

Mountain Province Diamonds Provides Further Information Regarding Planned Notes Refinancing

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TORONTO, Oct. 27, 2022 - [Mountain Province Diamonds Inc.](#) ("Mountain Province" or the "Company") (TSX: MPVD) (OTC: MPVD) today announces that it has executed a non-binding term sheet with certain holders (the "Exchanging Holders") of its 8.000% Senior Secured Second Lien Notes due 2022 (the "Existing Notes"), including entities ultimately beneficially owned by the Company's largest beneficial shareholder, Mr. Dermot Desmond, for a partial refinancing of the Existing Notes. The term sheet sets forth the terms of a transaction (the "Proposed Transaction") in which the Exchanging Holders will exchange Existing Notes for new senior secured second lien loan notes (the "New Loan Notes"). While the arrangements are non-binding, Mountain Province is working with the Exchanging Holders in an effort to promptly reach binding agreements. The issuance of the New Loan Notes is subject to, among other things, finalization of the specific terms thereof, the negotiation and execution of definitive documentation, and regulatory and disinterested shareholder approval.

The Proposed Transaction is currently expected to include the exchange of approximately US\$190.0 million aggregate principal amount of Existing Notes for approximately US\$195.9 million aggregate principal amount of New Loan Notes. Approximately US\$65.3 million of the New Loan Notes will be acquired by entities ultimately beneficially owned by Mr. Desmond. The New Loan Notes are expected to be secured by the same assets that secure the Existing Notes and on a second lien priority basis, bear interest at a rate of 9.0% per annum and have a three-year term. The Company expects to retire the remaining balance of the Existing Notes with cash on hand concurrently with the consummation of the Proposed Transaction. The Proposed Transaction is not expected to involve the issuance of new equity.

A special committee (the "Special Committee") of the board of directors of the Company (the "Board") is providing consideration and oversight of the Proposed Transaction as well as any other potential alternative transactions intended to refinance in part the Existing Notes. The Special Committee consists of independent directors who have no direct or indirect interest in the Proposed Transaction. Following its review process, the Special Committee recommended that the Board approve the execution of the term sheet setting out the terms of the Proposed Transaction.

Due to the participation of entities ultimately beneficially owned by Mr. Desmond, the Proposed Transaction is subject to the approval of the Toronto Stock Exchange (the "TSX") and the approval of the Company's disinterested shareholders in accordance with Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions and the rules of the TSX.

The Proposed Transaction is subject to the execution of definitive documentation and the approvals described above. There can be no assurance that the Proposed Transaction will be completed on the terms described herein or at all.

About Mountain Province Diamonds Inc.

Mountain Province Diamonds is a 49% participant with De Beers Canada in the Gahcho Kué diamond mine located in Canada's Northwest Territories. The Gahcho Kué Joint Venture property consists of several kimberlites that are actively being mined, developed, and explored for future development. The Company also controls 107,373 hectares of highly prospective mineral claims and leases surrounding the Gahcho Kué Mine that include an Indicated mineral resource for the Kelvin kimberlite and Inferred mineral resources for the Faraday kimberlites. Kelvin is estimated to contain 13.62 million carats (Mct) in 8.50 million tonnes (Mt) at a grade of 1.60 carats/tonne and value of US\$63/carats. Faraday 2 is estimated to contain 5.45Mct in 2.07Mt at a grade of 2.63 carats/tonne and value of US\$140/ct. Faraday 1-3 is estimated to contain 1.90Mct in 1.87Mt at a grade of 1.04 carats/tonne and value of US\$75/carats. All resource estimations are based on a

1mm diamond size bottom cut-off.

For further information on Mountain Province Diamonds and to receive news releases by email, visit the Company's website at www.mountainprovince.com.

Caution Regarding Forward Looking Information

This news release contains certain "forward-looking statements" and "forward-looking information" under applicable Canadian and United States securities laws concerning the business, operations and financial performance and condition of [Mountain Province Diamonds Inc.](#) Forward-looking statements and forward-looking information include, but are not limited to, statements with respect to the ability to negotiate and enter into binding documentation, the ability to obtain approval of the parties, regulators and shareholders on terms acceptable to Mountain Province, operational hazards, including possible disruption due to pandemic such as COVID-19, its impact on travel, self-isolation protocols and business and operations, 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 the negotiating stances taking by the parties, the ability to obtain approval of regulators, parties and shareholders, as may be required, on conditions acceptable to the parties, the development of operation hazards 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 Mountain Province's most recent Annual Information Form and in the most 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 news release should not be unduly relied upon. These statements speak only as of the date of this news release.

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. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

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. The declaration of dividends is at the discretion of Mountain Province's Board of Directors, subject to the limitations under the Company's debt facilities, and will depend on Mountain Province's financial results, cash requirements, future prospects, and other factors deemed relevant by the Board.

SOURCE [Mountain Province Diamonds Inc.](#)

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