Zenyatta Announces Closing of Flow-Through Financing and Shares for Debt

written by Raj Shah | December 22, 2018

December 21, 2018 (Source) – Zenyatta Ventures Ltd. (TSXV: ZEN) ("Zenyatta", "ZEN" or the "Company") is pleased to announce closing of its previously announced private placement of flow-through common shares of the Company (the "Offering"). The Company raised $3,000,000 in respect of the Offering, which will be used to fund bulk sampling, environmental assessment and community engagement work on the Company's Albany Graphite Project.

The Offering consisted of the issuance of 7,500,000 flow-through common shares at a price of $0.40 per flow-through common share, for aggregate gross proceeds of $3,000,000. Finders fees in an aggregate amount of $141,300 were paid by the Company in connection to the Offering.

Certain insiders of the Issuer participated in the Offering. Such participation represents a related-party transaction under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"), but the transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the subject matter of the transaction, nor the consideration paid, exceed 25% of the Issuer's market capitalization. The Offering was approved by all of the independent directors of the Company.

The flow-through common shares issued in connection with the Offering will be subject to a hold period until April 22, 2019

in accordance with applicable securities laws.

Shares for Debt Agreements

ZEN is also pleased to announce the closing of its previously announced shares for debt transactions with various individual and trade creditors of the Company. The Company issued 151,209 common shares to certain individual creditors at a deemed price of $0.55 per common share in settlement of the aforementioned amount. The Company also issued 477,753 common shares to certain trade creditors at a deemed price of $0.45 per common share in settlement of the aforementioned amount.

The common shares issued in connection with the shares for debt transactions will be subject to a hold period until April 22, 2019 in accordance with applicable securities laws.

To find out more on Zenyatta Ventures Ltd., please visit our website at www.ZENGraphene.com. A copy of this press release and all material documents in respect of the Company may be obtained on Zenyatta's SEDAR profile at www.sedar.ca.

CAUTIONARY STATEMENT: ZEN has completed a Preliminary Economic Assessment regarding the Albany Project (the "PEA") in support of its development work (see Zenyatta press release of 1 June 2015). The PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Without a formal independent feasibility study, there is no assurance that operations will be economically viable.

Neither 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 release. This news release may contain forward looking information and Zenyatta cautions readers that forward looking information is based on certain assumptions and risk factors that could cause actual results to differ materially from the expectations of Zenyatta included in this news release. This news release includes certain “forward-looking statements”, which often, but not always, can be identified by the use of words such as “believes”, “anticipates”, “expects”, “estimates”, “may”, “could”, “would”, “will”, or “plan”. These statements are based on information currently available to Zenyatta and Zenyatta provides no assurance that actual results will meet management’s expectations. Forward-looking statements include estimates and statements with respect to Zenyatta’s future plans, objectives or goals, to the effect that Zenyatta or management expects a stated condition or result to occur, including the expected timing for release of a pre-feasibility study, the expected uses for graphite in the future, and the future uses of the graphite from Zenyatta’s Albany deposit. Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results relating to, among other things, results of exploration, metallurgical processing, project development, reclamation and capital costs of Zenyatta’s mineral properties, and Zenyatta’s financial condition and prospects, could differ materially from those currently anticipated in such statements for many reasons such as, but are not limited to: failure to identify mineral resources; failure to convert estimated mineral resources to reserves; the inability to complete a pre-feasibility study; the preliminary nature of metallurgical test results; the inability to enter into offtake agreements with qualified purchasers; delays in obtaining or failures to obtain required governmental,

environmental or other project approvals; political risks; uncertainties relating to the availability and costs of financing needed in the future; changes in equity markets, inflation, changes in exchange rates; fluctuations in commodity prices; delays in the development of projects; capital and operating costs varying significantly from estimates and the other risks involved in the mineral exploration and development industry; and those risks set out in Zenyatta's public documents filed on SEDAR. This list is not exhaustive of the factors that may affect any of Zenyatta's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on Zenyatta's forward-looking statements. Although Zenyatta believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Zenyatta disclaims any intention or obligation to update or revise any forward- looking information, whether as a result of new information, future events or otherwise, other than as required by law.