

Hudbay Mails Letter to Shareholders Highlighting Positive Momentum Behind its Director Nominees, Proxy Advisors Recognize Strengthening Performance at the Company

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- Time is short. Shareholders are encouraged to vote their GREEN proxy in support of Hudbay's ten director nominees (excluding Michael Anglin, who is no longer standing for election)
- Shareholders with questions or requiring assistance voting their GREEN proxy should contact Hudbay's proxy solicitation agent, Laurel Hill Advisory Group, at 1-877-452-7184 or 1-416-304-0211 (for Hudbay shareholders outside North America) or by e-mail at assistance@laurelhill.com

TORONTO, April 29, 2019 - [HudBay Minerals Inc.](#) ("Hudbay" or the "company") (TSX, NYSE: HBM) today announced that it has mailed a letter to shareholders regarding Hudbay and the proxy contest being waged against the company by Waterton Global Resource Management, Inc. ("Waterton"). The letter to shareholders highlights the positive momentum behind Hudbay's proxy campaign and a number of developments, including:

- On April 17, 2019, Hudbay's largest shareholder, holding 13.4% of the company's outstanding shares at that time, confirmed to Hudbay that it intends to vote FOR Hudbay's director nominees;
- Independent analysts continue to support Hudbay's slate of director nominees, and warn against the disruption that Waterton's director nominees could bring to the board of directors and management team;
- Waterton initiated a frivolous lawsuit against Hudbay, further increasing the cost and disruption of its unnecessary proxy contest; and
- With just over a week to go before the May 3, 2019 proxy voting deadline, one of Waterton's director nominees, Michael Anglin, withdrew and is no longer standing for election.

The letter that Hudbay mailed to shareholders also warns shareholders that Waterton director nominees Peter Kukielski, Richard Nesbitt and Daniel Muniz Quintanilla have track records that could *result in significant disruption to the company's positive momentum and risk the future value of your investment in Hudbay*. The letter was mailed on April 26 and is available on Hudbay's website at www.hudbayminerals.com.

Proxy Advisors Recognize Positive Momentum at Hudbay

In recent days, proxy advisors Institutional Shareholder Services Inc. ("ISS") and Glass, Lewis & Co. ("Glass Lewis") have issued reports that recognize the positive momentum at Hudbay and how the company's leadership is driving value creation. ISS concluded that shareholders should withhold from voting for Richard Nesbitt and Peter Kukielski, and Glass Lewis also recommended that shareholders should withhold from voting for Mr. Kukielski while noting that there is "some momentum working against the director solicitation pursued by Waterton." The proxy advisor concerns with the Waterton director nominees are consistent with the views expressed by many Hudbay shareholders and independent analysts, who do not support the election of *any* dissident director nominees beyond David Smith, who was previously added to Hudbay's slate. The company recommends that shareholders vote using their GREEN proxy in support of Hudbay's ten director nominees.

In its report issued earlier this morning, ISS highlights that Hudbay has outperformed its peers, has a strengthening outlook and a track record of board refreshment¹:

"It appears that over the last four completed fiscal years, Hudbay's EBITDA margin has been

well-aligned with the ISS Peer Group median, and has even exceeded the peer median by 4 to 5 percentage points during that period…”

and

“At the same time, the board's contention that the company's outlook has improved does not appear unfounded. By the dissident's own admission, the company has recently achieved some of its milestones, which may explain, at least in part, Hudbay's share price appreciation since the end of last year. Furthermore, when the company announced its third quarter 2018 results, the market reaction was positive, with shares rallying 23 percent…” [Emphasis added]

and

“The board has gone through some refreshment: Colin Osborne joined the board last year, and in addition to Waterton nominee Smith, the board has nominated another new director, Richard Howes, at this AGM. Furthermore, the initial management slate included a second Waterton nominee, Michael Anglin, who recently withdrew his nomination after accepting a directorship at a competing company. The board has indicated that while the number of directors to be elected at this meeting has been set at ten, the board intends to add one more independent director following the meeting…”

Glass, Lewis & Co. (“Glass Lewis”) issued a report regarding Hudbay and Waterton on Friday, April 26, 2019. While Hudbay believes that there are a number of significant flaws in the Glass Lewis’ analysis, the company agrees with its views regarding positive momentum at Hudbay and concerns with how a Waterton nominee could “portend a divisive board dynamic”:

“Viewed at a high level, there would seem to be some momentum working against the director solicitation pursued by Waterton here. Indeed, Hudbay appears to be turning the corner on the fully consolidated Rosemont project, having secured necessary permits and initiated deliberations around development financing and potential joint venture partners. In terms of balance sheet stability, the Company has paid down material portions of the debt accrued during the development of the Constancia copper project, which is now in commercial production…”

and

“…Most notably, at the present juncture, shareholders cannot be particularly certain Waterton's more recent support for Alan Hair is meaningfully durable, particularly given the Dissident is still promoting the election of erstwhile CEO candidate Peter Kukielski as a regular board member. Credentials aside, this dynamic -- which we expect would readily invite speculation around a lame duck senior executive -- could portend a divisive board dynamic which may not contribute to, and could, in fact, substantively undermine, thoughtful discussion around Hudbay's most attractive strategic and financial alternatives. It is not immediately clear that any upside associated with Mr. Kukielski's service warrants investors accepting this degree of uncertainty, particularly if Waterton is prepared to continue supporting Mr. Hair's service.” [Emphasis added]

A number of independent analysts have expressed their views that Hudbay is on the right path:

“We believe Hudbay’s Information Circular and proxy materials make a strong case for management to continue its mandate…We believe that Hudbay will prevail against Waterton. The achievement of key milestones has put the Company on a solid path for future growth. We believe the current Hudbay team is best positioned to execute on the Company’s strategy, and that a replacement of management and board members would be disruptive to the optimal execution of the Company’s plans.” [Emphasis added]

Haywood Capital Markets, April 8, 2019

Another independent analyst also provided his perspective on Hudbay’s constructive approach and

upside, while expressing concerns regarding Waterton's lack of a differentiated plan:

"The [Hudbay] proxy and the accompanying 51-page presentation present a detailed, and in our view, comprehensive, counter-argument to Waterton's white paper that was published in mid-February. We had previously noted that we found Waterton's white paper less than compelling, given its lack of a differentiated strategy for Hudbay. However, in our view, Hudbay has addressed a number of the most significant issues that were originally raised by Waterton. We believe that Hudbay continues to have a strong runway of upcoming catalysts. [Emphasis added]

TD Securities, April 8, 2019

Hudbay's Board remains committed to responsible board renewal and recommends that shareholders vote FOR the director nominees on its GREEN proxy (excluding Mr. Anglin who is no longer standing for election). The GREEN proxy and voting instruction form previously mailed to shareholders in connection with the annual and special meeting of shareholders may continue to be used by shareholders and will continue to be valid, with any votes for Mr. Anglin not being counted given he has withdrawn as a director nominee.

The ten director nominees include a new Hudbay nominee, Richard Howes, and Waterton nominee David Smith. Assuming Hudbay's slate of director nominees is elected, this would result in 20% of the board being refreshed in 2019, with six of ten directors having joined the board in the last five years. In light of Mr. Anglin's withdrawal, following the annual and special meeting of shareholders, Hudbay intends to immediately initiate a process to identify an independent and qualified individual who could join the board as an eleventh director.

Proxy Voting Information

Time is short and the stakes are high. In order to ensure that your vote is counted at the annual and special meeting of shareholders, shareholders are urged to vote only the GREEN proxy FOR the nominees recommended by Hudbay, and ensure that your proxy is received prior to the proxy voting deadline of 10:00 a.m. (Toronto time) on Friday, May 3, 2019. The GREEN proxy and voting instruction form previously mailed to shareholders in connection with the annual and special meeting of shareholders may continue to be used by shareholders and will continue to be valid, with any votes for Mr. Anglin not being counted given he has withdrawn as a director nominee.

For assistance voting your proxy, shareholders should contact Laurel Hill Advisory Group at 18774527184 (toll-free for Hudbay shareholders in North America) or 1-416-304-0211 (collect call for Hudbay shareholders outside North America) or assistance@laurelhill.com.

Forward-Looking Information

This news release contains "forward-looking statements" and "forward-looking information" (collectively, "forward-looking information") within the meaning of applicable Canadian and United States securities legislation. Forward-looking information is not, and cannot be, a guarantee of future results or events.

Forward-looking information is based on, among other things, opinions, assumptions, estimates and analyses that, while considered reasonable by us at the date the forward-looking information is provided, inherently are subject to significant risks, uncertainties, contingencies and other factors that may cause actual results and events to be materially different from those expressed or implied by the forward-looking information. The risks, uncertainties, contingencies and other factors that may cause actual results to differ materially from those expressed or implied by the forward-looking information may include, but are not limited to, risks generally associated with the mining industry, such as economic factors (including future commodity prices, currency fluctuations, energy prices and general cost escalation), as well as the risks discussed under the heading "Risk Factors" in Hudbay's most recent Annual Information Form.

Should one or more risk, uncertainty, contingency or other factor materialize or should any factor or

assumption prove incorrect, actual results could vary materially from those expressed or implied in the forward-looking information. Accordingly, undue reliance should not be placed on forward-looking information. Hudbay does not assume any obligation to update or revise any forward looking information after the date of this news release or to explain any material difference between subsequent actual events and any forward-looking information, except as required by applicable law.

About Hudbay

Hudbay (TSX, NYSE: HBM) is an integrated mining company primarily producing copper concentrate (containing copper, gold and silver), molybdenum concentrate and zinc metal. With assets in North and South America, the company is focused on the discovery, production and marketing of base and precious metals. Directly and through its subsidiaries, Hudbay owns three polymetallic mines, four ore concentrators and a zinc production facility in northern Manitoba and Saskatchewan (Canada) and Cusco (Peru), and copper projects in Arizona and Nevada (United States). The company's growth strategy is focused on the exploration and development of properties it already controls, as well as other mineral assets it may acquire that fit its strategic criteria. Hudbay's vision is to be a responsible, top-tier operator of long-life, low-cost mines in the Americas. Hudbay's mission is to create sustainable value through the acquisition, development and operation of high-quality, long-life deposits with exploration potential in jurisdictions that support responsible mining, and to see the regions and communities in which the company operates benefit from its presence. The company is governed by the Canada Business Corporations Act and its shares are listed under the symbol "HBM" on the Toronto Stock Exchange, New York Stock Exchange and Bolsa de Valores de Lima. Further information about Hudbay can be found on www.hudbay.com.

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¹ Permission to quote ISS and Glass Lewis was neither sought nor obtained.

A PDF accompanying this announcement is available at <http://ml.globenewswire.com/Resource/Download/352a4e51-0d45-4dfe-8c63-7ef79cff8c29>

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