Zenyatta Ventures dissidents warn the board not to make any more new hires

Zenyatta Ventures Ltd.{TSX.V: ZEN}

The dissident group seeking to remove four board members have expressed their continued disappointment with the board's use of the corporation's scarce financial resources by sending a letter to the board of directors of Zenyatta warning it against taking further actions that may destroy value and further entrench the board.

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Zenyatta holders warn board not to make new hires

2018-05-03 12:20 ET – News Release

Dr. Francis Dube, a shareholder, reports

CONCERNED SHAREHOLDERS OF ZENYATTA VENTURES LTD. SEND LETTER TO BOARD, WARN AGAINST TAKING FURTHER ENTRENCHMENT STEPS AND TAKING FURTHER VALUE DESTROYING ACTIONS.

Dr. Francis Dube and a group of concerned shareholders, in their capacities as shareholders of Zenyatta Ventures Ltd.,

have expressed their continued disappointment with the board's use of the corporation's scarce financial resources by sending a letter to the board of directors of Zenyatta warning it against taking further actions that may destroy value and further entrench the board.

The full text of the letter the concerned shareholders delivered to the board follows.

Attention: Keith Morrison, executive chairman

Dear Mr. Morrison.

On March 21, 2018, the corporation called a special meeting of shareholders for May 11, 2018, following a request from a group of concerned shareholders of Zenyatta Ventures. The sole purpose of the special meeting is to replace certain incumbent directors with independent shareholder representatives.

The corporation issued today a press release announcing the appointment of Paul Gardner as chief executive officer and sole employee of Zenyatta's wholly owned subsidiary, ZEN-tech Materials Ltd. Mr. Gardner has no prior experience or relevant expertise in the resources or nanomaterial industries.

The corporation previously issued a press release on April 17, 2018, announcing changes in executives roles with your appointment as executive chairman and the transition of Aubrey Eveleigh from president and chief executive officer to president, with a $900,000 severance payment over time and a new employment agreement for the same base salary of $225,000 that he was receiving as chief executive officer.

Between now and the special meeting we strongly urge the board and management not to engage in any activities, or take any action, that have the potential to further devalue our corporation or be oppressive to its shareholders. We insist the board does not:

- Delay the special meeting:
- Add new members to the board or management prior to the special meeting;
- Burden either Zenyatta or ZEN-tech with additional financial leverage;
- Issue additional equity or engage in any other capital market transaction;
- Approve any non-maintenance capital expenditures.

The concerned shareholders are committed to improving value for all Zenyatta shareholders. We believe there is significant value in the business if capital allocation, expense management and execution issues are corrected. We believe an immediate reconstitution of the board is required to ensure all future decisions place the interests of all shareholders and other stakeholders of Zenyatta first and foremost.

Sincerely, concerned shareholders of Zenyatta

The ZEN forward plan

The concerned shareholders encourage shareholders to vote using only the yellow proxy.

The concerned shareholders would like to thank all of the investors across Canada who support our vision to bring change

to the board and management of Zenyatta. For this change to happen, we need your votes. If you have not received the yellow proxy, we ask you to call your broker and ask for your opposed control number. You should be getting a different number for each of your accounts. You then need to go to the Proxyvote website and follow the prompts. Every vote is important, so please exercise your right to vote for change!

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 a director 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. EDT 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 Shorecrest Group at:

Shorecrest Group Ltd.

Toll-free in North America: 1-888-637-5789

Banks, brokers and collect calls: 1-647-931-7454

Fax: 1-647-931-7349

E-mail: contact@shorecrestgroup.com