

Mountain Province Diamonds Announces Mailing of Meeting Materials For Annual and Special Meeting of Shareholders to Approve Additional Working Capital Facility

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TSX and OTC: MPVD

TORONTO and NEW YORK, April 25, 2025 /CNW/ - [Mountain Province Diamonds Inc.](#) ("Mountain Province" or the "Company") (TSX: MPVD) (OTC: MPVD) announces today that the Company has mailed and filed its notice of meeting, management information circular (the "Circular") and related documents (collectively, the "Meeting Materials") to the holders (the "Shareholders") of common shares of the Company (the "Shares") in connection with the annual and special meeting of Shareholders to be held virtually [meetnow.global/MC9DXS6](#) at 11:00 a.m. (EST) on May 16, 2025 (the "Meeting"). The Meeting Materials will be filed on the Company's SEDAR+ profile at [www.sedarplus.ca](#) and will be accessible on the Company's website at [www.mountainprovince.com](#).

In addition, to the routine matters of the election of directors, approval of the financial statements and the appointment of the Company's auditor, at the Meeting, Shareholders will be asked to pass an ordinary resolution (the "WCF Resolution") approving a new working capital facility (the "Proposed WCF") from Dunebridge Worldwide Ltd. ("Dunebridge"), a related party of the Company, in the amount of CAD33,000,000, or the USD equivalent amount (the "Principal Amount").

The Company expects that, combined with the Company's recently completed refinancing transactions announced on February 19, 2025 and March 25, 2025 (the "Refinancing Transactions"), the Proposed WCF will address the majority of the Company's cash flow requirements through the balance of the 2025 calendar year at currently modelled diamond prices. Specifically, the Proposed WCF will allow the Company to finance its near-term share of operational expenses at the Gahcho Kué diamond mine in the Northwest Territories, the joint venture in which the Company holds a 49% interest and its joint venture partner of De Beers Canada Inc. ("De Beers") holds the remaining 51% interest.

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

"Mountain Province is grateful to have the continued support of Mr. Dermot Desmond, through Dunebridge, to meet the Company's current working capital requirements."

Terms of the Proposed WCF

On April 17, 2025, the Company entered into a non-binding term sheet with Dunebridge, setting the terms of the Proposed WCF (the "Term Sheet").

Pursuant to the Term Sheet, the Company may draw down against the Proposed WCF for a period of six months commencing on or about May 16, 2025. The Proposed WCF will mature on June 30, 2026.

Drawn down amounts under the Proposed WCF will be subject to interest at a rate of 10.5% per annum (the "Facility Interest"). Interest at a rate of 7% per annum will be payable on the undrawn amounts (the "Commitment Fee Interest"). The Proposed WCF will have a facility fee of USD\$1 million (the "Facility Fee"), payable in cash on maturity. Interest at a rate of 10.5% per annum will accrue on the Facility Fee from the date of the first draw down on the Proposed WCF. Penalty interest at a rate of 2.5% on top of the Facility

Interest will be payable from December 31, 2025 should the Principal Amount or any part thereof not be repaid on or before December 31, 2025. All interest payments will be calculated on an actual/365 day basis and will be capitalized and compounded quarterly beginning on June 30, 2025. The Principal Amount outstanding must be repaid in full on or before December 31, 2025. The Facility Fee, Facility Interest and Commitment Fee Interest must be paid in full on or before June 30, 2026.

The minimum initial draw down amount on the Proposed WCF is USD10 million, and thereafter, the Company must draw down on the Proposed WCF in increments of at least USD1 million. Any amounts repaid under the Proposed WCF may be re-borrowed on a revolving basis.

During the term of the Proposed WCF, the Company is required to direct all proceeds from its diamond sales to Dunebridge to repay the Principal Amount then outstanding. Proceeds received by Dunebridge in excess of the Principal Amount then outstanding are to be paid to the Company within five (5) business days of receipt of such proceeds.

Subject to settling the definitive terms of the Proposed WCF and the satisfaction of all conditions precedent to funding, including receipt of all regulatory and shareholder approvals, the Proposed WCF is expected to be made available to the Company on or about May 16, 2025, concurrently with the conclusion of the Shareholder Meeting.

There can be no assurance that the Proposed WCF will be completed on the terms described herein or at all, in which case, the Company's future as a going concern will be in serious doubt.

Definitive Documentation

The Proposed WCF will be documented as an amendment (the "WCF Amendment") to the bridge secured facility agreement which the Company entered into with Dunebridge, as lender and administrative agent and the guarantors named therein on February 24, 2025 as part of the Company's recently completed series of refinancing transactions (the "Bridge Facility Agreement"). As such, it is intended that the covenants, events of default and security interests under the Bridge Facility Agreement will apply equally to the Proposed WCF.

Insider and Related Party Participation

Mr. Dermot Desmond, through Vertigol Unlimited Company ("Vertigol"), is the ultimate beneficial holder of 75,446,071 Shares (the "Vertigol Shares"), representing over 35% of the Company's issued and outstanding shares, and accordingly, an "insider" of the Company (as determined under the TSX Company Manual (the "Manual")) and a "related party" (as defined in Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101")). Dunebridge, is also ultimately beneficially held by Mr. Desmond, which makes Dunebridge an affiliate of Vertigol, and therefore an insider of the Company under the Manual and a related party of the Company under MI 61-101. The Proposed WCF does not involve the distribution of any equity in the Company and will not affect Mr. Desmond's current equity position.

Value of the Consideration to Insiders

The Proposed WCF is estimated to result in the payment of consideration to Dunebridge, being the Facility Fee and interest payable on the Proposed WCF, of up to CAD3,647,554 (being the Canadian dollar equivalent of USD2,626,029 as at April 16, 2025) or 31.23% of the market capitalization of the Company based on the market capitalization of CAD11,676,819 as of April 16, 2025, such date being the last full trading day prior to the execution of the Term Sheet.

Such consideration, is based on certain assumptions of management of the Company, including: (a) reasonable estimates as to the proceeds expected from the remaining sales cycles of the Company's diamonds in 2025; (b) that Dunebridge will exercise its right to sweep the proceeds from each of the Company's remaining diamond sales cycles and apply such proceeds to the repayment of the Principal Amount then outstanding; (c) that the Company will re-borrow the Principal Amount so repaid within five (5) business days of each such repayment, such that the Company will incur the Commitment Fee Interest during such five-business day period; (d) the foreign exchange rate of 1.3890 as at April 16, 2025,

contemplated at the time of such assumptions; as published by the Bank of Canada, and (e) that the Company will repay the Principal Amount on or prior to December 31, 2025.

The Company previously disclosed that the Refinancing Transactions would result in consideration to the insiders and related parties involved in the Refinancing Transactions of up to 229.14% of the market capitalization of the Company as of February 21, 2025. Together, the total consideration to insiders and related parties of the Company under the Refinancing Transactions and the Proposed WCF is expected to be up to 260.37% of the market capitalization of the Company.

Review and Approval Process

The Proposed WCF was considered by the same special committee (the "Special Committee") of independent directors of the Company (the "Board") created to consider the Refinancing Transaction. The Special Committee reviewed the Term Sheet, and upon input from Ernst & Young LLP, as financial advisor, owing in material part to the financial condition of the Company, and various other factors, recommended that the Board approve the Proposed WCF, enter into the Term Sheet and that management of the Company proceed with negotiating the definitive terms of the WCF Amendment.

Disinterested Shareholder Approval Requirements

The Proposed WCF requires disinterested shareholder approval pursuant to section 501(c) of the TSX Company Manual as the aggregate value of the consideration to insiders or related parties of the Company under the Proposed WCF and the Refinancing Transactions exceed 10% of the market capitalization of the Company.

To meet the TSX's disinterested shareholder approval requirements, the Company requires the approval of a simple majority of the votes cast on the WCF Resolution by Shareholders attending the Meeting virtually or by proxy, with the votes attached to the Vertigol Shares excluded from such vote on the WCF Resolution

The Proposed WCF is also subject to the final acceptance of the TSX under Section 501(c) of the Manual and is conditional upon receipt of the disinterested shareholder approval in accordance with the Manual.

Similarly, under MI 61-101, the Proposed WCF, as a related party transaction, requires the approval of a majority of the votes cast by Shareholders attending the Meeting virtually or by proxy, excluding from such vote Shares beneficially owned, or over which control or direction is exercised by certain prescribed persons (the "MI 61-101 Minority Shareholder Approval Requirement").

Shares held by any person who is a related party of Dunebridge (subject to certain exclusions), will be excluded for the purposes of calculating the requisite Shareholder approval on the WCF Resolution to meet the MI 61-101 Minority Shareholder Approval Requirement. For this purpose, the Vertigol Shares, 623,792 Shares held by Mr. Jonathan Comerford, 30,000 Shares held by Mr. Brett Desmond and 352,624 Shares held by Arkendale Investments Ltd. (a company that is beneficially controlled by Mr. Brett Desmond), representing in the aggregate a 36.0% interest in the Company, will be excluded from the vote on the WCF Resolution for the purposes of MI 61-101.

Right of First Refusal

The Proposed WCF is subject to the amended and restated indenture (the "A&R Indenture") entered into between Computershare Trust Company, N.A., the Company and the guarantors named therein on March 18, 2025 in respect of the Company's Senior Secured Second Lien Notes due 2027 (the "Second Lien Notes"). Under the A&R Indenture, the Company is prohibited from entering into any "working capital facility" (which includes the Proposed WCF), without first providing notice to holders of the Second Lien Notes (the "Noteholders") in accordance with the procedures in the A&R Indenture (the "ROFR Process"). The Noteholders who are entitled to participate in the ROFR Process notified the Company that they do not wish to participate in the Proposed WCF.

Annual and Special Meeting of Shareholders

Only holders of Shares of record as of the close of business on April 10, 2025, the record date for the Meeting, are entitled to receive notice of, attend (virtually) and vote at, the Meeting. Non-registered Shareholders (holders who hold their Shares through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary) must appoint themselves as a proxyholder to be able to participate, vote and ask questions at the Meeting. Detailed instructions on how to participate, vote and ask questions at the Meeting are included in the Meeting Materials.

About Mountain Province Diamonds Inc.

Mountain Province Diamonds is a 49% participant with De Beers in the GK 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 96,000 hectares of highly prospective mineral claims and leases surrounding the GK Mine that include an indicated mineral resource for the Kelvin kimberlite and inferred mineral resources for the Faraday kimberlites.

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: the timing of the Meeting, the terms of the Proposed WCF; the anticipated benefits of the Proposed WCF on the Company's cash flow position; the expected outcome on the ability of the Company to continue as a going concern if the Proposed WCF is not consummated; the use of proceeds from diamond sales; expectations as to how the Proposed WCF will be drawn down and repaid; disinterested shareholder approval requirements under the Manual and MI 61-101 and the value of the consideration to insiders and related parties. 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; satisfaction of the conditions acceptable to the parties; 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. The forward-looking information contained in this news release is expressly qualified by this cautionary statement.

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