

# SC2 Inc. to Vote Against Sherritt Directors at 2025 AGM, Calls for Board Renewal Amid Operational and Governance Failures

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TORONTO, May 23, 2025 - SC2 Inc. ("SC2"), a significant shareholder of [Sherritt International Corp.](#) (TSX: S) ("Sherritt" or the "Company"), today announced that it will vote (i) against the say-on-pay resolution proposed by the board of directors, and (ii) against the election of all nominated directors at the Company's upcoming Annual and Special Meeting on June 10, 2025, with the exception of Richard Moat, who is being nominated for election for the first time.

SC2, owning approximately 8.07% of the post-dilution issued and outstanding shares of Sherritt, has sought constructive engagement with Sherritt's Board of Directors (the "Board") since May 2024. In the aggregate, the Company's persistent underperformance, weak governance, and unwillingness to address shareholder concerns compel SC2 to withhold support from the current Board (except for Richard Moat).

## Sherritt's Key Failings

### 1. Ongoing Operational Underperformance

- Sherritt struggling with production, including in Q4 2024 and Q1 2025, where mixed sulphide output fell to near-historic lows, despite completion of the Phase 1 expansion. Although Q1 2025 net direct cash cost ("NDCC") was lower than it was in Q1 2024, it was higher than Q4 2024. NDCC is a lagging indicator of cost and, given the low mixed sulphide production, this trend will likely continue.
- Cash in Canada declined in both Q4 2024 and Q1 2025, and available liquidity in Canada is now critically strained. At the end of Q1 2025, without violating its minimum liquidity covenant, the Company has only approximately \$30 million of cash remaining.
- To maintain liquidity, Sherritt has relied on preselling nickel at discounted prices, a short-term measure that erodes long-term value.

### 2. Eroding Shareholder Value and Market Standing

- Between May 21, 2024, and May 21, 2025, Sherritt's share price has declined by approximately 54.69% (\$0.32 - \$0.14).
- Investors have experienced sustained value erosion. Over the last three years, Sherritt's share price has declined by approximately 76.23% (\$0.48 - \$0.14).
- Sherritt's performance and share price has resulted in minimal analyst coverage and a decline in market reports.
- Sherritt's most recent earnings conference call lasted under 20 minutes and attracted no questions, reflecting fading market confidence.

### 3. Misaligned Executive Compensation

- Executive compensation in 2024 totaled approximately \$7 million, equivalent to ~10% of the Company's market capitalization.
- Generous stock-based awards (RSUs and PSUs) continue despite financial underperformance and declining shareholder returns.

### 4. Excessive Overhead

- Sherritt maintains offices in Toronto, Calgary, and Fort Saskatchewan, and supports a full C-suite despite its limited operational scope.

- Sherritt's Q1 2025 report showed "Corporate and Other" as having consumed \$8.4 million, an annualized run rate that represents more than 40% of the Company's market cap.

#### 5. Ineffective Oversight and Governance Failures

- The Board did not disclose an important agreement that could have influenced shareholders ahead of the 2024 AGM, which raises serious concerns about its commitment to fair and fulsome disclosure.
- In January 2025, a shareholder meeting requisition was denied by the Board on technical grounds.
- Cease-and-desist letters were issued to certain stakeholders who raised legitimate concerns - a worrying tactic.
- The Board has consistently refused SC2's repeated offers of constructive engagement, granting only a single one-hour meeting over the past year.

#### 6. Strategic Drift

- The Company continues to invest in speculative initiatives like the mixed hydroxide precipitate processing project despite a history of value-destructive capital allocation (e.g. Ambatovy, Bitumen Upgrading, Block 10).

Sherritt has one material asset which the entirety of its cash flow is derived: The Moa JV. Its performance is the single most important driver of Sherritt's financial health. Any disruption or underperformance threatens the Company's ability to meet obligations. Yet the Board has failed to demonstrate adequate focus or oversight of the Moa JV.

#### A Path Forward

SC2 believes that Sherritt's core asset - its interest in the Moa JV - retains long-term value, but unlocking that value requires credible, focused leadership. While SC2 will vote against the current slate of directors, it intends to vote in favour of Richard Moat, whose nomination brings relevant experience and a needed independent voice to the boardroom.

This is a decisive moment for Sherritt. Under the current Board's oversight, repeated production shortfalls, financial underperformance, and serious governance breakdowns have eroded value and confidence. Shareholders deserve accountable leadership and a clear path forward. The time for change is now.

Pursuant to the Canada Business Corporations Act (the "CBCA"), directors of CBCA corporations, such as Sherritt, must be elected by a majority of the votes cast for and against them. Accordingly, if an incumbent director receives more votes against his or her election than for his or her election, he or she will not be elected to the board of directors at the Meeting. In the event that fewer than three directors are elected at the Meeting, Sherritt will be required to call a special meeting without delay for the election of directors. SC2 encourages fellow shareholders to vote "AGAINST" the re-election of Leon Binedell, Louise Blaise, Shelley Brown, Dr. Peter Hancock, Sir Richard Laphorne, and Chih-Ting Lo at the Meeting. Doing so will help bring about the positive change that Sherritt needs.

#### Additional Information

The information in this news release could constitute a solicitation of a proxy under corporate and securities laws. Accordingly, SC2 is providing the disclosure required under the CBCA and section 9.2(4) of National Instrument 51-102 - Continuous Disclosure Obligations in accordance with securities laws applicable to public broadcast solicitations.

This news release and any solicitation made by SC2 in advance of the Meeting is, or will be, as applicable, made by SC2, and not by or on behalf of the management of the Company. All costs incurred for any solicitation will be borne by SC2, except that, subject to corporate and securities laws, SC2 may seek reimbursement from the Company for its out-of-pocket expenses, including proxy solicitation expenses and legal fees, incurred in connection with the solicitation.

SC2 is not soliciting proxies in connection with the Meeting at this time. SC2 may solicit proxies pursuant to

an information circular sent to shareholders, after which solicitations may be made by or on behalf of SC2, by mail, telephone, fax, email or other electronic means as well as by newspaper or other media advertising, and in person by directors, officers and employees of SC2, who will not be specifically remunerated for the solicitation. SC2 may also solicit proxies in reliance upon the public broadcast exemption to the solicitation requirements under corporate and securities laws, conveyed by way of public broadcast, including through news releases, speeches, or publications, and by any other manner permitted under Canadian corporate and securities laws. SC2 may engage the services of one or more agents and authorize other persons to assist in soliciting proxies on its behalf.

SC2 is not requesting that shareholders submit proxies at this time. If SC2 commences a formal solicitation of proxies in connection with the Meeting, any proxy may be revoked by instrument in writing by the shareholder giving the proxy or by its duly authorized officer or attorney, or in any other manner permitted by law and the articles of the Company. None of SC2 or, to its knowledge, any of its associates or affiliates, has any material interest, direct or indirect, (a) in any transaction since the beginning of Sherritt's most recently completed financial year or in any proposed transaction that has materially affected or would materially affect Sherritt or any of its subsidiaries, or (b) by way of beneficial ownership of securities or otherwise, in any matter proposed to be acted on at the Meeting other than the election of directors or the appointment of auditors.

Sherritt's head office address is Bay Adelaide Centre, East Tower, 22 Adelaide Street West, Suite 4220, Toronto, ON M5H 4E3. A copy of this news release may be obtained on Sherritt's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

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#### About SC2 Inc.

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#### SOURCE Shareholder of Sherritt International Corporation

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