GTA Announces Loan and Possible Sale of Assets

written by Raj Shah | October 17, 2018

October 17, 2018 (Source) – GTA Resources and Mining Inc. (TSXV: GTA) ("GTA" or the "Company") announces it has entered into an agreement for a loan of $425,000 (four hundred twenty-five thousand dollars) (the "Loan") from an arm's length party (the "Lender").

The Loan is to be secured by a debenture, has a term of one year, accrues simple interest at ten per cent per annum payable on the last day of the term, and is to be advanced in two tranches. The first tranche of $275,000 is to be advanced on or before October 26, 2018, and the second tranche for the balance is to be advanced on or before November 9, 2018. On the making of the first tranche, the Lender will have the right to nominate one person to GTA's board of directors.

The use of proceeds of the Loan is to carry out the next phase of exploration at Big Duck Lake in Hemlo, Ontario, and for general corporate purposes. GTA is advancing exploration at Big Duck Lake to make it a more attractive asset for sale as part of GTA's portfolio, and to satisfy outstanding government incentive securities obligations under the Canadian *Income Tax Act*. GTA's board has approved the Loan.

GTA and the Lender are in discussions whereby GTA would divest itself of all its mining assets and then acquire assets in another industry in which the Lender may already have an interest. GTA is in discussions with arm's length and non-arm's length parties concerning such divestiture, although no agreement has yet been reached and there is no assurance that such an agreement can be reached.

Assuming GTA can reach agreement to sell all its mining assets, GTA's shareholders would ultimately be asked to consider and if thought appropriate approve a change of business, a reverse takeover or similar business combination, a financing or financings, a share consolidation in an as-yet uncertain ratio, a name change, a new board of directors which may or may not include the Lender's nominee, a delisting from the TSX Venture Exchange, and a new listing on another Canadian stock exchange. Regulatory approval would also be required for this series of possible transactions.

There are considerable risks in such a strategy, which risks cannot be meaningfully identified or quantified until there is a sale agreement for GTA's assets and until GTA has agreed to acquire assets or a business in another industry. The risks will be fully described in the disclosure documents at the appropriate time. To help mitigate the uncertain risks, unless otherwise directed by the shareholders, GTA will not close on the sale of all its mining assets unless it has already entered into an agreement to acquire other assets or businesses in another industry.

"In this difficult Canadian mining environment, it was almost impossible for the board not to come to this decision," said Peter M. Clausi, GTA's CEO. "The lackluster commodity markets, the depressed public market for junior explorers, and the severe challenge of raising further capital all contributed to this decision. We believe GTA's shareholders will be better served in a growth industry other than junior exploration."

ABOUT GTA RESOURCES – GTA is a publicly traded mineral exploration company with roughly 51,000,000 shares outstanding.

On behalf of the board of directors,
GTA Resources and Mining Inc.

“Peter M. Clausi”
President and CEO

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.

This press release contains forward-looking statements and forward-looking information (collectively, “forward looking statements”) within the meaning of applicable Canadian and United States securities laws. All statements, other than statements of historical fact, included herein, including statements regarding the anticipated content, commencement, duration and cost of exploration programs, anticipated exploration program results, the discovery and delineation of mineral deposits/resources/reserves, the timing of the receipt of assay results, and business and financing plans and trends, are forward-looking statements. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions or are those which, by their nature, refer to future events. Although the Company believes that such statements are reasonable, there can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward-looking statements. Important factors that could cause actual events and results to differ materially from the Company’s expectations include those related to weather, equipment and staff availability; performance of third parties; risks related to the exploration stage of the Company’s projects; market fluctuations in prices for securities of exploration stage

companies and in commodity prices; and uncertainties about the availability of additional financing; risks related to the Company's ability to identify one or more economic deposits on the properties, and variations in the nature, quality and quantity of any mineral deposits that may be located on the properties; risks related to the Company's ability to obtain any necessary permits, consents or authorizations required for its activities on the properties; and risks related to the Company's ability to produce minerals from the properties successfully or profitably. Trading in the securities of the Company should be considered highly speculative. All of the Company's public disclosure filings may be accessed via www.sedar.com and readers are urged to review these materials, including the latest technical reports filed with respect to the Company's mineral properties.

This press release is not, and is not to be construed in any way as, an offer to buy or sell securities in the United States.