Zenyatta Ventures dissidents accuse management of entrenchement

Zenyatta Ventures {TSX.V: XZEN}

The concerned shareholders have mailed out a circular in response to the standing down of the CEO, who is to be paid $900,000 in stages, and his subsequent appointment as a director, on the same $225,000 salary as he received as CEO.

THE dissidents accuse management of “entrenchment”, and “running a lifestyle company”.

Zenyatta concerned shareholders mail circular

2018-04-18 08:19 ET – News Release

Dr. Francis Dube, a shareholder, reports

CONCERNED SHAREHOLDERS OF ZENYATTA VENTURES LTD. ADVISES SHAREHOLDERS NOT TO BE FOOLED BY MANAGEMENT’S LATEST SMOKE AND MIRRORS ‘STRATEGIC PLAN’

Dr. Francis Dube, together with a group of concerned shareholders, in their capacities as shareholders of Zenyatta

Ventures Ltd., have expressed their disappointment with the board's attempt to use the corporation's financial resources to entrench themselves.

The corporation issued a press release yesterday announcing changes in executives roles with the appointment of Keith Morrison as executive chairman and the transition of Aubrey Eveleigh as president while the corporation is conducting a search for a new chief executive officer. *The corporation also announced that it has agreed to pay Mr. Eveleigh $900,000 as severance payment over time and that it has entered into a new employment agreement with Mr. Eveleigh to serve as president for the same base salary of $225,000 that he was receiving as chief executive officer. The corporation also did not disclose the additional compensation it has agree to pay Mr. Morrison as executive chairman.*

Unfortunately the current board has chosen to continue down the path of entrenching itself instead of focusing on taking actions to maximise value for shareholders.

Shareholders should:

- Question the board's record of misusing funds and assume that any new financing will be focused on continuing to support the lifestyle of and payments to the current board and management;
- Be concerned with the lack of advancement at the Albany deposit program despite overly optimistic claims by current board and management in their recent press releases. The reality is that the Albany program today remains unfinished and unfunded with no update from the current board and management to explain the reasons for

continuing delays;

- Be concerned with the continuing failure of the current board and management to raise desperately needed capital;
- Be concerned with writing off their money in exchange for holding shares that will most likely continue to decline in value should the current board and management remain.

The concerned shareholders remain concerned that any capital raised by Zenyatta while the current board is in place will not finance the Albany deposit program but will instead only finance the lifestyle of an expanding management team.

The concerned shareholders have mailed their information circular and encourage shareholders to vote using only the yellow proxy.

The concerned shareholders also announced that they have mailed an information circular and letter to the shareholders of Zenyatta, in respect of the upcoming special meeting of the shareholders scheduled for May 11, 2018.

The concerned shareholders previously announced that they are proposing to elect Brian Bosse, Dr. Dube and Eric Wallman as directors of the corporation, and are proposing to remove Mr. Eveleigh, Barry Allan, Sean Whiteford and Mr. Morrison as directors of the corporation. Each of the nominees would serve as directors until the next annual meeting of shareholders of the corporation, or until his successor is duly elected or appointed.

To vote for change: deliver your yellow proxy to Shorecrest Group prior to 5 p.m. ET ON Tuesday, May 8, 2018. Shareholders are urged to follow the instructions found on the yellow proxy or voting instruction form to ensure votes are received in a timely manner.

Shareholders are encouraged to read the letter to shareholders and the circular filed on SEDAR under Zenyatta's profile, or visit the concerned shareholders' website.

Shareholder questions

Shareholders who have questions or require assistance with voting may contact the Shorecrest Group.

We seek Safe Harbor.