GTA Signs Definitive Agreement for Sale of Assets

written by Raj Shah | November 29, 2018

November 28, 2018 (Source) – GTA Resources and Mining Inc. (TSXV: GTA) ("GTA") and CBLT Inc. ("CBLT") have signed a definitive agreement (the "Sale Agreement") by which GTA will sell all its mining assets ("the Assets") to CBLT.

GTA has previously announced it had received gross proceeds of $425,000 (four hundred twenty-five thousand dollars) pursuant to a loan (the "Loan") from an arm's length party (the "Lender"). GTA has used those funds in part to honour its outstanding 'flowthrough' obligations. GTA also announced that it and the Lender were in discussions whereby GTA would sell all its mining assets and then acquire assets in another industry (the "Change of Business"). The Sale Agreement for all GTA's mining assets is part of the Change of Business.

In consideration for the Assets, CBLT will pay $1,050,000 to GTA, by way of 21,000,000 Units to be issued from CBLT's treasury at five cents per Unit. Each Unit will consist of one common share and one full common share purchase warrant (the "Warrants"). Each Warrant shall have a two-year term and be exercisable at $0.08 (eight cents), and shall have an acceleration clause triggered if the closing price for CBLT's shares exceeds $0.16 (sixteen cents) for 20 (twenty) consecutive trading days.

Following closing on the Sale Agreement, GTA intends to distribute the Units to its shareholders *pro rata*, in furtherance of the Loan and the Change of Business. GTA's shareholders will continue to have exposure to the Assets as a result of such distribution.

“GTA’s shareholders have the potential to win twice,” said Peter M. Clausi, GTA’s CEO. “Their new ownership of CBLT shares and warrants after the expected dividend will give them an upside on exploration, and their continuing ownership of their GTA shares provides exposure to what should be a higher-growth industry outside of mining.”

There is no standstill agreement or break fee in the Sale Agreement. Since first announcing the possible sale of the Assets to CBLT, GTA has entertained formal and informal expressions of interest from other persons for the sale of part of the Assets, but has received no offer or expression of interest for all the Assets. In the opinion of the board, no other expression of interest offers the same or better value as does the transaction contemplated in the Sale Agreement.

Gravitas Securities Inc. is a member firm in the Investment Industry Regulatory Organization of Canada, and has provided an opinion (the “Opinion”) to the Board of Directors of GTA that, as of the date of such opinion and based upon and subject to the scope of review, assumptions, limitations, qualifications and other matters described in such opinion, the consideration to be paid by CBLT in connection with the proposed transaction is fair, from a financial point of view, to GTA’s shareholders.

GTA has called a shareholder meeting for January 7, 2019 to consider the Sale Agreement, the de-listing from the TSX Venture Exchange as part of the Change of Business, the Sale Terms and other matters. A copy of the Opinion will be enclosed with the materials sent to shareholders for that meeting, and will be available at www.sedar.ca as a schedule to the information circular.

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.

ABOUT GTA RESOURCES – GTA is a publicly traded company with roughly 51,000,000 shares outstanding. GTA has disclosed its intention to exit the mining sector and enter another as-yet unidentified sector.

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 potential transaction with CBLT, the expectation regarding the receipt of the Opinion, the consummation of the transactions referred to herein and the timing and receipt of shareholder approval in connection therewith, 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 GTA believes that such statements are reasonable, there can be no assurance that such statements

willprove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. GTAcautions investors that any forward-looking statements by GTA 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 GTA's expectations include those related to weather, equipment and staff availability; performance of third parties; risks related to the exploration stage of GTA'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 GTA'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 GTA's ability to obtain any necessary permits, consents or authorizations required for its activities on the properties; and risks related to GTA's ability to produce minerals from the properties successfully or profitably. Trading in the securities of GTA should be considered highly speculative. All of GTA'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 GTA'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.