Zenyatta Ventures share price hit after latest news release fails to excite investors

Zenyatta Ventures {TSX.V: ZEN} share price hit after latest news release fails to excite investors.

The share price has since regained half of the loss

Last Tuesday **Zenyatta Ventures {TSX.V: ZEN}** released an update on the metallurgical processing work that's taking place at SGS Canada's Lakefield facility.

The company's share price then rapidly plunged from Monday's close of \$1.71 to \$1.05, a drop of 38.6 percent. It's improved a little since then, and closed today, Thursday, at \$1.35, so has recovered about half of the loss.

Investors seem to have been disappointed in two ways;

- The lack of a PEA, and the assumption that the one promised by year end will not now appear in time.
- The flotation concentrate grade of 92.5% graphite carbon is lower than investor expectations, notwithstanding it being increased from around 80% previously.

President and CEO Aubrey Eveleigh was quoted as saying, "while SGS has made significant progress on the metallurgical work, designing an innovative new process takes time and the timelines for completion are difficult to forecast accurately. Our priority is on defining the best possible process and meeting customer expectations on product quality for a broad

range of applications with demanding specifications. The engineering work completed to date has been much more detailed than is normal for a project at the PEA stage."

Alex Mezei, director, technical services at SGS Canada, said, "Nothing scales in a linear fashion in the mining industry. Many factors affect a final scaled up process, including reagent regime, temperature, residence time, mixing, separation and handling."

Comment

Zenyatta, once the darling of the graphite industry, will have to hope for some decent PEA numbers and another upgrade to the concentration grade figure to silence the sceptics and regain some lost value on the shareprice.