

Open Letter to Shareholders of Blue Moon Metals Inc: McClintock Group Urges Swift Leadership Change to Combat Massive Value Destruction and Underperformance

27.04.2023 | [CNW](#)

- Progress of the Company and its flagship Blue Moon Project are being impeded by recent actions of the current Management and Board of Directors.
- We, as major shareholders, are concerned that there may be plans to sell the Blue Moon Project at a significant discount to its fair market value.
- We are frustrated that our concerns and suggestions over the past ten months regarding the current state of the Company and issues pertaining to corporate and governance matters are being ignored.
- We believe it is time for change in order to reverse the current underperformance and to boost the value of our Company and its main asset.
- We as the McClintock Group are fully committed and prepared to take over leadership of the company with a solid business and work plan to get the Company back on track.

VANCOUVER, April 27, 2023 - The McClintock Group (info@McclintockGroup.ca) led by Michael McClintock and John McClintock are writing an open letter to shareholders of [Blue Moon Metals Inc.](#) (TSXV: MOON) "Company" or "Blue Moon", in our position as substantial shareholders of our Company, holding over 13% of the outstanding shares and representing support of an additional 5% of the outstanding shares. We have deep concerns regarding the current state of affairs at our Company and, as two of the largest shareholders, we believe it is our duty to bring to your attention the main issues causing us concern.

We are fully aligned with your interests and know from speaking with a number of you, that many share our concerns over the recent actions of our Company, all of which were authorized and implemented by the current Board of Directors. We are of the view that collectively, these actions give rise to serious concerns regarding the governance and operation of the Company for the benefit of its shareholders.

Over the past ten months, we have been actively working and offering resources to assist the Company in addressing our concerns and have tried on multiple occasions to engage the Board directly without adequate resolution.

In addition to the declining share price, we believe that there is a risk that the Board is not taking the necessary steps to market and advance our Company's principal asset, the Blue Moon Project, located in California, USA (the "Blue Moon Project"). We communicated our concerns directly to the Board in a letter dated March 3, 2023 to which we have not yet received a formal response. Prior to this, on multiple occasions, we raised a number of these concerns with the Board including the trend of dilutive and discounted equity financings and the potential impact of the recent coordinated and, in our view, unnecessary roll-back on shareholders. Contact on these specific matters with the Independent Directors has not resulted in our concerns being taken seriously.

Potential Sale of Blue Moon at a Discount

First and foremost, we are deeply concerned the Board may be contemplating a potential sale of the Blue Moon Project for well below its market value. All shareholders should expect that members of the Board will conduct themselves in a manner that complies with their fiduciary obligations and prudent business practices, including taking necessary steps to maintain the project and realize maximum value from its further development or sale. In our recent letter we advised the Board that in order to preserve shareholder value, we would closely monitor any proposed transaction in the event the project was marketed for sale at a price that is below fair-market value. We believe that the Blue Moon Project represents a critical component of our Company's success and selling it at a low price would be a disservice to all shareholders.

Unnecessary Share Roll-Back

We are troubled by the recent completion of the non-brokered private placement and 1:10 rollback of outstanding shares as detailed in the Company's press release and material change report, dated February 13, 2023. This action resulted in a significant dilution of shareholder value, which was further exacerbated by a 50% drop in the share price immediately following the announcement. In addition, the financing completed concurrently with the roll-back issued new voting shares to parties friendly to the Company's current CEO. It is also important to note that our Company's share price has declined 20% from an already low post-consolidation price of \$0.10 to a recent closing price of \$0.08 on April 25, 2023 for a market capitalization of only \$1.3 million Canadian Dollars - well below any reasonable fair-value estimate for the Blue Moon Project. This action follows a trend of dilutive financings over the past several years without

attracting longer term strategic investors.

Lack of Commitment by Current CEO

Furthermore, the current CEO sold a large block of seven million shares on October 11, 2022 at a 50% discount to the market price without providing an adequate explanation to shareholders for the sale or information about the purchaser. This has raised serious questions about the CEO's commitment to the company and shareholder interests and, in our opinion, led to further downward pressure in the share price and loss of confidence by investors. As this sale represented about 4.7% of the outstanding shares at the time, we asked for further disclosure on the reasons and strategy for the sale but received no adequate response. On top of this recent sale, there is limited insider support for our Company as demonstrated by the filings on the System for Electronic Disclosure by Insiders (SEDI).

Poor Corporate Governance

It is our view that our Company has a poor corporate governance record, including poor Board oversight of Management, inadequate annual budgeting and planning, and no annual review of Management's performance. These issues are indicative of a company that is not operating in the best interests of its shareholders.

We are also disappointed with the failure of the Board to issue any press releases updating shareholders on company activities or operations in a timely or consistent manner during the past calendar year. Shareholders have a right to be informed about the company's progress and we feel that this lack of communication is unacceptable.

In addition, we have concerns about the lack of consistent board meetings to ensure that company operations and marketing in respect of the Blue Moon Project are progressing. This lack of oversight is a major issue and we believe it is essential that the Board take immediate action to address this.

It is Time for a Change

We believe the actions of the current Management and Board outlined above will continue to limit Blue Moon's ability to be advanced and financed in the future.

Furthermore, it is our opinion that the current Management and Board do not have the necessary qualifications to advance the Blue Moon Project from resource stage through to completion of a feasibility study or to the point of eventual development, partnership or sale.

In light of these concerns, and in the best interests of shareholders, we are prepared to step in and take the necessary steps to facilitate a change in the Company's Management and Board of Directors and execute on several key initiatives to re-establish market and project credibility.

New Leadership

The first step is to replace the current CEO and remove him from the Board of Directors. We as the McClintock Group are fully committed and prepared to take over leadership of the company for an annual salary of \$1 per year with lead investor and engineer Michael McClintock, P.Eng as interim CEO and John McClintock, P.Eng as Chairman. This first step is critical towards addressing and stabilizing the corporate share structure and tackling the current issues pertaining to corporate and governance matters.

New Business and Marketing Plan

With new leadership in place, the next step will be to initiate and execute a detailed Business and Marketing Plan centred on advancing Blue Moon as a premium pre-development zinc project over the next eighteen

months. This plan will leverage existing drill data, technical work and targeted engineering to de-risk the project and enhance value.

Low-Cost Work to Add Value in the Short Term

There are a number of low-cost initiatives that we plan on undertaking to advance the project that will add immediate value to Blue Moon. The first will be completion of an updated independent National Instrument (NI) 43-101 resource estimate utilizing recent drill data to determine the revised size and grade of the deposit and the portion of Inferred Resources that can be upgraded to the Indicated category. The second will be to carry out metallurgical test work on available sample material and, the third, will be to de-risk the project with targeted engineering studies.

Bottom Line - Blue Moon Metals Needs a New Vision

The Blue Moon Project is located in an excellent mining region with supportive stakeholders and communities and first-world accessible infrastructure. There are only a small number of high-quality zinc projects in North America held by junior companies and as such, a small pool of opportunities available for what we believe is a wide selection of buyers, partners or financiers to develop good projects in good jurisdictions.

The McClintock Group and all shareholders require a change in the Company's Management and Board of Directors in order to reverse the current underperformance and to boost the value of our Company and its main asset.

The McClintock Group is ready to take immediate action to make our Company a great success story. We are committed to taking the necessary steps to aggressively advance the Blue Moon project technically while re-establishing credibility with shareholders and the general market. We will ensure that we maintain a strong focus on corporate governance while building and maintaining positive relationships with stakeholders and communities.

For further information regarding our plan and vision please contact us at info@McclintockGroup.ca

About the McClintock Group

Comprised of experienced investors and junior and major mining professionals, The McClintock Group is dedicated to advocating for the interests of fellow shareholders. Our primary goal is to ensure that management and boards fulfill their fiduciary duties and safeguard the rights of shareholders. With a focus on advancing flagship projects, we possess the expertise and capacity to enhance and promote mineral projects within the mining industry.

Expertise: Business Development, Operations, Commission, Metallurgy, Exploration, Engineering, Marketing & Communications, Project Scoping to Feasibility, with a network to vendors & investors.

Leads

Michael McClintock, PEng, MASc

Michael has played a crucial role in driving successful turnarounds in the past including NorthIsle Copper & Gold, where his involvement led to a significant increase in shareholder value. Despite limited budgets (e.g. \$100k program), his efforts resulted in a boost of more than \$500M in the NPV compared to the previous PEA study, which has since helped to facilitate capital raises of over \$15M and attract strategic investors to the Company. Furthermore, Michael oversaw Operations and played a pivotal role in the successful relaunch of CanMag Inc. (previously known as Craigmont Industries Ltd). Under his operational leadership from 2019 to 2021, CanMag emerged as a top profitable division of JDS Group of Companies.

John (Jack) McClintock, P.Eng. MBA

A winner of the PDAC Prospector of the Year award with over four decades of experience in mineral exploration, Jack has held management positions in both large exploration organizations and junior resource companies. In addition to his lead role in the discovery of the Spence deposit and satellite deposit at Cerro Colorado in Chile. He also has extensive experience in acquisitions and mergers including as part of the teams that successfully acquired the Bajo de la Alumbrera deposit Argentina, Antamina Peru and WMC. The deposits Jack discovered or were acquired with his participation currently contribute to a significant portion of BHP's copper production. Jack was a founder and former CEO of Savant Explorations Ltd., (predecessor company to Blue Moon). More recently, he successfully advanced NorthIsle Copper's North Island project from the exploration stage to a preliminary economic assessment (PEA).

SOURCE McClintock Group

Dieser Artikel stammt von [Rohstoff-Welt.de](https://www.rohstoff-welt.de)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/441803--Open-Letter-to-Shareholders-of-Blue-Moon-Metals-Inc--McClintock-Group-Urges-Swift-Leadership-Change-to-Cor>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2025. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).