

Mayfair Gold Files Management Information Circular and Issues Letter to Shareholders

09.05.2024 | [GlobeNewswire](#)

Board cautions Shareholders that the Muddy Waters Nominees:

- *Have no board or management experience on Canadian public companies;*
- *Have no experience as directors or officers of exploration, development, or producing mining companies;*
- *Have no business plan or strategic vision for the Company;*
- *Have a track record as activist short sellers associated with value destruction, not long-term growth*

MATHESON, Ontario, May 09, 2024 -- [Mayfair Gold Corp.](#) ("Mayfair" or the "Company") (TSX-V: MFG; OTCQB: MFGCF) today announced that it has filed its management information circular (the "Information Circular") and related proxy materials in connection with its upcoming Annual General and Special Meeting of Shareholders to be held on June 5, 2024 (the "Meeting"). The Information Circular includes a Letter to Shareholders from Harry Pokrandt, Chairman of the Company's board of directors (the "Board"). The Company also announced it has entered into a Settlement Agreement (as defined below) with certain employees of the Company to ensure the retention of their services on behalf of Mayfair up to the Meeting.

The Board unanimously recommends that shareholders vote to RE-ELECT as directors each of Harry Pokrandt, Patrick Evans, Christopher Reynolds and Douglas Cater (the "Company Nominees"). The Board further recommends that shareholders REJECT the resolutions proposed by Muddy Waters Capital LLC ("Muddy Waters"), including the resolution to elect as directors its four nominees: Carson Block, Darren McLean, Freddy Brick, and Anthony Jew (the "Muddy Waters Nominees").

Harry Pokrandt, Chairman of the Board, [Mayfair Gold](#), commented:

"The current Board has the experience, track record, and strategic vision to continue creating value for shareholders, and its consistent delivery on key objectives warrants reappointment for another year. The proposal to replace a proven team that has performed near the top of its peer group with a set of novice directors who lack any operational mining experience and have presented no plan for the Company is one that we simply cannot support."

Reasons for the Recommendations

The Board's recommendations are based on a number of carefully considered factors, each described more fully in the Information Circular. The reasons include the following.

Stark contrast between the experience and qualifications of the two sets of nominees. The Company Nominees have held operational or executive roles at more than 23 mining companies for a collective total of 90 years, and director positions at another 27 publicly traded mining companies. In contrast, to the knowledge of the Company, none of the Muddy Waters Nominees have experience as a director or officer of a Canadian public company, or experience operating a mining or mineral exploration company. Muddy Waters has offered no business plan or strategic vision for the Company.

The existing Mayfair team has executed effectively with positive results. Since acquiring the Fenn-Gib Project, the Company has: (1) grown the Fenn-Gib Indicated gold mineral resource estimate by more than 60% through ongoing mineral resource drilling; (2) made two new discoveries at the Footwall and Contact Zone, both adjacent to the main deposit; (3) completed three years of baseline environmental studies; (4) completed advanced pre-feasibility study ("PFS") level metallurgical studies; (5) completed PFS-level geotechnical and hydrogeology studies; (6) commenced the PFS for its Fenn-Gib Project in March 2024; (7)

commenced the 2024 environmental field program; (8) appointed a Vice President Technical Services to manage the Fenn-Gib technical programs; and (9) advanced its Recruitment Process to identify experienced and technically skilled candidates to join the Board.

Successful execution has been reflected in the Company's premier valuation. Over the past year, the Company is among the top-performing gold stocks among Canadian gold mining exploration and development companies. The Company's share price is up approximately 27%, compared to the average of its peer group¹ which are down approximately 19%. The Company's share price has outperformed the 17% increase in the price of gold during the same time period. Furthermore, the Company's price to net asset value multiple of 0.56 far exceeds its peer group average of 0.26.

Loss of entire management team and change of control payments. Mayfair's senior management have employment contracts which permit them to terminate their employment with the Company and receive a change of control payment at any time following a change of control. On May 1, 2024, Mayfair's management team, including Patrick Evans (CEO), Justin Byrd (CFO), Howard Bird (VP Exploration) and certain other employees (the "Terminating Employees"), advised the Board that the actions of Muddy Waters constituted a change of control and that management was terminating their employment with the Company and required change of control payments to be made. The Board subsequently entered into the Settlement Agreement pursuant to which the management team agreed to remain with the Company through the Meeting to provide for continuity of operations. However, management has been extremely clear that following the Meeting, they are unwilling to continue their employment with the Company if the Board is comprised of inexperienced Muddy Waters Nominees. Muddy Waters has not indicated whether they have a new management team in place to oversee the Company's operations following the Meeting. The loss of the Company's senior-level talent could materially set back the development of the Fenn-Gib Project and risk a delisting by the TSX Venture Exchange ("TSXV"). In addition, the resulting change of control payments-which total approximately \$4.0 million- would deplete the treasury of funds that could be better spent on advancing the Fenn-Gib Project and may necessitate additional (potentially dilutive) financing. For more information, see "Employee Settlement Agreement" below.

Additional risks inherent in the Muddy Waters resolutions. The potential consequences of replacing proven directors with untried newcomers include the following:

- Damage to relationships with the local community, including the Apitipi Anicinapek Nation (the "AAN") on whose territory the Fenn-Gib Project is located. The leadership of the AAN has expressed deep concerns about the future of the relationship and this project, given the lack of contact from Muddy Waters and its lack of experience in dealing with First Nations in today's climate of reasserting control.
- Risk of a de-listing of the Company's shares on the TSXV due to the Muddy Waters Nominees' lack of technical expertise and reporting issuer experience, as well as the lack of independence required of audit committee members.
- Risk of a loss of foreign private issuer status in the United States due to three of the four Muddy Waters Nominees residing in the U.S.
- Jeopardizing further value creation that can be expected to accrue to the Company's shareholders through continued pursuit of the proven strategy for developing the Fenn-Gib Project.
- Fundamental skillset mismatch resulting from Muddy Waters' track record as an activist short seller that takes advantage of short-term downswings in company share prices, rather than the long-term outlook and highly technically geoscience and engineering skillsets needed to de-risk and advance a mine development project.

The Board is committed to good governance and value creation and remains focused on progressing the Company's flagship asset. The Board believes that its fiduciary duty to act in the best interests of the Company requires it to ensure that all shareholders are fully informed about the choices available to them in a vote which will have major consequences for the future of the Company.

Vote for Experience. Vote the WHITE Proxy Card.

The Board advises shareholders to vote the WHITE Proxy or voting instruction form well in advance of the deadline at 2:00 p.m. (Pacific time) on June 3, 2024. Shareholders who have any questions relating to the Meeting or about the completion and delivery of the WHITE Proxy or voting instruction form may contact Alliance Advisors, LLC by telephone at 844-858-7380, or email at Mayfair@allianceadvisors.com.

Additional details relating to the matters to be voted upon at the Meeting and the Board's recommendations

are included in the Information Circular, which is available on www.sedarplus.ca, as well as the Investor Resources section of the Company's website at <https://mayfairgold.ca/investor-resources/>.

Advisors

Alliance Advisors is acting as strategic shareholder advisor to [Mayfair Gold](#). Borden Ladner Gervais LLP is acting as legal counsel to the Board. Oakstrom Advisors is acting as communications advisor to the Company.

Employee Settlement Agreement

On May 1, 2024, the Terminating Employees advised the Board that the actions of Muddy Waters constituted a change of control and that, as a direct consequence of Muddy Waters' repeated threats of litigation and demands that the Company not honour its contracts with its employees, management was terminating their employment with the Company and required the change of control payments to be made. On May 6, 2024, the Company, having received independent legal advice, entered into a settlement agreement (the "Settlement Agreement") with the Terminating Employees, whereby the Terminating Employees agreed to hold the termination of their employment in abeyance and continue with the Company up to the Meeting.

In exchange, the Company delivered approximately \$4.0 million (the "Change of Control Payment") into trust. The amount of this Change of Control Payment represents the aggregate termination payments payable in respect of a change of control pursuant to the Terminating Employees' employment agreements. Pursuant to the Settlement Agreement, the Change of Control Payment will be released to the Terminating Employees, in accordance with the requirements of their existing employment contracts with the Company, upon a change in the composition of the Board that results in the current directors constituting less than a majority of the members of the Board. If current members of the Board remain in the majority following the Meeting, the Terminating Employees may elect to rescind their notice of termination and remain employees of the Company, and their respective Change of Control payments will be returned to the Company.

Scientific and Technical Information

Scientific and technical information contained in this news release has been derived, in part, from the Company's technical report titled "*National Instrument 43-101 Technical Report Fenn-Gib Project, Ontario, Canada*" with an effective date of April 6, 2023, and reviewed and approved by Tim Maunula, an independent "qualified person" pursuant to National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*.

About Mayfair

[Mayfair Gold](#) is a Canadian mineral exploration company focused on advancing the 100% controlled Fenn-Gib gold project in the Timmins region of Northern Ontario. The Fenn-Gib gold deposit is Mayfair's flagship asset and currently hosts an updated NI 43-101 resource estimate with an effective date of April 6, 2023 with a total Indicated Resource of 113.69M tonnes containing 3.38M ounces at a grade of 0.93 g/t Au and an Inferred Resource of 5.72M tonnes containing 0.16M ounces at a grade of 0.85 g/t Au at a 0.40 g/t Au cut-off grade. The Fenn-Gib deposit has a strike length of over 1.5km with widths ranging over 500m. The gold mineralized zones remain open at depth and along strike to the east and west. Recently completed metallurgical tests confirm that the Fenn-Gib deposit can deliver robust gold recoveries of up to 94%.

ON BEHALF OF THE BOARD OF DIRECTORS

For further information contact:
Patrick Evans, President and CEO
Phone: (416) 670-5114
Email: patrick@mayfairgold.ca
Web: www.mayfairgold.ca

Media contact:
John Vincic, Oakstrom Advisors
Phone: (647) 402-6375
Email: john@oakstrom.com

For information on voting:
Alliance Advisors, LLC
Phone: 1-844-858-7380
Email: Mayfair@allianceadvisors.com

Forward Looking Statements

This news release contains forward-looking statements and forward-looking information within the meaning of Canadian securities legislation (collectively, "forward-looking statements") that relate to Mayfair's current expectations and views of future events, including the Company's Recruitment Process, the 2024 environmental field program, the loss of the Company's senior management and the respective change of control payments, the rescission of any termination notices by any of the Terminating Employees, damage to the Company's relationship with AAN, the risk of de-listing of the Company's shares on the TSXV, the risk of a loss of the Company's foreign private issuer status, and jeopardizing further value creation of the Fenn-Gib Project. Forward-looking statements and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in such forward-looking statements. 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.

Forward-looking statements are based on a number of assumptions and are subject to a number of risks and uncertainties, many of which are beyond Mayfair's control, which could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to, the results of the Board recruitment process. Mayfair undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law. New factors emerge from time to time, and it is not possible for Mayfair to predict all of them, or assess the impact of each such factor or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. Any forward-looking statements contained in this news release are expressly qualified in their entirety by this cautionary statement.

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

¹ The Company's peer group includes: [Osisko Mining Inc.](#), [Skeena Resources Ltd.](#), Probe Gold Inc., Tudor Gold Corp., Troilus Gold Corp., O3 Mining Inc., STLLR Gold Inc., [First Mining Gold Corp.](#), Fury Gold Mines Limited, [Northern Superior Resources Inc.](#), [Radisson Mining Resources Inc.](#), Cartier Resources Inc., Cassiar Gold Corp., Treasury Metals Inc., and [Talisker Resources Ltd.](#)

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/470614--Mayfair-Gold-Files-Management-Information-Circular-and-Issues-Letter-to-Shareholders.html>

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](#).