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## Noront ends proxy battle by replacing board

Jamie Sturgeon, Financial Post



Yvonne Berg/National Post

Noront Resources Ltd. said on Monday it has resolved a proxy battle with a dissident shareholder by removing its chief executive Richard Nemis and agreeing to replace the company's board.

The junior miner had been embroiled in public row with hedge-fund manager Warren Irwin of Rosseau Asset Management Ltd., which has about a 10% stake in Toronto-based Noront, since the beginning of the month in the run-up to the company's annual shareholder meeting on Tuesday.

Mr. Irwin has complained that Noront (NOR/TSX-V) is "squandering" its vast and rich copper-nickel deposit in the James Bay Lowlands in Northern Ontario in what's become known as the "Ring of Fire."

Drilling costs and cash burn are the primary points of Mr. Irwin's concerns, leading Rosseau to propose to shareholders that the company replace its board and chief executive.

"They have a hell of a good property and it's being squandered," he told the Financial Post this week. "And if we don't get a good board and good management in here, it will be a lot harder to raise money in this difficult environment. At the current burn rate, they're going to run out of cash in about seven months."

Noront's discovery at McFaulds Lake has been estimated to contain more than three million tonnes of ore.

As part of the agreement announced Monday, chief executive Richard Nemis will step down as CEO but will remain an advisor to the new board of directors.

Joseph Hamilton and Paul Parisotto, who chaired the company's committee to resolve the row, were appointed interim joint chief executives.

The company said it has proposed a slate of six new directors that will be voted on by shareholders on Tuesday.

"We are confident that the board proposed for election will bring together the expertise Noront requires for the next stage of its development," Mr. Irwin said in a news release.

At least 30% of Noront's institutional investors were believed to back Mr. Irwin's proposals.