

Colorado Resources Files Proxy Circular and Releases Letter to Shareholders; Warns that Dissident Ex-CEO Puts Investment at Risk

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- Urges shareholders to vote their BLUE proxy in favour of Colorado's five qualified and experienced nominees who shareholders can trust
- Outlines plan to create long-term value for all Colorado shareholders
- Cautions that recently-terminated CEO Adam Travis was caught using Colorado's resources for his own personal benefit; his interests are not aligned with Colorado shareholders

WEST KELOWNA, British Columbia, March 19, 2018 (GLOBE NEWSWIRE) -- [Colorado Resources Ltd.](#) (TSX-V:CXO) ("Colorado" or the "Company") today filed and mailed to shareholders its management information circular for the annual general meeting of shareholders scheduled for Tuesday, April 17, 2018.

The Colorado Board of Directors strongly recommends that shareholders vote on the BLUE proxy card "FOR" all five of Colorado's qualified and experienced director nominees including incumbent directors Lawrence J. Nagy and William F. Lindqvist and nominees Robert P. Shaw, Cecil R. Bond and Gernot Wober.

In conjunction with the proxy filing, Colorado is mailing a letter to shareholders detailing the accomplishments achieved under the leadership of the existing Colorado Board and outlining their plan to increase long-term value for all shareholders. The letter also addresses former CEO Adam Travis' high-risk agenda to reconstitute the Board with his handpicked nominees and spotlights his track record of using Colorado resources for his own personal benefit.

On March 15, 2018, Colorado commenced a civil claim against Travis and his company Cazador Resources Ltd. as an initial step in recovering funds improperly billed to Colorado during Travis' tenure as Colorado's CEO. The Notice of Civil Claim also alleges that Travis and Cazador breached duties owed to Colorado by acquiring mineral properties in B.C.'s Golden Triangle in competition with Colorado while Travis was a director of Colorado and without first disclosing and offering those opportunities to Colorado.

Shareholders are urged to vote the BLUE proxy form or BLUE voting instruction form for Colorado's five director nominees before 10:00 a.m. (PDT) on Friday, April 13, 2018. If you have questions or need help voting, contact Kingsdale Advisors at 1-800-775-3159 or at contactus@kingsdaleadvisors.com.

The full circular is available at the Company's issuer profile at www.sedar.com. A copy of the letter to shareholders is also included below.

Letter to the shareholders of [Colorado Resources Ltd.](#)

Dear Fellow Shareholder:

Your Colorado Resources investment is at risk.

Your Board of Directors uncovered evidence of what it believes to be a scheme by former CEO Adam Travis to rig a series of business deals to benefit himself, at the expense of Colorado Resources, and misappropriate and pocket thousands of shareholder dollars.

Once our Board discovered that Travis had *his* hand in *your* cookie jar, we took action to terminate him.

We have also launched a court action, on behalf of all Colorado shareholders, against Travis to recover any funds that he may have misappropriated and claims for damages he has caused in the Company's business dealings.

Now, out of animosity, he has launched an expensive and time-consuming proxy fight to take over Colorado Resources' Board without disclosing his plan or agenda.

Do not be fooled—Travis wants a Board that will allow him to keep treating your Colorado Resources as his own.

While Travis will tell you he is a shareholder and his interests are aligned with yours, the facts tell a different story: Approximately half of his shares were from related party transactions with his company Cazador Resources and preferential treatment given to his wife to participate in private placements. The value Travis sees in Colorado is not in the shares he owns, but in the opportunity he sees to drain the Company's bank account.

Only your vote can stop him and protect your Colorado investment. Voting is now open. It is important you vote only the Company's BLUE Proxy by Friday, April 13, 2018 at 10:00 a.m. (Pacific Time).

Our Board is moving forward. Travis was replaced in February with a highly regarded CEO — who has extensive industry experience throughout the Americas — and we are refreshing our Board, proposing five world-class nominees who bring diverse skill sets and experience in developing successful resource-focused companies.

The choice is clear: Only Colorado's proposed Board of Directors, including our new independent and highly qualified nominees, are aligned with your interests and have a real plan to create long-term value for all shareholders. Travis is only looking to regain access to Colorado's bank account by putting his handpicked nominees on the Board.

Do you trust someone Travis picked to say no to Travis?

SELF-SERVING BUSINESS DEALINGS TO BENEFIT HIMSELF, NOT COLORADO SHAREHOLDERS

In his role as CEO, Travis demonstrated a pattern of looking out for himself, not you. Time and time again, he made the decision to put his personal interests first.

Bought Property Neighbouring Colorado Holdings, Then Tried to Sell it to Colorado

Until 2013, Travis was the owner of a 25% interest in the Gin Property — located next to Colorado's North ROK property. In mid-2013, after we drilled and assayed a discovery hole at North ROK — ahead of a \$4 million exploration program — Travis purchased the remaining 75% interest in the Gin property for himself for \$13,500 without telling the Board. Not only was this a property that would have been of interest to Colorado at the time, but Travis acquired it for his own personal benefit when, as CEO, he had intimate knowledge of what we had planned for our neighbouring property — including knowledge about things that had not yet been made public.

What's even more shocking is that Travis later actively promoted the Gin property to other parties, without advising Colorado. And then, after four years of trying to sell the property, Travis finally offered it to Colorado for shares, cash, and a reimbursement of his expenses.

Competing with Colorado

Over the past several years, Colorado's focus has been on the acquisition of targets in the Golden

Triangle region of northwestern British Columbia. It's also been a focus for Travis: It's come to our attention, that Travis has been actively staking his own ground in the same region in direct competition with Colorado while never advising the Board.

That's right – the CEO of our company was directly competing with your company.

TRAVIS WAS USING COLORADO RESOURCES AS HIS PERSONAL PIGGY BANK

After a series of questions about Travis's secret spending were first raised last November, the Board hired an independent third-party to investigate his financial indiscretions as CEO.

Unfortunately, we uncovered unsettling instances of Travis treating Colorado as though it was a welfare fund for his family and his businesses, rather than a public company accountable to its shareholders.

While you can see a more detailed account of Travis's expense to Colorado following this letter, here are just some of the ways Travis has cost you money:

Travis Had Son Conduct Costly and Amateurish Drone Survey

Last summer, without alerting the Board and without any contract, Travis decided to use his own company, Cazador, to conduct drone survey work on Colorado properties. For over two weeks (16.5 days) of drone work, Cazador charged Colorado \$500/day as a rental fee for Travis's toy drone.

To make matters even worse, rather than having the survey work conducted by experienced professionals and industry standard equipment, Travis used his son (who doesn't have a geological background or expertise in drone control) to operate the hobby-quality drone, charging Colorado an additional \$500/day for his labour — a huge 'allowance' by any measure. On one weekend during the drone survey, Travis even hired his son's girlfriend and another friend and passed that cost onto Colorado as well.

Family on the Payroll

Travis's two daughters, son, two step-sons and son-in-law have all been employed by or billed out to Colorado at rates equivalent to what experienced personnel would be charging. So, not only was Colorado getting inexperienced family labour, we were overpaying for it.

Moreover, during field seasons, Colorado paid Travis's wife a total of \$22,485 (approx. \$2,500/month) for 'equipment rental'.

Colorado's Truck for Family Business

Travis was also in possession of Colorado's exploration truck and trailer which have been used for his Cazador business and by the Travis family – to no benefit of Colorado shareholders.

Footing the Bill for Expenses on Travis's Personal Properties

In May and June 2017, while conducting initial soil sampling on our North ROK property, Travis asked Colorado personnel to include samples outside of North ROK from the Gin property – the property that was later learned was owned by Travis. In other words, Travis had soil sampling done on his own personal property and charged Colorado for the work – until he was caught.

We have also learned that Travis has previously directed Colorado personnel and resources to complete

assessment work on his Cazador property holdings.

If you think Travis's behavior is bad with a Board that is willing to hold him accountable, just imagine what he will do with a Board of friends he handpicks!

A BETTER COLORADO STARTS WITH A BETTER CEO AND A BOARD YOU CAN TRUST

In recent months, our Board has been laying the groundwork for Colorado to take the next step and improve the performance of your investment. We have a solid base to build upon including a strong cash position and an enviable land package within the Golden Triangle region of northwestern British Columbia with high mineral potential that represents a significant opportunity for the future.

In February, when we terminated Travis as our President and CEO, replacing him with Robert P. Shaw. Mr. Shaw has over 30 years of experience in mineral exploration, project evaluation and project generation throughout the Americas and is well regarded by our large shareholders.

By removing Travis, we have eliminated the waste and restored accountability at our executive ranks.

Ms. Terese Gieselman, our Chief Financial Officer, has also agreed to step down from the Board to focus all her efforts on her CFO role during this time of opportunity for the Company.

We're also continuing our Board refreshment process at the Company by nominating Mr. Shaw alongside new independent directors at the upcoming meeting to join our Board:

- Gernot Wober, B.Sc., P.Geo, has 28 years exploration and development experience including working on projects in North America, South America and Africa. He is currently the Vice President, Exploration, Canada at [Osisko Mining Inc.](#)
- Cecil Bond, a chartered accountant with 15 years' experience with public mineral exploration companies with activities in Canada, South America, Africa, Europe and Australia.

Our new CEO and Board represent an exciting opportunity for Colorado moving forward.

Under a leadership that is accountable to you and aligned with your interests, we will execute our plan to increase value for all shareholders. Our plan includes:

- Consolidating the abundant technical information available to the Company to identify the best targets available within our portfolio.
- Testing our advanced-stage targets, bringing them to a qualified resource stage while divesting of assets that don't meet our Company's target criteria.
- Actively seeking synergies and opportunities with other companies and mineral rights holders, with quality land tenure throughout B.C. with a view towards corporate growth through partnerships, third-party acquisition, merger or amalgamation.
- Developing our technical and corporate teams through education and corporate growth while identifying new talent to augment the Company's capacity to grow.
- Initiating a project review and acquisition strategy throughout the Americas in order to identify growth opportunities taking advantage of the international experience of our new Board and management team.
- Providing accurate and timely information to shareholders, stakeholders and the general public, about technical project advances and QP-verified results.

DON'T BE FOOLED BY ADAM TRAVIS

The Truth About the [Damara Gold Corp.](#) Transaction

In his letter dated, March 12, 2018, Travis provides a misleading and far from fulsome account of what

occurred in relation to the Damara transaction. Travis is entitled to his own opinion, but not his own set of facts. Here's what really happened:

In early 2017, Colorado entered into a negotiation for a possible transaction with [Damara Gold Corp.](#) – a related party of which Colorado owned 19.9% of the shares (we now own 15.96%) – to option our Kinaskan-Castle Property.

This was a good deal for Colorado shareholders: Damara would undertake an \$8 million exploration program on the property; Colorado would retain a back-in option to earn back 51% and control of the Kinaskan-Castle Property by matching Damara's exploration costs. The deal was a win-win especially since Colorado shareholders also would benefit from any increase in the share value of Damara given our share position.

At no point during the negotiations, did Travis express that a sale or bid process was needed. In fact, the only process Travis insisted upon was one where he alone would determine what was the in the best interest of Colorado.

Throughout this process, our Board complied with all statutory and regulatory requirements, complied with the Company's Code of Business Conduct, and acted in accordance with the legal advice provided in relation to the transaction. I, as Executive Chairman and Director, even suggested that we have an independent evaluator appointed to draft an agreement that was acceptable to all. Travis ignored this suggestion and instead made the unilateral decision that the Kinaskan-Castle Property was no longer available for option. Notwithstanding his decision, he continued marketing the property to third parties without our knowledge. It is notable that despite Travis's marketing of the property, no deal ever materialized.

The Truth About the TSX-V and British Columbia Securities Commission Interactions

In his letter, Travis falsely claims that the Damara deal was cancelled, in part, due to questions by the TSX Venture Exchange and British Columbia Securities Commission.

What Travis fails to mention, is that questions from the regulators were prompted by frivolous complaints made by three of his associates: a close personal friend who is also a paid consultant to Colorado, a business partner of Travis's who is working with him to take control of the Board, and an associate of Travis who represented a minor shareholder. His associations with these individuals is further evidenced by the fact that the complainants attempted to offer the regulators information that was only available to Travis and our Board.

In any case, the queries from the regulators have been resolved and no action has been taken against the company.

ADAM TRAVIS WANTS MORE OF YOUR MONEY

In his March 12 letter – the letter where he claims to be fighting for shareholders – Travis notes that he "may seek reimbursement from the Corporation of certain of the expenses, including certain proxy solicitation expenses and legal fees" upon Board approval – a Board he wants to handpick.

Not only has Travis initiated this expensive proxy fight, he now wants you to reimburse him for his hundreds of thousands of dollars in consultant fees. He's using your money to take over your company so he can use it for his own benefit.

While Travis contends that he wants change, all he wants is unchallenged access to Colorado's bank account and the ability to use Colorado's resources to bankroll his Cazador. By nominating four handpicked individuals to serve with him on the Company's Board, he is attempting to ensure there is no one in his way. To make matters worse, each of the nominees he has chosen has generated negative total shareholder returns during their tenure as a director or executive of a public company, meaning they have no business running a company with opportunities like ours.

Only the current Board has shown the willingness to say no to Travis's abuse of shareholder dollars and hold him accountable for his actions.

If Travis is able to get the Board he wants, who knows what will happen with your investment. Only your vote can stop Travis's attempt to take over the Company and protect your investment.

Your Board is committed to acting in the best interests of all Colorado shareholders. We are now well-positioned to efficiently advance projects, deliver higher growth and, in return, higher value.

Together with our new CEO, our Board will lead the change that Colorado needs. We strongly believe that we have the right people and the right strategy to continue to build value for you, our shareholders.

YOUR VOTE CAN SAVE YOUR INVESTMENT

Voting is now open. Only your vote can save your investment, and move Colorado forward, no matter how many shares you own. To vote FOR your management nominees, vote on the Company's BLUE Proxy or Voting Instruction Form.

Do not vote the Yellow Proxy or Voting Instruction Form sent to you by Adam Travis.

Becoming a voter is fast and easy. Follow the instructions on the BLUE Proxy or Voting Information Form included in this package. Our chart on page 4 has easy to follow instructions.

Don't wait. The last day to vote is Friday, April 13, 2018 at 10:00 am (PDT).

If you have questions or need help voting contact Kingsdale Advisors at 1-800-775-3159 or contactus@kingsdaleadvisors.com. There is a team standing by to help.

Sincerely,

"Lawrence J. Nagy"

Lawrence J. Nagy
Chairman of the Board

About Colorado

[Colorado Resources Ltd.](#) is currently engaged in the business of mineral exploration for the purpose of acquiring and advancing mineral properties located in the "Golden Triangle" British Columbia and holds approximately 1,200sq km of mineral claims in this prolific metalliferous region. The Company's main exploration projects within British Columbia include KSP and North ROK. Additionally, the Company holds an option to acquire a 100% interest in the Green Springs project located in eastern Nevada.

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Certain statements contained in this news release, constitute "forward-looking information" as such term is used in applicable Canadian securities laws. Forward-looking information is based on plans, expectations and estimates of management at the date the information is provided and is subject to certain factors and assumptions, including: that the Company's financial condition and development plans do not change as a result of unforeseen events, that the Company obtains required regulatory approvals, that the Company continues to maintain a good relationship with the local project communities. Forward-looking information is subject to a variety of risks and uncertainties and other factors that could cause plans, estimates and actual results to vary materially from those projected in such forward-looking information. Factors that could cause the forward-looking information in this news release to change or to be inaccurate include, but are not limited to, the risk that any of the assumptions referred to prove not to be valid or reliable, which could result in delays, or cessation in planned work, that the Company's financial condition and development plans change, delays in regulatory approval, risks associated with the interpretation of data, the geology, grade and continuity of mineral deposits, the possibility that results will not be consistent with the Company's expectations, as well as the other risks and uncertainties applicable to mineral exploration and development activities and to the Company as set forth in the Company's Management's Discussion and Analysis reports filed under the Company's profile at www.sedar.com. There can be no assurance that any forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader should not place any undue reliance on forward-looking information or statements. The Company undertakes no obligation to update forward-looking information or statements, other than as required by applicable law.

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