

Mountain Province Diamonds Inc. Announces First Quarter Financial Results for 2024

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TORONTO, May 8, 2024 - [Mountain Province Diamonds Inc.](#) ("Mountain Province", the "Company") (TSX: MPVD) (OTC: MPVD) today announces financial results for the first quarter ended March 31, 2024 ("the Quarter" or "Q1 2024") from the Gahcho Kué Diamond Mine ("GK Mine"). All figures are expressed in Canadian dollars unless otherwise noted.

Financial Highlights for First Quarter 2024

- 938,000 carats sold, with total proceeds of \$89.4 million (US\$66.1 million) at an average realised value of \$95 per carat (US\$70).
- Adjusted EBITDA¹ of \$50.0 million.
- Earnings from mine operations of \$30.4 million.
- Net income of \$6.8 million or \$0.03 basic and diluted earnings per share².

¹Cash costs of production, including capitalized stripping costs, and adjusted EBITDA are non-IFRS measures with no standardized meaning prescribed under IFRS. See "Reconciliation of non-IFRS measures" at the end of the news release for explanation and reconciliation.

Operational Highlights for First Quarter 2024

(all figures reported on a 100% basis unless otherwise stated)

- 805,557 ore tonnes treated, a 5% increase relative to Q1 2023, (Q1 2023: 766,786 tonnes treated;)
- 1,264,887 carats recovered, 4% lower than the comparable quarter (Q1 2023: 1,319,603 carats)
- Average grade of 1.57 carats per tonne, a 9% decrease relative to Q1 2023 (1.72 carats per tonne)
- Cost per carat recovered, including capitalized stripping of \$56/carat, and cost per tonne processed, including capitalized stripping of \$88/tonne.

Sales Highlights for First Quarter 2024

As previously released, during the first quarter 938,000 carats were sold for total proceeds of \$89.4 million (US\$66.1 million), resulting in an average value of \$95 per carat (US\$70 per carat). These results compare to Q1 2023 when 961,024 carats were sold for total proceeds of \$128.7 million (US\$95.0 million), resulting in an average price of \$134 per carat (US\$99 per carat).

Mark Wall, the Company's President, and Chief Executive Officer, commented:

"Despite a softer rough diamond market than this time last year, the Company continued to show sustained profitability at current prices, recording and Adjusted EBITDA of \$50 million, as well as Net Income of \$6.8 million.

I look forward to sharing the results of our upcoming revised technical report on the GK mine, which will bring the market up to date on the latest mine plan at GK, as well as bring to light some net-positive pit design changes which we believe should bring incremental carats into the mine plan. We expect to be able to share the results of this updated technical report near the end of Q2 2024."

Gahcho Kué Mine Operations

The following table summarizes key operating statistics for the Gahcho Kué Mine in the three months ended March 31, 2024 and 2023.

		Three months ended Th	
		March 31, 2024	Ma
GK operating data			
Mining			
*Ore tonnes mined	kilo tonnes	1,947	42
*Waste tonnes mined	kilo tonnes	5,938	8,5
*Total tonnes mined	kilo tonnes	7,885	8,9
*Ore in stockpile	kilo tonnes	3,458	1,4
Processing			
*Ore tonnes processed	kilo tonnes	806	76
*Average plant throughput	tonnes per day	8,857	8,2
*Average diamond recovery	carats per tonne	1.57	1.7
*Diamonds recovered	000's carats	1,265	1,3
Approximate diamonds recovered - Mountain Province	000's carats	620	64
Cash costs of production per tonne of ore, net of capitalized stripping **	\$	51	99
Cash costs of production per tonne of ore, including capitalized stripping**	\$	88	15
Cash costs of production per carat recovered, net of capitalized stripping**	\$	33	58
Cash costs of production per carat recovered, including capitalized stripping**	\$	56	90
Sales			
Approximate diamonds sold - Mountain Province***	000's carats	938	96
Average diamond sales price per carat	US	\$ 70	\$ 9

* at 100% interest in the Gahcho Kué Mine

**See "Reconciliation of non-IFRS measures" at the end of the news release for explanation and reconciliation.

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

(in thousands of Canadian dollars, except where otherwise noted)	Three months ended	
	March 31, 2024	March 31, 2023
Sales	\$ 89,438	128,657
Carats sold	000's carats 938	961
Average price per carat sold	\$/carat 95	134
Cost of sales per carat*	\$/carat 63	85
Earnings from mine operations per carat	\$ 32	49
Earnings from mine operations	%	34 %
Selling, general and administrative expenses	\$ 3,542	4,007
Operating income	\$ 26,760	41,091
Net income for the period	\$ 6,864	28,224
Basic earnings per share	\$ 0.03	0.13
Diluted earnings per share	\$ 0.03	0.13

Conference Call

The Company will host its quarterly conference call on Thursday, May 9th, 2024 at 11:00am ET.

Title: [Mountain Province Diamonds Inc.](#) Q1 2024 Earnings Conference Call

Conference ID: 63370213

Date of call: 05/09/2024

Time of call: 11:00 Eastern Time

Expected Duration: 60 minutes

Webcast Link:

<https://emportal.ink/3xw1s6L>

Participant Toll-Free Dial-In Number: (+1) 888-390-0546

Participant International Dial-In Number: (+1) 416-764-8668

A replay of the webcast and audio call will be available on the Company's website.

Reconciliation of Non-IFRS measures

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

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

of production cost included in ore stockpile and rough diamond inventories.

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

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

	Three months ended	Three months ended
	March 31, 2024	March 31, 2023
Net income for the period	\$ 6,864	\$ 28,224
Add/deduct:		
Non-cash depreciation and depletion	22,104	25,318
Share-based payment expense	242	340
Fair value gain of warrants	(541)	(146)
Gain on lease	(55)	-
Finance expenses	10,337	10,161
Derivative losses	2,340	1,065
Deferred income taxes	2,325	1,820
Current income taxes	150	750
Unrealized foreign exchange losses	6,187	645
Adjusted earnings before interest, taxes, depreciation and depletion (Adjusted EBITDA)	\$ 49,953	\$ 68,177
Sales	89,438	128,657
Adjusted EBITDA margin		56 %

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

		Three months ended	Three months ended
(in thousands of Canadian dollars, except where otherwise noted)		March 31, 2024	March 31, 2023
Cost of sales production costs	\$	32,728	49,116
Timing differences due to inventory and other non-cash adjustments	\$	(12,393)	(11,835)
Cash cost of production of ore processed, net of capitalized stripping	\$	20,335	37,281
Cash costs of production of ore processed, including capitalized stripping	\$	34,927	58,241
Tonnes processed	kilo tonnes	395	376
Carats recovered	000's carats	620	647
Cash costs of production per tonne of ore, net of capitalized stripping	\$	51	99
Cash costs of production per tonne of ore, including capitalized stripping	\$	88	155
Cash costs of production per carat recovered, net of capitalized stripping	\$	33	58
Cash costs of production per carat recovered, including capitalized stripping	\$	56	90

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 more than 113,000 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, at February 2019. 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, at February 2019. 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, at February 2019. All resource estimations are based on a 1mm diamond size bottom cut-off.

Qualified Person

The disclosure in this news release of scientific and technical information regarding Mountain Province's mineral properties has been reviewed and approved by Mr. Dan Johnson, P.Eng., a director of [Mountain Province Diamonds](#) and Qualified Person as defined by National Instrument 43-101 Standards of Disclosure for Mineral Projects.

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 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 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.

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.](#)

Contact

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