GTA Announces Sale of Assets and Likely Change of Business

written by Raj Shah | October 19, 2018

October 19, 2018 (Source) – On October 17, 2018, GTA Resources and Mining Inc. (TSXV: GTA) ("GTA") announced it had 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"). GTA also announced that it and the Lender were 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 (the "Change of Business").

Further to that disclosure GTA today announces that it has signed a letter of intent (the "Sale Agreement") to sell all its mining assets (the "Assets") to CBLT Inc. at a price of $1,050,000, to be paid in 35,000,000 treasury shares of CBLT. GTA's board has approved the Loan and the Sale Agreement. Further board approval will be needed upon the delivery of final documentation.

There is no standstill agreement or break fee in the Sale Agreement. GTA may continue to entertain expressions of interest or proposals from any person relating to the sale of all or part of the Assets, and if such sale or sales is consummated by GTA prior to closing on the Sale Agreement, then GTA and CBLT shall in good faith renegotiate downwards the number of CBLT shares to be issued from its treasury for the purchase of the remaining part of the Assets then owned by GTA.

Assuming GTA closes on the Sale Agreement and owns CBLT shares, it is GTA's current intention that it will at that time declare and pay a dividend *in specie* of all such CBLT shares to the GTA

shareholders (the “Stock Dividend”). Every GTA shareholder will receive a *pro rata* portion of the shares to be issued by CBLT under the Sale Agreement.

CBLT is a Canadian reporting issuer in good standing (symbol “CBLT” on TSX Venture Exchange). GTA and CBLT are non-arm’s length as they have a Chief Executive Officer and Chief Financial Officer in common, both of whom are also directors of both GTA and CBLT. Each of CBLT and GTA has taken steps to manage all conflicts of interest.

GTA shareholder approval will be needed for the Sale Agreement and the Change of Business which may involve any or all of a delisting from the TSX Venture Exchange, a new listing on another Canadian securities exchange, a financing or financings, a name change, a change of jurisdiction, a share consolidation in an as-yet unknown ratio, a reverse takeover or similar business combination, and a new board of directors. Regulatory approval would also be required for these events. CBLT shareholder approval will also be required for the Sale Agreement.

Unless otherwise directed by the shareholders, GTA will not close on the Sale Agreement while listed on the TSX Venture Exchange unless it has already entered into an agreement to acquire other assets or businesses in another industry or has secured further financing in the interim.

The effect of the events involved in the Change of Business and the Stock Dividend is to clean GTA’s balance sheet and prepare GTA for the Change of Business.

“The lackluster commodity markets, the depressed public market for junior explorers, the muted market reaction to GTA’s encouraging exploration results at Big Duck Lake, GTA’s remaining 2018 flowthrough obligations and the severe challenge

of raising further capital all contributed to this decision. It was not made lightly," said Peter M. Clausi, GTA's CEO. "We believe GTA's shareholders will be better served in a growth industry other than junior exploration, while still having exposure to the assets through the to-be dividended shares of CBLT."

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

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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.

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