

Hansell McLaughlin Weekly Proxy Notes

Hansell McLaughlin Weekly Proxy Notes provide you with a look into our governance findings for the 2024 proxy season for TSX listed issuers and governance developments that have occurred during the week. To receive our future notes on the 2024 proxy season [subscribe here](#).

Failed Director Election at Sierra Metals Inc.

Sierra Metals Inc.'s ("Sierra") longest-tenured director, Douglas Cater, failed to receive majority support from shareholders for his re-election and has tendered his resignation to the board. Mr. Cater received support from only 8.8% of votes the lowest number of votes in favour of a director's election across all TSX listed issuer directors in the last three years. Sierra's directors have struggled with shareholder support since 2021, when Sierra's former chair and largest shareholder, J. Alberto Arias, resigned from the board after failing to receive majority support for his election. Last year, Arias Resources Capital Fund II LP ("ARC") attempted to replace the Sierra board with five of its own nominees (including Mr. Arias) but was ultimately unsuccessful. Mr. Arias, together with ARC, controls approximately 31.9% of Sierra's outstanding shares.

Aside from Mr. Cater, who served on the board for 15 years, all other directors had been appointed in the last two years.

Aimia's Management Nominees Elected at the Company's Contested Meeting

All seven of Aimia Inc.'s ("Aimia") management nominees received majority shareholder support at the company's contested shareholder meeting. Mithaq Capital SPC ("Mithaq"), Aimia's largest shareholder, with a 27.41% stake in the company, proposed six of its own nominees to the Aimia board (while supporting only one of Aimia's nominees). The contested meeting was the culmination of a prolonged battle between Aimia and Mithaq which started when Mithaq launched its hostile takeover attempt of Aimia in October 2023. However, Mithaq's unsolicited takeover attempt was abandoned after failing to receive enough support. Leading up to the contested meeting, proxy advisory firm, Institutional Shareholder Services Inc. ("ISS"), endorsed Aimia's nominees over Mithaq's.

Although Aimia's management nominees were elected, the company's say-on-pay resolution failed to receive majority shareholder support.

Byte of the Week

Riot Platforms increased its stake in Bitfarms Ltd. to nearly 15% as it continues its proxy battle to appoint three of its nominees to the Bitfarms board.

2024 Proxy Season To Date (TSX Listed Issuers)



Shareholder Proposals

154 submitted

81 proceeding to a vote

7 successful



11 failed director elections



3 failed say on pay votes

In the News

Below, we discuss news releases related to governance issues at issuers listed on the TSX since our last weekly proxy note.



June 24, 2024, Fission Uranium Corp. (TSX: FCU), "[Paladin Energy to acquire Fission Uranium creating a clean energy leader](#)" - Newswire

Paladin Energy Limited ("Paladin") announced that it will acquire all of Fission Uranium Corp.'s ("Fission") outstanding shares in a \$1.1 billion stock deal. Fission shareholders will receive 0.1076 Paladin shares per Fission share, valuing each Fission share at \$1.30, a 26% premium over its June 21, 2024, trading price. Upon completion, Paladin aims to list its shares on the TSX, and Fission shareholders will own 24% of Paladin. The transaction is expected to close in September 2024, pending necessary approvals.



June 24, 2024, Calibre Mining Corp. (TSX: CXB), "[Calibre Mining Added to the S&P/TSX Composite Index](#)" - GlobeNewswire

Calibre Mining Corp. announced that effective June 24, 2024, its common shares will be added to the S&P/TSX Composite Index.



June 25, 2024, Nickel Creek Platinum Corp. (TSX: NCP), "[Nickel Creek Platinum Announces Results of 2024 Annual General and Special Meeting](#)" - Newswire

Nickel Creek Platinum Corp ("Nickel Creek") received shareholder approval on an ordinary resolution to consolidate its issued common shares at its annual shareholder meeting held on June 25, 2024. This will allow Nickel Creek's board to exchange up to 200 pre-consolidated shares for every one new post-consolidated share.



June 26, 2024, Slate Office REIT (TSX: SOT.UN), "[Slate Office REIT defaults on debt, complicating the troubled property owner's restructuring plans](#)" - The Globe and Mail

Slate Office REIT ("Slate Office") defaulted on \$158 million of debt, complicating its plan to sell properties and repay its \$1.175 billion debt load. Slate Office has attributed these issues to high vacancy rates and elevated interest costs, especially on Class B properties. Despite cost-cutting measures, Slate's financial struggles have attributed to its significant decline in share price (declining approximately 94% over the past five years).

Our governance expertise is complemented by a sophisticated data analytics practice which brings you these weekly proxy notes. We analyze the governance practices of all TSX listed issuers. The data is gathered from publicly available information and is managed internally to ensure that the information is standardized, comparable and reliable. [Click here](#) to learn more about our practice areas.