

# California Gold Mining Inc. CEO Delivers Open Letter to Shareholders

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TORONTO, June 16, 2021 - [California Gold Mining Inc.](#) (CSE: CGM) ("California Gold") today announced that California Gold's Interim President, Chief Executive Officer, and Director has delivered the following open letter to all shareholders:

Open Letter From The Interim CEO to All Shareholders of [California Gold Mining Inc.](#) (the Company),

As a shareholder of the Company, you should be aware that the Annual and Special Meeting of Shareholders, originally scheduled for Tuesday June 15<sup>th</sup> at 11 a.m. has been postponed to Tuesday June 29<sup>th</sup> at 4:30 p.m. This decision of the Board of Directors was announced by a press release on Monday June 14<sup>th</sup>.

As Interim CEO, I believe it is important to reach out to shareholders to explain the reasons for the postponement and why the outcome of the meeting on June 29<sup>th</sup> is so critical and in the best interest of each individual shareholder.

The most important item of business at the shareholder meeting is to consider the proposed plan of arrangement (the Arrangement) with Stratabound Minerals Corp. (Stratabound). The details of this transformative business combination, unanimously approved and supported by the Board of Directors and the largest secured creditors of the Company, were fully set out in the Management Information Circular dated May 17, 2021.

The engagement of a financial advisor to conduct a vigorous strategic review involving 86 potential investors and strategic buyers and an independent special advisory group to deliver a fairness opinion in connection with the Arrangement were just two elements of the diligent process undertaken by the Board of Directors and management of the Company. Our objective was clear - to ensure that a thorough review of strategic alternatives was conducted, while protecting the best interests of the shareholders, complying with all regulatory requirements and following best practices for corporate governance.

The obvious merits of the proposed Arrangement were summarized in the written materials and further explained in a Webinar (hosted by myself and the CEO of Stratabound) on Wednesday May 26<sup>th</sup>, which all shareholders were invited to attend, ask questions and express any concerns they might have regarding the Arrangement.

Over the past several weeks at no time did any shareholder express a specific objection to the Arrangement or suggest any alternative course of action. As noted in the June 14<sup>th</sup> press release announcing the postponement, at the prior proxy deadline, more than sixty percent of the shareholders submitting their votes by proxy had voted IN FAVOUR of the Arrangement. However a number of shareholders, sufficient to block the transaction, submitted votes AGAINST the Arrangement. Approval of the Arrangement requires the affirmative vote of at least two-thirds (66 2/3%) of the votes cast in respect of the resolution at the Meeting in person or by proxy.

If the Arrangement resolution is not approved at the shareholders meeting, the Company will be left without immediately available financial resources and the Board will need to determine how best to secure additional capital. While that would be unfortunate for all shareholders, it is absolutely incredible that a group of shareholders who have voted AGAINST the Arrangement have pushed the Company towards this position without any stated reason, agenda or proposal for an alternative direction. The silence from that group is in spite of attempts by management and the Board of Directors of the Company to communicate directly with most of the NO voters; offering to discuss any concerns and address their questions. In some instances, these shareholders expressed their support for the Arrangement and then proceeded to vote against it. In a few cases, it would seem votes were cast IN FAVOUR and then withdrawn and replaced by a NO vote.

Although the reasons for this opposition to the Arrangement is unclear to management and the Board of Directors, what appears to be clear is that there has been a covert orchestrated solicitation campaign undertaken to defeat the proposed Arrangement. Such dissident proxy solicitation is governed by laws and regulations which are intended to protect all shareholders. To the extent that such conduct has occurred or is continuing in violation of applicable securities laws, it is incumbent on us to investigate and bring it to the

attention of the appropriate regulatory authorities in order to insure all our shareholders can rely on a process that is credible and transparent in compliance with the applicable laws and regulations. Although our resources are limited and our primary objective is to advance the Arrangement, we do have an obligation to protect all shareholders' interests.

Over the next two weeks, we will make every reasonable effort to reach out again to all objecting shareholders to try and understand the nature and basis of their concerns, and what alternatives, if any, they propose. We will also attempt to speak directly with the many shareholders who have not yet voted and encourage them to cast their votes in favour of the Arrangement. To the extent you have previously voted AGAINST the Arrangement resolution by proxy, you can still change your vote and vote FOR the Arrangement resolution, please reach out to me directly at lphillips@caligold.ca and I can assist you with that change.

It is also worth noting that Stratabound has consented to this short delay, which is an indication of their commitment to the transaction and their desire to get to work at the Fremont property.

In closing, I would ask all shareholders to clearly understand that the consequences of simply defeating the Arrangement would be devastating to the interests of all shareholders. After more than six months of pursuing a beneficial and accretive transaction for all shareholders, the Company would be left with a substantial debt, secured by a first charge over all the assets, without the immediately available financial resources to service that debt or operate the essential aspects of the Company's affairs. Most importantly, there would be no viable way to advance the essential exploration drilling required at the Fremont property in order to realize value for all of the shareholders. I am left to ask, as must all you; how is it that any shareholder, properly informed and acting in good faith, even acting simply in their own interests, could seek such an outcome?

Respectfully

Larry Phillips  
Interim CEO

### **California Gold Meeting**

The annual and special meeting of shareholders of California Gold is now scheduled for 4:30 p.m. ET on Tuesday, June 29, 2021 electronically via live audio webcast.

Additional information concerning the Arrangement can be found in California Gold's information circular (the "Information Circular") dated May 17, 2021. An electronic copy of the Information Circular is available under California Gold's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### **ABOUT STRatabound**

Stratabound Minerals Corp. (TSXV: SB) is a well funded Canadian exploration and development company focused on gold exploration at its flagship Golden Culvert Project, Yukon Territory and its new McIntyre Brook Project, New Brunswick, Canada. The Company also holds a significant land position that hosts three base metals deposits in the Bathurst base metals camp of new Brunswick featuring the Captain Copper Cobalt Gold Deposit that hosts an NI 43-101 Measured and Indicated Resource.

### **ABOUT CALIFORNIA GOLD**

[California Gold Mining Inc.](#)'s flagship Fremont gold project located in Mariposa County, California lies within California's prolific Mother Lode Gold Belt.

### **FORWARD LOOKING INFORMATION**

*Certain information contained in this news release constitutes forward looking information. All information other than information of historical fact is forward looking information. The use of any of the words "intend", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "should", "would", "believe", "predict" and "potential" and similar expressions are intended to identify forward looking information. More particularly, this news release contains statements concerning the timing and receipt of the final order to the*

*Arrangement and the expected closing date of the Arrangement. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward looking information. No assurance can be given that this information will prove to be correct and such forward looking information included in this news release should not be unduly relied upon.*

*The forward looking information provided in this news release is based upon a number of material factors and assumptions including, without limitation, the timely receipt of court approval and the satisfaction or waiver of other closing conditions in connection with Arrangement.*

*Forward looking information is subject to a number of risks and other factors that could cause actual results and events to vary materially from that anticipated by such forward looking information. In particular, the completion of the Arrangement is subject to a number of risks including, without limitation, (a) that court approval may not be obtained in the timeline or on the terms currently anticipated or at all; and (b) that the Arrangement is subject to a number of closing conditions and no assurance can be given that all such conditions will be met or will be met in the timelines required by the arrangement agreement dated April 20, 2021 between Stratabound and California Gold. Readers are cautioned that the foregoing list of risks, uncertainties and assumptions are not exhaustive.*

*The forward looking information included in this news release is expressly qualified by this cautionary statement and is made as of the date of this news release. Neither Stratabound nor California Gold undertake any obligation to publicly update or revise any forward looking information except as required by applicable securities laws.*

*Neither the CSE nor its Regulation Services Provider (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.*

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