

Zenyatta Ventures close 1st tranche of financing

[Zenyatta Ventures Ltd. {TSX.V: ZEN}](#) has completed a first tranche non-brokered private placement financing for 713,077 units at a price of 65 cents per unit for aggregate gross proceeds of \$463,500.

Directors participated for a total of \$35,000.



Comment

This all looks to be a bit of a struggle, ZEN were said to be raising several million a few months ago, then announce a \$1 million financing, and now they have closed just \$463,000 including directors' participation of \$35,000.

It will be interesting to see how long it takes to close the remainder, as this is less than half the announced total.

Zenyatta closes \$463,500 first tranche of financing

2017-12-19 15:08 ET – News Release

Mr. Brett Richards reports

ZENYATTA VENTURES LTD. ANNOUNCES CLOSING OF A FIRST TRANCHE C\$463,500 NON-BROKERED PRIVATE PLACEMENT

Zenyatta Ventures Ltd. has completed a first tranche non-brokered private placement financing for 713,077 units at a price of 65 cents per unit for aggregate gross proceeds of \$463,500. Each unit consisted of one common share in the capital stock of the company and one-half of one common share purchase warrant. Each warrant will entitle the holder to purchase one common share at a price of \$1 until the date which is 24 months following the closing date of the offering, whereupon the warrants will expire.

The securities issued pursuant to the offering will be subject to a four-month-and-one-day statutory hold period. Zenyatta intends to use the net proceeds from the offering for business development and general working capital purposes.

The company paid cash finders' fees in the aggregate amount of

\$7,553, representing 7 per cent of the total proceeds raised by finders pursuant to the offering. A total of 11,620 finders' warrants were issued as part of finders' fees in connection with the involvement of finders in the offering. Each finder's warrant will entitle the holder to purchase one common share at a price of \$1 until the date which is 24 months following the closing date of the offering, whereupon the finder warrants will expire.

Related party transaction

Brett Richards and Brian Davey, directors of the company, participated in the offering and are therefore related parties. Mr. Richards purchased 38,461 units for proceeds to the company of \$25,000, and Mr. Davey purchased 16,000 units for proceeds to the company of \$10,400.

The participation in the offering by the related parties constitutes a related party transaction as such terms are defined by Multilateral Instrument 61-101, Protection of Minority Security Holders in Special Transactions, requiring the company, in the absence of exemptions, to obtain a formal valuation for, and minority shareholder approval of, the related party transaction.

The company is relying on an exemption from the formal valuation requirements of MI 61-101 available because no securities of Zenyatta are listed on specified markets, including the Toronto Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the Nasdaq Stock Market, or any stock exchange outside of Canada and the United States, other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS

Markets Group PLC. Zenyatta is also relying on the exemption from minority shareholder approval requirements set out in MI 61-101 as the fair market value of the participation in the offering by the related parties does not exceed 25 per cent of the market capitalization of Zenyatta, as determined in accordance with MI 61-101.