Wales Northern Heritage Centre – Archaeologists Permit
- Government of the Northwest Territories – Socio Economic Agreement

- Deninu Kúé First Nation (DKFN), Łutsël K'é Dene First Nation (LKDFN), North Slave Métis Alliance (NSMA), Northwest Territory Métis Nation (NWTMN), Tłı̨chǫ Government (TG), Yellowknives Dene First Nation (YKDFN) – Impact Benefit Agreements
- DKFN, LKDFN, NSMA, NWTMN, TG – Ni Hadi Xa Agreement

On August 12, 2014, De Beers and the Company announced that the Mackenzie Valley Land and Water Board had issued the Gahcho Kué Type A Land Use Permit and sent the Type A Water License for final approval to the Minister of Environment and Natural Resources (of the Government of the Northwest Territories).

On September 25, 2014, De Beers and the Company announced that the Gahcho Kué Project had received approval of the Type A Water License by the Minister of Environment and Natural Resources of the Government of the Northwest Territories.

The original Type A Land Use Permit and Type A Water Licence have been amended, renewed, or replaced over time to incorporate project changes and extend the terms of the authorisations, as needed.

### Geology

The GK Mine covers a portion of the southeastern Slave Geological Province, an Archean terrane ranging in age from 4.03 Ga to 2.55 Ga. The area consists of granodiorite intrusions, high-grade gneisses and migmatites, along with volcanic and sedimentary supracrustal rocks typical of many greenstone belts in the Slave Province. The kimberlite bodies in the Gahcho Kué area were emplaced between 531-542Ma during the Cambrian Period. Erosional processes since emplacement may have been significant, stripping the kimberlites to their root zones with some preservation of the hypabyssal and diatreme facies. The GK Mine property hosts seven known kimberlites to date: Tuzo, 5034, Hearne, Curie, Tesla, Wilson, and Dunn. The historic Wallace kimberlite is now a part of 5034 and called the Southwest Corridor ('SWC'), and the historic North Pipe is now a part of 5034 and called the Northeast facies ('5034 NE'). A deeper extension of the 5034 NE facies is still under assessment and is referred to as '5034 NEX'.

### Exploration

No brownfields exploration took place on the joint venture in 2023. Near-mine exploration focused on the Hearne Northwest Extension and on looking for a similar depth extension at Tuzo.

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. Drill traces for the 2023 program are shown as red lines in the images below, with the internal geology projected at depth from the preliminary logging. Modeling of the results indicates that the Hearne kimberlite extends vertically to depth by at least 150 meters.

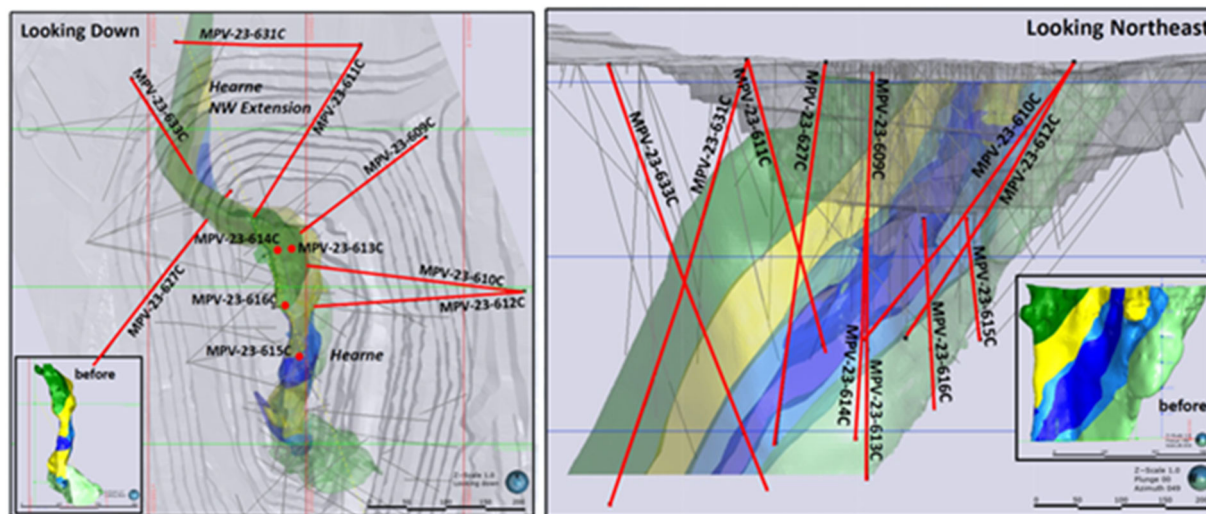
### Drilling

Delineation drilling of the Hearne Northwest Extension started in 2022 with 16 drillholes and 5,026 meters completed by the end of the year. Ten of the sixteen drillholes had significant kimberlite intersections ranging from 23-114 meters. The 2023 drilling program included seven drillholes collared outside of the pit, with four collared on kimberlite within the pit to test the width and depth of the extension. Kimberlite intersections up to 287 meters were encountered in the program. A summary of the 2023 drilling results is provided in the table below.

Drill Hole	Azimuth <sup>2</sup>	Inclination <sup>2</sup>	Kimberlite Intersect <sup>1,2</sup> (m)			Initial Rock ID <sup>2</sup>	End of Hole <sup>2</sup> (m)
			From	To	Length <sup>1</sup>		
<b>Hearne Northwest Extension</b>							
MPV-22-609C	230	-60	366.50	423.80	57.30	HK/HKt	477
MPV-22-610C	269	-53	340.31	390.84	50.53	HK	428
MPV-22-611C	208	-51	354.20	392.74	38.54 <sup>3</sup>	HK/HKt	441
MPV-22-612C <sup>4</sup>	257	-50	--	--	--	--	402
MPV-22-613C <sup>5</sup>	201	-86	0.00	133.02	133.02	HKt/HK	290
			154.66	263.50	108.84 <sup>3</sup>	HK/HKt/TK	
MPV-22-614C <sup>5</sup>	257	-70	2.85	69.67	66.82	HKt/HK	138
MPV-22-615C <sup>5</sup>	90	-76	2.30	121.69	119.39 <sup>3</sup>	HK/HKt/TK	147
MPV-22-616C <sup>5</sup>	94	-87	0.00	78.08	78.08	HK/HKt	201
			128.23	161.70	33.47	TK	
			178.15	179.26	1.11	TKt	
MPV-22-627C	37	-60	410.84	433.52	22.68	HK/HKt	513
MPV-22-631C <sup>6</sup>	267	-73	529.53	538.35	8.82	TKB/HKt	538
MPV-22-633C	150	-71	245.60	533.20	287.60	TK/TKt/Hkt/HK	565
<b>Tuzo Kimberlite</b>							
MPV-22-632C	150	-71	669.77	710.00	40.23	TKt/Hkt	899
			798.96	799.06	0.10	Hkt	
			887.92	888.08	0.16	HkTt/TKt	
			891.02	891.38	0.36	TKtB/Hkt	
			897.18	899.29	2.11	HKt/TKt	

<sup>1</sup>Intersects are not true thicknesses. <sup>2</sup>Initial measurements and rock ID may change with further logging. <sup>3</sup>Includes minor intervals of country rock and/or xenoliths. <sup>4</sup>Highly fractured and altered granite from 340.53-369.00m. <sup>5</sup>Collared in pit on kimberlite. (HK = hypabyssal kimberlite; TK = fragmental kimberlite; HKt = hypabyssal kimberlite transitional to TK; TKt = fragmental kimberlite transitional to HK.)

The drill intersections consist of endmember hypabyssal kimberlite ('HK') and tuffisitic kimberlite ('TK'), as well as transitional intersections ranging from 1.11 to 287.60 meters. The lithologies are visually consistent with the known internal units at Hearne. Modeling of the results to date suggest that the Hearne kimberlite extends vertically to depth by at least 150 meters. Drill traces for the 2023 program are shown as red lines in the images below, with the internal geology projected at depth from the preliminary logging.



Following the success at Hearne, exploration for a similar extension was started at Tuzo. One drillhole collared northeast of Tuzo intersected kimberlite from 669.8-710 meters (~40m total). A second drillhole positioned 100 meters to the east of the first drillhole did not intersect kimberlite.

### Sampling and Analysis

Core from the 2023 drilling at Hearne and Tuzo is undergoing microdiamond, petrographic, mineralogical, and geochemical analysis to assess internal geology and commercial potential. Results are expected in Q2 of 2024.

### Mineral Reserve and Mineral Resource Estimates

The updated Mineral Reserve and Mineral Resource statements below are provided by De Beers as operators of the Gahcho Kué Mine. Portions of the SWC and NEX are included as part of 5034 in Probable Reserves and incorporated into the Mineral Reserve and Mineral Resource Summaries in the tables below.

#### **Mineral Reserves Summary (as of December 31, 2023) (Presented on a 100% basis)**

Pipe	Classification	Tonnes (Mt)	Carats (Mct)	Grade (cpt)
5034	Probable	5.9	11.8	2.00
Hearne	Probable	0.5	0.7	1.46
Tuzo	Probable	13.3	17.6	1.32
Wilson	Probable	2.3	1.9	0.83
<b>In-Situ Total</b>	<b>Probable</b>	<b>22.0</b>	<b>32.0</b>	<b>1.45</b>
Stockpile	Probable	1.64	1.43	0.87
<b>Total</b>	<b>Probable</b>	<b>23.7</b>	<b>33.5</b>	<b>1.41</b>

1. Mineral Reserves are reported at a bottom cut-off of 1.1 mm
2. Mineral Reserves have been depleted to account for mining and processing activity prior to Dec 31 2023.
3. Mineral Reserves are based upon an updated resource model and reflect any changes to the estimation of Tonnes, Grade and Contained Carats within that resource.
4. Prices used to determine optimal pit shells have been escalated by factors varying by pit, which are indicative of the respective pits timing and duration.
5. Sums may not total due to rounding.

#### **Mineral Resources Summary (as of December 31, 2023) (Presented on a 100% basis)**

Resource	Classification	Tonnes (Mt)	Carats (Mct)	Grade (cpt)
5034	Indicated	1.1	1.6	1.40
	Inferred	1.3	2.3	1.79
Hearne	Indicated	0.3	0.8	2.42
	Inferred	1.7	3.2	1.89
Tuzo	Indicated	0.6	0.8	1.25
	Inferred	10.3	18.4	1.78
Wilson	Indicated	0.1	0.1	0.66
	Inferred	0.0	0.0	0.00
<b>Summary (In-Situ)</b>	<b>Indicated</b>	<b>2.2</b>	<b>3.3</b>	<b>1.46</b>
	<b>Inferred</b>	<b>13.3</b>	<b>23.8</b>	<b>1.79</b>
Stockpiles	Indicated	0	0	0
	Inferred	0	0	0



1. Mineral Resources are reported at a bottom cut-off of 1.0 mm. Incidental diamonds are not incorporated in grade calculations.
2. Mineral Resources are not mineral reserves and do not have demonstrated economic viability.
3. Tonnes and carats are rounded to the nearest 100,000.
4. Resources are exclusive of indicated tonnages converted to probable reserves.
5. Resources have been depleted of any material that was processed prior to and including Dec 31 2023.
6. Sums may not total due to rounding.

The Mineral Reserves table was reviewed by Matthew MacPhail, P.Eng., MBA, and the table complies with CIM definitions and standards for an operating mine and with the standards of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”). The Mineral Resources table was reviewed by Tom E. McCandless, Ph.D., P.Geo. This table also complies with CIM definitions and standards for an operating mine and with the standards of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”) At the time of this report, the mine is economically viable using current diamond prices and prevailing long-term price estimates. In compliance with Canadian reporting standards, Inferred or Indicated Mineral Resources that are not Mineral Reserves are not included in the Mine Plan.

For additional details on the extent to which the Mineral Resources and Mineral Reserves may be materially affected by environmental, permitting, legal, title, taxation, socio-economic, marketing, political and other relevant issues, please see the section title “Risks Factors” contained in this AIF.

### Mining Method

#### *Open Pit Mining*

The GK Mine employs conventional open pit mining methods. Waste and ore are blasted and loaded out using a fleet of diesel-powered trucks, shovels, drills, and ancillary equipment. Waste rock is stored in two surface mine rock piles and will be stored in two of the excavated pits at later stages of the mine life. Kimberlite ore is hauled to a run-of-mine storage pad where the ore is stockpiled and loaded into the primary crusher via a front-end loader. Kimberlite processing creates two additional waste streams of coarse and fine processed kimberlite. Coarse processed kimberlite (“**CPK**”) is loaded into haul trucks and stacked in a pile North of the plant, while the fine processed kimberlite (“**FPK**”) is deposited via slurry into a settlement pond known as Area 2. Non-acid generating (“**NAG**”) and potentially-acid generating (“**PAG**”) waste rock is differentiated using an on-site sampling system of blast hole cuttings. PAG rock is encapsulated within the surface mine rock piles and below the restored final lake elevation of Kennady Lake during period of pit backfill.

The mine plan employs conventional truck / shovel mining utilizing 29 m<sup>3</sup> bucket diesel hydraulic front shovels, a 17 m<sup>3</sup> front-end loader and 218 tonne class haulage trucks. This large fleet is augmented by 12 m<sup>3</sup> bucket front-end loaders, scaling excavators and 100 tonne haul trucks. Production drill and blast activities are supported by a fleet of rotary blast hole drills drilling 251mm holes. Pre-shear drilling is supported by a pair of down the hole percussion drills drilling 171mm holes.

The three open pits are mined in a sequence which maximizes the value of the contained ore. The pre-strip sequence for the pits is 5034, Hearne, Tuzo/Wilson, with production from all three pits overlapping at times (the Tuzo and Wilson kimberlites lie within the same pit shell). All four kimberlite deposits exist under Kennady Lake and required substantial dewatering efforts prior to mining. Dewatering of the southern portion of Kennady Lake (Area 8, 7 and 6) was completed in 2015 along with construction of the primary dewatering infrastructure exposing the 5034 and Hearne deposits. Completion of the remaining dewatering dike network and substantial dewatering of Area 4 was conducted in 2018 and 2019, which exposed the Tuzo mining area.

The Hearne pit will be used as a storage facility for processed kimberlite as well as waste mine rock upon depletion in 2024, and 5034 will be used as a waste rock storage facility for Tuzo mining operations from 2025 to the end of the mine life.

### Recovery Methods

In the process plant, the ore is treated via crushing, screening, dense media separation and x-ray sorting, to produce a diamond rich concentrate that is sent to Yellowknife for final cleaning and Northwest Territories Government valuation. The processing plant targets the recovery of liberated diamonds in the 1 to 28 mm size range. The processing plant is designed for efficient diamond recovery over the life-of-mine.

### Underground Mining

Underground mining is not currently part of the mine plan.

### Capital and Operating Costs

Table below is a summary of capital cost expenditures forecast for the fiscal year 2024:

#### **2024 Capital Cost Forecast Summary in Canadian dollars and on 100% basis**

<b>Stay In Business Capital</b>	<b>(C\$M)</b>	<b>C\$/tonne of ore*</b>	<b>C\$/carat*</b>
Mining	14	4	3
Treatment	2	0	0
Other Infrastructure	7	2	1
<b>SIB Total</b>	<b>22</b>	<b>6</b>	<b>5</b>
Capitalized Waste	184	52	39
<b>Total Capital Expenditure</b>	<b>206</b>	<b>58</b>	<b>44</b>

\*C\$ tonne of ore and C\$/carat are not defined under IFRS and therefore may not be comparable to similar measures presented by other issuers. Refer to Management's Discussion and Analysis for the years ended December 31, 2023 and 2022 for a reconciliation of these measures to the production costs reported within cost of sales on the consolidated statements of comprehensive (loss) income:

### Operating Cost Estimate

Operating cost estimate inputs were originally provided by De Beers and are based on a detailed Life of Mine Plan study combined with historical production from operating experience at the GK Mine in 2023, the Snap Lake Mine in the NWT and the Victor Mine in Northern Ontario.

The following table is a summary of the operating costs forecasted for the GK Mine in 2024. The figures of the table below are on 100% basis for the mine.

#### **2024 Operating Cost Forecast Summary in Canadian dollars and on 100% basis**

<b>Description</b>	<b>(C\$M)</b>	<b>C\$/tonne of ore*</b>	<b>C\$/carat*</b>
Mining Costs	63	18	14
Treatment Costs	48	14	10
Support Services	147	42	32
Environmental rehabilitation closure	4	1	1
ARO accretion – interest charge	0	0	0
First Nation Compensation	8	2	2
Management Fees	8	2	2
<b>Total Production Costs (net of capitalized stripping)</b>	<b>278</b>	<b>79</b>	<b>60</b>

\*C\$ tonne of ore and C\$/carat are not defined under IFRS and therefore may not be comparable to similar measures presented by other issuers

### ***Other Relevant Data and Information***

A full-time environmental staff is responsible for monitoring, directing, and reporting environmental matters. The GK Mine has at all times since inception been in compliance with all permits and there are no outstanding liabilities or charges known at this time.

Ore produced from the mine is brought to the ore processing plant on site which has operated continuously since commencement of production and kept pace with demands.

The processing plant uses no chemicals or reagents. Gravity-based methods rely on the relatively heavier weight of diamonds to separate them. The process involves crushing, screening, separation in dense media (ferro-silicon) and x-ray sorting. The recovered diamonds are separated and packaged by size, weighed, secured in a vault to await transport, packed into a special container and flown discreetly to the high-security sorting facility in the city of Yellowknife.

In Yellowknife, the diamonds are cleaned, sorted and split into the Company's 49% share and De Beer's 51% share. The cleaning and sorting facility's quality management earned ISO 9001 certification.

The Company's share of the diamonds is transported from Yellowknife to WDS in India where the rough diamonds are cleaned and sorted into saleable packages before being sent to Bonas in Antwerp where the diamonds are sold.

### **Social and Environmental Policies**

#### ***Indigenous Considerations and Local Resources at the GK Mine***

The GK Mine employs approximately 600 full time employees (excluding long term contractors), 38% of whom reside in the north. Approximately 28% of the total are Indigenous.

Ni Hadi Xa ("**NHX**"), the Indigenous-led environmental monitoring agreement for the GK Mine, is in its third year of operations. The group is comprised of six Indigenous parties (LKDFN, DKFN, NWTMN, NSMA, TG, and YKDFN) and De Beers. There are four employees including an on-site Environmental Monitor, a Technical Coordinator, and two Traditional Knowledge Monitors. 75% of NHX employees are Indigenous and 100% are Northern residents. In 2016, NHX constructed a Traditional Knowledge cabin on the northern end of Fletcher Lake, approximately 30 km north of the mine. The cabin serves as the base for the Traditional Knowledge monitors to observe the effects of the mine on the environment. In 2017, NHX launched the Family Culture Program, which involves community members from each of the six Indigenous parties travelling to the cabin during the ice-free season to practice traditional methods of watching over the land. All observations collected will be shared with De Beers in an effort to ensure Traditional Knowledge is incorporated into mine planning and operations.

The GK Mine has established Impact Benefit Agreements (IBAs) with six Indigenous groups (LKDFN, DKFN, NWTMN, NSMA, TG, and YKDFN). IBAs establish the framework through which the GK Diamond Mine and each of the local Indigenous groups have agreed to work together to protect the environment and provide socioeconomic opportunities, including employment and business development opportunities, to local Indigenous communities.

The GK Mine has also established a socioeconomic agreement with the Government (the 'Socioeconomic Agreement') of the Northwest Territories. The Socioeconomic Agreement establishes the framework

through which the GK Mine and the Government of the Northwest Territories work together to manage, monitor, and report the anticipated socioeconomic benefits and impacts of the GK Mine.

### *Environmental Requirements for the GK Mine*

The GK Mine is subject to environmental requirements and conditions of operation contained in several statutes and administered by Canadian and Northwest Territorial authorities. In addition to federal and territorial requirements, the GK Mine must also comply with the Ni Hadi Xa, Impact Benefit, and Socio-Economic Agreement. These requirements and conditions may change from time to time, and a breach of legislation may result in the imposition of fines or other penalties. Environmental legislation continues to evolve in a manner such that standards, enforcement, fines, and other penalties for non-compliance are becoming stricter. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies, directors, officers, and employees. The cost of compliance with changes in government regulations has the potential to reduce the profitability of future operations. To the best of the Company's knowledge, the GK Mine is in compliance with environmental laws and regulations currently in effect in the Northwest Territories applicable to its operations.

Federal requirements are administered by Environment and Climate Change Canada, Fisheries and Oceans Canada, Crown-Indigenous Relations and Northern Affairs Canada, Natural Resources Canada, and Transport Canada. Environmental laws and regulations that have a potential impact on the GK Mine include those that protect air quality, water quality, archeological sites, migratory birds, animals, and fish. Other important laws and regulations applicable to the GK Mine are those that regulate mine development, land use, water use and waste disposal, release of contaminants, water spills, spill responses, transportation of dangerous goods, explosives use and the maintenance of navigable channels. As a result of devolution of Northern governance, responsibility for the administration and management of public lands, water, mineral and other natural resources in the Northwest Territories transferred from the Government of Canada to the Government of Northwest Territories ("**GNWT**") effective as of April 1, 2014. The GNWT became responsible for the management of onshore lands, the issuance of rights and interests with respect to onshore minerals, and collection of royalties in the Northwest Territories. The Government of Canada will retain responsibility for the remediation of existing contaminated waste sites, the administration of offshore lands and the negotiation of Aboriginal Rights agreements.

Northwest Territories' requirements are administered by the various territorial government departments and Workers' Safety and Compensation Commission-Prevention Services as well as by co-management boards charged with regulating land and water use in designated areas. Laws and regulations that might impact the GK Mine include those that protect heritage resources, wildlife, and the environment and those that regulate workplace safety, mine safety, training in the handling of dangerous materials, road transportation, air quality, and the use of hazardous substances and pesticides. De Beers holds a number of permits and licenses to address each of these areas and regularly reports on compliance obligations to the respective government departments or regulator.

The primary environmental permits were originally issued on August 11, 2014 (the 'Land Use Permit') and September 24, 2014 (the 'Water License'), respectively by the Mackenzie Valley Land and Water Board allowing for the construction and operation of the GK Mine. These authorisations have been renewed, extended, and replaced, over time, as needed. The Land Use Permit, Water Licence, and fisheries authorisation relating to the GK Mine require that security be provided to cover estimated reclamation and remediation costs. During 2014, the Company reached an agreement with De Beers, the Operator of the Joint Venture whereby the Company was required to post its proportionate share of the security deposit used to secure the reclamation obligations for the GK Mine. Currently, De Beers, on behalf of the Joint Venture has provided letters of credit in the amount of \$91,268,884 (100%) to the GNWT as security for the reclamation obligations for the GK Mine. The Company agreed to pay De Beers a fee of 3% on its proportionate share of the cost of securing the reclamation obligation.

During the year ended December 31, 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. The targeting funding over time will increase, dependent on future increases to the decommissioning and restoration liability. In 2020, the Company funded \$15 million into the decommissioning fund and in 2021, the Company funded \$10 million. In the year ended December 31, 2022, the Company funded \$5 million into the decommissioning fund, and is presented as restricted cash on the balance sheet. During the year ended December 31, 2023, the Company funded \$Nil into the decommissioning fund, and is presented as restricted cash on the balance sheet. The Company is in discussion with De Beers regarding an agreed future funding schedule, which is acceptable to both parties and in line with the Joint Venture Agreement.

### **The Kennady North Project**

The Kennady north project ('KNP') is managed by the Company's wholly owned subsidiary; Kennady Diamonds Inc. ('Kennady'). Kennady is an exploration company that relies on capital input from the Company to perform its exploration programmes. It is not a revenue-generating subsidiary of the Company. The objective of Kennady is to explore for and discover kimberlites on the KNP to assess those discoveries for economic potential, and to advance those with the greatest potential through to resource status. To date, Kennady has advanced the Kelvin kimberlite to Indicated status, and portions of the Faraday 2 and Faraday 1-3 kimberlites to Inferred status as described below.

The following details are derived from the Company's technical reports filed on SEDAR under Kennady and titled as follows: "Project Exploration Update and Maiden Mineral Resource Estimate, Kennady North Project" and dated January 24<sup>th</sup>, 2017 (with information effective as of January 24<sup>th</sup>, 2017) (the "2016 Technical Report"); and "Project Exploration Update and Faraday Inferred Mineral Resource Estimate, Kennady North Project" and dated November 16<sup>th</sup>, 2017 (with information effective as of November 16<sup>th</sup>, 2017) (the "2017 Technical Report"). These reports were prepared by Aurora Geosciences Ltd., and Mineral Services Canada Inc. A resource update for Faraday 2 was issued in 2019 in the Company's technical report filed on SEDAR under Mountain Province and titled: "Project Exploration and Faraday Inferred Mineral Resource Estimate Update, Kennady North Project" and dated May 10<sup>th</sup>, 2019 (with information effective as of May 10<sup>th</sup>, 2019) (the "2019 Technical Report"). This report was prepared by Aurora Geosciences Ltd., and SRK Consulting (Canada) Inc. These reports are available on SEDAR and on the Company website.

### **Property Location, Access and Infrastructure**

The KNP is located in the Northwest Territories approximately 300 kilometres northeast of Yellowknife, 80 kilometres southeast of the Snap Lake Mine and 100 kilometres north of the community of Łutsel K'e. The property is 25 km north of the tree line with no permanent road access. Centered geographically at 63°29' North latitude and 109°11' West longitude, the property covers an area roughly 30 km long and up to 30 km wide.

Access to the property is easiest via ski- and/or float-equipped fixed wing aircraft and helicopters. The GK Mine Site, just seven kilometres to the south, has a 120-kilometre-long winter spur road, leading north to join the Tibbitt to Contwoyto Winter Road (TCWR) at MacKay Lake. Kennady has an agreement in place with the Gahcho Kué (GK) joint venture (De Beers and the Company) to use the spur road to access the Kennady North property. Annually, Kennady builds a 10 km spur road from the Kelvin camp to access the GK spur road.

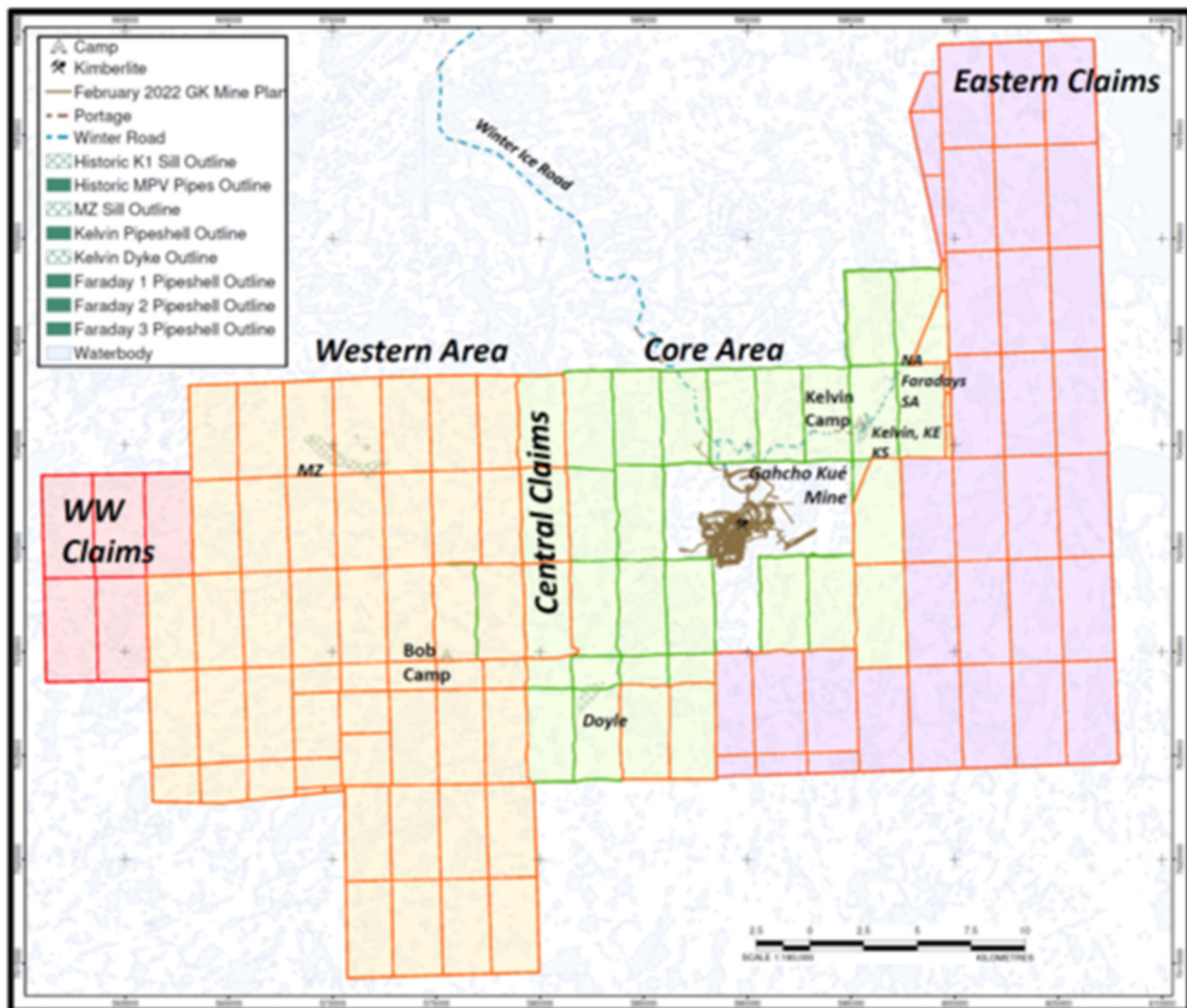
The KNP is typical of many northern Canadian exploration operations that lack local and regional infrastructure such as permanent road access, navigable shipping routes and ports, and external utilities. Two camps exist on the KNP, Kelvin and Bob, and provide all room and board at site.

### History

Exploration on the KNP in the late 1990's resulted in the discovery of the diamond-bearing Kelvin, Faraday, MZ and Doyle kimberlite occurrences. After 2012, Kennady Diamonds Inc. acquired the Kelvin and Faraday kimberlites and advanced them to Indicated and Inferred Resources, respectively, and as described below. The Kelvin and Faraday diamond size-frequency distributions indicate that they may be comparable to the 5034 and Hearne kimberlites at the GK Mine.

### Mineral Tenure

The KNP includes 22 leases and 97 mineral claims covering an area of over 113,000 hectares that surround the Gahcho Kué Mine on all sides. Kennady North 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 project area was expanded with addition of the Eastern Claims in early 2020, the Central Claims near the center of the project area in 2021, and the WW claims in 2022. The claim, lease, and kimberlite locations relative to Gahcho Kué are shown in the map image below, with leases outlined in green.



## Geological Setting and Deposit Types

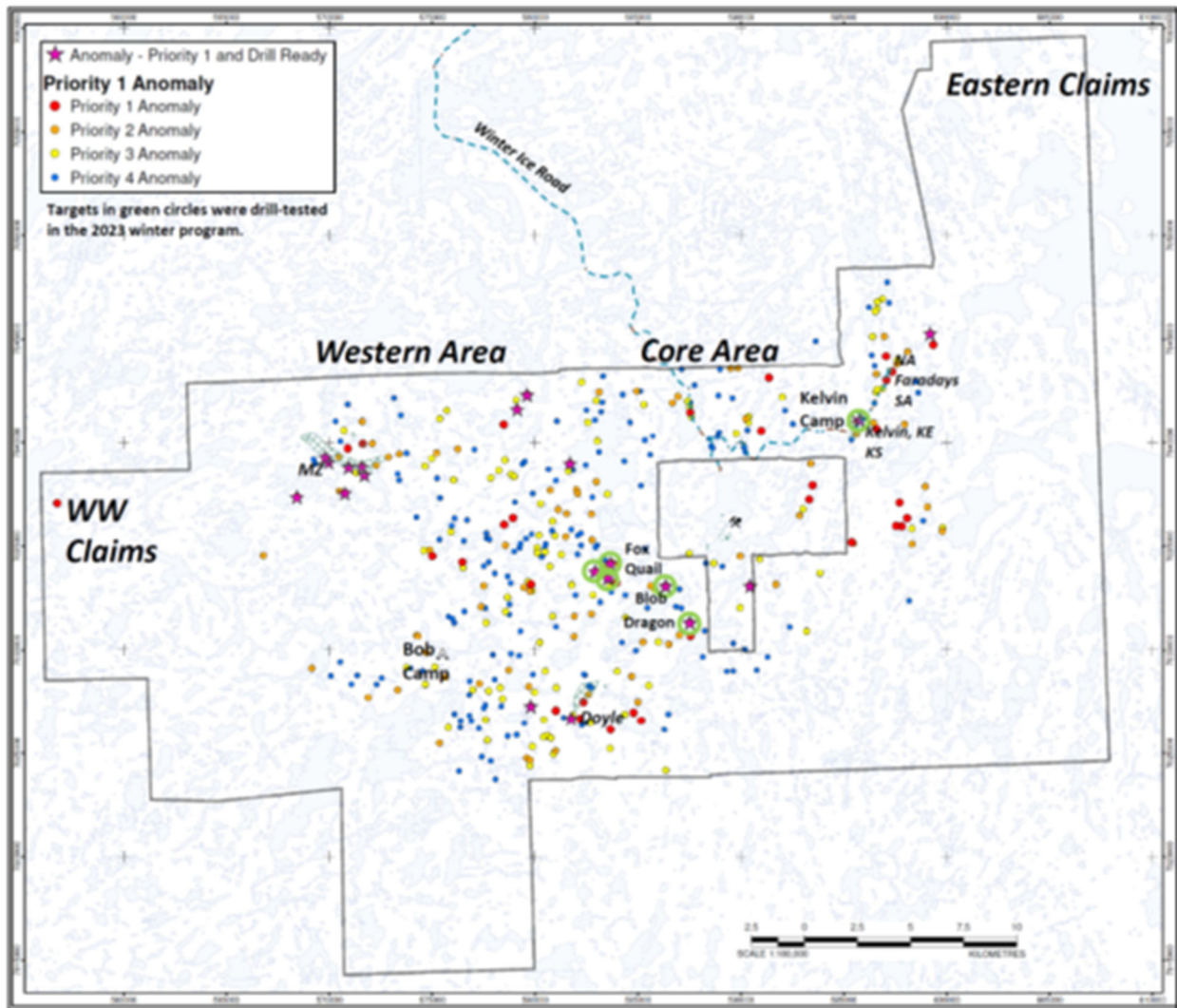
The Kennady North property covers a portion of the southeastern Slave Geological Province, an Archean terrane ranging in age from 4.03 Ga to 2.55 Ga. The area consists of granodiorite, high-grade gneiss and migmatite, along with volcanic and sedimentary supracrustal rocks typical of many greenstone belts in the Slave Province. The kimberlite bodies in the Kennady Lake / Gahcho Kué area were emplaced between 531-542Ma during the Cambrian Period. Erosional processes since emplacement may have been significant, stripping the kimberlites almost to their root zones but still preserving the hypabyssal and diatreme facies. The Kennady North property hosts nine known kimberlites to date: Kelvin, Faraday 2, Faraday 1-3, MZ, Doyle, NA, SA, KE, and KS.

## Exploration

A joint exploration workshop was held with De Beers in May 2023 to review 2022 drilling results on areas of interest ('AOI') that were previously identified using glacial geology and kimberlite indicator minerals (KIM). The 2022 results discovered new kimberlite within the Kelvin-Faraday Corridor, and discussions focused on extending the positive results to geophysical +/-KIM targets outside of the corridor, with several drill-tested in the 2023 winter program as discussed below.

## Drilling

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. The image below provides the ranking of the geophysical anomalies for Kennady North, with the tested target areas outlined in green circles.

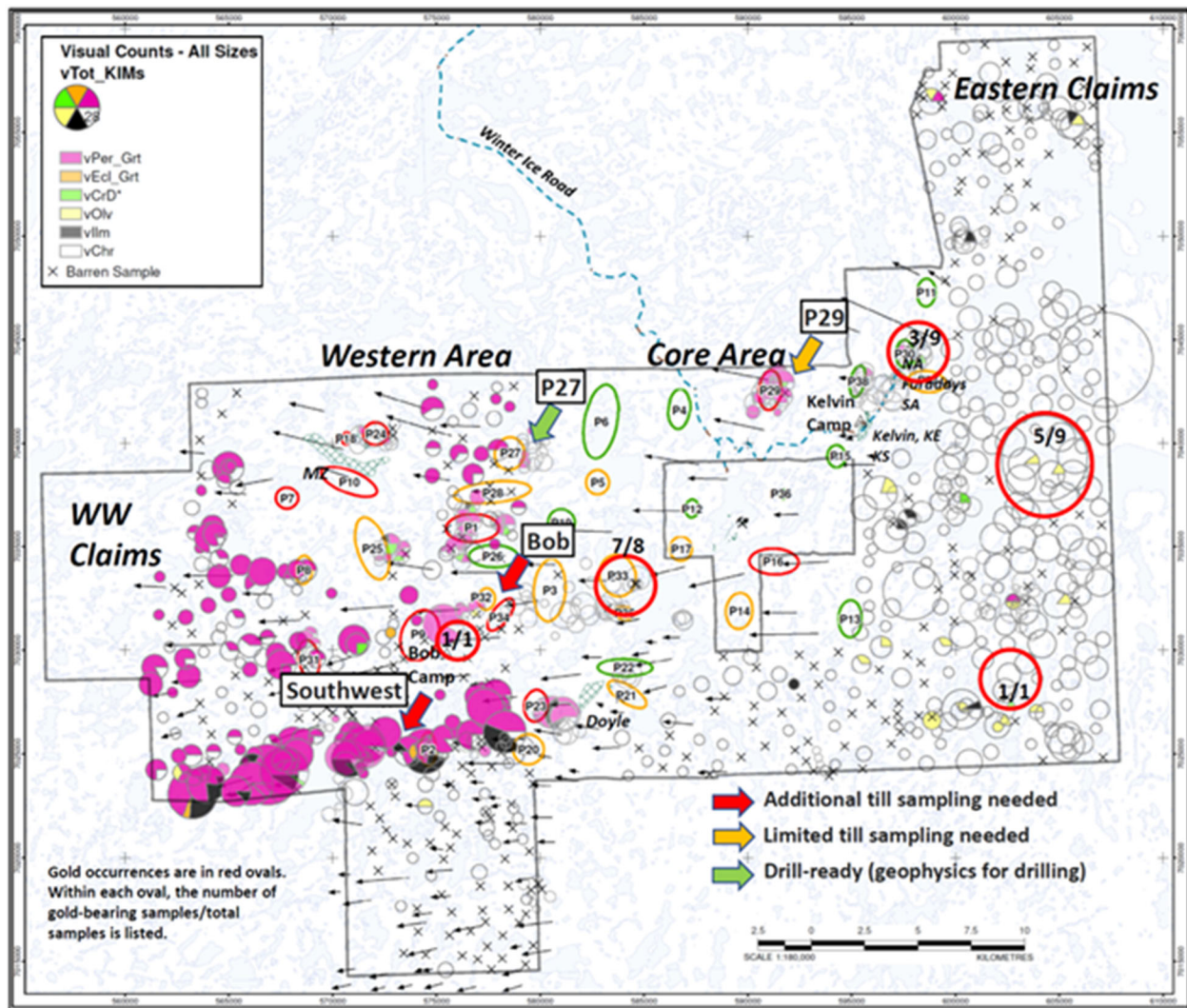


### Sampling and Analysis

Over 900 till samples were collected in 2021-22 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 identify the P29, P27, Bob, and Southwest areas of interest.

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.





### Mineral Resource Estimates

Drilling at Faraday 2 along with a repricing and remodeling of its diamonds were used to generate an updated mineral resource estimate for the body in 2019. The Inferred Mineral Resource includes 5.45 million carats of diamonds contained in 2.07 million tonnes of kimberlite, with an overall grade of 2.63 carats per tonne and an average value of US\$140 per carat. This Inferred Mineral Resource at Faraday 2 was updated to include the northwest extension, which was discovered in 2017 and extended the kimberlite by 150 meters.

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 Diamonds Inc. All reports are available at [www.sedar.com](http://www.sedar.com).

The work outlined in these reports defined a total Indicated Mineral Resource for the Kelvin kimberlite of 8.5 million tonnes at an average grade of 1.6 carats per tonne and an overall average diamond value of US\$63 per carat. The Inferred Mineral Resource for Faraday 1-3 was determined with 1.87 million tonnes

at an average grade 1.04 carats per tonne and overall diamond value of US\$75 per carat. At Faraday 2 the 2019 Inferred Mineral Resource update was 2.07 million tonnes at an average grade of 2.63 cpt and an average diamond value of US\$140 per carat. All estimates are on the basis of a 1mm bottom cut-off. Details are provided in the table below.

Resource	Classification	Tonnes (Mt)	Carats (Mct)	Grade (cpt)
Kelvin	Indicated	8.50	13.62	1.60
Faraday 2	Inferred	2.07	5.45	2.63
Faraday 1-3	Inferred	1.87	1.90	1.04

(1) Mineral Resources are reported at a bottom cut-off of 1.0 mm. Incidental diamonds are not incorporated in grade calculations.

(2) Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

Relevant parameters for two minor domains of the Faraday 2 and for all of the Faraday 1 kimberlite are not sufficiently well-constrained by available data to define Mineral Resources. These deposits are defined as Target for Further Exploration (TFFE) with estimates of the potential ranges of volume, tonnes and grade (where possible) provided in the table below.

Resource	Volume (Mm3)		Tonnes (Mt)		Grade (cpt)	
	Low	High	Low	High	Low	High
Faraday 1-3	0.2	0.5	0.6	1.2	1.5	3.7
Faraday 2	0.01	0.02	0.01	0.04	--	--

(1) The estimate of a TFFE is conceptual in nature as there has been insufficient exploration to define a Mineral Reserve and it is uncertain if future exploration will result in the estimate being delineated as a Mineral Reserve.

### Permits and Agreements

Exploration programs are conducted under the authorisations obtained from the appropriate authority and agreements that have been made with relevant parties, including:

- Government of the Northwest Territories Department of Lands – Mineral Leases and Claims
- Crown-Indigenous Relations and Northern Affairs Canada – Type A Land Use Permits
- Crown-Indigenous Relations and Northern Affairs Canada – Type B Water Licences
- Government of the Northwest Territories Environment and Natural Resources – Wildlife Research Permit
- Fisheries and Oceans Canada – Licence to Fish for Scientific Purposes
- Workers’ Safety and Compensation Commission, Mine Health and Safety – Drilling Authorization
- Environment and Climate Change Canada – Registration of Fuel Storage Tanks
- Prince of Wales Northern Heritage Centre – Archaeologists Permit
- Łutsël K’è Dene First Nation (LKDFN) – Exploration Agreement

KDI obtained a Type A Land Use Permit and Type B Water Licence for exploration purposes in 2013. The Land Use Permit and the Water Licence have been amended, renewed, or replaced over time to incorporate project changes and extend the terms of the authorisations, as needed. On December 23<sup>rd</sup>, 2022, Kennady was issued a second Type A Land Use Permit and Type B Water Licence for mineral claims that were acquired in 2020, 2021, and 2022. Applications to renew both the Land Use Permit and Water Licenses were submitted in Q4 of 2023, and both were received in February 2024.

## Social and Environmental Policies

### *Indigenous Considerations at the Kennady North Project*

Kennady has established an exploration agreement the ‘Exploration Agreement’) with LKDFN. The Exploration Agreement establishes the framework through which KDI and LKDFN have agreed to work together to protect the environment and provide socioeconomic opportunities, including employment and business development opportunities, to the community.

### *Environmental Requirements for the Kennady North Project*

KNP is subject to environmental requirements and conditions of operation contained in several statutes and administered by Canadian and Northwest Territorial authorities. In addition to federal and territorial requirements, Kennady must comply with the Exploration Agreement. Requirements and conditions may change from time to time, and a breach of legislation may result in the imposition of fines or other penalties. Environmental legislation continues to evolve in a manner such that standards, enforcement, fines, and other penalties for non-compliance are becoming stricter. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies, directors, officers, and employees. The cost of compliance with changes in government regulations has the potential to reduce the profitability of future operations. To the best of the Company’s knowledge, Kennady is in compliance with environmental laws and regulations currently in effect in the Northwest Territories applicable to its operations.

Federal requirements are administered by Environment and Climate Change Canada, Fisheries and Oceans Canada, Crown-Indigenous Relations and Northern Affairs Canada, Natural Resources Canada, and Transport Canada. Environmental laws and regulations that have a potential impact on the KNP include those that protect air quality, water quality, archeological sites, migratory birds, animals, and fish. Other important laws and regulations applicable to the GK Mine are those that regulate mine development, land use, water use and waste disposal, release of contaminants, water spills, spill responses, transportation of dangerous goods, explosives use and the maintenance of navigable channels. As a result of devolution of Northern governance, responsibility for the administration and management of public lands, water, mineral and other natural resources in the Northwest Territories transferred from the Government of Canada to the Government of Northwest Territories (“GNWT”) effective as of April 1, 2014. The GNWT became responsible for the management of onshore lands, the issuance of rights and interests with respect to onshore minerals, and collection of royalties in the Northwest Territories. The Government of Canada will retain responsibility for the remediation of existing contaminated waste sites, the administration of offshore lands and the negotiation of Aboriginal Rights agreements.

Northwest Territories’ requirements are administered by the various territorial government departments and Workers’ Safety and Compensation Commission-Prevention Services as well as by co-management Boards charged with regulating land and water use in designated areas. Laws and regulations that might impact the KNP include those that protect heritage resources, wildlife, and the environment and those that regulate workplace safety, mine safety, training in the handling of dangerous materials, road transportation, air quality, and the use of hazardous substances and pesticides. KDI holds a number of permits and licenses to address each of these areas and regularly reports on compliance obligations to the respective government departments or regulator.

The primary environmental authorisations (Type A Land Use Permit and Type B Water Licence) were obtained by KDI 2013 and 2022. The authorisations were issued by the Mackenzie Valley Land and Water Board and allow KDI to conduct exploration activities for the KNP. These authorisations have been amended, renewed, or replaced over time, as needed.

The Land Use Permit and Water Licence relating to the KNP require that security be provided to cover estimated reclamation and remediation costs. Security requirements are staged with project phases. At December 31, 2023, the Government of the Northwest Territories held \$250,000 in security for the project.

## **RISKS FACTORS**

The Company is subject to a number of risks and uncertainties as a result of its operations. Readers should give careful consideration to the following risks, each of which could have a material adverse effect on the Company's business prospects or financial condition.

### Nature of Mining

The Company's mining operation is subject to risks inherent in the mining industry, including variations in grade and other geological differences, unexpected problems associated with required water retention dikes, water quality, surface and underground conditions, processing problems, equipment performance, accidents, labour disputes, risks relating to the physical security of the diamonds, force majeure risks and natural disasters.

The Company's mineral properties, because of their remote northern location and access only by winter road or by air, are subject to special climate and transportation risks. These risks include the inability to operate or to operate efficiently during periods of extreme cold, the unavailability of materials and equipment, and increased transportation costs due to the late opening and/or early closure of the winter road. Such factors can add to the cost of mine development, production and operation and/or impair production, mining, and exploration activities, thereby affecting the Company's profitability. Additionally, these factors may be exacerbated due to the spread, and accompanying mobility restrictions, associated with COVID-19, or similar events.

### Joint Ventures

The Company's participation in the mining sector of the diamond industry is through its ownership interest in the GK Mine group of mineral claims. The GK Mine is a joint arrangement between De Beers (51%) and the Company (49%).

The Company's joint venture interest in the GK Mine is subject to the risks normally associated with the conduct of joint ventures, including: (i) disagreement with a joint venture partner about how to develop, operate or finance operations; (ii) that a joint venture partner may not comply with the underlying agreements governing the joint ventures and may fail to meet its obligations thereunder to the Company or to third parties; (iii) that a joint venture partner may at any time have economic or business interests or goals that are, or become, inconsistent with the Company's interests or goals; (iv) the possibility that a joint venture partner may become insolvent; and (v) the possibility of litigation with a joint venture partner.

### Diamond Prices and Demand for Diamonds

The profitability of the Company is dependent upon the Company's mineral properties and the worldwide demand for and price of diamonds. Diamond prices fluctuate and are affected by numerous factors beyond the control of the Company, including worldwide economic trends, worldwide levels of diamond discovery and production, and the level of demand for, and discretionary spending on, luxury goods such as diamonds. Low or negative growth in the worldwide economy, renewed or additional credit market disruptions, natural disasters, global pandemics, such as COVID-19, the occurrence of terrorist attacks or similar activities creating disruptions in economic growth could result in decreased demand for luxury

goods such as diamonds, thereby negatively affecting the price of diamonds. Similarly, a substantial increase in the worldwide level of diamond production or the release of stocks held back during recent periods of lower demand could also negatively affect the price of diamonds. In each case, such developments could have a material adverse effect on the Company's results of operations.

### Volatility of Diamond Prices

The Company's profitability will be dependent upon its mineral properties and the worldwide demand for and price of diamonds. Diamond prices fluctuate and are affected by numerous factors beyond the Company's control, including worldwide economic trends, worldwide levels of diamond discovery and production, and the level of demand for, and discretionary spending on, luxury goods such as diamonds. Low or negative growth in the worldwide economy, COVID-19 related border closings and restrictions, renewed or additional credit market disruptions, natural disasters or the occurrence of terrorist attacks or similar activities creating disruptions in economic growth could result in decreased demand for luxury goods such as diamonds, thereby negatively affecting the price of diamonds. Similarly, a substantial increase in the worldwide level of diamond production or the release of stocks held back during recent periods of lower demand could also negatively affect the price of diamonds. In each case, such developments could have a material adverse effect on the Company's results of operations. In addition, prices for the higher value and lower value market segments can move independently of one another, depending on relative demand. For example, strengthening prices in one market segment can offset weakening prices in another, or synchronize with strengthening prices in another, which increases the unpredictability of diamond prices.

### Cash Flow and Liquidity

The Company's liquidity requirements fluctuate from quarter to quarter and year to year depending on, among other factors, the seasonality of production at the GK Mine, the seasonality of mine operating expenses, exploration expenses, capital expenditure programs, the number of rough diamond sales events conducted during the quarter, and the volume, size and quality distribution of rough diamonds delivered from the Company's mineral properties and sold by the Company in each quarter.

The Company's principal working capital needs include investments in inventory, prepaid expenses and other current assets, and accounts payable and income taxes payable and interest and loan repayments.

There can be no assurance that the Company will be able to meet each or all of its liquidity requirements. A failure by the Company to meet its liquidity requirements could result in the Company failing to meet its joint venture commitments, or in the Company being in default of a contractual obligation, each of which could have a material adverse effect on the Company's business prospects or financial condition.

### Event of Default

The Company's Notes and Dunebridge JCF are subject to various terms and conditions. If any of the terms and conditions are not met, it could result in an event of default which could affect the Company's ability to continue as a going concern.

### Credit Rating

The Company's debt currently has a non-investment grade rating, and any rating assigned could be lowered or withdrawn entirely by a rating agency, if, in that rating agency's judgment, future circumstances relating to the basis of the rating, such as adverse changes, so warrant. Any future lowering

of the Company's ratings likely would make it more difficult or more expensive for it to obtain additional debt financing.

### Economic Environment

The Company's financial results are tied to the global economic conditions and their impact on levels of consumer confidence and consumer spending. The global markets have experienced the impact of a significant United States and international economic downturn since March 2020. A return to a recession or prolonged economic disruption, due to recent disruptions in financial markets in the United States, or elsewhere, COVID-19 related border closures and restrictions, budget policy issues in the United States, political upheavals globally could cause the Company to experience revenue declines due to deteriorated consumer confidence and spending, and a decrease in the availability of credit, which could have a material adverse effect on the Company's business prospects or financial condition. The credit facilities essential to the diamond polishing industry are partially underwritten by European banks. Any withdrawal or reduction of such facilities could also have a material adverse effect on the Company's business prospects or financial condition. The Company monitors economic developments in the markets in which it operates and uses this information in its continuous strategic and operational planning in an effort to adjust its business in response to changing economic conditions.

### Laboratory Grown Diamonds

Laboratory grown diamonds are diamonds that are produced by artificial processes, as opposed to natural diamonds, which are created by geological processes. An increase in the acceptance of laboratory grown gem-quality diamonds could negatively affect the market prices for natural stones. Although significant questions remain as to the ability of producers to produce laboratory grown diamonds economically within a full range of sizes and natural diamond colours, and as to consumer acceptance of laboratory grown diamonds, laboratory grown diamonds are becoming a larger factor in the market. Should laboratory grown diamonds be offered in significant quantities or consumers begin to readily embrace laboratory grown diamonds on a large scale, demand and prices for natural diamonds may be negatively affected. Additionally, the presence of undisclosed laboratory grown diamonds in jewellery could erode consumer confidence in the natural product and may negatively impact demand.

### Currency Risk

Currency fluctuations may affect the Company's financial performance. Diamonds are sold throughout the world based principally on the US dollar price, and the Company reports its financial results in Canadian dollars. A majority of the costs and expenses of the GK Mine are incurred in Canadian dollars. Currency exchange rates are experiencing a period of significant volatility and to manage this risk, from time to time, the Company may use derivative financial instruments to manage its foreign currency exposure.

### Licences and Permits

The Company's mining operations and exploration programmes require licences and permits from the Canadian and Northwest Territories governments, and the process for obtaining, amending, and renewing such licences and permits often takes an extended period of time and is subject to numerous delays and uncertainties. Such licences and permits are subject to change in various circumstances. Failure to comply with applicable laws and regulations may result in injunctions, fines, criminal liability, suspensions or revocation of permits and licences, and other penalties. There can be no assurance that De Beers, as the operator of the GK Mine, will be always in compliance with all such laws and regulations and with their applicable licences and permits, or that De Beers will be able to obtain on a timely basis or maintain in the future all necessary licences and permits.

## Regulatory and Environmental Risks

The operations of the GK Mine, and exploration programmes of the Company's wholly owned subsidiary Kennady Diamonds Inc. are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labour standards, occupational health, waste disposal, mine safety and other matters. New laws and regulations, amendments to existing laws and regulations, or more stringent implementation or changes in enforcement policies under existing laws and regulations could have a material adverse effect on the Company by increasing costs and/or causing a reduction in levels of production from the GK Mine.

Mining and exploration are subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of mining operations. To the extent that the GK Mine is subject to uninsured environmental liabilities, the payment of such liabilities could have a material adverse effect on the GK Mine.

## Climate Change

The Canadian government has established a number of policy measures in response to concerns relating to climate change. While the impact of these measures cannot be quantified at this time, the likely effect will be to increase costs for fossil fuels, electricity and transportation; restrict industrial emission levels; impose added costs for emissions in excess of permitted levels; and increase costs for monitoring and reporting. Compliance with these initiatives could have a material adverse effect on the Company's results of operations.

Due to the remote location of the GK Mine and KNP, other environmental risks related to climate change such as the shortening of the winter ice road season, melting of permafrost can significantly impact the supply of goods and services and may result in delays in planned programs and/or cost overruns.

## Resource and Reserve Estimates

The Company's figures for mineral resources and ore reserves are estimates and no assurance can be given that the anticipated carats will be recovered. The estimation of reserves is a subjective process. Forecasts are based on engineering data, projected future rates of production and the timing of future expenditures, all of which are subject to numerous uncertainties and various interpretations. Estimates made at a given time may change significantly in the future when new information becomes available. The Company expects that its estimates of reserves will change to reflect updated information as well as to reflect depletion due to production. Reserve estimates may be revised upward or downward based on the results of current and future drilling, testing or production levels, and on changes in mine design. In addition, market fluctuations in the price of diamonds or increases in the costs to recover diamonds from the Company's mineral properties may render the mining of ore reserves uneconomical. Any material changes in the quantity of mineral reserves or resources or the related grades may affect the economic viability of the Company's mining operations and could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty that may attach to inferred mineral resources, there is no assurance that mineral resources will be upgraded to proven and probable ore reserves. Inferred mineral resources are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves.

### Dependent on the GK Mine for future operating revenue

The Company's only economic interest is its indirect 100% equity ownership interest in 2435386 Ontario Inc., which is a 49% participant in the Gahcho Kué Joint Venture, which owns and operates the GK Mine. As a result, the Company is solely dependent upon its interest in the GK Mine for its revenue and profits. In addition, production and operating costs are difficult to predict and may render further production at the GK Mine financially unfeasible. If commercial production and operation of the GK Mine becomes financially unfeasible, for engineering, technical, economic, political, legal, or other reasons, the Company's business and financial position will be materially and adversely affected. In addition, the book value of the Company's interest in the GK Mine is subject to certain accounting assumptions. If such assumptions prove to be incorrect, then the book value of the Company's interest in the GK Mine could be impaired, which could have a material adverse effect on the Company.

### No Assurance that the Company will be able to Extend the Mine Life Beyond 2031

The Company is currently exploring options to potentially extend the mine life beyond 2031 through resource conversion and deep mining of the Tuzo kimberlite. Additional exploration and resource delineation are required to assess the viability of these prospects at Tuzo. A transition to underground mining can limit the annual volumes that can be economically extracted from such orebodies. There is no assurance that the Company will be able to extend the mine life beyond 2031 through resource conversion or deep mining.

### Insurance

The Company's business is subject to a number of risks and hazards, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, risks relating to the physical security of diamonds held as inventory or in transit, changes in the regulatory environment, and natural phenomena such as inclement weather conditions. Such occurrences could result in damage to the GK Mine, personal injury or death, environmental damage to the GK Mine, delays in mining, monetary losses, and possible legal liability. Although insurance is maintained to protect against certain risks in connection with the GK Mine, the insurance in place will not cover all potential risks and does not cover the current pandemic related events. It may not be possible to maintain insurance to cover insurable risks at economically feasible premiums.

### Winter Road

The Company's mining operation is located in remote, undeveloped areas and is therefore, heavily dependent on the seasonal winter road for the supply of goods and services. The transport of supplies can be susceptible to disruptions due to adverse weather conditions, resulting in unavoidable delays in planned programs and/or cost overruns.

### Fuel Costs

The expected fuel needs for the GK Mine are purchased in February and March each year and transported to the mine site by way of the winter road. These costs will increase if transportation by air freight is required due to a shortened "winter road season" or unexpected high fuel usage.

The cost of the fuel purchased is based on the then prevailing price and expensed into operating costs on a usage basis. The GK Mine currently has no hedges for future anticipated fuel consumption.



## Reliance on Skilled Employees

Production at the GK Mine is dependent upon the efforts of certain skilled employees. With the re-opening of the Ekati mine, this increases the competition for limited skilled northern employees. Loss of employees or the inability to attract and retain additional skilled employees may adversely affect the level of diamond production.

The Company's success in marketing its 49% share of the rough diamonds is dependent on the services of key executives and skilled employees, as well as the continuance of key relationships with certain third parties, such as diamantaires. The loss of these persons or the Company's inability to attract and retain additional skilled employees or to establish and maintain relationships with required third parties may adversely affect its business and future operations in marketing diamonds. The ability to attract and retain skilled employees and to maintain the continuance of key relationships may be further inhibited as a result of COVID-19 related border closings and other restrictions in mobility.

## **DESCRIPTION OF CAPITAL STRUCTURE**

The authorized capital of the Company consists of an unlimited number of common shares. Holders of common shares are entitled to receive notice of, attend and vote at all meetings of the shareholders of the Company. Each common share carries the right to one vote in person or by proxy at all meetings of the shareholders of the Company. The holders of common shares are entitled to receive dividends as and when declared by the Board of Directors of the Company. Subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company, the holders of the common shares are entitled to receive the Company's proportionate remaining share of the assets of the GK Mine and any other assets the Company may hold in the event of liquidation, dissolution or winding-up of the Company.

## Ratings

The following table sets out the ratings of the Company's corporate debt by the rating agencies indicated as of April 1, 2024:

	<b>Standard &amp; Poor's</b>
Corporate rating	CCC+
First lien senior secured revolving credit facility	-
Senior secured second lien notes payable	B
Recovery rating	1
Outlook	Negative

Standard & Poor's Ratings Services ("**S&P**") credit ratings for long-term debt are on a rating scale ranging from AAA to D, which represents the range from highest to lowest quality. The ratings from AA to CCC may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. S&P's rating is a forward-looking opinion about credit risk and assesses the credit quality of the individual debt issue and the relative likelihood that the issuer may default. If S&P anticipates that a credit rating may change in the next six to 24 months, it may issue an updated ratings outlook indicating whether the possible change is likely to be "positive", "negative", "stable" or "developing". However, a rating outlook does not mean that a rating change is inevitable.

The CCC+ rating is ranked eighth out of S&P's eleven major rating categories. According to the S&P rating system, debt securities rated CCC+ are vulnerable and dependent on favorable business, financial and

economic conditions to meet its financial commitments. In addition, S&P uses a scale of 1+ to 6 for recovery ratings, which focuses solely, from high to low, on expected recovery in the event of a payment default of a specific debt issue. A “1” recovery rating ranks first out of S&P’s six recovery rating categories and indicates S&P’s expectation of meaningful (90% - 100%) recovery in the event of default.

The Company understands that the rating agency rating is based on, among other things, information furnished to the above rating agency by the Company and information obtained by the rating agency from publicly available sources. The credit ratings are not recommendations to buy, sell or hold securities since such ratings do not comment as to market price or suitability for a particular investor. Credit ratings are intended to provide investors with an independent measure of the credit quality of an individual debt issue; an indication of the likelihood of repayment for an issue of securities; and an indication of the capacity and willingness of the issuer to meet its financial obligations in accordance with the terms of those securities. Credit ratings are not intended as guarantees of credit quality or exact measures of the probability of default. Credit ratings assigned to the Company’s corporate debt may not reflect the potential impact of all risks on the value of debt instruments, including risks related to market or other factors discussed in this Annual Information Form. See also “Risk Factors”.

## MARKET FOR SECURITIES

The Company’s common shares have been listed for trading on the TSX (symbol MPVD) since October 25, 2000. The Company is a reporting issuer, or equivalent, in each of the provinces and territories of Canada. The Company’s common shares are also listed for trading on the OTCQX under the symbol MPVD.

### Trading Price and Volume

The following table outlines the 52-week trading history, as well as monthly trading history during the period from January 2023 to December 2023 for Mountain Province shares on the TSX for the Company’s fiscal year ended December 31, 2023:

52 – Week High:	CDN\$0.63
52 – Week Low	CDN\$0.21
Average Daily Volume	141,902

Month	High (CDN\$)	Low (CDN\$)	Average Daily Volume
January (2023)	0.63	0.50	117,652
February	0.61	0.51	162,221
March	0.56	0.43	187,983
April	0.50	0.44	103,063
May	0.51	0.44	63,573
June	0.48	0.45	94,218
July	0.50	0.45	107,875
August	0.47	0.42	98,336
September	0.44	0.36	133,460
October	0.37	0.23	250,781
November	0.28	0.21	158,132
December (2023)	0.32	0.22	233,374

The following table outlines the 52-week trading history, as well as monthly trading history during the period from January 2023 to December 2023 for Mountain Province shares on the OTCQX for the Company's fiscal year ended December 31, 2023:

52 – Week High:	US\$0.49
52 – Week Low	US\$0.16
Average Daily Volume	40,842

Month	High (US\$)	Low (US\$)	Average Daily Volume
January (2023)	0.49	0.37	14,910
February	0.47	0.38	42,489
March	0.42	0.31	54,739
April	0.38	0.33	30,942
May	0.38	0.33	18,105
June	0.38	0.34	44,581
July	0.40	0.34	28,210
August	0.35	0.32	23,570
September	0.33	0.27	40,030
October	0.27	0.16	83,659
November	0.20	0.16	14,729
December (2022)	0.24	0.16	93,345

#### Prior Sales

Date of Issuance	Number of Securities Issued	Type of Security	Price per Security (\$)	Reason for Issuance
August 18, 2023	18,140	Mountain Province Shares	0.47	RSUs vested and issued

#### DIRECTORS AND OFFICERS

##### Directors, Senior Management and Employees

##### *Directors and Senior management.*

Each director of the Company is elected by the shareholders to serve until close of the next annual meeting of shareholders or until a successor is elected or appointed, unless such office is earlier vacated in accordance with the Company's by-laws. The following table sets forth certain information regarding the current directors and executive officers of the Company, as of April 1, 2024.

Name	Position with Company	Date of First Appointment
Mark Wall	President and CEO and Director	President and CEO since November 15, 2021 and Director since November 15, 2021.
Jonathan Comerford	Chair and Director and Former Interim President and CEO	Chair of the Company since May 11, 2006 and Director since September 21, 2001 and Interim President and CEO from June 1, 2018 to June 30, 2018 and October 7, 2021 to November 14, 2021.
Steven Thomas	Vice-President Finance and CFO	Vice President Finance and Chief Financial Officer since February 21, 2022.
Reid Mackie	Vice-President Diamond Marketing	Vice President Diamond Marketing since November 1, 2015.
Matthew MacPhail	Chief Technical Officer	Vice President Corporate Development & Technical Services since February 8, 2021 and Chief Technical Officer since January 1, 2022.
Brett Desmond	Director <sup>(1)</sup>	Director since June 24, 2019.
Ken Robertson	Director <sup>(2) (3) (4)</sup>	Director since June 5, 2020.
Kelly Stark-Anderson	Director <sup>(1) (2) (4)</sup>	Director since May 19, 2022.
Karen Goracke	Director <sup>(1) (3) (4)</sup>	Director since November 3, 2016
Daniel Johnson	Director <sup>(2) (3) (4)</sup>	Director since September 22, 2021.

(1) Member of the Company's Corporate Governance Committee.

(2) Member of the Company's Audit Committee.

(3) Member of the Company's Compensation Committee.

(4) Independent director.

Based on the disclosure available on the System for Electronic Disclosure by Insiders (“SEDI”), as of the date of this AIF, the directors, and executive officers of the Company (as listed in this AIF), as a group, beneficially owned, or controlled or directed, directly or indirectly, a total of 939,398 common shares of the Company, representing approximately 0.44% of the total number of common shares of the Company outstanding.

The following is a description of the Company's directors and senior management. The information provided is not within the knowledge of the management of the Company and has been provided by the respective directors and senior officers.

**Mark Wall, DIP MIN PROC., MBA. MGMT. FAUSIMM**

Mr. Wall has been president, CEO since November 15, 2021. Mr. Wall is a resident of Alberta, Canada. Mr. Wall holds various degrees and qualifications, including a Diploma in Minerals Processing, Master of Business Administration, Master of Management, Masters Certificate in Risk Management & Business Performance and Diploma of Project Management. Mr. Wall is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Wall has more than 25 years of experience in the mining industry in executive, commercial, operations and sustainability roles. Prior to joining the company, he was the CEO of Streamers Gold Mining Corporation, a wholly owned subsidiary of Shandong Gold Mining (Hong Kong) one of the world’s largest gold mining companies by market capitalization. Mr. Wall was previously the Chief Commercial Officer then Chief Operating Officer for TSX listed Nevada Copper and the Senior Vice President & Operations Officer for Barrick Gold Corporation (TSX/NYSE). During his twelve years at Barrick, he also served as General Manager of the 80 m/t pa Veladero open pit mine in Argentina, the Vice

President overseeing non-financial assurance activities (Environment, Safety & Health, Maintenance, Technical Services, Community Relations and Security) and other roles. Prior to joining Barrick Mr. Wall worked with Placer Dome Inc. and Western Mining Corporation.

***Jonathan Christopher James Comerford, B.A. (Econ.), M.B.S. (Finance)***

Mr. Jonathan Comerford has been a director of the Company since September 2001 and Chair since April 2006. Mr. Comerford also assumed the role of interim president and CEO for the Company from June 1, 2018 until June 30, 2018 and from October 7, 2021 to November 14, 2021. Mr. Comerford is resident in Dublin, Ireland. He obtained his Masters in Business from the Michael Smurfit Business School in 1993 and his Bachelor of Economics from University College, Dublin in 1992. Mr. Comerford has been investment manager at International Investment and Underwriting UC since August 1995. He also served as a director of Kennady Diamonds Inc. since February 2012 until its acquisition by the Company.

***Steven Thomas***

Mr. Steven Thomas commenced as the Company's Chief Financial Officer in February 2022. Prior to joining the Company, Mr. Thomas served as Chief Financial Officer of Franchise Global Health (2021 to 2022), Chief Financial Officer of Torex Gold Resources Inc. (2018 to 2020), Chief Financial Officer of Goldcorp Canada (2016 to 2018), Chief Financial Officer of De Beers Canada Inc. (2006 to 2016), Head of Finance De Beers Diamond Trading Co. (2003 to 2006), Chief Financial Officer Aquarion Inc. (2000 to 2003). Mr. Thomas is a graduate of the University of Wales (Joint Hons Accountancy & Economics.), and a Fellow of the Institute of Chartered Accountants (FCA).

***Reid Mackie, BA***

Mr. Mackie has been the Company's Vice President Diamond Marketing since November 2015. Mr. Mackie is a resident of British Columbia, Canada. Prior to joining the Company, he was with Rio Tinto Diamonds, where he held the positions of Manager Sales and Marketing for Argyle Pink Diamonds in Perth, Australia (2011 to 2015) and Senior Executive Trader in Antwerp, Belgium (1999 to 2010). At Argyle, Mr. Mackie was responsible for the pricing and sales of all Argyle pink polished diamonds including the Argyle pink diamond tender. In Antwerp, Mr. Mackie was responsible for the valuation and sales of rough diamonds from the Diavik, Argyle, Murowa, Ellendale and Merlin diamond mines. Mr. Mackie is a graduate of the University of British Columbia (B.A., 1994).

***Matthew MacPhail, P. Eng., MBA***

Mr. MacPhail has been the Company's Vice President Corporate Development and Technical Services since February 2021. He currently holds the Chief Technical and Sustainability Officer position with the Company. Mr. MacPhail has approximately 15 years of experience in the mining industry, where he has held various roles in operations, projects, and finance. Prior to joining the Company, Mr. MacPhail served as the Technical Lead within the Project Management Office of Dumas Contracting, an Ontario-based mining contractor where he was responsible for project financial and operational performance across Canada and Mexico. Prior to his role with Dumas, Mr. MacPhail was part of the Equity Research team at Canaccord Genuity, a Canadian investment bank where he covered small/intermediate mining companies. Earlier in his career, he was part of the technical team that brought the 3.4 million-ounce Young-Davidson gold mine online in Northern Ontario, from exploration to commercial production. Mr. MacPhail holds a Bachelor of Applied Sciences, Mining Engineering from Queen's University, a Master of Business Administration (finance) from Ivey Business School, and is a licensed Professional Engineer in Ontario, as well as the Northwest Territories and Nunavut.

***Ken Robertson, CPA, CA***

Mr. Ken Robertson is a Chartered Professional Accountant, Chartered Accountant, and is a resident of British Columbia, Canada. He has been a director of the Company since June 2020. Mr. Robertson is a financial executive with strong financial experience in the mining industry. Mr. Robertson spent 36 years at Ernst & Young LLP and left the firm in 2015 as a partner and senior executive. Mr. Robertson's professional experience with Ernst & Young included audit and accounting, mergers and acquisitions, securities regulatory compliance, fraud investigation, internal controls and expert witness and arbitration. Mr. Robertson holds the ICD.D designation from the Institute of Corporate Directors. and holds a BCOMM from McMaster University. Most recently, he has served as an independent director and chair of the audit committee on the boards Minkabu Inc, Avcorp Industries Incorporated, and SAIS, Gold Royalty Corp. and Silvercorp Metals Inc..

***Kelly Stark-Anderson, BA, LLB***

Ms. Kelly Stark-Anderson is a resident of Ontario, Canada, and is an accomplished executive in the Canadian mining industry. Ms. Stark-Anderson has over 25 years' experience in the legal, M&A, financing, and governance areas, combined with deep experience in Environmental, Social, Governance (ESG) matters. Ms. Stark-Anderson is currently the Executive Vice President Corporate Affairs, General Counsel & Corporate Secretary and Corporate Compliance Officer for Dundee Precious Metals Inc. (TSX:DPM) and previously has acted as Vice-President, Legal and Corporate Secretary for SSR Mining Inc. Ms. Stark-Anderson led her own firm providing corporate/commercial, governance and securities compliance services to public, private and crown entities.

***Brett Desmond, B.Comm***

Mr. Brett Desmond is a seasoned investment professional with 20 years of experience in banking, corporate finance, and asset management and his extensive experience in capital markets and private investments adds a unique skill set to the Company's board. In his most recent role, Mr. B. Desmond served as senior vice president of corporate development for Daon, a software assurance company, whose clients include the US Government and major US and global banks. Furthermore, he has been involved with a number of successful private and public investments since returning to Europe in 2014. Mr. B. Desmond holds a Bachelor of Commerce from University College in Dublin. Mr. B. Desmond is the son of the Company's major shareholder, Mr. Dermot Desmond.

***Karen Goracke, B.Sc., Business Administration***

Ms. Karen Goracke is a resident of Omaha, Nebraska, USA. Ms. Goracke is President and CEO of Borsheims Fine Jewelry, a Berkshire Hathaway company. She began her career at Borsheims in 1988 as a Sales Associate, but soon was promoted. In her time at Borsheims she has worked as inventory supervisor, watch buyer, ladies' jewelry buyer, director of merchandising, and, in 2013, was named President and CEO by Berkshire Hathaway Chairman Warren Buffett. Ms. Goracke graduated from the University of Nebraska-Kearney with Bachelor of Science degrees in Business Administration and Organizational Communication. She serves as a director with the Jewelers Vigilance Committee, the leading compliance organization in the jewelry and gem industry. She also serves as a Director with Jewelers of America and as well as on a number of other boards and committees within the gem and jewelry industry.

***Daniel Johnson, P.E.***

Mr. Daniel Johnson is a resident of Richmond, Virginia, USA. Mr. Johnson has over 40 years of mining industry experience. An accomplished leader, Mr. Johnson's expertise ranges from mine design, construction, and operations to finance and corporate management. Mr. Johnson has extensive

experience in diamonds and Northern mines, including being the general manager of BHP's Ekati Diamond Mine during development through construction, CEO/President of Diamond Fields International, and the VP of Tahera Diamonds for the development and operations of the Jericho Diamond Mine in Nunavut. Currently Mr. Johnson serves as principal at JDS Energy and Mining Inc., where among other accomplishments, he directed the feasibility study and project development for Gahcho Kué.

### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

No individual set forth in the above table is, as at the date hereof, or was, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days and that was issued while such individual was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after such individual ceased to be a director, chief executive officer or chief financial officer, and which resulted from an event that occurred while such individual was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of the Company, no individual set forth in the above table or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, nor any holding company of any such individual:

- (a) is, as of the date hereof, or has been within 10 years before the date hereof, a director or executive officer of any company (including the Company) that, while such individual was acting in that capacity, or within a year of such individual ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, become subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such individual; or

has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **Conflicts of Interest**

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration, development, and mining operations. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company, and to disclose any interest they may have in any project or opportunity of the Company. In

addition, each of the directors is required by law to declare his or her interest in and refrain from voting on any matter in which he or she may have a conflict of interest, in accordance with applicable laws.

## AUDIT COMMITTEE

The audit committee (the Audit Committee') charter as approved by the Board of Directors of the Company is included in Appendix 1. As of the date hereof, the Audit Committee is composed of Mr. Ken Robertson (chair), Ms. Kelly Stark-Anderson, and Mr. Dan Johnson, all of whom are independent directors.

### Education and Experience

This section describes the education and experience of the Company's Audit Committee members that are relevant to the performance of their responsibilities in that role.

The Board of Directors believes that the composition of the Audit Committee reflects a high level of financial literacy and expertise. Each member of the Audit Committee has been determined by the Board of Directors to be "independent" and "financially literate" as such terms are defined under Canadian and United States securities laws. The Board of Directors has also determined that Ken Robertson is a financial expert with over 40 years of experience. Each other member of the Audit Committee currently are financially literate within the meaning of Section 1.6 of National Instrument 52-110.

### Pre-Approval Policies and Procedures

The charter of the Audit Committee requires the Audit Committee to review and approve the engagement of the external auditors to perform non-audit services, together with the fees therefore, and the impact thereof, on the independence of the external auditors.

### External Auditor Service Fees

Fees paid to KPMG LLP during the years ended December 31, 2023 and 2022 were as follows:

Auditor's Fees	2023 CAD\$	% of Total Fees	2022 CAD\$	% of Total Fees
<b>Audit Fees:</b>				
Audit	519,774	100.0	798,933	100.0
Audit related	Nil	0.0	Nil	0.0
<b>Total Audit Fees</b>	<b>519,774</b>	<b>100.0</b>	<b>798,933</b>	<b>100.0</b>
<b>Tax Fees:</b>				
Planning and advice	Nil	0.0	Nil	0.0
Compliance	Nil	0.0	Nil	0.0
<b>Total Tax Fees</b>	<b>Nil</b>	<b>0.0</b>	<b>Nil</b>	<b>0.0</b>
<b>Total Fees</b>	<b>519,774</b>	<b>100.0</b>	<b>798,933</b>	<b>100.0</b>

### Tax Fees

Tax fees were for tax compliance, tax advice and tax planning professional services. These services consisted of tax compliance including the review of tax returns, and tax planning and advisory services.

## LEGAL PROCEEDINGS

The Company is not a party to any material legal proceedings, and there are no material legal proceedings to which any of the GK Mine is subject, and no such proceedings are known to be contemplated.

No penalties or sanctions have been imposed against the Company (i) by a court relating to securities legislation or (ii) by a securities regulatory authority, nor has the Company entered into any settlement agreements (a) before a court relating to securities legislation or (b) with a securities regulatory authority,



during the Company's most recently completed financial year, nor has a court or regulatory body imposed any other penalties or sanctions against the Company.

## **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Other than as described elsewhere in this AIF or in the management information circular of the Company dated as of May 9, 2023 (including, without limitation, under the headings "*Interest of Informed Persons in Material Transactions*") which is incorporated by reference herein and available on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com), no director, executive officer or person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the Company's outstanding voting securities and no associate or affiliate of any of such persons or companies has any material interest, direct or indirect, in any transaction within the three most recently completed fiscal years or since the commencement of the Company's last completed fiscal year or in any proposed transaction, which, in either case, has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries.

## **TRANSFER AGENT AND REGISTRAR**

The transfer agent and registrar for the common shares of the Company is Computershare of Canada at its principal transfer office in Toronto, Ontario.

## **INTERESTS OF EXPERTS**

The 2016 Technical Report and 2017 Technical Report "Project Exploration Update and Faraday Inferred Mineral Resource Estimate, KNP was prepared and completed jointly by Aurora Geosciences Ltd. and Mineral Services Canada Inc. The qualified persons acting for Aurora Geosciences Ltd. was Mr. Gary Vivian, M.Sc., P.Geo. The qualified person acting for Mineral Services Canada Inc. was Dr. Tom Nowicki, Ph.D., P.Geo.

The 2019 Technical Report "Project Exploration and Faraday Inferred Mineral Resource Estimate Update, Kennady North Project" was prepared and completed jointly by Aurora Geosciences Ltd. and SRK Consulting (Canada) Inc. The qualified person acting for Aurora Geosciences Ltd. was Mr. Gary Vivian, M.Sc., P.Geo. The qualified persons acting for SRK Consulting (Canada) Inc. was Cliff Revering, P.Eng., and Casey Hetman, M.Sc., P.Geo.

The 2021 Technical Report "Gahcho Kué Mine: NI 43-101 Technical Report NWT, Canada" was prepared and completed by JDS, with Mike Makarenko, P. Eng., and Dino Pilotto, P. Eng., acting as qualified persons for the purposes of NI 43-101. The technical reports preceding the 2021 Technical Reports were filed by the Company in 2018 and 2019 and were prepared by JDS. The qualified persons acting for JDS were Mr. Daniel D. Johnson, P.Eng and Mr. Pilotto.

To the knowledge of the Company, each of these experts holds less than 1% of the outstanding securities of the Company or of any associate or affiliate thereof as of the date hereof. None of the aforementioned firms or persons received, or will receive, any direct or indirect interest in any securities of the Company or of any associate or affiliate thereof in connection with the preparation of the report prepared by such person. None of the aforementioned firms or persons, nor any directors, officers or employees of such firms, are currently, or are expected to be elected, appointed or employed as, a director, officer or employee of the Company, or of any associate or affiliate of the Company.

During 2023, disclosure by the Company of scientific and technical information regarding its mineral properties in its continuous disclosure documents and filings has been reviewed and approved variously

by Tom E. McCandless, Ph.D., P.Geo., and Matthew MacPhail, P.Eng, both qualified persons for the purposes of NI 43-101.

KPMG LLP, the auditors of the Company, prepared an auditors' report to the shareholders and Board of Directors of the Company on the consolidated balance sheets of the Company as of December 31, 2023 and 2022, the related consolidated statements comprehensive income (loss), equity and cash flows for each of the years ended December 31, 2023 and 2022, and the related notes. KPMG LLP has advised that they are independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations, and also that they are independent accountants with respect to the Company under all relevant United States professional and regulatory standards.

## **MATERIAL CONTRACTS**

Except for contracts entered into by the Company in the ordinary course of business, the only material contracts entered into by the Company since the beginning of the most recently completed financial year or that are still in effect, are:

- the Joint Venture Agreement (see *"Mineral Properties—The Gahcho Kué Diamond Mine—History"*);
- Dunebridge Term Facility (see *"Description of the Business – Three Year History – Fiscal Year 2021"*).
- Dunebridge JCF (see *"Description of the Business – Three Year History – Fiscal Year 2022"*).
- the Notes (see *"Description of the Business – Three Year History – Fiscal Year 2022"*).

## **ADDITIONAL INFORMATION**

Additional information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com). Further, additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans is contained in the Company's information circular dated May 9, 2023, for the annual meeting of shareholders that was held on June 22, 2023. Additional financial information is provided in the Company's comparative financial statements and Management's Discussion and Analysis for the years ended December 31, 2023, and December 31, 2022.

## **APPENDIX 1: AUDIT COMMITTEE CHARTER**

### **Mandate**

#### **A. Role and Objectives**

The Audit Committee (the "Committee") is a committee of the Board of Directors (the "Board") of Mountain Province Diamonds Inc ("MPVD" or the "Company") established for the purpose of overseeing the accounting and financial reporting process of MPVD and external audits of the consolidated financial statements of MPVD. In connection, therewith, the Committee assists the Board in fulfilling its oversight responsibilities in relation to MPVD's internal accounting standards and practices, financial information, accounting systems and procedures, financial reporting and statements and the nature and scope of the annual external audit. The Committee also recommends for Board approval MPVD's audited annual consolidated financial statements and other mandatory financial disclosure.

MPVD's external auditor is accountable to the Board and the Committee as representatives of shareholders of MPVD. The Committee shall be directly responsible for overseeing the relationship of the

external auditor. The Committee shall have such access to the external auditor as it considers necessary or desirable in order to perform its duties and responsibilities. The external auditor shall report directly to the Committee.

The objectives of the Committee are as follows:

1. to be satisfied with the credibility and integrity of financial reports;
2. to support the Board in meeting its oversight responsibilities in respect of the preparation and disclosure of financial reporting, including the consolidated financial statements of MPVD;
3. to facilitate communication between the Board and the external auditor and to receive all reports of the external auditor directly from the external auditor;
4. to be satisfied with the external auditor's independence and objectivity; and
5. to strengthen the role of independent directors by facilitating in-depth discussions between members of the Committee, management and MPVD's external auditor.

#### **B. Composition**

1. The Committee shall comprise at least three directors, none of whom shall be an officer or employee of MPVD or any of its subsidiaries or any affiliate thereof. Each Committee member shall satisfy the independence, financial literacy and experience requirements of applicable securities laws, rules or guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules. In particular, each member of the Committee shall have no direct or indirect material relationship with MPVD or any affiliate thereof which could reasonably interfere with the exercise of the member's independent judgment. Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the full Board.
2. Members of the Committee shall be appointed by the Board. Each member shall serve until his successor is appointed, unless he shall resign or be removed by the Board, or he shall otherwise cease to be a director of MPVD.
3. The Chair of the Committee may be designated by the Board or, if it does not do so, the members of the Committee may elect a Chair by vote of a majority of the full Committee membership. The Committee Chair shall satisfy the independence, financial literacy and experience requirements as described above.
4. The Committee shall have access to such officers and employees of MPVD and to such information respecting MPVD as it considers necessary or advisable to perform its duties and responsibilities.

#### **C. Meetings**

1. At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In case of an equality of votes, the matter will be referred to the Board for decision.
2. A quorum for meetings of the Committee shall be a majority of its members.
3. Meetings of the Committee shall be scheduled at least quarterly and at such other times during each year as it deems appropriate. Minutes of all meetings of the Committee shall be taken. The CFO shall attend meetings of the Committee, unless otherwise excused from all or part of any such meeting by the Committee Chair. The Chair of the Committee shall hold in camera sessions of the Committee, without management present, at each meeting, as determined necessary.
4. The Committee shall report the results of meetings and reviews undertaken and any associated recommendations to the Board.
5. The Committee shall meet periodically with MPVD's external auditor in connection with the preparation of the annual consolidated financial statements and otherwise as the Committee may determine, part or all of each such meeting to be in the absence of management.

#### **D. Responsibilities**

As discussed above, the Committee is established to assist the Board in fulfilling its oversight responsibilities with respect to the accounting and financial reporting processes of MPVD and external audits of MPVD's consolidated financial statements. In that regard, the Committee shall:

1. satisfy itself on behalf of the Board with respect to MPVD's internal control systems including identifying, monitoring and mitigating business risks as well as compliance with legal, ethical and regulatory requirements. The Committee shall also review with management, the external auditor and, if necessary, legal counsel, any litigation, claim or other contingency (including tax assessments) that could have a material effect on the financial position or operating results of MPVD (on a consolidated basis), and the manner in which these matters may be, or have been, disclosed in the financial statements;
2. review with management and the external auditor the annual consolidated financial statements of MPVD, the reports of the external auditor thereon and related financial reporting, including Management's Discussion and Analysis and any earnings press releases, (collectively, "Annual Financial Disclosures") prior to their submission to the Board for approval. This process should include, but not be limited to:
  - (a) reviewing changes in accounting principles, or in their application, which may have a material impact on the current or future year's financial statements;
  - (b) reviewing significant accruals, reserves, or other estimates;
  - (c) reviewing accounting treatment of unusual or non-recurring transactions;
  - (d) reviewing disclosure requirements for commitments and contingencies;
  - (e) reviewing financial statements and all items raised by the external auditor, whether or not included in the financial statements; and
  - (f) reviewing unresolved differences between MPVD and the external auditor.

Following such review, the Committee shall recommend to the Board for approval all Annual Financial Disclosures;

3. review with management all interim consolidated financial statements of MPVD and related financial reporting, including Management's Discussion and Analysis and any earnings press releases, (collectively "Quarterly Financial Disclosures") and, if thought fit, approve all Quarterly Financial Disclosures;
4. be satisfied that adequate procedures are in place for the review of MPVD's public disclosure of financial information extracted or derived from MPVD's financial statements, other than Annual Financial Disclosures or Quarterly Financial Disclosures, and shall periodically assess the adequacy of those procedures;
5. review with management and recommend to the Board for approval, any financial statements of MPVD which have not previously been approved by the Board and which are to be included in a prospectus of MPVD;
6. review with management and recommend to the Board for approval, MPVD's AIF;
7. with respect to the external auditor:
  - (a) receive all reports of the external auditor directly from the external auditor;
  - (b) discuss with the external auditor:
    - (i) critical accounting policies;

- (ii) alternative treatments of financial information within GAAP discussed with management (including the ramifications thereof and the treatment preferred by the external auditor); and
  - (iii) other material, written communication between management and the external auditor;
  - (c) consider and make a recommendation to the Board as to the appointment or re-appointment of the external auditor, being satisfied that such auditor is a participant in good standing pursuant to applicable securities laws;
  - (d) review the terms of engagement of the external auditor, including the appropriateness and reasonableness of the auditor's fees, and make a recommendation to the Board as to the compensation of the external auditor;
  - (e) when there is to be a replacement of the external auditor, review with management the reasons for such replacement and the information to be included in any required notice to securities regulators and recommend to the Board for approval the replacement of the external auditor along with the content of any such notice;
  - (f) oversee the work of the external auditor in performing its audit or review services and oversee the resolution of any disagreements between management and the external auditor;
  - (g) review and discuss with the external auditor all significant relationships that the external auditor and its affiliates have with MPVD and its affiliates in order to determine the external auditor's independence, including, without limitation:
    - (i) requesting, receiving, and reviewing, on a periodic basis, written or oral information from the external auditor delineating all relationships that may reasonably be thought to bear on the independence of the external auditor with respect to MPVD;
    - (ii) discussing with the external auditor any disclosed relationships or services that the external auditor believes may affect the objectivity and independence of the external auditor; and
    - (iii) recommending that the Board take appropriate action in response to the external auditor's information to satisfy itself of the external auditor's independence;
  - (h) as may be required by applicable securities laws, rules and guidelines, either:
    - (i) pre-approve all non-audit services to be provided by the external auditor to MPVD (and its subsidiaries, if any), or, in the case of de minimus non-audit services, approve such non-audit services prior to the completion of the audit; or
    - (ii) adopt specific policies and procedures for the engagement of the external auditor for the purposes of the provision of non-audit services;
  - (i) review and approve the hiring policies of MPVD regarding partners, employees and former partners and employees of the present and former external auditor of MPVD;
8. (a) establish procedures for:
- (i) the receipt, retention and treatment of complaints received by MPVD regarding accounting, internal accounting controls or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of MPVD of concerns regarding questionable accounting or auditing matters; and
- (b) review with the external auditor its assessment of the internal controls of MPVD, its written reports containing recommendations for improvement, and MPVD's response and follow-up to any identified weaknesses;

9. with respect to risk management, be satisfied that MPVD has implemented appropriate systems of internal control over financial reporting (and review management's assessment thereof) to ensure compliance with any applicable legal and regulatory requirements;
10. review annually with management and the external auditor and report to the Board on insurable risks and insurance coverage; and
11. engage independent counsel and other advisors as it determines necessary to carry out its duties and set and pay the compensation for any such advisors.
12. annually review and reassess the adequacy of this Charter. This Charter may be amended or modified by the Board, subject to disclosure and other policies and guidelines of relevant securities regulators and applicable securities laws and stock exchange rules.

## **APPENDIX 2: GLOSSARY OF TERMS USED FREQUENTLY IN THIS DOCUMENT**

**berm** - an embankment of crushed and screened rock fill.

**carat** - unit used to measure gemstones, equal to 200 milligrams or 0.2 grams. For smaller gems, 100 points is equal to one carat.

**core** - the long cylindrical piece of rock, about an inch in diameter, brought to surface by diamond drilling.

**CPT** - carats per tonne.

**diamantaire** - a professional diamond trader or manufacturer active in the diamond business.

**diamondiferous** - containing diamonds.

**diamonds** - a crystallized variety of pure carbon that may be of gem quality.

**dike** - a temporary structure used to retain or restrict water flow.

**dilution** - the effect of waste or low-grade ore being included unavoidably in the mine ore, lowering the recovered grade.

**grade** - number of carats (or other unit of weight) in a physical unit of ore, usually expressed in carats per tonne.

*Cut-off grade* - is the minimum grade at which a tonne of rock can be processed on an economic basis.

*Recovered grade* - is actual grade realized by the metallurgical process and treatment of ore, based on actual experience or laboratory testing.

**kimberlite** - A volatile-rich, potassic, ultrabasic rock which varies in mineralogical composition and texture. Kimberlite magmas originate at great depth in the earth's mantle and as they ascend rapidly to the surface they are often emplaced in vertical, carrot-shaped bodies known as pipes or thin (1-3 metres wide) tabular bodies known as dikes. Kimberlite deposits may or may not contain diamonds.

### **mineral reserves:**

- *mineral reserve*: The economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that may occur when the material is mined.

- *proven mineral reserve*: The part of a deposit which is being mined, or which is being developed and for which there is a detailed mining plan, the estimated quantity and grade or quality of that part of a measured mineral resource for which the size, configuration and grade or quality and distribution of values are so well established, and for which economic viability has been demonstrated by adequate

information on engineering, operating, economic and other relevant factors, that there is the highest degree of confidence in the estimate.

- *probable mineral reserve*: The estimated quantity and grade or quality of that part of an indicated mineral resource for which economic viability has been demonstrated by adequate information on engineering, operating, economic and other relevant factors, at a confidence level which would serve as a basis for decisions on major expenditures.

**mineral resources:**

- *mineral resource*: A concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge.

- *measured mineral resources*: A measured mineral resource is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

- *indicated mineral resources*: An indicated mineral resource is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and test information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

**MT** - million tonnes.

**open pit** - a mine that is entirely on surface. Also, referred to as an open-cut or open-cast mine.

**pipe** - see "kimberlite" above.

**polished diamonds** - rough stones that have been cut and polished for retail trade.

**qualified person** - is an individual who:

(a) is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation, or mineral project assessment, or any combination of these; (b) has experience relevant to the subject matter of the mineral project, and the technical report; and (c) is a member in good standing of a professional association as defined by NI 43-101 of the Canadian Securities Administrators.

**reclamation** - the restoration of a site after mining or exploration activity is completed.

**recovery** - a term used in process metallurgy to indicate the proportion of valuable material obtained in the processing of an ore. It is generally stated as a percentage of valuable metal in the ore that is recovered compared to the total valuable metal present in the ore.

**rough diamonds** - untreated stones in run-of-mine form, which have been boiled and cleaned.

**sample** - a small portion of rock or a mineral deposit, taken so that the metal content can be determined by assaying.

**till** - a glacial, surficial deposit composed of unsorted clay, sand, and matrix-supported rock fragments.