

# Mountain Province Diamonds Addresses Near Term Liquidity Position with Asset Sale and Receives Extensions on Financial Obligations

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TSX and OTC: MPVD

[Mountain Province Diamonds Inc.](#) ("Mountain Province" or the "Company") (TSX: MPVD) and (OTC: MPVD) announces today that it has completed a series of transactions to strengthen its near-term liquidity position and extend key financial obligations to position the Company for a broader restructuring or refinancing transaction in the near-term.

Specifically, the Company has (a) sold its right, title and interest to up to US\$5,000,000 of receivables (the "Purchased Receivables") from the sale of its share of diamonds from the Gahcho Kué diamond mine (the "GK Mine") in the Northwest Territories for a purchase price of up to US\$4,166,667 to Mr. Dermot Desmond ("Mr. Desmond"), a related party of the Company; (b) extended the June 30, 2026 payment date for the decommissioning fund with De Beers Canada Inc. ("De Beers") to September 30, 2026; (c) extended the maturity date on its term loan and the principal repayment date under the working capital facility to September 30, 2026; and (d) received a waiver and deferral of the June 15, 2026 coupon payment from the holders (the "Noteholders") of the Company's senior secured lien notes due December 2027 (the "Second Lien Notes") to December 15, 2026.

## Sale of Receivables

The Company announces today that it has sold the Purchased Receivables to which 2435386 Ontario Inc. ("386"), a wholly owned subsidiary of the Company, is entitled under its 49% joint venture interest in GK Mine, to Mr. Desmond under a purchase and sale agreement between the Company, 386 and Mr. Desmond (the "Purchase and Sale Agreement"). The Purchased Receivables may be purchased by Mr. Desmond in one or more tranches at a purchase price equal to 83.3% of the underlying value of the Purchased Receivables. Proceeds from the sale of the Purchased Receivables will be used by the Company to cover operating expenses to allow the Company to continue operations in the near term while the Company reviews its strategic alternatives.

The rights of Mr. Desmond to payment of Purchased Receivables are subject to the rights of De Beers to such Purchased Receivables under the in-kind election notices (each, an "IKE Notice") received to date from De Beers to effectively garnish 386's portion of the diamonds from the GK Mine under the amended and restated joint venture agreement between the Company, 386 and De Beers dated March 18, 2025 (the "JVA").

The Company and De Beers continue to discuss how best to address the cash flow matters and manage the joint venture going forward given the current market conditions, including continued constrained pricing of rough diamonds, which is felt to be largely attributable to the outstanding formal resolution of applicable tariff rates between USA and India, and the conflict in the Middle East. In order to allow these discussions to continue, De Beers continues to issue a new IKE Notice to the extent any prior IKE Notice is not fully paid by the applicable due date, such that the unpaid balance will be payable in 60 days from the date of the new IKE Notice.

## Reclamation Payment Date Extension

The Company has also entered into an amending agreement (the "Payment Amendment") with De Beers and 386 to extend the first payment date (the "First Reclamation Payment") for the Company's portion of the

pool of funds established to cover decommissioning costs (the "Reclamation Obligations") associated with the GK Mine from June 30, 2026 to September 30, 2026. The Payment Amendment amends the payment and security agreement dated February 24, 2025 (the "Payment Agreement") entered into among the Company, 386 and De Beers, pursuant to which the parties agreed on a payment schedule for the Company's estimated portion of the Reclamation Obligations under the existing joint venture with De Beers. The First Reclamation Payment represents approximately one third of the Company's remaining Reclamation Obligations to De Beers, with subsequent payments due in June of the next two calendar years in accordance with the Payment Agreement.

#### Fifth Amending Agreement

The Company has entered into a fifth amending agreement (the "Fifth Amending Agreement") with Dunebridge Worldwide Ltd. ("Dunebridge"), a related party of the Company, as administrative agent, security trustee and lender thereunder, extending the maturity date on the US\$40 million term loan facility (the "Term Loan") and the date for repayment of the principal amount of the C\$33 million working capital facility (the "WCF") from June 30, 2026 to September 30, 2026. The WCF and Term Loan are governed by the amended and restated bridge credit facility agreement (the "A&R Bridge Facility Agreement") dated May 13, 2025, as further amended by amendment no. 1, amendment no. 2, amendment no. 3 and amendment no. 4 dated July 25, 2025, November 18, 2025, March 17, 2026, and April 30, 2026, respectively.

Pursuant to the Fifth Amending Agreement, the Company also received a waiver and consent from Dunebridge for: (a) the sale of the Purchased Receivables; (b) the potential voluntary delisting (the "Delisting") of the Company's common shares from the Toronto Stock Exchange (the "TSX"); and (c) the potential continuance (the "Continuance") of the Company as a corporation incorporated under the Business Corporations Act (Ontario) to a company continued under the Business Corporations Act (British Columbia). A consent and waiver from Dunebridge under the junior secured credit facility agreement dated March 28, 2022 (the "Junior Loan Agreement") was also received by the Company for the Delisting, the Continuance and the sale of the Purchased Receivables. Under the terms of the A&R Bridge Facility Agreement and the Junior Loan Agreement, the waiver of breach and consent from Dunebridge is required for the sale of the Purchased Receivables, the Delisting and the Continuance.

For further information on the Delisting and Continuance see the Company's news release dated May 26, 2026 and its management information circular dated May 19, 2026, both of which are available on the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

#### Consent and Waiver of Default from Noteholders

Pursuant to the amended and restated indenture dated March 18, 2025 (the "Indenture") among the Company, the guarantors named therein and Computershare Trust Company N.A., as trustee, collateral agent, paying agent, transfer agent and registrar of the Second Lien Notes, interest on the Second Lien Notes at a rate equal to 9.6075% per annum (the "Interest Rate"), accruing from December 15, 2024, is due and payable on June 15, 2026 (the "Original Payment Date").

The Company has received a waiver and consent (the "Waiver and Consent") from Noteholders where Noteholders have agreed to waive payment of the interest owing on the Second Lien Notes on the Original Payment Date to December 15, 2026 (the "Interest Deferral Period") and any default or event of default arising from the Company's failure to pay the amount of interest owing on the Second Lien Notes during the Interest Deferral Period. Interest will continue to accrue on the Second Lien Notes during the Interest Deferral Period at the Interest Rate.

The Waiver and Consent also confirms Noteholders' consent to the sale of the Purchased Receivables and the Payment Amendment, as such consent is required under the Indenture.

#### Review and Approval Process

The Fifth Amending Agreement and the Purchase and Sale Agreement were considered by the same special committee (the "Special Committee") of independent directors of the Company (the "Board") created to consider the WCF, and other previously announced refinancing transactions involving Dunebridge and Mr.

Desmond, each related parties of the Company. The Special Committee reviewed the Fifth Amending Agreement and the Purchase and Sale Agreement and, owing in material part to the financial condition of the Company and various other factors, recommended that the Board approve the Fifth Amending Agreement and the Purchase and Sale Agreement.

The Board received the recommendation of the Special Committee and unanimously approved the Fifth Amending Agreement and the Purchase and Sale Agreement. Two members of the Board, Mr. Jonathan Comerford and Mr. Brett Desmond, having declared conflicts of interest, abstained from voting on the Fifth Amending Agreement and the Purchase and Sale Agreement.

Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions - Exemption for Financial Difficulty

Vertigol Unlimited Company ("Vertigol") is the beneficial holder of 75,446,071 shares of the Company, which represents over 35% of the Company's issued and outstanding shares. Mr. Desmond is the ultimate beneficial owner of Vertigol and accordingly, both Vertigol and Mr. Desmond are 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 owned by Mr. Desmond, which makes Dunebridge an affiliate of Vertigol, and a related party of the Company under MI 61-101.

Neither the Fifth Amending Agreement nor the Purchase and Sale Agreement affect the shareholdings of any of Vertigol, Mr. Desmond or Dunebridge. The execution and delivery of the Fifth Amending Agreement and the Purchase and Sale Agreement constitute "related party transactions" within the meaning of MI 61-101 on the basis that the Fifth Amending Agreement materially amends the terms of an outstanding credit facility with a related party and pursuant to the Purchase and Sale Agreement the Company is selling an asset to a related party. The Company is relying on the exemption from the formal valuation and minority shareholder approval requirements applicable to a related party transaction provided under section 5.5(g) and 5.7(1)(e) of MI 61-101 on the grounds that the Company is in serious financial difficulty, that the Fifth Amending Agreement and Purchase and Sale Agreement are each designed to improve the financial position of the Company and that the Board, acting in good faith, and all of the Company's independent directors, acting in good faith determined that, the terms of both agreements are reasonable given the financial difficulties that the Company is facing.

Jonathan Comerford, the Company's President, and Chief Executive Officer, commented:

The global diamond market remains under sustained pressure, with ongoing U.S. tariff measures continuing to weigh on demand, particularly across key consumer markets. More recently, the conflict in the Middle East has added further uncertainty to the global outlook, compounding an already weak pricing environment and continuing to place material pressure on the Company's cash flow.

The measures announced today, including the sale of receivables and the extension and deferral of key financial obligations, provide the Company with important near-term liquidity and additional breathing space. This support allows us to continue operating while we work with our key stakeholders towards a broader restructuring or refinancing of the business. I am very grateful to our joint venture partner, lenders and noteholders for their continued support during this period.

We are actively pursuing financial support through the Federal government's Canada Enterprise Emergency Funding Corporation ("CEEFC"), including its Large Enterprise Emergency Funding Facility for companies impacted by tariffs. We appreciate the Federal Government's consideration of our application and its support for the Canadian and Northwest Territories diamond industry more broadly. Securing this support is a critical priority for the Company. It is a necessary step to enable a comprehensive restructuring of the Company's historic debt with our joint venture partner and noteholders and is fundamental to the Company's ability to stabilise its financial position and continue as a going concern.

We remain actively and constructively engaged with all key stakeholders and expect to provide a further update as these discussions progress.

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 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](http://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 maturity date under the Term Loan and the payment date under the WCF; the potential Delisting and Continuance; the timing of the payments for the Purchased Receivables and the anticipated proceeds from diamond sales and the exercise of De Beers' rights under the JVA; the timing of the payment of the Reclamation Obligations; the timing of the interest payment; and the Company's CEEFC application.

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 risk that De Beers commences enforcement under the JVA and accelerates other amounts due to it; the risk that proceeds of diamond sales being less than anticipated, the risk that De Beers issues an event of default notice under the JVA (rather than an IKE Notice) in respect of future call arrears; the risk that the Company does not receive financial support through CEEFC; risks relating to the 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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