

Mountain Province Diamonds Announces Mailing of Meeting Materials For Annual and Special Meeting of Shareholders, Seeks Approvals to Facilitate Potential Restructuring Transaction

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TSX and OTC: MPVD

[Mountain Province Diamonds Inc.](#) ("Mountain Province" or the "Corporation") (TSX: MPVD) (OTC: MPVD) announces today that the Corporation has sent and filed, using notice-and-access, 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 Corporation (the "Shares") in connection with the annual and special meeting of Shareholders to be held virtually at meetnow.global/MZKFR7U at 11:00 a.m. (Eastern Time) on June 30, 2026 (the "Meeting").

The Meeting Materials will be filed on the Corporation's SEDAR+ profile at www.sedarplus.ca and will be accessible on the Corporation's website at www.mountainprovince.com.

In addition to the routine annual meeting matters, at the Meeting, Shareholders will be asked to: (i) re-approve the Corporation's long-term equity incentive plan as required under the TSX Company Manual (the "Manual"); (ii) approve an ordinary resolution (the "Facility Fee Resolution") approving a US\$1,000,000 facility fee (the "Facility Fee"); (iii) approve an ordinary resolution (the "Delisting Resolution") approving the voluntary delisting of the Shares (the "Delisting") from the Toronto Stock Exchange ("TSX"); and (iv) approve a special resolution (the "Continuance Resolution") authorizing the continuance of the Corporation (the "Continuance") in British Columbia as a company continued under the Business Corporations Act (British Columbia) ("BCBCA") from Ontario under the Business Corporations Act (Ontario) ("OBCA") .

The purpose of the Delisting and/or the Continuance is to, if effected, facilitate a potential restructuring transaction involving the Corporation, its creditors and its securityholders, including Shareholders. Such a restructuring transaction may include a consolidation of the Shares that could, as a result, effectively take the Corporation private (a "going-private transaction"). The ratio and terms upon which the Corporation may effect a consolidation of its Shares has not been determined; however a consolidation of the Shares could have the effect of eliminating the shareholdings of a considerable number of Shareholders, who could receive little or no compensation for their Shares.

The Delisting and/or the Continuance would provide the Corporation with greater flexibility and agility to pursue a restructuring transaction, including a share consolidation or a going-private transaction, expeditiously, should such a transaction be determined to be in the best interests of the Corporation and its stakeholders, including Shareholders.

Facility Fee

A bridge credit facility agreement among Dunebridge Worldwide Ltd. ("Dunebridge"), as lender, and the Corporation, as borrower, and the guarantors named therein, which was originally entered into on February 24, 2025 provided for USD\$30 million in immediately available funds to the Corporation (the "Original Bridge Term Facility"). Pursuant to the terms and conditions of the amended and restated bridge loan agreement (the "A&R Bridge Facility Agreement") dated May 13, 2025, as further amended on July 25, 2025, November 18, 2025, March 17, 2026 and April 30, 2026, among Dunebridge, the Corporation, and the guarantors named therein, the Corporation agreed to the Facility Fee as consideration for the US\$10,000,000 increase

in the size of the bridge term credit facility (the "Additional Bridge Term Facility" and together with the Original Bridge Term Facility, the "Bridge Term Facility") on July 25, 2025. Pursuant to the A&R Bridge Facility Agreement, upon Shareholder approval of the Facility Fee Resolution, the Facility Fee will automatically become due and payable on the maturity of the Additional Bridge Term Facility.

Insider and Related Party Participation

Dunebridge and Vertigol Unlimited Company ("Vertigol") are ultimately beneficially held by Mr. Dermot Desmond. Based on the information known to the Corporation, Vertigol holds 75,446,071 Shares (the "Vertigol Shares"), representing approximately 35.5% of the Shares. Accordingly, Vertigol and Dunebridge are each considered an "insider" of the Corporation (under the Manual) and a "related party" (as defined in and under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101")).

Board Review and Approval Process

The Facility Fee was considered as part of the initial approval for the Additional Bridge Term Facility by a special committee (the "Special Committee") of independent directors of the Corporation created to review, consider and evaluate the Corporation's financial situation and potential sources of capital. The Special Committee reviewed the terms of the A&R Bridge Facility Agreement, and upon input from the Corporation's financial advisor, owing in material part to the financial condition of the Corporation, and various other factors, determined the Additional Bridge Term Facility (including the Facility Fee) to be commercially reasonable and unanimously recommended that the board of directors (the "Board") approve and authorize the Corporation to enter into the A&R Bridge Facility Agreement.

In making its recommendation to the Board to approve the Additional Bridge Term Facility, and in particular, the Facility Fee, the Special Committee carefully considered, among other things, the following factors:

1. **The Facility Fee.** The quantum of the Facility Fee of USD\$1 million in respect of the Additional Bridge Term Facility principal of approximately USD\$10 million may in isolation be considered high; however, the aggregate of the first facility fee of USD\$1 million payable on the Original Bridge Term Facility (the "First Facility Fee") and the Facility Fee, being USD\$2 million in total, should be viewed against the total borrowing of USD\$40 million under the Bridge Term Facility and the risk associated with the same. The Facility Fee is also reasonably proportionate to the first facility fee of USD\$1 million, which also included the issuance of 10 million common share purchase warrants to Dunebridge.
2. **Financial Position of the Corporation.** If the Corporation did not enter into the A&R Bridge Facility Agreement or find an alternative source of working capital for its operations, the Corporation would be in default under the amended and restated joint venture agreement ("New JVA") with De Beers Canada Inc. ("De Beers") and cross-default under its other debt obligations. The Facility Fee is reasonable consideration to Dunebridge in the circumstances for loaning the Additional Bridge Term Facility to allow the Corporation to avoid such default and cross-default.
3. **Lack of Alternative Financing Options Available to the Corporation.** The combination of the restrictions contained in the certain payment and security agreement (the "Payment Agreement") entered into with De Beers, the Corporation's capital structure and existing secured indebtedness rendered it unlikely that the Corporation could find alternative financing on the same or better terms than the Additional Bridge Term Facility (including the Facility Fee) within the necessary timeframe.
4. **Contractual Obligation.** The Corporation is contractually obligated under the A&R Bridge Term Facility Agreement, by the rules of the TSX and the conditional approval of the TSX ("Conditional Approval") in respect of the Additional Bridge Term Facility to seek Disinterested Shareholder Approval (as defined below) for the Facility Fee.
5. **TSX Disinterested Shareholder Approval and MI 61-101 Minority Shareholder Approval.** The Facility Fee Resolution must receive Disinterested Shareholder Approval.
6. **Other Matters.** The Special Committee considered all other matters deemed relevant in their discretion.

Further to the recommendation of the Special Committee and after considering the best interests of the Corporation, the directors of the Board (other than Mr. Comerford and Mr. Brett Desmond who recused

themselves due to a conflict of interest) unanimously approved the Facility Fee and will recommend in the Meeting Materials that Shareholders vote FOR the Facility Fee Resolution.

Shareholder Approval Requirements

Under the rules and policies of the TSX and pursuant to the Conditional Approval in respect of the Additional Bridge Term Facility, the Corporation is required to obtain the approval of a simple majority of the votes cast on the Facility Fee Resolution by Shareholders attending the Meeting, virtually or by proxy, with the votes attached to the Vertigol Shares excluded from such vote on the Facility Fee Resolution ("TSX Disinterested Shareholder Approval").

Similarly, under MI 61-101, the Facility Fee, which will be added to the principal amount owing under the Additional Bridge Term Facility, constitutes a loan from a related party, and 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" and together with TSX Disinterested Shareholder Approval, "Disinterested Shareholder Approval"). Shares held by any person who is a related party of Dunebridge will be excluded for the purposes of calculating the requisite Shareholder approval on the Facility Fee Resolution to meet the MI 61-101 Minority Shareholder Approval Requirement. For this purpose, the Vertigol Shares, 707,826 Shares held by Mr. Comerford, 30,000 Shares held by Mr. Brett Desmond and 352,624 Shares held by Arkendale Investments Ltd. (which is ultimately beneficially controlled by Mr. Brett Desmond), representing in the aggregate approximately 36.0% of the Shares will be excluded from the vote on the Facility Fee Resolution for the purposes of MI 61-101.

Voluntary Delisting and Continuance

Mountain Province has experienced, and continues to experience, serious financial difficulties that have, as disclosed previously in the Corporation's public disclosure record, required the Corporation to take various actions to manage its liquidity, service its debt obligations, and attempt to restore long-term stability. The Corporation's outstanding indebtedness is substantial. As at the end of the Corporation's three-month interim financial period ended March 31, 2026, the Corporation had minimal cash on hand of approximately CAD\$219,000 and indebtedness (excluding unpaid interest) totaling approximately USD\$290.6 million.

Unless otherwise extended or waived, on June 15, 2026, the Corporation's deferred interest payment on the 9.00% senior secured notes due December 15, 2027, an estimated US\$26,152,000, will become due on such date. Further, on or prior to June 30, 2026, under the Payment Agreement, the Corporation is required to pay De Beers, as operator of the Gahcho Kué diamond mine (the "GK Mine"), 33% of the Corporation's remaining reclamation payments, which are an estimated CAD\$33,000,000.

The Corporation has also received in-kind election notices (each an "IKE Notice" and together, the "IKE Notices") from De Beers under the New JVA pursuant to which De Beers has elected to exercise its right to effectively garnish 2435386 Ontario Inc.'s ("386") share of diamonds and the proceeds from the sale of such diamonds. As of May 19, 2026, the date of the Circular, the total amount owing under such IKE Notices is CAD\$132,217,352 (inclusive of interest), being the amount by which the Corporation is in arrears of its cash call obligations under the New JVA. As at the date of this news release, the total amount owing under such IKE Notices is CAD\$129,493,590 (inclusive of interest). Dependent upon future selling price, 386's share of the proceeds from the sale of diamonds recovered from the GK Mine may not be sufficient to satisfy the outstanding IKE Notices and the Corporation anticipates continuing to incur cash call arrears until at least the year end.

As disclosed in the Corporation's news release dated May 1, 2026, the Corporation entered into the purchase and sale agreement (the "Diamond Purchase and Sale Agreement") with 386 and Mr. Dermot Desmond, pursuant to which, the Corporation sold its right, title and interest to US\$999,999 of receivables from the sale of its share of diamonds from the GK Mine (the "Purchased Receivables") to Mr. Dermot Desmond for a purchase price of US\$833,000. The proceeds from the sale of the Purchased Receivables has provided the Corporation with short-term relief; however, the Corporation is actively and constructively engaging with all key stakeholders, including De Beers, creditors, and relevant government authorities, to preserve liquidity and identify a path forward, including a potential restructuring transaction.

The rules and policies of the TSX and the OBCA impose certain procedural constraints on transactions of

this nature, including being subject to the approval of the TSX, shareholder approval, valuation and other requirements that would pose an undue regulatory and financial burden on the Corporation to meet such requirements. By delisting from the TSX and continuing from the OBCA to the BCBCA, the Corporation would obtain greater flexibility to structure and implement a restructuring transaction, including a share consolidation and/or a "going-private" transaction, in a manner that is responsive to the Corporation's financial situation. The Delisting and/or the Continuance are expected to also relieve the financial and time burden on the Corporation associated with preparing for and obtaining such approvals, in making such applications and in complying with such other requirements.

Assuming the Corporation receives the approval of the TSX and the Delisting Resolution is approved by Shareholders, implementation of the Delisting is conditional upon the Board, in its sole discretion, making a final determination that such Delisting is in the best interests of Mountain Province and its stakeholders, including Shareholders, given the circumstances of the Corporation at such time. The Board shall maintain full discretion as to when, and if, the Delisting shall be completed. Pursuant to the Manual, the effective date of the Delisting will not be earlier than the 10th business day following the later of: (i) dissemination of a press release pre-cleared by the TSX announcing the Delisting; and (ii) the Corporation having obtained Shareholder approval for the Delisting.

If the Continuance Resolution is approved by Shareholders, the Continuance will take place at an appropriate time to be determined by the Board at its sole discretion and once all regulatory approvals are obtained.

Board Review and Approval Process

After giving due consideration to discussions with the Special Committee's financial advisor and the Corporation's legal counsel, and various other factors, including the potential impact of the Delisting and the Continuance on Shareholders and other stakeholders, the Special Committee unanimously determined the Delisting and Continuance represent a possible viable path forward for the Corporation and unanimously recommended that the Board approve and authorize the Corporation to complete the Delisting and the Continuance.

In making its recommendation, the Special Committee carefully considered, among other things, the following factors:

1. Flexibility to Pursue a Restructuring Transaction, Including a Share Consolidation or Going-Private Transaction. A going-private transaction, likely by way of a share consolidation, could represent a viable path forward for the Corporation given its constrained liquidity position, substantial debt obligations, and the limited strategic alternatives available. The Delisting and Continuance would enable the Corporation to pursue and complete such a transaction with reduced structural and regulatory constraints. By delisting from the TSX and continuing from the OBCA to the BCBCA, the Corporation would obtain greater flexibility to structure and implement a transaction in a manner that is responsive to the Corporation's urgent financial situation.
2. Limited or No Equity Value in the Shares. Management of the Corporation expects that a valuation of the Corporation will reflect that there is little to no equity value in the Shares of the Corporation.
3. Duty to Act in Corporation's Best Interest and In Accordance with Fiduciary Obligations. If the Corporation continues as a company under the BCBCA, the Board, in pursuing any restructuring transaction, including a share consolidation or restructuring transaction, is, among other things, required to act honestly and in good faith with a view to the best interests of the Corporation, and to abide their by fiduciary obligations to the Corporation.
4. TSX Disinterested Shareholder Approval. The Delisting Resolution must receive TSX Disinterested Shareholder Approval.
5. Dissent Rights. Registered Shareholders are entitled to exercise dissent rights under the OBCA in respect of the Continuance Resolution.

6. Cost Savings and Resource Reallocation. The Corporation has experienced, and continues to experience, significant financial difficulties. By completing the Delisting, the Corporation would eliminate or substantially reduce the costs of maintaining a listing on the TSX and associated administrative requirements, thereby reallocating those resources toward addressing its operational and financial challenges, including its material debt obligations and ongoing liquidity constraints.
7. Other Matters. The Special Committee considered all other matters deemed relevant in their discretion.

Accordingly, the Board (other than Mr. Comerford and Mr. Desmond who recused themselves due to a conflict of interest) unanimously approved the Delisting and the Continuance and will recommend in the Meeting Materials that Shareholders vote FOR the Delisting Resolution and the Continuance Resolution.

Shareholder Approval Requirements

Delisting

The Delisting Resolution must be approved by a simple majority of the Shareholders attending the Meeting, virtually or by proxy, with the votes attached to the Vertigol Shares excluded from such vote on the Delisting Resolution.

The Delisting is subject to the approval of the TSX.

Continuance

Pursuant to the OBCA, to be effective, the Continuance Resolution requires the affirmative vote of not less than two-thirds of the votes cast by Shareholders attending the Meeting, virtually or by proxy.

The Continuance is also subject to the consent of the Ontario Securities Commission and the authorization of the Ontario Ministry of Finance under the OBCA.

Annual and Special Meeting of Shareholders

Only Shareholders of record as of the close of business on May 15, 2026, 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.

Election of Directors

Brett Desmond and Jonathan Comerford have each indicated they will stand for re-election at the Meeting. However, Karen Goracke and Daniel Johnson, the two independent directors of the Corporation have each indicated that they will not stand for re-election. Additionally, Jeff Swinoga resigned from the Board on March 27, 2026.

The Corporation has determined that the number of directors to be elected at the Meeting shall remain at five and is currently conducting a search for up to three independent replacement directors to fill the vacancies as expeditiously as possible. Until such time as such additional directors are appointed, the Corporation will not have any independent directors.

Auditor

On May 6, 2026, following a mutual decision of the Corporation and KPMG LLP, Chartered Accountants

("KPMG") that KPMG not be proposed for re-appointment as the Corporation's auditor at the Meeting, KPMG resigned as auditor of the Corporation. In accordance with the OBCA, the Board intends to fill the auditor vacancy in due course, with such auditor to be appointed by Shareholders at the Corporation's next annual general meeting. Accordingly, at the Meeting, Shareholders will be asked to authorize the directors of Mountain Province to fix the remuneration of any such auditor that is appointed by the Board to fill the casual vacancy

About Mountain Province Diamonds Inc.

Mountain Province is a 49% participant with De Beers in the GK Mine located in Canada's Northwest Territories. The GK Mine joint venture property consists of several kimberlites that are actively being mined, developed, and explored for future development. The Corporation 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 and to receive news releases by email, visit the Corporation'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 Facility Fee and Additional Bridge Term Facility; the risk of default under the New JVA and cross default across the Corporation's existing credit facilities if the Facility Fee is not paid on or prior to the maturity date under the Bridge Term Facility; the anticipated insufficiency thereof to satisfy outstanding IKE Notices and anticipated continued cash call arrears under the New JVA; the scheduling and payment of the remaining reclamation payments under the Payment Agreement; the anticipated benefits of the Delisting and the Continuance on the Corporation's ability to pursue strategic alternatives, including a potential restructuring or "going-private" transaction; the expected timing of the Delisting from the TSX; the expected timing of the Continuance; the potential impact of the Delisting and the Continuance on Shareholders and other stakeholders; the anticipated benefits of the Delisting and the Continuance, including cost savings, increased flexibility to pursue a going-private transaction and reduced regulatory constraint; disinterested shareholder approval requirements under the Manual and MI 61-101; the Corporation's search for up to three replacement directors as expeditiously as possible; and the intention of the Board to fill the auditor vacancy in due course. 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 Corporation's ability to obtain required regulatory approvals, including approval of the TSX for the Delisting; the Corporation's ability to obtain required shareholder approvals for the Facility Fee Resolution, the Delisting Resolution and the Continuance Resolution; the Corporation's ability to successfully implement the Delisting and the Continuance; the Corporation's ability to pursue and complete a potential "going-private" transaction or other strategic alternatives; the Corporation's ongoing financial difficulties, including its ability to manage liquidity, service its debt obligations and restore long-term stability; uncertainty regarding the impact of the Delisting and the Continuance on Shareholders and other stakeholders; the Corporation's ability to satisfy the conditions under the A&R Bridge Facility Agreement; the ability of the Corporation to find up to three replacement directors; the ability of the Board to fill the auditor vacancy in due course; changes in market conditions affecting the diamond industry; and general economic and business conditions.

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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