

Positive Feedback From Global End-Users Concluded That Additional Samples for Scaled Up Testing Is an Important Step for Further High-Purity Albany Graphite Product Development

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Zenyatta Ventures Ltd. ("Zenyatta" or "Company") (TSX VENTURE:ZEN) announces the formal commencement of the rights offering announced on May 2, 2016. The offering of rights (the "Rights") to holders of its common shares (the "Common Shares") will be made at the close of business on the record date of May 13, 2016, on the basis of one right for each common share held (the "Rights Offering"). Fifteen (15) Rights will entitle the holder to subscribe for one Common Share of Zenyatta upon payment of the subscription price of \$0.75 per Common Share (the "Exercise Price"). The Rights Offering will be conducted in Canada and to shareholders outside of Canada who are eligible under certain exemptions. Shareholders who are resident outside of Canada are requested to contact the Company for further details.

The Rights will trade on the TSX Venture Exchange under the symbol ZEN.RT commencing on May 11, 2016. The Rights will expire at 5:00 p.m. (Toronto time) on June 10, 2016 (the "Expiry Time"), after which time unexercised Rights will be void and of no value. Shareholders who fully exercise their Rights will be entitled to subscribe for additional Common Shares, if available as a result of unexercised Rights prior to the Expiry Time, subject to certain limitations set out in Zenyatta's rights offering circular.

Details of the Rights Offering are set out in the rights offering notice and rights offering circular dated May 9, 2016 which are available under Zenyatta's profile at www.sedar.com. The rights offering notice and accompanying rights certificate will be mailed to each shareholder of Zenyatta as at the record date. Registered shareholders who wish to exercise their Rights must forward the completed rights certificate, together with the applicable funds, to the rights agent, Capital Transfer Agency Inc., on or before the Expiry Time. Shareholders who own their Common Shares through an intermediary, such as a bank, trust company, securities dealer or broker, will receive materials and instructions from their intermediary. The Company will not issue or forward rights certificates to shareholders resident in a jurisdiction outside of Canada (the "Ineligible Holders").

There are currently 58,954,016 Common Shares of Zenyatta outstanding. If all of the Rights issued under the Rights Offering are validly exercised, a total of 3,930,268 Common Shares will be issued under the Rights Offering with gross proceeds of approximately \$2,947,700.

Zenyatta intends to use the net proceeds of the Rights Offering to further the positive market and business development program initiated over a year ago for validation of Albany graphite in high purity graphite applications. This will include production of additional high purity Albany graphite samples for testing by end-users, academic labs and third party testing facilities in Europe, North America and Asia under confidentiality agreements. Production of samples will also provide added insights into the scale up of the purification process with optimization analysis and potentially associated cost reductions. Many of these organizations were provided a small amount of purified graphite material. These tested samples provided a good initial assessment and guidance for the potential of Albany graphite for various applications that included batteries, fuel cells, powder metallurgy and graphene. The positive feedback concluded that additional samples for scaled up testing is an important step for further development of Zenyatta's Albany graphite material as a substitute for existing synthetic graphite in use today.

Standby Commitment

In connection with the Rights Offering, Zenyatta has entered into a stand-by purchase agreement with Aubrey J. Eveleigh, President, Chief Executive Officer and a director of the Company to acquire a total of 133,500 Common Shares at the exercise price of \$0.75 for a total purchase price of \$100,125. Mr. Eveleigh owns or controls 4,591,429 Common Shares which currently represent 7.8% of the issued and outstanding Common Shares on a non-diluted basis. Upon completion of this purchase, Mr. Eveleigh will own 4,724,929 Common Shares. In consideration for providing the Stand-By Commitment, Mr. Eveleigh will be granted 33,375 common share purchase warrants (the "Stand-By Warrants") which amount is equal to 25% of the 133,500 Common Shares purchased under the stand-by commitment. Each whole Stand-By Warrant entitles the holder to acquire one Common Share for \$0.83 until June 18, 2018.

The participation in the stand-by purchase agreement by an officer of the Company constitutes a "related party transaction" as such terms are defined by Multilateral Instrument 61-101- Protection of Minority Security Holders in Special Transactions ("MI 61-101"), requiring the Company, in the absence of exemptions, to obtain a formal valuation for, and minority shareholder approval of, the "related party transaction". Zenyatta is relying on the exemptions from the formal valuation and minority approval requirements of MI 61-101 pursuant to which a formal valuation and minority approval are not required in the event that at the time the transaction is agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involves interested parties, exceeds 25 per cent of the Company's market capitalization. The participation by Mr. Eveleigh in the stand-by purchase agreement was approved by independent directors of Zenyatta.

CAUTIONARY STATEMENT: Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. This news release may contain forward looking information and Zenyatta cautions readers that forward looking information is based on certain assumptions and risk factors that could cause actual results to differ materially from the expectations of Zenyatta included in this news release. This news release includes certain "forward-looking statements", which often, but not always, can be identified by the use of words such as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". These statements are based on information currently available to Zenyatta and Zenyatta provides no assurance that actual results will meet management's expectations. Forward-looking statements include estimates and statements with respect to Zenyatta's future plans, objectives or goals, to the effect that Zenyatta or management expects a stated condition or result to occur, including the expected timing for release of a pre-feasibility study, the expected uses for graphite in the future, and the future uses of the graphite from Zenyatta's Albany deposit. Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results relating to, among other things, results of metallurgical processing, ongoing exploration, project development, reclamation and capital costs of Zenyatta's mineral properties, and Zenyatta's financial condition and prospects, could differ materially from those currently anticipated in such statements for many reasons such as, but are not limited to: failure to convert estimated mineral resources to reserves; the preliminary nature of metallurgical test results; the inability to identify target markets and satisfy the product criteria for such markets; the inability to complete a prefeasibility study; the inability to enter into offtake agreements with qualified purchasers; delays in obtaining or failures to obtain required governmental, environmental or other project approvals; political risks; uncertainties relating to the availability and costs of financing needed in the future; changes in equity markets, inflation, changes in exchange rates; fluctuations in commodity prices; delays in the development of projects; capital and operating costs varying significantly from estimates and the other risks involved in the mineral exploration and development industry; and those risks set out in Zenyatta's public documents filed on SEDAR. This list is not exhaustive of the factors that may affect any of Zenyatta's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on Zenyatta's forward-looking statements. Although Zenyatta believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Zenyatta disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.

Contact

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