

Mountain Province Diamonds Announces Second Quarter Financial Results for 2024

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TORONTO, Aug. 7, 2024 - [Mountain Province Diamonds Inc.](#) ("Mountain Province", the "Company") (TSX: MPVD) today announces financial results for the second quarter ended June 30, 2024 ("the Quarter" or "Q2 2024") from the Gahcho Kué Diamond Mine ("GK Mine"). All figures are expressed in Canadian Dollars unless otherwise noted.

Q2 2024 Key Takeaways

- 557,361 carats were sold for total proceeds of \$56.8 million (US\$41.5 million) at an average price of \$102 per carat (US\$74).
- Adjusted EBITDA¹ of \$24.0 million.
- Earnings from mine operations of \$12.0 million.
- Net loss of \$6.5 million or \$0.03 basic and diluted loss per share.

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.

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

"The first half (H1) of 2024 has produced adjusted EBITDA of \$74.0 million, which was supported by the Q2 adjusted EBITDA of \$24.0 million. These results came in the context of a softer diamond market and the grade challenges in Q2, as previously reported.

The processing facility at Gahcho Kue continued to operate well. For H1 2024 the main metric of the processing plant 'OPU' (utilisation), was 81.5%, versus 72.6% for H1 of 2023. These results continue to come from the work undertaken through 2023 and into 2024 to improve the performance of the processing plant.

On costs, we have finished H1 2024 with \$105 per tonne treated, against our 2024 guidance of \$124-\$136 on a full year basis, and \$72 per carat recovered, against our full year guidance of \$96-\$107 per carat. At all levels of the business, we will continue to focus on operational efficiency and cost control as we move into the second half of the year."

Financial Highlights for Q2 2024

- Revenue from 557,361 carats sold at \$56.8 million (US\$41.5 million) at an average realised value of \$102 per carat (US\$74) compared to \$59.9 million from 360,308 carats sold in Q2 2023 (US\$44.6 million) at an average realised value of \$166 per carat (US\$124).
- Adjusted EBITDA¹ of \$24.0 million compared to \$31.5 million in Q2 2023.
- Earnings from mine operations of \$12.0 million compared to \$26.9 million in Q2 2023.
- Cash costs of production, including capitalized stripping costs¹ of \$119 per tonne treated (2023: \$156 per tonne) and \$87 per carat recovered (2023: \$87 per carat).
- Net loss of \$6.5 million or \$0.03 loss per share (2023: \$17.3 million or \$0.08 earnings per share). Included in the determination of net income are foreign exchange losses of \$3.0 million, the majority of which is an unrealized loss arising on the translation of the Company's US Dollar denominated long term debt, because of the weakening of the Canadian Dollar versus US Dollar.

¹Cash costs of production, including capitalized stripping costs, and Adjusted EBITDA are non-IFRS measures with no standardized meaning prescribed under IFRS. See the Non-IFRS Measures section of the Company's June 30, 2024 MD&A for explanation and reconciliation.

Operational Highlights for Q2 2024

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

- 965,984 ore tonnes treated, 29% higher than Q2 2023 (750,241 tonnes treated)
- 1,318,680 carats recovered, 2% lower than Q2 2023 (1,339,196 carats recovered)
- Average grade of 1.37 carats per tonne treated, 24% lower than Q2 2023 (1.79 carats per tonne)
- 971,311 ore tonnes mined, 63% higher than Q2 2023 (595,990 ore tonnes mined)

Sales Highlights for Q2 2024

As previously released, during the second quarter, 557,361 carats were sold for total proceeds of \$56.8 million (US\$41.5 million), resulting in an average price of \$102 per carat (US\$74 per carat). These results compare to Q2 2023 where 360,308 carats were sold for total proceeds of \$59.9 million (US\$44.6 million) at an average price per carat of \$166 per carat (US\$124 per carat).

Financial Highlights for H1 2024

- Total sales revenue of \$146.3 million (US\$107.7 million) at an average realised value of \$98 per carat (US\$72) compared to \$188.6 million in 2023 (US\$139.6 million) at an average realised value of \$143 per carat (US\$106).
- Adjusted EBITDA² of \$74.0 million (H1 2023: \$99.7).
- Earnings from mine operations of \$42.4 million (H1 2023: \$74.1 million).
- Cash costs of production, including capitalized stripping costs², of \$105 per tonne treated (H1 2023: \$155 per tonne) and \$72 per carat recovered (H1 2023: \$89 per carat).
- Net income of \$0.3 million or \$0.00 basic and diluted earnings per share (H1 2023 \$45.5 million or \$0.22 basic earnings per share and \$0.21 diluted earnings per share). Included in the determination of the net income for H1 2024, are foreign exchange losses of \$9.2 million, the majority of which is an unrealized loss on the translation of the Company's US Dollar denominated long term debt arising because of the weakening of the Canadian Dollar versus US Dollar.
- Capital expenditures \$35.9 million, \$30.9 million of which were deferred stripping costs, with the remaining \$5 million for sustaining capital expenditures related to mine operations.

²Cash costs of production, including capitalized stripping costs, and Adjusted EBITDA are non-IFRS measures with no standardized meaning prescribed under IFRS. See the Non-IFRS Measures section of the Company's June 30, 2024 MD&A for explanation and reconciliation.

Operational Highlights for H1 2024

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

- • 15,800,000 total tonnes mined, 13% lower than 18,200,000 total tonnes mined in H1 2023.
- • 1,772,000 tonnes of ore treated 17% higher than 1,517,000 tonnes treated in H1 2023.
- • 2,584,000 carats recovered at an average grade of 1.46 carats per tonne, 3% lower than 2,659,000 carats, (1.75 carats per tonne) recovered in H1 2023.

Gahcho Kué Mine Operations

The following table summarizes key operating statistics for the Gahcho Kué Mine in the three and six months ended June 30, 2024, and 2023.

		Three months ended Th	
		June 30, 2024	Jun
GK operating data			
Mining			
*Ore tonnes mined	kilo tonnes	971	59
*Waste tonnes mined	kilo tonnes	6,941	8,6
*Total tonnes mined	kilo tonnes	7,912	9,2
*Ore in stockpile	kilo tonnes	3,464	1,2
Processing			
*Ore tonnes processed	kilo tonnes	966	75
*Average plant throughput	tonnes per day	10,615	8,3
*Average diamond recovery	carats per tonne	1.37	1.7
*Diamonds recovered	000's carats	1,319	1,3
Approximate diamonds recovered - Mountain Province	000's carats	646	65
Cash costs of production per tonne of ore, net of capitalized stripping **	\$	84	10
Cash costs of production per tonne of ore, including capitalized stripping**	\$	119	15
Cash costs of production per carat recovered, net of capitalized stripping**	\$	62	56
Cash costs of production per carat recovered, including capitalized stripping**	\$	87	87
Sales			
Approximate diamonds sold - Mountain Province***	000's carats	557	36
Average diamond sales price per carat	US	\$ 74	\$ 1

* at 100% interest in the Gahcho Kué Mine

**See Non-IFRS Measures section of the Company's June 30, 2024 MD&A 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	
	June 30, 2024	June 30, 2023
Sales	\$ 56,818	59,918
Carats sold	000's carats 557	360
Average price per carat sold	\$/carat 102	166
Cost of sales per carat*	\$/carat 80	92
Earnings from mine operations per carat	\$ 22	74
Earnings from mine operations	%	22 %
Selling, general and administrative expenses	\$ 2,768	3,223
Operating income	\$ 9,071	20,351
Net (loss) income for the period	\$ (6,524)	17,318
Basic(loss) earnings per share	\$ (0.03)	0.08
Diluted (loss) earnings per share	\$ (0.03)	0.08

* This cost of sales per carat includes the cost of acquiring 51% of the fancies and specials which have been sold, after having been won in a tendering process with De Beers Canada.

Conference Call

The Company will host its quarterly conference call on Thursday, August 8th, 2024, at 11:00AM Eastern Time.

Title: Mountain Province Diamonds Inc. Q2 2024 Earnings Conference Call

Date of call: 08/08/2024

Time of call: 11:00AM Eastern Time

Expected Duration: 60 minutes

Webcast Link:

<https://app.webinar.net/94JwoV1MRDG>

Participant Toll-Free Dial-In Number: (+1) 800-836-8184

Participant International Dial-In Number: (+1) 289-819-1350

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

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 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 (loss) income on the consolidated statements of comprehensive (loss) income:

	Three months ended	Three months ended
	June 30, 2024	June 30, 2023
Net (loss) income for the period	\$ (6,524)	\$ 17,318
Add/deduct:		
Non-cash depreciation and depletion	14,270	10,640
Loss on sale of equipment	527	-
Share-based payment expense	128	366
Fair value gain of warrants	(1,315)	(563)
Loss (gain) on lease	9	-
Finance expenses	10,711	9,578
Derivative losses (gains)	2,462	(1,936)
Deferred income taxes	760	2,080
Current income taxes	150	150
Unrealized foreign exchange losses (gains)	2,863	(6,154)
Adjusted earnings before interest, taxes, depreciation and depletion (Adjusted EBITDA)	\$ 24,041	\$ 31,479
Sales	56,818	59,918
Adjusted EBITDA margin		42 %

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 consolidated statements of comprehensive (loss) income:

		Three months ended	Three months ended
(in thousands of Canadian dollars, except where otherwise noted)		June 30, 2024	June 30, 2023
Cost of sales production costs	\$	27,008	18,619
Timing differences due to inventory and other non-cash adjustments	\$	12,822	18,284
Cash cost of production of ore processed, net of capitalized stripping	\$	39,830	36,903
Cash costs of production of ore processed, including capitalized stripping	\$	56,126	57,223
Tonnes processed	kilo tonnes	473	367
Carats recovered	000's carats	646	656
Cash costs of production per tonne of ore, net of capitalized stripping	\$	84	100
Cash costs of production per tonne of ore, including capitalized stripping	\$	119	156
Cash costs of production per carat recovered, net of capitalized stripping	\$	62	56
Cash costs of production per carat recovered, including capitalized stripping	\$	87	87

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 Dan Johnson, P.Eng., a director of Mountain Province Diamonds and Qualified Persons 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 several 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, labor 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 crucial 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 crucial 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, prospects, and other factors deemed relevant by the Board

SOURCE Mountain Province Diamonds Inc.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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