

Mountain Province to acquire 33.5% interest in Camphor

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Mr. Patrick Evans of Mountain Province reports

MOUNTAIN PROVINCE TO ACQUIRE 33.5 PERCENT OF CAMPHOR VENTURES INC.

Mountain Province Diamonds Inc. has reached a binding agreement to acquire 4,892,750 common shares of Camphor Venture Inc., representing approximately 33.5 per cent of the issued and outstanding common shares of Camphor. The acquisition will be undertaken through a private agreement exempt share exchange with five Camphor shareholders. The Camphor shares will be acquired on the basis of 39.75 Mountain Province shares for each 100 Camphor shares, resulting in the issuance of 1,944,868 Mountain Province common shares following all necessary regulatory filings.

Mountain Province and Camphor are joint venture partners with De Beers Canada Inc. in the Gahcho Kue diamond project, located in Canada's Northwest Territories. De Beers is also the operator of the project and solely responsible for financing the project through to commercial production. Mountain Province has a 44.1-per-cent interest in the joint venture; Camphor 4.9-per-cent interest; and De Beers 51-per-cent interest. By completing a bankable feasibility study, De Beers has the right to increase its interest to 55 per cent. Following construction and commissioning of a commercial mine, De Beers will have the right to increase its interest to 60 per cent.

Gahcho Kue is one of the largest new diamond mines under development globally. The project consists of a cluster of three primary kimberlites with an indicated resource of approximately 14.4 million tonnes grading at 1.64 carats per tonne (approximately 23.6 million carats) and an inferred resource of approximately 17 million tonnes grading at 1.35 carats per tonne (approximately 22.9 million carats). Gahcho Kue is currently in the permitting and advanced exploration stage of development. The Gahcho Kue diamond mine is projected to have a life in excess of 20 years, with full production of more than three million carats each year over 15 years.

We seek Safe Harbor.