Zenyatta Announces Liquidity Update and Social Media Platform

written by Raj Shah | November 17, 2018

November 16, 2018 (Source) – Zenyatta Ventures Ltd. ("Zenyatta" or the "Company") (TSXV:ZEN) wishes to update shareholders regarding its finance position and communication strategy. Between closing a tranche of the previously announced private placement, and conversion of certain accounts payable into equity the company's liquidity improved by $797,985.48. Details for these events are described below.

Tranche Closing of Private Placement

The company announces closing of a tranche of its previously announced private placement (the "Offering"). The Company raised approximately $583,000 in respect of this tranche which will be used to fund ongoing work on the Albany Graphite Project and for general corporate purposes. The Board of directors of Zenyatta (the "Board") wishes to thank all the long-term Zenyatta shareholders, and all the new shareholders, who participated in the Offering. Subsequent tranche closings will be announced as they occur.

The Offering consisted of the issuance of 1,295,553 units ("Units") at a price of $0.45 per Unit, for aggregate gross proceeds of $582,995.95. Each Unit consisted of one common share of the Company ("Common Share") and one half of one non-transferable share purchase warrant ("Warrant"). Each whole Warrant will entitle the holder thereof to acquire one additional Common Share at an exercise price of $0.60 per Warrant, exercisable for a period of twenty-four months from the

closing of the Offering (the “Exercise Period”). Insiders of the Company have subscribed for approximately 48% of the Offered Units.

All Warrants issued in connection with the Offering are subject to an acceleration clause. If the Company’s share price trades at or above $1.00 per share for a period of ten (10) consecutive trading days during the Exercise Period, the Company may accelerate the expiry date of the Warrants to 30 calendar days from the date on which written notice is given by the Company to the holders of the Warrants.

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 independent directors of the Company.

The Common Shares and the Warrants issued in connection with the Offering will be subject to a hold period until March 17, 2019 in accordance with applicable securities laws.

Shares for Debt Agreements

Zenyatta also announces that, subject to approval of the TSX Venture Exchange (“TSXV”), it has entered into agreements to issue shares to settle an aggregate amount of $214,989.53 owed to certain trade creditors. The Company will be issuing 477,755 Common Shares at a deemed price of $0.45 per common share in settlement of the above-noted amount.

All securities issued in exchange for debt will be subject to a hold period from the date of issuance in accordance with applicable securities laws.

Social Media Platform

The company announces the launch of a “CEO Verified” Discussion Forum on AGORACOM. The forum will serve as the Company’s primary social media platform to interact with both shareholders and the broader investment community in a fully moderated environment.

The Zenyatta Discussion Forum can be found at: https://agoracom.com/ir/Zenyatta. Verified officers at launch are: Dr. Francis Dubé, Phil Chataigneau and Dr. Colin van der Kuur.

Subject to TSXV approval, the Company will issue shares to AGORACOM in exchange for services at the rate of $10,000per quarter, in addition to an initial retainer of $10,000. The number of Common Shares to be issued at the end of each period will be determined by using the closing price of the Common Shares of the Company on the TSX Venture Exchange on the first trading day following the end each period for which the Services were provided by AGORACOM. The term of the Agreement is for 12 months, effective October 15, 2018.

To find out more on Zenyatta Ventures Ltd., please visit our website at www.zenyatta.ca. 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: Zenyatta 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.