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Zenyatta Ventures {TSX>V: ZEN}

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Comment

The battle for Zenyatta Ventures goes on, with a dissident group looking to oust CEO Aubrey Eveleigh and three other directors.

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This financial commitment to pay the \$75,000 stages of the payoff will make it very difficult for the dissident group, and in fact may be a deal breaker.

I predict the dissident group may well fold now, Zenyatta were struggling to raise funds to move Albany forward, and now with this financial obligation it may be too difficult for them to take control effectively.

Zenyatta CEO Eveleigh to step down, remain as director

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Mr. Keith Morrison reports.

ZENYATTA'S BOARD OF DIRECTORS ANNOUNCES CHANGES IN EXECUTIVE ROLES AS PART OF THE STRATEGIC BUSINESS PLAN

Zenyatta Ventures Ltd.'s board of directors has made changes in executive roles as a result of a comprehensive and strategic organizational review. These changes are being implemented in accordance with the summary strategic plan outlined in the news release dated March 27, 2018.

Aubrey Eveleigh will be stepping down from his role as chief executive officer but will remain as interim president and director during a transition period. During this period the move will facilitate an orderly transfer of knowledge and will support continuity of business development as part of the company's strategic plan while Zenyatta seeks a new CEO. The

board of directors will expect a new CEO to have the right combination of leadership and experience to assemble and guide a diversified executive management team capable of advancing the Albany graphite deposit to production, and developing the strategic relationships and market channels for the company's unique products.

Mr. Eveleigh stated: *"With my unwavering commitment to Zenyatta's success, I will continue to work closely with the new and existing team to assure the effective transition. My goal is to help align the business needs with the appropriate leaders to make certain we meet our stated objectives. Today's announcement recognises that Zenyatta has reached a significant milestone that requires different leadership as part of a succession planning process."*

Keith Morrison, chairman of Zenyatta, stated: *"It is important that we manage the succession of our CEO in the best interests of the company. Aubrey has intimate and important knowledge on the dynamics of the company's external relationships and the entire internal team. These external relationships include the communities near the Albany project, government politicians/bureaucrats, and the many collaborative academic and corporate programs. Having Aubrey continue with Zenyatta, participating and supporting a new CEO and management team, will provide continuity and reduce risk and disruption to important relationships including financial ones."*

Along with this change in CEO position, the board of Zenyatta is also pleased to announce the appointment of Mr. Morrison to an elevated management role of executive chairman to help execute its business and succession plan.

Mr. Morrison is presently the CEO and director of North American Nickel Ltd. where he recently raised \$17.5-million in a strategic financing. He is an entrepreneur with over 35 years of international experience in the resource sector with an accomplished background in strategy, finance, exploration, technology, global operations, capital markets and corporate development. In 1986, he co-founded Quantec Geoscience Ltd. and served as CEO for the next 20 years overseeing the global expansion and completion of over 2,500 projects in more than 30 countries. His commitment to developing opportunities, while managing exploration risk, was a key element in the successful evolution and commercialization of Quantec's industry-leading deep exploration (Titan24) technology. Formerly, Mr. Morrison also co-founded another significant Canadian-based success story called QGX, a Canadian-based public exploration company which operated in Mongolia prior to its acquisition. He has previously served on several public company boards as a non-executive chair and chair of audit, compensation and governance committees. Mr. Morrison formerly served as the CEO and director of Gedex Inc., a Canadian technology company developing superconducting gravity gradiometers for subsurface imaging applications. He is a member of the Association of Professional Geoscientists of Ontario, Prospectors & Developers Association of Canada, and Institute of Corporate Directors (ICD). He is a graduate in applied science and engineering geophysics from Queen's University in Kingston, Ont., and the University of Toronto Rotman School of Business ICD program.

Mr. Morrison commented: *"I am very pleased to be more involved in the leadership of this extraordinary venture and look forward to working with the entire ZEN team to advance the Albany project. Zenyatta has a fascinating nanomaterial story that is receiving increased global attention. I am looking*

forward to advancing our business plan through feasibility studies and activities related to graphene applications under ZEN-tech Materials once we secure financing.”

The company is very pleased with Mr. Morrison’s contribution since he joined earlier this year. During that time, he has been well received and highly respected by the shareholders he has met and spoken with. Mr. Morrison is proving his reputation as an innovative leader with vision, backed by strong technical knowledge and hands-on experience. He will be an integral member of the company’s team as it transitions through prefeasibility and prepares for the upcoming full feasibility study. Also, Mr. Morrison has a considerable network in the capital markets which will assist management in efforts to meet business objectives for both Zenyatta Ventures and ZEN-tech Materials Ltd.

The board of directors acknowledges the incredible value creation of the Albany project since Mr. Eveleigh and his partners founded the company in 2010. In 2012, Mr. Eveleigh and his exploration team were recognized for the finding of a very rare graphite deposit that led to the Bernie Schneiders Ontario discovery of the year award. After completing 63 drill holes in two adjacent graphite-mineralised breccia pipes, Zenyatta completed a National Instrument 43-101 resource estimate in 2014, and reported the results of a positive preliminary economic assessment in 2015. In recognition of these developments Zenyatta received the award for the top performing mining company on the TSX Venture Exchange for consecutive years in 2012 and 2013. In April, 2015, Mr. Eveleigh received the lifetime achievement award from the Northwestern Ontario Prospectors Association. This award is presented to an individual based on his success, not only for Zenyatta, but for his cumulative contributions to the

exploration and mining community of Northwestern Ontario during his career. For Mr. Eveleigh's contributions to the success of Zenyatta, the board of directors of Zenyatta is most appreciative.

From 2016 to present the Zenyatta team has started a prefeasibility study, market/business development and testing programs to gather important intelligence on its high-purity carbon and graphene. This testing and feedback have been a major success in showing Zenyatta's unique material to qualify for higher value graphene applications such as the next-generation graphene-oxide silicon batteries and for enhancing composite materials like concrete and rubber.

Zenyatta is focused on advancing its 100-per-cent-owned Albany graphite deposit toward production and will supply consistent, high-quality graphite or graphene to its wholly owned subsidiary ZEN-tech Materials Ltd. in a vertically integrated structure. The formation of ZEN-tech was a strategic move that will provide a downstream vehicle to market, capture value and advance graphene application development separate from the mineral development company.

The Albany graphite deposit is situated in Northeastern Ontario, Canada. The deposit is a large and unique type of igneous-hosted, fluid-derived mineralization containing highly crystalline graphite in two adjacent breccia pipes. Independent labs in Japan, United Kingdom, Israel, United States and Canada have demonstrated that Zenyatta's rare form of graphite easily converts (exfoliates) to graphene using a variety of simple mechanical methods. The deposit is located 30 kilometres north of the Trans-Canada Highway, power line and natural gas pipeline near the communities of the Constance

Lake First Nation and Hearst. A rail line is located 50 km away with an all-weather road approximately 10 km from the deposit.

ZEN-tech is a wholly owned subsidiary of Zenyatta with a registration in England and Wales. ZEN-tech will focus on marketing, development and commercialization activities of graphene applications, and the allocation of any associated intellectual property and worldwide licensing. The subsidiary will operate independently of Zenyatta and will be assembling an expert management team in 2018.

Pursuant to the employment agreement with Mr. Eveleigh dated Aug. 1, 2010, Mr. Eveleigh served as president and CEO of the company. As a result of being removed as CEO, pursuant to the original employment agreement Mr. Eveleigh is owed a total of \$900,000 as a severance payment based on the prior periods of service. Under a settlement agreement, Mr. Eveleigh has agreed to accept one-half of the severance payment of \$450,000 in six equal instalments of \$75,000 payable every six months, with the first instalment due on June 1, 2018, and the last instalment due on Dec. 31, 2020. Mr. Eveleigh has entered into a new employment agreement to serve as president of the company effective immediately with a base salary of \$225,000, being the same salary as the original employment agreement. Pursuant to the new employment agreement, upon termination of the agreement by Mr. Eveleigh for any reason or by the company for any reason, Mr. Eveleigh is entitled to receive the remaining severance payment of \$450,000 in six equal instalments of \$75,000 payable every six months, to commence no earlier than June 30, 2021. Under these agreements, the company is entitled to offer Mr. Eveleigh the right to accept the payment of an instalment in shares of the company valued at market price at the time in accordance with the policies of

the TSX Venture Exchange. If an instalment is not paid under the settlement agreement, the remaining balance of the \$900,000 severance amount becomes due and payable. Under the new employment agreement, if Mr. Eveleigh is dismissed for cause, he is required to accept the remaining \$450,000 severance payment in shares of the company valued at market price at the time in accordance with the policies of the TSX Venture Exchange. In addition to this summary, these agreements include other customary terms and conditions.

Keith Morrison, PGeo, is the qualified person for the purposes of National Instrument 43-101 and has reviewed, prepared and supervised the preparation of the technical information contained in this news release.

We seek Safe Harbor.